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# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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## FORM 20-F

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(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report \_\_\_\_\_

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-32479

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## SEAPEAK LLC

(Exact name of Registrant as specified in its charter)

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Republic of The Marshall Islands  
(Jurisdiction of incorporation or organization)

2000, 550 Burrard Street, Vancouver, BC, Canada, V6C 2K2  
(Address of principal executive offices)

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(Name, Telephone, Email and/or Facsimile number and Address of company Contact Person)

**Securities registered, or to be registered, pursuant to Section 12(b) of the Act.**

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Series A Preferred Units	SEAL/PA	New York Stock Exchange
Series B Preferred Units	SEAL/PB	New York Stock Exchange

**Securities registered, or to be registered, pursuant to Section 12(g) of the Act.**

None

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.**

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

4,932,548 Series A Preferred Units

6,596,115 Series B Preferred Units

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer  Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards<sup>†</sup> provided pursuant to Section 13(a) of the Exchange Act.

<sup>†</sup> The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes  No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. Yes  No

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). Yes  No

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  International Financial Reporting Standards as issued by the International Accounting Standards Board  Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow: Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Auditor Name: KPMG LLP Auditor Location: Vancouver BC, Canada Auditor Firm ID: 85

**SEAPEAK LLC  
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## PART I

This Annual Report should be read in conjunction with the consolidated financial statements and accompanying notes included in this report.

Unless otherwise indicated, references in this Annual Report to “Seapeak,” the “Company,” “we,” “us” and “our” and similar terms refer to Seapeak LLC and/or one or more of its subsidiaries, except that those terms, when used in this Annual Report in connection with common units or the preferred units described herein, shall mean specifically Seapeak LLC.

In addition to historical information, this Annual Report contains forward-looking statements that involve risks and uncertainties. Such forward-looking statements relate to future events and our operations, objectives, expectations, performance, financial condition and intentions. When used in this Annual Report, the words “expect,” “intend,” “plan,” “believe,” “anticipate,” “estimate” and variations of such words and similar expressions are intended to identify forward-looking statements. Forward-looking statements in this Annual Report include, in particular, statements regarding:

- our ability to make cash distributions on our preferred units;
- our future financial condition and results of operations, our future revenues, expenses and capital expenditures, and our expected financial flexibility to pursue capital expenditures, acquisitions and other expansion opportunities, including vessel acquisitions;
- our liquidity needs, including our anticipated funds and sources of financing for liquidity and working capital needs, and the sufficiency of cash flows;
- our ability to obtain financing, including new bank financings and financing for our newbuilding vessels, and to refinance existing indebtedness;
- growth prospects and future trends of the markets in which we operate;
- our expectations regarding demand for natural gas and transportation of liquefied natural gas (or *LNG*) and natural gas liquid (or *NGL*);
- our expectations regarding applicability of tax exemptions and tax liabilities, including whether applicable tax authorities may agree with our tax positions;
- *LNG* and *NGL* market fundamentals, including the balance of supply and demand in the *LNG* and *NGL* markets, estimated growth in size of the world *LNG* and *NGL* fleets and spot *LNG* and *NGL* charter rates;
- our expectations as to the useful lives of our vessels;
- our expectations and estimates regarding future charter business, including with respect to minimum charter hire payments, revenues and our vessels' ability to perform to specifications and maintain their hire rates in the future;
- our expectations regarding the ability of our customers to make charter payments to us;
- our ability to maximize the use of our vessels, including the redeployment or disposition of vessels no longer under long-term charter or whose charter contract is expiring in 2025 and 2026;
- our expectations regarding the expected delivery dates for newbuilding vessels;
- expected employment of vessels;
- the impact of the Russia-Ukraine war, the Israel-Hamas war, and the disruptions in the Red Sea on the economy, our industry and our business, including as the result of sanctions on Russian companies and individuals and any retaliatory measures by Russia or other countries in response;
- the adequacy of our insurance coverage, less any applicable deductible;
- the possibility of future resumption of the *LNG* plant in Yemen operated by Yemen *LNG* Company Limited (or *YLNG*) and the repayment of deferred hire amounts from *YLNG* on our two 52%-owned vessels, the *Seapeak Marib* and *Seapeak Arwa*;
- our ability to continue to derive a significant portion of our revenues and cash flow from a limited number of customers;
- our continued ability to enter into long-term, fixed-rate time-charters with our *LNG* and *NGL* customers;
- obtaining *LNG* and *NGL* projects that we bid on;
- our expectations regarding the performance of the receiving and regasification terminal in Bahrain owned by Bahrain *LNG* W.L.L., a joint venture owned by us (30%), the Bahrain Petroleum Company (or *BAPCO*) (30%), Gulf Investment Corporation (24%) and Samsung C&T (16%) (or the *Bahrain LNG Joint Venture*);
- our ability to obtain all permits, licenses, and certificates with respect to the conduct of our operations;
- the impact and expected cost of, and our ability and plans to comply with, new and existing governmental regulations and maritime self-regulatory organization standards applicable to our business, including, among others, the European Union's implementation of the EU Emissions Trading Systems Directive;
- the impact on our business of heightened awareness of and concern with climate change, including on demand for our services and alternative energy sources to *LNG* and *NGL*;
- the expected impact of heightened environmental and quality concerns of insurance underwriters, regulators and charterers;
- the future valuation or impairment of our assets, including goodwill;

- our hedging activities relating to foreign exchange, interest rate and spot market risks, and the effects of fluctuations in foreign currency exchange, interest rate and spot market rates on our business and results of operations;
- the potential impact of new accounting standards guidance or the adoption of new accounting standards;
- our ability to maintain good relationships with the labor unions that work with us;
- the outcome of pending litigation and claims; and
- our business strategy and other plans and objectives for future operations, including our Environmental, Social and Governance (or ESG) initiatives.

Forward-looking statements involve known and unknown risks and are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially include, but are not limited to, those factors discussed in “Item 3 – Key Information: Risk Factors,” and other factors detailed from time to time in other reports we file with or furnish to the U.S. Securities and Exchange Commission (or the SEC).

We do not intend to revise any forward-looking statements in order to reflect any change in our expectations or events or circumstances that may subsequently arise. You should carefully review and consider the various disclosures included in this Annual Report and in our other filings made with the SEC that attempt to advise interested parties of the risks and factors that may affect our business prospects and results of operations.

#### **Item 1. Identity of Directors, Senior Management and Advisers**

Not applicable.

#### **Item 2. Offer Statistics and Expected Timetable**

Not applicable.

#### **Item 3. Key Information**

##### **RISK FACTORS**

*Some of the risks summarized below and discussed in greater detail in the following pages relate principally to the industry in which we operate and to our business in general. Other risks relate principally to the securities market and to ownership of our preferred units. The occurrence of any of the events described in this section could materially and adversely affect our business, financial condition, operating results and ability to pay distributions on, and the trading price of, our preferred units.*

##### **Risk Factor Summary**

###### *Risks Related to Our Industry*

- Our future performance and ability to secure future employment for our LNG and NGL vessels depends on growth in LNG and NGL production, demand and supply for LNG and NGL, and associated demand and supply for LNG and NGL shipping.
- Adverse economic conditions or other developments, including disruptions in the global credit markets, could adversely affect our business and may affect our customers’ ability to pay for our services.
- Declines in natural gas and oil prices may adversely affect our growth prospects and results of operations.
- If the active short-term, medium-term or spot LNG shipping markets continue to develop, entering into long-term, fixed-rate LNG time-charters may be difficult.
- Marine transportation incidents involving any of our vessels could harm our business.
- Terrorist attacks, increased hostilities, political change or war could lead to further economic instability, increased costs and business disruption.
- Acts of piracy and acts of hostility from armed groups, militias, state sponsored forces and nation state forces against ocean-going vessels continue to be a risk, which could adversely affect our business, financial condition and results of operation.
- Public health threats, including pandemics, epidemics and other public health crises, could have an adverse effect on our operations and financial results.

###### *Risks Related to Our Business*

- We may not have sufficient cash from operations to enable us to pay distributions on our preferred units.
- Over time, the value of our vessels may decline, which could result in both write-downs and an adverse effect on our operating results.
- Substantial operations outside the United States expose us and our customers to political, governmental and economic instability, which could harm our operations.

- Growing trade protectionism may adversely impact our operations and financial condition.
- We depend on certain of our joint venture partners to assist us in operating our business.
- We may be unable to charter or recharter vessels at attractive rates, which may lead to reduced revenues and profitability.
- The loss of any key customer, charter or vessel, or any material adjustment to our charter contracts could result in a significant loss of revenues and cash flow.
- Financing agreements containing operating and financial restrictions may restrict our business and financing activities.
- Any capital expenditures may impact our liquidity position. Our failure to obtain the funds for necessary future capital expenditures could have a material adverse effect on our business.
- Delays in deliveries of newbuildings or in conversions or upgrades of existing vessels could harm our operating results and lead to the termination of related charters.
- Our substantial debt levels may limit our flexibility in obtaining additional financing, refinancing credit facilities upon maturity, and pursuing other business opportunities.
- Restrictions in our financing agreements may prevent us from paying distributions on our preferred units.
- We and certain of our joint venture partners may be unable to attract and retain qualified, skilled employees or crew necessary to operate our business, or may have to pay substantially increased costs for our employees and crew.
- Changes in the NGL markets could result in decreased demand for our NGL vessels operating in the spot market.
- We may face substantial competition to expand relationships with existing customers and obtain new customers.
- We have recognized asset impairments in the past and we may recognize additional impairments in the future.
- Increased technological innovation in vessel design or equipment could reduce the competitive capability of certain of our vessels, our charter hire rates and the value of vessels.
- Actual results of new vessel technologies or upgrades may differ from expected results and affect our results of operations.
- We or our partners may be exposed to conditions or requirements that adversely affect us or our joint ventures.
- Implementing our strategy through acquisitions may harm our business and we may not realize expected benefits.
- Our insurance may not be sufficient to cover losses that may occur to our property or result from our operations.
- Sanctions against participants in the Yamal LNG Project could impede the performance of the project.
- Failure, shutdown or other adverse events impacting the Yamal LNG Project may result in our inability to re-deploy the ARC7 LNG carriers.
- We assume credit risk by entering into agreements with unrated entities.
- Exposure to currency exchange rate and interest rate fluctuations will result in fluctuations in our cash flows and operating results.
- If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud.
- Many of our seafaring employees are covered by collective bargaining agreements and the failure to renew those agreements or any future labor agreements may disrupt our operations and adversely affect our operations.
- Our directors and officers and Stonepeak Partners L.P. (or *Stonepeak*) and its other affiliates have conflicts of interest and limited or no fiduciary duties, which may permit them to favor their own interests to those of us or our preferred unitholders.
- Except in limited circumstances, our board of directors (or *Board*) has the power and authority to conduct our business without approval of our preferred unitholders.
- Our joint venture arrangements impose obligations upon us but in certain circumstances limit our control of the joint ventures, which may affect our ability to achieve our joint venture objectives.

#### *Legal and Regulatory Risks*

- Climate change and greenhouse gas (or *GHG*) restrictions may adversely impact our operations and markets.
- Scrutiny and expectations with respect to ESG policies and practices may impose additional costs on us or expose us to additional risks.
- The marine energy transportation industry is subject to substantial environmental and other regulations.
- Failure to comply with anti-bribery legislation, sanctions legislation or trade compliance regulations could result in fines, criminal penalties, contract terminations and an adverse effect on our business.
- Our operations may be subject to economic substance requirements in the Marshall Islands and other offshore jurisdictions, which could impact our business, financial condition and operating results.

### *Information and Technology Risks*

- A cyber-attack could materially disrupt our business.
- Our failure to comply with data privacy laws could damage our customer relationships and expose us to litigation risks and potential fines.
- Use of artificial intelligence presents risks and challenges that could impact our business.

### *Risks Related to an Investment in Our Securities*

- It may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.
- Holders of our preferred units have extremely limited voting rights.
- Our preferred units have not been rated, and ratings of any other of our securities may affect the trading price of the preferred units.
- Market interest rates may adversely affect the value of our preferred units.
- Our preferred units represent perpetual equity interests in us.
- Our Series A Preferred Units are redeemable at our option, and our Series B Preferred Units will become redeemable at our option.

### *Tax Risks*

- U.S. tax authorities could treat us as a “passive foreign investment company” (or *PFIC*) which could have adverse U.S. federal income tax consequences to U.S. holders.
- We may be subject to changes in tax legislation, which could impact our liquidity position.

### **Risks Related to Our Industry**

#### ***Our future performance and ability to secure future employment for our LNG and NGL vessels depends on growth in LNG and NGL production, demand and supply for LNG and NGL, and associated demand and supply for LNG and NGL shipping.***

Our future performance, including our ability to strengthen our balance sheet and to profitably employ and expand our fleet, will depend on growth in LNG and NGL production, demand and supply for LNG and NGL, and associated demand and supply for LNG and NGL shipping services. Demand or supply for LNG and NGL and for the marine transportation of LNG and NGL could be negatively affected by a number of factors, such as:

- increases in the cost of natural gas derived from LNG relative to the cost of natural gas generally;
- increases in the cost of NGL relative to the cost of other competing petrochemicals;
- increases in the production of natural gas in areas linked by pipelines to consuming areas, the extension of existing, or the development of new, pipeline systems in markets we may serve, or the conversion of existing non-natural gas pipelines to natural gas pipelines in those markets;
- decreases in the consumption of natural gas due to increases in its price relative to other energy sources, such as oil, or other factors making consumption of natural gas less attractive;
- increases in availability of additional sources of natural gas, including shale gas;
- increases in the number of LNG or NGL newbuilding vessels, which could lead to an oversupply of vessels in the market and in turn create downward pressure on the demand for LNG and NGL shipping services;
- changes in weather patterns leading to warmer winters in the northern hemisphere and lower gas demand in the traditional peak heating season;
- increases in availability of alternative or renewable energy sources; and
- negative global or regional economic or political conditions, particularly in LNG and NGL consuming regions, which could reduce energy consumption or its growth, including labor or political unrest or military conflicts affecting existing or proposed areas of LNG production or regasification.

In addition, continuation of the Russia-Ukraine war may significantly impact global economic activity (including the demand for LNG and NGL, and associated shipping rates, which may in turn negatively affect our vessels) and may disrupt, delay or lead to cancellations of the construction of new LNG projects (including production, liquefaction, regasification, storage and distribution facilities), which could negatively affect our business, results of operations and financial condition. Beginning in February 2025, the United States has initiated discussion with Russia aimed at ending the Russia-Ukraine war. Separately, although the Hamas-Israel war so far has not had an impact on us, escalation or expansion of hostilities of such crisis, interventions by other groups or nations, the impositions of economic sanctions, further disruption of shipping trade routes, or similar outcomes, could affect the price of natural gas, demand for LNG and NGL shipping, and adversely affect our business, results of operations and financial condition. There is also a current ceasefire in place for the Hamas-Israel war.

***Adverse economic conditions or other developments may affect our customers' ability to charter our vessels and pay for our services and may adversely affect our business, financial condition and results of operations.***

Adverse economic conditions or other developments relating directly to our customers may lead to a decline in our customers' operations or ability to pay for our services, which could result in decreased demand for our vessels and services. Our customers' inability to pay for any reason could also result in their default on our current contracts and charters. The decline in the amount of services requested by our customers or their default on our contracts with them could have a material adverse effect on our business, financial condition and results of operations.

***Adverse economic conditions, including disruptions in the global credit markets, could adversely affect our business, financial condition, and results of operations.***

Economic downturns and financial crises in the global or regional markets could produce illiquidity in the capital markets, market volatility, increased exposure to interest rate and credit risks and reduced access to capital markets. If global financial markets and economic conditions significantly deteriorate in the future, we may face restricted access to the capital markets or bank lending, which may make it more difficult and costly to fund future growth. Decreased access to such resources could have a material adverse effect on our business, financial condition and results of operations.

***Declines in natural gas and oil prices may adversely affect our growth prospects and results of operations.***

Low energy prices may negatively affect both the competitiveness of natural gas as a fuel for power generation and the market price of natural gas, to the extent that natural gas prices are benchmarked to the price of crude oil. Low energy prices may also adversely affect energy and capital markets and available sources of financing for our capital expenditures and debt repayment obligations. If a sustained low energy price environment were to develop, our business, results of operations and financial condition may be adversely affected, as well as our ability to make cash distributions on our preferred units, as a result of, among other things, the following events which are beyond our control:

- fluctuations in worldwide and regional supply of and demand for natural gas;
- a reduction in exploration for or development of new natural gas reserves or projects, or the delay or cancellation of existing projects as energy companies lower their capital expenditures budgets, which may reduce our growth opportunities;
- lower demand for vessels of the types we own and operate, which may reduce available charter rates and revenue to us upon redeployment of our vessels following expiration or termination of existing contracts or upon the initial chartering of vessels, or which may result in extended periods of our vessels being idle between contracts;
- customers potentially seeking to renegotiate or terminate existing vessel contracts, or failing to extend or renew contracts upon expiration, or seeking to negotiate cancellable contracts;
- the inability or refusal of customers to make charter payments to us or to our joint ventures, due to financial constraints or otherwise; or
- declines in vessel values, which may result in losses to us upon vessel sales or impairment charges against our earnings.

***We may have more difficulty entering into long-term, fixed-rate LNG time-charters if the active short-term, medium-term or spot LNG shipping markets continue to develop.***

LNG shipping historically has been transacted with long-term, fixed-rate time-charters, usually with terms ranging from 15 to 20 years. One of our principal strategies is to enter into additional long-term, fixed-rate LNG time-charters. In recent years, the amount of LNG traded on a spot and short-term basis (defined as contracts with a duration of three years or less) has been increasing.

If the active spot, short-term or medium-term markets continue to develop, we may have increased difficulty entering into long-term, fixed-rate time-charters for our LNG carriers and, as a result, our cash flow may decrease and be less stable. In addition, an active short-term, medium-term or spot LNG shipping market may require us to enter into charters with rates based on changing market prices, as opposed to contracts based on a fixed rate, which could result in a decrease in our cash flow in periods when the market price for shipping LNG is depressed.

LNG shipping spot rates surged in 2022 mainly driven by European LNG imports as Europe switched towards LNG in efforts to end its reliance on Russian gas. However, LNG shipping spot rates softened in 2024 due to high inventory storage levels, primarily in Europe, a relatively mild winter and an increase in nuclear and renewable power sources in Asia. If LNG shipping spot rates continue to soften or further decline in 2025 and beyond, this may adversely impact our business, financial condition and results of operations.

***Marine transportation is inherently risky, and an incident involving significant loss of or environmental contamination by any of our vessels could harm our reputation and business.***

Our vessels, crew and cargoes are at risk of being damaged, injured or lost because of events such as:

- marine disasters;
- bad weather or natural disasters;
- mechanical failures;
- grounding, fire, explosions and collisions;
- piracy (hijacking and kidnapping);
- cyber-attack;

- acute-onset illness in connection with global or regional pandemics or similar public health crises;
- mental health of crew members;
- human error; and
- war, terrorism and regional hostilities in areas where our vessels may transit.

An accident involving any of our vessels could result in any of the following:

- significant litigation with our customers or other third parties;
- death or injury to persons, loss of property or environmental damage;
- delays in the delivery of cargo;
- liabilities or costs to recover any spilled fuel oil, NGL or other products and to restore the environment affected by the spill;
- loss of revenues from charters or termination of charter contracts;
- governmental fines, penalties or restrictions on conducting business;
- higher insurance rates; and
- damage to our reputation and customer relationships generally.

Any of these results could have a material adverse effect on our business, financial condition and operating results. In addition, any damage to, or environmental contamination involving, production facilities serviced by our vessels could result in the suspension or curtailment of operations by our customer, which would in turn result in loss of revenues.

***Terrorist attacks, increased hostilities, political change or war could lead to further economic instability, increased costs and business disruption.***

Terrorist attacks, current or future conflicts in Ukraine, the Middle East and elsewhere, and political change, may adversely affect our business, operating results, financial condition, and ability to raise capital and future growth. The Russia-Ukraine war, continuing or escalating conflicts in the Middle East, and the presence of the United States and other armed forces in regions of conflict, may lead to further hostilities, world economic instability, uncertainty in global financial markets, disruption of LNG and NGL production and distribution, and may adversely affect demand for our services. In addition, insurers have increased premiums and reduced or restricted coverage for losses caused by terrorist acts generally. Uncertainty in global financial markets could also adversely affect our ability to obtain additional financing on terms acceptable to us or at all.

The sanctions imposed by the United States, European Union (or *EU*) nations, United Kingdom (or *UK*) and other countries against Russia include, among others, bans on new investments in Russia, bans on transshipping LNG within the EU if the end-destination is outside of the EU, restrictions on selling or importing goods, services or technology in or from affected regions, travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia, severing large Russian banks from U.S. and/or other financial systems, and barring some Russian enterprises from raising money in the U.S. market. The United States, EU nations, UK and other countries could impose wider sanctions and take other actions should the conflict further escalate. Given Russia's role as a major exporter of natural gas, any further sanctions imposed or actions taken by the United States, EU nations, UK or other countries, and any retaliatory measures by Russia in response, such as restrictions on LNG or NGL shipments from Russia, could lead to increased volatility in the price of and/or demand for natural gas and could adversely affect our charterers and result in the suspension or early termination of our time-charter contracts, either of which could have a material adverse impact on our business, results of operations and financial condition. In addition, it is possible that third parties with which we have charter contracts or business arrangements may be impacted by events in Russia and Ukraine, which could adversely affect our operations and financial condition.

LNG and NGL facilities, shipyards, vessels, pipelines and gas fields could be targets of future terrorist attacks and warlike operations and our vessels could be targets of hijackers, terrorists or warlike operations. Any such attacks could lead to, among other things, bodily injury or loss of life, vessel or other property damage, increased vessel operational costs, including insurance costs, and the inability to transport LNG and NGL to or from certain locations. Terrorist attacks, war, hijacking or other events beyond our control that adversely affect the distribution, production or transportation of LNG and NGL to be shipped by us could entitle our customers to terminate our charter contracts, which would harm our cash flow and our business.

Terrorist attacks or the perception that LNG or NGL facilities and carriers are potential targets for terrorism, piracy, warlike acts, or political action, could materially and adversely affect the expansion of LNG and NGL infrastructure and the continued supply and export of LNG and NGL involving the United States and other countries. Concern that LNG or NGL facilities may be targeted for attack by terrorists, political, or warlike groups as well as environmental concerns, has contributed to significant community resistance to the construction of a number of LNG or NGL facilities. If a terrorist, political, or warlike incident involving an LNG or NGL facility or LNG or NGL carrier did occur, in addition to the possible effects identified in the previous paragraph, the incident may adversely affect the construction of additional LNG or NGL facilities or lead to the temporary or permanent closing of various LNG or NGL facilities currently in operation.

***Acts of piracy, war, and warlike acts on ocean-going vessels continue to be a risk, which could adversely affect our business, financial condition and results of operation.***

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, Gulf of Guinea and the Indian Ocean off the coast of Somalia. There continues to be a significant risk of piracy incidents in the Gulf of Guinea and South East Asia. Additionally, there have been an increasing number of attacks on vessels in the areas of the Red Sea and off the waters of Yemen. If piracy, war, or attacks on vessels result in regions in which our vessels are deployed being named on the Joint War Committee Listed Areas, war risk insurance premiums payable for such coverage may increase significantly and such insurance coverage may be more difficult to obtain. In addition, crew costs, including costs which may be incurred to the extent we employ on-board security guards and escort vessels, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, hijacking as a result of an act of piracy against our vessels, a physical attack or similar event (including an attack that results in a total loss of one of our vessels), or an increase in cost or unavailability of insurance for our vessels, could have a material adverse impact on our business, financial condition and results of operations.

***Public health threats, including pandemics, epidemics and other public health crises, could have an adverse effect on our operations and financial results.***

Public health threats, including pandemics, epidemics and other public health crises, could adversely affect our operations, the operations of our customers or suppliers and the global economy. In response to a public health threat, countries, ports, terminals and organizations, including those where we conduct a large part of our operations, may implement measures to combat the outbreak, such as quarantines and travel restrictions. Such measures may cause severe trade disruptions and result in a significant decline in global demand for natural gas. Any significant decrease in demand for the cargo we transport could adversely affect demand for our vessels and services. The extent to which any pandemic, epidemic or any other public health crisis may impact our business, results of operations and financial condition, including possible impairments, will depend on future developments, which are uncertain and cannot be predicted.

**Risks Related to Our Business**

***We may not have sufficient cash from operations to enable us to pay distributions on our preferred units.***

Our ability to pay distributions on our preferred units principally depends upon our ability to continue generating cash from our operations, which may fluctuate based on, among other things:

- the rates we obtain from our charters and the performance by our charterers of their obligations under the charters;
- the expiration of charter contracts;
- the charterers' option to terminate charter contracts or repurchase vessels, in either case upon our breach of the relevant contract, or payment of any applicable early termination or repurchase amounts;
- the occurrence of off-hire days;
- the utilization levels of our vessels trading in the spot or short-term market;
- the level of our operating costs, such as the cost of crews and insurance;
- the continued availability of LNG and NGL production, liquefaction and regasification facilities;
- the number of unscheduled off-hire days for our fleet and the timing of, and number of days required for, scheduled dry docking of our vessels;
- prevailing global and regional economic and political conditions;
- currency exchange and interest rate fluctuations;
- the effect of governmental regulations and maritime self-regulatory organization standards on the conduct of our business; and
- limitations on obtaining cash distributions from joint venture entities due to similar restrictions on the joint venture entities.

The actual amount of cash we will have available for distribution also will depend on factors such as:

- the level of capital expenditures we make, including for maintaining or repairing vessels, building new vessels, acquiring existing vessels and complying with regulations;
- our debt service requirements, financial covenants and restrictions on distributions contained in our debt instruments;
- fluctuations in our working capital needs;
- our ability to make working capital borrowings, including to pay distributions to preferred unitholders; and
- the amount of any cash reserves, including reserves for future capital expenditures, anticipated future credit needs and other matters, established by our Board, in its discretion.

***Over time, the value of our vessels may decline, which could adversely affect our operating results.***

Vessel values for LNG and NGL carriers can fluctuate substantially over time due to a number of different factors, including:

- prevailing economic conditions in natural gas and energy markets;

- a substantial or extended decline in demand for natural gas, LNG or NGL;
- competition from more technologically advanced vessels;
- the age of the vessel relative to other alternative vessels that are available in the market;
- increases in the supply of vessel capacity; and
- the cost of retrofitting or modifying existing vessels, as a result of technological advances in vessel design or equipment, changes in applicable environmental or other regulation or standards, or otherwise.

Vessel values may decline from existing levels. If the operation of a vessel is not profitable, or if we cannot redeploy a chartered vessel at attractive rates upon charter termination, rather than continue to incur costs to maintain and finance the vessel, we may seek to dispose of it. Our inability to dispose of the vessel at a fair market value or the disposal of the vessel at a fair market value that is lower than its book value could result in a loss on its sale and adversely affect our results of operations and financial condition. Further, if we determine at any time that a vessel's future useful life and earnings require us to impair its value on our financial statements, we may need to recognize a significant charge against our earnings.

***Our and many of our customers' substantial operations outside the United States expose us and them to political, governmental and economic instability, which could harm our operations.***

Because our operations, and the operations of certain of our customers, are primarily conducted outside of the United States, we or they may be affected by economic, political and governmental conditions in the countries where we or our customers engage in business or where our vessels are registered. Any disruption caused by these factors could harm our business or the business of these customers, including through reduction in the levels of oil and gas exploration, development and production activities in these areas or restricting the pool of customers. We derive some of our revenues from shipping LNG and NGL from politically and economically unstable regions, such as Russia, Angola and Yemen. Hostilities, strikes, or other political or economic instability in regions where we or these customers operate or where we or they may operate could have a material adverse effect on the growth of our business, results of operations and financial condition and ability to make cash distributions, or on the ability of these customers to make payments or otherwise perform their obligations to us.

In addition, tariffs, trade embargoes, and other barriers to trade, asset freezes and other economic sanctions by the United States or other countries against countries in which we operate, or to which we trade, or to which we or any of our customers, joint venture partners or business partners become subject, may harm our business. For example, general trade tensions between the United States and China escalated in 2018 and continued through much of 2019, with the United States imposing a series of tariffs on China and China responding by imposing tariffs on United States products. Although during the last quarter of 2019, the United States and China negotiated an agreement to reduce trade tensions which became effective in February 2020, our business could be harmed by increasing trade protectionism or trade tensions between the United States and China, as well as any trade embargoes or other economic sanctions that limit trading activities by the United States or other countries against countries in the Middle East, Asia, Russia or elsewhere as a result of terrorist attacks, hostilities, or diplomatic or political pressures that limit trading activities with those countries. In addition, sanctions imposed on certain Russian companies and individuals starting in 2014 based on Russia's involvement in divesting control by Ukraine of the Crimea region and sanctions announced in response to the Russia-Ukraine war may also adversely impact our business, given Russia's role as a major global exporter of natural gas. Further, a government could requisition one or more of our vessels, which is most likely during war or national emergency. Any such requisition would cause a loss of the vessel and could harm our cash flow and financial results. Please see below relating to our two vessels chartered out to YLNG in "Item 3 – Risk Factors: We derive a substantial majority of our revenues from a limited number of customers, and the loss of any customer, charter or vessel, or any adjustment to our charter contracts could result in a significant loss of revenues and cash flow."

***Growing trade protectionism may adversely impact our operations and financial condition.***

Our international operations expose us to the risk of potential trade protectionism. Most notably, government leaders of various countries have declared that they may implement trade barriers to, amongst other things, protect their domestic industries against competition from foreign companies and foreign imports. For example, in early 2025 the U.S. government has issued statements and implemented actions, including tariffs, that may impact international trade policies amongst the U.S., China, Canada, Mexico and other countries. Additionally, ongoing U.S. trade tensions with China may escalate beyond tariffs due to the proposed imposition by the U.S. government of significant fees on both Chinese-built and non-Chinese built vessels that enter U.S. ports. Such trade restrictions, including in the form of tariffs and port fees, could have a major impact on global trade and demand for shipping. Specifically, increasing trade barriers and protectionism in the markets that our vessels and charterers operate in may cause an increase in (i) the cost of goods from exporting countries, (ii) the length of time required to deliver goods from exporting countries, (iii) the costs of such delivery (due to proposed port fees and other trade costs) and (iv) the risks associated with cancelling exporting goods, and therefore cancelling shipments. These factors may result in a decrease in the quantity of cargoes shipped, which may in turn result in a decrease in a demand for our services. Any of these developments could have a material adverse effect on our business, results of operations and financial condition.

***We depend on certain of our joint venture partners to assist us in operating our business and competing in our markets.***

We have entered into, and may enter into additional, joint venture arrangements with third parties to expand our fleet and access growth opportunities. In particular, we rely on the expertise and relationships that our joint ventures and joint venture partners may have with current and potential customers to jointly pursue LNG and NGL projects and provide assistance in competing in new markets.

Our ability to compete for the transportation requirements of certain LNG and NGL projects, enter into new charter contracts, secure financings and expand our customer relationships depends in part on our ability to leverage our relationships with our joint venture partners and their reputations and relationships in the shipping industry. If certain of our joint venture partners suffer material damage to their reputations or relationships it may harm our ability to:

- renew existing charters upon their expiration;
- obtain new charters;

- successfully interact with shipyards during periods of shipyard construction constraints;
- obtain financing on commercially acceptable terms; or
- maintain satisfactory relationships with our employees and suppliers.

If our ability to do any of the things described above is impaired, it could have a material adverse effect on our business, results of operations and financial condition and our ability to make cash distributions to our preferred unitholders.

***We may be unable to charter or recharter vessels at attractive rates, which may lead to reduced revenues and profitability.***

Our ability to charter or recharter our LNG and NGL carriers upon the expiration or termination of their current time charters and the charter rates payable under any renewal or replacement charters depend upon, among other things, the then current states of the LNG and NGL carrier markets. As of December 31, 2024, in our LNG and NGL operating fleets, we had two and one vessels, respectively, that were uncontracted or trading in the spot market; four and 12 vessels, respectively, with charters scheduled to expire in 2025, excluding extension options; and six and four vessels, respectively, with charters scheduled to expire in 2026, excluding extension options. If charter rates are low when existing time charters expire, we may be required to recharter our vessels at reduced rates or even possibly at a rate whereby we incur a loss, which would harm our results of operations. Alternatively, we may determine to leave such vessels off-charter, which would also harm our results of operations. The size of the current orderbooks for LNG carriers and NGL carriers is expected to result in the increase in the size of the world LNG and NGL fleets over the next few years. An over-supply of vessel capacity, combined with stability or any decline in the demand for LNG or NGL carriers, may result in a reduction of charter hire rates.

***We derive a substantial majority of our revenues from a limited number of customers, and the loss of any customer, charter or vessel, or any adjustment to our charter contracts could result in a significant loss of revenues and cash flow.***

We have derived, and believe that we will continue to derive, a significant portion of our revenues and cash flow from a limited number of customers. Please read “Item 18 – Financial Statements: Note 4 – Segment Reporting.”

We could lose a customer or the benefits of a time-charter if:

- the customer fails to make charter payments because of its financial inability, disagreements with us or otherwise;
- we agree to reduce the charter payments due to us under a charter because of the customer’s inability to continue making the original payments;
- upon a breach by us of the relevant contract, the customer exercises certain rights to terminate the charter, purchase or cause the sale of the vessel or, under some of our charters, convert the time-charter to a bareboat charter (some of which rights are exercisable at any time);
- the customer terminates the charter because we fail to deliver the vessel within a fixed period of time, the vessel is lost or damaged beyond repair, there are serious deficiencies in the vessel or prolonged periods of off-hire, or we default under the charter;
- under some of our time-charters, the customer terminates the charter because of the termination of the charterer’s sales agreement or a prolonged force majeure event affecting the customer, including damage to or destruction of relevant facilities, war or political unrest preventing us from performing services for that customer; or
- the customer becomes subject to applicable sanctions laws which prohibit our ability to lawfully charter our vessel to or receive payment from such customer.

Two of the six MALT LNG Carriers in our 52%-owned MALT Joint Venture, the Seapeak Marib and Seapeak Arwa, were chartered-out to Yemen LNG under long-term charter contracts with YLNG. However, due to the political unrest in Yemen, YLNG decided to temporarily close operation of its LNG plant in Yemen in 2015. As a result, commencing January 1, 2016, the MALT Joint Venture agreed to successive deferral arrangements with YLNG pursuant to which a portion of the charter payments was deferred. Subsequently, YLNG approved the sub-chartering of the *Seapeak Marib* and the *Seapeak Arwa* by the MALT Joint Venture. The current second suspension agreement is set to expire within late March to early April 2025, upon which it is expected that the MALT Joint Venture may enter into a third suspension agreement with YLNG (or the *Third Suspension Agreement*) pursuant to which the MALT Joint Venture and YLNG may further suspend the charter contracts of the *Seapeak Marib* and the *Seapeak Arwa*.

If we lose a key LNG time-charter, we may be unable to redeploy the related vessel on terms as favorable to us due to the long-term nature of most LNG time-charters and fluctuations in the LNG spot market. If we are unable to redeploy an LNG carrier, we will not receive any revenues from that vessel, but we may be required to pay expenses necessary to maintain the vessel in proper operating condition. In addition, if a customer exercises its right to purchase a vessel, we would not receive any further revenue from the vessel and may be unable to obtain a substitute vessel and charter. This may cause us to receive decreased revenue and cash flows from having fewer vessels operating in our fleet. Any compensation under our charters for a purchase of the vessels may not adequately compensate us for the loss of the vessel and related time-charter.

The loss of certain of our customers, time-charters or vessels, or a decline in payments under our charters, could have a material adverse effect on our business, results of operations and financial condition and our ability to make cash distributions to our preferred unitholders.

***Financing agreements containing operating and financial restrictions may restrict our business and financing activities.***

The operating and financial restrictions and covenants in our financing arrangements and any future financing agreements could adversely affect our ability to finance future operations or capital needs or to pursue and expand our business activities. For example, these financing arrangements may restrict our ability to:

- incur or guarantee indebtedness;
- change ownership or structure, including mergers, consolidations, liquidations and dissolutions;
- make dividends or distributions when in default of the relevant loans;
- make certain negative pledges and grant certain liens;
- sell, transfer, assign or convey assets;
- make certain investments; and
- enter into new lines of business.

Some of our financing arrangements require us to maintain a minimum level of tangible net worth, to maintain certain ratios of vessel values as it relates to the relevant outstanding principal balance, to maintain a minimum level of aggregate liquidity, to maintain leverage below a maximum level and require certain of our subsidiaries to maintain restricted cash deposits. Please read "Item 5 – Operating and Financial Review and Prospects: Liquidity and Capital Resources." Our ability to comply with covenants and restrictions contained in our financing agreements may be affected by events beyond our control, including prevailing economic, financial and industry conditions, and in certain cases the ability of our joint venture partners to comply with applicable laws and regulations (including business corruption and sanctions regulations). If any such events were to occur, compliance with these covenants may be impaired. If restrictions, covenants, ratios or tests in the financing agreements are breached, and we are unable to cure such breach within the prescribed cure period, a significant portion or all of the obligations may, at the election of the relevant lender, become immediately due and payable, and the lenders' commitment to make further loans available to us may terminate. In certain circumstances, this could lead to cross-defaults under other financing agreements which in turn could result in obligations becoming due and commitments being terminated under such agreements. A default under financing agreements could also result in foreclosure on any of our vessels and other assets securing related loans and finance leases or our need to sell assets or take other actions in order to meet our debt obligations.

Furthermore, the termination of any of our charter contracts by our customers could result in the repayment of our financing agreements to which the chartered vessels relate.

***Any capital expenditures, including as a result of pursuing future fleet expansion opportunities, may impact our liquidity position. Our failure to obtain the funds for necessary future capital expenditures could have a material adverse effect on our business, results of operations and financial condition and on our ability to make cash distributions to our preferred unitholders.***

We make substantial capital expenditures to maintain and expand our fleet or business, including capital expenditures associated with drydocking vessels, modifying existing vessels, and acquiring secondhand or newbuilding vessels. We currently have on order nine LPG carrier newbuilding vessels that are scheduled for deliveries in 2025 (two vessels) and 2026 (seven vessels) through our 50/50 NGL-related joint venture with Exmar NV (or *Exmar*) (or the *Exmar LPG Joint Venture*). In addition, we have five LNG carrier newbuilding vessels that are scheduled for deliveries during 2027. If we bid on and are awarded contracts relating to any LNG and NGL project, we will incur significant additional capital expenditures to build the related LNG and NGL carriers. Obligations of us and our joint ventures to pay committed expenditures are not conditional upon our or their ability to obtain financing for such expenditures.

To fund any future capital expenditures, we will be required to use cash from operations or incur borrowings or raise capital through the sale of debt or equity securities. Use of cash from operations may impact our liquidity and ability to pay distributions to preferred unitholders. Our ability to obtain bank financing or to access the capital markets for future offerings may be limited by our financial condition at the time of any such financing or offering as well as by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties that are beyond our control. Our failure to obtain the funds for future capital expenditures could have a material adverse effect on our business, results of operations and financial condition, including the possibility of defaulting under our newbuilding contracts.

In addition, although delivery of a completed vessel will not occur until much later (approximately two to three years from the time an order is placed), we typically must pay an initial installment up-front upon signing the purchase contract. During the construction period, we generally are required to make installment payments on newbuildings prior to their delivery, in addition to incurring financing, miscellaneous construction and project management costs, but we do not derive any income from the vessel until after its delivery.

***Delays in deliveries of newbuildings or in potential conversions or upgrades of existing vessels could harm our operating results and lead to the termination of related charters.***

The delivery of newbuildings or potential vessel conversions or upgrades we may order or undertake or otherwise acquire, could be delayed, which would delay our receipt of revenues under the charters for the vessels. In addition, under some of our charters if delivery of a vessel to our customer is delayed, we may be required to pay liquidated damages under some charters. For prolonged delays, the customer may terminate the time-charter and, in addition to the resulting loss of revenues, we may be responsible for additional, substantial liquidated damages.

Our receipt of newbuildings or of potential vessel conversions or upgrades could be delayed because of:

- work stoppages or other labor disturbances at the shipyard, including as a result of pandemics or other global events that affect the supply of labor;
- bankruptcy or other financial crisis of the shipbuilder;
- market conditions, including a backlog of orders at the shipyard;
- political or economic disturbances where our vessels are being or may be built;
- weather interference or catastrophic event, such as a major earthquake or fire;

- our requests for changes to the original vessel specification;
- shortages of or delays in the receipt of necessary construction materials, such as steel;
- our inability to pay for the construction milestone payments, including as a result of our inability to finance the purchase or construction of the vessels; or
- changes in governmental regulations or maritime self-regulatory organization standards.

If delivery of a vessel is materially delayed, it could adversely affect our results or operations and financial condition and our ability to make cash distributions.

***Our substantial debt levels may limit our flexibility in obtaining additional financing, refinancing credit facilities upon maturity, and pursuing other business opportunities.***

As at December 31, 2024, our consolidated debt and obligations related to our credit facilities and finance leases totaled \$2.8 billion and we had the capacity to borrow an additional \$185.0 million under our revolving credit facility. This facility may be used by us for general corporate purposes. If we obtain debt financing for future newbuilding orders or we are awarded contracts for new LNG or NGL newbuild projects, our consolidated debt and obligations will increase, perhaps significantly. We will continue to have the ability to incur additional debt, subject to limitations in our credit facilities. Our level of debt could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired, or such financing may not be available on favorable terms, if at all;
- we will need a substantial portion of our cash flow to make principal and interest payments on our debt, reducing the funds that would otherwise be available for operations and future business opportunities;
- our debt level may make us more vulnerable than our competitors with less debt to competitive pressures or a downturn in our industry or the economy generally; and
- our debt level may limit our flexibility in responding to changing business and economic conditions.

Our ability to service our debt and obligations related to our credit facilities and finance leases depends upon, among other things, our future financial and operating performance, which is affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. Furthermore, our ability to borrow against the vessels in our existing fleet and any vessels we may acquire in the future largely depends on the value of the vessels, which in turn depends in part on charter hire rates, charter lengths and the ability of our charterers to comply with the terms of the charters. If our operating results are not sufficient to service our current or future indebtedness under our financing agreements, we will be forced to take actions such as reducing distributions, reducing, canceling or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, seeking to restructure or refinance our debt, seeking additional debt or equity capital or seeking bankruptcy protection. We may not be able to affect any of these remedies on satisfactory terms, or at all.

***Restrictions in our financing agreements may prevent us from paying distributions on our preferred units.***

The payment of principal and interest on our debt reduces cash available for distribution on our preferred units. In addition, our financing agreements prohibit the payment of distributions upon the occurrence of the following events, among others:

- failure to pay any principal, interest, fees, expenses or other amounts when due;
- breach or lapse of any insurance with respect to vessels securing the facility;
- breach of certain financial covenants;
- failure to observe any other agreement, security instrument, obligation or covenant beyond specified cure periods in certain cases;
- default under other indebtedness;
- bankruptcy or insolvency events;
- failure of any representation or warranty to be materially correct;
- a change of control, as defined in the applicable agreement; or
- a material adverse effect, as defined in the applicable agreement.

***We and certain of our joint venture partners may be unable to attract and retain qualified, skilled employees or crew necessary to operate our business, or may have to pay substantially increased costs for our employees and crew.***

Our success depends in large part on the ability of us and certain of our joint venture partners to attract and retain highly skilled and qualified personnel. In crewing our vessels, we require technically skilled employees with specialized training who can perform physically demanding work. The ability to attract and retain qualified crew members under a competitive industry environment continues to put upward pressure on crew manning costs.

If we are not able to increase our charter rates to compensate for any crew cost increases, our financial condition and results of operations may be adversely affected. Any inability we experience in the future to hire, train and retain a sufficient number of qualified employees could impair our ability to manage, maintain and grow our business.

***Changes in the NGL markets could result in decreased demand for our NGL vessels operating in the spot market.***

Our NGL carriers that operate in the NGL spot market are owned or chartered-in by the Exmar LPG Joint Venture that owns and charters-in NGL carriers with a primary focus on the mid-size NGL carrier segment. The charters in the spot market operate for short durations and are priced on a current, or "spot," market rate. The NGL spot market is volatile and fluctuates based upon the many conditions and events that affect the price, production and transport of NGL, including, among others, competition from alternative energy sources and negative global or regional economic or political conditions. Any adverse changes in the NGL markets may impact our ability to enter into economically beneficial charters when our NGL carriers complete their existing short-term charters in the NGL spot market, which may reduce vessel earnings and impact our operating results.

***Our growth depends on our ability to expand relationships with existing customers and obtain new customers, for which we will face substantial competition.***

One of our principal objectives is to enter into long-term, fixed-rate LNG time-charters. The process of obtaining new long-term charters is highly competitive and generally involves an intensive screening process and competitive bids, and often extends for several months. Shipping contracts are awarded based upon a variety of factors relating to the vessel operator, including:

- size, age, technical specifications and condition of the vessel;
- shipping industry relationships and reputation for customer service and safety;
- shipping experience and quality of ship operations (including cost effectiveness);
- operational reliability and performance capabilities of the vessel;
- quality and experience of seafaring crew;
- safety record;
- the ability to finance vessels at competitive rates and financial stability generally;
- relationships with shipyards and the ability to get suitable berths;
- construction management experience, including the ability to obtain on-time delivery of new vessels according to customer specifications;
- willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for prolonged off-hire; and
- competitiveness of the bid in terms of overall price.

We compete for providing marine transportation services for potential energy projects with a number of experienced companies, including state-sponsored entities and major energy companies affiliated with the energy project requiring energy shipping services. Many of these competitors have significantly greater financial resources than we do. We anticipate that an increasing number of marine transportation companies – including many with strong reputations and extensive resources and experience – will enter the energy transportation sector. This increased competition may cause greater price competition for time-charters. As a result of these factors, we may be unable to expand our relationships with existing customers or to obtain new customers on a profitable basis, if at all, which could have a material adverse effect on our business, results of operations and financial condition.

***We have recognized asset impairments in the past and we may recognize additional impairments in the future, which will reduce our earnings and net assets.***

If we determine at any time that an asset has been impaired, we may need to recognize an impairment charge that will reduce our earnings and net assets. We review our vessels for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable, which occurs when an asset's carrying value is greater than the estimated undiscounted future cash flows the asset is expected to generate over its remaining useful life. We review our goodwill for impairment annually and if a reporting unit's goodwill carrying value is greater than the estimated fair value, the goodwill attributable to that reporting unit is impaired. We evaluate our investments in equity-accounted joint ventures for impairment when events or circumstances indicate that the carrying value of such investment may have experienced an other-than-temporary decline in value below its carrying value.

During 2022, we recognized total write-downs of vessels of \$54.0 million and a \$86.9 million write-down on our investment in our MALT Joint Venture. During 2023, we recognized total write-downs of vessels of \$15.5 million. During 2024, we recognized total write-downs of certain LNG vessels of \$387.1 million. For information about these write-downs, please read "Item 5 – Operating and Financial Review and Prospects: Management's Discussion and Analysis of Financial Condition and Results of Operations – Year Ended December 31, 2024 versus Year Ended December 31, 2023", "Item 18 – Financial Statements: Note 7 – Equity-Accounted Joint Ventures", and "Item 18 – Financial Statements: Note 18 – (Write-down) Gain and Gain (Loss) on Sales of Vessels."

***Increased technological innovation in vessel design or equipment could reduce the competitive capability of certain of our vessels, our charter hire rates and the value of vessels.***

The charter hire rates and the value and operational life of a vessel are determined by a number of factors, including the vessel's efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy, boil-off ratio and reliquefaction capabilities (in the case of LNG vessels), and the ability for LNG or NGL cargo to be loaded and unloaded quickly. More efficient vessel designs, engines or other features may increase overall vessel efficiency. Flexibility includes the ability to access LNG and NGL storage facilities, utilize related docking facilities and pass through canals and straits. Physical life is related to the original design and construction, maintenance and the impact of the stress of operations. If new LNG or NGL carriers are built that are more efficient or flexible or have longer physical lives than our vessels, competition from these more technologically advanced LNG or NGL carriers could reduce recharter rates available to our vessels and the resale value of the vessels. As a result, our business, results of operations and financial condition could be harmed.

**Actual results of new vessel technologies or upgrades may differ from expected results and affect our results of operations.**

We have invested and are investing in vessel technology upgrades such as M-type, Electronically Controlled, Gas Injection (or *MEGI*) engines, M-type, Electronically Controlled, Gas Admission (or *MEGA*) engines, eXpanded Diesel Fuel (or *XDF*), ammonia-fueled engines via our Exmar LPG Joint Venture, and other equipment and designs, including, among other things, to improve fuel efficiency, vessel performance and emissions reductions. These new engine designs and other equipment may not perform to expectations during actual operations, which may result in our exposure to performance claims based on failure to achieve specified performance requirements included in certain charter party agreements. As a result, our business, results of operations and financial condition could be harmed.

**We or our joint venture partners may be unable to operate an LNG receiving and regasification terminal and may be exposed from time to time to conditions, developments, or requirements that may adversely affect us or our joint venture.**

We have a 30% ownership interest in an LNG regasification and receiving terminal in Bahrain (please read “Item 18 – Financial Statements: Note 7a(ii) – Equity-Accounted Joint Ventures”). Although the Bahrain LNG Joint Venture has completed mechanical construction and commissioning of the Bahrain terminal and is currently receiving terminal use payments, certain handover arrangements in respect of the Bahrain terminal remain subject to the approval of the lenders of the Bahrain LNG Joint Venture. As a result, the Bahrain LNG Joint Venture may experience associated delays in the formal acceptance of the terminal and the commencement of commercial operations if the Bahrain LNG Joint Venture does not satisfy all applicable conditions and obtain all necessary consents in accordance with its financing agreements. Accordingly, we or our joint venture partners may be unable to operate the LNG receiving and regasification terminal properly, whether due to a lack of satisfaction of such conditions, a lack of obtaining such consents, a lack of industry experience, or otherwise, which could affect our ability to operate the terminal, including as a result of a reduction in the expected output of the terminal. Any such reduction could decrease revenues to the Bahrain LNG Joint Venture which may harm our business, results of operations and financial condition.

In addition, the development, construction and operation of large-scale energy and regasification projects, such as the Bahrain terminal, are inherently subject to unforeseen conditions or developments. Such conditions or developments may include, among others: shortages or delays in deliveries of equipment, materials or labor; significant cost over-runs; labor disruptions; government issues; regulatory changes; legal disputes with third-parties, including contractors, sub-contractors and customers; investigations involving various authorities; adverse weather conditions; unanticipated increases in equipment, material or labor costs; reductions in access to financing, an increase in the amount of required support from shareholders of the Bahrain LNG Joint Venture under the terms of the financing, the ability to comply with all conditions and requirements under the terms of the financing, and the ability to obtain any applicable waivers or consents from our lenders on a timely basis or at all; unforeseen engineering, technical and technological design, environmental, infrastructure or engineering issues; the inability to operate the Bahrain terminal at its full designed capacity; a temporary shutdown of the Bahrain terminal; and a general inability to realize the anticipated benefits of the Bahrain terminal, including all the benefits associated with the long-term contract with the customer. In the event that one or more of these conditions or developments were to materialize or continue for a prolonged period (in particular, any legal disputes with third parties or the Bahrain LNG Joint Venture’s inability to comply with all conditions and requirements under the terms of its financing or obtain any applicable waivers or consents from its lenders under the terms of its financing), our business, results of operations and financial condition could be harmed.

**We may be unable to make or realize expected benefits from acquisitions, and implementing our strategy through acquisitions may harm our business, financial condition and operating results.**

Part of our strategy includes acquiring existing LNG and NGL carriers or LNG and NGL shipping businesses as the opportunities arise. Historically, there have been very few purchases of existing vessels and businesses in the LNG and NGL shipping industries. Factors that may contribute to a limited number of acquisition opportunities in the LNG and NGL shipping industries in the near term include the relatively small number of independent LNG and NGL fleet owners and the limited number of LNG and NGL carriers not subject to existing long-term charter contracts. In addition, competition from other companies could reduce our acquisition opportunities or cause us to pay higher prices. Unlike newbuildings, existing vessels typically do not carry warranties as to their condition. While we generally inspect existing vessels prior to purchase, such an inspection would normally not provide us with as much knowledge of a vessel’s condition as we would possess if it had been built for us and operated by us during its life. Repairs and maintenance costs for existing vessels are difficult to predict and may be substantially higher than for vessels we have operated since they were built. These costs could decrease our cash flow and reduce our liquidity.

In October 2024, we acquired a 100% interest in a 2021-built, 174,000-cubic meter dual-fueled LNG carrier, the *Marvel Swan*.

In December 2022, we acquired Greenship Gas Trust, Greenship Gas Manager Pte. Ltd. and their subsidiaries (collectively *Evergas*), which currently owns and operates a fleet of 10 NGL vessels (previously 16 NGL vessels including six in-chartered vessels at the time of the acquisition which we redelivered to their owners in December 2024) and owns a 50% interest in the Dan-Unity CO2 joint venture (or *Dan-Unity JV*).

Our acquisitions of the *Marvel Swan* or *Evergas*, along with any other acquisitions by us of a vessel or business, may not be profitable to us at or after the time we acquire them and may not generate cash flow sufficient to justify our investment. In addition, acquisitions may expose us to risks that may harm our business, financial condition and operating results, including risks that we may:

- fail to realize anticipated benefits, such as new customer relationships, successful integration, cost-savings or cash flow enhancements;
- be unable to hire, train or retain qualified shore and seafaring personnel to manage and operate our growing business and fleet;
- decrease our liquidity by using a significant portion of our available cash or borrowing capacity to finance acquisitions;
- significantly increase our interest expense or financial leverage if we incur additional debt to finance acquisitions;
- incur or assume unanticipated liabilities, losses or costs associated with the business or vessels acquired; or
- incur other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges.

***Our insurance may not be sufficient to cover losses that may occur to our property or result from our operations.***

The operation of LNG and NGL carriers, and LNG facilities, is inherently risky. Although we carry hull and machinery (marine and war risks) and protection and indemnity insurance, and other liability insurance, all risks may not be adequately insured against, and any particular claim may not be paid or paid in full. In addition, only certain of our LNG and NGL carriers carry loss of hire insurance covering the loss of revenues resulting from vessel off-hire time due to our assessment of the cost of the insurance relative to our off-hire experience. Any significant off-hire time of our vessels could harm our business, operating results and financial condition. Any claims relating to our operations covered by insurance are subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material. Certain of our insurance coverage is maintained through mutual protection and indemnity associations, and as a member of such associations we may be required to make additional payments over and above budgeted premiums if member claims exceed association reserves. In addition, the cost of this protection and indemnity coverage has significantly increased and may continue to increase. Even if our insurance coverage is adequate to cover our losses, we may not be able to obtain a timely replacement vessel in the event of a total loss of a vessel.

We may be unable to procure adequate insurance coverage at commercially reasonable rates in the future. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. A catastrophic oil spill, marine disaster or natural disasters could result in losses that exceed our insurance coverage, which could harm our business, financial condition and operating results. Any uninsured or underinsured loss could harm our business and financial condition. In addition, our insurance may be voidable by the insurers as a result of certain of our actions, such as our ships failing to maintain certification with applicable maritime regulatory organizations.

Changes in the insurance markets attributable to structural changes in insurance markets, economic factors, sanctions (particularly those relating to Russia), outbreaks of communicable diseases, war, terrorist attacks, environmental catastrophes, or political change may also make certain types of insurance more difficult for us to obtain. In addition, the insurance that may be available may be significantly more expensive than our existing coverage or be available with restrictive terms.

***Sanctions against key participants in the Yamal LNG Project could impede performance of the Yamal LNG Project, which could have a material adverse effect on us.***

In 2014, the U.S. Treasury Department's Office of Foreign Assets Control (or OFAC) placed Russia-based Novatek, a 50.1% owner of the Yamal LNG Project, on the Sectoral Sanctions Identifications List. OFAC also previously imposed sanctions on an investor in Novatek and these sanctions also remain in effect. The current restrictions on Novatek prohibit U.S. persons (and their subsidiaries) from participating in debt financing transactions of greater than 60 days maturity with Novatek and, by virtue of Novatek's 50.1% ownership interest, the Yamal LNG Project. The EU also imposed certain sanctions on Russia. These sanctions require an EU license or authorization before a party can provide certain technologies or technical assistance, financing, financial assistance, or brokering with regard to these technologies. In addition, OFAC and other governments or organizations may impose additional sanctions on Novatek, the Yamal LNG Project or other project participants, which may adversely affect the Yamal LNG Project. Although we believe that we are in compliance with all applicable sanctions, laws and regulations, and intend to maintain such compliance, the scope of these sanctions laws may be subject to change.

The Russia-Ukraine war has resulted in further economic sanctions issued by the United States, the EU, the United Kingdom and other jurisdictions relating to the banning of transactions with numerous Russian financial institutions, a ban on the transportation of certain types of Russian cargo including crude oil, a ban on new investments in Russia, and numerous other trade restrictions. While uncertainty remains regarding the global impact of the ongoing conflict in Ukraine, it is possible that such tensions and future sanctions could adversely affect our business, financial condition, results of operation and cash flows. Furthermore, it is possible that third parties with whom we have charter contracts or other business arrangements may be impacted by events in Russia and Ukraine, which could adversely affect our operations. The ongoing conflict between Russia and Ukraine may result in the imposition of further economic sanctions in addition to the ones already announced by the United States, Europe, UK and other countries, which could adversely affect our charterers and result in the suspension or early termination of our time charter contracts with the Yamal LNG Project, which could harm our business, results of operations and financial condition.

In addition to our 50%-owned joint venture with China LNG Shipping (Holdings) Limited (or the *Yamal LNG Joint Venture*), participants in other projects in which we are involved (including, with respect to such other projects, our joint venture partners, customers, and their respective shareholders or management) may be subject to sanctions, which sanctions may have a material adverse effect on the success of those projects or our joint ventures and, in turn, on our business, financial condition, and results of operations.

***Failure, shutdown or other adverse events impacting the Yamal LNG Project may result in our inability to re-deploy the ARC7 LNG carriers.***

The charter party under the Yamal LNG Joint Venture's time-charter contracts for the Yamal LNG Project is Yamal Trade Pte. Ltd., a wholly-owned subsidiary of Yamal LNG, the project's sponsor. If the Yamal LNG Project were to shutdown or face other adverse events, in either case on a permanent or even temporary basis, we may be unable to redeploy the ARC7 LNG carriers under other time-charter contracts or may be forced to scrap the vessels. Any such events could adversely affect our results of operations.

***We assume credit risk by entering into agreements with unrated entities.***

Some of our vessels are chartered to unrated entities and some of these unrated entities will use revenue generated from the sale of the shipped gas to pay their shipping and other operating expenses, including the charter fees. The price of the gas may be subject to market fluctuations and the LNG supply may be curtailed by start-up delays and stoppages. If the revenue generated by the charterer is insufficient to pay the charter fees, we may be unable to realize the expected economic benefit from these charter agreements.

***Exposure to currency exchange rate fluctuations will result in fluctuations in our cash flows and operating results.***

We are paid in Euros under some of our charters, and certain of our vessel operating expenses and general and administrative expenses currently are denominated in Euros, which is primarily a function of the nationality of our crew and administrative staff. In addition, from time to time we may incur certain capital expenditures relating to our vessels in Euros. If the amount of our Euro-denominated obligations exceeds our Euro-denominated revenues, we must convert other currencies, primarily the U.S. Dollar, into Euros. An increase in the strength of the Euro relative to the U.S. Dollar would require us to convert more U.S. Dollars to Euros to satisfy those obligations, which would cause us to have less cash available for distribution to unitholders. In addition, if we do not have sufficient U.S. Dollars, we may be required to convert Euros into U.S. Dollars for distributions to unitholders. An increase in the strength of the U.S. Dollar relative to the Euro could cause us to have less cash available for distribution in this circumstance. We have not entered into currency swaps or forward contracts or similar derivatives to mitigate this risk.

Because we report our operating results in U.S. Dollars, changes in the value of the U.S. Dollar relative to the Euro and Norwegian Krone (or NOK) also result in fluctuations in our reported revenues and earnings. In addition, under U.S. accounting guidelines, all non-U.S. Dollar-denominated monetary assets and liabilities such as cash and cash equivalents, accounts receivable, restricted cash, accounts payable, accrued liabilities, advances from affiliates and long-term debt, are revalued and reported based on the prevailing exchange rate at the end of the period. This revaluation historically has caused us to report significant unrealized foreign currency exchange gains or losses each period. The primary source for these gains and losses is our NOK-denominated bonds.

***Exposure to interest rate fluctuations will result in fluctuations in our cash flows and operating results.***

We are exposed to the impact of interest rate changes primarily through our variable-rate borrowings and finance lease obligations that require us to make interest payments based on the Secured Overnight Finance Rate (or SOFR) or the Norwegian Interbank Offered Rate (or NIBOR). Significant increases in interest rates could adversely affect our profit margins, results of operations and our ability to service our financing agreements. In accordance with our risk management policy, we use interest rate swaps on certain of our debt and cross currency swaps on our NOK bonds to reduce our exposure to market risk from changes in interest rates. The principal objective of these contracts is to minimize the risks and costs associated with our floating rate debt. However, any hedging activities entered into by us may not be effective in fully mitigating our interest rate risk from our variable rate obligations.

In addition, we are exposed to credit loss in the event of non-performance by the counterparties to the interest rate swap agreements. For further information about our financial instruments at December 31, 2024, that are sensitive to changes in interest rates, please read "Item 11 – Quantitative and Qualitative Disclosures About Market Risk."

***If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud, which could harm our business and the trading price of our preferred units.***

Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations. In addition, any testing we conduct in connection with Section 404 of the Sarbanes-Oxley Act of 2002 may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. Ineffective internal controls could also cause us to incur additional costs to improve our internal control and disclosure control systems and procedures, which could harm our business and have a negative effect on the trading price of our securities. Financial information filed with the SEC or otherwise made public that is inaccurate as a result of ineffective internal controls could also result in third party claims, which could be costly to defend and have a negative impact on our business and financial condition.

***Many of our seafaring employees are covered by collective bargaining agreements and the failure to renew those agreements or any future labor agreements may disrupt our operations and adversely affect our operations.***

A significant portion of our seafarers are employed under collective bargaining agreements. While some of our labor agreements have recently been renewed, crew compensation levels under future collective bargaining agreements may exceed existing compensation levels, which would adversely affect our results of operations and cash flows. We may be subject to labor disruptions in the future if our relationships deteriorate with our seafarers or the unions that represent them. Our collective bargaining agreements may not prevent labor disruptions, particularly when the agreements are being renegotiated. Any labor disruptions could harm our operations and could have a material adverse effect on our business, results of operations and financial condition.

***Our directors and officers and Stonepeak and its other affiliates which have a controlling interest in us and control the appointment of members of our Board have conflicts of interest and limited or no fiduciary duties, which may permit them to favor their own interests to those of us or our preferred unitholders.***

Stonepeak and its affiliates own all of our outstanding common units, which also permits them to appoint and remove all of our directors (other than any single director our preferred unitholders may be permitted to elect if we are six months in arrears in paying preferred unit distributions (or a Preferred Unit Elected Director)). Neither we nor our directors or officers nor Stonepeak owe any fiduciary duties to our preferred unitholders, other than an implied contractual duty of good faith and fair dealing pursuant to our operating agreement. Three of our directors currently also serve as employees, officers and/or directors of Stonepeak or its other affiliates. In addition, one of our directors is also a member of our management and therefore is considered to be non-independent. Consequently, these directors may encounter situations in which their fiduciary obligations to Stonepeak or its other affiliates, on the one hand, and any obligation to us or our preferred unitholders, on the other hand, are in conflict. The resolution of these conflicts may not always be in the best interest of us or our preferred unitholders. These conflicts include, among others, the following situations:

- neither our operating agreement nor any other agreement requires Stonepeak or its affiliates to pursue a business strategy that favors us or utilizes our assets, and directors and officers of Stonepeak and its other affiliates have fiduciary duties to make decisions in the best interests of the owners of Stonepeak and such other affiliates, which may be contrary to our interests;
- our Board is allowed to take into account the interests of parties other than us, such as Stonepeak and its other affiliates, in resolving conflicts of interest, which has the effect of limiting any obligation to our preferred unitholders;
- our operating agreement limits the liability and reduces the fiduciary duties and obligations of our directors and officers under the laws of the Republic of the Marshall Islands, while also restricting the remedies available to our preferred unitholders, and preferred unitholders are treated as having agreed to such modified standards and to certain actions that may be taken by our Board, all as set forth in our operating agreement;
- our Board controls the enforcement of obligations owed to us by Stonepeak and its other affiliates; and
- our Board decides whether to retain separate counsel, accountants or others to perform services for us, which may be the same firms that provide services to Stonepeak or other affiliates.

***Except in limited circumstances, our Board, which is appointed by a common unit majority, has the power and authority to conduct our business without approval of our preferred unitholders.***

Our operating agreement provides that members of our Board (other than any Preferred Unit Elected Director) are appointed only by a common unit majority and may be removed, with or without cause, and at any time, by a common unit majority. As a result, Stonepeak and its affiliates, which own all our outstanding common units, are able to control the appointment and removal of members of our Board (other than any Preferred Unit Elected Director). Under our operating agreement, our Board generally has full power and authority to do all things (other than those limited items that require approval of our preferred unitholders or with respect to which our Board has sought Conflicts Committee approval) on such terms as it determines to be necessary or appropriate to conduct our business including, among others, the following:

- the making of any expenditures, the lending or borrowing of money, the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness, including, subject to any rights of our preferred unitholders, indebtedness that is convertible into securities of us, and the incurring of any other obligations;
- the negotiation, execution and performance of any contracts, conveyances or other instruments;
- the distribution of our cash;
- the selection and dismissal of employees and agents, outside attorneys, accountants, consultants and contractors and the determination of their compensation and other terms of employment or hiring;
- the maintenance of insurance for our benefit and the benefit of our members;
- the formation of, or acquisition of an interest in, and the contribution of property and the making of loans to, any other limited or general partnerships, joint ventures, corporations, limited liability companies or other relationships;
- the control of any matters affecting our rights and obligations, including the bringing and defending of actions at law or in equity and otherwise engaging in the conduct of litigation, arbitration or mediation and the incurring of legal expense and the settlement of claims and litigation;
- the indemnification of any person against liabilities and contingencies to the extent permitted by law; and
- subject to the prior payment of all quarterly distributions on the Series A Preferred Units and Series B Preferred Units through the most recent applicable distribution payment dates, the purchase, sale or other acquisition or disposition of our securities or, subject to any rights of our preferred unitholders, the issuance of additional securities of us and of options, rights, warrants and appreciation rights relating to our securities.

***Our joint venture arrangements impose obligations upon us but in certain circumstances limit our control of the joint ventures, which may affect our ability to achieve our joint venture objectives.***

For financial or strategic reasons, we conduct a portion of our business through joint ventures. Generally, we are obligated to provide proportionate financial support for the joint ventures although our control of the business entity may be substantially limited. Due to this limited control, we generally have less flexibility to pursue our own objectives through joint ventures or to access available cash of the joint ventures than we would with our own subsidiaries. There is no assurance that our joint venture partners will continue their relationships with us in the future or that we will be able to achieve our financial or strategic objectives relating to the joint ventures and the markets in which they operate. In addition, our joint venture partners may have business objectives that are inconsistent with ours, experience financial and other difficulties (including under relevant sanctions and anti-bribery and corruption laws) that may affect the success of the joint venture or be unable or unwilling to fulfill their obligations under the joint ventures, which may affect our financial condition or results of operations. In addition, we do not have control over the operations of, nor do we have any legal claim to the revenues and expenses of our equity-accounted investments. Consequently, the cash flow generated by our equity-accounted investments may not be available for use by us in the period that such cash flows are generated, if at all.

## Legal and Regulatory Risks

### ***Climate change and GHG restrictions may adversely impact our operations and markets.***

An increasing concern for, and focus on, climate change has promoted extensive existing and proposed international, national and local regulations intended to reduce GHG emissions (including from various countries and the International Maritime Organization (or *IMO*)). These regulatory measures may include the adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. Compliance with these or other regulations and our efforts to participate in reducing GHG emissions have increased and likely will continue to increase our compliance costs, require additional capital expenditures to reduce vessel emissions and may require changes to our business.

Our business includes transporting LNG and NGL. Regulatory changes and growing public concern about the environmental impact of climate change may lead to reduced demand for hydrocarbon products and decreased demand for our services, while increasing or creating greater incentives for use of alternative energy sources. We expect regulatory and consumer efforts aimed at combating climate change to intensify and accelerate. Although we do not expect demand for oil and gas to decline dramatically over the short-term, in the long-term, climate change initiatives will likely significantly affect demand for oil and gas and for alternatives. Any such change could adversely affect our ability to compete in a changing market and our business, financial condition and results of operations.

### ***Scrutiny and expectations from certain investors, lenders, customers and other market participants with respect to ESG policies and practices may impose additional costs on us or expose us to additional risks.***

Certain investor advocacy groups, institutional investors, investment funds, lenders and other market participants remain focused on ESG practices and place significant importance on the implications and social cost of their investments. This increased focus and activism related to ESG and similar matters may hinder access to capital, as these investors and lenders may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. Companies that do not adapt to or comply with ESG expectations and standards by these investors, lenders or other industry shareholders may lack support of such third parties.

We may face increasing pressures from such third parties and others, which are increasingly focused on climate change, to prioritize sustainable energy practices, reduce our carbon footprint and promote sustainability. As a result, we may determine it is appropriate to implement more stringent ESG procedures or standards so that interested existing and future investors and our lenders remain invested in us and make further investments in us, or in order for customers to consider conducting future business with us, especially given our business of transporting LNG and NGL. In addition, it is likely we will incur additional costs and require additional resources to monitor, report and comply with wide-ranging ESG requirements. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

### ***The marine energy transportation industry is subject to substantial environmental and other regulations, which may significantly limit our operations or increase our expenses.***

Our operations are affected by extensive and changing international, national and local environmental protection laws, regulations, treaties and conventions which are in force in international waters, the jurisdictional waters of the countries in which our vessels operate, as well as the countries of our vessels' registration, including those governing oil spills, discharges to air and water, and the handling and disposal of hazardous substances and wastes. Many of these requirements are designed to reduce the risk of oil spills and other pollution. In addition, we believe that the heightened environmental, quality and security concerns of insurance underwriters, regulators and charterers will lead to additional regulatory requirements, including enhanced risk assessment and security requirements and greater inspection and safety requirements on vessels. For example, new or amended legislation relating to ship recycling, sewage systems, emission control (including emissions of GHGs and other pollutants) as well as ballast water treatment and ballast water handling may be adopted. The IMO has also established progressive standards limiting emissions from ships starting from 2023 towards 2030 and 2050 goals. These and other laws or regulations may require significant additional capital expenditures or operating expenses in order for us to comply with the laws and regulations and maintain our vessels in compliance with international and national regulations. In addition, the higher emissions of our steam vessels relative to more modern vessels could make it more difficult to secure employment for these vessels and reduce the rates at which we can charter these vessels to its customers.

The environmental and other laws and regulations applicable to us can affect the future charter rates, resale value or useful lives of our vessels, require a reduction in cargo capacity, ship modifications or operational changes or restrictions, lead to decreased availability of insurance coverage for environmental matters or result in the denial of access to certain jurisdictional waters or ports, or detention in certain ports. Under local, national and foreign laws, as well as international treaties and conventions, we could incur material liabilities, including cleanup obligations, in the event that there is a release of petroleum or other hazardous substances from our vessels or otherwise in connection with our operations. We could also become subject to personal injury or property damage claims relating to the release of or exposure to hazardous materials associated with our operations. In addition, failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of our operations, including, in certain instances, seizure or detention of our vessels.

***Failure to comply with the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, the UK's Criminal Finances Act and other anti-bribery or anti-money laundering legislation in other jurisdictions could result in fines, criminal penalties, contract terminations and an adverse effect on our business.***

We operate our vessels worldwide, which may require our vessels to trade in countries known to have a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted a code of business conduct and ethics which is consistent and in full compliance with the U.S. Foreign Corrupt Practices Act of 1977 (or the *FCPA*), the Bribery Act 2010 of the United Kingdom (or the *UK Bribery Act*) and the Criminal Finances Act 2017 of the United Kingdom (or the *CFA*). We are subject, however, to the risk that we, our customers, our joint venture partners, our affiliated entities or our or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption and anti-money laundering laws, including the *FCPA*, the *UK Bribery Act* and the *CFA*. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties, or curtailment of operations in certain jurisdictions, and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

***With a majority of our subsidiaries being Marshall Islands entities and also having subsidiaries in other offshore jurisdictions, our operations may be subject to economic substance requirements, which could impact our business, financial condition and operating results.***

Finance ministers of the EU rate jurisdictions for tax transparency, governance, real economic activity and corporate tax rate. Countries that do not adequately cooperate with the finance ministers are put on a "grey list" or a "black list". Bermuda and the Marshall Islands were removed from the black list in May and October 2019, respectively and "white-listed" by the EU in February 2020. On February 24, 2022, Bermuda was put on the "grey list" and was moved back to the "white list" on October 25, 2022. On February 14, 2023, the Marshall Islands was placed back on the "black list" but was moved back to the "white list" on October 24, 2023.

EU member states have agreed upon a set of measures, which they can choose to apply against the grey or black listed countries, including increased monitoring and audits, withholding taxes, special documentation requirements and anti-abuse provisions. The European Commission has stated it will continue to support member states' efforts to develop a more coordinated approach to sanctions for the listed countries. EU legislation prohibits EU funds from being channeled or transited through entities in countries on the "black list". The effect of the EU "black list" could have material adverse effects on our business, financial condition and operating results.

A majority of our subsidiaries are Marshall Islands entities and some of our subsidiaries are either organized or registered in Bermuda. These jurisdictions have enacted economic substance laws and regulations with which we may be obligated to comply. We believe that we and our subsidiaries are compliant with the Bermuda and the Marshall Islands economic substance requirements and do not currently expect that these requirements will have a material adverse effect on our business, financial condition and operating results. However, if there were a change in the requirements or interpretation thereof, or if there were an unexpected change to our operations, any such change could result in noncompliance with the economic substance legislation and related fines or other penalties, increased monitoring and audits, and dissolution of the noncompliant entity, which could have an adverse effect on our business, financial condition and operating results.

## **Information and Technology Risks**

***A cyber-attack could materially disrupt our business.***

We rely on information technology systems and networks in our operations and the administration of our business, including for processing, transmitting and storing electronic and financial information, and aspects of the control and operation of our vessels, such as shore-to-vessel communications. Security breaches and other attacks by computer hackers and cyber terrorists have increased in number and sophistication in recent years. Our operations could be targeted by individuals or groups seeking to sabotage or disrupt our information technology systems and networks, or to steal data. A successful cyber-attack could materially disrupt our operations, including the safety of our operations, or lead to unauthorized release of information or alteration of information on our systems. Any such attack or other breaches of our information technology systems could have a material adverse effect on our business and results of operations.

We may be required to spend significant capital and other resources to further protect us, our information systems and our assets against threats of security breaches, computer viruses and cyberattacks, or to alleviate or resolve problems caused by such matters. Security breaches, viruses and cyberattacks could also harm our reputation and expose us to claims, litigation and other possible liabilities. Any inability to prevent or mitigate the impact of security breaches (including the inability of our third-party vendors, suppliers or counterparties to prevent security breaches) could also cause our customers to lose confidence in our information systems and harm our reputation, cause losses to us or our customers, damage our brand, and increase our costs.

***Our failure to comply with data privacy laws could damage our customer relationships and expose us to litigation risks and potential fines.***

Data privacy is subject to frequently changing rules and regulations, which sometimes conflict among the various jurisdictions and countries in which we provide services and continue to develop in ways which we cannot predict, including with respect to evolving technologies such as cloud computing. The EU has adopted the General Data Privacy Regulation (or the *GDPR*), a comprehensive legal framework to govern data collection, processing, use, transfer and sharing and related consumer privacy rights which took effect in May 2018 and the People's Republic of China adopted the Personal Information Protection Law, containing similar provisions, which took effect in November 2021. These and other privacy laws include significant penalties for non-compliance. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or impairment to our reputation in the marketplace, which could have a material adverse effect on our business, financial condition and results of operations.

***Use of artificial intelligence presents risks and challenges that could impact our business.***

The use of artificial intelligence (or AI) presents risks and challenges that could adversely affect our business. Although we are evaluating AI solutions, we currently have not implemented AI applications or tools that we expect would have any material effect on our business. As a result, our business may be less efficiently operated than our competitors' businesses to the extent they are using AI applications or tools, which competitive disadvantage could have a material adverse effect on our business. In addition, our customers, vendors and charter counterparties may incorporate AI applications and tools into their operations without disclosing this to us, and the providers of these AI tools may not meet existing or rapidly evolving regulatory or industry standards with respect to security, privacy, and data protection. If we or our customers, vendors or charter counterparties experience a privacy or security incident because of the use of AI, we could lose confidential information or our information technology systems could otherwise be compromised, which could result in our being subject to legal action.

**Risks Related to an Investment in Our Securities**

***Because we are organized under the laws of the Marshall Islands, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.***

We are organized under the laws of the Marshall Islands, and all of our assets are located outside of the United States. In addition, certain of our directors and officers are non-residents of the United States, and all or a substantial portion of the assets of these non-residents are located outside the United States. As a result, it may be difficult or impossible to bring an action against us or against these individuals in the United States. Even if successful in bringing an action of this kind, the laws of the Marshall Islands and of other jurisdictions may prevent or restrict the enforcement of a judgment against us or our assets or the assets of our directors and officers.

***Holders of our preferred units have extremely limited voting rights.***

Holders of our preferred units generally have no voting rights. However, if and whenever distributions payable on a series of preferred units are in arrears for six or more quarterly periods, whether or not consecutive, holders of such series of preferred units (voting together as a class with all other classes or series of parity securities upon which like voting rights have been conferred and are exercisable) will be entitled to elect one additional director to serve on our board of directors, and the size of our board of directors will be increased as needed to accommodate such change.

***Our preferred units have not been rated, and ratings of any other of our securities may affect the trading price of the preferred units.***

We have not sought to obtain a rating for any series of our preferred units and the units may never be rated. It is possible, however, that one or more rating agencies might independently determine to assign a rating to our preferred units or that we may elect to obtain a rating in the future. In addition, we may elect to issue other securities for which we may seek to obtain a rating. If any ratings are assigned to a series of preferred units in the future or if we issue other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, or if ratings for such other securities would imply a lower relative value for the preferred units, could adversely affect the market for, or the market value of, the preferred units. Ratings only reflect the views of the issuing rating agency or agencies and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. A rating is not a recommendation to purchase, sell or hold any particular security.

***Market interest rates may adversely affect the value of our preferred units.***

One of the factors that will influence the trading price of our preferred units will be the distribution yield on the preferred units relative to market interest rates. In response to high levels of inflation, interest rates rose globally in 2022 and 2023, before moderating. An increase in market interest rates may lead prospective purchasers of our preferred units to expect higher distribution yields, and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distributions. Accordingly, higher market interest rates could cause the market price of our preferred units to decrease.

***Our preferred units represent perpetual equity interests in us.***

Our Series A and Series B Preferred Units represent perpetual equity interests in us and, unlike our indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. As a result, holders of our preferred units may be required to bear the financial risks of an investment in our preferred units for an indefinite period of time. In addition, our Series A and Series B Preferred Units rank junior to all our indebtedness and other liabilities, and will rank junior to any other senior securities we may issue in the future, with respect to assets available to satisfy claims against us.

***Our Series A Preferred Units are redeemable at our option, and our Series B Preferred Units will become redeemable at our option.***

We may, at our option, redeem all or, from time to time, part of the Series A Preferred Units at any time, and the Series B Preferred Units on or after October 15, 2027. The preferred units have no maturity or mandatory redemption date and are not redeemable at the option of the preferred unitholders under any circumstances. If we redeem such preferred units, redeemed unitholders will be entitled to receive a redemption price equal to \$25.00 per unit plus accumulated and unpaid distributions to the date of redemption. In addition, we may choose to repurchase Series A Preferred Units and Series B Preferred Units in the open market or in privately-negotiated transactions from time to time. Please refer to and read "Item 16E – Purchases of Units by the Issuer and Affiliated Purchasers" for details of our current repurchase plan. Any reduction in the number of outstanding Series A or Series B Preferred Units could adversely affect the liquidity or market value of, or the market for, the preferred units and of such series.

## Tax Risks

In addition to the following risk factors, you should read "Item 4E – Taxation of the Company", "Item 10 – Additional Information – Material United States Federal Income Tax Considerations" and "Item 10 – Additional Information – Non-United States Tax Considerations" for a more complete discussion of the expected material U.S. federal and non-U.S. income tax considerations relating to us and the ownership and disposition of our units.

### ***U.S. tax authorities could treat us as a PFIC which could have adverse U.S. federal income tax consequences to U.S. holders.***

A non-U.S. entity treated as a corporation for U.S. federal income tax purposes will be treated as a PFIC for such purposes in any taxable year in which, after taking into account the income and assets of the corporation and, pursuant to a "look-through" rule, any other corporation or partnership in which the corporation directly or indirectly owns at least 25% of the stock or equity interests (by value) and any partnership in which the corporation directly or indirectly owns less than 25% of the equity interests (by value) to the extent the corporation satisfies an "active partner" test and does not elect out of "look through" treatment, either (i) at least 75% of its gross income consists of "passive income," or (ii) at least 50% of the average value of the entity's assets is attributable to assets that produce or are held for the production of "passive income." For purposes of these tests, "passive income" includes dividends, interest, gains from the sale or exchange of investment property and rents and royalties (other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business). By contrast, income derived from the performance of services does not constitute "passive income".

There are legal uncertainties involved in determining whether the income derived from our and our look-through subsidiaries' time-chartering activities constitutes rental income or income derived from the performance of services, including the decision in *Tidewater Inc. v. United States*, 565 F.3d 299 (5th Cir. 2009), which held that income derived from certain time-chartering activities should be treated as rental income rather than services income for purposes of a foreign sales corporation provision of the Internal Revenue Code of 1986, as amended (or the *Code*). However, the Internal Revenue Service (or the *IRS*) stated in an Action on Decision (AOD 2010-01) that it disagrees with, and will not acquiesce to, the way that the rental versus services framework was applied to the facts in the *Tidewater* decision, and in its discussion stated that the time charters at issue in *Tidewater* would be treated as producing services income for PFIC purposes. The *IRS*'s statement with respect to *Tidewater* cannot be relied upon or otherwise cited as precedent by taxpayers. Consequently, in the absence of any binding legal authority specifically relating to the statutory provisions governing PFICs, there can be no assurance that the *IRS* or a court would not follow the *Tidewater* decision in interpreting the PFIC provisions of the *Code*. Nevertheless, based on our and our look-through subsidiaries' current assets and operations, we intend to take the position that we are not now and have never been a PFIC. No assurance can be given, however, that this position would be sustained by a court if contested by the *IRS*, or that we would not constitute a PFIC for the 2025 taxable year or any future taxable year if there were to be changes in our and our look-through subsidiaries' assets, income or operations.

If we or the *IRS* were to determine that we are or have been a PFIC for any taxable year during which a U.S. Holder (as defined below under "Item 10 – Additional Information: Material United States Federal Income Tax Considerations") held units, such U.S. Holder would face adverse U.S. federal income tax consequences. For a more comprehensive discussion regarding the tax consequences to U.S. Holders if we are treated as a PFIC, please read "Item 10 – Additional Information: Material United States Federal Income Tax Considerations – United States Federal Income Taxation of U.S. Holders." In addition, if we or the *IRS* were to determine that we are or have been a PFIC, the price of our preferred units may decline and our ability to raise capital on acceptable terms may be adversely affected.

### ***We may be subject to changes in tax legislation, which could impact our liquidity position.***

We or our subsidiaries (including those owned in our joint ventures) are subject to tax in certain jurisdictions in which we or our subsidiaries are organized, own assets or have operations, which may adversely impact our liquidity position. In computing our tax obligations in these jurisdictions, we are required to take various tax accounting and reporting positions, including in certain cases estimates, on matters that are not entirely free from doubt and for which we may not have received rulings from the governing authorities. We cannot assure you that upon review of these positions, the applicable authorities will agree with our positions. A successful challenge by a tax authority could result in additional tax imposed on us or our subsidiaries, further reducing our cash available for distribution. We have established reserves in our financial statements that we believe are adequate to cover our liability for any such additional taxes. We cannot assure you, however, that such reserves will be sufficient to cover any additional tax liability that may be imposed on us or our subsidiaries. In addition, changes in our operations or ownership could result in additional tax being imposed on us or on our subsidiaries in jurisdictions in which operations are conducted. For example, with respect to our taxable year ended in 2024, we believe that we do not satisfy the requirements of the exemption from U.S. taxation under Section 883 of the *Code* and therefore our gross U.S. source income is subject to a 4% U.S. federal income tax under Section 887 of the *Code* (as discussed below under "Item 4E – Taxation of the Company"). The amount of such tax will depend upon the amount of income we earn from voyages into or out of the United States, which is not within our complete control. In addition, we and some of our subsidiaries may rely on an exemption under subsection 250(6) of the *Income Tax Act (Canada)* (or the *Canada Tax Act*) for (i) corporations whose principal business is international shipping and that derive all or substantially all of their revenue from international shipping, and (ii) corporations that hold eligible interests in such corporations or other eligible entities. The exemption deems the qualifying corporations not to be resident in Canada for Canadian income tax purposes. If a corporation that would, but for the subsection 250(6) exemption, be resident in Canada is unable to satisfy the requirements of the subsection 250(6) exemption, that corporation would be subject to Canadian income tax on its world-wide income and dividend distributions to the corporation's shareholders who are non-residents of Canada would generally be subject to Canadian withholding tax.

Additionally, tax laws, including tax rates, in the jurisdictions in which we operate may change as a result of macroeconomic or other factors outside of our control. For example, various governments and organizations such as the EU and Organization for Economic Co-operation and Development (or the OECD) are increasingly focused on tax reform and other legislative or regulatory action to increase tax revenue. In October 2021, members of the OECD put forth two proposals: (i) Pillar One reallocates profit to the market jurisdictions where sales arise versus physical presence; and (ii) Pillar Two compels multinational enterprises with €750 million or more in annual revenue to pay a global minimum tax of 15% on income received in each country in which they operate. The reforms aim to level the playing field between countries by discouraging them from reducing their corporate income taxes to attract foreign business investment. Over 140 countries agreed to enact the two-pillar solution to address the challenges arising from the digitalization of the economy and, in 2024, these guidelines were declared effective and must now be enacted by those OECD member countries. Legislatures of certain member states within the EU, as well as legislatures of multiple countries outside of the EU, in which we (or one of our "constituent entities," as determined consistent with the Pillar Two framework) do business have drafted or enacted legislation to implement the OECD's minimum tax proposal. If we are in the scope of OECD's Pillar Two rules, including due to our inability to satisfy the requirements of the international shipping exemption, these changes could result in additional tax imposed on us or our subsidiaries, further impacting our liquidity position. The application of the Pillar Two rules continues to evolve and its impact on us remains uncertain. We continue to evaluate the impact of these rules and assess whether to take any available mitigating actions to reduce the potential impact under the current Pillar Two rules.

Typically, most of our charter contracts require the charterer to indemnify us in respect of taxes incurred as a consequence of the voyage activities of our vessels, which are under the direction of the charterers. However, we, our joint ventures and our subsidiaries operate in numerous jurisdictions which may result in various voyage-related or freight taxes being imposed. Although we are generally entitled to indemnification from our charterers for these taxes, there is a risk that we may not be able to successfully claim an indemnity for tax liabilities which could impact our financial condition and ability to make cash distributions.

#### **Item 4. Information on the Company**

##### **A. Overview, History and Development**

###### **Overview and History**

Seapeak LLC is an international provider of marine transportation services focusing on LNG and NGL. We were formed in 2004 for the purpose of operating in the LNG shipping sector. Our primary strategy focuses on servicing our customers through our fleet of LNG and NGL carriers under medium to long-term, fixed-rate charters. In executing our strategy, we may engage in vessel or business acquisitions or enter into joint ventures and partnerships with companies that provide increased access to emerging opportunities from global expansion of the LNG and NGL sectors. We pursue opportunities in the LNG and NGL sectors and may consider other opportunities to which our competitive strengths are well suited, including entering into adjacent liquefied gas markets, renewable markets, and other maritime opportunities.

As of December 31, 2024, our fleet, excluding newbuildings, consisted of 45 LNG carriers (including 24 LNG carriers that are accounted for under the equity method) and 28 NGL carriers (including the 18 carriers that are accounted for under the equity method). In addition, as at December 31, 2024, we had one LNG receiving and regasification terminal in Bahrain, in which we have a 30% ownership interest. Our equity-accounted LNG carriers include (i) six LNG carriers (or the *MALT LNG Carriers*) relating to our 52% ownership interest in the MALT Joint Venture, (ii) four LNG carriers (or the *RasGas III LNG Carriers*) relating to our joint venture with QGTC Nakilat (1643-6) Holdings Corporation in which we have a 40% ownership interest, (iii) four LNG carriers relating to the Angola Project (or the *Angola LNG Carriers*) in our joint venture with Mitsui & Co., Ltd. and NYK Energy Transport (Atlantic) Ltd. (or the *Angola Joint Venture*) in which we have a 33% ownership interest, (iv) four LNG carriers (or the *Pan Union LNG Carriers*), in which we have interests ranging from 20% to 30%, relating to our joint venture with China LNG, CETS Investment Management (HK) Co. Ltd. and BW Investments Pte. Ltd, and (v) six ARC7 LNG carriers relating to the Yamal LNG Joint Venture. As of December 31, 2024, our 18 equity-accounted NGL carriers (or the *Exmar LPG Carriers*) relate to our Exmar LPG Joint Venture. As at December 31, 2024, we had five LNG carrier newbuildings scheduled for delivery throughout 2027, and 12 NGL carrier newbuildings (including six in-chartered NGL carrier newbuildings) within the Exmar LPG Joint Venture scheduled for delivery between 2025 and 2027.

Our fleets of LNG and NGL carriers (excluding newbuildings but including equity-accounted vessels) currently have approximately 7.6 million and 1.1 million cubic meters of total capacity, respectively.

On January 13, 2022, we (then known as Teekay LNG Partners L.P. (or the *Partnership*)) were acquired through a merger by investment vehicles managed by Stonepeak. Pursuant to the merger and related transactions (or the *Stonepeak Transaction*), Stonepeak and its affiliates acquired: (1) 100% of the issued and outstanding common units of the Partnership, (2) 100% of the ownership interests of Teekay GP L.L.C., the general partner of the Partnership (or the *General Partner*), and (3) certain operating subsidiaries from Teekay Corporation which provide services to the Partnership, its subsidiaries and joint ventures.

On February 25, 2022, the Partnership converted from a limited partnership formed under the laws of the Republic of the Marshall Islands into a limited liability company formed under the laws of the Republic of the Marshall Islands (or the *Conversion*). Concurrently with the Conversion, the Partnership changed its name from "Teekay LNG Partners L.P." to "Seapeak LLC". As a result of the Conversion, Seapeak LLC no longer has a general partner and affiliates of Stonepeak now own 100% of our limited liability company common units.

On December 29, 2022, we acquired Evergas and its fleet of 16 NGL vessels (including six in-chartered NGL carriers) in an all-cash transaction plus the assumption of indebtedness. Evergas owns and operates two Very Large Ethane Carriers and eight Multi-gas/LPG carriers, all of which are on fixed-rate time-charter to Ineos Group Limited. In December 2024, the bareboat leases of the six in-chartered NGL carriers matured and the vessels were redelivered to their owners. In addition, Evergas holds a 50% interest in the Dan-Unity JV with the remaining 50% held by Ultragas ApS, which is exploring potential CO2 carrier growth opportunities. Please read "Item 18 – Financial Statements: Note 19 – Acquisition of Evergas" for additional information about this transaction.

Our principal executive offices are at 2000, 550 Burrard Street, Vancouver, B.C., Canada, V6C 2K2. Our telephone number at such address is (604) 609-4735.

The SEC maintains an internet site at [www.sec.gov](http://www.sec.gov), that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our website is [www.seapeak.com](http://www.seapeak.com). The information contained on our website is not part of this Annual Report.

## **B. Operations**

### **Our Fleet and Our Charters**

We generate revenues by charging customers for the transportation of their LNG and NGL using our vessels. The substantial majority of these services are provided through time-charter contracts, where vessels are chartered to customers for fixed periods of time at rates that are generally fixed but may contain a variable component based on inflation, interest rates or other factors.

Our vessels and our LNG regasification terminal in Bahrain primarily operate under fixed-rate contracts with major energy and utility companies. As of December 31, 2024, the average remaining term for these contracts was approximately eight years for our LNG carriers and 14 years for our regasification terminal and approximately two years for our NGL carriers, subject, in certain circumstances, to termination or vessel purchase rights.

"Hire" rate refers to the basic payment from the customer for the use of a vessel. Hire is payable monthly, in advance, in U.S. Dollars or Euros, as specified in the charter. The hire rate generally includes two components – a capital cost component and an operating expense component. The capital cost component typically approximates the amount we are required to pay under vessel financing obligations. The operating expense component, which in certain cases adjusts annually for inflation, is intended to compensate us for vessel operating expenses.

Hire payments may be reduced or, under some charters, we must pay liquidated damages, if the vessel does not perform to certain of its specifications, such as if the average vessel speed falls below a guaranteed speed or the amount of fuel consumed to power the vessel under normal circumstances exceeds a guaranteed amount.

When a vessel is "off-hire" – or not available for service – the customer generally is not required to pay the hire rate and we are responsible for all costs. Prolonged off-hire may lead to vessel substitution or termination of the time-charter. A vessel will typically be deemed to be off-hire if it is in dry dock unless our contract specifies drydocking is not considered off-hire. We must periodically dry dock each of our vessels for inspection, repairs and maintenance and any modifications to comply with industry certification or governmental requirements. In addition, a vessel generally will be deemed off-hire if there is a loss of time due to, among other things: operational deficiencies; equipment breakdowns; delays due to accidents, crewing strikes, certain vessel detentions or similar problems; or our failure to maintain the vessel in compliance with its specifications and contractual standards or to provide the required crew.

### **Liquefied Natural Gas Segment**

#### **LNG Carriers**

The LNG carriers in our liquefied natural gas segment compete in the LNG market. LNG carriers are usually chartered to carry LNG pursuant to time-charter contracts, where a vessel is hired for a fixed period of time and the charter rate is payable to the owner on a monthly basis and in advance. LNG shipping historically has been transacted with long-term, fixed-rate, time-charter contracts. LNG projects require significant capital expenditures and typically involve an integrated chain of dedicated facilities and cooperative activities. Accordingly, the overall success of an LNG project depends heavily on long-range planning and coordination of project activities, including marine transportation. Most shipping requirements for new LNG projects continue to be provided on a long-term basis, though the levels of spot voyages (typically consisting of a single voyage), short-term time-charters and medium-term time-charters have grown in recent years.

In the LNG market, we compete principally with other private and state-controlled energy and utilities companies that generally operate captive fleets, and independent shipowners and operators. Many major energy companies compete directly with independent owners by transporting LNG for third parties in addition to their own LNG. Given the complex, long-term nature of LNG projects, major energy companies historically have transported LNG through their captive fleets. However, independent fleet operators have been obtaining an increasing percentage of charters for new or expanded LNG projects as some major energy companies have continued to divest non-core businesses.

LNG carriers transport LNG internationally between liquefaction facilities and import terminals. After natural gas is transported by pipeline from production fields to a liquefaction facility, it is supercooled to a temperature of approximately negative 260 degrees Fahrenheit. This process reduces its volume to approximately 1/600th of its volume in a gaseous state. The reduced volume facilitates economical storage and transportation by ship over long distances, enabling countries with limited natural gas reserves or limited access to long-distance transmission pipelines to import natural gas. LNG carriers include a sophisticated containment system that holds the LNG and provides insulation to reduce the amount of LNG that boils off naturally. The natural boil off is either used as fuel to power the engines on the ship or it can be reliquefied and put back into the tanks. LNG is transported overseas in specially built tanks in double-hulled ships to a receiving terminal, where it is offloaded and stored in insulated tanks. In regasification facilities at the receiving terminal, the LNG is returned to its gaseous state and then shipped by pipeline for distribution to natural gas customers.

Our fleet uses two of the Gaz Transport and Technigaz (or *GTT*) membrane containment systems. The *GTT* membrane systems are used in the majority of LNG tankers now being constructed. Unlike the oil tanker industry, there are currently no regulations that require the phase-out from trading of LNG carriers after they reach a certain age. As at December 31, 2024, our LNG carriers, including equity-accounted vessels, had an average age of approximately 10 years, compared to the world LNG carrier fleet average age of approximately 11 years. In addition, as at that date, according to Clarksons' World Fleet Monitor report published in January 2025, there were approximately 806 vessels in the world LNG fleet and approximately 351 additional LNG carriers under construction or on order, inclusive of floating storage units and floating storage regasification units.

The following table provides additional information about the LNG carriers in our operating fleet as of December 31, 2024.

<u>Vessel</u>	<u>Capacity</u>	<u>Delivery</u>	<u>Our Ownership</u>	<u>Contract Type</u>	<u>Charterer</u>	<u>Expiration of Charter<sup>(1)</sup></u>
	(cubic meters)					
<b>Operating LNG carriers:</b>						
<b>Consolidated</b>						
Seapeak Hispania	137,814	2002	100%	Time-charter	H-Line Shipping Co., Ltd.	Jan. 2025 <sup>(2)</sup>
Seapeak Catalunya	135,423	2003	100%	Time-charter	Excelerate Gas Marketing LP.	Feb. 2025 <sup>(2)</sup>
Seapeak Galicia	137,814	2004	100%	Time-charter	LNG Shipping S.P.A. <sup>(3)</sup>	Jul. 2029 <sup>(4)</sup>
Seapeak Madrid	135,423	2004	100%	Uncontracted	—	—
Al Marrouna	149,539	2006	70%	Time-charter	Ras Laffan Liquefied Natural Gas Company Ltd.	Oct. 2026 <sup>(5)</sup>
Al Areesh	148,786	2007	70%	Time-charter	Ras Laffan Liquefied Natural Gas Company Ltd.	Jan. 2027 <sup>(5)</sup>
Al Daayen	148,853	2007	70%	Time-charter	Ras Laffan Liquefied Natural Gas Company Ltd.	Feb. 2027 <sup>(5)</sup>
Tangguh Hiri	151,885	2008	70%	Time-charter	The Tangguh Production Sharing Contractors	Dec. 2028
Tangguh Sago	155,000	2009	70%	Time-charter	The Tangguh Production Sharing Contractors	May. 2029
Seapeak Creole	173,400	2016	100% – Finance lease <sup>(6)</sup>	Time-charter	China Petroleum & Chemical Corporation	Feb. 2046
Seapeak Oak	173,400	2016	100% – Finance lease <sup>(6)</sup>	Time-charter	ENN LNG (Singapore) Pte. Ltd	Jun. 2032 <sup>(7)</sup>
Macoma	173,400	2017	100% – Finance lease <sup>(6)</sup>	Time-charter	Shell Tankers (Singapore) Private Ltd.	Oct. 2026 <sup>(8)</sup>
Murex	173,400	2017	100% – Finance lease <sup>(6)</sup>	Time-charter	Shell Tankers (Singapore) Private Ltd.	Oct. 2027 <sup>(8)</sup>
Seapeak Vancouver	173,400	2017	100% – Finance lease <sup>(6)</sup>	Time-charter	Petroleo Brasileiro S.A.	Mar. 2025 <sup>(18)</sup>
Magdala	173,400	2018	100% – Finance lease <sup>(6)</sup>	Time-charter	Shell Tankers (Singapore) Private Ltd.	Jan. 2026
Myrina	173,400	2018	100% – Finance lease <sup>(6)</sup>	Time-charter	Shell Tankers (Singapore) Private Ltd.	May. 2027 <sup>(8)</sup>
Megara	173,400	2018	100% – Finance lease <sup>(6)</sup>	Time-charter	Shell Tankers (Singapore) Private Ltd.	Jul. 2026 <sup>(9)</sup>
Seapeak Bahrain	173,400	2018	100%	Time-charter	Bahrain LNG W.L.L.	Feb. 2039
Seapeak Glasgow	174,000	2018	100%	Time-charter	BP Gas Marketing Limited	Dec. 2025 <sup>(10)</sup>
Seapeak Yamal	174,000	2019	100% – Finance lease <sup>(6)</sup>	Time-charter	Yamal Trade PTE. Ltd	Jan. 2034 <sup>(11)</sup>

<b>Vessel</b>	<b>Capacity</b> (cubic meters)	<b>Delivery</b>	<b>Our Ownership</b>	<b>Contract Type</b>	<b>Charterer</b>	<b>Expiration of Charter<sup>(1)</sup></b>
Marvel Swan	174,000	2021	100% <sup>(17)</sup>	Time-charter	Mitsui & Co., Ltd.	Apr. 2030 <sup>(12)</sup>
<b>Equity-Accounted</b>						
Seapeak Marib	165,500	2008	52%	Time-charter	Yemen LNG Company Limited <sup>(13)</sup>	Mar. 2029 <sup>(14)</sup>
Seapeak Arwa	165,500	2008	52%	Time-charter	Yemen LNG Company Limited <sup>(13)</sup>	Apr. 2029 <sup>(14)</sup>
Al Huwaila	214,176	2008	40%	Time-charter	Ras Laffan Liquefied Natural Gas Company Ltd.	May. 2033 <sup>(11)</sup>
Al Shamal	213,536	2008	40%	Time-charter	Ras Laffan Liquefied Natural Gas Company Ltd.	May. 2033 <sup>(11)</sup>
Al Kharsaah	214,198	2008	40%	Time-charter	Ras Laffan Liquefied Natural Gas Company Ltd.	Jun. 2033 <sup>(11)</sup>
Al Khuwair	213,101	2008	40%	Time-charter	Ras Laffan Liquefied Natural Gas Company Ltd.	Jul. 2033 <sup>(11)</sup>
Seapeak Methane	165,500	2008	52%	Uncontracted	—	—
Woodside Donaldson	165,500	2009	52%	Time-charter	Pluto LNG Party Limited	Jun. 2026 <sup>(15)</sup>
Seapeak Magellan	165,700	2009	52%	Time-charter	TotalEnergies Gas & Power Limited	Apr. 2026
Seapeak Meridian	165,700	2010	52%	Time-charter	Total E&P Norge AS	Nov. 2030 <sup>(14)</sup>
Soyo	160,400	2011	33%	Time-charter	Angola LNG Supply Services LLC	Aug. 2031 <sup>(11)</sup>
Malanje	160,400	2011	33%	Time-charter	Angola LNG Supply Services LLC	Sep. 2031 <sup>(11)</sup>
Lobito	160,400	2011	33%	Time-charter	Angola LNG Supply Services LLC	Oct. 2031 <sup>(11)</sup>
Cubal	160,400	2012	33%	Time-charter	Angola LNG Supply Services LLC	Jan. 2032 <sup>(11)</sup>
Pan Asia	174,000	2017	30%	Time-charter	Methane Services Limited	Oct. 2037 <sup>(16)</sup>
Pan Americas	174,000	2018	30%	Time-charter	Methane Services Limited	Jan. 2038 <sup>(16)</sup>
Pan Europe	174,000	2018	20%	Time-charter	Methane Services Limited	Jul. 2038 <sup>(16)</sup>
Eduard Toll	172,410	2018	50%	Time-charter	Yamal Trade PTE Ltd.	Dec. 2045 <sup>(11)</sup>
Rudolf Samoylovich	172,410	2018	50%	Time-charter	Yamal Trade PTE Ltd.	Dec. 2045 <sup>(11)</sup>
Pan Africa	174,000	2019	20%	Time-charter	Methane Services Limited	Jan. 2039 <sup>(16)</sup>
Nikolay Yevgenov	172,410	2019	50%	Time-charter	Yamal Trade PTE Ltd.	Dec. 2045 <sup>(11)</sup>
Vladimir Voronin	172,410	2019	50%	Time-charter	Yamal Trade PTE Ltd.	Dec. 2045 <sup>(11)</sup>
Georgiy Ushakov	172,410	2019	50%	Time-charter	Yamal Trade PTE Ltd.	Dec. 2045 <sup>(11)</sup>
Yakov Gakkal	172,410	2019	50%	Time-charter	Yamal Trade PTE Ltd.	Dec. 2045 <sup>(11)</sup>
	<u>7,603,608</u>					

(1) Each of our time-charters are subject to certain termination and purchase provisions.

- (2) Following completion of the time-charter, the vessel is currently uncontracted.
- (3) LNG Shipping S.P.A. is a wholly-owned subsidiary of ENI S.P.A.
- (4) The charterer has one option to extend the term for an additional five years.
- (5) The charterer has three options to extend the term for an additional five years each.
- (6) We are the lessee for these obligations related to finance leases and will be required to purchase the vessel after the end of the lease terms for a fixed price.
- (7) The charterer has one option to extend the term for an additional three years.
- (8) The charterer has three remaining options to extend the term for an additional three years each.
- (9) The charterer has four remaining options to extend the term for an additional three years each.
- (10) In February 2025, the charterer exercised its option to terminate the charter contract with effect in December 2025. Had the charterer not exercised its termination option, the charter contract had a potential charter period of up to December 2031.
- (11) The charterer has two options to extend the term for an additional five years each.
- (12) The charterer has two options to extend the term for an additional one year each.
- (13) The charter contracts for the *Seapeak Marib* and the *Seapeak Arwa* with YLNG are currently suspended until late March to early April 2025, upon which it is expected that the MALT Joint Venture may enter into a Third Suspension Agreement with YLNG pursuant to which the MALT Joint Venture and YLNG may further suspend the charter contracts of the *Seapeak Marib* and the *Seapeak Arwa*. As of December 31, 2024, the *Seapeak Marib* and the *Seapeak Arwa* are on time-charter contracts with TotalEnergies Gas & Power Limited until June 2025 and May 2025, respectively.
- (14) The charterer has three options to extend the term for one, five and five additional years, respectively.
- (15) The charterer has four options to extend the term for an additional five years each.
- (16) The charterer has five options to extend the term for an additional two years.
- (17) In January 2025, we entered into a new finance lease arrangement and have an option to repurchase the vessel in July 2032 for a fixed price.
- (18) Following completion of the time-charter, the vessel has entered into two new short-term time-charter contracts.

The following table provides information about our LNG carrier newbuildings as of December 31, 2024. Charters for these vessels typically commence upon delivery of the vessels.

<u>Vessel</u>	<u>Capacity</u> (cubic meters)	<u>Scheduled Delivery Date</u>	<u>Shipyard<sup>(1)</sup></u>	<u>Our Ownership</u>	<u>Charterer</u>	<u>Length of Charter</u>
<b>Consolidated</b>						
SHI SN Hull No. 2656	174,000	Mar. 2027	SHI	100%	SeaRiver Maritime LLC	10 years <sup>(2)</sup>
SHI SN Hull No. 2657	174,000	May 2027	SHI	100%	SeaRiver Maritime LLC	10 years <sup>(2)</sup>
SHI SN Hull No. 2658	174,000	Aug. 2027	SHI	100%	SeaRiver Maritime LLC	10 years <sup>(2)</sup>
SHI SN Hull No. 2659	174,000	Sep. 2027	SHI	100%	SeaRiver Maritime LLC	10 years <sup>(2)</sup>
SHI SN Hull No. 2660	174,000	Dec. 2027	SHI	100%	SeaRiver Maritime LLC	10 years <sup>(2)</sup>
	<u>870,000</u>					

- (1) Samsung Heavy Industries Co., Ltd.
- (2) The charterer has two options to extend the term for an additional three years each.

For our consolidated voyage revenues from LNG customers that each accounted for more than 10% of our consolidated voyage revenues, please read "Item 18 – Financial Statements: Note 4 – Segment Reporting." The loss of any significant customer or a substantial decline in the amount of services requested by a significant customer could harm our business, financial condition and results of operations.

#### **Charter Expirations**

We have 12 LNG carriers that are either traded in the spot market or are subject to time-charter contracts that are scheduled to expire between January 2025 and December 2026 (excluding extension options).

In anticipation of the scheduled expiry of these time charters, we are pursuing various opportunities relating to the vessels, which may include the exercise of extension options, redeployment under new time charters, disposition, or other opportunities, all of which will depend on evolving market conditions. Please refer to and read "Item 4 – Information on the Company – Liquefied Natural Gas Segment – LNG Carriers" for additional information and the full list of scheduled expiration dates of our time-charter contracts.

### Other Assets

We have a 30% ownership interest in an LNG receiving and regasification terminal in Bahrain. In addition, we provide the operation and maintenance services to the Bahrain terminal. The Bahrain LNG Joint Venture completed the mechanical construction and commissioning of the Bahrain terminal in late-2019 and began receiving terminal use payments in early-2020 under its agreement with BAPCO Energies, which ends in February 2039.

### Natural Gas Liquid Segment

#### NGL Carriers

We have defined NGL shipping as the transportation of three main categories of cargo: liquid petroleum gases, including propane, butane and ethane; petrochemical gases, including ethylene, propylene and butadiene; and ammonia.

In the NGL market, we compete principally with independent shipowners and operators, and other private and state-controlled energy and chemical companies that generally operate captive fleets.

As of December 31, 2024, our NGL carriers (including equity-accounted vessels) had an average age of approximately nine years, compared to the world NGL carrier fleet average age of approximately 16 years. As of that date, according to Clarkson's World Fleet Monitor report published in January 2025, the worldwide NGL tanker fleet consisted of approximately 1,682 vessels and approximately 299 additional NGL vessels were on order for delivery through 2029. NGL carriers range in size from approximately 100 to approximately 150,000 cubic meters. Approximately 35% of the vessels in the worldwide fleet are less than 5,000 cubic meters in size.

NGL carriers are mainly chartered to carry NGL on time-charters, contracts of affreightment or spot voyage charters. The two largest consumers of NGL are residential users and the petrochemical industry. Residential users, particularly in developing regions where electricity and gas pipelines are not developed, do not have fuel switching alternatives and generally are not NGL price sensitive. The petrochemical industry, however, has the ability to switch between NGL and other feedstock fuels depending on price and availability of alternatives.

The following table provides information about our NGL carriers in our operating fleet as of December 31, 2024.

Vessel	Capacity (cubic meters)	Delivery	Our Ownership	Contract Type	Charterer	Expiration of Charter
<b>Operating NGL carriers:</b>						
<b>Consolidated</b>						
Ineos Dolphin	85,000	2020	100% – Finance lease <sup>(3)</sup>	Time-charter	Ineos Europe AG	Aug. 2029
Ineos Marlin	85,000	2019	100% – Finance lease <sup>(3)</sup>	Time-charter	Ineos Europe AG	Apr. 2029
Ineos Insight	27,500	2015	100% – Finance lease <sup>(3)</sup>	Time-charter	Ineos Europe AG	Sep. 2030
Ineos Ingenuity	27,500	2015	100% – Finance lease <sup>(3)</sup>	Time-charter	Ineos Europe AG	Sep. 2030
Ineos Intrepid	27,500	2015	100% – Finance lease <sup>(3)</sup>	Time-charter	Ineos Europe AG	Nov. 2030
Ineos Inspiration	27,500	2016	100% – Finance lease <sup>(3)</sup>	Time-charter	Ineos Europe AG	Mar. 2031
Ineos Innovation	27,500	2016	100% – Finance lease <sup>(3)</sup>	Time-charter	Ineos Europe AG	Jan. 2027 <sup>(4)</sup>
Ineos Independence	27,500	2017	100% – Finance lease <sup>(3)</sup>	Time-charter	Ineos Europe AG	Apr. 2027 <sup>(4)</sup>
Ineos Invention	27,500	2017	100% – Finance lease <sup>(3)</sup>	Time-charter	Ineos Europe AG	May 2027 <sup>(5)</sup>

<b>Vessel</b>	<b>Capacity</b>	<b>Delivery</b>	<b>Our Ownership</b>	<b>Contract Type</b>	<b>Charterer</b>	<b>Expiration of Charter</b>
	(cubic meters)					
Ineos Intuition	27,500	2017	100% – Finance lease <sup>(3)</sup>	Time-charter	Ineos Europe AG	May 2027 <sup>(5)</sup>
<b>Equity-Accounted</b>						
Antwerpen	35,223	2005	50% – Chartered-in	Time-charter	An international energy company	Aug. 2025
Libramont	38,455	2006	50% – Chartered-in	Time-charter	An international fertilizer company	May.2026
Sombeke	38,447	2006	50% – Chartered-in	Time-charter	An international fertilizer company	Jun. 2027
Sylvie	35,217	2007	50% – Chartered-in	Time-charter	An international fertilizer company	Oct. 2025
BW Tokyo	83,300	2009	50% – Chartered-in	Spot	In NGL Pool	—
Waasmunster	38,115	2014	50%	Time-charter	An international energy company	Oct. 2025 <sup>(1)</sup>
Waregem	38,115	2014	50%	Time-charter	An international fertilizer company	Dec. 2025
Severin Schulte (formerly Warinsart)	38,115	2014	50% – Chartered-in	Time-charter	An international energy company	Mar. 2025
Warisoulx	38,115	2015	50%	Time-charter	An international trading company	Mar. 2025
Kaprijke	38,500	2015	50%	Time-charter	An international fertilizer company	Nov. 2025
Knokke	38,500	2016	50%	Time-charter	An international energy company	Apr. 2025
Kontich	38,500	2016	50%	Time-charter	An international energy company	Aug. 2025
Kortrijk	38,500	2016	50%	Time-charter	An international trading company	Jan. 2026 <sup>(6)</sup>
Kallo	38,500	2017	50% – Finance lease <sup>(2)</sup>	Time-charter	An international fertilizer company	Mar. 2025 <sup>(1)</sup>
Kruibeke	38,500	2017	50% – Finance lease <sup>(2)</sup>	Time-charter	An international trading company	Feb. 2026
Kapellen	38,500	2018	50% – Finance lease <sup>(2)</sup>	Time-charter	An international trading company	Jun. 2025
Koksijde	38,500	2018	50% – Finance lease <sup>(2)</sup>	Time-charter	An international energy company	Dec. 2025
Wepion	38,200	2018	50%	Time-charter	An international fertilizer company	Jan. 2026 <sup>(1)</sup>
	<u>1,119,302</u>					

(1) The charterer has one option to extend the term for an additional one year.

(2) Exmar LPG BVBA, in which we have a 50% ownership interest, is the lessee for these obligations related to finance leases and will be required to purchase the vessel after the end of the lease terms for a fixed price.

(3) We are the lessee for these obligations related to finance leases and have an option to repurchase the vessel after the end of the lease terms for a fixed price.

(4) The charterer has one option to extend the term for an additional five years.

(5) The charterer has one option to extend the term for an additional two years.

(6) The charterer has an option to extend the term for an additional one, two or three years.

The following table provides information about our NGL carrier newbuildings under construction as of December 31, 2024. Charters for these vessels typically commence upon delivery of the vessels.

<u>Vessel</u>	<u>Capacity</u> (cubic meters)	<u>Scheduled Delivery Date</u>	<u>Shipyard<sup>(1)</sup></u>	<u>Our Ownership</u>	<u>Charterer</u>	<u>Length of Charter</u>
<b><u>Equity-Accounted</u></b>						
H8387	45,000	Jan. 2025	HMD <sup>(1)</sup>	50%	An international energy company	1 year <sup>(2)</sup>
H8388	45,000	Apr. 2025	HMD <sup>(1)</sup>	50%	An international energy company	3 year <sup>(3)</sup>
H8389	45,000	Jan. 2026	HMD <sup>(1)</sup>	50%	N/A	N/A
H8390	45,000	May. 2026	HMD <sup>(1)</sup>	50%	N/A	N/A
H8391	45,000	Aug. 2026	HMD <sup>(1)</sup>	50%	N/A	N/A
H8392	45,000	Dec. 2026	HMD <sup>(1)</sup>	50%	N/A	N/A
YAMIC 1578	40,000	Oct. 2026	YAMIC <sup>(4)</sup>	50% - Chartered-in	N/A	N/A
YAMIC 1579	40,000	Feb. 2027	YAMIC <sup>(4)</sup>	50% - Chartered-in	N/A	N/A
YAMIC 1580	40,000	Jun. 2027	YAMIC <sup>(4)</sup>	50% - Chartered-in	N/A	N/A
YAMIC 1581	40,000	Oct. 2027	YAMIC <sup>(4)</sup>	50% - Chartered-in	N/A	N/A
YAMIC 1584	48,000	Nov. 2027	YAMIC <sup>(4)</sup>	50% - Chartered-in	N/A	N/A
YAMIC 1585	48,000	Dec. 2027	YAMIC <sup>(4)</sup>	50% - Chartered-in	N/A	N/A
	<u>526,000</u>					

(1) Hyundai Mipo Dockyard Co., Ltd.

(2) The charterer has one option to extend the term for an additional one year.

(3) The charterer has one option to extend the term for an additional two years.

(4) Jiangsu Yangzi Mitsui Shipbuilding Co., Ltd.

For our consolidated voyage revenues from NGL customers that each accounted for more than 10% of our consolidated voyage revenues, please read "Item 18 – Financial Statements: Note 4 – Segment Reporting." The loss of any significant customer or a substantial decline in the amount of services requested by a significant customer could harm our business, financial condition and results of operations.

### Business Strategies

Our primary long-term business objective is to expand our core businesses globally in order to service our customers' growing gas transportation requirements which we believe will add long-term value for our unitholders. We may evaluate and explore adjacent liquefied gas markets, renewable markets, and other maritime opportunities. Our operating cash flows remain largely stable and growing, supported by a large and well-diversified portfolio of fee-based contracts with high-quality counterparties.

We intend to achieve our long-term business objective, as stated above, by executing the following strategies:

- **Provide superior customer service by maintaining high reliability, safety, environmental and quality standards.** LNG and NGL project operators seek LNG and NGL transportation partners that have a reputation for high reliability, safety, environmental and quality standards. We seek to leverage our operational expertise to create a sustainable competitive advantage with consistent delivery of superior customer service.
- **Expand our LNG and NGL business globally.** We seek to capitalize on opportunities emerging from the global expansion of the LNG and NGL sectors by selectively targeting:
  - projects that involve medium to long-term, fixed-rate charters;
  - cost-effective LNG and NGL newbuilding contracts;
  - joint ventures and partnerships with companies that may provide increased access to opportunities in attractive LNG and NGL importing and exporting geographic regions;

- strategic vessel and business acquisitions; and
  - specialized projects in adjacent areas of the business.
- **Evaluate and explore adjacent liquified gas markets, renewables, and other maritime opportunities.** To continue the growth of our Company, we may evaluate and seek to enter into specialized projects in adjacent areas of our business, including other liquified gas markets, renewable markets, and other maritime opportunities.

### **Safety, Management of Ship Operations and Administration**

We internally manage our ship operations, other than the vessels owned or chartered-in by our joint ventures with Exmar, which are commercially and technically managed by Exmar, two of the Angola LNG Carriers, which are commercially and technically managed by NYK Energy Transport (Atlantic) Ltd. and five of our LNG carriers, which are chartered-out to Shell Tankers (Singapore) Private Ltd. and technically managed by a subsidiary of Shell Plc. Safety and Environmental Compliance are our top operational priorities. We operate our vessels in a manner intended to protect the safety and health of our employees, and to minimize the impact on the environment and society. We seek to effectively manage risk in the organization using a three-tiered approach at an operational, management and corporate level, designed to provide a clear line of sight throughout the organization. All of our operational employees receive training in the use of risk tools and the management system. We also have an approved competency management system in place to ensure our seafarers continue their professional development and are competent before being promoted to more senior roles.

We are certified under the standards reflected in International Standards Organization's (or ISO) 9001 for Quality Assurance, ISO 14001 for Environment Management Systems, ISO 45001 for Occupational Health and Safety Management Systems, and the IMO's International Management Code for the Safe Operation of Ships and Pollution Prevention (or *ISM Code*) on a fully integrated basis. As part of our compliance with the ISM Code, all of our vessels' safety management certificates are maintained through annual internal audits performed by our certified internal auditors and periodical external audits performed by the classification society DNV. Subject to satisfactory completion of these internal and external audits, certification is valid for five years.

We produce a publicly available sustainability report (available at [www.seapeak.com](http://www.seapeak.com)) which reflects the efforts, achievements, results and challenges faced by us relating to several key related matters, including emissions, climate change, corporate social responsibility, diversity and health, safety environment and quality. We recognize the significance of ESG considerations and in 2020 set an ESG strategy foundation which is intended to direct our efforts and performance in the years ahead. Our ESG strategy is focused on three broad areas: allocating capital to support the global energy transition; operating our existing fleets as safely and efficiently as possible; and further strengthening our ESG profile. We set annual ESG targets for the organization, which our ESG Department closely monitor.

On September 16, 2024, Seapeak announced its official membership in the United Nation Oil and Gas Methane Partnership (or *OGMP 2.0*). OGMP 2.0 is a voluntary initiative launched by the United Nations Environment Programme (or *UNEP*) to improve the monitoring, reporting, and verification of methane emissions from oil and gas operations. By joining OGMP 2.0, Seapeak will seek to leverage its maritime expertise to contribute to global methane reduction goals, enhance transparency, and drive meaningful change in the shipping and maritime industry.

In addition to our operational experience, our in-house global shore staff provides a full range of technical, commercial and business development services for our LNG and NGL operations. The staff also provides administrative support to our operations in finance, accounting and human resources. We believe this arrangement affords a safe, efficient and cost-effective operation. Vessel management services are provided by our teams located in various offices around the world. These include critical vessel management functions such as:

- vessel maintenance (including repairs and dry docking) and certification;
- crewing by competent seafarers;
- procurement of stores, bunkers and spare parts;
- management of emergencies and incidents;
- supervision of shipyard and projects during construction of newbuildings, conversions, lay-up and recycling;
- terminal support;
- insurance; and
- financial management services.

These functions are supported by onboard and onshore systems for maintenance, inventory, purchasing and budget management.

We believe that the generally uniform design of some of our existing and newbuilding vessels and the adoption of common equipment standards provide operational efficiencies, including with respect to crew training and vessel management, equipment operation and repair, and spare parts ordering.

### **Risk of Loss, Insurance and Risk Management**

The operation of any ocean-going vessel, or LNG facility, carries an inherent risk of catastrophic marine disasters, death or injury of persons and property losses caused by adverse weather conditions, mechanical failures, human error, war, terrorism, piracy and other circumstances or events. In addition, the transportation of LNG and NGL is subject to the risk of spills and to business interruptions due to political circumstances in foreign countries, hostilities, labor strikes, sanctions and boycotts, whether relating to us or any of our joint venture partners, suppliers or customers. The occurrence of any of these events may result in loss of revenues or increased costs.

We carry hull and machinery (marine and war risks) and protection and indemnity insurance, and other liability insurance, coverage to protect against most of the accident-related risks involved in the conduct of our business. Hull and machinery insurance covers loss of or damage to a vessel due to marine perils such as collision, grounding and weather. Protection and indemnity insurance indemnifies us against liabilities incurred while operating vessels, including injury to our crew or third parties, cargo loss and pollution. The current maximum amount of our coverage for pollution is \$1 billion per vessel per incident. We also carry insurance policies covering war risks (including piracy and terrorism) and, for some of our LNG carriers, loss of revenues resulting from vessel off-hire time due to a marine casualty.

We believe that our current insurance coverage is adequate to protect against most of the accident-related risks involved in the conduct of our business and that we maintain appropriate levels of environmental damage and pollution insurance coverage. However, we cannot guarantee that all covered risks are adequately insured against, that any particular claim will be paid or that we will be able to procure adequate insurance coverage at commercially reasonable rates in the future. More stringent environmental regulations have resulted in increased costs for, and may result in the lack of availability of, insurance against risks of environmental damage or pollution.

In our operations, we use thorough risk management program that includes, among other things, risk analysis tools, maintenance and assessment programs, a seafarers' competence training program, seafarers' workshops and membership in emergency response organizations.

We have achieved certification under the standards reflected in ISO 9001 for Quality Assurance, ISO 14001 for environment management systems, ISO 45001:2018, and the IMO's ISM Code on a fully integrated basis.

### **Flag, Classification, Audits and Inspections**

Our vessels are registered with reputable flag states, and the hull and machinery of all of our vessels have been "Classed" by one of the major classification societies and members of International Association of Classification Societies Ltd.: Bureau Veritas, Lloyd's Register of Shipping, the American Bureau of Shipping or DNV.

The applicable classification society certifies that the vessel's design and build conform to the applicable Class rules and meets the requirements of the applicable rules and regulations of the country of registry of the vessel and the international conventions to which that country is a signatory. The classification society also verifies throughout the vessel's life that it continues to be maintained in accordance with those rules. In order to validate this, the vessels are surveyed by the classification society, in accordance with the classification society rules, which in the case of our vessels follows a comprehensive five-year special survey cycle, renewed every fifth year. During each five-year period, the vessel undergoes annual and intermediate surveys, the scrutiny and intensity of which is primarily dictated by the age of the vessel.

In addition to class surveys, the vessel's flag state also verifies the condition of the vessel during annual flag state inspections, either independently or by additional authorization to class. Also, port state authorities of a vessel's port of call are authorized under international conventions to undertake regular and spot checks of vessels visiting their jurisdiction.

Processes followed onboard are audited by either the flag state or classification society acting on behalf of the flag state to ensure that they meet the requirements of the ISM Code. We also follow an internal process of internal audits undertaken annually at each office and vessel.

We follow a comprehensive inspection and audit regime supported by our sea staff, shore-based operational and technical specialists and members of our Fleet Training Officer program. We typically carry out two internal inspections and one internal audit annually, which helps ensure us that:

- our vessels and operations adhere to our operating standards;
- the structural integrity of the vessel is being maintained;
- machinery and equipment is being maintained to give reliable service;
- we are optimizing performance in terms of speed and fuel consumption; and
- our vessels' appearance supports our brand and meets customer expectations.

Our customers also often carry out vetting inspections under the Ship Inspection Report Program, which is a significant safety initiative introduced by the Oil Companies International Marine Forum to specifically address concerns about sub-standard vessels. The inspection results permit charterers to screen a vessel to ensure that it meets their general and specific risk-based shipping requirements.

We believe that the heightened environmental and quality concerns of insurance underwriters, regulators and charterers will generally lead to greater scrutiny, inspection and safety requirements on all vessels in the oil tanker, LNG and NGL carrier markets and will accelerate the scrapping or phasing out of older vessels throughout these markets.

Overall, we believe that our, well-maintained and high-quality vessels provide us with a competitive advantage in the current environment of increasing regulation and customer emphasis on quality of service.

## Regulations

### General

Our business and the operation of our vessels are significantly affected by international conventions and national, state and local laws and regulations in the jurisdictions in which our vessels operate, as well as in the country or countries of their registration. Because these conventions, laws and regulations change frequently, we cannot predict the ultimate cost of compliance or their impact on the resale price or useful life of our vessels. Additional conventions, laws, and regulations may be adopted that could limit our ability to do business or increase the cost of our doing business, and that may materially affect our operations. We are required by various governmental and quasi-governmental agencies to obtain permits, licenses and certificates with respect to our operations. Subject to the discussion below and to the fact that the kinds of permits, licenses and certificates required for the operations of the vessels we own will depend on a number of factors, we believe that we will be able to continue to obtain all permits, licenses and certificates material to the conduct of our operations.

### International Maritime Organization

The IMO is the United Nations' agency for maritime safety and prevention of pollution. IMO regulations relating to pollution prevention for oil tankers have been adopted by many of the jurisdictions in which our tanker fleet operates. Under IMO regulations and subject to limited exceptions, a tanker must be of double-hull construction in accordance with the requirements set out in these regulations or be of another approved design ensuring the same level of protection against oil pollution. All of our gas carriers are double-hulled.

Many countries, but not the United States, have ratified and follow the liability regime adopted by the IMO and set out in the International Convention on Civil Liability for Oil Pollution Damage, 1969, as amended (or *CLC*). Under this convention, a vessel's registered owner is strictly liable for pollution damage caused in the territorial waters of a contracting state by discharge of persistent oil (e.g. crude oil, fuel oil, heavy diesel oil or lubricating oil), subject to certain defenses. The right to limit liability to specified amounts that are periodically revised is forfeited under the CLC when the spill is caused by the owner's actual fault or when the spill is caused by the owner's intentional or reckless conduct. Vessels trading to contracting states must provide evidence of insurance covering the limited liability of the owner. In jurisdictions where the CLC has not been adopted, various legislative regimes or common law governs, and liability is imposed either on the basis of fault or in a manner similar to the CLC.

IMO regulations also include the International Convention for Safety of Life at Sea (or *SOLAS*), including amendments to SOLAS implementing the International Ship and Port Facility Security Code (or *ISPS*), the ISM Code, the International Convention on Load Lines of 1966, and, specifically with respect to LNG and NGL carriers, the International Code for Construction and Equipment of Ships Carrying Liquefied Gases in Bulk (or the *IGC Code*) and International Code for Ships operating in Polar Waters (or the *Polar Code*). SOLAS provides rules for the construction of and the equipment required for commercial vessels and includes regulations for their safe operation. Flag states which have ratified the convention and the treaty generally employ the classification societies, which have incorporated SOLAS requirements into their class rules, to undertake surveys to confirm compliance.

SOLAS and other IMO regulations concerning safety, including those relating to treaties on the training of shipboard personnel, lifesaving appliances, radio equipment and the global maritime distress and safety system, are applicable to our operations. Non-compliance with IMO regulations, including SOLAS, the ISM Code, ISPS Code, IGC Code and Polar Code may subject us to increased liability or penalties, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to or detention in some ports. For example, the USCG and EU authorities have indicated that vessels not in compliance with the ISM Code will be prohibited from trading in U.S. and EU ports. The ISM Code requires vessel operators to obtain a safety management certification for each vessel they manage, evidencing the shipowner's development and maintenance of an extensive safety management system. Each of the existing vessels in our fleet is currently ISM Code-certified, and we obtain for each newbuilding a safety management certificate on delivery.

LNG and NGL carriers are also subject to regulation under the IGC Code. Each LNG and NGL carrier must obtain a certificate of compliance evidencing that it meets the requirements of the IGC Code, including requirements relating to its design and construction. Each of our LNG and NGL carriers is currently IGC Code compliant, and each of the shipbuilding contracts for our LNG carrier newbuildings and for the NGL carrier newbuildings requires IGC Code compliance prior to delivery. Amendments to the IGC Code, aligning wheelhouse window fire-rating requirements with those in SOLAS chapter II-2, were adopted in 2016 and became effective on January 1, 2020.

Annex VI of the IMO's International Convention for the Prevention of Pollution from Ships (or *MARPOL*) (or *Annex VI*) sets limits on sulfur oxide (or *SOx*) and nitrogen oxide (or *NOx*) emissions from ship exhausts and prohibits emissions of ozone depleting substances, emissions of volatile compounds from cargo tanks and the incineration of specific substances. Annex VI also includes a world-wide cap on the sulfur content of fuel oil and allows for special "emission control areas" (or *ECAs*) to be established with more stringent controls on sulfur emissions.

Annex VI provides for a three-tier reduction in *NOx* emissions from marine diesel engines, with the final tier (or *Tier III*) to apply to engines installed on vessels constructed on or after January 1, 2016 and which operate in the North American ECA or the U.S. Caribbean Sea ECA as well as ECAs designated in the future by the IMO. Tier III limits are 80% below Tier I, and these cannot be achieved without additional means such as Selective Catalytic Reduction. In October 2016, the IMO's Marine Environment Protection Committee (or *MEPC*) approved the designation of the North Sea (including the English Channel) and the Baltic Sea as ECAs for *NOx* emissions. These ECAs and the related amendments to Annex VI of MARPOL (with some exceptions) entered into effect on January 1, 2019. This requirement is applicable for new ships constructed on or after January 1, 2021 if they visit the Baltic or the North Sea (including the English Channel) and requires the future trading area of a ship to be assessed at the contract stage. There are exemption provisions to allow ships with only Tier II engines, to navigate in a *NOx* Tier III ECA if the ship is departing from a shipyard where the ship is newly built or visiting a shipyard for conversion/repair/maintenance without loading/unloading cargoes.

Effective January 1, 2020, Annex VI imposes a global limit for sulfur in fuel oil used on board ships of 0.50% m/m (mass by mass), regardless of whether a ship is operating outside a designated ECA. The ECA limit of 0.10% will still apply, as will any applicable local regulations. Effective March 1, 2020, the carriage of non-compliant fuel is prohibited. To comply with the 2020 global sulfur limit for fuel, ships must utilize different fuels containing low or very low sulfur (e.g., low sulfur fuel oil, very low sulfur fuel oil, low sulfur marine gas oil (or *LSMGO*), biofuels or other compliant fuels such as LNG), or utilize exhaust gas cleaning systems, known as “scrubbers.” Amendments to the information to be included in bunker delivery notes relating to the supply of marine fuel oil to ships fitted with alternative mechanisms to address sulfur emission requirements (e.g. scrubbers) became effective January 1, 2019. At present, we have not installed any scrubbers on our existing gas fleet (nor do we have plans to). All of our LNG and NGL vessels are in compliance with 2020 global sulfur fuel regulations. Our fuel strategy is to use LNG as primary fuel (except the Q-Flex LNG vessels) and compliance fuels as secondary fuel.

As of March 1, 2018, amendments to Annex VI impose new requirements on ships of 5,000 gross tonnage and above to collect fuel oil consumption data for ships, as well as certain other data including proxies for transport work. Amendments to MARPOL Annex VI that makes the data collection system for fuel oil consumption of ships mandatory were adopted at the 70th session of the MEPC held in October 2016 and entered into force on March 1, 2018. The amendments require operators to update the vessels' Ship Energy Efficiency Management Plan (or *SEEMP*) to include a part II describing the ship specific methodology that will be used for collecting and measuring data for fuel oil consumption, distance travelled, hours underway, ensuring data quality is maintained and the processes that will be used to report the data to the Administration. This has been verified as compliant on all ships for calendar year 2023. The verification of data collected for the 2024 calendar year is ongoing.

IMO regulations required that, as of January 1, 2015, all vessels operating within ECAs worldwide recognized under MARPOL Annex VI must comply with 0.1% sulfur requirements. In addition, *LSMGO* is more expensive than heavy fuel oil, and this impacts the costs of operations. In general, our charterers are required under our contracts to bear the cost of fuel. However, on occasion we may be exposed to increased fuel costs in our spot trading vessels, although our competitors bear a similar cost increase as this is a regulatory item applicable to all vessels. All required vessels in our fleet trading to and within regulated low sulfur areas are able to comply with fuel requirements.

Amendments to MARPOL Annex VI adopted by MEPC.361(79) entered into force on May 1, 2024 which designates the Mediterranean Sea as an ECA for Sulphur Oxides and Particular Matter. As a result, the limit for sulphur in fuel oil used on board ships in the Mediterranean Sea will be 0.10% m/m.

The IMO has issued guidance regarding protecting against acts of piracy off the coast of Somalia. We comply with these guidelines.

IMO Guidance for countering acts of piracy and armed robbery is published by the IMO's Maritime Safety Committee (or *MSC*). *MSC.1/Circ.1339* (Piracy and armed robbery against ships in waters off the coast of Somalia) outlines Best Management Practices (or *BMP*) for protection against Somalia-based Piracy. Specifically, *MSC.1/Circ.1339* provides guidance to shipowners and ship operators, shipmasters and crews on preventing and suppressing acts of piracy and armed robbery and was adopted by the IMO through Resolution *MSC.324(89)*. The *BMP* is a joint industry publication by BIMCO, ICS, IGP&I Clubs, INTERTANKO and OCIMF. Our fleet follows the guidance within *BMP 5* when transiting in other regions with recognized threat levels for piracy and armed robbery, including West Africa.

The IMO's Ballast Water Management Convention entered into force on September 8, 2017. The convention stipulates two standards for discharged ballast water. The D-1 standard covers ballast water exchange while the D-2 standard covers ballast water treatment. The convention requires the implementation of either the D-1 or D-2 standard. There was a transitional period from the entry into force to the IOPP renewal survey in which ballast water exchange (reg. D-1) could be employed. The IMO's MEPC agreed to a compromise on the implementation dates for the D-2 discharge standard: ships constructed on or after September 8, 2017 must comply with the D-2 standard upon delivery. Existing ships should be D-2 compliant on the first IOPP renewal following entry into force if the survey is completed on or after September 8, 2019, or a renewal IOPP survey was completed on or after September 8, 2014 but prior to September 8, 2017. Ships should be D-2 compliant on the second IOPP renewal survey after September 8, 2017 if the first renewal survey after that date was completed prior to September 8, 2019 and if the previous two conditions are not met. Vessels are required to meet the discharge standard D-2 by installing an approved BWTS. Besides the IMO convention, ships sailing in U.S. waters are required to employ a type-approved BWTS which is compliant with USCG regulations. The USCG has approved a number of BWTSs both nationally and internationally, out of which Alfa Laval (Sweden), Ocean Saver (Norway), Techcross, and De Nora are under our approved list for retrofit. We estimate that the installation of approved BWTS may cost between \$2 million and \$3 million per vessel. All BWTS upgrades and retrofits on our vessels have been completed and our vessels are compliant with applicable IMO and USCG standards.

Amendments to Appendix II of Ballast Water Management Convention, adopted by MEPC.369(80) regarding updating the existing format of Ballast Water Record Book will enter into force on February 1, 2025.

The IMO has also adopted the Polar Code which deals with matters regarding the design, construction, equipment, operation, search and rescue and environmental protection in relation to ships operating in waters surrounding the two poles. The Polar Code includes both safety and environmental provisions. The Polar Code and related amendments entered into force in January 2017. The Polar Code is mandatory for new vessels built after January 1, 2017. For existing ships, this code will be applicable from the first intermediate or renewal survey, whichever occurs first, beginning on or after January 1, 2018. All our vessels trading in this area are fully compliant with the Polar Code.

MARPOL Annex I also states that oil residue may be discharged directly from the sludge tank to the shore reception facility through standard discharge connections. They may also be discharged to the incinerator or to an auxiliary boiler suitable for burning the oil by means of a dedicated discharge pump. Amendments to Annex I expand on the requirements for discharge connections and piping to ensure residues are properly disposed of. Annex I is applicable for existing vessels with a first renewal survey beginning on or after January 1, 2017.

Amendments to MARPOL Annex I and V were adopted through MEPC.381(80) and MEPC.382(80), on July 7, 2023. The MEPC agreed the effective date of January 1, 2025, for the Red Sea and Gulf of Aden Special Areas under MARPOL Annex I and V, based on information provided related to the status of available necessary reception facilities for MARPOL Annexes I and V wastes and residues, covering all the ports and terminals within the areas.

Amendments to MARPOL Annex V were adopted at the 70th session of the MEPC held in October 2016 and entered into force on March 1, 2018. The changes include criteria for determining whether cargo residues are harmful to the marine environment and a new Garbage Record Book (or *GRB*) format with a new garbage category for e-waste. Solid bulk cargo as per regulation VI/1-1.2 of SOLAS, other than grain, shall now be classified as per the criteria in the new Appendix I of MARPOL Annex V, and the shipper shall then declare whether or not the cargo is harmful to the marine environment. A new form of the GRB has been included in Appendix II to MARPOL Annex V. The GRB is now divided into two parts: Part I - for all garbage other than cargo residues, applicable to all ships. PART II - for cargo residues only applicable to ships carrying solid bulk cargo. These changes are reflected in the vessels latest revised GRB.

MSC.338(91) adopted amendments to SOLAS Regulation II-2/10 to clarify that a minimum of two-way portable radiotelephone apparatus for each fire party for fire-fighters' communication shall be carried on board. These radio devices shall be of explosion proof type or intrinsically safe type. As per MSC.338(91), requirements have also been highlighted for audio and visual indicators for breathing apparatus which will alert the user before the volume of the air in the cylinder has been reduced to no less than 200 liters. All our vessels are in compliance with these requirements.

Amendment to SOLAS Regulation II-1/3-8, adopted by MSC.474(102) regarding new requirements covering the provision and maintenance of mooring lines entered into force on January 1, 2024.

Amendment to LSA Code and Resolution MSC.81(70), adopted by MSC.535(107) and MSC.544(107) enters into force on January 1, 2026, regarding ventilation requirement of totally enclosed lifeboats.

Cyber-related risks are operational risks that are appropriately assessed and managed in accordance with the safety management requirements of the ISM Code. Cyber risks were required to be appropriately addressed in our safety management system no later than the first annual verification of our Document of Compliance after January 1, 2021. As of July 16, 2021, verification audits of our Document of Compliance have been completed and we are in compliance with IMO Resolution MSC.428(98) requirement for maritime cyber risk management.

The Maritime Labour Convention (or *MLC*) 2006 was adopted by the International Labour Conference at its 94th (Maritime) Session (2006), establishing minimum working and living conditions for seafarers. The convention entered into force August 20, 2013, with further amendments approved by the International Labour Conference at its 103rd Session (2014). The MLC establishes a single, coherent instrument embodying all up-to-date standards of existing international maritime labour conventions and recommendations, as well as the fundamental principles to be found in other international labour conventions. All of our maritime labor contracts comply with the MLC.

The 2022 Amendments to MLC,2006 relating to recruitment and placement, accommodation and recreational facilities, food and catering, health and safety protection, accident prevention, and financial security were entered into force on December 23, 2024.

The IMO continues to review and introduce new regulations and as such, it is difficult to predict what additional requirements, if any, may be adopted by the IMO and what effect, if any, such regulations might have on our operations.

## **EU**

The EU has adopted legislation that: bans from European waters manifestly sub-standard vessels (defined as vessels that have been detained twice by EU port authorities, in the preceding two years); creates obligations on the part of EU member port states to inspect minimum percentages of vessels using these ports annually; provides for increased surveillance of vessels posing a high risk to maritime safety or the marine environment; and provides the EU with greater authority and control over classification societies, including the ability to seek to suspend or revoke the authority of negligent societies.

Two regulations that are part of the implementation of the Port State Control Directive, came into force on January 1, 2011 and introduce a ranking system (published on a public website and updated daily) displaying shipping companies operating in the EU with the worst safety records. The ranking is judged upon the results of the technical inspections carried out on the vessels owned by a particular shipping company. Those shipping companies that have the most positive safety records are rewarded by subjecting them to fewer inspections, while those with the most safety shortcomings or technical failings recorded upon inspection will in turn be subject to a greater frequency of official inspections to their vessels.

The EU has, by way of Directive 2005/35/EC, which has been amended by Directive 2009/123/EC, created a legal framework for imposing criminal penalties in the event of discharges of oil and other noxious substances from ships sailing in its waters, irrespective of their flag. This relates to discharges of oil or other noxious substances from vessels. Minor discharges shall not automatically be considered as offences, except where repetition leads to deterioration in the quality of the water. The persons responsible may be subject to criminal penalties if they have acted with intent, recklessly or with serious negligence and the act of inciting, aiding and abetting a person to discharge a polluting substance may also lead to criminal penalties.

The EU has adopted a Directive requiring the use of low sulfur fuel. Since January 1, 2015, vessels have been required to burn fuel with sulfur content not exceeding 0.1% while within EU member states' territorial seas, exclusive economic zones and pollution control zones that are included in SOx ECAs. Other jurisdictions have also adopted similar regulations.

All ships above 5,000 gross tonnage calling EU waters are required to comply with EU-MRV regulations. These regulations came into force on July 1, 2015 and aim to reduce GHG emissions within the EU. It requires ships carrying out maritime transport activities to or from European Economic Area ports to monitor and report information including verified data on their CO2 emissions from January 1, 2018. Data collection takes place on a per voyage basis and started from January 1, 2018. The reported CO2 emissions, together with additional data (e.g. cargo, energy efficiency parameters), are to be verified by independent verifiers and sent to a central database, managed by the European Maritime Safety Agency (or *EMSA*). Seapeak has signed an agreement with Det Norske Veritas (or *DNV*), an international accredited registrar and classification society, for monitoring, verification and reporting as required by this regulation. We use Veslink forms which have a smooth interface with the DNV system. The reporting period for the 2023 calendar year has been completed, and emission reports for the vessels which have carried out EU voyages have been submitted in the Hybrid European Targeting and Inspection System (or *THETIS*) database. Based on emission reports submitted in THETIS, a document of compliance has been issued and placed on board.

The Fuel EU Maritime Regulation is a complementary regulation to the European Union Emissions Trading System (or *EU ETS*), ensuring that the greenhouse gas intensity of fuels used by the shipping sector will gradually decrease over time. It contributes to the EU-wide target of reducing net emissions by at least 55% by 2030, and to achieving climate neutrality in 2050. The political agreement was formally adopted on September 13, 2023 and applies from January 1, 2025 (except for Monitoring Plan articles, which shall apply from August 31, 2024). The Fuel EU Maritime Regulation scope considers vessels above 5,000 gross tonnage, calling European Economic Area (or *EEA*) ports, no matter what flag they fly (EU/non-EU), and includes:

- 100% of the energy used from ships calling at an EU/EEA port for voyages within the EU/EEA (intra-EU)
- 50% of the energy used from voyages to or from EU ports (extra-EU/EEA)
- 100% of the energy used when ships are at berth in EU/EEA ports.

The Fuel EU Monitoring Plans for Seapeak vessels were approved by an accredited verifier (DNV) and are currently in use.

The EU Ship Recycling Regulation entered into force on December 30, 2013. It aims to prevent, reduce and minimize accidents, injuries and other negative effects on human health and the environment when ships are recycled, and the hazardous waste they contain is removed. The legislation applies to all ships flying the flag of an EU country and to vessels with non-EU flags that call at an EU port or anchorage. It sets out responsibilities for shipowners and for recycling facilities both in the EU and in other countries. Each new ship is required to have on board an inventory of the hazardous materials (such as asbestos, lead or mercury) it contains in either its structure or equipment. The use of certain hazardous materials is forbidden. Before a ship is recycled, its owner must provide the company carrying out the work with specific information about the vessel and prepare a ship recycling plan. Recycling may only take place at facilities listed on the EU 'List of facilities'.

The EU Ship Recycling Regulation generally entered into force on December 31, 2018, with certain provisions applicable from December 31, 2020. Compliance timelines are as follows: EU-flagged newbuildings were required to have onboard a verified Inventory of Hazardous Materials (or *IHM*) with a Statement of Compliance by December 31, 2018, existing EU-flagged vessels are required to have onboard a verified IHM with a Statement of Compliance by December 31, 2020, non-EU-flagged vessels calling at EU ports are also required to have onboard a verified IHM with a Statement of Compliance latest by December 31, 2020. We contracted a class-approved HazMat expert company to assist in the preparation of an IHM and obtaining Statements of Compliance for our vessels. The EU Commission adopted a European List of approved ship recycling facilities, as well as four further decisions dealing with certification and other administrative requirements set out in the EU Ship Recycling Regulation. In 2014, the Council Decision 2014/241/EU authorized EU countries having ships flying their flag or registered under their flag to ratify or to accede to the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships.

The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships will enter into force on June 26, 2025, following the fulfilment of the ratification criteria in June 2023. By June 26, 2026, new build ships will have to have an approved and certified IHM on board. By June 26, 2030, existing ships will have to have an approved and certificated IHM on board; have a Ready for Recycling Certificate on board, and only be recycled at a ship recycling facility which has a valid Document of Authorization for Ship Recycling.

Our LNG and NGL ships have an approved and certified IHM on board in accordance with EU Ship Recycling Regulation and Hong Kong Convention.

## **China**

China had established new ECAs in Pearl River Delta, Yangtze River Delta and Bohai Sea, which came into force from January 1, 2016. The Hainan ECA came into force from January 1, 2019. From January 1, 2019, all the ECAs have merged, and the scope of Domestic Emission Controls Areas (or *DECAs*) will be extended to 12 nautical miles from the coastline, covering the Chinese mainland territorial coastal areas as well as the Hainan Island territorial coastal waters. From January 1, 2019, all vessels navigating within the Chinese mainland territorial coastal DECAs and at berths will be required to use marine fuel with sulfur content of maximum 0.50% m/m. As per the new regulation, ships can also use alternative methods such as an Exhaust Gas Scrubber, LNG or other clean fuel that reduces the SOx to the same level or lower than the maximum required limits of sulfur when using fossil fuel in the DECA areas or when at berth. All the vessels without an exhaust gas cleaning system entering the ECA are only permitted to carry and use the compliant fuel oil specified by the new regulation.

From July 1, 2019, vessels engaged on international voyages (except tankers) that are equipped to connect to shore power must use shore power if they berth for more than 3 hours in berths with shore supply capacity in the coastal control areas (for inland river control area, berth for more than 2 hours).

From January 1, 2020, all vessels navigating within the Chinese mainland territorial coastal DECAs should use marine fuel with a maximum 0.5% m/m sulfur cap. All the vessels entering China inland waterway ECA are to use the fuel oil with sulfur content not exceeding 0.1% m/m. Any vessel using or carrying non-compliant fuel oil due to the non-availability of compliant fuel oil is to submit a fuel oil non-availability report to the China Maritime Safety Administration (or *CMSA*) of the next arrival port before entering waters under the jurisdiction of China.

From March 1, 2020, all vessels entering waters under the jurisdiction of the People's Republic of China are prohibited from carrying fuel oil of sulfur content exceeding 0.50% m/m on board ships. Any vessel carrying non-compliant fuel oil in the waters under the jurisdiction of China is to:

- discharge the non-compliant fuel oil; or
- as permitted by the CMSA of calling port, to retain the non-compliant fuel oil on board with a commitment letter stating it will not be used in waters under the jurisdiction of China.

### **United States**

The United States has enacted an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills, including discharges of oil cargoes, bunker fuels or lubricants, primarily through the Oil Pollution Act of 1990 (or *OPA 90*) and the Comprehensive Environmental Response, Compensation and Liability Act (or *CERCLA*). *OPA 90* affects all owners, bareboat charterers, and operators whose vessels trade to the United States or its territories or possessions or whose vessels operate in United States waters, which include the U.S. territorial sea and 200-mile exclusive economic zone around the United States. *CERCLA* applies to the discharge of "hazardous substances" rather than "oil" and imposes strict joint and several liability upon the owners, operators or bareboat charterers of vessels for cleanup costs and damages arising from discharges of hazardous substances. We believe that petroleum products, LNG and NGL should not be considered hazardous substances under *CERCLA*, but additives to oil or lubricants used on LNG or NGL carriers might fall within its scope.

Under *OPA 90*, vessel owners, operators and bareboat charters are "responsible parties" and are jointly, severally, and strictly liable (unless the oil spill results solely from the act or omission of a third party, an act of God or an act of war and the responsible party reports the incident and reasonably cooperates with the appropriate authorities) for all containment and cleanup costs and other damages arising from discharges or threatened discharges of oil from their vessels. These other damages are defined broadly to include:

- natural resources damages and the related assessment costs;
- real and personal property damages;
- net loss of taxes, royalties, rents, fees and other lost revenues;
- lost profits or impairment of earning capacity due to property or natural resources damage;
- net cost of public services necessitated by a spill response, such as protection from fire, safety or health hazards; and
- loss of subsistence use of natural resources.

*OPA 90* limits the liability of responsible parties in an amount it periodically updates. The liability limits do not apply if the incident was proximately caused by violation of applicable U.S. federal safety, construction or operating regulations, including IMO conventions to which the United States is a signatory, or by the responsible party's gross negligence or willful misconduct, or if the responsible party fails or refuses to report the incident or to cooperate and assist in connection with the oil removal activities. Liability under *CERCLA* is also subject to limits unless the incident is caused by gross negligence, willful misconduct, or a violation of certain regulations. We currently maintain for each of our vessel's pollution liability coverage in the maximum coverage amount of \$1 billion per incident. A catastrophic spill could exceed the coverage available, which could harm our business, financial condition, and results of operations.

Under *OPA 90*, with limited exceptions, all newly built or converted tankers delivered after January 1, 1994 and operating in U.S. waters must be double-hulled. All of our tankers are double-hulled.

*OPA 90* also requires owners and operators of vessels to establish and maintain with the USCG evidence of financial responsibility in an amount at least equal to the relevant limitation amount for such vessels under the statute. The USCG has implemented regulations requiring that an owner or operator of a fleet of vessels must demonstrate evidence of financial responsibility in an amount sufficient to cover the vessel in the fleet having the greatest maximum limited liability under *OPA 90* and *CERCLA*. Evidence of financial responsibility may be demonstrated by insurance, surety bond, self-insurance, guaranty or an alternate method subject to approval by the USCG. Under the self-insurance provisions, the shipowner or operator must have a net worth and working capital, measured in assets located in the United States against liabilities located anywhere in the world, that exceeds the applicable amount of financial responsibility. We have complied with the USCG regulations by using self-insurance for certain vessels and obtaining financial guaranties from a third party for the remaining vessels. If other vessels in our fleet trade into the United States in the future, we expect to obtain guaranties from third-party insurers.

*OPA 90* and *CERCLA* permit individual U.S. states to impose their own liability regimes with regard to oil or hazardous substance pollution incidents occurring within their boundaries, and some states have enacted legislation providing for unlimited strict liability for spills. Several coastal states, such as California and Alaska, require state-specific evidence of financial responsibility and vessel response plans. We intend to comply with all applicable state regulations in the ports where our vessels call.

Owners or operators of vessels, including tankers operating in U.S. waters, are required to file vessel response plans with the USCG, and their tankers are required to operate in compliance with their USCG approved plans. Such response plans must, among other things:

- address a "worst case" scenario and identify and ensure, through contract or other approved means, the availability of necessary private response resources to respond to a "worst case discharge";
- describe crew training and drills; and
- identify a qualified individual with full authority to implement removal actions.

All our vessels have USCG approved vessel response plans. In addition, we conduct regular oil spill response drills in accordance with the guidelines set out in OPA 90. The USCG has announced it intends to propose similar regulations requiring certain vessels to prepare response plans for the release of hazardous substances. Similarly, we also have California Vessel Contingency Plans on board vessels which are likely to call ports in State of California.

OPA 90 and CERCLA do not preclude claimants from seeking damages resulting from the discharge of oil and hazardous substances under other applicable law, including maritime tort law. Such claims could include attempts to characterize the transportation of LNG or NGL aboard a vessel as an ultra-hazardous activity under a doctrine that would impose strict liability for damages resulting from that activity. The application of this doctrine varies by jurisdiction.

The U.S. Clean Water Act (or the *Clean Water Act*) also prohibits the discharge of oil or hazardous substances in U.S. navigable waters and imposes strict liability in the form of penalties for unauthorized discharges. The Clean Water Act imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under OPA 90 and CERCLA discussed above.

The United States Environmental Protection Agency ("EPA") has enacted rules requiring ballast water discharges and other discharges incidental to the normal operation of certain ships within United States waters to be authorized under the Ship General Permit for Discharges Incidental to the Normal Operation of Ships ("VGP"). To be covered by the VGP, owners of certain ships (typically based on ship length) must submit a Notice of Intent ("NOI") at least 30 days before the ship operates in United States waters. In March 2013, the EPA published a new VGP that included numeric effluent limits for ballast water expressed as the maximum concentration of living organisms in ballast water. The VGP also imposed a variety of changes for non-ballast water discharges including more stringent "Best Management Practices" for discharges of oil-to-sea interfaces in an effort to reduce the toxicity of oil leaked into U.S. waters. The 2013 VGP was issued with an effective period of December 19, 2013 to December 18, 2018. The Vessel Incidental Discharge Act, ("VIDA"), enacted on December 4, 2018, requires the EPA and Coast Guard to develop new performance standards and enforcement regulations and extends the 2013 VGP provisions until new regulations are final and enforceable. We have submitted NOIs for our fleet and intend to submit NOIs for our ships in the future, where required, and do not believe that the costs associated with obtaining and complying with the VGP or issuing NOIs will have a material impact on our operations.

Since January 1, 2014, the California Air Resources Board has required that vessels that burn fuel within 24 nautical miles of California burn fuel in such area with 0.1% sulfur content or less.

Various states in the United States, including California, have implemented additional regulations relating to the environment and operation of vessels. California Biofouling Management Plan requirements are as follows: developing and maintaining a Biofouling Management Plan, developing and maintaining a Biofouling Record Book, mandatory biofouling management of the vessel's wetted surfaces, mandatory biofouling management for vessels that undergo an extended residency period (e.g. remain in the same location for 45 or more days). All vessels calling at California water were required to submit the "Annual Marine Invasive Reporting Form" by October 1, 2017 and to have a CA-Biofouling management plan after a vessel's first regularly scheduled out-of-water maintenance (e.g. dry dock) after January 1, 2018, or upon delivery on or after January 1, 2018.

### **GHG Regulation**

In February 2005, the Kyoto Protocol to the United Nations Framework Convention on Climate Change (or the *Kyoto Protocol*) took effect. Pursuant to the Kyoto Protocol, adopting countries are required to implement national programs to reduce emissions of GHGs. In December 2009, more than 27 nations, including the United States, entered into the Copenhagen Accord. The Copenhagen Accord is non-binding but is intended to pave the way for a comprehensive, international treaty on climate change. In December 2015 the Paris Agreement was adopted by a large number of countries at the 21st Session of the Conference of Parties (commonly known as COP 21, a conference of the countries which are parties to the United Nations Framework Convention on Climate Change; the COP is the highest decision-making authority of this organization). The Paris Agreement, which entered into force on November 4, 2016, deals with GHG emission reduction measures and targets from 2020 in order to limit the global temperature increases to well below 2° Celsius above pre-industrial levels. Although shipping was ultimately not included in the Paris Agreement, it is expected that the adoption of the Paris Agreement may lead to regulatory changes in relation to curbing GHG emissions from shipping. In January 2025, U.S. President Trump signed an executive order to withdraw the United States from the Paris Agreement.

In July 2011, the IMO adopted regulations imposing technical and operational measures for the reduction of GHG emissions. These new regulations formed a new chapter in MARPOL Annex VI and became effective on January 1, 2013. The new technical and operational measures imposed by these new regulations include the "Energy Efficiency Design Index" (or the *EEDI*), which is mandatory for newbuilding vessels, and SEEMP which is mandatory for all vessels. In October 2016, the IMO's MEPC adopted updated guidelines for the calculation of the EEDI. In October 2014, the IMO's MEPC agreed in principle to develop a system of data collection regarding fuel consumption of ships. In October 2016, the IMO adopted a mandatory data collection system under which vessels of 5,000 gross tonnage and above are to collect fuel consumption and other data and to report the aggregated data so collected to their flag state at the end of each calendar year. The new requirements entered into force on March 1, 2018.

All vessels are required to submit fuel consumption data to their respective administration/registered organizations for onward submission to the IMO for analysis and to help with decision-making on future measures. The amendments require operators to update the vessels SEEMP to include descriptions of the ship-specific methodology that will be used for collecting and measuring data for fuel oil consumption, distance travelled, hours underway and processes that will be used to report the data to the Administration, in order to ensure data quality is maintained.

Our vessels were verified as compliant before December 31, 2018, with the first data collection period being for the 2019 calendar year. A Confirmation of Compliance was issued by the administration/registered organization, which must be kept on board the ship.

Amendments to the International Convention for the Prevention of Pollution from Ships (or *MARPOL*) Annex VI entered into force on November 1, 2022. From January 1, 2023 it is mandatory for all ships to calculate their attained Energy Efficiency Existing Ship Index (or *EEXI*) to measure their energy efficiency and to initiate the collection of data for the reporting of their annual operational carbon intensity indicator (or *CII*) and CII rating. Data for the annual CII reporting period of 2024 has been collected and submitted for verification prior to the March 31, 2025 deadline with a Statement of Compliance, and new ratings are expected to be issued no later than May 31, 2025. The measures are part of IMO's commitment under its 2018 Initial Strategy on Reduction of GHG Emissions from Ships to reduce carbon intensity from all ships by 40% by 2030 compared to 2008. We have calculated the attained EEXI for our fleet and installed Engine Power Limitation (or *EPL*) where necessary to comply with the required EEXI benchmark. Further, we are exploring alternatives to optimize the emissions output of our vessels, including installing energy saving devices on board our vessels, such as air lubrication systems and retrofitting reliquefaction plants.

The monitoring, reporting and verification (or *MRV*) of CO<sub>2</sub> emissions from vessels (or the *MRV Regulation*) entered into force on July 1, 2015. The MRV Regulation aims to quantify and reduce CO<sub>2</sub> emissions from shipping. It lists the requirements on the MRV of carbon dioxide emissions and requires shipowners and operators to annually monitor, report and verify CO<sub>2</sub> emissions for vessels larger than 5,000 gross tonnage calling at any EU and EFTA (Norway and Iceland) port (with a few exceptions, such as fish-catching or fish-processing vessels). Data collection takes place on a per voyage basis and started January 1, 2018. The reported CO<sub>2</sub> emissions, together with additional data, such as cargo and energy efficiency parameters, are to be verified by independent verifiers and sent to a central inspection database hosted by EMSA to collate all the data applicable to the EU region. Companies responsible for the operation of large ships using EU ports are required to report their CO<sub>2</sub> emissions.

On July 14, 2022, the European Commission presented its proposal to revise the current EU ETS. The proposal modifies and aligns the existing EU ETS target of 43% GHG emission reduction by 2030 (vs 2005 levels) with the Fit for 55 Package goal, aiming for at least 55% GHG emission reduction for the whole EU economy by 2030 (vs 1990 levels). Following the usual political procedure, both the EU Council and the European Parliament adopted their initial reactions to the proposal of the European Commission in June 2022. With the first step of the political process achieved, the inter-institutional negotiations between the European Parliament, Council and Commission officially began on July 11, 2022. For the maritime industry, the emissions emitted by transport maritime will be integrated in the current EU ETS as from 2025. It will include CO<sub>2</sub> emissions of most large vessels. Coverage will be progressive, starting in 2025 with 40% of the emissions emitted in 2024 and aiming to achieve full coverage of intra-EU voyages by 2027. From 2026, non-CO<sub>2</sub> emissions such as nitrous oxide (or *N<sub>2</sub>O*), and methane will also be included in the system. Offshore vessels over 5000 GT will be included in the EU ETS from 2027. The EU policymakers have also recognized a list of exemptions and measures to avoid carbon leakage. Maritime transport is a sector that will not receive free allocation nor be protected by CBAM. This means that the EU ETS Directive will require the publication of a list of neighboring transshipment ports to avoid evasive behavior of carbon requirements. The agreement also recognizes exemptions for ice class ships (such as our ARC7 vessels), small islands, outermost EU regions and public service journeys between Greece and Cyprus.

In the United States, the EPA issued an "endangerment finding" regarding GHGs under the U.S. Clean Air Act. While this finding in itself does not impose any requirements on our industry, it authorizes the EPA to regulate directly GHG emissions through a rule-making process. In addition, climate change initiatives are being considered in the United States Congress and by individual states. Any passage of new climate control legislation or other regulatory initiatives by the IMO, EU, the United States or other countries or states where we operate that restrict emissions of GHG could have a significant financial and operational impact on our business that we cannot predict with certainty at this time.

Many financial institutions that lend to the maritime industry have adopted the Poseidon Principles, which establish a framework for assessing and disclosing the climate alignment of ship finance portfolios. The Poseidon Principles set a benchmark for the banks who fund the maritime sector, which is based on the IMO GHG strategy. IMO has approved an initial GHG strategy in April 2018 to reduce GHG emissions generated from shipping activity, which represents a significant shift in climate ambition for a sector that currently accounts for 2%-3% of global carbon dioxide emissions. As a result, the Poseidon Principles have enabled financial institutions to align their ship finance portfolios with responsible environmental behavior and incentivize international shipping's decarbonization.

### ***Vessel Security***

The ISPS was adopted by the IMO in December 2002 in the wake of heightened concern over worldwide terrorism and became effective on July 1, 2004. The objective of ISPS is to enhance maritime security by detecting security threats to ships and ports and by requiring the development of security plans and other measures designed to prevent such threats. Each of the existing vessels in our fleet currently complies with the requirements of ISPS and Maritime Transportation Security Act of 2002 (U.S. specific requirements). Procedures are in place to inform the relevant reporting regimes such as Maritime Security Council Horn of Africa, the Maritime Domain Awareness for Trade - Gulf of Guinea, and the Information Fusion Center whenever our vessels are calling in the Indian Ocean Region, or West Coast of Africa or SE Asia high-risk areas respectively. In order to mitigate the security risk, security arrangements are required for vessels which travel through these high-risk areas.

### **C. Organizational Structure**

Our sole common unitholder is Stonepeak Limestone Holdings L.P., which is 100% owned by investment vehicles managed by Stonepeak.

Please read Exhibit [8.1](#) to this Annual Report for a list of our subsidiaries as at December 31, 2024.

### **D. Property, Plant and Equipment**

Other than our vessels and our 30% interest, through the Bahrain LNG Joint Venture, in an LNG receiving and regasification terminal, we do not have any material property.

Please read "Item 4 – Information on the Company: Our Fleet and Our Charters" for a description of our vessels, and "Item 18 – Financial Statements: Note 5 – Chartered-In Vessels" and "Note 10 – Long-Term Debt" for information about major encumbrances against our vessels.

## E. Taxation of the Company

### **United States Taxation**

The following is a discussion of material U.S. federal income tax considerations applicable to us effective January 1, 2019. This discussion is based upon provisions of the Code, legislative history, applicable U.S. Treasury Regulations (or *Treasury Regulations*), judicial authority and administrative interpretations, all as in effect on the date of this Annual Report, and which are subject to change, possibly with retroactive effect, or are subject to different interpretations. Changes in these authorities may cause the tax consequences to vary substantially from the consequences described below.

*Election to be Taxed as a Corporation.* We elected to be taxed as a corporation for U.S. federal income tax purposes effective January 1, 2019. As such, we are subject to U.S. federal income tax on our income to the extent it is from U.S. sources or otherwise is effectively connected with the conduct of a trade or business in the United States as discussed below.

*Taxation of Operating Income.* We expect that substantially all of our gross income and the gross income of our corporate subsidiaries will be attributable to the transportation of LNG, NGL, ammonia and related products. For this purpose, gross income attributable to transportation (or *Transportation Income*) includes income derived from, or in connection with, the use (or hiring or leasing for use) of a vessel to transport cargo, or the performance of services directly related to the use of any vessel to transport cargo, and thus includes income from time-charters.

Fifty percent (50%) of Transportation Income that either begins or ends, but that does not both begin and end, in the United States (or *U.S. Source International Transportation Gross Income*) is considered to be derived from sources within the United States. Transportation Income that both begins and ends in the United States (or *U.S. Source Domestic Transportation Gross Income*) is considered to be 100% derived from sources within the United States. Transportation Income exclusively between non-U.S. destinations is considered to be 100% derived from sources outside the United States. Transportation Income derived from sources outside the United States generally is not subject to U.S. federal income tax.

Based on our current operations and the operations of our subsidiaries, most of our Transportation Income is from sources outside the United States and not subject to U.S. federal income tax. However, unless the exemption from U.S. taxation under Section 883 of the Code (or the *Section 883 Exemption*) applies, our U.S. Source International Transportation Gross Income or U.S. Source Domestic Transportation Gross Income is generally subject to U.S. federal income taxation under either the net basis and branch profits taxes or the 4% gross basis tax, each of which is discussed below.

*The Section 883 Exemption.* In general, the Section 883 Exemption provides that if a non-U.S. corporation satisfies the requirements of Section 883 of the Code and the Treasury Regulations thereunder (or the *Section 883 Regulations*), it will not be subject to the net basis and branch profits taxes or the 4% gross basis tax described below on its U.S. Source International Transportation Gross Income. The Section 883 Exemption does not apply to U.S. Source Domestic Transportation Gross Income.

A non-U.S. corporation (including an entity electing to be taxed as a corporation for U.S. federal income tax purposes) will qualify for the Section 883 Exemption if, among other things, it (i) is organized in a jurisdiction outside the United States that grants an exemption from tax to U.S. corporations on International Transportation Gross Income (or an Equivalent Exemption), (ii) meets one of three ownership tests (or Ownership Tests) described in the Section 883 Regulations, and (iii) meets certain substantiation, reporting and other requirements (or the Substantiation Requirements).

We do not believe that we will be able to qualify for the Section 883 Exemption and therefore our U.S. Source International Transportation Gross Income will not be exempt from U.S. federal income taxation.

*Net Basis Tax and Branch Profits Tax.* If the Section 883 Exemption does not apply, our U.S. Source International Transportation Gross Income may be treated as effectively connected with the conduct of a trade or business in the United States (or *Effectively Connected Income*) if we have a fixed place of business in the United States and substantially all of our U.S. Source International Transportation Gross Income is attributable to regularly scheduled transportation or, in the case of income derived from bareboat charters, is attributable to a fixed place of business in the United States. Based on our current operations, none of our potential U.S. Source International Transportation Gross Income is attributable to regularly scheduled transportation or is derived from bareboat charters attributable to a fixed place of business in the United States. As a result, we do not anticipate that any of our U.S. Source International Transportation Gross Income will be treated as Effectively Connected Income. However, there is no assurance that we will not earn income pursuant to regularly scheduled transportation or bareboat charters attributable to a fixed place of business in the United States in the future, which will result in such income being treated as Effectively Connected Income. U.S. Source Domestic Transportation Gross Income generally will be treated as Effectively Connected Income. However, we do not anticipate that a material amount of our income has been, or will be, U.S. Source Domestic Transportation Gross Income.

Any income we earn that is treated as Effectively Connected Income would be subject to U.S. federal corporate income tax (which statutory rate as of the end of 2024 was 21%) and a 30% branch profits tax imposed under Section 884 of the Code. In addition, a branch interest tax could be imposed on certain interest paid or deemed paid by us.

On the sale of a vessel that has produced Effectively Connected Income, we generally would be subject to the net basis and branch profits taxes with respect to our gain recognized up to the amount of certain prior deductions for depreciation that reduced Effectively Connected Income. Otherwise, we would not be subject to U.S. federal income tax with respect to gain realized on the sale of a vessel, provided the sale is considered to occur outside of the United States under U.S. federal income tax principles.

*The 4% Gross Basis Tax.* If the Section 883 Exemption does not apply and we are not subject to the net basis and branch profits taxes described above, we will be subject to a 4% U.S. federal income tax on our gross U.S. Source International Transportation Gross Income, without benefit of deductions. With respect to our taxable year ended in 2024, we believe we are subject to the 4% Gross Basis Tax and that we will not be able to qualify for the Section 883 Exemption. We expect the amount of our liability for U.S. federal income tax on our U.S. Source International Transportation Gross Income for such taxable year will be approximately \$2.2 million. The amount of such tax for which we are liable in any year will depend upon the amount of income we earn from voyages into or out of the United States in such year, however, which is not within our complete control.

#### **Marshall Islands Taxation**

Because we and our controlled affiliates do not, and we do not expect that we and our controlled affiliates will, conduct business, operations, or transactions in the Republic of the Marshall Islands, neither we nor our controlled affiliates are subject to income, capital gains, profits or other taxation under current Marshall Islands law, other than taxes, fines, or fees due to (i) the incorporation, dissolution, continued existence, merger, domestication (or similar concepts) of legal entities registered in the Republic of the Marshall Islands, (ii) filing certificates (such as certificates of incumbency, merger, or redomiciliation) with the Marshall Islands registrar, (iii) obtaining certificates of good standing from, or certified copies of documents filed with, the Marshall Islands registrar, (iv) compliance with Marshall Islands law concerning vessel ownership, such as tonnage tax, or (v) non-compliance with economic substance regulations or requests made by the Marshall Islands Registrar of Corporations relating to our books and records and the books and records of our subsidiaries. As a result, distributions by controlled affiliates to us are not subject to Marshall Islands taxation.

#### **Other Taxation**

We and our subsidiaries are subject to taxation in certain non-U.S. jurisdictions because we or our subsidiaries are either organized, or conduct business or operations, in such jurisdictions. In other non-U.S. jurisdictions, we and our subsidiaries rely on statutory exemptions from tax. However, we cannot assure that any statutory exemptions from tax on which we or our subsidiaries rely will continue to be available as tax laws in those jurisdictions may change or we or our subsidiaries may enter into new business transactions relating to such jurisdictions, which could affect our or our subsidiaries' tax liability. Please read "Item 18 – Financial Statements: Note 11 – Income Tax Recovery (Expense)."

#### **Item 4A. Unresolved Staff Comments**

Not applicable.

#### **Item 5. Operating and Financial Review and Prospects**

*The following discussion should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this report. In addition, please refer to Item 5 in our Annual Report on Form 20-F for the year ended December 31, 2023 for our discussion and analysis comparing financial condition and results of operations from 2023 to 2022.*

#### **Management's Discussion and Analysis of Financial Condition and Results of Operations**

##### **Overview**

Seapeak LLC is an international provider of marine transportation services focusing on LNG and NGL. Our primary strategy focuses on servicing customers through our fleet of vessels under medium to long-term, fixed-rate charters. We may evaluate and enter into adjacent liquefied gas markets, renewable markets, and other maritime opportunities. In executing our strategy, we may engage in vessel or business acquisitions or enter into joint ventures and partnerships with companies that provide increased access to emerging opportunities from global expansion of the LNG and NGL sectors.

## SIGNIFICANT DEVELOPMENTS IN 2024 AND EARLY 2025

### Vessel Purchase

In October 2024, we purchased a 100% interest in a 2021-built 174,000-cubic meter dual-fueled LNG carrier, the *Marvel Swan*, for \$213.0 million. As part of the acquisition, we assumed the existing time-charter contract which has a firm period ending in 2030, with extension options of up to two years, exercisable by the charterer. We initially funded the vessel purchase using a portion of our existing liquidity and secured long-term financing on the vessel in January 2025.

### Vessel Sales

In August 2024, we sold the *Seapeak Pan* multi-gas carrier for net proceeds of \$6.5 million.

In April 2024, we sold the *Seapeak Camilla* multi-gas carrier for net proceeds of \$6.7 million.

In March 2024, we sold the *Seapeak Cathinka* multi-gas carrier for net proceeds of \$6.5 million.

In February 2024, we sold the *Seapeak Napa* multi-gas carrier for net proceeds of \$10.4 million.

### Other Fleet Developments

We currently have four LNG carriers (including one 52%-owned LNG carrier) that have recently completed their long-term charter contracts and are without charter contracts, including three steam turbine LNG carriers that were placed in layup in early 2025. We have an additional two 52%-owned LNG carriers that are scheduled to complete their long-term charter contracts in April and May 2025. LNG project delays have caused a near-term oversupply of LNG carriers and as a result, our results for 2025 may be negatively impacted to the extent that there are periods within 2025 that we have LNG carriers without charter contracts or we have rechartered our LNG carriers at rates lower than they earned on their prior charter contracts.

As at December 31, 2024, our LNG segment included seven steam turbine LNG carriers, the oldest vessels in our LNG fleet. Three of these vessels were placed in layup in early 2025 (as mentioned above) and the remaining four are scheduled to complete their long-term charter contracts between late-2026 and mid-2029. We have made downward revisions to the outlook for this class of older vessel based on a combination of an oversupply of this type of vessel and reduced charterer interest due to their less efficient design. As such, we have reduced our future hire rate forecast and our estimate of their useful lives from 35 years to 25 years, and increased our estimate of the likelihood that three of the vessels may be sold in 2025. As a result of these changes, the carrying values of these vessels were written down to their estimated fair values in December 2024 resulting in an impairment charge of \$387.1 million.

### Russia-Ukraine War

The disruption in the energy markets caused by, and the sanctions announced in response to, the Russia-Ukraine war may adversely impact our business given Russia's role as a major global exporter of natural gas. Our business could be harmed by trade tariffs, trade embargoes, asset freezes, entity designations or other economic sanctions by the United States, the EU, the United Kingdom or other countries against Russia, Russian companies or the Russian energy sector and harmed by any retaliatory measures by Russia in response. Beginning in February 2025, the United States has initiated discussions with Russia aimed at ending the war. While much uncertainty remains regarding the global impact and remaining duration of the war, it is possible that hostilities could adversely affect our business, financial condition, results of operations and cash flows. Furthermore, it is possible that third parties with which we have charter contracts or business arrangements may be impacted by the war, which could adversely affect our operations and financial condition. To date, we have not experienced any material adverse operational or financial impact as a result of the Russia-Ukraine war.

## IMPORTANT FINANCIAL AND OPERATIONAL TERMS AND CONCEPTS

We use a variety of financial and operational terms and concepts when analyzing our performance. These include the following:

**Voyage Revenues.** Voyage revenues currently include revenues from charters accounted for under operating, and direct financing and sales-type leases. Voyage revenues are affected by hire rates and the number of calendar-ship-days a vessel operates. Voyage revenues are also affected by the mix of business between time and voyage charters. Hire rates for voyage charters are more volatile than for time charters, as they are typically tied to prevailing market rates at the time of a voyage.

**Voyage Expenses.** Voyage expenses are all expenses unique to a particular voyage, including any fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees and commissions. Voyage expenses are typically paid by the customer under time charters and by us under voyage charters.

**Net Voyage Revenues.** Net voyage revenues represents (loss) income from vessel operations before vessel operating expenses, time-charter hire expenses, depreciation and amortization, general and administrative expenses, (write-down) gain and gain (loss) on sales of vessels, and restructuring charges. This is a non-GAAP financial measure; for more information about this measure, please read "Item 5 – Operating and Financial Review and Prospects – Non-GAAP Financial Measures".

**Vessel Operating Expenses.** Under all types of charters and contracts for our vessels, except for bareboat charters, we are responsible for vessel operating expenses, which include crewing, ship management services, repairs and maintenance, insurance, stores, lube oils and communication

expenses. The two largest components of our vessel operating expenses are crew costs and repairs and maintenance. We expect these expenses to increase as our fleet matures and to the extent that it expands.

**(Loss) Income from Vessel Operations.** To assist us in evaluating our operations by segment, we analyze the (loss) income we (incur) receive from each segment after deducting operating expenses, but prior to the inclusion or deduction of equity income, interest expense, interest income, realized and unrealized gain on non-designated derivative instruments, foreign currency exchange (loss) gain, other (expense) income and income tax recovery (expense). For more information, please read "Item 18 – Financial Statements: Note 4 – Segment Reporting."

**Dry docking.** We must periodically dry dock each of our vessels for inspection, repairs and maintenance and any modifications required to comply with industry certification or governmental requirements. Generally, we dry dock each of our vessels every two and a half years to five years, depending upon the type of vessel and its age. We capitalize certain costs incurred during dry docking and amortize those costs on a straight-line basis from the completion of a dry docking to the estimated completion of the next dry docking. We include in capitalized dry docking those costs incurred as part of the dry docking to meet classification and regulatory requirements. We expense costs related to routine repairs and maintenance performed during dry docking. The number of dry dockings undertaken in a given period and the nature of the work performed determine the level of dry-docking expenditures.

**Depreciation and Amortization.** Our depreciation and amortization expense typically consists of the following three components:

- charges related to the depreciation of the historical cost of our fleet (less an estimated residual value) over the estimated useful lives of our vessels;
- charges related to the amortization of dry-docking expenditures over the useful life of the dry dock; and
- charges related to the amortization of the fair value of time-charters acquired over the expected remaining terms of the charters.

**Revenue Days.** Revenue days are the total number of calendar days our vessels were in our possession during a period less the total number of off-hire days during the period associated with major repairs, dry dockings or special or intermediate surveys. Consequently, revenue days represents the total number of days available for the vessel to earn revenue. Idle days, which are days when the vessel is available to earn revenue, yet is not employed, are included in revenue days. We use revenue days to explain changes in our net voyage revenues between periods.

**Calendar-Ship-Days.** Calendar-ship-days are equal to the total number of calendar days that our vessels were in our possession during a period. As a result, we use calendar-ship-days primarily in explaining changes in vessel operating expenses and depreciation and amortization.

**Utilization.** Utilization is an indicator of the use of our fleet during a given period and is determined by dividing our revenue days by our calendar-ship-days for the period.

## SUMMARY FINANCIAL DATA

Set forth below is summary consolidated financial and other data of Seapeak LLC and its subsidiaries for fiscal years 2024 and 2023, which have been derived from our consolidated financial statements. The following table should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements and the accompanying notes for the years ended December 31, 2024 and 2023 (which are included herein).

(in thousands of U.S. Dollars, except fleet data)	Year Ended December 31, 2024 \$	Year Ended December 31, 2023 \$
<b>GAAP Financial Comparison:</b>		
<i>Income Statement Data:</i>		
Voyage revenues	710,744	726,791
(Loss) income from vessel operations <sup>(1)</sup>	(94,505)	315,266
Equity income	122,279	149,006
Net (loss) income <sup>(1)</sup>	(95,821)	317,716
<i>Balance Sheet Data (at end of period):</i>		
Cash and cash equivalents	153,726	168,409
Restricted cash	34,242	15,985
Vessels and equipment <sup>(2)</sup>	2,954,134	3,219,681
Investment in and advances to equity-accounted joint ventures, net	1,346,578	1,311,739
Net investments in direct financing and sales-type leases, net <sup>(3)</sup>	646,326	689,711
Total assets	5,378,721	5,661,601
Total debt <sup>(4)</sup>	2,787,092	2,730,014
Total equity	2,306,694	2,677,079
<b>Non GAAP Financial Comparison:<sup>(5)</sup></b>		
Net voyage revenues	699,150	705,351
EBITDA <sup>(1)</sup>	208,673	649,749
<b>Fleet Data:</b>		
Average number of vessels: <sup>(6)</sup>		
Consolidated – LNG Carriers	20.0	21.0
Equity-Accounted – LNG Carriers	24.0	24.0
Consolidated – NGL Carriers	17.0	21.0
Equity-Accounted – NGL Carriers	18.0	18.0

- (1) Amounts are net of (write-down) gain and gain (loss) on sales of vessels of (\$382.8) million and \$28.0 million for 2024 and 2023, respectively.
- (2) Vessels and equipment consists of (a) our vessels, at cost less accumulated depreciation, (b) vessels related to finance leases, at cost less accumulated depreciation, (c) advances on newbuilding contracts and (d) operating lease right-of-use assets.
- (3) Certain of our external charters have been accounted for as direct financing and sales-type leases. As a result, the vessels associated with the external charters accounted for as direct financing and sales-type leases are not included as part of vessels and equipment. Please read "Item 18 – Financial Statements: Note 6 – Revenue – Net Investments in Direct Financing and Sales-Type Leases."
- (4) Total debt represents the current portion of long-term debt and long-term debt, net of unamortized discount and debt issuance costs, and the current and long-term portions of obligations related to finance leases.
- (5) Net voyage revenues and EBITDA are non-GAAP financial measures. The definition and an explanation of the usefulness and purpose of each measure as well as a reconciliation to the most directly comparable financial measure calculated and presented in accordance with GAAP, are contained within the section "Non-GAAP Financial Measures" at the end of this Item 5 – Operating and Financial Review and Prospects.
- (6) Average number of vessels is based on the period during the year that our vessels were in our possession, excluding any vessels under construction. The average number of vessels for our consolidated NGL fleet includes six vessels chartered-in until December 2024 and the average number of vessels for our equity-accounted NGL fleet includes six vessels chartered-in by our Exmar LPG Joint Venture during the year ended December 31, 2024 (year ended December 31, 2023 – three vessels) .

## RESULTS OF OPERATIONS

### Items You Should Consider When Evaluating Our Results of Operations

Some factors that have affected our historical financial performance and may affect our future performance are listed below:

- **The size of our fleet changes.** Our historical results of operations reflect changes in the size and composition of our fleet due to certain vessel deliveries and sales, including within our equity-accounted joint ventures. Please read "Liquefied Natural Gas Segment", "Natural Gas Liquid Segment" below and "Significant Developments in 2024 and Early 2025" above for further details about certain prior and future vessel deliveries, acquisitions and sales.
- **The amount and timing of dry docking of our vessels can affect our revenues between periods.** Our vessels are off-hire at various times due to scheduled and unscheduled maintenance. During 2024 and 2023, we had 80 and 111 scheduled off-hire days, respectively, relating to the dry docking of our vessels which are consolidated for accounting purposes. In addition, certain of our consolidated vessels had unplanned off-hire of 71 days in 2024 and 196 days in 2023 relating to repairs. The financial impact from these periods of off-hire, if material, is explained in further detail below.
- **Vessel operating and other costs are facing industry-wide inflationary cost pressures.** We continue to maintain our operating expense increases at or below inflationary levels. However, certain of our time-charter contracts contain a variable component based on actual vessels operating expenses incurred or adjust annually for inflation, which are both intended to protect us from increases in vessel operating expenses.
- **Our financial results are affected by fluctuations in the fair value of our derivative instruments.** The change in fair value of our derivative instruments is included in our net (loss) income as our derivative instruments and the majority of the derivative instruments held by our equity-accounted joint ventures are not designated as hedges for accounting purposes. These changes may fluctuate significantly as interest rates and foreign currency exchange rates fluctuate relating to our interest rate swaps and cross currency swaps. Please read "Item 18 – Financial Statements: Note 13 – Derivative Instruments and Hedging Activities." The unrealized gains or losses relating to changes in fair value of our derivative instruments do not impact our cash flows.
- **Our financial results are affected by fluctuations in currency exchange rates.** Under GAAP, all foreign currency-denominated monetary assets and liabilities (including cash and cash equivalents, restricted cash, accounts receivable, accounts payable, accrued liabilities, advances from affiliates, and long-term debt) are revalued and reported based on the prevailing exchange rate at the end of the period. These foreign currency translations fluctuate based on the strength of the U.S. Dollar relative mainly to the Euro and NOK and are included in our results of operations. The translation of all foreign currency-denominated monetary assets and liabilities at each reporting date results in unrealized foreign currency exchange gains or losses but do not currently impact our cash flows.
- **Our revenues may be impacted by vessels coming off medium to long-term, fixed-rate charter contracts.** Our primary strategy focuses on servicing customers through our fleet of vessels under medium to long-term, fixed-rate charter contracts. When such vessels complete these charter contracts, we seek to recharter these vessels on new charter contracts. To the extent these new charter contracts have hire rates that are higher or lower than their previous charter contracts, our revenue will positively or negatively impacted.
- **Certain of our consolidated and equity-accounted vessels earned revenues based partly on spot market rates.** Three LPG time-chartered-in carriers, one multi-gas carrier, and certain LPG carriers in our 50%-owned Exmar LPG Joint Venture were either trading or are currently trading in the spot market or have a component of their charter rate linked to spot market rates. Volatility of spot rates will affect our results from period to period.
- **We do not control access to cash flow generated by our investments in equity-accounted joint ventures.** We do not have control over the operations of, nor do we have any legal claim to the revenue and expenses of our investments in our equity-accounted joint ventures. Consequently, the cash flow generated by our investments in equity-accounted joint ventures may not be available for use by us in the period that such cash flows are generated.

## Year Ended December 31, 2024 versus Year Ended December 31, 2023

### Liquefied Natural Gas Segment

As at December 31, 2024, our liquefied natural gas segment fleet included 50 LNG carriers (including five LNG carriers under construction), and one LNG regasification terminal in Bahrain, in which our interests ranged from 20% to 100%.

The following table compares our liquefied natural gas segment's operating results, revenue days, calendar-ship-days and utilization for 2024 and 2023 and compares its net voyage revenues (which is a non-GAAP financial measure) for the years ended December 31, 2024 and 2023 to (loss) income from vessel operations, the most directly comparable GAAP financial measure. With the exception of equity income, all data in this table only includes an average of 20 LNG carriers for the year ended December 31, 2024 (2023 – 21 LNG carriers), that are accounted for under the consolidation method of accounting, and the ship management and corporate services we provide to certain of our equity-accounted joint ventures. A comparison of the results from vessels and assets accounted for under the equity method is described later in this section under "Equity Income."

(in thousands of U.S. Dollars, except for days and percentages)	Year Ended December 31,		Change	% Change
	2024	2023		
Voyage revenues	566,614	563,514	3,100	0.6
Voyage expenses	(4,598)	(6,715)	2,117	(31.5)
Net voyage revenues <sup>(1)</sup>	562,016	556,799	5,217	0.9
Vessel operating expenses	(181,427)	(175,382)	(6,045)	3.4
Depreciation and amortization	(111,339)	(110,477)	(862)	0.8
General and administrative expenses <sup>(2)</sup>	(23,402)	(24,111)	709	(2.9)
(Write-down) gain and gain (loss) on sales of vessels	(387,109)	35,807	(422,916)	(1,181.1)
(Loss) income from vessel operations	(141,261)	282,636	(423,897)	(150.0)
Equity income	94,577	120,021	(25,444)	(21.2)
Operating Data:				
Calendar-Ship-Days (B)	7,389	7,531	(142)	(1.9)
Less:				
Scheduled dry-docking days	34	92	(58)	(63.0)
Unscheduled off-hire and idle days	185	154	31	20.1
Revenue Days (A)	7,170	7,285	(115)	(1.6)
Utilization (A)/(B)	97.0%	96.7%		

(1) This is a non-GAAP financial measure; for more information about this measure, please read "Item 5 – Operating and Financial Review and Prospects – Non-GAAP Financial Measures".

(2) Includes direct general and administrative expenses and indirect general and administrative expenses (allocated to each segment based on estimated use of resources). See the discussion under "Other Operating Results" below.

Our liquefied natural gas segment's total calendar-ship-days decreased to 7,389 days in 2024 from 7,531 days in 2023. The decrease in total calendar-ship-days is primarily due to the sales of the *Seapeak Polar* and the *Seapeak Arctic* LNG carriers in June 2023 and February 2023, respectively; partially offset by the purchase of the *Marvel Swan* LNG carrier in October 2024.

*Net Voyage Revenues.* Net voyage revenues increased by \$5.2 million in 2024 compared to 2023, primarily due to:

- an increase of \$10.1 million due to an increase in operating and maintenance cost recoveries from the management and operation of the Bahrain LNG terminal during 2024;
- an increase of \$7.0 million due to a decrease in scheduled dry dockings of certain of our LNG carriers during 2024;
- an increase of \$5.7 million due to the purchase of the *Marvel Swan* LNG carrier in October 2024;
- an increase of \$4.0 million due to lower operational claims for certain of our LNG carriers during 2024;
- an increase of \$2.5 million due to fewer off-hire days for unscheduled repairs on certain of our LNG carriers during 2024; and
- an increase of \$1.5 million due to higher reimbursement of seafarers costs and ship management fees from certain of our equity-accounted joint ventures during 2024;

partially offset by:

- a decrease of \$14.8 million due to the *Seapeak Hispania* and the *Seapeak Catalunya* LNG carriers being temporarily idle between the scheduled completion of their previous charter contracts and the commencement of new short-term charter contracts at lower rates during 2024;

- a decrease of \$6.9 million due to the sale of the *Seapeak Polar* LNG carrier in June 2023; and
- a decrease of \$4.0 million due to the reimbursement of dry-docking expenditures for the *Seapeak Yamal* LNG carrier during 2023.

*Vessel Operating Expenses.* Vessel operating expenses increased by \$6.0 million in 2024 compared to 2023, primarily due to the timing of repairs and maintenance performed on the Bahrain LNG terminal and certain of our LNG carriers, higher seafarers costs incurred for LNG carriers in certain of our equity-accounted joint ventures (offset in net voyage revenues), and the purchase of the *Marvel Swan* LNG carrier in October 2024; partially offset by the sale of the *Seapeak Polar* LNG carrier in June 2023.

*Depreciation and Amortization.* Depreciation and amortization increased by \$0.9 million in 2024 compared to 2023, primarily due to the purchase of the *Marvel Swan* LNG carrier in October 2024 and an increase in drydock amortization due to drydock additions on certain of our LNG carriers that completed scheduled dry dockings during the second half of 2023; partially offset by the sale of the *Seapeak Polar* LNG carrier in June 2023.

*(Write-down) gain and gain (loss) on sales of vessels.* (Write-down) gain and gain (loss) on sales of vessels changed by \$422.9 million from a gain of \$35.8 million in 2023 to a loss of \$(387.1) million in 2024, as a result of:

- \$387.1 million due to the write-down of seven of our steam turbine LNG carriers, the oldest vessels in our LNG fleet, to their estimated fair values in December 2024 as a result of changes in our expectations of their future opportunities;
- \$43.8 million due to a gain recognized upon commencement of the *Seapeak Creole* LNG carrier's 23-year time-charter contract in February 2023, which was classified as a sales-type lease; and
- \$0.5 million due to a gain on the sale of the *Seapeak Polar* LNG carrier in June 2023;

partially offset by:

- \$7.5 million due to the write-down of the *Seapeak Polar* LNG carrier in March 2023 to its estimated fair value as a result of changes in our expectations of this vessel's future opportunities subsequent to the completion of its time-charter contract in May 2023; and
- \$1.0 million due to the loss on the sale of the *Seapeak Arctic* LNG carrier in February 2023.

*Equity Income.* Equity income decreased by \$25.4 million in 2024 compared to 2023. The decrease included a decrease of \$20.8 million related to changes in our unrealized credit loss provisions recorded in certain of our equity-accounted joint ventures in 2024, primarily due to changes in the estimated charter-free vessel fair values for vessels servicing time-charter contracts accounted for as direct financing or sales-type leases; partially offset by an increase of \$7.0 million due to unrealized gains on non-designated derivative instruments in 2024 compared to unrealized losses in 2023 primarily due to a change in long-term forward benchmark interest rates. Excluding these changes in unrealized credit loss provisions and unrealized gains and losses on non-designated derivative instruments, equity income decreased by \$11.6 million, primarily due to:

- *Yamal LNG Joint Venture:* a decrease \$10.1 million primarily due to unrealized foreign exchange losses due to the period-end revaluation of Euro cash deposits for financial reporting purposes into U.S. Dollars and higher earnings during 2023 related to an increase in estimated reimbursement of dry-docking expenditures as a result of a projected increase in future dry docking costs.
- *Bahrain LNG Joint Venture:* a decrease of \$4.6 million primarily due to an increase in repair activity related to the Bahrain LNG terminal during 2024.
- *Pan Union LNG Joint Venture:* a decrease of \$2.6 million primarily due to the reimbursement of dry-docking expenditures related to the *Pan Europe*, the *Pan Americas*, the *Pan Africa* LNG carriers during 2023.

partially offset by:

- *MALT LNG Joint Venture:* an increase of \$2.7 million primarily due to the reimbursement of dry-docking expenditures upon completion of the *Seapeak Meridian* LNG carrier dry docking and fewer off-hire days due to a decrease in scheduled dry dockings on certain of our LNG carriers during 2024; partially offset by the *Seapeak Methane* LNG carrier being temporarily idle between charter contracts during 2024.
- *Excalibur LNG Joint Venture:* an increase of \$2.1 million from our Excalibur Joint Venture, in which we sold our 50% interest in September 2022, due to the net proceeds received during 2024 from an arbitration award related to the early termination of a charter in 2022.

### **Natural Gas Liquid Segment**

As at December 31, 2024, our natural gas liquid segment fleet, which consists of LPG, ethane and multi-gas carriers, included 40 NGL carriers in which our interests ranged from 25% to 100% (including six time chartered-in NGL carriers, six NGL carriers under construction and six time chartered-in NGL carriers under construction).

The following table compares our natural gas liquid segment's operating results, revenue days, calendar-ship-days and utilization for 2024 and 2023, and compares its net voyage revenues (which is a non-GAAP financial measure) for the years ended December 31, 2024 and 2023 to income from vessel operations, the most directly comparable GAAP financial measure. With the exception of equity income, all data in this table only includes an average of 11 wholly-owned NGL carriers and six chartered-in NGL carriers that are accounted for under the consolidation method of accounting for the year ended December 31, 2024 (2023 – 15 wholly-owned NGL carriers and six chartered-in NGL carriers). A comparison of the results from vessels accounted for under the equity method are described below under "Equity Income".

(in thousands of U.S. Dollars, except for days and percentages)	Year Ended December 31,		Change	% Change
	2024	2023		
Voyage revenues	144,130	163,277	(19,147)	(11.7)
Voyage expenses	(6,996)	(14,725)	7,729	(52.5)
Net voyage revenues <sup>(1)</sup>	137,134	148,552	(11,418)	(7.7)
Vessel operating expenses	(49,469)	(57,278)	7,809	(13.6)
Time-charter hire expenses	(8,237)	(8,777)	540	(6.2)
Depreciation and amortization	(31,325)	(35,251)	3,926	(11.1)
General and administrative expenses <sup>(2)</sup>	(5,686)	(6,800)	1,114	(16.4)
Gain on sales and (write-down) of vessels	4,339	(7,816)	12,155	155.5
Income from vessel operations	46,756	32,630	14,126	43.3
Equity income	27,702	28,985	(1,283)	(4.4)
Operating Data:				
Calendar-Ship-Days (B)	6,158	7,480	(1,322)	(17.7)
Less:				
Scheduled dry-docking days	46	19	27	142.1
Unscheduled off-hire and idle days	144	336	(192)	(57.1)
Revenue Days (A)	5,968	7,125	(1,157)	(16.2)
Utilization (A)/(B)	96.9%	95.3%		

(1) This is a non-GAAP financial measure; for more information about this measure, please read "Item 5 – Operating and Financial Review and Prospects – Non-GAAP Financial Measures".

(2) Includes direct general and administrative expenses and indirect general and administrative expenses (allocated to each segment based on estimated use of resources). See the discussion under "Other Operating Results" below.

Our natural gas liquid segment's total calendar-ship-days were 6,158 days in 2024 compared to 7,480 days in 2023. The decrease in total calendar-ship-days is due to the sales of the *Seapeak Unikum*, the *Seapeak Vision*, the *Seapeak Napa*, the *Seapeak Cathinka*, the *Seapeak Camilla* and the *Seapeak Pan*, in March 2023, April 2023, February 2024, March 2024, April 2024 and August 2024, respectively, and the redelivery of six time chartered-in NGL carriers to their owners in December 2024.

*Net Voyage Revenues.* Net voyage revenues decreased by \$11.4 million during 2024 compared to 2023, primarily due to:

- a decrease of \$12.2 million due to the sales of our multi-gas carriers, the *Seapeak Unikum* and the *Seapeak Vision* during 2023 and of the *Seapeak Napa*, the *Seapeak Cathinka*, the *Seapeak Camilla*, and the *Seapeak Pan* during 2024;
- a decrease of \$0.8 million due to the scheduled redelivery of the six time chartered-in LPG carriers to their owners in December 2024; and
- a decrease of \$0.6 million due to an increase in scheduled dry-dockings of certain of our NGL carriers during 2024;

partially offset by:

- an increase of \$1.9 million due to fewer operational claims and off-hire days for unscheduled repairs on certain of our NGL carriers during 2024.

*Vessel Operating Expenses.* Vessel operating expenses decreased by \$7.8 million in 2024 compared to 2023, primarily due to the sales of our multi-gas carriers, the *Seapeak Unikum* and the *Seapeak Vision* during 2023 and of the *Seapeak Napa*, the *Seapeak Cathinka*, the *Seapeak Camilla*, and the *Seapeak Pan* during 2024; partially offset by higher crewing costs during 2024 due to the timing and location of crew changes and the timing of repairs and maintenance performed on certain of our NGL carriers.

*Depreciation and Amortization.* Depreciation and amortization decreased by \$3.9 million in 2024 compared to 2023, primarily due to the classification of the *Seapeak Napa*, the *Seapeak Cathinka*, and the *Seapeak Camilla* as held for sale from December 31, 2023 until their respective sales in 2024, and the write-down of the *Seapeak Pan* to its estimated fair value in 2023, as a result of changes in our expectations of the vessel's future opportunities prior to its sale in August 2024.

*Gain on Sales and (Write-Down) of Vessels.* Gain on sales and (write-down) of vessels increased by \$12.2 million in 2024 compared to 2023, primarily due to:

- an increase of \$4.5 million due to a write-down of the *Seapeak Pan* multi-gas carrier to its estimated fair value during 2023, as a result of changes in our expectations of the vessel's future opportunities;
- an increase of \$4.3 million due to the gain on sales of the *Seapeak Pan*, the *Seapeak Napa*, the *Seapeak Camilla*, and the *Seapeak Cathinka* during 2024; and

- an increase of \$3.6 million due to the write-downs of three of our multi-gas carriers, the *Seapeak Camilla*, the *Seapeak Cathinka* and the *Seapeak Napa*, to their expected net sales proceeds in 2023.

*Equity Income.* Equity income from the Exmar LPG Joint Venture decreased by \$1.3 million in 2024 compared to 2023, primarily due to:

- a decrease of \$6.4 million due to gains on the sales of the *Libramont* and the *Sombeke* LPG carriers in 2023;
- a decrease of \$4.8 million primarily due to lower charter rates earned in 2024 and an increase in scheduled dry-dockings for certain of our equity-accounted LPG carriers during 2024;

partially offset by:

- an increase of \$6.5 million due to a gain on the sale of the *Severin Schulte* (formerly *Warinsart*) LPG carrier during 2024; and
- an increase of \$2.9 million related to unrealized gains on non-designated derivative instruments during 2024 compared to unrealized losses during 2023 primarily due to changes in the prevailing and forward SOFR rates during these periods.

### Other Operating Results

The following table compares our other operating results for the years ended December 31, 2024 and 2023:

(in thousands of U.S. Dollars)	For the Year Ended		Change	% Change
	December 31, 2024	December 31, 2023		
General and administrative expenses	(29,088)	(30,911)	1,823	(5.9)
Interest expense	(178,417)	(187,506)	9,089	(4.8)
Interest income	14,101	11,412	2,689	23.6
Realized and unrealized gain on non-designated derivative instruments	55,663	23,993	31,670	132.0
Foreign currency exchange loss	(1,396)	(5,354)	3,958	(73.9)
Other (expense) income	(16,032)	21,110	(37,142)	(175.9)
Income tax recovery (expense)	2,486	(10,211)	12,697	124.3
Other comprehensive income (loss)	4,964	(8,798)	13,762	156.4

*General and Administrative Expenses.* General and administrative expenses were \$29.1 million in 2024, as compared to \$30.9 million in 2023. The decrease was primarily due to a reduction in information technology and professional fees during 2024.

*Interest Expense.* Interest expense was \$178.4 million in 2024, as compared to \$187.5 million in 2023. Interest expense primarily reflects interest incurred on our long-term debt and obligations related to finance leases. The decrease was primarily due to lower debt balances as a result of scheduled repayments and the maturity of certain of our NOK-denominated bonds in August 2023, partially offset by the refinancing of certain of our NGL carriers and the *Seapeak Oak* LNG carrier during 2024.

*Interest Income.* Interest income was \$14.1 million in 2024, as compared to \$11.4 million in 2023. The increase was primarily due to higher term deposit balances in 2024.

*Realized and Unrealized Gain on Non-designated Derivative Instruments.* We have entered into interest rate swaps which exchange a receipt of floating interest for a payment of fixed interest to reduce exposure to interest rate variability on certain of our U.S. Dollar-denominated and Euro-denominated floating rate debt. Our interest rate swaps typically require settlements every three months and the receipt of floating interest is based on the prevailing SOFR (or, previously, LIBOR) rate at the beginning of the settlement period. Please read "Item 18 – Financial Statements: Note 13 – Derivative Instruments and Hedging Activities" for details of our current derivative positions and a breakdown of realized and unrealized gains (losses) relating to these non-designated interest rate swap agreements. Realized gains (losses) during a period reflect prevailing SOFR or LIBOR rates that are higher (lower) than the average fixed rates of our interest rate swaps. Unrealized gains (losses) will primarily reflect an increase (decrease) in the long-term SOFR or LIBOR yield curve during each relevant period. Net realized and unrealized gains on non-designated derivative instruments were \$55.7 million and \$24.0 million for 2024 and 2023, respectively, primarily due to changes in the forward SOFR and LIBOR rates during these periods.

*Foreign Currency Exchange Loss.* Foreign currency exchange loss was \$1.4 million and \$5.4 million for 2024 and 2023, respectively. These foreign currency exchange losses were primarily due to the relevant period-end revaluation of our NOK-denominated debt and our Euro-denominated term loans for financial reporting purposes into U.S. Dollars, net of the realized and unrealized gains and losses on our cross currency swaps. Gains and losses on NOK-denominated and Euro-denominated monetary liabilities reflect a stronger (gains) or weaker (losses) U.S. Dollar against the NOK and Euro on the date of revaluation or settlement compared to the rate in effect at the beginning of the period. Our cross currency swaps economically hedge all of the foreign currency and interest rate exposure on our NOK-denominated debt. Our Euro-denominated debt was used to purchase two vessels that were on long-term charters which entitled us to payment of charter-hire in Euros. As such, our Euro-denominated debt was repaid with these fixed Euro charter hire receipts and consequently our Euro currency exposure was limited by this arrangement. At December 31, 2024, we have no exposure to Euro-denominated debt as it matured during the year.

*Other (Expense) Income.* Other (expense) income was \$(16.0) million in 2024, as compared to \$21.1 million in 2023. The change in other (expense) income for 2024 was primarily due to unrealized credit loss provisions of \$22.3 million, compared to unrealized credit loss recoveries of \$17.7 million in 2023, primarily due to changes in the estimated charter-free vessel fair values during 2024 for vessels servicing time-charter contracts accounted for as direct financing or sales-type leases, and their impact on our expectation of the value of such vessels upon completion of their existing charter contracts. This increase in other (expense) income was partially offset by a \$1.2 million increase in net financing extinguishment gains recognized upon the repurchases of certain vessels during 2024 and 2023. For a further description of our vessel repurchases and related financing arrangements entered into the years ended December 31, 2024 and 2023, please read "Item 18 – Financial Statements : Note 5 – Chartered-in Vessels".

*Income Tax Recovery (Expense).* Income tax recovery (expense) was \$2.5 million in 2024, as compared to \$(10.2) million in 2023. The change in income tax recovery (expense) was primarily due to changes in current and deferred tax balances related to the change in timing of deductions in our Tangguh Joint Venture (in which we have a 70% ownership interest), our Tangguh Joint Venture entering certain of its subsidiaries into the UK tonnage tax regime in 2024, and lower freight tax estimates during 2024.

*Other Comprehensive Income (Loss).* Other comprehensive income (loss) was \$5.0 million in 2024, as compared to \$(8.8) million in 2023. The change in other comprehensive income (loss) was primarily due to higher unrealized gains on our interest rate swap agreements, where the results of our joint ventures reflect the use of hedge accounting, due to changes in the forward SOFR (or, previously, LIBOR) benchmark interest rates during these periods.

### **Year Ended December 31, 2023 versus Year Ended December 31, 2022**

For a discussion of our operating results for the year ended December 31, 2023 compared with the year ended December 31, 2022, please read "Item 5 – Operating and Financial Review and Prospects" in our Annual Report on Form 20-F for the year ended December 31, 2023.

### **Liquidity and Capital Resources**

#### ***Sources and Uses of Capital***

We generate cash flows from the charters that our vessels service. Our business strategy is to employ a substantial majority of our vessels on fixed-rate contracts primarily with large energy companies and their transportation subsidiaries. Variability in our net operating cash flows reflects, among other factors: changes in interest rates; fluctuations in working capital balances; the timing and the amount of dry-docking expenditures; repairs and maintenance activities; the number of vessels in service and changes in the size of our fleet; and the timing of dividends received or return of capital from equity-accounted investments. The number of vessel dry dockings tends to vary each period depending on our vessels' maintenance schedules and required maintenance.

Our equity-accounted joint ventures are generally required to distribute all available cash to their owners. However, we do not have full control over the operations of, nor do we have any legal claim to the revenue and expenses of our investments in our equity-accounted joint ventures. Consequently, the cash flow generated by our investments in equity-accounted joint ventures may not be available for use by us in the period that such cash flows are generated. The timing and amount of dividends distributed by our equity-accounted joint ventures are affected by the timing and amounts of debt repayments in the joint ventures, capital requirements of the joint ventures, as well as any cash reserves maintained in the joint ventures for operations, capital expenditures, dry-docking expenditures and/or as required under financing agreements.

Our sources of funds include net cash flow from operations, borrowings from debt facilities, borrowings from obligations related to finance leases, equity contributions from our sole common unitholder, net proceeds from the issuances of debt and, to a lesser extent, the proceeds from vessel dispositions. Certain of these sources of funds are described in "Item 18 – Financial Statements: Note 5 – Chartered-In Vessels, Note 10 – Long-Term Debt and Note 16 – Total Capital".

Our primary uses of cash include the payment of operating expenses, dry-docking expenditures, costs associated with modifications to our vessels, committed capital expenditures, debt service costs, interest rate swap and cross currency swap settlements, scheduled repayments of long-term debt, scheduled repayments of our obligations related to finance leases, our quarterly distributions, including payments of distributions on our common units and Series A and Series B Preferred Units, and funding any preferred unit repurchases we may undertake, as well as funding our other working capital requirements. In addition, we use cash to acquire or build vessels to grow the size of our fleet or make investments in our equity-accounted joint ventures for them to acquire or build vessels. The timing of any newbuilding vessel orders or vessel acquisition activity may vary significantly from year to year.

Our revolving credit facility, term loans and bonds, and obligations related to finance leases are described in "Item 18 – Financial Statements: Note 5 – Chartered-In Vessels and Note 10 – Long-Term Debt." Our revolving credit facility, term loans and bonds, and obligations related to finance leases contain covenants and other restrictions typical of debt financing secured by vessels, which restrict the vessel-owning or lessee subsidiaries from:

- incurring or guaranteeing indebtedness;
- changing ownership or structure, including mergers, consolidations, liquidations and dissolutions;
- paying dividends or distributions if they are in default;
- making capital expenditures in excess of specified levels;
- making certain negative pledges and granting certain liens;
- selling, transferring, assigning or conveying assets;
- making certain loans and investments; and
- entering into a new line of business.

Certain of our credit facilities and obligations related to finance leases require us to maintain financial covenants. If we do not meet these financial covenants, the lender or lessor may limit our ability to borrow additional funds under our credit facilities and accelerate the repayment of our revolving credit facility, term loans and bonds, and obligations related to finance leases, which would have a significant impact on our short-term liquidity requirements. The terms of and compliance with these financial covenants are described in further detail in "Item 18 – Financial Statements: Note 5 – Chartered-In Vessels and Note 10 – Long-Term Debt" included in this Report. Certain of our credit facilities and obligations related to finance leases require us to make interest payments based on NIBOR or SOFR. Significant increases in interest rates could adversely affect results of operations and our ability to service our debt; however, as part of our strategy to minimize financial risk, we use interest rate swaps and cross currency swaps to reduce our exposure to market risk from changes in interest rates. Our current positions are described in further detail in "Item 18 – Financial Statements: Note 13 – Derivative Instruments and Hedging Activities" and the extent of our exposure to changes in interest rates is described in further detail in "Item 11 – Quantitative and Qualitative Disclosures About Market Risk".

In addition to our debt and finance lease obligations, we also guarantee our proportionate share of certain loan facilities and obligations on interest rate swaps for certain of our equity-accounted joint ventures. As at December 31, 2024, this proportionate share, based on the aggregate principal amount of the loan facilities and fair value of the interest rate swaps, was \$852.0 million. As at December 31, 2024, our equity-accounted joint ventures were in compliance with all covenants relating to these loan facilities that we guarantee.

### Cash Flows

The following table summarizes our consolidated cash and cash equivalents provided by (used for) operating, financing and investing activities for the periods presented:

(in thousands of U.S. Dollars)	Year Ended December 31,	
	2024	2023
Net cash flow from operating activities	395,288	362,664
Net cash flow used for financing activities	(191,647)	(373,815)
Net cash flow used for investing activities	(200,067)	(70,401)

### Net Operating Cash Flow

Net cash flow from operating activities increased by \$32.6 million to \$395.3 million in 2024 from \$362.7 million in 2023, primarily due to: a \$33.1 million increase due to the timing of settlements of non-cash working capital in 2024 compared to 2023; and a \$11.9 million decrease in cash interest paid during 2024 (see discussion under "Other Operating Results" above). These increases were partially offset by a \$13.4 million decrease in cash distributions received from our equity-accounted joint ventures in 2024.

### Net Financing Cash Flow

Net cash flow used for financing activities decreased by \$182.2 million to \$191.6 million in 2024 from \$373.8 million in 2023, primarily due to: net proceeds of \$160.0 million from the drawdown of a term loan used as partial funding for our acquisition of the *Marvel Swan* LNG carrier in 2024; a \$136.0 million decrease in scheduled repayments of long-term debt primarily due to the scheduled maturity of certain NOK-denominated bonds in 2023; net proceeds of \$121.5 million from the refinancing of certain of our LNG and NGL carriers during 2024; a \$35.0 million decrease in net prepayments of our revolving credit facility; and a \$28.3 million decrease in prepayments of other long-term debt facilities during 2024. These decreases in cash used for financing activities were partially offset by: a \$200.0 million increase in cash distributions to our sole common unit holder, Stonepeak, in 2024 and \$86.2 million of equity contributions received from Stonepeak in connection with the funding of the first installment payments for two LNG carrier newbuildings in 2023.

### Net Investing Cash Flow

Net cash flow used for investing activities increased by \$129.7 million to \$200.1 million in 2024 from \$70.4 million in 2023 primarily due to: a \$109.8 million increase in cash expenditures for vessels and equipment, including advances on newbuildings in 2024 primarily related to our acquisition of the *Marvel Swan*, a 2021-built LNG carrier, in 2024; and a \$52.9 million net decrease in proceeds from the sale of vessels in 2024 compared to 2023. These increases in cash used for investing activities were partially offset by a \$30.0 million return of capital from the Angola Joint Venture in 2024.

### Liquidity

Our primary sources of liquidity are cash and cash equivalents, net operating cash flow provided by our operations, cash distributions we receive from our equity-accounted joint ventures, the undrawn portion of our credit facility, and capital raised through financing transactions. Our cash management policies have a primary objective of minimizing both the probability of loss and return volatility, as well as ensuring that securities purchased can be sold readily and efficiently. A secondary objective is ensuring an appropriate return. The nature and extent of amounts that can be borrowed under our revolving credit facility is described in "Item 18 – Financial Statements: Note 10 – Long-Term Debt" of this Annual Report.

Our total liquidity, which consists of cash, cash equivalents and the undrawn portion of our credit facility, was \$338.7 million as at December 31, 2024, compared to \$328.4 million as at December 31, 2023.

The following table summarizes our contractual obligations as at December 31, 2024, excluding those of our equity-accounted joint ventures. We expect that our liquidity at December 31, 2024, combined with the operating cash flows we expect to generate from customer contracts in place at December 31, 2024, and the proceeds we expect to obtain from the long-term financing of certain of our newbuildings, will be sufficient to pay our obligations coming due in 2025. Our ability to pay our obligations and to refinance our long-term debt and finance leases coming due subsequent to December 31, 2025 will depend on, among other things, our ability to continue to service our long-term charter contracts, our financial condition and the condition of credit markets in the months leading up to the maturity dates. We may expand the size of our fleet through the acquisition of new or second-hand vessels or through the construction of additional new vessels. Our ability to continue to expand the size of our fleet over the long-term is dependent upon our ability to generate operating cash flow, obtain long-term bank borrowings, sale-leaseback financings and other debt, as well as our ability to raise debt or equity financing.

	<u>Total</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>Beyond 2029</u>
	(in millions of U.S. Dollars)						
U.S. Dollar long-term debt	889.9	90.0	520.2	54.8	54.8	45.6	124.5
Norwegian Kroner long-term debt <sup>(1)</sup>	175.6	87.8	87.8	—	—	—	—
Commitments related to finance leases <sup>(2)</sup>	2,183.8	229.9	310.8	378.4	348.6	192.1	724.0
Commitments related to operating leases <sup>(3)</sup>	120.8	28.9	28.3	28.4	29.4	5.8	—
Newbuilding installments/shipbuilding supervision <sup>(4)</sup>	947.4	59.2	245.0	643.2	—	—	—
<b>Totals</b>	<u>4,317.5</u>	<u>495.8</u>	<u>1,192.1</u>	<u>1,104.8</u>	<u>432.8</u>	<u>243.5</u>	<u>848.5</u>

- (1) NOK-denominated obligations are presented in U.S. Dollars and have been converted using the prevailing exchange rates as of December 31, 2024.
- (2) Includes, in addition to lease payments, amounts to purchase the leased vessels at the end of their respective lease terms. Where applicable, accelerated timing of repayments may be required if we are not in compliance with certain covenants under our lease agreements.
- (3) We have corresponding leases whereby we are the lessor and expect to receive a total of approximately \$90.4 million under these leases from 2025 to 2029.
- (4) During November 2022, we entered into contracts with Samsung Heavy Industries Co., Ltd. for the construction of five 174,000-cubic meter M-type, Electronically Controlled, Gas Admission propulsion LNG carriers, which are scheduled for deliveries throughout 2027. We intend to finance the remaining estimated newbuilding costs with our existing liquidity and future operating cash flow, as well as long-term debt financing to be arranged for the vessels prior to their scheduled deliveries.

In addition to the commitments in the table above, our equity-accounted joint ventures have commitments to fund newbuilding and other construction contract costs all of which are non-recourse to us. See "Item 18 – Financial Statements: Note 14 – Commitments and Contingencies" included in this Annual Report.

### Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with United States generally accepted accounting principles (or GAAP), which requires us to make estimates in the application of our accounting policies based on our best assumptions, judgments and opinions. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our consolidated financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. Accounting estimates and assumptions discussed in this section are those that we consider to be the most critical to an understanding of our financial statements, because they inherently involve significant judgments and uncertainties. For a further description of our material accounting policies, please read "Item 18 – Financial Statements: Note 1 – Summary of Significant Accounting Policies."

### Vessel Depreciation

*Description.* The carrying value of each of our vessels represents its original cost at the time of delivery or purchase less depreciation and impairment charges. We depreciate the original cost, less an estimated residual value, of our vessels on a straight-line basis over each vessel's estimated useful life. The carrying values of our vessels may not represent their market value at any point in time because the market prices of second-hand vessels tend to fluctuate with changes in charter rates, the cost of newbuildings, among other factors. Both charter rates and newbuilding costs tend to be cyclical in nature.

*Judgments and Uncertainties.* For the years ended December 31, 2024, 2023, and 2022, depreciation was calculated using an estimated useful life of 35 years for LNG carriers and 30 years for NGL carriers, commencing the date the vessel is delivered from the shipyard, or a shorter period if regulations prevent us from operating the vessels for those periods of time. The estimated useful life of our vessels involves an element of judgment, which takes into account design life, commercial considerations and regulatory restrictions. As at December 31, 2024, our LNG segment included seven steam turbine LNG carriers, the oldest vessels in our LNG fleet. We have made downward revisions to the outlook for this class of older vessel based on a combination of an oversupply of this type of vessel and reduced charterer interest due to their less efficient design. As such, we have reduced our estimate of their useful lives from 35 years to 25 years, effective January 1, 2025.

*Other Information.* The actual life of a vessel may be different than the estimated useful life, with a shorter actual useful life resulting in an increase in annual depreciation expense. A longer actual useful life will result in a decrease in annual depreciation expense. Had we depreciated our LNG carriers using an estimated useful life of 30 years instead of 35 years effective at the beginning of each fiscal year, our depreciation for the year ended December 31, 2024 would have increased by \$27.6 million (2023 – \$25.7 million). Had we depreciated our NGL carriers using an estimated useful life of 25 years instead of 30 years effective at the beginning of the fiscal year, our depreciation for the year ended December 31, 2024 would have increased by \$6.5 million (2023 – \$5.6 million). Had we depreciated our steam LNG carriers using an estimated useful life of 25 years instead of 35 years, effective at the beginning of the fiscal year, our depreciation for the year ended December 31, 2024 would have increased by \$66.1 million (2023 – \$55.3 million).

### **Vessel Impairment**

*Description.* We review vessels and equipment for impairment whenever events or circumstances indicate the carrying value of an asset, including the carrying value of the charter contract, if any, under which the vessel is employed, may not be recoverable. This occurs when the asset's carrying value is greater than the future undiscounted cash flows the asset is expected to generate over its remaining useful life. If the estimated future undiscounted cash flows of an asset exceed the asset's carrying value, no impairment is recognized. If the estimated future undiscounted cash flows of an asset are less than the asset's carrying value and the fair value of the asset is less than its carrying value, the asset is written down to its fair value. The estimated fair value is determined using discounted cash flows or appraised values. In cases where an active second-hand sale and purchase market does not exist, we use a discounted cash flow approach to estimate the fair value of an impaired vessel. In cases where an active second-hand sale and purchase market exists, an appraised value is used to estimate the fair value of an impaired vessel. An appraised value is generally the amount we would expect to receive if we were to sell the vessel. Such appraisal is normally completed by us and is based on second-hand sale and purchase data, and other information provided by third parties. For a vessel under charter, the discounted cash flows from that vessel may exceed its market value, as market values may assume the vessel is not employed on an existing charter.

*Judgments and Uncertainties.* In periods where events or circumstances indicate the carrying value of a vessel may not be recoverable and estimates of future undiscounted cash flows are determined, our estimates of future cash flows will involve assumptions about future charter rates, vessel utilization, operating expenses, dry-docking expenditures, vessel residual values and the remaining estimated life of our vessels. Our estimated charter rates are based on rates under existing vessel contracts and market rates at which we expect we can re-charter our vessels. Such market rates are based on a 10-year historical industry average of charter rates taking into account the propulsion type and size of the vessel, except for LNG carriers with a steam turbine propulsion system in which case a five-year historical industry average was used prior to December 2024 due to this type of vessel being less efficient than newer vessels and management viewing the five-year historical average as more representative of the future outlook for this type of vessel. Effective December 2024, our estimate for LNG carriers with a steam turbine propulsion system is based on management's outlook, as the five-year historical industry average was no longer believed to be appropriate due to the combination of an oversupply of this type of vessel and reduced charterer interest due to their less efficient design.

Our estimates of vessel utilization, including estimated off-hire time, are based on historical experience. Our estimates of operating expenses and dry-docking expenditures are based on historical operating and dry-docking costs and our expectations of future inflation and operating requirements. Vessel residual values are a product of a vessel's lightweight tonnage and an estimated scrap rate. The remaining estimated lives of our vessels used in our estimates of future cash flows are consistent with those used in the calculation of depreciation.

In our experience, certain assumptions relating to our estimates of future cash flows are more predictable by their nature, including estimated revenue under existing contract terms and on-going operating costs. Certain assumptions relating to our estimates of future cash flows require more judgment and are inherently less predictable, such as the estimated daily hire rate on rechartering as well as the probability of vessel sales. In addition, in situations where we value a vessel and its associated charter contract using a discounted cash flow approach, the determination of the discount rate requires judgment. We believe that the assumptions used to estimate future cash flows of our vessels and the discount rate are reasonable at the time they are made. We can make no assurances, however, as to whether our estimates of future cash flows, particularly future vessel charter rates or vessel values, will be accurate.

*Other Information.* If we conclude that a vessel or equipment is impaired, we recognize a loss in an amount equal to the excess of the carrying value of the asset over its fair value at the date of impairment. The written-down amount becomes the new lower cost basis and will result in a lower annual depreciation expense in periods subsequent to the vessel impairment. Consequently, any changes in our estimates of future undiscounted cash flows may result in a different conclusion as to whether a vessel or equipment is impaired, leading to a different impairment amount, including no impairment, and a different future annual depreciation expense.

Our business model is to employ our vessels on fixed-rate contracts primarily with large energy companies and their transportation subsidiaries. These contracts generally have original terms between five to 25 years in length. Consequently, while the market value of a vessel may decline below its carrying value, the carrying value of a vessel may still be recoverable based on the future undiscounted cash flows the vessel is expected to obtain from servicing its existing contract and future contracts.

As at December 31, 2024, our LNG segment included seven steam turbine LNG carriers, the oldest vessels in our LNG fleet. We made downward revisions to the outlook for this class of older vessel based on a combination of an oversupply of this type of vessel and reduced charterer interest due to their less efficient design. As such, we reduced our forecast for future hire rate and our estimate of their useful lives from 35 years to 25 years, and increased our likelihood that three of the vessels may be sold in 2025. As a result, in December 2024, the carrying values of these vessels were written down to their estimated fair values. The total impairment charge was \$387.1 million. Four of the vessels were written down to their estimated fair values using a discounted cash flow approach based on the vessels operating to age 25, which includes the remaining duration of their existing long-term fixed-rate charter contracts. Of these four vessels, the three larger-capacity RasGas II Joint Venture's vessels were assumed to be rechartered at a daily hire rate of \$33,800. The other three vessels were written down to their estimated fair values of \$16.0 million per vessel based on our knowledge of potential sale transactions of steam vessels within the marketplace. Had we used the five-year historical industry average rate instead of a rate of \$33,800 per day or continued to use a 35-year vessel life, but not both, the total impairment would have been \$268.7 million instead of \$387.1 million.

As of December 31, 2024, the estimated fair values of our vessels were equal to or greater than their carrying values.

### **Impairment of Investments in Equity-Accounted Joint Ventures**

*Description.* We evaluate our investments in equity-accounted joint ventures for impairment when events or circumstances indicate that the carrying value of such investments may have experienced an other-than-temporary decline in value below its carrying value. If this is the case, the carrying value of the investment in equity-accounted joint venture is written down to its estimated fair value and the resulting impairment is recognized in our consolidated statement of (loss) income.

*Judgments and Uncertainties.* The process of evaluating the potential impairment of investments in equity-accounted joint ventures requires significant judgment in determining whether the estimated value of an investment in an equity-accounted joint venture has declined below its carrying value and if so, whether this is an other-than-temporary decline in value. Such judgments include, among other things, estimates of future charter rates, operating expenses and vessel values, timing of vessels sales, discount rates and deliveries and future growth prospects. In determining whether an impairment of an equity method investment is other-than-temporary, factors to consider include the length of time and extent to which the fair value of the investment is less than its carrying value; the financial condition and near-term prospects of the equity method investee, including recent operating losses or specific events that may negatively influence the future earnings potential of the investee; and the intent and ability of the holder to retain its investment in the investee for a period of time sufficient to allow for any anticipated recovery in market value. As at December 31, 2024 and 2023, there were no events or circumstances that indicated the carrying value of each of our equity-accounted joint ventures may have experienced an other-than-temporary decline in value below their carrying value.

*Other Information.* If we determine that an investment in an equity-accounted joint venture is impaired, we recognize a loss in an amount equal to the excess of the carrying value of the investment over its estimated fair value at the date of impairment. The written-down amount becomes the new lower cost basis of the investment. In addition, we may assign the impairment to individual assets held by the equity-accounted joint venture, such as vessels and equipment, and this would result in an increase in our proportionate share of comprehensive earnings of the joint venture in future periods due to lower depreciation expense of the vessels and equipment of the equity-accounted joint venture. Consequently, differences in conclusions about whether an investment in an equity-accounted joint venture is impaired and the amount of such impairment may result in a different impairment amount, including no impairment, and a different equity income (loss) in future periods.

### **Valuation of Derivative Instruments**

*Description.* Our risk management policies permit the use of derivative financial instruments to manage interest rate risk, and foreign exchange risk. Changes in fair value of derivative financial instruments that are not designated as cash flow hedges for accounting purposes are recognized in earnings.

*Judgments and Uncertainties.* A substantial majority of the fair value of our derivative instruments and the change in fair value of our derivative instruments from period to period result from our use of interest rate and cross currency swap agreements. The fair value of our derivative instruments is the estimated amount that we would receive or pay to terminate the agreements at the reporting date, taking into account current interest rates and the current credit worthiness of both us and the swap counterparties. The estimated amount is the present value of estimated future cash flows, being equal to the difference between the benchmark interest rate and the fixed rate in the interest rate and cross currency swap agreement, multiplied by the notional principal amount of the interest rate and cross currency swap agreement at each interest reset date.

The fair value of our interest and cross currency swap agreements at the end of each period is most significantly affected by the interest rate implied by the benchmark interest yield curve, including its relative steepness, and forward foreign currency exchange rates. Interest rates and foreign currency exchange rates have experienced significant volatility in recent years in both the short and long term. While the fair value of our interest and cross currency swap agreements is typically more sensitive to changes in short-term rates, significant changes in the long-term benchmark interest and foreign currency exchange rates also materially impact our interest and cross currency swap agreements.

The fair value of our interest and cross currency swap agreements is also affected by changes in our credit risk or counterparty credit risk included in the discount factor. We discount our interest rate swap and cross currency swap obligations with reference to the credit default swap spreads of similarly rated global industrial companies and by considering any underlying collateral. We discount our interest rate swap and cross currency swap assets with reference to the credit default swap spreads of the counterparty financial institutions. The process of determining credit worthiness requires significant judgment in determining which source of credit risk information most closely matches the risk profile of the entity being assessed.

The benchmark interest rate yield curve and our specific credit risk are expected to vary over the life of the interest and cross currency swap agreements. The larger the notional amount of the interest rate and cross currency swap agreements outstanding and the longer the remaining duration of the interest rate and cross currency swap agreements, the larger the impact of any variability in these factors will be on the fair value of our interest and cross currency swaps. We economically hedge the interest rate exposure on a significant amount of our long-term debt and for long durations. As such, we have historically experienced, and we expect to continue to experience, material variations in the period-to-period fair value of our derivative instruments.

*Other Information.* Although we measure the fair value of our derivative instruments utilizing the inputs and assumptions described above, if we were to terminate the agreements at the reporting date, the amount we would pay or receive to terminate the derivative instruments may differ from our estimate of fair value. If the estimated fair value differs from the actual termination amount, an adjustment to the carrying amount of the applicable derivative asset or liability would be recognized in earnings for the current period. Such adjustments could be material. See "Item 18 – Financial Statements: Note 13 – Derivative Instruments and Hedging Activities" for the effects on the change in fair value of our derivative instruments on our consolidated statements of (loss) income and statements of comprehensive (loss) income.

## **Credit Losses**

We apply a credit loss methodology which utilizes a lifetime expected credit loss measurement objective for the recognition of credit losses for net investments in direct financing and sales-type leases, loans to equity-accounted joint ventures, guarantees of secured loan facilities of equity-accounted joint ventures, non-operating lease accounts receivables, contracts assets and other receivables at the time the financial asset is originated or acquired. The expected credit losses are subsequently adjusted each period for changes in expected lifetime credit losses.

A substantial majority of our exposure to potential credit losses relates to our direct financing and sales-type leases, including those within our equity-accounted joint ventures. See "Item 18 – Financial Statements: Note 3b – Credit Losses" for a description of these direct financing and sales-type leases.

*Judgments and Uncertainties.* GAAP gives entities the flexibility to select an appropriate method to measure the estimate of expected credit losses. That is, entities are permitted to use estimation techniques that are practical and relevant to their circumstances, as long as they are applied consistently over time and aim to faithfully estimate expected credit losses. We have determined the credit loss provision related to the lease receivable component of the net investment in direct financing and sales-type leases using an internal historical loss rate method. We concluded that using a loss rate method which is primarily based on internal historical data is inherently more representative than primarily using external data, which may include all industries, or all oil and gas or all marine transportation, which are not as comparable. In addition, a substantial majority of our customers are private single-purpose entities or subsidiaries or joint ventures of larger listed-entities that do not publish financial information nor do they have published credit ratings determined by credit rating agencies. In the limited circumstances where relevant and reliable external data is available and where judged to be appropriate, we have considered such data in making adjustments to our internally derived loss rate. Judgment is required to determine the applicability and reliability of the external data used. The credit loss provision for the residual value component of net investment in direct financing and sales-type leases is based on the current estimated fair value of the vessel as depreciated to the end of the charter contract as compared to the expected carrying value, with such potential gain or loss on maturity being included in the credit loss provision in increasing magnitude on a straight-line basis the closer the contract is to its maturity. Given the volatility in vessel values, the selection of the method to estimate the credit loss provision for the residual value component involves judgment.

We believe that the assumptions used to estimate our expected credit losses are reasonable at the time they are made. We can make no assurances, however, as to whether our estimates will be accurate.

In addition to the judgment used in selecting the methods to measure the credit loss provision, there is also judgment used in applying the methods. We have used judgment in determining whether or not the risk characteristics of a specific direct financing lease or sales-type lease at the measurement date are consistent with those used to measure the internal historical loss rate, and to determine whether we expect current conditions and reasonable and supportable forecasts to differ from the conditions that existed to measure the internal historical loss rate. In addition, judgment has been used to determine the internal historical loss rate, as it is based in part on estimates of the occurrence or non-occurrence of future events which will dictate the amount of recoveries earned or additional losses incurred associated with known losses incurred to date. Judgment has also been used to determine the adjustment required to the internal historical loss rate, in those circumstances where relevant and reliable external data was identified. Furthermore, the current estimated fair value of the vessels used in our estimate of expected credit losses for direct financing and sales-type leases has been determined based on appraised values, such appraised values are normally completed by us using second-hand sale and purchase data and other information provided by third parties. Judgment is used when vessels sold are different in age, size and technical specifications compared to our vessels. Since vessel values can be volatile, our estimates of residual value may not be indicative of either the current or future prices we could obtain if we sold any of the vessels.

*Other Information.* To the extent the methods, and judgments used in applying these methods, that we use to measure our estimate of expected credit losses results in a credit loss provision that is different from actual results, our credit loss provision at the end of each period and the change in the credit loss provision in each period will be different than what would have otherwise been. As at December 31, 2024, 2023, and 2022, the unadjusted internal historical loss rates were 1.1%, 1.0% and 1.3%, respectively. The increase in the unadjusted internal historical loss rate in 2024 was the result of a reduction in LNG carrier charter rates in 2024. Had we used the same unadjusted internal historical loss rate in 2024 that was used in 2023, our 2024 net loss before non-controlling interest would have decreased by \$1.3 million. In addition, if we had increased (decreased) our estimates of the residual value of the vessels by 5%, our 2024 net loss before non-controlling interest would have increased or decreased by \$9.5 million.

## **Non-GAAP Financial Measures**

### ***Net Voyage Revenues***

Net voyage revenues is a non-GAAP financial measure. Consistent with general practice in the shipping industry, we use net voyage revenues as a measure of equating revenues generated from voyage charters to revenues generated from time-charters, which assists us in making operating decisions about the deployment of our vessels and their performance. Since, under time-charters, the charterer pays the voyage expenses, whereas under voyage charters, the shipowner pays these expenses, we include voyage expenses in net voyage revenues. Some voyage expenses are fixed, and the remainder can be estimated. If we, as the shipowner, pay the voyage expenses, we typically pass on to our customers the approximate amount of these expenses by charging higher rates under the contract or billing the expenses to them. As a result, although voyage revenues from different types of contracts may vary, the net voyage revenues are generally comparable across the different types of contracts. We principally use net voyage revenues because it provides more meaningful information to us than voyage revenues. Net voyage revenues is also widely used by investors and analysts in the shipping industry for comparing financial performance between companies and to industry averages.

How we use net voyage revenues and the reasons for such use may be unique to the shipping industry. Given that net voyage revenues is a measure which deducts certain operating expenses from revenue, this metric may be more commonly viewed as an alternative measure of gross profit. Viewed in this context, (loss) income from operations would be the most directly comparable GAAP financial measure and net voyage revenues has been defined as (loss) income from vessel operations before write-down (gain) and (gain) loss on sales of vessels, general and administrative expenses, depreciation and amortization, time-charter hire expenses and vessel operating expenses. The following table reconciles net voyage revenues with (loss) income from vessel operations:

(in thousands of U.S. Dollars)	Year Ended December 31, 2024			Year Ended December 31, 2023		
	LNG Segment	NGL Segment	Total	LNG Segment	NGL Segment	Total
	\$	\$	\$	\$	\$	\$
(Loss) income from vessel operations	(141,261)	46,756	(94,505)	282,636	32,630	315,266
Write-down (gain) and (gain) loss on sales of vessels	387,109	(4,339)	382,770	(35,807)	7,816	(27,991)
General and administrative expenses	23,402	5,686	29,088	24,111	6,800	30,911
Depreciation and amortization	111,339	31,325	142,664	110,477	35,251	145,728
Time-charter hire expenses	—	8,237	8,237	—	8,777	8,777
Vessel operating expenses	181,427	49,469	230,896	175,382	57,278	232,660
Net voyage revenues	562,016	137,134	699,150	556,799	148,552	705,351

### EBITDA

EBITDA is a non-GAAP financial measure. EBITDA represents net (loss) income before interest, taxes and depreciation and amortization. EBITDA is used as a supplemental financial performance measure by management and by external users of our financial statements, such as investors. EBITDA assists our management and security holders by increasing the comparability of our fundamental performance from period to period and against the fundamental performance of other companies in our industry that provide EBITDA information. We believe that including EBITDA benefits investors in (a) selecting between investing in us and other investment alternatives and (b) monitoring our ongoing financial and operational strength and health in assessing whether to continue to hold our equity or any debt securities, as applicable.

EBITDA should not be considered as an alternative to net (loss) income, operating income, or any other measure of financial performance presented in accordance with GAAP. EBITDA excludes certain items that affect net (loss) income. The following table reconciles our historical consolidated EBITDA to net (loss) income:

(in thousands of U.S. Dollars)	Year Ended December 31, 2024	Year Ended December 31, 2023
	\$	\$
<i>Reconciliation of "EBITDA" to "Net (loss) income":</i>		
Net (loss) income	(95,821)	317,716
Depreciation and amortization	142,664	145,728
Interest expense, net of interest income	164,316	176,094
Income tax (recovery) expense	(2,486)	10,211
EBITDA	208,673	649,749

## Item 6. Directors, Senior Management and Employees

Our Board and our executive officers oversee and supervise our operations. All Board members are appointed only by holders of a majority of our outstanding common units, other than a limited right for our preferred unitholders to appoint a Preferred Unit Elected Director. Otherwise, no common or preferred unitholder has any management power or control over our business or affairs. The Board currently includes four non-independent directors, including three non-independent directors who also serve as officers, directors or employees of Stonepeak and its other affiliates, and one director who is also a member of our management. Consequently, these directors may encounter situations in which their fiduciary obligations to Stonepeak or its other affiliates, on the one hand, and any obligation to us or our preferred unitholders, on the other hand, are in conflict.

### Directors and Executive Officers of Seapeak LLC

The following table provides information about the Board and executive officers of Seapeak LLC, as at the date of this Annual Report. Directors are appointed to serve until their successors are appointed or until they resign or are removed. The business address of each of our directors listed below is c/o 2000, 550 Burrard Street, Vancouver, B.C., Canada, V6C 2K2. Ages of the individuals are as of December 31, 2024.

<b>Name</b>	<b>Age</b>	<b>Position</b>
James Wyper	35	Director and Chair
Hajir Naghdy	50	Director
Ben Norton	29	Director
Barry Curtis	66	Director <sup>(1)</sup>
Lisa Krueger	61	Director <sup>(2)</sup>
Mark Kremin	54	President and Chief Executive Officer, Director
Scott Gayton	50	Chief Financial Officer
Andres Luna	68	Vice President, Commercial
Chris McDade	44	Vice President, Operations
Nathan Kim	41	General Counsel

(1) Chair of Audit Committee and member of Conflicts Committee.

(2) Chair of Conflicts Committee and member of Audit Committee.

Certain biographical information about each of these individuals included in the table above is set forth below:

**James Wyper** has been a director of Seapeak LLC and the Chair of the Board since January 2022. Mr. Wyper is a Senior Managing Director with Stonepeak Infrastructure Partners and is responsible for the firm's investments in transportation, logistics and LNG. He is a member of the boards of directors of Textainer, Venture Global Calcasieu Pass, Lineage Logistics, TRAC Intermodal, Lonestar Holdings, and Oregon Trail Ventures, and formerly was a director of Carlsbad Desalination Project, Tidewater Holdings, and Golar Power Ltd. Prior to joining Stonepeak, Mr. Wyper was a member of Credit Suisse's global energy group, where he focused on the power and renewables sectors.

**Hajir Naghdy** has been a director of Seapeak LLC since January 2022. Mr. Naghdy is a Senior Managing Director with Stonepeak Infrastructure Partners, responsible for the firm's investments and operations in the Asia-Pacific region, and he is also a member of the Stonepeak Executive Committee. Prior to joining Stonepeak, Mr. Naghdy was employed at Macquarie Capital for 19 years. He started with Macquarie in Sydney in 1999 and moved to Korea in 2000, as a founding member of the team which established Macquarie's first infrastructure funds management business in Asia. Mr. Naghdy played a leading role in 12 of the first 14 investments made by the Macquarie Korean Infrastructure Fund (formerly the Korea Road Infrastructure Fund) between 2002 and 2005. He has played numerous roles across Asia and the Middle East in Macquarie's infrastructure business. Prior to joining Stonepeak, Mr. Naghdy was Head of Macquarie Capital in Asia and the Middle East. In this role, he led and established Macquarie Capital's renewable energy investing business in the region.

**Ben Norton** has been a director of Seapeak LLC since February 2024. Mr. Norton is a Vice President with Stonepeak Infrastructure Partners. Prior to joining Stonepeak, Mr. Norton was an analyst at Greenhill where he focused on M&A and restructuring advisory within the energy industry.

**Barry Curtis** has been a director of Seapeak LLC since January 2022 and serves as the Chair of the Audit Committee and member of the Conflicts Committee. Mr. Curtis recently retired after 23 years as a Deloitte partner. Mr. Curtis served as Deloitte's National Managing Partner - Private Equity for 12 years, and as Chief Risk Officer for M&A and as a member of the broader firm's Operating Risk Committee for six years. He also has extensive experience in global M&A, having worked with leading private equity firms and corporations on their buy-side and sell-side transactions, as well as on portfolio company financial reporting, audit and risk management matters. Prior to joining Deloitte, Mr. Curtis spent four years as Chief Financial Officer of two privately-held businesses, as well as having served as a director and as the audit committee chair for Ernst Home Centers, a then publicly-traded NYSE-listed company. He began his career and spent ten years at PWC, the last three years as an audit partner. Mr. Curtis is a Certified Public Accountant.

**Lisa Krueger** has been a director of Seapeak LLC since April 2022 and serves as the Chair of the Conflicts Committee and member of the Audit Committee. In addition, Ms. Krueger is a Managing Director at Global Infrastructure Partners where she serves as a Director for Skyborn Renewables and is on the Investment Committee and Chairs the ESG Committee. Ms. Krueger has 35 years of diverse experience in the energy industry and served as a member of the board of directors of Fluence Energy Inc. from September 2021 to September 2022. Ms. Krueger previously served as Executive Vice President and President of the US strategic business unit of The AES Corporation and President and CEO of Essential Power LLC. Prior to joining Essential Power LLC, Ms. Krueger was a senior officer at First Solar and held several executive-level positions with Dynegy Inc. and Illinois Power Company.

**Mark Kremin** was appointed as President and Chief Executive Officer of the Company in 2017 and has served as a director of Seapeak LLC since January 2022. He had previously been appointed as President of Teekay Gas Services in 2015, having acted as its Vice President since 2006. Mr. Kremin joined Teekay Corporation as in-house counsel in 2000, and subsequently held various commercial roles within Teekay Gas. He now represents Seapeak on the boards of directors of joint ventures with partners in Asia, Europe and the Middle East. Mr. Kremin has over 20 years' experience in shipping. Prior to joining Teekay, he was an attorney in an admiralty law firm in Manhattan. Prior to attending law school in New York City, he worked for a leading owner and operator of container ships.

**Scott Gayton** was appointed as Chief Financial Officer of the Company in 2018. Mr. Gayton has over 25 years of finance and accounting experience, including serving as Chief Financial Officer of Tanker Investments Ltd. from the time of its initial public offering in 2014 until its sale in 2017. Mr. Gayton joined Teekay Corporation in 2001 and worked in progressively more senior roles in Finance and Accounting. In 2013 he was promoted to Vice President, Finance where he supported Teekay's strategy and capital markets transactions. He now represents Seapeak on the boards of directors of joint ventures with partners in Asia, Europe and the Middle East. Prior to joining Teekay, he worked as a Chartered Professional Accountant in the Vancouver, Canada office of Ernst & Young LLP.

**Andres Luna** was appointed as Vice President, Business Development, of the Company in 2004 and has over 40 years of experience in the shipping industry. He currently represents the Company on the boards of joint ventures with partners in Europe, Asia and the Middle East. Mr. Luna previously served as Chief Executive Officer of Naviera Tapias S.A. from July 2000 until its acquisition by Teekay Corporation in April 2004. He has been in the shipping business since his graduation as a naval architect from Madrid University in 1981.

**Chris McDade** was appointed as Vice President, Operations, of the Company in 2020 and has over 24 years' experience in the LNG shipping industry as well as upstream operations with Exploration and Production. In 2016, he joined the Company as LNG Assurance Manager followed by roles as Director, Marine HR and Fleet Director for Teekay Gas Services. Mr. McDade represents the Company on the boards of joint ventures with partners in Europe, Asia and the Middle East. Before joining the Company, he worked for an oil major as a senior officer on LNG vessels before moving into upstream operations working on major LNG/FPSO projects in West Africa and Australia.

**Nathan Kim** was appointed as General Counsel of the Company in 2022. He previously worked for Teekay Corporation starting in 2014, most recently as Associate General Counsel since 2017, in which position he provided primary legal oversight for LNG business activities, including new projects, financings, dispute resolution and operational matters. Prior to that, he practiced law in Vancouver, Canada.

### **Compensation of Executive Officers and Directors**

During 2024, our five executive officers and two independent directors received, in the aggregate, \$3.9 million of cash compensation for their services, plus reimbursement of their out-of-pocket expenses, excluding any long-term incentive plan awards issued directly by our board of directors, which plan is described below. We do not compensate our non-independent directors for their service as directors. Each independent director is fully indemnified by us for actions associated with being a director to the extent permitted under Marshall Islands law.

### **Long-Term Incentive Plan**

In 2022, we introduced a Long-Term Incentive Plan (or *LTI Plan*) for our eligible employees. Each target award under the LTI Plan is payable in cash and vests in three equal installments over a three-year period. The vested amounts are scheduled to be paid out in April of each year.

### **Clawback Policy**

On October 2, 2023, we adopted a clawback policy that applies to incentive-based compensation erroneously received by certain of our executives (which currently comprises the individuals that we have determined would be an "officer" of the Company within the meaning of Rule 16a-1(f) of the U.S. Securities Exchange Act of 1934). Under this policy, "erroneously-awarded compensation" is defined broadly to include any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure (e.g. variable performance-related compensation (cash bonus) and annual long-term incentive performance (LTI Plan)). The policy provides that in the event that the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirements under the applicable securities laws, the Company will recover (on a pre-tax basis) from the relevant executives any erroneously-awarded compensation received by such executives on or after October 2, 2023 and during the three fiscal years preceding the date the restatement was required that exceeds the amount of erroneously-awarded compensation that otherwise would have been received had such erroneously-awarded compensation been determined according to the applicable accounting restatement, subject to limited exceptions. The recovery of such compensation applies regardless of whether any misconduct occurred and without regard to whether an executive engaged in misconduct or otherwise caused or contributed to the requirement for a restatement.

### **Board Practices**

Our Board currently consists of six members. Directors are appointed to serve until their successors are appointed or until they resign or are removed.

There are no service contracts between us and any of our directors providing for benefits upon termination of their employment or service.

The Board has the following two committees: Audit Committee and Conflicts Committee. The membership of these committees and the function of each of the committees are described below. Each of the committees is comprised of independent members and operates under a written charter adopted by the Board. The committee charters for the Audit Committee and the Conflicts Committee are available under "Governance" from the home page of our web site at [www.seapeak.com](http://www.seapeak.com). During 2024, the Board held four meetings and each director attended all Board meetings. The members of the Audit Committee and the Conflicts Committee attended all meetings.

*Audit Committee.* The Audit Committee must be comprised of at least one director. Each member must meet the independence standards of the NYSE and the SEC. This committee is comprised of Barry Curtis (Chair) and Lisa Krueger. The Board has determined that Mr. Curtis and Ms. Krueger qualify as audit committee financial experts.

The Audit Committee assists the Board in fulfilling its responsibilities for general oversight of:

- the integrity of our consolidated financial statements;
- our compliance with legal and regulatory requirements;
- the independent auditors' qualifications and independence; and
- the performance of our internal audit function and independent auditors.

**Conflicts Committee.** The Conflicts Committee must be comprised of at least one director and is comprised of Lisa Krueger (Chair) and Barry Curtis. The Conflicts Committee members may not be (a) securityholders, officers or employees of Stonepeak, (b) officers, directors or employees of any affiliate of Stonepeak (other than a member of our Board) or (c) holders of any ownership interest in us or our subsidiaries other than common or preferred units, and members must meet the heightened NYSE and SEC director independence standards applicable to audit committee membership.

The Conflicts Committee:

- reviews specific matters that the Board believes may involve conflicts of interest; and
- determines if the resolution of the conflict of interest is fair and reasonable to us.

Any matters approved by the Conflicts Committee will be conclusively deemed to be fair and reasonable to us, approved by all of our members, and not a breach by our Board of any duties it may owe us or our members. The Board is not obligated to seek approval of the Conflicts Committee on any matter and may determine the resolution of any conflict of interest itself and in accordance with our Limited Liability Company Agreement.

### **The Board's Role in Oversight of Environmental, Social and Corporate Governance**

Our Corporate Governance Guidelines outline the Board's role in oversight of our health, safety and environmental performance and our performance on sustainability and diversity efforts. In addition, the Board is responsible for evaluating and overseeing compliance with our policies, practices and contributions made in fulfillment of our social responsibilities and commitment to sustainability.

### **Crewing and Staff**

As of December 31, 2024, approximately 2,500 seagoing staff served on our consolidated and equity-accounted for vessels that were managed by subsidiaries of Seapeak and 318 staff served on-shore in technical, commercial and administrative roles in various countries, compared to approximately 2,580 seagoing staff and 317 on-shore staff as of December 31, 2023. Certain subsidiaries of Seapeak employ the crews, who serve on the vessels pursuant to agreements with the subsidiaries, and Seapeak subsidiaries also provide on-shore advisory, operational and administrative support to our operating subsidiaries pursuant to service agreements. Please read "Item 7 – Major Common Unitholders and Related Party Transactions."

We regard attracting and retaining motivated seagoing personnel as a top priority. We offer our seafarers competitive employment packages and comprehensive benefits and opportunities for personal and career development, which relates to a philosophy of promoting internally. Seapeak has entered into a Collective Bargaining Agreement with the Filipino and Indonesian seafarers union, an affiliate of the International Transport Workers' Federation (or *ITF*), and a Special Agreement with *ITF* London, which cover substantially all of the officers and seafarers that operate our Bahamian-flagged vessels. Our Spanish officers and seafarers for our Spanish-flagged vessels are covered by a collective bargaining agreement with Spain's Union General de Trabajadores and Comisiones Obreras, and the Filipino crew members employed on our Spanish-flagged LNG carriers are covered by the Collective Bargaining Agreement with the Philippine Seafarer's Union. We believe our relationships with these labor unions are good. An agreement is also in place with the Singapore Maritime Officers' Union (or *SMOU*) in Singapore and with our Danish officers.

Our commitment to training is fundamental to the development of the highest caliber of seafarers for our marine operations. Seapeak has a cadet program which takes in cadets from a number of countries including Croatia, India, Indonesia, Ireland, Philippines, Spain and the United Kingdom. On completion of the relevant college phase training continues on-board one of our vessels. Seapeak also has a career development plan that we follow, which was designed to ensure a continuous flow of qualified officers who are trained on its vessels and familiarized with its operational standards, systems and policies. We believe that high-quality crewing and training policies will play an increasingly important role in distinguishing larger independent shipping companies that have in-house or affiliate capabilities from smaller companies that must rely on outside ship managers and crewing agents on the basis of customer service and safety. As such, we have an LNG training facility in Glasgow that serves this purpose.

### **Unit Ownership**

As at the date of this Annual Report, our directors and officers do not own or have rights to acquire any of our common units.

## **Item 7. Major Common Unitholders and Related Party Transactions**

### **Major Common Unitholders**

As at the date of this Annual Report, our sole common unitholder is Stonepeak Limestone Holdings L.P., which is 100% owned by investment vehicles managed by Stonepeak.

We are not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

### **Related Party Transactions**

- a) Our Board currently includes four non-independent directors who also serve as officers, directors or employees of Stonepeak and its affiliates or the Company. See "Item 6. Directors, Senior Management and Employees."
- b) Please read "Item 18 – Financial Statements: Note 12 – Related Party Transactions" for additional information about these and various other related-party transactions.

## Item 8. Financial Information

### A. Consolidated Financial Statements and Other Financial Information

#### Consolidated Financial Statements and Notes

Please read "Item 18 – Financial Statements" for additional information required to be disclosed under this Item.

#### Legal Proceedings

From time to time we have been, and expect to continue to be, subject to legal proceedings and claims in the ordinary course of our business. These claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources. We are not aware of any legal proceedings or claims that we believe may have, individually or in the aggregate, a significant adverse effect on us, other than those set forth below or in "Item 18 – Financial Statements: Note 14 – Commitments and Contingencies."

### B. Significant Changes

Please read "Item 5 – Operating and Financial Review and Prospects: Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments in 2024 and Early 2025" and "Item 18 – Financial Statements: Note 20 – Subsequent Events" for descriptions of significant changes that have occurred since December 31, 2024.

## Item 9. The Offer and Listing

Our Series A and Series B Preferred Units are listed on the NYSE under the symbols "SEAL/PA" and "SEAL/PB," respectively.

## Item 10. Additional Information

### Memorandum and Articles of Association

Our Certificate of Formation has been filed as Exhibit [1.3](#) to our Report on Form 6-K (File No. 1-32479), filed with the SEC on February 25, 2022, and our Limited Liability Company Agreement has been filed as Exhibit [1.4](#) to our Report on Form 6-K (File No. 1-32479), filed with the SEC on February 25, 2022, and are each hereby incorporated by reference into this Annual Report.

The rights, preferences and restrictions attaching to each class of our units are described in the Exhibit [2.2](#) to this Annual Report on Form 20-F entitled "Description of Securities Registered Under Section 12 of the Exchange Act", and hereby incorporated by reference into this Annual Report.

There are no limitations on the rights to own securities, including the rights of non-resident or foreign shareholders to hold or exercise voting rights on the securities imposed by the laws of the Republic of The Marshall Islands or by our Limited Liability Company Agreement.

### Material Contracts

Attached or incorporated by reference as exhibits to this Annual Report are contracts we consider to be material and not entered into in the ordinary course. Descriptions of certain credit facilities are included in "Item 18 – Financial Statements: Note 10 – Long-Term Debt."

### Exchange Controls and Other Limitations Affecting Unitholders

We are not aware of any governmental laws, decrees or regulations, including foreign exchange controls, in the Republic of the Marshall Islands that restrict the export or import of capital, or that affect the remittance of distributions, interest or other payments to holders of our securities that are non-resident and not citizens and otherwise not conducting business or transactions in the Marshall Islands.

We are not aware of any limitations on the right of non-resident or foreign owners to hold or vote our securities imposed by the laws of the Republic of the Marshall Islands or our Limited Liability Company Agreement.

### Material United States Federal Income Tax Considerations

The following is a discussion of certain material U.S. federal income tax considerations that may be relevant to unitholders. This discussion is based upon provisions of the Code, legislative history, applicable Treasury Regulations, judicial authority and administrative interpretations, all as in effect on the date of this Annual Report, and which are subject to change, possibly with retroactive effect, or are subject to different interpretations. Changes in these authorities may cause the tax consequences to vary substantially from the consequences described below. Unless the context otherwise requires, references in this section to "we," "our" or "us" are references to Seapeak LLC.

This discussion is limited to unitholders who hold their units as capital assets for tax purposes. This discussion does not address all tax considerations that may be important to a particular unitholder in light of the unitholder's circumstances, or to certain categories of unitholders that may be subject to special tax rules, such as:

- dealers in securities or currencies;

- traders in securities that have elected the mark-to-market method of accounting for their securities;
- persons whose functional currency is not the U.S. Dollar;
- persons holding our units as part of a hedge, straddle, conversion or other “synthetic security” or integrated transaction;
- certain U.S. expatriates;
- financial institutions;
- insurance companies;
- persons subject to the alternative minimum tax;
- persons that actually or under applicable constructive ownership rules own 10% or more of our units (by vote or value); and
- entities that are tax-exempt for U.S. federal income tax purposes.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our units, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. Partners in partnerships holding our units should consult their tax advisors to determine the appropriate tax treatment of the partnership’s ownership of our units.

This discussion does not address any U.S. estate tax considerations or tax considerations arising under the laws of any state, local or non-U.S. jurisdiction. Each unitholder is urged to consult its tax advisor regarding the U.S. federal, state, local, non-U.S. and other tax consequences of the ownership or disposition of our units.

### **United States Federal Income Taxation of U.S. Holders**

As used herein, the term U.S. Holder means a beneficial owner of our units that is for U.S. federal income tax purposes: (i) a U.S. citizen or U.S. resident alien (or a *U.S. Individual Holder*), (ii) a corporation or other entity taxable as a corporation, that was created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source, or (iv) a trust that either is subject to the supervision of a court within the United States and has one or more U.S. persons with authority to control all of its substantial decisions or has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

#### *Distributions*

We elected to be taxed as a corporation for U.S. federal income tax purposes effective January 1, 2019.

Subject to the discussion of PFICs below, any distributions made by us with respect to our units to a U.S. Holder generally will constitute dividends, which may be taxable as ordinary income or “qualified dividend income” as described in more detail below, to the extent of our current and accumulated earnings and profits allocated to the U.S. Holder’s units, as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated earnings and profits allocated to the U.S. Holder’s units will be treated first as a nontaxable return of capital to the extent of the U.S. Holder’s tax basis in our units and thereafter as capital gain, which will be either long-term or short-term capital gain depending upon whether the U.S. Holder has held the units for more than one year. U.S. Holders that are corporations for U.S. federal income tax purposes generally will not be entitled to claim a dividends received deduction with respect to any distributions they receive from us. For purposes of computing allowable foreign tax credits for U.S. federal income tax purposes, dividends received with respect to our units will be treated as foreign source income and generally will be treated as “passive category income.”

Subject to holding period requirements and certain other limitations, dividends received with respect to our units by a U.S. Holder who is an individual, trust or estate (or a *Non-Corporate U.S. Holder*) will be treated as “qualified dividend income” that is taxable to such Non-Corporate U.S. Holder at preferential capital gain tax rates provided that we are not classified as a PFIC for the taxable year during which the dividend is paid or the immediately preceding taxable year (we intend to take the position that we are not now and have never been classified as a PFIC, as discussed below). Any dividends received with respect to our units not eligible for these preferential rates will be taxed as ordinary income to a Non-Corporate U.S. Holder.

Special rules may apply to any “extraordinary dividend” paid by us. Generally, an extraordinary dividend is a dividend with respect to a preferred unit if the amount of the dividend is equal to or in excess of 5% of a preferred unitholder’s, adjusted tax basis (or fair market value in certain circumstances) in such preferred unit. In addition, extraordinary dividends include dividends received within a one-year period that, in the aggregate, equal or exceed 20% of a unitholder’s adjusted tax basis (or fair market value in certain circumstances). If we pay an “extraordinary dividend” on our units that is treated as “qualified dividend income,” then any loss recognized by a Non-Corporate U.S. Holder from the sale or exchange of such units will be treated as long-term capital loss to the extent of the amount of such dividend.

Certain Non-Corporate U.S. Holders are subject to a 3.8% tax on certain investment income, including dividends. Non-Corporate U.S. Holders should consult their tax advisors regarding the effect, if any, of this tax on their ownership of our units.

#### *Sale, Exchange or Other Disposition of Units*

Subject to the discussion of PFICs below, a U.S. Holder generally will recognize capital gain or loss upon a sale, exchange or other disposition of our units in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder’s tax basis in such units. Subject to the discussion of extraordinary dividends above, such gain or loss generally will be treated as (i) long-term capital gain or loss if the U.S. Holder’s holding period is greater than one year at the time of the sale, exchange or other disposition, or short term capital gain or loss otherwise and (ii) U.S. source gain or loss, as applicable, for foreign tax credit purposes. Non-Corporate U.S. Holders may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. A U.S. Holder’s ability to deduct capital losses is subject to certain limitations.

Certain Non-Corporate U.S. Holders are subject to a 3.8% tax on certain investment income, including capital gains from the sale or other disposition of units. Non-Corporate U.S. Holders should consult their tax advisors regarding the effect, if any, of this tax on their disposition of our units.

#### *Consequences of Possible PFIC Classification*

A non-U.S. entity treated as a corporation for U.S. federal income tax purposes will be treated as a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and, pursuant to a “look through” rule, any other corporation or partnership in which the corporation directly or indirectly owns at least 25% of the stock or equity interests (by value) and any partnership in which the corporation directly or indirectly owns less than 25% of the equity interests (by value) to the extent the corporation satisfies an “active partner” test and does not elect out of “look through” treatment, either: (i) at least 75% of its gross income is “passive” income, or (ii) at least 50% of the average value of its assets is attributable to assets that produce or are held for the production of passive income. For purposes of these tests, “passive income” includes dividends, interest, gains from the sale or exchange of investment property and rents and royalties (other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business). By contrast, income derived from the performance of services does not constitute “passive income.”

There are legal uncertainties involved in determining whether the income derived from our and our look-through subsidiaries' time-chartering activities constitutes rental income or income derived from the performance of services, including legal uncertainties arising from the decision in *Tidewater Inc. v. United States*, 565 F.3d 299 (5th Cir. 2009), which held that income derived from certain time-chartering activities should be treated as rental income rather than services income for purposes of a foreign sales corporation provision of the Code. However, the IRS stated in an Action on Decision (AOD 2010-01) that it disagrees with, and will not acquiesce to, the way that the rental versus services framework was applied to the facts in the *Tidewater* decision, and in its discussion stated that the time charters at issue in *Tidewater* would be treated as producing services income for PFIC purposes. The IRS's statement with respect to *Tidewater* cannot be relied upon or otherwise cited as precedent by taxpayers. Consequently, in the absence of any binding legal authority specifically relating to the statutory provisions governing PFICs, there can be no assurance that the IRS or a court would not follow the *Tidewater* decision in interpreting the PFIC provisions of the Code. Moreover, the market value of our units may be treated as reflecting the value of our assets at any given time. Therefore, a decline in the market value of our units, which is not within our control, may impact the determination of whether we are a PFIC. Nevertheless, based on our and our look-through subsidiaries' current assets and operations, we intend to take the position that we are not now and have never been a PFIC.

No assurance can be given, however, that the IRS, or a court of law, will accept our position or that we would not constitute a PFIC for the 2025 taxable year or for any future taxable year if there were to be changes in our or our look-through subsidiaries' assets, income or operations.

As discussed more fully below, if we were to be treated as a PFIC for any taxable year, a U.S. Holder generally would be subject to different taxation rules depending on whether the U.S. Holder makes a timely and effective election to treat us as a “qualified electing fund” (or a *QEF election*). As an alternative to making a QEF election, a U.S. Holder should be able to make a “mark-to-market” election with respect to our units, as discussed below.

#### *Taxation of U.S. Holders Making a Timely QEF Election*

A U.S. Holder who makes a timely QEF election (or an *Electing Holder*) must report the Electing Holder's pro rata share of our ordinary earnings and net capital gain, if any, for each taxable year for which we are a PFIC that ends with or within the Electing Holder's taxable year, regardless of whether or not the Electing Holder received distributions from us in that year. Such income inclusions would not be eligible for the preferential tax rates applicable to qualified dividend income. The Electing Holder's adjusted tax basis in our units will be increased to reflect taxed but undistributed earnings and profits. Distributions of earnings and profits that were previously taxed will result in a corresponding reduction in the Electing Holder's adjusted tax basis in our units and will not be taxed again once distributed. An Electing Holder generally will recognize capital gain or loss on the sale, exchange or other disposition of our units. A U.S. Holder makes a QEF election with respect to any year that we are a PFIC by filing IRS Form 8621 with the U.S. Holder's timely filed U.S. federal income tax return (including extensions).

If a U.S. Holder has not made a timely QEF election with respect to the first year in the U.S. Holder's holding period of our units during which we qualified as a PFIC, the U.S. Holder may be treated as having made a timely QEF election by filing a QEF election with the U.S. Holder's timely filed U.S. federal income tax return (including extensions) and, under the rules of Section 1291 of the Code, a “deemed sale election” to include in income as an “excess distribution” (described below) the amount of any gain that the U.S. Holder would otherwise recognize if the U.S. Holder sold the U.S. Holder's units on the “qualification date.” The qualification date is the first day of our taxable year in which we qualified as a “qualified electing fund” with respect to such U.S. Holder. In addition to the above rules, under very limited circumstances, a U.S. Holder may make a retroactive QEF election if the U.S. Holder failed to file the QEF election documents in a timely manner. If a U.S. Holder makes a timely QEF election for one of our taxable years, but did not make such election with respect to the first year in the U.S. Holder's holding period of our units during which we qualified as a PFIC and the U.S. Holder did not make the deemed sale election described above, the U.S. Holder also will be subject to the more adverse rules described below.

A U.S. Holder's QEF election will not be effective unless we annually provide the U.S. Holder with certain information concerning our income and gain, calculated in accordance with the Code, to be included with the U.S. Holder's U.S. federal income tax return. We have not provided our U.S. Holders with such information in prior taxable years and do not intend to provide such information in the current taxable year. Accordingly, U.S. Holders will not be able to make an effective QEF election at this time. If, contrary to our expectations, we determine that we are or will be a PFIC for any taxable year, we will provide U.S. Holders with the information necessary to make an effective QEF election with respect to our units.

#### *Taxation of U.S. Holders Making a "Mark-to-Market" Election*

If we were to be treated as a PFIC for any taxable year and, as we anticipate, our units were treated as "marketable stock," then, as an alternative to making a QEF election, a U.S. Holder would be allowed to make a "mark-to-market" election with respect to our units, provided the U.S. Holder completes and files IRS Form 8621 in accordance with the relevant instructions and related Treasury Regulations. If that election is made for the first year a U.S. Holder holds or is deemed to hold our units and for which we are a PFIC, the U.S. Holder generally would include as ordinary income in each taxable year that we are a PFIC the excess, if any, of the fair market value of the U.S. Holder's units at the end of the taxable year over the U.S. Holder's adjusted tax basis in the units.

The U.S. Holder also would be permitted an ordinary loss in respect of the excess, if any, of the U.S. Holder's adjusted tax basis in the units over the fair market value thereof at the end of the taxable year that we are a PFIC, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. Holder's tax basis in our units would be adjusted to reflect any such income or loss recognized. Gain recognized on the sale, exchange or other disposition of our units in taxable years that we are a PFIC would be treated as ordinary income, and any loss recognized on the sale, exchange or other disposition of our units in taxable years that we are a PFIC would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included in income by the U.S. Holder. Because the mark-to-market election only applies to marketable stock, however, it would not apply to a U.S. Holder's indirect interest in any of our subsidiaries that were also determined to be PFICs.

If a U.S. Holder makes a mark-to-market election for one of our taxable years and we were a PFIC for a prior taxable year during which such U.S. Holder held our units and for which (i) we were not a QEF with respect to such U.S. Holder and (ii) such U.S. Holder did not make a timely mark-to-market election, such U.S. Holder would also be subject to the more adverse rules described below in the first taxable year for which the mark-to-market election is in effect and also to the extent the fair market value of the U.S. Holder's units exceeds the U.S. Holder's adjusted tax basis in the units at the end of the first taxable year for which the mark-to-market election is in effect.

#### *Taxation of U.S. Holders Not Making a Timely QEF or Mark-to-Market Election*

If we were to be treated as a PFIC for any taxable year, a U.S. Holder who does not make either a QEF election or a "mark-to-market" election for that year (a *Non-Electing Holder*) would be subject to special rules resulting in increased tax liability with respect to (i) any "excess distribution" (e.g. the portion of any distributions received by the Non-Electing Holder on our units in a taxable year in excess of 125% of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder's holding period for our units), and (ii) any gain realized on the sale, exchange or other disposition of our units. Under these special rules:

- the excess distribution or gain would be allocated ratably over the Non-Electing Holder's aggregate holding period for our units;
- the amount allocated to the current taxable year and any taxable year prior to the taxable year we were first treated as a PFIC with respect to the Non-Electing Holder would be taxed as ordinary income in the current taxable year;
- the amount allocated to each of the other taxable years would be subject to U.S. federal income tax at the highest rate of tax in effect for the applicable class of taxpayer for that year; and
- an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

Additionally, for each year during which a U.S. Holder holds our units, we are a PFIC, and the total value of all PFIC units that such U.S. Holder directly or indirectly holds exceeds certain thresholds, such U.S. Holder will be required to file IRS Form 8621 with its annual U.S. federal income tax return to report its ownership of our units. In addition, if a Non-Electing Holder, who is an individual, dies while owning our units, such Non-Electing Holder's successor generally would not receive a step-up in tax basis with respect to such units.

***U.S. Holders are urged to consult their tax advisors regarding the PFIC rules, including the PFIC annual reporting requirements, as well as the applicability, availability and advisability of, and procedure for, making QEF, Mark-to-Market and other available elections with respect to us, and the U.S. federal income tax consequences of making such elections.***

#### *U.S. Return Disclosure Requirements for U.S. Individual Holders*

U.S. Individual Holders who hold certain specified foreign financial assets, including stock in a foreign corporation that is not held in an account maintained by a financial institution, with an aggregate value in excess of \$50,000 on the last day of a taxable year, or \$75,000 at any time during that taxable year, may be required to report such assets on IRS Form 8938 with their U.S. federal income tax return for that taxable year. This reporting requirement does not apply to U.S. Individual Holders who report their ownership of our units under the PFIC annual reporting rules described above. Penalties apply for failure to properly complete and file IRS Form 8938. U.S. Individual Holders are encouraged to consult with their tax advisors regarding the possible application of this disclosure requirement to their investment in our units.

#### ***United States Federal Income Taxation of Non-U.S. Holders***

A beneficial owner of our units (other than a partnership, including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder is a *Non-U.S. Holder*.

### *Distributions*

In general, a Non-U.S. Holder will not be subject to U.S. federal income tax on distributions received from us with respect to our units unless the distributions are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment that the Non-U.S. Holder maintains in the United States). If a Non-U.S. Holder is engaged in a trade or business within the United States and the distributions are deemed to be effectively connected to that trade or business (and, if required by an applicable income tax treaty, are attributable to a permanent establishment that the Non-U.S. Holder maintains in the United States), the Non-U.S. Holder generally will be subject to U.S. federal income tax on those distributions in the same manner as if it were a U.S. Holder. In addition, a Non-U.S. Holder that is a foreign corporation for U.S. federal income tax purposes may be subject to branch profits tax at a rate of 30% (or lower applicable treaty rate) on the after-tax earnings and profits attributable to such distributions.

### *Sale, Exchange or Other Disposition of Units*

In general, a non-U.S. Holder is not subject to U.S. federal income tax on any gain resulting from the disposition of our units unless (i) such gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment that the Non-U.S. Holder maintains in the United States) or (ii) the Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year in which such disposition occurs and meets certain other requirements. If a Non-U.S. Holder is engaged in a trade or business within the United States and the disposition of our units is deemed to be effectively connected to that trade or business (and, if required by an applicable income tax treaty, are attributable to a permanent establishment that the Non-U.S. Holder maintains in the United States), the Non-U.S. Holder generally will be subject to U.S. federal income tax on the resulting gain in the same manner as if it were a U.S. Holder. In addition, a Non-U.S. Holder that is a foreign corporation for U.S. federal income tax purposes may be subject to branch profits tax at a rate of 30% (or lower applicable treaty rate) on the after-tax earnings and profits attributable to such gain.

### **Information Reporting and Backup Withholding**

In general, distributions taxable as dividends with respect to, or the proceeds from a sale, redemption or other taxable disposition of, our units held by a Non-Corporate U.S. Holder will be subject to information reporting requirements, unless such distribution taxable as a dividend is paid and received outside the United States by a non-U.S. payor or non-U.S. middleman (within the meaning of the Treasury Regulations), or such proceeds are effected through an office outside the U.S. of a broker that is considered a non-U.S. payor or non-U.S. middleman (within the meaning of the Treasury Regulations). These amounts also generally will be subject to backup withholding if the Non-Corporate U.S. Holder:

- fails to timely provide an accurate taxpayer identification number;
- is notified by the IRS that it has failed to report all interest or distributions required to be shown on its U.S. federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

Information reporting and backup withholding generally will not apply to distributions taxable as dividends on our units to a Non-U.S. Holder if such dividend is paid and received outside the United States by a non-U.S. payor or non-U.S. middleman (within the meaning of the Treasury Regulations) or the Non-U.S. Holder properly certifies under penalties of perjury as to its non-U.S. status (generally on IRS Form W-8BEN, W-8BEN-E, W-8ECI, or W-8EXP, as applicable) and certain other conditions are met or the Non-U.S. Holder otherwise establishes an exemption.

Payment of proceeds to a Non-U.S. Holder from a sale, redemption or other taxable disposition of our units to or through the U.S. office of a broker, or through a broker that is considered a U.S. payor or U.S. middleman (within the meaning of the Treasury Regulations), generally will be subject to information reporting and backup withholding, unless the Non-U.S. Holder properly certifies under penalties of perjury as to its non-U.S. status (generally on IRS Form W-8BEN, W-8BEN-E, W-8ECI, or W-8EXP, as applicable) and certain other conditions are met or the Non-U.S. Holder otherwise establishes an exemption.

Backup withholding is not an additional tax. Rather, a Non-Corporate U.S. Holder or Non-U.S. Holder generally may obtain a credit for any amount withheld against its liability for U.S. federal income tax (and obtain a refund of any amounts withheld in excess of such liability) by accurately completing and timely filing a U.S. federal income tax return with the IRS.

### **Non-United States Tax Considerations**

#### ***Marshall Islands Taxation***

Because we and our subsidiaries do not, and do not expect that we or they will, conduct business, transactions or operations in the Republic of the Marshall Islands, and because all documentation related to issuance of our common and preferred units was and is expected to be executed outside of the Republic of the Marshall Islands, under current Marshall Islands law, holders of our common and preferred units that are not citizens of and do not reside in, maintain offices in, or engage in business, operations, or transactions in the Republic of the Marshall Islands will not be subject to Marshall Islands taxation or withholding on distributions that we make to our unitholders. In addition, such unitholders will not be subject to Marshall Islands stamp, capital gains or other taxes on the purchase, ownership or disposition of our common and preferred units, and they will not be required by the Republic of the Marshall Islands to file a tax return relating to the common or preferred units.

## Other Taxation

We and our subsidiaries are subject to taxation in certain non-U.S. jurisdictions because we or our subsidiaries are either organized, or conduct business or operations, in such jurisdictions. In other non-U.S. jurisdictions, we and our subsidiaries rely on statutory exemptions from tax. However, we cannot assure that any statutory exemptions from tax on which we or our subsidiaries rely will continue, as tax laws in those jurisdictions may change or we may enter into new business transactions relating to such jurisdictions, which could affect our or our subsidiaries' tax liability. Please read "Item 18 – Financial Statements: Note 11 – Income Tax Recovery (Expense)".

## Documents on Display

Documents concerning us that are referred to herein may be inspected at our principal executive offices at 2000, 550 Burrard Street, Vancouver, B.C., Canada, V6C 2K2. Those documents electronically filed via the SEC's Electronic Data Gathering, Analysis, and Retrieval system may also be obtained from the SEC's website at [www.sec.gov](http://www.sec.gov), free of charge.

## Item 11. Quantitative and Qualitative Disclosures About Market Risk

### Interest Rate Risk

We are exposed to the impact of interest rate changes primarily through our borrowings that require us to make interest payments based on NIBOR or SOFR. Significant increases in interest rates could adversely affect our results of operations and our ability to service our debt. From time to time, we use interest rate swaps to reduce our exposure to market risk from changes in interest rates. The principal objective of these contracts is to minimize the risks and costs associated with our floating-rate debt.

We are exposed to credit loss in the event of non-performance by the counterparties to the interest rate swap agreements. In order to minimize counterparty risk, we only enter into derivative transactions with counterparties that are rated A- or better by Standard & Poor's or A3 or better by Moody's at the time of the transactions. In addition, to the extent practical, interest rate swaps are entered into with different counterparties to reduce concentration risk.

The table below provides information about our financial instruments at December 31, 2024, that are sensitive to changes in interest rates, including our long-term debt, obligations related to finance leases and interest rate swaps, but excluding any amounts related to our equity-accounted joint ventures. None of these financial instruments were entered into for trading purposes. For long-term debt and obligations related to finance leases, the table presents principal payments and related weighted-average interest rates by expected maturity dates. For interest rate swaps, the table presents notional amounts and weighted-average interest rates by expected contractual maturity dates. The expected contractual maturity dates do not reflect potential prepayments of long-term debt and obligations related to finance leases as well as the potential exercise of early termination options for certain of our interest rate swaps.

	Expected Maturity Date						Total	Fair Value Liability (Asset)	Rate <sup>(1)</sup>	
	2025	2026	2027	2028	2029	There-after				
	(in millions of U.S. Dollars, except percentages)									
<b>Long-Term Debt:</b>										
Fixed Rate (\$U.S.)	18.1	18.1	18.1	18.1	18.1	15.9	106.4	101.4	4.3%	
Variable-Rate (\$U.S.) <sup>(2)</sup>	71.9	502.1	36.7	36.7	27.5	108.6	783.5	784.8	6.8%	
Variable-Rate (NOK) <sup>(3)(4)</sup>	87.8	87.8	—	—	—	—	175.6	180.3	9.8%	
<b>Obligations Related to Finance Leases:</b>										
Variable-Rate (\$U.S.) <sup>(5)</sup>	89.1	94.4	180.5	92.4	123.1	345.1	924.6	1,026.3	6.5%	
Fixed-Rate (\$U.S.) <sup>(5)</sup>	40.3	127.5	121.6	198.0	21.1	294.5	803.0	689.4	5.5%	
Average Interest Rate <sup>(6)</sup>	5.5%	5.5%	5.5%	5.1%	4.6%	4.6%	5.0%			
<b>Interest Rate Swaps:</b>										
Contract Amount (\$U.S.) <sup>(7)</sup>	130.0	296.9	209.2	117.9	22.3	143.3	919.6	(88.0)	2.1%	
Average Fixed-Pay Rate <sup>(2)</sup>	2.2%	1.9%	1.5%	1.9%	3.4%	3.4%	2.1%			

(1) Rate refers to the weighted-average effective interest rate for our long-term debt and obligations related to finance leases, including the margin we pay on our floating-rate debt and the average fixed pay rate for our interest rate swap agreements. The average interest rate for our obligations related to finance leases is the weighted-average interest rate implicit in our lease obligations at the inception of the leases. The average fixed pay rate for our interest rate swaps excludes the margins and the credit adjustment spreads we pay on our drawn floating-rate debt, which as of December 31, 2024 ranged from 2.00% to 3.45%. Please read "Item 18 – Financial Statements: Note 10 – Long-Term Debt."

(2) Interest payments on U.S. Dollar-denominated debt and interest rate swaps are based on SOFR.

(3) NOK-denominated amounts have been converted to U.S. Dollars using the prevailing exchange rate as of December 31, 2024.

- (4) Interest payments on our NOK-denominated debt and on our cross currency swaps are based on NIBOR. Our NOK-denominated bonds have been economically hedged with cross currency swaps, to swap all interest and principal payments into U.S. Dollars, with the respective interest payments fixed at a rate ranging from 5.74% to 6.37%, and the transfer of principal locked in at \$229 million upon maturities. Please see "Foreign Currency Fluctuations" below and read "Item 18 – Financial Statements: Note 13 – Derivative Instruments and Hedging Activities."
- (5) The amount of obligations related to finance leases represents the present value of minimum lease payments together with our purchase obligation, as applicable.
- (6) The average interest rate is the weighted-average interest rate implicit in the obligations related to our fixed-rate finance leases at the inception of the leases.
- (7) The average variable receive rate for our U.S. Dollar-denominated interest rate swaps is set at overnight SOFR except for five interest rate swaps, which are set at applicable 3-month term SOFR. Contract amount for U.S. Dollar-denominated interest rate swaps includes forward-starting swaps with inception dates ranging from September 2025 to June 2026.

### **Spot Market Rate Risk**

Certain of our NGL carriers in our 50% owned Exmar LPG Joint Ventures are trading in the spot market. In addition, we currently have four LNG carriers (including one 52%-owned LNG carrier) that have recently completed their long-term charter contracts and are without charter contracts, three of which have been placed in layup in early 2025. We have an additional two 52%-owned LNG carriers that are scheduled to complete their long-term charter contracts in April and May 2025. These LNG carriers may be traded in the spot market if we are unable to obtain a suitable long-term charter contract. Please read "Item 5 – Operating and Financial Review and Prospects: Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments in 2024 and Early 2025 – Other Fleet Developments". The cyclical nature of the LNG and NGL spot market may cause significant increases or decreases in the revenues we earn from these vessels trading in the spot market.

### **Foreign Currency Fluctuations**

Our functional currency is U.S. Dollars because nearly all of our revenues and most of our operating costs are in U.S. Dollars. Our results of operations are affected by fluctuations in currency exchange rates. The volatility in our financial results due to currency exchange rate fluctuations is attributed primarily to foreign currency revenues and expenses and our NOK-denominated bonds. A portion of our voyage revenues are denominated in Euros. A portion of our vessel operating expenses, and general and administrative expenses are denominated in Euros, which is primarily a function of the nationality of our crew and administrative staff. In addition, we have a portion of our capital expenditures denominated in Euros. We incur NOK-denominated interest expense on our NOK-denominated bonds; however, we entered into cross currency swaps and pursuant to these swaps we receive the principal amount in NOK on the maturity date of the swap, in exchange for payment of a fixed U.S. Dollar amount. In addition, the cross currency swaps exchange a receipt of floating interest in NOK based on NIBOR plus a margin for a payment of U.S. Dollar fixed interest. The purpose of the cross currency swaps is to economically hedge the foreign currency exposure on the payment of interest and principal of our NOK bonds due in 2025 and 2026, and to economically hedge the interest rate exposure. We do not use these financial instruments for trading purposes. We have not designated, for accounting purposes, these cross currency swaps as cash flow hedges of the NOK-denominated bonds due in 2025 and 2026. Please read "Item 18 – Financial Statements: Note 13 – Derivative Instruments and Hedging Activities." At December 31, 2024, the fair value of the cross currency swaps derivative liabilities was \$46.1 million and the change from December 2023 to the reporting period has been reported in foreign currency exchange (loss) gain in the consolidated statements of (loss) income. As a result, fluctuations in the Euro and NOK relative to the U.S. Dollar have caused, and are likely to continue to cause, fluctuations in our reported voyage revenues, vessel operating expenses, general and administrative expenses, interest expense, interest income, realized and unrealized gain on non-designated derivative instruments and foreign currency exchange (loss) gain in the consolidated statements of (loss) income.

### **Item 12. Description of Securities Other than Equity Securities**

Not applicable.

## PART II

### Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

### Item 14. Material Modifications to the Rights of Unitholders and Use of Proceeds

Not applicable.

### Item 15. Controls and Procedures

#### Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13(a)-15(e) and 15(d)-15(e) under the U.S. Securities and Exchange Act of 1934, as amended (or the *Exchange Act*)) that are designed to ensure that (i) information required to be disclosed in our reports that are filed or submitted under the Exchange Act, are recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including the principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

We conducted an evaluation of our disclosure controls and procedures under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer. Based on the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2024.

The Chief Executive Officer and Chief Financial Officer do not expect that our disclosure controls or internal controls will prevent all errors and all fraud. Although our disclosure controls and procedures were designed to provide reasonable assurance of achieving their objectives, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within us have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

#### Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining for us adequate internal control over financial reporting.

Our internal controls are designed to provide reasonable assurance as to the reliability of our financial reporting and the preparation and presentation of the consolidated financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Our internal control over financial reporting includes those policies and procedures that: 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with U.S. generally accepted accounting principles, and that our receipts and expenditures are being made in accordance with authorizations of management and the directors; and 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our consolidated financial statements.

We conducted an evaluation of the effectiveness of our internal control over financial reporting based upon the framework in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements even when determined to be effective and can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate. However, based on the evaluation, management has determined that the internal control over financial reporting was effective as of December 31, 2024.

#### Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13(a)-15(f) under the Exchange Act) during the year ended December 31, 2024 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

#### Item 16A. Audit Committee Financial Expert

The Board (which is controlled by Stonepeak and its affiliates) has determined that Director and Chair of the Audit Committee, Barry Curtis, and Audit Committee member Lisa Krueger each qualifies as an audit committee financial expert and is independent under applicable NYSE and SEC standards.

#### Item 16B. Code of Ethics

We have adopted a Standards of Business Conduct Policy (or *Code of Conduct*) that applies to all our employees and directors. This document is available under "Governance" located in the 'Who we are' section of our website ([www.seapeak.com](http://www.seapeak.com)). Additionally, any person may receive a hard copy or an electronic file of the Code of Conduct at no cost by directing a request to the attention of Internal Audit at Seapeak LLC, 2000, 550 Burrard Street, Vancouver, B.C., Canada, V6C 2K2. We intend to disclose, under "Governance" located in the 'Who we are' section of our website, any waivers to or amendments of our Standards of Business Conduct Policy that benefit any directors and executive officers of Seapeak.

#### Item 16C. Principal Accountant Fees and Services

Our principal accountant for 2024 and 2023 was KPMG LLP, independent registered public accounting firm. The following table shows the fees we paid or accrued for audit services provided by KPMG LLP for 2024 and 2023.

Fees (in thousands of U.S. Dollars)	2024	2023
Audit Fees <sup>(1)</sup>	1,574	1,529
Audit-Related Fees <sup>(2)</sup>	54	51
Total	1,628	1,580

(1) Audit fees represent fees for professional services provided in connection with the audits of our consolidated financial statements, review of our quarterly consolidated financial statements, audit services provided in connection with other statutory audits, and professional services in connection with the review of our regulatory filings for our equity offerings.

(2) Audit-related fees consisted of employee benefit plan audits and attestation services for regulatory requirements.

No tax services were provided to us by the auditor during 2024 or 2023.

The Audit Committee of our Board has the authority to pre-approve permissible audit, audit-related and non-audit services not prohibited by law to be performed by our independent auditors and associated fees. Engagements for proposed services either may be separately pre-approved by the Audit Committee or entered into pursuant to detailed pre-approval policies and procedures established by the Audit Committee, as long as the Audit Committee is informed on a timely basis of any engagement entered into on that basis. The Audit Committee pre-approved all engagements and fees paid to our principal accountant in 2024 and in 2023.

#### Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

#### Item 16E. Purchases of Units by the Issuer and Affiliated Purchasers

In March 2022, we implemented a repurchase plan authorizing the repurchase of our Series A and Series B Preferred Units up to a maximum of \$30.0 million in aggregate for the Series A and Series B Preferred Units combined. As at December 31, 2024, the Company had repurchased 67,452 Series A Preferred Units and 203,885 Series B Preferred Units for \$1.7 million and \$5.0 million, at an average price per unit of \$24.27 and \$24.67, respectively, and the remaining dollar value of Series A and Series B Preferred Units that may be repurchased under the plan was \$23.3 million. We repurchased no preferred units during 2024.

#### Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

#### Item 16G. Corporate Governance

As a foreign private issuer, we are not required to comply with certain corporate governance practices required of U.S. companies under the NYSE listing standards.

The following is the significant ways in which our corporate governance practices differ from those followed by U.S. domestic companies listed on the NYSE that are also "controlled companies" (as defined in the NYSE Listed Company Manual), and which differences are permitted by NYSE rules for foreign private issuers such as us organized under the laws of the Marshall Islands:

- We are not required to obtain unitholder approval prior to the adoption of equity compensation plans or certain equity issuances, including, among others, issuing 20% or more of our outstanding common units or voting power in a transaction.

- We are not required to have an Audit Committee comprised of at least three independent directors. Our Audit Committee currently is comprised of two members.

#### **Item 16H. Mine Safety Disclosure**

Not applicable.

#### **Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

#### **Item 16J. Insider Trading Policies**

We have implemented an insider trading policy (or *Insider Trading Policy*) that is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, including the applicable listing standards of the NYSE. The Insider Trading Policy has been filed as Exhibit [11.1](#) to this Annual Report on Form 20-F.

#### **Item 16K. Cybersecurity**

##### **Risk Management and Strategy**

The Company prioritizes the safeguarding and security of our computer systems, software and networks, both as it relates to our onshore offices and our vessels operating abroad. We have implemented processes designed to identify, assess, mitigate and respond to cybersecurity risks, including, but not limited to, risks related to ransomware, hacking, phishing, malware, data breaches, USB infection and social engineering. As part of our global cyber risk management strategy, we have implemented what we believe to be comprehensive cybersecurity risk management policies. Our cybersecurity policies are guided by and integrate recognized industry standards and frameworks, including, but not limited to, the National Institute of Standards and Technology Cybersecurity Framework.

Our cybersecurity risk management policies incorporate a number of components, including, but not limited to, information security policies and operating procedures, periodic information security risk assessments and other vulnerability analyses, and ongoing monitoring of critical risks from cybersecurity threats using automated tools. Additionally, we have implemented a process to conduct cybersecurity awareness training for employees during onboarding and thereafter, and we conduct regular phishing tests in an effort to raise awareness of spoofed or manipulated electronic communications and other cybersecurity threats.

We maintain a Cybersecurity Master Plan and a Cyber Incident Response Plan (or *CIRP*) which is designed to guide our response to various levels of cyber threats and incidents, including to mitigate and contain any potential cybersecurity incidents that could affect our vessels, systems, network, or data. The CIRP identifies the individuals responsible for developing, maintaining, and following procedures related to cybersecurity incident response, including escalation protocols. We also engage external third-party consultants to provide services, such as annual penetration testing, and periodic vulnerability assessments.

We also conduct annual cyber drills to test and enhance our response capabilities, distribute cybersecurity advice on our internal social media platform, and participate in industry conferences in an effort to stay ahead of emerging threats. Additionally, we maintain strategic partnerships with various cybersecurity companies that provide our managed network services and Security Operations Center, which we believe increases our access to advanced tools and expertise that enhance our cybersecurity.

##### **Cybersecurity Incidents**

Our business strategy, results of operations and financial condition have not been materially affected by risks from cybersecurity threats, including as a result of previous cybersecurity incidents, but we cannot provide assurance that they will not be materially affected in the future by such risks and any future material incidents. In the last three fiscal years, we have not experienced any material information security breach incidences and the expenses we have incurred from information security breach incidences were immaterial.

##### **Governance**

Our Chief Information Officer (or *CIO*) has primary responsibility for the day-to-day management of our cybersecurity risk management program, including leading a dedicated internal team of technology professionals (or *Incident Management Team*) to monitor cybersecurity risks on behalf of our Company. In addition, our CIO, together with the Incident Management Team, is responsible for overseeing and assessing potential vulnerabilities and exposures to cybersecurity threats, implementing controls and measures designed to mitigate these risks, and regularly monitoring and updating these measures as appropriate to adapt to evolving cybersecurity threats. Our current CIO possesses over 25 years of experience within the information technology and cybersecurity risk management industry.

Our board of directors has ultimate responsibility for oversight of the Company's cybersecurity risk management. Our board of directors has delegated to the Audit Committee oversight of our cybersecurity risk management program, which includes reviewing our cybersecurity and other information technology risks, controls and procedures, including our plans to mitigate cybersecurity risks and to respond to data breaches. Our Internal Audit function, alongside the CIO, provides periodic reports to the Audit Committee covering cybersecurity and other information technology risks affecting us. In the event of a cybersecurity incident, we have implemented a process in which our internal audit function or the CIO would report such incident to our Audit Committee.

**PART III**

**Item 17. Financial Statements**

Not applicable.

**Item 18. Financial Statements**

The following financial statements, together with the related report of KPMG LLP, Independent Registered Public Accounting Firm are filed as part of this Annual Report:

	<b>Page</b>
<a href="#">Report of Independent Registered Public Accounting Firm</a>	F - 1
<b>Consolidated Financial Statements</b>	
<a href="#">Consolidated Statements of (Loss) Income</a>	F - 2
<a href="#">Consolidated Statements of Comprehensive (Loss) Income</a>	F - 3
<a href="#">Consolidated Balance Sheets</a>	F - 4
<a href="#">Consolidated Statements of Cash Flows</a>	F - 5
<a href="#">Consolidated Statements of Changes in Total Equity</a>	F - 6
<a href="#">Notes to the Consolidated Financial Statements</a>	F - 7

All schedules for which provision is made in the applicable accounting regulations of the SEC are not required, are inapplicable or have been disclosed in the Notes to the Consolidated Financial Statements and therefore have been omitted.

## Item 19. Exhibits

The following exhibits are filed as part of this Annual Report:

<a href="#">1.1</a>	Certificate of Conversion <sup>(1)</sup>
<a href="#">1.2</a>	Plan of Conversion dated as of February 25, 2022 <sup>(1)</sup>
<a href="#">1.3</a>	Certificate of Formation of Seapeak LLC <sup>(1)</sup>
<a href="#">1.4</a>	Limited Liability Company Agreement of Seapeak LLC. <sup>(1)</sup>
<a href="#">2.2</a>	Description of Securities Registered Under Section 12 of the Exchange Act. <sup>(2)</sup>
<a href="#">4.1</a>	Agreement dated November 15, 2016, for a U.S. \$730,000,000 Secured Loan Facility between Bahrain LNG W.L.L. and Standard Chartered Bank and other banks. <sup>(3)</sup>
<a href="#">4.2</a>	Agreement dated December 21, 2016, for a U.S. \$723,200,000 Secured Loan Facility between Teekay Nakilat (III) Corporation and Qatar National Bank SAQ. <sup>(3)</sup>
<a href="#">4.3</a>	Agreement dated December 8, 2017, for a U.S. \$1,632,000,000 Secured Loan Agreement between DSME Hull No. 2423 L.L.C., DSME Hull No. 2425 L.L.C., DSME Hull No. 2430 L.L.C., DSME Hull No. 2431 L.L.C., DSME Hull No. 2433 L.L.C. and DSME Hull No. 2434 L.L.C. (as borrowers) and China Development Bank. <sup>(4)</sup>
<a href="#">4.4</a>	Agreement and Plan of Merger, dated October 4, 2021, by and among Stonepeak Infrastructure Fund IV Cayman (AIV III) LP, Limestone Merger Sub, Inc., Teekay LNG Partners, L.P. and Teekay GP L.L.C. <sup>(5)</sup>
<a href="#">8.1</a>	List of Subsidiaries of Seapeak LLC.
<a href="#">11.1</a>	Insider Trading Policy <sup>(6)</sup>
<a href="#">12.1</a>	Rule 13a-15(e)/15d-15(e) Certification of Mark Kremin, President and Chief Executive Officer.
<a href="#">12.2</a>	Rule 13a-15(e)/15d-15(e) Certification of Scott Gayton, Chief Financial Officer.
<a href="#">13.1</a>	Certification of Mark Kremin, President and Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
<a href="#">13.2</a>	Certification of Scott Gayton, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
<a href="#">15.1</a>	Consolidated Financial Statements of TC LNG Shipping L.L.C.
<a href="#">97</a>	Clawback Policy <sup>(7)</sup>
101.INS	Inline XBRL Instance Document.
101.SCJ	Inline XBRL Taxonomy Extension Schema.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101.INS)

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- (1) Previously filed as exhibits 1.1, 1.2, 1.3 and 1.4 to the Company's Report on Form 6-K (File No. 1-32479), filed with the SEC on February 25, 2022, and hereby incorporated by reference to such Annual Report.
- (2) Previously filed as exhibit 2.2 to the Company's Annual Report on Form 20-F (File No. 1-32479), filed with the SEC on March 22, 2024 and hereby incorporated by reference to such report.
- (3) Previously filed as exhibits 4.37 and 4.39 to the Company's Annual Report on Form 20-F (File No. 1-32479), filed with the SEC on April 26, 2017 and hereby incorporated by reference to such report.
- (4) Previously filed as exhibit 4.20 to the Company's Annual Report on Form 20-F (File No. 1-32479), filed with the SEC on April 5, 2019 and hereby incorporated by reference to such report.
- (5) Previously filed as an exhibit 4.1 to the Company's Report on Form 6-K (File No. 1-32479), filed with the SEC on October 12, 2021 and hereby incorporated by reference to such report.
- (6) Previously filed as exhibit 11.1 to the Company's Annual Report on Form 20-F (File No. 1-32479), filed with the SEC on March 22, 2024 and hereby incorporated by reference to such report.
- (7) Previously filed as exhibit 97 to the Company's Annual Report on Form 20-F (File No. 1-32479), filed with the SEC on March 22, 2024 and hereby incorporated by reference to such report.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SEAPEAK LLC

Date: March 14, 2025

By: /s/ Scott Gayton  
Scott Gayton  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Unitholders  
Seapeak LLC:

### *Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of Seapeak LLC and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of (loss) income, comprehensive (loss) income, cash flows, and changes in total equity for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

### *Basis for Opinion*

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

### *Critical Audit Matter*

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### *Evaluation of the fair values of certain steam turbine LNG vessels*

As discussed in Note 1 to the consolidated financial statements, vessels and equipment are assessed for impairment when events or circumstances indicate the total net carrying value of the asset group may not be recoverable. If the total net carrying value of the asset group exceeds the estimated net undiscounted cash flows expected to be generated over the vessel's remaining useful life, the total net carrying value of the vessel and its customer contract is reduced to its estimated fair value. As discussed in Note 18(a) to the consolidated financial statements, in December 2024, the carrying values of seven steam turbine LNG vessels were written down to their estimated fair values, resulting in an impairment charge of \$387.1 million. The fair values of certain of those seven steam turbine LNG vessels were determined using a discounted cash flow approach.

We identified the evaluation of the fair values of these steam turbine LNG vessels as a critical audit matter. Challenging auditor judgment was required to evaluate the estimated daily hire rate on rechartering and the discount rate used in determining the discounted cash flows for these steam turbine LNG vessels, because these assumptions are subject to significant measurement uncertainty. Changes in the estimated daily hire rate on rechartering or the discount rate could have had a significant impact on the fair values of those LNG vessels.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design of certain internal controls related to the evaluation of the discount rate and estimated daily hire rate on rechartering used in the measurement of the fair values of these steam turbine LNG vessels. We assessed the estimated daily hire rate on rechartering by comparing it to third party documentation and historical rates for steam turbine LNG vessels with similar characteristics. We involved valuation professionals with specialized skills and knowledge who assisted in evaluating the discount rate by comparing it to a discount rate range that was independently developed using publicly available market data for comparable entities. We performed sensitivity analyses over the estimated daily hire rate on rechartering and the discount rate used in determining the discounted cash flows to assess their impact on the impairment charge recorded.

/s/ KPMG LLP

Chartered Professional Accountants

We have served as the Company's auditor since 2011.

Vancouver, Canada

March 14, 2025

**SEAPEAK LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF (LOSS) INCOME (note 1)**  
(in thousands of U.S. Dollars)

	Year Ended December 31, 2024 \$	Year Ended December 31, 2023 \$	Year Ended December 31, 2022 \$
Voyage revenues (notes 6 and 12a)	710,744	726,791	624,480
Voyage expenses	(11,594)	(21,440)	(34,609)
Vessel operating expenses	(230,896)	(232,660)	(192,149)
Time-charter hire expenses (note 12a)	(8,237)	(8,777)	(9,396)
Depreciation and amortization	(142,664)	(145,728)	(128,459)
General and administrative expenses	(29,088)	(30,911)	(25,470)
(Write-down) gain and gain (loss) on sales of vessels (notes 3a, 6 and 18)	(382,770)	27,991	(54,397)
Restructuring charges (notes 12a and 17)	—	—	(2,651)
<b>(Loss) income from vessel operations</b>	<b>(94,505)</b>	<b>315,266</b>	<b>177,349</b>
Equity income (notes 3b, 7 and 12a)	122,279	149,006	118,432
Interest expense	(178,417)	(187,506)	(137,129)
Interest income (note 7a)	14,101	11,412	8,132
Realized and unrealized gain on non-designated derivative instruments (note 13)	55,663	23,993	65,668
Foreign currency exchange (loss) gain (notes 10 and 13)	(1,396)	(5,354)	25,478
Other (expense) income (notes 1, 3b and 5)	(16,032)	21,110	(8,192)
<b>Net (loss) income before income tax recovery (expense)</b>	<b>(98,307)</b>	<b>327,927</b>	<b>249,738</b>
Income tax recovery (expense) (note 11)	2,486	(10,211)	(8,185)
<b>Net (loss) income</b>	<b>(95,821)</b>	<b>317,716</b>	<b>241,553</b>
Non-controlling interest in net (loss) income	(27,715)	13,174	17,461
Preferred unitholders' interest in net (loss) income	25,117	24,941	25,606
General partner's interest in net (loss) income	—	—	740
Common unitholder's / Limited partner's interest in net (loss) income	(93,223)	279,601	197,746

Related party transactions (note 12)

Subsequent events (note 20)

The accompanying notes are an integral part of the consolidated financial statements.

**SEAPEAK LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (note 1)**  
(in thousands of U.S. Dollars)

	Year Ended December 31, 2024 \$	Year Ended December 31, 2023 \$	Year Ended December 31, 2022 \$
<b>Net (loss) income</b>	(95,821)	317,716	241,553
<b>Other comprehensive income (loss):</b>			
<b>Other comprehensive income before reclassifications</b>			
Unrealized gain on qualifying cash flow hedging instruments, net of tax	21,670	6,555	83,563
<b>Amounts reclassified from accumulated other comprehensive income, net of tax</b>			
To equity income:			
Realized (gain) loss on qualifying cash flow hedging instruments	(17,467)	(16,595)	8,400
To interest expense:			
Realized loss on qualifying cash flow hedging instruments (note 13)	761	1,242	2,453
<b>Other comprehensive income (loss)</b>	4,964	(8,798)	94,416
<b>Comprehensive (loss) income</b>	(90,857)	308,918	335,969
Non-controlling interest in comprehensive (loss) income	(27,487)	13,546	18,197
Preferred unitholders' interest in comprehensive (loss) income	25,117	24,941	25,606
Common unitholder's / General and limited partners' interest in comprehensive (loss) income	(88,487)	270,431	292,166

The accompanying notes are an integral part of the consolidated financial statements.

**SEAPEAK LLC AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS (note 1)**  
(in thousands of U.S. Dollars, except unit data)

	As at December 31, 2024 \$	As at December 31, 2023 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (note 15a)	153,726	168,409
Restricted cash – current (note 15a)	9,210	2,910
Accounts receivable, including non-trade of \$6,183 (2023 – \$7,993) (note 13)	29,058	31,269
Prepaid expenses	15,162	15,318
Vessels held for sale (note 18)	—	22,323
Current portion of derivative assets (note 13)	35,684	22,397
Current portion of net investments in direct financing and sales-type leases, net (notes 3b and 6)	20,928	20,572
Advances to affiliates (notes 12b and 14f)	19,679	22,718
Other current assets (note 14f)	6,619	1,294
<b>Total current assets</b>	<b>290,066</b>	<b>307,210</b>
Restricted cash – long-term (note 15a)	25,032	13,075
<b>Vessels and equipment</b>		
At cost, less accumulated depreciation of \$94,752 (2023 – \$715,758)	731,318	932,414
Vessels related to finance leases, at cost, less accumulated depreciation of \$367,146 (2023 – \$293,820) (note 5)	1,979,630	2,050,933
Advances on newbuilding contracts (note 14a)	243,186	228,562
Operating lease right-of-use assets	—	7,772
<b>Total vessels and equipment</b>	<b>2,954,134</b>	<b>3,219,681</b>
Investments in and advances to equity-accounted joint ventures, net (notes 3b and 7)	1,346,578	1,311,739
Net investments in direct financing and sales-type leases, net (notes 3b and 6)	625,398	669,139
Other assets	28,858	34,875
Derivative assets (note 13)	50,913	35,127
Intangible assets, net (note 8)	20,434	30,447
Goodwill (note 8)	37,308	40,308
<b>Total assets</b>	<b>5,378,721</b>	<b>5,661,601</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable	7,093	6,692
Accrued liabilities and other (notes 9 and 14)	100,060	89,852
Unearned revenue (note 6)	34,733	38,343
Current portion of long-term debt (note 10)	177,093	107,820
Current obligations related to finance leases (note 5)	129,418	180,206
Current portion of operating lease liabilities	—	9,905
Current portion of derivative liabilities (note 13)	22,283	—
Advances from affiliates (note 12b)	6,721	7,298
<b>Total current liabilities</b>	<b>477,401</b>	<b>440,116</b>
Long-term debt (note 10)	882,446	960,202
Long-term obligations related to finance leases (note 5)	1,598,135	1,481,786
Other long-term liabilities (notes 3b, 6, 7a and 14e)	88,764	78,582
Derivative liabilities (note 13)	25,281	23,836
<b>Total liabilities</b>	<b>3,072,027</b>	<b>2,984,522</b>
Commitments and contingencies (notes 5, 7, 10, 13 and 14)		
<b>Equity</b>		
Common units (99.9 million units issued and outstanding at December 31, 2024 and 2023)	1,931,879	2,275,102
Preferred units (11.9 million units authorized; 11.5 million units issued and outstanding at December 31, 2024 and 2023)	278,419	278,419
Accumulated other comprehensive income	36,083	31,347
Equity	2,246,381	2,584,868
Non-controlling interest	60,313	92,211
<b>Total equity</b>	<b>2,306,694</b>	<b>2,677,079</b>
<b>Total liabilities and total equity</b>	<b>5,378,721</b>	<b>5,661,601</b>

The accompanying notes are an integral part of the consolidated financial statements.

**SEAPEAK LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (note 1)**  
(in thousands of U.S. Dollars)

	Year Ended December 31, 2024 \$	Year Ended December 31, 2023 \$	Year Ended December 31, 2022 \$
Cash, cash equivalents and restricted cash provided by (used for)			
<b>OPERATING ACTIVITIES</b>			
Net (loss) income	(95,821)	317,716	241,553
Non-cash and non-operating items:			
Unrealized gain on non-designated derivative instruments (note 13)	(32,215)	(3,226)	(70,650)
Depreciation and amortization	142,664	145,728	128,459
Write-down (gain) and (gain) loss on sales of vessels (notes 6 and 18)	382,770	(27,991)	54,397
Unrealized foreign currency exchange loss (gain) including the effect of settlement upon maturity or termination of cross currency swaps (note 13)	2,884	9,183	(29,884)
Equity income, net of distributions received of \$63,263 (2023 – \$76,710 and 2022 – \$97,768)	(56,948)	(72,296)	(20,664)
Amortization of deferred financing issuance costs included in interest expense	4,418	6,367	6,949
Change in unrealized credit loss provisions included in other (expense) income (note 3b)	22,300	(17,700)	(9,400)
Gain on extinguishment of obligations related to finance leases included in other (expense) income (note 5)	(6,331)	(5,064)	—
Other non-cash items	(1,483)	9,953	6,934
Change in operating assets and liabilities (note 15b)	33,050	(6)	(30,917)
<b>Net operating cash flow</b>	<b>395,288</b>	<b>362,664</b>	<b>276,777</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issuance of long-term debt	550,885	190,000	367,709
Scheduled repayments of long-term debt and settlement of related swaps (note 13)	(106,903)	(242,925)	(110,593)
Prepayments of long-term debt	(432,585)	(294,951)	(197,836)
Financing issuance costs	(8,553)	(4,793)	(2,200)
Scheduled repayments of obligations related to finance leases	(131,147)	(122,263)	(74,987)
Cash distributions paid	(275,117)	(74,941)	(25,606)
Dividends paid to non-controlling interest	(4,411)	(864)	(4,180)
Proceeds from financing related to sales and leaseback of vessels (note 5)	629,685	309,778	160,000
Extinguishment of obligations related to finance leases, net of security deposits (note 5)	(413,501)	(215,064)	(122,458)
Repurchase of preferred units (note 16)	—	(3,972)	(2,690)
Acquisition of Teekay Subsidiaries, includes assumed cash of \$5,783 (note 1)	—	—	10,674
Equity contributions from Stonepeak (notes 1 and 16)	—	86,180	135,306
Repurchase of restricted unit awards (note 1)	—	—	(5,964)
<b>Net financing cash flow</b>	<b>(191,647)</b>	<b>(373,815)</b>	<b>127,175</b>
<b>INVESTING ACTIVITIES</b>			
Expenditures for vessels and equipment, including advances on newbuilding contracts	(257,733)	(147,970)	(108,024)
Capital returned from equity-accounted joint ventures	29,961	—	—
Proceeds from repayments of advances to equity-accounted joint ventures	—	—	32,266
Acquisition of Evergas, net of cash acquired \$15,303 (note 19)	—	(3,000)	(223,137)
Proceeds from sales of investment in equity-accounted joint venture and vessels (notes 7a(viii) and 18)	27,705	80,569	18,832
<b>Net investing cash flow</b>	<b>(200,067)</b>	<b>(70,401)</b>	<b>(280,063)</b>
<b>Increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>3,574</b>	<b>(81,552)</b>	<b>123,889</b>
Cash, cash equivalents and restricted cash, beginning of the year	184,394	265,946	142,057
<b>Cash, cash equivalents and restricted cash, end of the year</b>	<b>187,968</b>	<b>184,394</b>	<b>265,946</b>

Supplemental cash flow information (note 15)

The accompanying notes are an integral part of the consolidated financial statements.

**SEAPEAK LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL EQUITY (note 1)**  
(in thousands of U.S. Dollars, except unit data)

	TOTAL EQUITY							
	Unitholder Equity (note 1)				General Partner (note 1)	Accumulated Other Comprehensive (Loss) Income	Non-controlling Interest	Total
	Common Unitholder / Limited Partner Common Units (note 1)	Common Unitholder / Limited Partner Common Units (note 1)	Common Unitholder / Limited Partner Preferred Units (note 1)	Common Unitholder / Limited Partner Preferred Units (note 1)				
	#	\$	#	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2021</b>	87,010	1,583,229	11,800	285,159	48,286	(53,163)	65,512	1,929,023
Cancellation of restricted unit awards (note 1)	—	(3,254)	—	—	(59)	—	—	(3,313)
Contributed capital from Stonepeak (note 1)	—	5,926	—	—	109	—	—	6,035
Acquisition of Teekay Subsidiaries (note 1)	—	(2,701)	—	—	(50)	—	—	(2,751)
Distributions declared prior to conversion to limited liability company (note 1):								
Preferred units Series A (\$0.5625 / unit)	—	—	—	(2,812)	—	—	—	(2,812)
Preferred units Series B (\$0.5313 / unit)	—	—	—	(3,613)	—	—	—	(3,613)
Net income prior to conversion to limited liability company (note 1)	—	40,407	—	3,998	740	—	2,495	47,640
Conversion to limited liability company (note 1)	(87,010)	(1,623,607)	(11,800)	(282,732)	(49,026)	—	—	(1,955,365)
Issuance of Company common & preferred units (note 1)	88,565	1,672,633	11,800	282,732	—	—	—	1,955,365
Net income	—	157,339	—	21,608	—	—	14,966	193,913
Other comprehensive income	—	—	—	—	—	93,680	736	94,416
Equity contribution from Stonepeak (notes 12c and 16)	—	129,271	—	—	—	—	—	129,271
Distributions declared:								
Preferred units Series A (\$1.6875/ unit)	—	—	—	(8,391)	—	—	—	(8,391)
Preferred units Series B (\$1.5939 / unit)	—	—	—	(10,790)	—	—	—	(10,790)
Repurchase of preferred units (note 16)	—	(15)	(111)	(2,675)	—	—	—	(2,690)
Dividends paid to non-controlling interest	—	—	—	—	—	—	(4,180)	(4,180)
<b>Balance as at December 31, 2022</b>	88,565	1,959,228	11,689	282,484	—	40,517	79,529	2,361,758
Net income	—	279,601	—	24,941	—	—	13,174	317,716
Other comprehensive (loss) income	—	—	—	—	—	(9,170)	372	(8,798)
Equity contribution from Stonepeak (notes 12c and 16)	—	86,180	—	—	—	—	—	86,180
Conversion of equity contributions from Stonepeak into common units (notes 12c and 16)	11,384	—	—	—	—	—	—	—
Distributions declared:								
Common units (\$0.5003 / unit)	—	(50,000)	—	—	—	—	—	(50,000)
Preferred units Series A (\$2.25 / unit)	—	—	—	(11,070)	—	—	—	(11,070)
Preferred units Series B (\$2.13 / unit)	—	—	—	(13,871)	—	—	—	(13,871)
Repurchase of preferred units (note 16)	—	93	(160)	(4,065)	—	—	—	(3,972)
Dividends paid to non-controlling interest	—	—	—	—	—	—	(864)	(864)
<b>Balance as at December 31, 2023</b>	99,949	2,275,102	11,529	278,419	—	31,347	92,211	2,677,079
Net (loss) income	—	(93,223)	—	25,117	—	—	(27,715)	(95,821)
Other comprehensive income	—	—	—	—	—	4,736	228	4,964
Distributions declared:								
Common units (\$2.5013 / unit)	—	(250,000)	—	—	—	—	—	(250,000)
Preferred units Series A (\$2.25 / unit)	—	—	—	(11,246)	—	—	—	(11,246)
Preferred units Series B (\$2.13 / unit)	—	—	—	(13,871)	—	—	—	(13,871)
Dividends paid to non-controlling interest	—	—	—	—	—	—	(4,411)	(4,411)
<b>Balance as at December 31, 2024</b>	99,949	1,931,879	11,529	278,419	—	36,083	60,313	2,306,694

The accompanying notes are an integral part of the consolidated financial statements.

**SEAPEAK LLC AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(all tabular amounts stated in thousands of U.S. Dollars, unless otherwise indicated)

**1. Summary of Significant Accounting Policies**

**Basis of presentation**

On October 4, 2021, the Company (as Teekay LNG Partners L.P., a Marshall Islands limited partnership), entered into an agreement and plan of merger with Teekay GP L.L.C. (or the *General Partner*), an investment vehicle (or *Acquiror*) managed by Stonepeak Partners L.P. (or *Stonepeak*), and a wholly-owned subsidiary of Acquiror (or *Merger Sub*). On January 13, 2022, Stonepeak completed its acquisition of the Company, with Merger Sub merging with and into the Company, and with the Company surviving the merger as a subsidiary of Stonepeak (or the *Merger*). Pursuant to the Merger and related transactions (collectively referred to as the "*Stonepeak Transaction*"), (a) each issued and outstanding common unit of the Company, including approximately 36.0 million common units owned by Teekay Corporation (or *Teekay*) (but excluding any common units owned by the Company, Acquiror or the Company's or Acquiror's respective wholly-owned subsidiaries), was converted into the right to receive cash in an amount equal to \$17.00 per common unit, (b) Teekay sold to Acquiror all of the outstanding ownership interests in the General Partner for \$26.4 million, which price consisted of \$17.00 for each of the approximately 1.6 million common unit equivalents represented by the economic interest of the General Partner's general partner interest in the Company and (c) the Company acquired certain restructured subsidiaries of Teekay (or the *Teekay Subsidiaries*) that provide, through services agreements, comprehensive managerial, operational and administrative services to the Company and its subsidiaries and joint ventures and as a result of this acquisition, Teekay paid the Company \$4.9 million. The Company incurred fees of \$18.0 million relating to professional services provided in connection to the Stonepeak Transaction which are included in other (expense) income in the Company's consolidated statement of (loss) income for the year ended December 31, 2022. On January 24, 2022, the Company's common units were delisted from the New York Stock Exchange. The Company's 9.00% Series A Cumulative Redeemable Perpetual Preferred Units (or the *Series A Preferred Units*) and 8.50% Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (or the *Series B Preferred Units*) remain outstanding and continue to trade on the New York Stock Exchange following the Merger.

As a result of the concurrent acquisition of both the Company and the Teekay Subsidiaries by Stonepeak, where the Teekay Subsidiaries became subsidiaries of the Company on completion of the Stonepeak Transaction, the acquisition of the Teekay Subsidiaries was accounted for by the Company as the acquisition of a business between entities under common control of Stonepeak. As such, the assets acquired and liabilities assumed by the Company on January 13, 2022 in connection with the acquisition of the Teekay Subsidiaries are recognized at their fair values. Due to negative working capital of the Teekay Subsidiaries on closing, Teekay paid the Company \$4.9 million for the purchase of the Teekay Subsidiaries. The excess of the net recognized liabilities of the Teekay Subsidiaries over the amount paid by Teekay to the Company has been reflected as a decrease to equity of \$2.8 million.

Additionally, at the effective time of the Merger on January 13, 2022, each restricted unit award granted pursuant to the Teekay LNG Partners L.P. 2005 Long-Term Incentive Plan that was outstanding immediately prior to the effective time, whether or not vested, was automatically vested, cancelled and converted into the right to receive an amount in cash equal to \$17.00 multiplied by the number of common units subject to such restricted unit award held by the holder thereof, less applicable taxes. The amount of compensation cost for these restricted unit awards as measured at the grant date but not yet recognized as of the cancellation date was \$2.7 million and has been expensed on such cancellation date. The total cash cost, including taxes, was \$6.0 million and was accounted for as a direct reduction to equity. Such \$6.0 million amount was paid for with funds advanced by Stonepeak and this funding has been accounted for by the Company as a \$6.0 million increase to equity.

On February 25, 2022, Teekay LNG Partners L.P. converted from a limited partnership formed under the laws of the Republic of the Marshall Islands (or the *Partnership*) into a limited liability company formed under the laws of the Republic of the Marshall Islands (or the *Conversion*). The Conversion is deemed a continuation of the existence of the Partnership in the form of the Company, as a Marshall Islands limited liability company, with the existence of the Company deemed to have commenced on the date the Partnership commenced its existence. Upon the Conversion, all of the rights, privileges and powers of the Partnership, and all property of and all property and debts due to the Partnership, became vested in the Company and the property of the Company. In addition, all rights of creditors and all liens upon any property of the Partnership were preserved unimpaired and all debts, liabilities and duties of the Partnership automatically attached to the Company. Concurrently with the Conversion, the Company changed its name to Seapeak LLC and changed the ticker symbols for its Series A Preferred Units and Series B Preferred Units from "TGP PRA" and "TGP PRB" to "SEAL/PA" and "SEAL/PB," respectively.

Pursuant to the Conversion:

- each outstanding common unit of the Partnership was converted into one issued and outstanding, fully paid and non-assessable common unit of the Company;
- each outstanding Series A Preferred Unit and Series B Preferred Unit of the Partnership was converted into one issued and outstanding, fully paid and non-assessable Series A Preferred Unit or Series B Preferred Unit of the Company, as applicable; and
- the general partner interest in the Partnership was converted into 1,555,061 common units of the Company (which number is equal to the notional common units of the Partnership represented by such general partner interest immediately prior to the Conversion) and the Company, as a limited liability company, no longer had a general partner.

These consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (or *GAAP*). They include the accounts of the Company, which is a limited liability company formed under the laws of the Republic of the Marshall Islands, its wholly-owned or controlled subsidiaries and any variable interest entities (or *VIEs*) of which it is the primary beneficiary (see Note 5).

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. Significant intercompany balances and transactions have been eliminated upon consolidation.

**SEAPEAK LLC AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(all tabular amounts stated in thousands of U.S. Dollars, unless otherwise indicated)

**Foreign currency**

The consolidated financial statements are stated in U.S. Dollars and the functional currency of the Company is the U.S. Dollar. Transactions involving other currencies during the year are converted into U.S. Dollars using the exchange rates in effect at the time of the transactions. At the balance sheet date, monetary assets and liabilities that are denominated in currencies other than the U.S. Dollar are translated to reflect the year-end exchange rates. Resulting gains or losses are reflected in foreign currency exchange (loss) gain in the accompanying consolidated statements of (loss) income.

**Revenues**

The Company's time charters and voyage charters include both a lease component, consisting of the lease of the vessel, and a non-lease component, consisting of the operation of the vessel for the customer. The Company has elected to not separate the non-lease component from the lease component for all such charters, where the lease component is classified as an operating lease, and to account for the combined component as an operating lease. The Company's time-charter contracts accounted for as direct financing leases and sales-type leases contain both a lease component (lease of the vessel) and a non-lease component (operation of the vessel). The Company has allocated the contract consideration between the lease component and non-lease component on a relative standalone selling price basis. The standalone selling price of the non-lease component has been determined using a cost-plus approach, whereby the Company estimates the cost to operate the vessel using cost benchmarking studies prepared by a third party, when available, or internal estimates when not available, plus a profit margin. The standalone selling price of the lease component has been determined using an adjusted market approach, whereby the Company calculates a rate excluding the operating component based on a market time-charter rate from published broker estimates, when available, or internal estimates when not available. Given that there are no observable standalone selling prices for either of these two components, judgment is required in determining the standalone selling price of each component.

*Time charters*

Revenues from time charters accounted for as operating leases are recognized by the Company on a straight-line basis daily over the term of the charter. If collectibility of the time-charter hire receipts from time charters accounted for as operating leases is not probable, revenue that would have otherwise been recognized is limited to the amount collected from the charterer.

Upon commencement of a time charter accounted for as a direct financing lease or a sales-type lease, the carrying value of the vessel is derecognized and the net investment in the lease is recognized, based on the fair value of the vessel. For direct financing leases and sales-type leases, the lease element of time-charter hire receipts is allocated to the lease receivable and voyage revenues over the term of the lease using the effective interest rate method. The non-lease element of time-charter hire receipts is recognized by the Company on a straight-line basis daily over the term of the charter. Drydock cost reimbursements allocable to the non-lease element of a time-charter are recognized on a straight-line basis over the period between the previous scheduled drydock and the next scheduled drydock. In addition, if collectibility of non-lease receipts of charter payments from charterers is not probable, any such receipts are recognized as a liability unless the receipts are non-refundable and either the time-charter contract has been terminated or the Company has no remaining performance obligations. For time-charter contracts where the charterer is responsible for the operation of the vessel, the Company offsets any vessel operating expenses it incurs against reimbursements from the charterer.

The Company does not recognize revenues during days that the vessel is off-hire. When the time-charter contains a profit-sharing agreement, drydock cost reimbursements for time charters accounted for as operating leases, or other variable consideration, the Company recognizes this revenue in the period in which the changes in facts and circumstances on which the variable charter hire payments are based occur.

*Voyage charters*

Revenues from voyage charters are recognized on a proportionate performance method. The Company uses a discharge-to-discharge basis in determining proportionate performance for all spot voyages that contain a lease and a load-to-discharge basis in determining proportionate performance for all spot voyages that do not contain a lease. The Company does not begin recognizing revenue until a charter has been agreed to by the customer, even if the vessel has discharged its cargo and is sailing to the anticipated load port on its next voyage. The consolidated balance sheets reflect, in other current assets, the accrued portion of revenues for those voyages that commence prior to the balance sheet date and complete after the balance sheet date.

*Management fees and other income*

Revenues are also earned from the management of third-party vessels and an LNG terminal in Bahrain, in which the Company has a 30% interest. The Company recognizes fixed revenue on a straight-line basis over the duration of the management contract and variable revenue, such as monthly commissions, in the month they are earned. The Company presents the reimbursement of expenditures it incurs to provide the promised goods or services as revenue, if it controls such goods or services before they are transferred to the customer, and presents the reimbursement of expenditures as an offset against the expenditures, if the Company does not control the goods or services before they are transferred to the customer.

**Operating expenses**

Voyage expenses include all expenses unique to a particular voyage, including fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees and commissions. The Company, as shipowner, pays voyage expenses under voyage charters. The Company's customers pay voyage expenses under time charters, except when the vessel is off-hire during the term of a time-charter, in which case the Company pays voyage expenses.

Vessel operating expenses include crewing, ship management services, repairs and maintenance, insurance, stores, lube oils and communication expenses.

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Voyage expenses and vessel operating expenses are recognized when incurred except when the Company incurs pre-operational costs related to the repositioning of a vessel (i) that relates directly to a specific customer contract, (ii) that generates or enhances resources of the Company that will be used in satisfying performance obligations in the future; and (iii) where such costs are expected to be recovered via the customer contract. In this case, such costs are deferred and amortized over the duration of the customer contract.

**Cash and cash equivalents**

The Company classifies all highly liquid investments with an original maturity date of three months or less as cash and cash equivalents.

**Restricted cash**

The Company maintains restricted cash deposits relating to certain term loans, collateral for derivatives, vessels held for sale, performance bond collateral, obligations related to finance leases and amounts received from charterers to be used only for dry-docking expenditures and emergency repairs and other obligations.

**Accounts receivable and other loan receivables**

Accounts receivable are recorded at the invoiced amount and do not bear interest. The consolidated balance sheets reflect amounts where the right to consideration is conditioned upon the passage of time as "accounts receivable," and reflect accrued revenue where the right to consideration is conditioned upon something other than the passage of time as "other current assets."

The Company's advances to equity-accounted joint ventures and any other investments in loan receivables are recorded at cost, net of provision for expected credit losses.

**Vessels and equipment**

All pre-delivery costs incurred during the construction of newbuildings, including interest and supervision and technical costs, are capitalized. The acquisition cost and all costs incurred to restore used vessels purchased by the Company to the standards required to properly service the Company's customers are capitalized. Interest costs capitalized to advances on newbuilding contracts for the year ended December 31, 2024 amounted to \$14.6 million (December 31, 2023 - \$13.1 million and December 31, 2022 - \$nil) (see Note 14a).

Vessel capital modifications include the addition of new equipment or certain modifications to the vessel which are aimed at improving or increasing the operational efficiency and functionality of the asset. This type of expenditure is capitalized and depreciated over the estimated useful life of the modification. Expenditures covering recurring routine repairs and maintenance are expensed as incurred.

Depreciation is calculated on a straight-line basis over a vessel's estimated useful life, less an estimated residual value. Depreciation is calculated using an estimated useful life of 30 years for natural gas liquid (or *NGL*) carriers and 35 years for liquefied natural gas (or *LNG*) carriers, from the date the vessel is delivered from the shipyard, or a shorter period if regulations prevent the Company from operating the vessels for 30 years, or 35 years, respectively. Effective January 1, 2025, the Company has reduced to 25 years the estimated useful life of its seven steam turbine LNG carriers, the oldest vessels in the Company's LNG fleet (see Note 18a). Depreciation of vessels and equipment, excluding amortization of dry-docking expenditures, for the years ended December 31, 2024, 2023 and 2022 aggregated to \$113.4 million, \$102.2 million and \$102.4 million, respectively. Depreciation and amortization includes depreciation on all owned vessels and owned vessels related to finance leases.

Generally, the Company dry docks each of its vessels every 2.5 years to 5 years. The Company capitalizes certain costs incurred during dry docking and amortizes those costs on a straight-line basis from the completion of a dry docking to the estimated completion of the next dry docking. The Company includes in capitalized dry docking those costs incurred as part of the dry docking to meet classification and regulatory requirements. The Company expenses costs related to routine repairs and maintenance performed during dry docking.

The following table summarizes the change in the Company's capitalized dry-docking costs from January 1, 2022 to December 31, 2024:

	Year Ended December 31, 2024 \$	Year Ended December 31, 2023 \$	Year Ended December 31, 2022 \$
Balance at January 1,	60,639	58,311	51,020
Cost incurred for dry docking	7,939	24,349	18,870
Acquisition of vessels ( <i>note 19</i> )	—	—	9,182
Transfer to vessels held for sale and write-down of vessels	(18,130)	(3,920)	(3,367)
Dry-dock amortization	(19,090)	(18,101)	(17,394)
Balance at December 31,	31,358	60,639	58,311

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Vessels and equipment that are intended to be held and used in the Company's business are assessed for impairment when events or circumstances indicate the total net carrying value of the asset group, consisting of the vessel and its customer contract, may not be recoverable. If the total net carrying value of the asset group exceeds the estimated net undiscounted cash flows expected to be generated over the vessel's remaining useful life and the fair value of the asset group is less than its carrying value, the total net carrying value of the vessel and its customer contract is reduced to its estimated fair value. The impairment loss is allocated to each long-lived asset within the asset group on a pro-rata basis using the relative carrying amount of those assets, except that the loss allocated to each asset within the asset group should not reduce the carrying amount of that asset below its fair value whenever the fair value of that individual asset is determinable without undue cost and effort. The estimated fair value for the Company's impaired vessels is determined using discounted cash flows or appraised values. In cases where an active second-hand sale and purchase market does not exist, or in certain other cases, the Company uses a discounted cash flow approach to estimate the fair value of an impaired vessel and customer contract. In cases where an active second-hand sale and purchase market exists, an appraised value is used to estimate the fair value of an impaired vessel. An appraised value is generally the amount the Company would expect to receive if it were to sell the vessel. Such appraisal is based on second-hand sale and purchase data, and other information provided by third parties.

Vessels and equipment that are "held for sale" are measured at the lower of their carrying value or fair value less costs to sell and are not depreciated while classified as held for sale. Interest and other expenses and related liabilities attributable to vessels and equipment classified as held for sale continue to be recognized as incurred.

#### **Equity-accounted joint ventures**

The Company's investments in certain joint ventures, in which the Company does not control the entity but has the ability to exercise significant influence over the operating and financial policies of the entity, are accounted for using the equity method of accounting. Under the equity method of accounting, investments are stated at initial cost and are adjusted for subsequent additional investments and the Company's proportionate share of comprehensive earnings or losses and distributions. The Company evaluates its equity-accounted joint ventures for impairment when events or circumstances indicate that the carrying value of such investments may have experienced an other-than-temporary decline in value below its carrying value. If an equity-accounted investment is impaired and if the estimated fair value is less than its carrying value, the carrying value is written down to its estimated fair value and the resulting impairment is recorded in the Company's consolidated statements of (loss) income. The Company's maximum exposure to loss is the amount it has invested in and advanced to its equity-accounted joint ventures, and the Company's proportionate share of the long-term debt and interest rate swaps that it has guaranteed within its equity-accounted joint ventures.

#### **Debt issuance costs**

Debt issuance costs related to a recognized debt liability, including fees, commissions and legal expenses, are deferred and presented as a direct reduction from the carrying amount of that debt liability and amortized on an effective interest rate method over the term of the relevant loan. Debt issuance costs that are not attributable to a specific debt liability or where the debt issuance costs exceed the carrying value of the related debt liability (primarily undrawn revolving credit facilities) are deferred and presented as other non-current assets in the Company's consolidated balance sheets. Amortization of debt issuance costs is included in interest expense in the Company's consolidated statements of (loss) income.

Fees paid to substantially amend a non-revolving credit facility are associated with the extinguishment of the old debt instrument and included in determining the debt extinguishment gain or loss to be recognized. Other costs incurred with third parties directly related to the extinguishment are deferred and presented as a direct reduction from the carrying amount of the replacement debt instrument and amortized using the effective interest rate method. In addition, any unamortized debt issuance costs associated with the old debt instrument are written off. If the amendment is considered not to be a substantial amendment, then the fees would be associated with the replacement or modified debt instrument and, along with any existing unamortized premium, discount and unamortized debt issuance costs, would be amortized as an adjustment of interest expense over the remaining term of the replacement or modified debt instrument using the effective interest method. Other costs incurred with third parties directly related to the modification, other than the loan amendment fee, are expensed as incurred.

Fees paid to amend a revolving credit facility are deferred and amortized over the term of the modified revolving credit facility. If the borrowing capacity of the revolving credit facility increases as a result of the amendment, unamortized debt issuance costs of the original revolving credit facility are amortized over the remaining term of the modified revolving credit facility. If the borrowing capacity of the revolving credit facility decreases as a result of the amendment, a proportionate amount, based on the reduction in borrowing capacity, of the unamortized debt issuance costs of the original revolving credit facility are written off and the remaining amount is amortized over the remaining term of the modified revolving credit facility.

#### **Goodwill and intangible assets**

Goodwill is not amortized but is reviewed for impairment at the reporting unit level on an annual basis or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. A reporting unit is a component of the Company that constitutes a business for which discrete financial information is available and regularly reviewed by management. When goodwill is reviewed for impairment, the Company may elect to assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. Alternatively, the Company may bypass this step and use a fair value approach to identify potential goodwill impairment and, when necessary, measure the amount of impairment. The Company uses a discounted cash flow model to determine the fair value of reporting units, unless there is a readily determinable fair market value. Goodwill impairment is measured as the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying value of goodwill.

Customer contract intangible assets are amortized over the expected life of a customer contract. The amount amortized each year is weighted based on the projected revenue to be earned under the contracts. Customer contract intangible assets are assessed for impairment, along with the vessel asset servicing the customer contract, when and if impairment indicators exist. An impairment loss is recognized if the carrying amount of an intangible asset and related vessel asset is not recoverable and their carrying amount exceeds their fair value.

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**Lease obligations and right-of-use assets**

As of the lease commencement date, the Company recognizes a liability for its lease obligation, initially measured at the present value of lease payments not yet paid, and an asset for its right to use the underlying asset, initially measured equal to the lease liability and adjusted for lease payments made at or before lease commencement, lease incentives, and any initial direct costs. The initial recognition of the lease obligation and right-of-use asset excludes short-term leases for the Company's vessels and office leases. Short-term leases are leases with an original term of one year or less, excluding those leases with an option to extend the lease for greater than one year or an option to purchase the underlying asset that the lessee is deemed reasonably certain to exercise. The initial recognition of this lease obligation and right-of-use asset excludes variable lease payments that are based on the usage or performance of the underlying asset and the portion of payments related to non-lease elements of vessel charters.

The Company uses the effective interest rate method to subsequently account for the lease liability, whereby interest is recognized in interest expense in the Company's consolidated statements of (loss) income. For those leases classified as operating leases, lease interest and right-of-use asset amortization in aggregate result in a straight-line expense profile that is presented in time-charter hire expense for vessels and general and administrative expense for office leases, unless the right-of-use asset becomes impaired. For those leases classified as finance leases, the right-of-use asset is amortized on a straight-line basis over the remaining life of the vessel, with such amortization included in depreciation and amortization in the Company's consolidated statements of (loss) income. Variable lease payments that are based on the usage or performance of the underlying asset are recognized as an expense when incurred, unless achievement of a specified target triggers the lease payment, in which case an expense is recognized in the period when achievement of the target is considered probable.

The Company recognizes the expense from short-term leases and any non-lease components of vessels time-chartered from other owners, on a straight-line basis over the firm period of the charters. The expense is included in time-charter hire expense for vessel charters and general and administrative expenses for office leases.

The Company recognizes that time-charter-in contracts contain both a lease component (lease of the vessel) and a non-lease component (operation of the vessel). The Company allocates the contract consideration between the lease component and non-lease component on a relative standalone selling price basis. The standalone selling price of the non-lease component is determined using a cost-plus approach, whereby the Company estimates the cost to operate the vessel using cost benchmarking studies prepared by a third party, when available, or internal estimates when not available, plus a profit margin. The standalone selling price of the lease component is determined using an adjusted market approach, whereby the Company calculates a rate excluding the operating component based on market time-charter rate information from published broker estimates, when available, or internal estimates when not available. Given that there are no observable standalone selling prices for either of these two components, judgment is required in determining the standalone selling price of each component. The discount rate of the lease is determined using the Company's incremental borrowing rate, which is based on the fixed interest rate the Company could obtain when entering into a secured loan facility with similar terms.

The right-of-use asset is assessed for impairment when events or circumstances indicate the carrying amount of the asset may not be recoverable. If the right-of-use asset's net carrying value exceeds the net undiscounted cash flows expected to be generated over its remaining useful life, the carrying amount of the right-of-use asset is reduced to its estimated fair value. The estimated fair value for the Company's impaired right-of-use assets from vessel in-charters is determined using a discounted cash flow approach to estimate the fair value. Subsequent to an impairment, a right-of-use asset related to an operating lease is amortized on a straight-line basis over its remaining life.

Vessels sold and leased back by the Company, where the Company has a fixed price repurchase obligation or other situations where the leaseback would be classified as a finance lease, are accounted for as a failed sale of the vessel. The Company does not derecognize the vessel sold and continues to depreciate the vessel as if it was the legal owner. Proceeds received from the sale of the vessel are recognized as an obligation related to finance lease and bareboat charter hire payments made by the Company to the lessor are allocated between interest expense and principal repayments on the obligation related to finance lease. Such vessels are presented in the Company's consolidated balance sheets as vessels related to finance leases.

**Credit losses**

The Company utilizes a lifetime expected credit loss measurement objective for the recognition of credit losses for net investments in direct financing and sales-type leases, loans to equity-accounted joint ventures, guarantees of secured loan facilities of equity-accounted joint ventures, non-operating lease accounts receivables, contracts assets and other receivables at the time the financial asset is originated or acquired. The expected credit losses are subsequently adjusted each period for changes in expected lifetime credit losses. The Company discontinues the accrual of interest on financial assets if collection of required payments is no longer probable, and in those situations, recognizes payments received on such assets on a cash basis method, until collection of required payments becomes probable. The Company considers a financial asset to be past due when payment is not made within 30 days of it being owed, assuming there is no dispute or other uncertainty regarding the amount owing.

Expected credit loss provisions are presented on the consolidated balance sheets as a reduction to the carrying value of the related financial asset and as an other long-term liability for expected credit loss provisions that relate to guarantees of secured loan facilities of equity-accounted joint ventures. Changes in expected credit loss provisions are presented within other (expense) income in the Company's consolidated statements of (loss) income.

For charter contracts being accounted for as operating leases, if the remaining lease payments are no longer probable of being collected any unpaid accounts receivable and any accrued revenue will be reversed against revenue and any subsequent payments will be recognized as revenue when collected until such time that the remaining lease payments are probable of being collected.

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**Derivative instruments**

All derivative instruments are initially recorded at fair value as either assets or liabilities in the accompanying consolidated balance sheets and subsequently remeasured to fair value each period end, regardless of the purpose or intent for holding the derivative. The method of recognizing the resulting gain or loss is dependent on whether the derivative contract is designed to hedge a specific risk and whether the contract qualifies for hedge accounting.

When a derivative is designated as a cash flow hedge, the Company formally documents the relationship between the derivative and the hedged item. This documentation includes the strategy and risk management objective for undertaking the hedge and the method that will be used to assess the effectiveness of the hedge. The Company does not apply hedge accounting if it is determined that the hedge was not effective or will no longer be effective, the derivative was sold or exercised, or the hedged item was sold, repaid or no longer probable of occurring.

For derivative financial instruments designated and qualifying as cash flow hedges, changes in the fair value of the derivative financial instruments are initially recorded as a component of accumulated other comprehensive income in total equity. In the periods when the hedged items affect earnings, the associated fair value changes on the hedging derivatives are transferred from total equity to the corresponding earnings line item (e.g. interest expense) in the Company's consolidated statements of (loss) income. If a cash flow hedge is terminated or redesignated and the originally hedged item is still considered probable of occurring, the gains and losses initially recognized in total equity remain there until the hedged item impacts earnings, at which point they are transferred to the corresponding earnings line item in the Company's consolidated statements of (loss) income. If the hedged items are no longer probable of occurring, amounts recognized in total equity are immediately transferred to the corresponding earnings line item in the Company's consolidated statements of (loss) income.

For derivative financial instruments that are not designated or that do not qualify as hedges under Financial Accounting Standards Board (or *FASB*) Accounting Standards Codification (or *ASC*) 815, *Derivatives and Hedging*, changes in the fair value of the derivative financial instruments are recognized in earnings. Gains and losses from the Company's non-designated interest rate swaps are recorded in realized and unrealized gain on non-designated derivative instruments in the Company's consolidated statements of (loss) income. Gains and losses from the Company's cross currency swaps are recorded in foreign currency exchange (loss) gain in the Company's consolidated statements of (loss) income. Cash flows associated with the settlement of interest rate swaps and the interest component of cross currency swaps are presented within operating activities, whereas cash flows associated with the component of a cross currency swap that hedges the repayment of foreign currency denominated debt are presented within financing activities.

**Income taxes**

The Company accounts for income taxes using the liability method. Under the liability method, deferred tax assets and liabilities are recognized for the anticipated future tax effects of temporary differences between the consolidated financial statement basis and the tax basis of the Company's assets and liabilities using the applicable jurisdictional tax rates. A valuation allowance for deferred tax assets is recorded when it is more-likely-than-not that some or all of the benefit from the deferred tax asset will not be realized.

The Company recognizes the tax benefits of uncertain tax positions only if it is more-likely-than-not that a tax position taken or expected to be taken in a tax return will be sustained upon examination by the taxing authorities, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefits recognized in the Company's consolidated financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Company recognizes interest and penalties related to uncertain tax positions in income tax recovery (expense) in the Company's consolidated statements of (loss) income.

**Environmental Emissions**

Effective January 1, 2024, emissions emitted by the maritime industry have been integrated in the European Union Emissions Trading System (or *EU ETS*) (see Note 14f). Under the EU ETS, the Company recognizes a liability at each period end based on the total number of Emissions Allowances (or *EUAs*) required to be submitted based on emissions occurring on or prior to the period end. The obligation to submit EUAs is included in accrued liabilities in the Company's consolidated balance sheets, if required to be submitted within one year of the balance sheet date, or otherwise in other long-term liabilities. For vessels that the Company manages for its equity-accounted joint ventures, the Company recognizes a concurrent receivable from its equity-accounted joint ventures consisting of the amount of the obligation to submit EUAs. For the Company's vessels under its management, the Company recognizes a concurrent accrued receivable due from charterers consisting of the portion of the obligation to submit EUAs that the Company is entitled to recover from charterers. The cost of EUAs that cannot be recovered from charterers is reflected within voyage expenses in the Company's consolidated statement of (loss) income. EUAs purchased by the Company or received from charterers are initially recognized as an asset at cost based on their purchase price if acquired by the Company, or their fair value on date of receipt, if received from charterers. EUAs held by the Company are included in other current assets in the Company's consolidated balance sheets, if required to be submitted within one year of the balance sheet date, or otherwise in other assets. EUAs are derecognized on a first-in-first-out basis upon their submission to the applicable regulatory authority.

**Guarantees**

Guarantees issued by the Company, excluding those that are guaranteeing its own performance, are recognized at fair value at the time the guarantees are issued and are presented in the Company's consolidated balance sheets as other long-term liabilities. The liability recognized on issuance is amortized to other (expense) income on the Company's consolidated statements of (loss) income over the term of the guarantee. If it becomes probable that the Company will have to perform under a guarantee, the Company will recognize an additional liability if the amount of the loss can be reasonably estimated.

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## Business combinations

Accounting for acquisitions requires the Company to recognize separately from goodwill the assets acquired and the liabilities assumed at their estimated acquisition date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the estimated acquisition date fair values to reflect new information obtained about facts and circumstances that existed on the acquisition date with the corresponding offset to goodwill. Upon conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the Company's consolidated statement of (loss) income.

## 2. Accounting Pronouncements

In November 2023, the FASB issued Accounting Standards Update (or ASU) 2023-07 – *Segment Reporting (Topic 280) Improvements to Reportable Segment Disclosures* (or ASU 2023-07). This ASU improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and other segment items, and extends certain annual segment disclosure requirements to interim period reporting. The adoption of this ASU during 2024 did not have a material impact on the Company's consolidated financial statements for the year ended December 31, 2024.

In December 2023, the FASB issued ASU 2023-09 – *Income Taxes (Topic 740) Improvements to Income Tax Disclosures* (or ASU 2023-09). This ASU enhances the transparency and decision usefulness of income tax disclosures. More specifically, this ASU requires that additional income tax information be disclosed about the jurisdictions in which the Company operates within its income tax rate reconciliation, as well as its disclosure about income taxes paid. This ASU is effective for annual periods beginning after December 15, 2024. The amendments in this ASU are to be applied on a prospective basis. The Company does not expect that adoption of ASU 2023-09 will have a material impact on the Company's consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03 – *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40) Disaggregation of Income Statement Expenses* (or ASU 2024-03). This ASU improves the disclosures about a public business entity's expenses and addresses requests from investors for more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation, amortization, and depletion) in commonly presented expense captions (such as cost of sales, selling, general and administrative expenses, and research and development). This ASU is effective for annual periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027. The amendments in this ASU are applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to any or all prior periods presented in the financial statements. The Company does not expect that adoption of ASU 2024-03 will have a material impact on the Company's consolidated financial statements.

## 3. Fair Value Measurements and Financial Instruments

### a) Fair Value Measurements

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

**Cash and cash equivalents and restricted cash** – The fair value of the Company's cash and cash equivalents and restricted cash approximates its carrying amounts reported in the consolidated balance sheets.

**Interest rate swap agreements, foreign currency forward contracts and cross currency swap agreements** – The fair value of these derivative instruments of the Company is the estimated amount that the Company would receive or pay to terminate the agreements at the reporting date, taking into account current interest rates, foreign exchange rates and the current credit worthiness of both the Company and the derivative counterparties. The estimated amount is the present value of future cash flows. The Company transacts all of these derivative instruments through investment-grade rated financial institutions at the time of the transaction. The Company's interest rate swap agreements do not require the Company to provide cash collateral to these institutions; however, cash collateral may be required by certain institutions on some of the Company's cross currency swap agreements and as at December 31, 2024, the Company had pledged \$19.5 million cash as collateral (December 31, 2023 – \$3.0 million), which has been recorded as restricted cash – current and restricted cash – long-term on the Company's consolidated balance sheets. Given the current volatility in the credit markets, it is reasonably possible that the amount recorded as a derivative asset or liability could vary by a material amount in the near term. Minor changes to the forward interest curves and forward foreign exchange rates used as inputs to the valuations may have a significant effect on the fair value of these derivative instruments.

**Long-term debt** – The fair values of the Company's fixed-rate and variable-rate long-term debt are either based on quoted market prices or estimated by the Company using discounted cash flow analyses based on rates currently available for debt with similar terms and remaining maturities and the current credit worthiness of the Company.

**Long-term obligations related to finance leases** – The fair values of the Company's long-term obligations related to finance leases are estimated by the Company using discounted cash flow analyses based on rates currently available for debt with similar terms and remaining maturities and the current credit worthiness of the Company.

The Company categorizes the fair value estimates by a fair value hierarchy based on the inputs used to measure fair value. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value as follows:

- Level 1. Observable inputs such as quoted prices in active markets;
- Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

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The following table includes the estimated fair value and carrying value of those assets and liabilities that are measured at fair value on a recurring and non-recurring basis, as well as the estimated fair value of the Company's financial instruments that are not accounted for at a fair value on a recurring basis.

	Fair Value Hierarchy Level	December 31, 2024		December 31, 2023	
		Carrying Amount Asset (Liability) \$	Fair Value Asset (Liability) \$	Carrying Amount Asset (Liability) \$	Fair Value Asset (Liability) \$
Recurring:					
Cash and cash equivalents and restricted cash ( <i>note 15a</i> )	Level 1	187,968	187,968	184,394	184,394
Derivative instruments ( <i>note 13</i> )					
Interest rate swap agreements – assets	Level 2	88,025	88,025	55,582	55,582
Interest rate swap agreements – liabilities	Level 2	—	—	(156)	(156)
Foreign currency contracts – assets	Level 2	—	—	221	221
Foreign currency contracts – liabilities	Level 2	(527)	(527)	—	—
Cross currency swap agreements – assets	Level 2	937	937	4,634	4,634
Cross currency swap agreements – liabilities	Level 2	(47,037)	(47,037)	(23,680)	(23,680)
Non-recurring:					
Vessels held for sale ( <i>note 18b</i> )	Level 2	—	—	22,323	22,323
Vessels and equipment ( <i>note 18b</i> )	Level 2	—	—	2,000	2,000
Vessels and equipment ( <i>note 18a</i> )	Level 3	294,631	294,631	—	—
Other:					
Loans to equity-accounted joint ventures ( <i>note 7a(ii)</i> )	(i)	99,806	(i)	93,986	(i)
Long-term debt – public ( <i>note 10</i> )	Level 1	(174,720)	(180,334)	(194,587)	(203,226)
Long-term debt – non-public ( <i>note 10</i> )	Level 2	(884,819)	(886,224)	(873,435)	(875,260)
Obligations related to finance leases ( <i>note 5</i> )	Level 2	(1,727,553)	(1,715,651)	(1,661,992)	(1,652,621)

(i) The advances to equity-accounted joint ventures together with the Company's equity investments in the joint ventures form the net aggregate carrying value of the Company's interests in the joint ventures in these consolidated financial statements. The fair values of the individual components of such aggregate interests are not determinable.

b) Credit Losses

As at December 31, 2024 and 2023, the Company's exposure to potential credit losses under ASC 326, *Financial Instruments – Credit Losses* included its four direct financing leases and sales-type leases, one of its loans to equity-accounted joint ventures and its guarantees of its proportionate share of secured loan facilities of three of its equity-accounted joint ventures. In addition, the Company's exposure to potential credit losses within its equity-accounted joint ventures under ASC 326 primarily includes: direct financing and sales-types leases for 14 LNG carriers within its 50/50 joint venture with China LNG Shipping (Holdings) Limited (or *China LNG*) (or the *Yamal LNG Joint Venture*); its 40% ownership interest in Teekay Nakilat (III) Corporation (or the *RasGas III Joint Venture*); its 33% ownership interest in a joint venture with NYK Energy Transport (or *NYK*) and Mitsui & Co., Ltd. (or the *Angola Joint Venture*); and one floating storage unit (or *FSU*) and an LNG regasification terminal joint venture within Bahrain LNG W.L.L (or the *Bahrain LNG Joint Venture*) (see Note 7a).

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The following table includes the amortized cost basis of the Company's direct interests in financing receivables and net investment in direct financing and sales-type leases by class of financing receivables and by period of origination and their associated credit quality as at December 31, 2024 and 2023.

	Period of Origination	As at December 31,			
		2024		2023	
		Credit Quality Grade <sup>(i)</sup>	Amortized Cost Basis \$	Credit Quality Grade <sup>(i)</sup>	Amortized Cost Basis \$
<b>Direct financing and sales-type leases</b>					
Tanggung Hiri and Tangguh Sago	2017 and prior	Performing	274,928	Performing	291,092
Seapeak Bahrain	2018	Performing	200,872	Performing	204,135
Seapeak Creole	2023	Performing	202,526	Performing	204,184
			<u>678,326</u>		<u>699,411</u>
<b>Loans to equity-accounted joint ventures</b>					
Bahrain LNG Joint Venture	2017 and prior	Performing	99,806	Performing	93,986
			<u>99,806</u>		<u>93,986</u>
			<u>778,132</u>		<u>793,397</u>

- (i) The Company's credit quality grades are based on internal risk credit ratings whereby a credit quality grade of performing is consistent with a low likelihood of loss. The Company assesses the credit quality of its direct financing and sales-type leases on whether there are no past due payments (30 days late), no concessions granted to the counterparties and whether the Company is aware of any other information that would indicate that there is a material increase of likelihood of loss. The same policy is applied by the equity-accounted joint ventures. The Company assesses the credit quality of its loan to the Bahrain LNG Joint Venture based on whether there are any past due payments from the Bahrain LNG Joint Venture's primary customer, whether the Bahrain LNG Joint Venture has granted any concessions to its primary customer and whether the Company is aware of any other information that would indicate that there is a material increase of likelihood of loss. As at December 31, 2024 and 2023, all direct financing and sales-type leases held by the Company and the Company's equity-accounted joint ventures had a credit quality grade of performing.

Changes in the Company's allowance for credit losses for the years presented in these consolidated financial statements are as follows:

	Direct financing and sales-type leases <sup>(i)</sup> \$	Direct financing and sales-type leases and other within equity-accounted joint ventures <sup>(i)</sup> \$	Loans to equity-accounted joint ventures <sup>(ii)</sup> \$	Guarantees of debt <sup>(iii)</sup> \$	Total \$
As at January 1, 2022	34,000	58,300	4,100	1,700	98,100
Reversal of potential credit losses	(7,800)	(21,700)	(1,200)	(400)	(31,100)
As at December 31, 2022	26,200	36,600	2,900	1,300	67,000
Reversal of potential credit losses	(16,500)	(13,900)	(800)	(400)	(31,600)
As at December 31, 2023	9,700	22,700	2,100	900	35,400
Provision for (reversal of) potential credit losses	22,300	6,900	(300)	300	29,200
As at December 31, 2024	<u>32,000</u>	<u>29,600</u>	<u>1,800</u>	<u>1,200</u>	<u>64,600</u>

- (i) The credit loss provision related to the lease receivable component of the net investment in direct financing and sales-type leases is based on an internal historical loss rate, as adjusted when asset specific risk characteristics of the existing lease receivables at the reporting date are not consistent with those used to measure the internal historical loss rate and as further adjusted when management expects current conditions and reasonable and supportable forecasts to differ from the conditions that existed to measure the internal historical loss rate. During the years presented in these consolidated financial statements, two LNG project counterparties maintained investment grade credit ratings. As such, at December 31, 2024 and 2023, the internal historical loss rate used to determine the credit loss provision was adjusted downward to reflect a lower risk for two of these LNG projects (January 1, 2022 – two LNG projects, December 31, 2022 – one LNG project) at such dates compared to the average LNG project used to determine the internal historical loss rate. In addition, the internal historical loss rate was adjusted upwards for (a) one LNG project to reflect a lower credit rating for the counterparty, including consideration of the critical infrastructure nature of LNG production, and (b) a second LNG project to reflect a larger potential risk of loss upon potential default as the vessels servicing this project have fewer opportunities for redeployment compared to the Company's other LNG carriers. The credit loss provision for the residual value component is based on a reversion methodology whereby the current estimated fair value of the vessel as depreciated to the end of the charter contract is compared to the expected carrying value, with such potential gain or loss on maturity being included in the credit loss provision in increasing magnitude on a straight-line basis the closer the contract is to its maturity. Risks related to the net investments in direct financing and sales-type leases consist of risks related to the underlying LNG projects and demand for LNG carriers at the end of the time-charter contracts.

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The change in credit loss provision of \$22.3 million for the Company's consolidated vessels for the year ended December 31, 2024 (\$16.5) million during 2023 and \$(7.8) million during 2022) is included in other (expense) income in the Company's consolidated statements of (loss) income. The change in credit loss provision for the year ended December 31, 2024 primarily reflects a decrease in the estimated charter-free valuations for certain types of its LNG carriers at the end of their time-charter contract which are accounted for as direct financing and sales-type leases in the Company's consolidated balance sheets. These estimated future charter-free values are subject to change based on the underlying LNG shipping market fundamentals.

The change in credit loss provision of \$6.9 million for the year ended December 31, 2024 (\$(13.9) million during 2023 and \$(21.7) million during 2022) relating to the direct financing and sales-type leases and other within the Company's equity-accounted joint ventures is included in equity income in the Company's consolidated statements of (loss) income. The change in credit loss provision for the year ended December 31, 2024 primarily reflects a decrease in the estimated charter-free valuations for certain types of LNG carriers at the end of their time-charter contract, which are accounted for as direct financing and sales-type leases within investments in equity-accounted joint ventures in the Company's consolidated balance sheets.

The changes in the credit loss provision for the Company's consolidated vessels and the vessels within the Company's equity-accounted joint ventures for the year ended December 31, 2024 do not reflect any material change in expectations of the charterers' ability to make their time-charter hire payments as they come due compared to the beginning of the year.

- (ii) The determination of the credit loss provision for such loans is based on their expected duration and on an internal historical loss rate of the Company and its affiliates, as adjusted when asset specific risk characteristics of the existing loans at the reporting date are not consistent with those used to measure the internal historical loss rate and as further adjusted when management expects current conditions and reasonable and supportable forecasts to differ from the conditions that existed to measure the internal historical loss rate. These loans rank behind secured debt in each equity-accounted joint venture. As such, they are similar to equity in terms of risk. The Bahrain LNG Joint Venture owns an LNG receiving and regasification terminal in Bahrain. The ability of Bahrain LNG Joint Venture to repay its loan to the Company is primarily dependent upon the Bahrain LNG Joint Venture's customer, a company owned by the Kingdom of Bahrain, fulfilling its obligations under the 20-year agreement, as well as the Bahrain LNG Joint Venture's ability to operate the terminal in accordance with the agreed upon operating criteria.
- (iii) The determination of the credit loss provision for such guarantees was based on a probability of default and loss given default methodology. In determining the overall estimated loss from default as a percentage of the outstanding guaranteed share of secured loan facilities and finance leases, the Company considers current and future operational performance of the vessels securing the loan facilities and finance leases and current and future expectations of the proceeds that could be received from the sale of the vessels securing the loan facilities and finance leases in comparison to the outstanding principal amount of the loan facilities and finance leases if the Company was required to fulfill its obligations under the guarantees. See Note 7d relating to the guarantees the Company provides for its equity-accounted joint ventures.

#### 4. Segment Reporting

The Company has two reportable segments, the LNG segment and the NGL segment. The Company's LNG segment consists of LNG carriers which generally operate under long-term, fixed-rate time-charter contracts to international energy companies. The Company's NGL segment consists of LPG, Ethane and multi-gas carriers which generally operate under voyage charters or time-charters. As at December 31, 2024, the Company's LNG segment consisted of 50 LNG carriers and LNG carrier newbuildings (including 24 LNG carriers included in joint ventures that are accounted for under the equity method) and one LNG receiving and regasification terminal in Bahrain. As at December 31, 2024, the Company's NGL segment consisted of 40 LPG, Ethane and multi-gas carriers and LPG newbuildings (including 30 LPG carriers and newbuildings included in a joint venture that is accounted for under the equity method). The Company's chief operating decision maker is the Company's President and Chief Executive Officer who evaluates segment results based on (loss) income from vessel operations. The evaluation of segment results involves an assessment of the profitability of each segment. This information, along with forward-looking assessments of profitability, help the Company's chief operating decision maker to make informed decisions about investing and/or divesting of assets in a specific segment. The accounting policies applied to the reportable segments are the same as those used in the preparation of the Company's consolidated financial statements.

The following table presents voyage revenues and percentage of consolidated voyage revenues for the Company's customers who accounted for 10% or more of the Company's consolidated voyage revenues during any of the years presented in these consolidated financial statements.

(U.S. Dollars in millions)	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022
INEOS Europe AG <sup>(i)</sup>	\$115.4 or 16%	\$114.1 or 16%	Less than 10%
Shell Plc. <sup>(ii) (iii)</sup>	\$115.2 or 16%	\$118.9 or 16%	\$133.9 or 21%
Ras Laffan Liquefied Natural Gas Company Ltd. <sup>(ii)</sup>	\$75.0 or 11%	\$74.2 or 10%	\$73.8 or 12%

(i) NGL segment.

(ii) LNG segment.

(iii) Includes its subsidiaries Shell International Trading Middle East Ltd. and Shell Tankers (Singapore) Private Ltd.

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The following tables include results for these segments for the years presented in these consolidated financial statements.

	<b>Year Ended December 31, 2024</b>		
	<b>LNG Segment \$</b>	<b>NGL Segment \$</b>	<b>Total \$</b>
Voyage revenues	566,614	144,130	710,744
Voyage expenses	(4,598)	(6,996)	(11,594)
Vessel operating expenses	(181,427)	(49,469)	(230,896)
Time-charter hire expenses	—	(8,237)	(8,237)
Depreciation and amortization	(111,339)	(31,325)	(142,664)
General and administrative expenses <sup>(i)</sup>	(23,402)	(5,686)	(29,088)
(Write-down) and gain on sales of vessels ( <i>note 18</i> )	(387,109)	4,339	(382,770)
(Loss) income from vessel operations	<u>(141,261)</u>	<u>46,756</u>	<u>(94,505)</u>
Equity income ( <i>note 7</i> )	94,577	27,702	122,279
Investment in and advances to equity-accounted joint ventures, net	1,158,718	187,860	1,346,578
Expenditures for vessels and equipment, including advances on newbuilding contracts	(256,540)	(645)	(257,185)
Expenditures for dry docking	(4,623)	(3,316)	(7,939)

	<b>Year Ended December 31, 2023</b>		
	<b>LNG Segment \$</b>	<b>NGL Segment \$</b>	<b>Total \$</b>
Voyage revenues	563,514	163,277	726,791
Voyage expenses	(6,715)	(14,725)	(21,440)
Vessel operating expenses	(175,382)	(57,278)	(232,660)
Time-charter hire expenses	—	(8,777)	(8,777)
Depreciation and amortization	(110,477)	(35,251)	(145,728)
General and administrative expenses <sup>(i)</sup>	(24,111)	(6,800)	(30,911)
Gain (write-down) and gain (loss) on sales of vessels ( <i>note 18</i> )	35,807	(7,816)	27,991
Income from vessel operations	<u>282,636</u>	<u>32,630</u>	<u>315,266</u>
Equity income ( <i>note 7</i> )	120,021	28,985	149,006
Investment in and advances to equity-accounted joint ventures, net	1,151,581	160,158	1,311,739
Expenditures for vessels and equipment, including advances on newbuilding contracts	(102,809)	(87)	(102,896)
Expenditures for dry docking	(26,633)	(1,287)	(27,920)

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	<b>Year Ended December 31, 2022</b>		
	<b>LNG</b>	<b>NGL</b>	<b>Total</b>
	<b>Segment</b>	<b>Segment</b>	<b></b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Voyage revenues	575,433	49,047	624,480
Voyage expenses	(11,358)	(23,251)	(34,609)
Vessel operating expenses	(175,306)	(16,843)	(192,149)
Time-charter hire expenses	(9,396)	—	(9,396)
Depreciation and amortization	(121,719)	(6,740)	(128,459)
General and administrative expenses <sup>(i)</sup>	(24,214)	(1,256)	(25,470)
Write-down and gain on sale of vessels (note 18)	(52,004)	(2,393)	(54,397)
Restructuring charges (note 17)	(2,551)	(100)	(2,651)
Income (loss) from vessel operations	<u>178,885</u>	<u>(1,536)</u>	<u>177,349</u>
Equity income (note 7)	94,897	23,535	118,432
Investment in and advances to equity-accounted joint ventures, net	1,114,183	130,081	1,244,264
Expenditures for vessels and equipment	(145,102)	(233)	(145,335)
Expenditures for dry docking	(18,870)	—	(18,870)

(i) Includes direct general and administrative expenses and indirect general and administrative expenses (allocated to each segment based on estimated use of corporate resources).

A reconciliation of total segment assets to consolidated total assets presented in the Company's consolidated balance sheets is as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Total assets of the LNG segment	4,378,066	4,601,919
Total assets of the NGL segment	846,929	891,273
Unallocated:		
Cash and cash equivalents	153,726	168,409
Consolidated total assets	<u>5,378,721</u>	<u>5,661,601</u>

**5. Chartered-in Vessels**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Total obligations related to finance leases	1,727,553	1,661,992
Less current portion	(129,418)	(180,206)
Long-term obligations related to finance leases	<u>1,598,135</u>	<u>1,481,786</u>

As at December 31, 2024 and 2023, the Company was a party to finance leases on nine LNG carriers and 10 NGL carriers. These nine LNG carriers and 10 NGL carriers were sold by the Company to third parties (or Lessors) and leased back under 5.5 to 15-year bareboat charter contracts ending in 2026 through to 2035. At inception of these leases, the weighted-average interest rate implicit in these leases was 6.0% (December 31, 2023 – 5.7%). The bareboat charter contracts are presented as obligations related to finance leases on the Company's consolidated balance sheets.

As at December 31, 2024, the Company consolidated four of the 19 Lessors for financial reporting purposes as VIEs (December 31, 2023 – nine of the 19 Lessors). The Company understands that these vessels and lease operations are the only assets and operations of the Lessors. The Company operates the vessels during the lease term and, as a result, is considered to be, under GAAP, the Lessor's primary beneficiary. As at December 31, 2024, the sale and leaseback of 15 vessels (December 31, 2023 – 10 vessels) were accounted for as failed sales. The Company is not considered to hold a variable interest in these buyer Lessor entities and thus, does not consolidate these entities.

As at December 31, 2024, the liabilities of the four Lessors (December 31, 2023 – nine Lessors) considered as VIEs were loans and were non-recourse to the Company. The amounts funded to the four Lessors in order to purchase the vessels materially match the funding to be paid by the Company's subsidiaries under the sale-leaseback transactions. As a result, the amounts due by the Company's subsidiaries to the four Lessors considered as VIEs have been included in obligations related to finance leases as representing the Lessors' loans.

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As at December 31, 2024 and 2023, the obligations of the Company under the bareboat charter contracts for the nine LNG carriers and 10 NGL carriers were guaranteed by the Company. The guarantee agreements of the Company require it to maintain minimum levels of tangible net worth and aggregate liquidity, and not to exceed a maximum amount of leverage, for certain of its finance leases. As at December 31, 2024, the Company was in compliance with all covenants in respect of the bareboat charters it guarantees.

As at December 31, 2024, the remaining commitments related to the financial liabilities of these nine LNG carriers and 10 NGL carriers, including the amounts to be paid to repurchase the vessels pursuant to the applicable finance leases, approximated \$2.2 billion, including imputed interest of \$456.3 million repayable through 2035, as indicated below:

Year	Commitments as at December 31, 2024
2025	\$ 229,924
2026	\$ 310,789
2027	\$ 378,396
2028	\$ 348,635
2029	\$ 192,115
Thereafter	\$ 724,028

During the year ended December 31, 2024, the Company exercised repurchase options to acquire eight of its NGL carriers, the *Ineos Marlin*, the *Ineos Inspiration*, the *Ineos Independence*, the *Ineos Intuition*, the *Ineos Invention*, the *Ineos Insight*, the *Ineos Ingenuity* and the *Ineos Intrepid*, and one of its LNG carriers, the *Seapeak Oak*, for a total cost of \$422.2 million.

As a result of these repurchases, the Company recognized gains totaling \$6.3 million on the extinguishment of the original financing arrangements relating to the vessels. These gains are included in other (expense) income for the year ended December 31, 2024 in the Company's consolidated statement of (loss) income. Immediately following the repurchases, the Company entered into new financing arrangements whereby it sold the vessels to third parties for a total of \$629.7 million and chartered the vessels back for 5.5 to 8-year periods under bareboat charter contracts. The quarterly charter hire payments to be made by the Company consist of a fixed amount plus variable amounts based on Secured Overnight Finance Rate (or *SOFR*) plus a margin. The Company has options to repurchase the vessels at the end of the lease terms for a total cost of \$283.5 million.

During January 2025, the Company entered into a new financing arrangement for the *Marvel Swan* LNG carrier (see Note 20b).

During the year ended December 31, 2023, the Company exercised repurchase options to acquire two of its NGL carriers, the *Ineos Innovation* and the *Ineos Dolphin*, and one of its LNG carriers, the *Myrina*, for a total cost of \$218.3 million.

As a result of these repurchases in 2023, the Company recognized gains totaling \$5.1 million on the extinguishment of the original financing arrangements relating to the vessels. These gains are included in other (expense) income for the year ended December 31, 2023 in the Company's consolidated statement of (loss) income. Immediately following the repurchases, the Company entered into new financing arrangements whereby it sold the vessels to third parties for a total of \$327.0 million and chartered the vessels back for 8 to 12-year periods under bareboat charter contracts. The quarterly charter hire payments to be made by the Company consist of a fixed amount plus variable amounts based on *SOFR* plus a margin. The Company has options to repurchase the vessels at the end of the lease terms for a total cost of \$107.8 million.

During November 2022, the Company refinanced the *Macoma* LNG carrier by acquiring the vessel from its original Lessor and then selling the vessel to another Lessor and leasing it back for a period of eight years. The Company has an option to repurchase the vessel at the end of the lease term for \$61.0 million. As a result of this refinancing transaction, the Company recognized a loss of \$0.7 million for the year ended December 31, 2022 on the extinguishment of the original financing arrangement which is included in other (expense) income in the Company's consolidated statement of (loss) income.

Certain bareboat charter agreements require that the Company maintain ratios of vessel values to the relevant outstanding underlying loan balances. As at December 31, 2024, the Company had four bareboat charter agreements, under which the aggregate outstanding loan balance was \$153.7 million, that each requires the Company to maintain minimum vessel-value-to-outstanding-loan obligation balance ratios of 110%, if the vessels are employed under approved charters at such time, or 140%, if the vessels are not employed under approved charters at such time. As at December 31, 2024, the vessel-value-to-outstanding-loan obligation balance ratios were 162%, 157%, 157% and 155% under approved charters. The vessel values used in calculating these ratios are the appraised values provided by third parties.

## 6. Revenue

The Company's primary source of revenue is chartering its vessels to customers. The Company utilizes two primary forms of contracts, consisting of time-charter contracts and voyage charter contracts. The Company also generates revenue from the management and operation of vessels owned by equity-accounted joint ventures as well as providing corporate management services to such entities.

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*Time Charters*

Pursuant to a time-charter contract, the Company charters a vessel to a customer for a fixed period of time, generally one year or more. The performance obligations of a time-charter contract, which include the lease of the vessel to the charterer as well as the operation of the vessel, are satisfied as services are rendered over the duration of such contract, as measured using the time that has elapsed from commencement of performance. In addition, any expenses unique to a particular voyage, including any fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees and commissions, are the responsibility of the customer, as long as the vessel is not off-hire. Hire is based on a fixed daily hire amount and is typically invoiced monthly in advance for time-charter contracts. However, certain sources of variability exist, including penalties, such as those that relate to periods the vessels are off-hire and where minimum speed and performance metrics are not met. In addition, certain time-charter contracts contain provisions allowing the Company to be compensated for increases in the Company's costs during the term of the charter. Such provisions may be in the form of annual hire rate adjustments for changes in inflation indices or interest rates or in the form of cost reimbursements for vessel operating expenditures or dry-docking expenditures. Finally, in a small number of charters, the Company may earn a profit share consideration, which occurs when actual spot rates earned by the vessel exceed certain thresholds for a period of time. The Company does not engage in any specific tactics to minimize residual value risk.

As at December 31, 2024, a substantial majority of the Company's consolidated vessels operated under time-charter contracts with the Company's customers. Such contracts are scheduled to expire between 2025 and 2046. Certain of these contracts result in situations whereby the customer will pay consideration up front for performance to be provided at a later date. The time-charter contracts for many of the Company's LNG carriers have options that permit the charterer to extend the contract for periods up to a total extension between one and 15 years. In addition, each of the Company's time-charter contracts are subject to certain termination and purchase provisions. As at December 31, 2024, the Company had \$37.1 million of advanced payments recognized as contract liabilities (December 31, 2023 – \$43.6 million) which are expected to be recognized as voyage revenues and are included in unearned revenue and other long-term liabilities on the Company's consolidated balance sheets. The Company recognized \$43.6 million and \$41.0 million of revenue for the years ended December 31, 2024 and 2023, respectively, that was recognized as a contract liability at the beginning of those years.

*Voyage Charters*

Voyage charters are charters for a specific voyage that are usually priced on a current or "spot" market rate. The performance obligations of a voyage charter contract, which typically include the lease of the vessel to the charterer as well as the operation of the vessel, are satisfied as services are rendered over the duration of the voyage, as measured using the time that has elapsed from commencement of performance. In addition, any expenses that are unique to a particular voyage, including any fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees and commissions, are the responsibility of the vessel owner. The Company's voyage charters will normally contain a lease; however, judgment is necessary to determine this based upon the decision-making rights of the charterer under the contract. Consideration for such contracts is generally fixed, although certain sources of variability exist - for example, delays caused by the charterer result in additional consideration. Payment for the voyage is not due until the voyage is completed. The duration of a single voyage is typically less than three months. The Company does not engage in any specific tactics to minimize residual value risk due to the short-term nature of the contracts.

*Management Fees and Other Income*

The Company also generates revenue from the management and operation of vessels and the Bahrain LNG import terminal owned by the Company's equity-accounted joint ventures, as well as providing corporate management services to certain of these entities. Such services may include the arrangement of third-party goods and services for the vessel's owner. The performance obligations within these contracts typically consist of crewing, technical management, insurance and, at times, commercial management. The performance obligations are satisfied concurrently and consecutively rendered over the duration of the management contract, as measured using the time that has elapsed from commencement of performance. Consideration for such contracts generally consists of a fixed monthly management fee, plus the reimbursement without markup of crewing costs for the vessels being managed. The monthly management fee and reimbursement of crewing costs are typically invoiced and paid on a monthly basis.

*Revenue Table*

The following tables contain the Company's revenue for the years ended December 31, 2024, 2023 and 2022, by contract type and by segment.

	<u>Year Ended December 31, 2024</u>			<u>Year Ended December 31, 2023</u>			<u>Year Ended December 31, 2022</u>		
	<u>LNG Segment</u>	<u>NGL Segment</u>	<u>Total</u>	<u>LNG Segment</u>	<u>NGL Segment</u>	<u>Total</u>	<u>LNG Segment</u>	<u>NGL Segment</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Time charters	465,542	130,570	596,112	474,180	140,307	614,487	489,848	10,185	500,033
Voyage charters	—	13,560	13,560	—	22,970	22,970	—	38,862	38,862
Management fees and other income	101,072	—	101,072	89,334	—	89,334	85,585	—	85,585
	<u>566,614</u>	<u>144,130</u>	<u>710,744</u>	<u>563,514</u>	<u>163,277</u>	<u>726,791</u>	<u>575,433</u>	<u>49,047</u>	<u>624,480</u>

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The following table contains the Company's total revenue for the years ended December 31, 2024, 2023 and 2022, by contracts or components of contracts accounted for as leases and those not accounted for as leases:

	Year Ended December 31, 2024 \$	Year Ended December 31, 2023 \$	Year Ended December 31, 2022 \$
<b>Lease revenue</b>			
Lease revenue from lease payments of operating leases	504,691	536,072	467,323
Interest income on lease receivables	62,664	61,752	43,979
Variable lease payments – cost reimbursements <sup>(i)</sup>	4,902	5,365	5,198
	<u>572,257</u>	<u>603,189</u>	<u>516,500</u>
<b>Non-lease revenue</b>			
Non-lease revenue – related to direct financing and sales-type leases	37,415	34,268	22,395
Management fees and other income	101,072	89,334	85,585
	<u>138,487</u>	<u>123,602</u>	<u>107,980</u>
<b>Total</b>	<u><u>710,744</u></u>	<u><u>726,791</u></u>	<u><u>624,480</u></u>

- (i) Reimbursements for vessel operating expenditures and dry-docking expenditures received from the Company's customers relating to such costs incurred by the Company to operate the vessel for the customer pursuant to charter contracts accounted for as operating leases.

*Net Investments in Direct Financing and Sales-Type Leases*

The two LNG carriers owned by Seapeak BLT Corporation (or the *Tangguh Joint Venture*), in which the Company has a 70% ownership interest and which the Company consolidates, commenced their time-charter contracts with their charterers in 2009. Both time-charter contracts are accounted for as direct financing leases with 20-year terms. In addition, the 21-year charter contract for the *Seapeak Bahrain* FSU commenced in September 2018 and is accounted for as a direct finance lease. In February 2023, the *Seapeak Creole* commenced a 23-year time-charter contract. The time charter contract is being accounted for as a sales-type lease. As a result, upon commencement of the time-charter contract the carrying value of the vessel was derecognized and a net investment in sales-type lease was recognized based on its estimated fair value from third party appraisals, resulting in a gain of \$43.8 million being recognized during the year ended December 31, 2023. The gain is included in (write-down) gain and gain (loss) on sales of vessels in the Company's consolidated statement of (loss) income for the year ended December 31, 2023.

The following table lists the components of the net investments in direct financing and sales-type leases:

	December 31, 2024 \$	December 31, 2023 \$
Total lease payments to be received	941,046	1,024,763
Estimated unguaranteed residual value of leased properties	335,841	335,841
Initial direct costs	135	167
Less unearned revenue	(598,696)	(661,360)
<b>Total net investments in direct financing and sales-type leases</b>	<u>678,326</u>	<u>699,411</u>
Less credit loss provision	(32,000)	(9,700)
<b>Total net investments in direct financing and sales-type leases, net</b>	<u>646,326</u>	<u>689,711</u>
Less current portion	(20,928)	(20,572)
<b>Net investments in direct financing and sales-type leases, net</b>	<u><u>625,398</u></u>	<u><u>669,139</u></u>

As at December 31, 2024, estimated lease payments to be received by the Company related to its direct financing and sales-type leases in each of the next five succeeding fiscal years are approximately \$83.6 million (2025), \$82.3 million (2026), \$83.6 million (2027), \$78.9 million (2028), \$50.6 million (2029) and an aggregate of \$562.0 million thereafter. Two leases are expected to end in 2028, one lease is scheduled to end in 2039 and the remaining lease is scheduled to end in 2046.

*Operating Leases*

As at December 31, 2024, scheduled future rentals to be received by the Company in each of the next five years for the lease and non-lease elements related to charters that were accounted for as operating leases are approximately \$451.8 million (2025), \$370.1 million (2026), \$219.4 million (2027), \$174.9 million (2028), and \$148.4 million (2029). Scheduled future rentals on operating lease contracts do not include rentals from vessels in the Company's equity-accounted joint ventures, rentals from unexercised option periods of contracts that existed on December 31, 2024, variable or contingent rentals, or rentals from contracts which were entered into or commenced after December 31, 2024. Therefore, the scheduled future rentals on operating leases should not be construed to reflect total charter hire revenues for any of these five years.

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The carrying amount of the Company's vessels which are employed on these charter contracts as at December 31, 2024, was \$2.7 billion (December 31, 2023 – \$3.0 billion). The cost and accumulated depreciation of these vessels employed on these charter contracts as at December 31, 2024 were \$3.1 billion (December 31, 2023 – \$4.0 billion) and \$454.4 million (December 31, 2023 – \$1.0 billion), respectively.

**7. Equity-Accounted Joint Ventures**

a) A summary of the Company's investments in and advances to equity-accounted joint ventures are as follows:

Name	As at December 31, 2024				As at December 31,	
	Ownership Percentage	# of Delivered Vessels	LNG Terminal	Newbuildings on order <sup>(ix)</sup>	2024 \$	2023 \$
Angola Joint Venture <sup>(i)</sup>	33%	4	—	—	85,961	121,935
Bahrain LNG Joint Venture <sup>(ii)</sup>	30%	—	1	—	87,973	90,298
Exmar LPG Joint Venture <sup>(iii)</sup>	50%	18	—	12	187,860	160,158
MALT Joint Venture <sup>(iv)</sup>	52%	6	—	—	314,332	292,545
Pan Union LNG Joint Venture <sup>(v)</sup>	20%-30%	4	—	—	87,777	88,651
RasGas III Joint Venture <sup>(vi)</sup>	40%	4	—	—	117,995	130,124
Yamal LNG Joint Venture <sup>(vii)</sup>	50%	6	—	—	466,472	430,120
Other	50%	—	—	—	8	8
		42	1	12	1,348,378	1,313,839
Less credit loss provision					(1,800)	(2,100)
Investments in and advances to equity-accounted joint ventures, net					1,346,578	1,311,739

(i) Angola Joint Venture

As at December 31, 2024, the Company has a 33% ownership interest in an LNG-related joint venture with NYK (33%) and Mitsui & Co., Ltd. (34%) (or the *Angola Joint Venture*). The Angola Joint Venture owns four 160,400-cubic meter LNG carriers.

(ii) Bahrain LNG Joint Venture

In December 2015, the Company (30%) entered into a joint venture agreement with the Bahrain Petroleum Company (30%), Gulf Investment Corporation (24%) and Samsung C&T Corporation (16%) to form the Bahrain LNG Joint Venture, for the development of an LNG receiving and regasification terminal in Bahrain. The LNG terminal includes an offshore LNG receiving jetty and breakwater, an adjacent regasification platform, subsea gas pipelines from the platform to shore, an onshore gas receiving facility, and an onshore nitrogen production facility with a total LNG terminal capacity of 800 million standard cubic feet per day and is owned and operated under a 20-year customer contract. In addition, the Company has supplied an FSU in connection with this terminal commencing in September 2018 through a 21-year time-charter contract with the Bahrain LNG Joint Venture.

As at December 31, 2024 and 2023, the Company had advanced \$73.4 million to the Bahrain LNG Joint Venture. These advances bear interest at 6.0%. For the years ended December 31, 2024, 2023 and 2022, the interest earned on these loans amounted to \$5.8 million, \$5.5 million, and \$5.1 million, respectively, and is included in interest income in the Company's consolidated statements of (loss) income. As at December 31, 2024 and 2023, the interest receivable on these advances was \$26.4 million and \$20.6 million, respectively. These amounts are included in the table above.

(iii) Exmar LPG Joint Venture

As at December 31, 2024, the Company has a 50% ownership interest in an LPG-related joint venture with Exmar (or the *Exmar LPG Joint Venture*). The Company has guaranteed its 50% share of secured loan facilities in the Exmar LPG Joint Venture for which the aggregate principal amount of the secured loan facilities as at December 31, 2024 was \$190.7 million (December 31, 2023 – \$189.6 million). In addition, the Company has guaranteed its 50% share of the bareboat rentals related to a six-vessel tax lease financing arrangement in the Exmar LPG Joint Venture. Pursuant to this arrangement, the Company's 50% share of the bareboat rentals will be used to pay the Company's 50% share of interest and principal on secured loan facilities, of which \$7.3 million had been drawn down as at December 31, 2024. Furthermore, the bareboat rentals are based on tax assumptions at the inception of the arrangement, and if there is an adverse change in the tax assumptions after closing of the arrangement, the financing provider is entitled to increase the bareboat rentals. As a result, the Company has recorded a guarantee liability. The carrying value of the guarantee liability as at December 31, 2024 was \$0.7 million (December 31, 2023 – \$0.9 million) and is included as part of other long-term liabilities in the Company's consolidated balance sheets.

On initial acquisition, the basis difference between the Company's investment and the carrying value of the Exmar LPG Joint Venture's net assets was substantially attributed to the value of the vessels and charter agreements of the Exmar LPG Joint Venture and goodwill in accordance with the finalized purchase price allocation. As at December 31, 2024, the unamortized amount of the basis difference was \$8.4 million (December 31, 2023 – \$10.0 million).

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(iv) MALT Joint Venture

As at December 31, 2024, the Company has a 52% ownership interest in an LNG-related joint venture with Marubeni Corporation (or the *MALT Joint Venture*). Since control of the MALT Joint Venture is shared jointly between Marubeni and the Company, the Company accounts for its investment in the MALT Joint Venture using the equity method. The Company has guaranteed its 52% share of certain of the MALT Joint Venture's secured loan facilities and an interest rate swap, for which the aggregate of the principal amount of the secured loan facilities and fair value of the interest rate swap as at December 31, 2024 was \$82.6 million (December 31, 2023 – \$95.6 million). As a result, the Company has recorded a guarantee liability. The carrying value of the guarantee liability as at December 31, 2024 was \$0.3 million (December 31, 2023 – \$0.3 million) and is included as part of other long-term liabilities in the Company's consolidated balance sheets.

The Company recognized an impairment of its investment in the MALT Joint Venture of \$86.9 million, which is included in equity income for the year ended December 31, 2022 in the Company's consolidated statement of (loss) income. The impairment was the result of the Company's updated expectations about future investments via the MALT Joint Venture as well as the uncertainty surrounding the future of the Balhaf LNG plant in Yemen as it relates to the two vessels of the MALT Joint Venture that were previously servicing this plant. The MALT Joint Venture is part of the Company's LNG Segment. The Company used a discounted cash flow approach to value its investment in the MALT Joint Venture. The significant unobservable inputs used within the valuation consisted of a revenue assumption of \$70,300 per day per vessel for periods beyond existing customer contracts and a discount rate of 8.0%. As a result of the impairment, the Company's proportionate share of the carrying value of the MALT Joint Venture's net assets exceeded the Company's carrying value of its investment in the MALT Joint Venture, which was attributed to vessels of the MALT Joint Venture. At December 31, 2024, the unamortized amount of the basis difference was \$71.2 million (December 31, 2023 - \$74.8 million).

(v) Pan Union LNG Joint Venture

As at December 31, 2024, the Company has a 30% ownership interest in two LNG carriers, the *Pan Asia* and the *Pan Americas*, and a 20% ownership interest in two LNG carriers, the *Pan Europe* and the *Pan Africa*, through its Pan Union LNG Joint Venture.

On initial acquisition, the basis difference between the Company's investment and the carrying value of the Pan Union LNG Joint Venture's net assets was substantially attributed to ship construction support agreements and the time-charter contracts. At December 31, 2024, the unamortized amount of the basis difference was \$8.0 million (December 31, 2023 – \$8.7 million).

(vi) RasGas III Joint Venture

As at December 31, 2024, the Company has a 40% ownership interest in the RasGas III Joint Venture, and the remaining 60% is held by Qatar Gas Transport Company Ltd.

(vii) Yamal LNG Joint Venture

As at December 31, 2024, the Company has a 50% ownership interest in the Yamal LNG Joint Venture, which has six icebreaker LNG carriers that carry out international transportation of LNG for a project located on the Yamal Peninsula in Northern Russia.

The Company has guaranteed its 50% share of a secured loan facility and interest rate swaps in the Yamal LNG Joint Venture for which the aggregate of the principal amount of the loan facility and fair value of the interest rate swaps as at December 31, 2024 was \$578.7 million (December 31, 2023 – \$620.9 million). As a result, the Company has recorded a guarantee liability. The carrying value of the guarantee liability as at December 31, 2024 was \$0.3 million (December 31, 2023 – \$0.4 million) and is included as part of other long-term liabilities in the Company's consolidated balance sheets.

(viii) Excalibur Joint Venture

In September 2022, the Company sold its 50% ownership interest in an LNG-related joint venture with Exmar NV (or *Exmar*) (or the *Excalibur Joint Venture*) which owned one LNG carrier that was included in the Company's LNG segment. At the time of the sale, the Company's ownership interest had a net book value \$5.3 million. The Company received net proceeds of \$8.8 million, resulting in a gain on sale of \$3.5 million, which is included in equity income for the year ended December 31, 2022, in the Company's consolidated statement of (loss) income.

(ix) Includes six NGL carriers that are scheduled to be in-chartered beginning in 2026.

b) The Angola Joint Venture, the Bahrain LNG Joint Venture, the RasGas III Joint Venture, and the Yamal LNG Joint Venture are considered VIEs; however, the Company is not the primary beneficiary and therefore, the Company has not consolidated these entities. The Company's exposure to loss as a result of its investments in the Angola Joint Venture, the Bahrain LNG Joint Venture, the RasGas III Joint Venture, and the Yamal LNG Joint Venture is the amounts it has invested in and advanced to these joint ventures, which are \$86.0 million, \$88.0 million, \$118.0 million and \$466.5 million, respectively, as at December 31, 2024. In addition, the Company provides an owner's guarantee in respect of the charters for the Angola Joint Venture, the RasGas III Joint Venture, and the Yamal LNG Joint Venture; and guarantees the credit facilities and interest rate swaps of the Yamal LNG Joint Venture as described above.

c) The following tables present aggregated summarized financial information reflecting a 100% ownership interest in the Company's equity method investments and excluding the impact from purchase price adjustments arising from the acquisition of the Exmar LPG Joint Venture and the Pan Union LNG Joint Venture. The results include the Angola Joint Venture, the Bahrain LNG Joint Venture, the Excalibur Joint Venture (until its sale in September 2022), the Exmar LPG Joint Venture, the MALT Joint Venture, the Pan Union LNG Joint Venture, the RasGas III Joint Venture and the Yamal LNG Joint Venture and exclude the recognition of the other-than-temporary impairment of the Company's investment of the MALT Joint Venture (2022) and the subsequent amortization of the basis differences caused by these impairments.

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	December 31, 2024 \$	December 31, 2023 \$	
Cash and restricted cash – current	508,119	593,510	
Other assets – current	262,791	270,807	
Vessels and equipment, including vessels related to finance leases, operating lease right-of-use assets and advances on newbuilding contracts	2,514,549	2,543,897	
Net investments in direct financing and sales-type leases – non-current	3,899,674	4,067,526	
Other assets – non-current	350,647	328,061	
Current portion of long-term debt, obligations related to finance leases, operating lease liabilities and advances from joint venture partners	673,714	636,559	
Other liabilities – current	211,451	259,353	
Long-term debt, obligations related to finance leases, operating lease liabilities and advances from joint venture partners	3,776,498	4,019,421	
Other liabilities – non-current	71,205	87,824	
	<b>Year Ended December 31, 2024 \$</b>	<b>Year Ended December 31, 2023 \$</b>	<b>Year Ended December 31, 2022 \$</b>
Voyage revenues	1,016,277	1,041,655	998,412
Income from vessel operations	536,649	604,979	589,595
Realized and unrealized gain on non-designated derivative instruments:			
Bahrain LNG Joint Venture	27,718	5,080	80,359
Other equity-accounted joint ventures	4,491	302	31,418
Net income	246,978	323,562	494,999

d) As described in Note 7a, the Company guarantees its proportionate share of certain loan facilities and obligations on interest rate swaps for certain of its equity-accounted joint ventures. As at December 31, 2024, all of the Company's equity-accounted joint ventures were in compliance with all covenants relating to these loan facilities that the Company guarantees.

#### 8. Intangible Assets and Goodwill

As at December 31, 2024 and 2023, intangible assets of the Company's LNG segment consisted of acquired time-charter contracts with a weighted-average amortization period of 20.7 years from the date of acquisition. As at December 31, 2024 and 2023, intangible assets of the Company's NGL segment consisted of acquired time-charter contracts with a weighted-average amortization period of 4.7 years from the date of acquisition (see Note 19). The carrying amount of the Company's intangible assets as follows:

	December 31, 2024 \$			December 31, 2023 \$		
	LNG Segment \$	NGL Segment \$	Total \$	LNG Segment \$	NGL Segment \$	Total \$
Gross carrying amount	179,813	24,810	204,623	179,813	24,810	204,623
Accumulated amortization	(173,242)	(10,947)	(184,189)	(168,702)	(5,474)	(174,176)
Net carrying amount	6,571	13,863	20,434	11,111	19,336	30,447

For the years ended December 31, 2024, 2023 and 2022, amortization expense associated with intangible assets was \$10.0 million, \$11.6 million and \$8.4 million, respectively. Amortization expense associated with intangible assets in each of the next five succeeding fiscal years is expected to be approximately \$6.9 million (2025), \$6.9 million (2026), \$3.4 million (2027), \$2.1 million (2028), and \$1.1 million (2029).

The Company's carrying amount of goodwill as at December 31, 2024 and 2023 is as follows:

	December 31, 2024 \$	December 31, 2023 \$
LNG segment	31,921	31,921
NGL segment	5,387	8,387
Total	37,308	40,308

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During the year ended December 31, 2024, as a result of the repayment of the existing financing arrangements for the *Ineos Insight*, the *Ineos Ingenuity* and the *Ineos Intrepid* (see Note 5), the Company received \$3.0 million in cash deposits which were not identified or recognized as part of the 2022 Evergas acquisition purchase price allocation (see Note 19). The Company's acquisition-date purchase price allocation therefore included an understatement of other non-current assets and an overstatement of goodwill by \$3.0 million. As the adjustment is not material to the Company's consolidated financial statements for any year, the Company has adjusted goodwill in the year ended December 31, 2024.

The Company conducts an impairment review annually or more frequently if facts and circumstances suggest goodwill may be impaired. No impairment charge was recorded for the years ended December 31, 2024, 2023 and 2022.

**9. Accrued Liabilities and Other**

	December 31, 2024 \$	December 31, 2023 \$
Interest including interest rate swaps	20,138	18,462
Voyage and vessel expenses	25,072	35,899
Payroll and benefits	20,051	21,161
Current portion of in-process revenue contracts	5,715	347
Other general expenses	3,171	2,797
Income and other tax payable	1,278	2,647
Distributions payable on preferred units	6,279	6,279
Emissions allowance liabilities (note 14f)	18,356	—
Deposit received for vessels held for sale (note 18b)	—	2,260
<b>Total</b>	<b>100,060</b>	<b>89,852</b>

**10. Long-Term Debt**

	December 31, 2024 \$	December 31, 2023 \$
U.S. Dollar-denominated Revolving Credit Facility due in 2026	165,000	190,000
U.S. Dollar-denominated Term Loans and Bonds due from 2026 to 2030	724,874	662,255
Norwegian Krone-denominated Bonds due from 2025 to 2026	175,646	196,610
Euro-denominated Term Loan	—	27,409
<b>Total principal</b>	<b>1,065,520</b>	<b>1,076,274</b>
Unamortized discount and debt issuance costs	(5,981)	(8,252)
<b>Total debt</b>	<b>1,059,539</b>	<b>1,068,022</b>
Less current portion	(177,093)	(107,820)
<b>Long-term debt</b>	<b>882,446</b>	<b>960,202</b>

As at December 31, 2024 and 2023, the Company had one revolving credit facility available, which provided for borrowings of up to \$350.0 million, of which \$185.0 million (December 31, 2023 – \$160.0 million) was undrawn. Interest payments are based on SOFR plus a margin of 1.45%. In June 2025, the borrowing capacity of the revolving credit facility is scheduled to be reduced by \$15.0 million and the revolving credit facility is scheduled to mature in June 2026. The revolving credit facility is unsecured and may be used by the Company for general company purposes.

As at December 31, 2024, the Company had six U.S. Dollar-denominated term loans and bonds outstanding, which totaled \$724.9 million in aggregate principal amount (December 31, 2023 – five U.S. Dollar-denominated term loans and bonds outstanding, which totaled \$662.3 million). Interest payments on these term loans are based on SOFR plus an additional amount consisting of a margin and a credit adjustment spread, where such additional amount ranged from 2.00% to 3.45%, and interest payments on the bonds are fixed and range from 4.11% to 4.41%. Five of the combined term loans and bonds require quarterly interest and principal payments and four have balloon or bullet repayments due at maturity. The term loans and bonds are collateralized by first-priority mortgages on the nine Company vessels to which the loans relate, together with certain other related security. In addition, as at December 31, 2024, all of the outstanding term loans were guaranteed by either the Company or the ship-owning entities within Teekay Nakilat Corporation (or the *RasGas II Joint Venture*), in which the Company has a 70% ownership interest.

As at December 31, 2024 and 2023, the Company had Norwegian Krone (or *NOK*) 2.0 billion of senior unsecured bonds in the Norwegian bond market that mature through 2026. As at December 31, 2024, the total amount of the bonds, which are listed on the Oslo Stock Exchange, was \$175.6 million (December 31, 2023 – \$196.6 million). The interest payments on the bonds are based on Norwegian Interbank Offered Rate (or *NIBOR*) plus a margin, where margins ranged from 4.90% to 5.15%. The Company entered into cross currency rate swaps, to swap all interest and principal payments of the bonds into U.S. Dollars, with the interest payments fixed at rates ranging from 5.74% to 6.37% and the transfer of principal fixed at \$229.0 million upon maturity in exchange for NOK 2.0 billion (see Note 13).

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As at December 31, 2023, the Company had one Euro-denominated term loan outstanding, which totaled 24.8 million Euros (\$27.4 million). Interest payments were based on the Euro Interbank Offered Rate (or *EURIBOR*) where *EURIBOR* was limited to zero or above zero values, plus a margin of 1.95%. The term loan matured in December 2024.

The weighted-average interest rates for the Company's long-term debt outstanding excluding the effect of related interest swaps as at December 31, 2024 and December 31, 2023 were 7.06% and 7.59%, respectively. The Company uses swaps to economically hedge certain of its floating-rate debt (see Note 13). The weighted-average interest rates including the effect of related interest rate swaps were 5.65% and 5.82% as at December 31, 2024 and December 31, 2023, respectively.

Non-U.S.-denominated debt is revalued at the end of each period using the then-prevailing U.S. Dollar exchange rate. Due primarily to the revaluation of the Company's NOK-denominated bonds, the Company's Euro-denominated term loans and restricted cash, and the change in the valuation of the Company's cross currency swaps, the Company incurred foreign exchange (losses) gains of \$(1.4) million, \$(5.4) million, and \$25.5 million for the years ended December 31, 2024, 2023 and 2022, respectively. At December 31, 2024, the Company has no exposure to Euro-denominated debt.

The aggregate annual long-term debt principal repayments required under the Company's revolving credit facility, loans and bonds subsequent to December 31, 2024, are \$177.8 million (2025), \$608.0 million (2026), \$54.8 million (2027), \$54.8 million (2028), \$45.6 million (2029) and \$124.5 million (thereafter).

Certain loan agreements require that (a) the Company maintain minimum levels of tangible net worth and aggregate liquidity, (b) the Company maintain certain ratios of vessel values related to the relevant outstanding loan principal balance, (c) the Company not exceed a maximum amount of leverage, and (d) certain of the Company's subsidiaries maintain restricted cash deposits. As at December 31, 2024, the Company had four credit facilities with an aggregate outstanding loan balance of \$490.2 million that require it to maintain minimum vessel-value-to-outstanding-loan-principal-balance ratios of 110%, 110%, 120%, and 120%, which as at December 31, 2024 were 198%, 150%, 142%, and 186%, respectively. In January 2025, one of these loans was repaid when an associated vessel was refinanced. (see Note 20b). The vessel values used in calculating these ratios are the appraised values provided by third parties, where available, or prepared by the Company based on second-hand sale and purchase market data. Since vessel values can be volatile, the Company's estimates of market value may not be indicative of either the current or future prices that could be obtained if the Company sold any of the vessels. The Company's ship-owning subsidiaries may not, among other things, pay dividends or distributions if the Company's subsidiaries are in default under their term loans and, in addition, one of the term loans in the RasGas II Joint Venture requires it to satisfy a minimum vessel value to outstanding loan principal balance ratio to pay dividends. As at December 31, 2024, the Company was in compliance with all covenants relating to the Company's credit facilities and other long-term debt.

**11. Income Tax Recovery (Expense)**

The components of the provision for income tax recovery (expense) are as follows:

	Year Ended December 31, 2024 \$	Year Ended December 31, 2023 \$	Year Ended December 31, 2022 \$
Current	(1,255)	(3,683)	(6,399)
Deferred	3,741	(6,528)	(1,786)
Income tax recovery (expense)	<u>2,486</u>	<u>(10,211)</u>	<u>(8,185)</u>

Included in the Company's current income tax recovery (expense) are provisions for uncertain tax positions relating to freight taxes. The Company does not presently anticipate that its provisions for these uncertain tax positions will significantly increase in the next 12 months; however, this is dependent on the jurisdictions in which vessel trading activity occurs. The Company reviews its freight tax obligations on a regular basis and may update its assessment of its tax positions based on available information at that time. Such information may include additional legal advice as to the applicability of freight taxes in relevant jurisdictions. Freight tax regulations are subject to change and interpretation; therefore, the amounts recorded by the Company may change accordingly.

The Company operates in countries that have differing tax laws and rates. Consequently, a consolidated weighted average tax rate will vary from year to year according to the source of earnings or losses by country and the change in applicable tax rates. Reconciliations of the tax charge related to the relevant year at the applicable statutory income tax rates and the actual tax charge related to the relevant year are as follows:

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	Year Ended December 31, 2024 \$	Year Ended December 31, 2023 \$	Year Ended December 31, 2022 \$
Net (loss) income before income tax recovery (expense)	(98,307)	327,927	249,738
Income not subject to taxes	(42,563)	(314,742)	(282,439)
<b>Net (loss) income subject to taxes</b>	<b>(140,870)</b>	<b>13,185</b>	<b>(32,701)</b>
<b>At applicable statutory tax rates</b>			
Amount computed using the standard rate of corporate tax	(1,664)	(590)	12,940
Adjustments to valuation allowance and uncertain tax positions	(13,909)	14,399	(635)
Permanent and currency differences	18,280	(23,900)	(19,926)
Change in tax rates	(221)	(120)	(564)
<b>Tax recovery (expense)</b>	<b>2,486</b>	<b>(10,211)</b>	<b>(8,185)</b>

The significant components of the Company's net deferred tax liabilities were as follows:

	December 31, 2024 \$	December 31, 2023 \$
Derivative instruments	(1,064)	(2,131)
Taxation loss carryforwards and disallowed finance costs	59,405	54,215
Vessels and equipment	6,972	(3,500)
Other items	363	169
	65,676	48,753
Valuation allowance	(66,570)	(53,384)
<b>Net deferred tax liabilities</b>	<b>(894)</b>	<b>(4,631)</b>
	<b>December 31, 2024 \$</b>	<b>December 31, 2023 \$</b>
Deferred income tax assets included in other assets	261	258
Deferred income tax liabilities included in other long-term liabilities	(1,155)	(4,889)
<b>Net deferred tax liabilities</b>	<b>(894)</b>	<b>(4,631)</b>

The Company had tax losses in the United Kingdom (or *UK*) of \$nil as at December 31, 2024 (December 31, 2023 – \$7.7 million) that are available indefinitely for offset against future taxable income in the UK. The Company had tax losses and estimated disallowed finance costs in Spain of 110.3 million Euros or approximately \$114.2 million (December 31, 2023 – 110.3 million Euros or approximately \$121.8 million) and 14.8 million Euros or approximately \$15.4 million (December 31, 2023 – 14.8 million Euros or approximately \$16.4 million), respectively, at December 31, 2024 of which the tax losses and the disallowed finance costs are available indefinitely for offset against future taxable income in Spain. In addition, the Company had estimated tax losses in Luxembourg of 217.5 million Euros or approximately \$225.2 million as at December 31, 2024 (December 31, 2023 – 177.4 million Euros or approximately \$195.8 million) that are available for offset against taxable future income in Luxembourg, either indefinitely for losses arising prior to 2017, or for 17 years for losses arising subsequent to 2016.

The Company recognizes interest and penalties related to uncertain tax positions in income tax recovery (expense). The tax years 2010 through 2024 currently remain open to examination by the major tax jurisdictions to which the Company is subject.

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**12. Related Party Transactions**

- a) The following table and related footnotes provide information about certain of the Company's related party transactions for the periods indicated:

	Year Ended December 31, 2024 \$	Year Ended December 31, 2023 \$	Year Ended December 31, 2022 \$
Voyage revenues <sup>(i)(ii)</sup>	132,305	119,098	114,592
Time-charter hire expenses <sup>(iii)</sup>	—	—	(9,396)
Restructuring charges <sup>(iv)</sup>	—	—	(2,651)
Equity income <sup>(v)</sup>	2,423	2,417	2,417

- (i) In September 2018, the Company's FSU, the *Seapeak Bahrain*, commenced its 21-year charter contract with the Bahrain LNG Joint Venture. Voyage revenues from the charter of the *Seapeak Bahrain* to the Bahrain LNG Joint Venture for the year ended December 31, 2024 amounted to \$31.2 million (\$29.8 million during 2023 and \$29.0 million during 2022). In addition, the Company has an operation and maintenance contract with the Bahrain LNG Joint Venture relating to the LNG regasification terminal in Bahrain. Fees received in relation to the operation and maintenance contract from the Bahrain LNG Joint Venture for the year ended December 31, 2024 were \$20.8 million (\$10.5 million during 2023 and \$10.9 million during 2022) and are included in voyage revenues in the Company's consolidated statements of (loss) income.
- (ii) Commencing in January 2022, following the acquisition of the Teekay Subsidiaries (as described in Note 1), the Company provides ship management and corporate services to certain of its equity-accounted joint ventures that own and operate LNG carriers on long-term charters. In addition, the Company was reimbursed for costs incurred by the Company for its seafarers operating these LNG carriers. During the year ended December 31, 2024, the Company earned management fees and cost reimbursements pursuant to the related management agreements of \$80.3 million (\$78.8 million during 2023 and \$74.7 million during 2022), which amount is included in voyage revenues in the Company's consolidated statements of (loss) income.
- (iii) From September 2018 to June 2022, the Company chartered the *Seapeak Magellan* LNG carrier from the MALT Joint Venture. The time-charter hire expenses charged for the year ended December 31, 2022 were \$9.4 million.
- (iv) During the year ended December 31, 2022, the Company incurred restructuring charges of \$2.7 million from Teekay related to severance costs resulting from the reorganization and realignment of employees supporting the Company as a result of the Stonepeak Transaction in January 2022 (see Note 17).
- (v) During each of the years ended December 31, 2024, 2023 and 2022, the Company charged fees of \$2.4 million to the Yamal LNG Joint Venture relating to the successful bid process for the construction and chartering of six ARC7 LNG carriers. The fees are reflected in equity income in the Company's consolidated statements of (loss) income.
- b) As at December 31, 2024 and 2023, non-interest-bearing advances to affiliates totaled \$19.7 million and \$22.7 million, respectively, and non-interest-bearing advances from affiliates totaled \$6.7 million and \$7.3 million, respectively. These advances are unsecured and have no fixed repayment terms.
- c) On December 19, 2022, the Company received an equity contribution of \$129.3 million from Stonepeak as partial payment for common units issued on March 8, 2023. In February 2023, the Company received an equity contribution of \$86.2 million from Stonepeak in connection with funding the first installment payments for two of the five 174,000-cubic meter M-type, Electronically Controlled, Gas Admission propulsion LNG carriers (or the *Samsung LNG Carrier Newbuildings*) the Company ordered in November 2022. On March 8, 2023, the Company issued 11,383,543 common units to Stonepeak based on total equity contributions received in December 2022 and February 2023 of \$215.5 million (see Note 16).
- d) For other transactions with the Company's equity-accounted joint ventures not disclosed above, please refer to Note 7.

**13. Derivative Instruments and Hedging Activities**

The Company uses derivative instruments in accordance with its overall risk management policy.

*Foreign Exchange Risk*

From time to time, the Company economically hedges portions of its forecasted expenditures denominated in foreign currencies with foreign currency forward contracts. As at December 31, 2024, the Company was committed to the following foreign currency forward contracts.

	Contract Amount in Foreign Currency	Average Contract Rate <sup>(i)</sup>	Fair Value / Carrying Amount of Asset (Liability) \$	Expected Maturity 2025 \$
British Pound Sterling	5,500	0.7840	(140)	7,016
Canadian Dollar	12,300	1.3685	(387)	8,988
			(527)	16,004

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(i) Average contractual exchange rate represents the contracted amount of foreign currency one U.S. Dollar will buy.

The Company entered into cross currency swaps concurrently with the issuance of its NOK-denominated senior unsecured bonds (see Note 10), and pursuant to these swaps, the Company receives the principal amount in NOK on maturity dates of the swaps in exchange for payments of a fixed U.S. Dollar amount. In addition, the cross currency swaps exchange a receipt of floating interest in NOK based on NIBOR plus a margin for a payment of U.S. Dollar fixed interest. The purpose of the cross currency swaps is to economically hedge the foreign currency exposure on the payment of interest and principal of the Company's NOK-denominated bonds due in 2025 and 2026, and to economically hedge the interest rate exposure. The following table reflects information relating to the cross currency swaps as at December 31, 2024:

Principal Amount NOK	Principal Amount \$	Floating Rate Receivable		Fixed Rate Payable	Fair Value / Carrying Amount of Asset (Liability) \$	Weighted-Average Remaining Term (Years)
		Reference Rate	Margin			
1,000,000	112,000	NIBOR	5.15%	5.74%	(21,577)	0.7
1,000,000	117,000	NIBOR	4.90%	6.37%	(24,523)	1.9
					<u>(46,100)</u>	

*Interest Rate Risk*

The Company enters into interest rate swaps which exchange a receipt of floating interest for a payment of fixed interest to reduce the Company's exposure to interest rate variability on certain of its outstanding floating-rate debt.

As at December 31, 2024, the Company was committed to the following interest rate swap agreements:

	Interest Rate Index	Principal Amount \$	Fair Value / Carrying Amount of Asset (Liability) \$	Weighted-Average Remaining Term (Years)	Fixed Interest Rate <sup>(i)</sup>
U.S. Dollar-denominated interest rate swaps <sup>(ii)</sup>	SOFR	578,912	30,648	2.4	1.4%
U.S. Dollar-denominated interest rate swaps <sup>(ii)(iii)</sup>	SOFR	232,976	8,115	4.7	3.4%
U.S. Dollar-denominated interest rate swaps <sup>(iv)(v)(vi)</sup>	SOFR	107,725	49,262	1.1	3.0%
			<u>88,025</u>		

- (i) Excludes an additional amount consisting of the margins and the credit adjustment spreads the Company pays on its floating-rate term loans, which, as at December 31, 2024, ranged from 2.00% to 3.45%.
- (ii) Principal amount reduces quarterly.
- (iii) These interest rate swaps are subject to mandatory early termination in August 2029 and September 2029, whereby the swaps will be settled based on their fair value at that time.
- (iv) Principal amount reduces monthly.
- (v) Forward-starting interest rate swaps with inception dates ranging from September 2025 to June 2026.
- (vi) These interest rate swaps are subject to mandatory early termination in 2025 and 2026, whereby the swaps will be settled based on their fair value at that time.

As at December 31, 2024, the Company had multiple interest rate swaps, cross currency swaps and foreign currency forward contracts with the same counterparty that are subject to the same master agreement. Each of these master agreements provides for the net settlement of all swaps subject to that master agreement through a single payment in the event of default or termination of any one swap. The fair value of these derivative instruments is presented on a gross basis in the Company's consolidated balance sheets. As at December 31, 2024, these derivative instruments had an aggregate fair value asset of \$88.0 million (December 31, 2023 – \$55.4 million) and an aggregate fair value liability of \$34.4 million (December 31, 2023 – \$13.1 million). As at December 31, 2024, the Company had \$19.5 million (December 31, 2023 – \$3.0 million) of cash on deposit as security for swap liabilities under certain master agreements. The deposit is presented in restricted cash – current and long-term on the Company's consolidated balance sheets.

*Credit Risk*

The Company is exposed to credit loss in the event of non-performance by the counterparties to its derivative instruments. In order to minimize counterparty risk, the Company only enters into derivative transactions with counterparties that are rated A- or better by Standard & Poor's or A3 or better by Moody's at the time of the transactions. In addition, to the extent practical, derivative instruments are entered into with different counterparties to reduce concentration risk.

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The following table presents the classification and fair value amounts of derivative instruments (none of which are designated as cash flow hedges), segregated by type of contract, on the Company's consolidated balance sheets.

	Accounts receivable \$	Current portion of derivative assets \$	Derivative assets \$	Current portion of derivative liabilities \$	Derivative liabilities \$
<b>As at December 31, 2024</b>					
Interest rate swap agreements	2,070	35,042	50,913	—	—
Foreign currency forward contracts	—	—	—	(527)	—
Cross currency swap agreements	295	642	—	(21,756)	(25,281)
	<u>2,365</u>	<u>35,684</u>	<u>50,913</u>	<u>(22,283)</u>	<u>(25,281)</u>
<b>As at December 31, 2023</b>					
Interest rate swap agreements	2,433	18,022	35,127	—	(156)
Foreign currency forward contracts	—	221	—	—	—
Cross currency swap agreements	480	4,154	—	—	(23,680)
	<u>2,913</u>	<u>22,397</u>	<u>35,127</u>	<u>—</u>	<u>(23,836)</u>

Realized and unrealized gains (losses) relating to non-designated interest rate swap agreements and foreign currency forward contracts are recognized in earnings and reported in realized and unrealized gain on non-designated derivative instruments in the Company's consolidated statements of (loss) income. The effect of the gain (loss) on these derivatives on the Company's consolidated statements of (loss) income is as follows:

	Year Ended December 31,								
	2024 \$			2023 \$			2022 \$		
	Realized gains (losses)	Unrealized gains (losses)	Total	Realized gains (losses)	Unrealized gains (losses)	Total	Realized gains (losses)	Unrealized gains (losses)	Total
Interest rate swap agreements	23,387	32,963	56,350	20,227	3,403	23,630	(4,982)	70,252	65,270
Foreign currency forward contracts	61	(748)	(687)	540	(177)	363	—	398	398
	<u>23,448</u>	<u>32,215</u>	<u>55,663</u>	<u>20,767</u>	<u>3,226</u>	<u>23,993</u>	<u>(4,982)</u>	<u>70,650</u>	<u>65,668</u>

Realized and unrealized gains (losses) relating to cross currency swap agreements are recognized in earnings and reported in foreign currency exchange (loss) gain in the Company's consolidated statements of (loss) income. The effect of the gain (loss) on these derivatives on the Company's consolidated statements of (loss) income is as follows:

	Year Ended December 31,								
	2024 \$			2023 \$			2022 \$		
	Realized gains (losses)	Unrealized gains (losses)	Total	Realized gains (losses)	Unrealized gains (losses)	Total	Realized gains (losses)	Unrealized gains (losses)	Total
Cross currency swap agreements	4,220	(26,869)	(22,649)	(19,463)	466	(18,997)	(2,546)	(9,881)	(12,427)

For the periods indicated, the following table presents the amounts of losses reclassified from accumulated other comprehensive income (or OCI) to interest expense for interest rate swaps previously dedesignated but for which the hedged forecasted transaction remains probable as cash flow hedges (excluding such agreements in equity-accounted investments):

Amount of Loss Reclassified from Accumulated OCI to Interest Expense		
Year Ended December 31,		
2024 \$	2023 \$	2022 \$
<u>(761)</u>	<u>(1,242)</u>	<u>(2,453)</u>

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**14. Commitments and Contingencies**

- a) During November 2022, the Company entered into contracts with Samsung Heavy Industries Co., Ltd. for the construction of five Samsung LNG Carrier Newbuildings that have a total fully built-up cost of \$1.2 billion and are scheduled for delivery throughout 2027. As at December 31, 2024, expenditures incurred under these newbuilding contracts totaled \$243.2 million and the estimated remaining costs to be incurred are \$59.2 million (2025), \$245.0 million (2026), and \$643.2 million (2027). The Company intends to finance the remaining estimated costs with its existing liquidity and future operating cash flow, as well as long-term financing to be arranged for the vessels prior to their scheduled deliveries.
- b) During August 2022, the Company's 50%-owned Exmar LPG Joint Venture entered into contracts with Hyundai Mipo Dockyard (or *HMD*) for the construction of two 45,000-cubic meter LPG-fueled LPG carriers for scheduled deliveries in 2025. In January 2025, one of these vessels, the *Champagny*, was delivered to the Exmar LPG Joint Venture (see Note 20a). In March 2023, the Exmar LPG Joint Venture entered into contracts with HMD for the construction of two additional 45,000-cubic meter ammonia capable dual-fueled LPG carriers for scheduled deliveries in 2026. In March 2024, the Exmar LPG Joint Venture entered into contracts with HMD for the construction of two additional 45,000-cubic meter ammonia capable dual-fueled LPG carriers with scheduled deliveries in late-2026. The Company's proportionate share of the total fully built-up cost of these six newbuildings is approximately \$249.2 million. As at December 31, 2024, the Company's proportionate share of expenditures incurred under these newbuilding contracts totaled \$70.3 million and the estimated remaining costs to be incurred are \$91.9 million (2025) and \$87.0 million (2026). In January 2025, the Exmar LPG Joint Venture entered into contracts with Avance Gas Aries Ltd. (or *Avance Gas*) for the assumption of its shipbuilding contracts for the construction of four 40,000-cubic meter dual-fueled LPG carriers. These vessels are being constructed by Nantong CIMC Sinopacific Offshore & Engineering Co., Ltd. (or *Nantong CIMC*), with scheduled deliveries in 2025 and 2026 (See Note 20c).
- c) The Company has a 30% ownership interest in the Bahrain LNG Joint Venture which has an LNG receiving and regasification terminal in Bahrain as described in Note 7a(ii). As at December 31, 2024, the Company's proportionate share of the estimated remaining final construction installment on the LNG terminal is \$11.3 million and is expected to be incurred in 2025. The Bahrain LNG Joint Venture intends to finance the final construction installment through its existing undrawn financing, of which \$7.2 million relates to the Company's proportionate share, its existing liquidity, and its future operating cash flow.
- d) The Tangguh Joint Venture has submitted a Notice of Appeal against a tax audit related to its tax returns filed for the 2010 and subsequent fiscal years. The UK taxing authority has challenged the deductibility of certain transactions not directly related to a long funding lease to which the joint venture is a party and the Tangguh Joint Venture has recorded a provision of \$1.6 million in 2017 (of which the Company's 70% share is \$1.1 million) which is recorded in accrued liabilities and other in the Company's consolidated balance sheets as at December 31, 2024 and 2023.
- e) Tangguh Joint Venture Operating Leases

As at December 31, 2024, the Tangguh Joint Venture was a party to operating leases (or *Head Leases*) whereby it leases its two LNG carriers (or the *Tangguh LNG Carriers*) to a third-party company. The Tangguh Joint Venture then leases back the LNG carriers from the same third-party company (or the *Subleases*). Under the terms of these leases, the third-party company claims tax depreciation on the capital expenditures it incurred to lease the vessels. As is typical in these leasing arrangements, tax and change of law risks are assumed and indemnified by the Tangguh Joint Venture. Lease payments under the Subleases are based on certain tax and financial assumptions at the commencement of the leases. If an assumption proves to be incorrect, the lease payments are increased or decreased under the Sublease to maintain the agreed after-tax margin. The UK corporate income tax rate increased from 19% to 25%, effective April 1, 2023. Consequently, the sublease payments the Company estimated that the Tangguh Joint Venture will pay in aggregate each year to lease the vessels back increased from \$23.9 million to \$27.5 million. The Tangguh Joint Venture's carrying amounts of this estimated tax indemnification obligation as at December 31, 2024 and 2023 were \$3.8 million and \$4.3 million, respectively, and are included as part of other long-term liabilities in the consolidated balance sheets of the Company. The tax indemnification is for the duration of the lease contract with the third party plus the years it would take for the lease payments to be statute barred and ends in 2033. Although there is no maximum potential amount of future payments, the Tangguh Joint Venture may terminate the lease arrangements on a voluntary basis at any time. If the lease arrangements terminate, the Tangguh Joint Venture will be required to make termination payments to the third-party company sufficient to repay the third-party company's investment in the vessels and to compensate it for the tax effect of the terminations, including recapture of any tax depreciation. The Head Leases and the Subleases have 20-year terms and are classified as operating leases. The Head Leases and the Subleases for the two Tangguh LNG Carriers commenced in November 2008 and March 2009, respectively.

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As at December 31, 2024, the total estimated future minimum rental payments to be received and paid by the Tangguh Joint Venture related to the lease contracts are as follows:

Year	Head Lease Receipts <sup>(i)</sup> \$	Sublease Payments <sup>(i) (ii)</sup> \$
2025	21,242	27,462
2026	21,242	27,462
2027	21,242	27,462
2028	22,280	28,800
2029	4,362	5,655
Total	90,368	116,841

(i) The Head Leases are fixed-rate operating leases while the Subleases have a variable-rate component. As at December 31, 2024, the Company had received \$420.0 million of aggregate Head Lease receipts (December 31, 2023 – \$398.8 million) and had paid \$387.6 million of aggregate Sublease payments (December 31, 2023 – \$360.3 million). The portion of the Head Lease receipts that has not been recognized into earnings is deferred and amortized on a straight-line basis over the lease terms and, as at December 31, 2024, \$3.7 million (December 31, 2023 – \$3.8 million) and \$7.0 million (December 31, 2023 – \$10.7 million) of Head Leases receipts had been deferred and included in unearned revenue and other long-term liabilities, respectively, in the Company's consolidated balance sheets.

(ii) The amount of payments related to the Subleases are updated annually to reflect any changes in the lease payments due to changes in tax law.

- f) Effective January 1, 2024, emissions emitted by the maritime industry have been integrated in the EU ETS and are being phased in over a three-year period. Emissions for voyages to or from Europe or within Europe will be included within the scope of EU ETS based on 40% during 2024, 70% during 2025 and 100% in 2026. The Company is obligated to submit EUAs for all vessels under its operational management on an annual basis prior to September 30th of each year. As at December 31, 2024, the Company had recognized: an obligation to submit EUAs of \$18.4 million included in accrued liabilities and other (measured using the period end EUA spot price); an amount due from equity accounted investees of \$11.5 million, included in advances to affiliates; and an amount due from charterers of \$6.4 million, reflected in other current assets. In addition, as at December 31, 2024, the Company held 915 EUAs at a cost of \$0.1 million and had recognized a corresponding obligation to submit EUAs of \$0.1 million included in accrued liabilities and other.
- g) Management is required to assess whether the Company will have sufficient liquidity to continue as a going concern for the one-year period following the issuance of its consolidated financial statements. The Company had a working capital deficit of \$187.3 million as at December 31, 2024. This working capital deficit includes \$177.1 million related to scheduled maturities and repayments of long-term debt in the 12 months following December 31, 2024. Based on the Company's liquidity at the date these consolidated financial statements were issued, the liquidity it expects to generate from operations over the following year, the cash distributions it expects to receive from its equity-accounted joint ventures, and the proceeds it expects to receive related to the financing of certain of the Samsung LNG Carrier Newbuildings, the Company estimates that it will have sufficient liquidity to continue as a going concern for at least the one-year period following the issuance of these consolidated financial statements.

**15. Supplemental Cash Flow Information**

- a) The following is a tabular reconciliation of the Company's cash, cash equivalents and restricted cash balances for the periods presented in the Company's consolidated statements of cash flows:

	December 31, 2024 \$	December 31, 2023 \$	December 31, 2022 \$	December 31, 2021 \$
Cash and cash equivalents	153,726	168,409	215,738	92,069
Restricted cash – current	9,210	2,910	42,376	11,888
Restricted cash – long-term	25,032	13,075	7,832	38,100
Total	187,968	184,394	265,946	142,057

The Company maintains restricted cash deposits relating to certain term loans, collateral for derivatives (see Note 13), vessels held for sale, performance bond collateral, obligations related to finance leases and amounts received from charterers to be used only for dry-docking expenditures and emergency repairs.

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- b) The changes in operating assets and liabilities for years ended December 31, 2024, 2023 and 2022 are as follows:

	Year Ended December 31, 2024 \$	Year Ended December 31, 2023 \$	Year Ended December 31, 2022 \$
Accounts receivable	2,211	19,402	(4,373)
Prepaid expenses and other current assets	1,080	6,467	7,193
Accounts payable	398	(2,229)	(3,952)
Accrued liabilities and other long-term liabilities	6,868	(5,653)	(10,223)
Unearned revenue and long-term unearned revenue	19,797	1,608	(2,355)
Advances to and from affiliates	4,885	(10,930)	(10,009)
Receipts from direct financing and sales-type leases	21,085	18,976	16,347
Expenditures for dry docking	(13,997)	(20,836)	(23,145)
Other operating assets and liabilities	(9,277)	(6,811)	(400)
Total	<u>33,050</u>	<u>(6)</u>	<u>(30,917)</u>

- c) Cash interest paid (including realized losses on interest rate swaps) on long-term debt and obligations related to finance leases, net of amounts capitalized, during the years ended December 31, 2024, 2023 and 2022 totaled \$175.0 million, \$186.9 million and \$156.1 million, respectively.
- d) During the years ended December 31, 2024, 2023 and 2022, cash paid for taxes was \$4.7 million, \$4.7 million and \$2.2 million, respectively.

## 16. Total Capital

As at December 31, 2024, the Company's capital structure comprised of three classes of Company units: common units, Series A Preferred Units and Series B Preferred Units. The Company's sole common unitholder is Stonepeak and its affiliates, and all of the Company's outstanding Series A Preferred Units and Series B Preferred Units are held by the public.

In the event of a liquidation, all property and cash in excess of that required to discharge all liabilities and the liquidation amounts on the Series A Preferred Units and Series B Preferred Units will be distributed to the common unitholder as adjusted to reflect any gain or loss upon the sale or other disposition of the Company's assets in liquidation in accordance with the Company's Limited Liability Company Agreement.

### **Preferred Unitholders' Rights**

Significant rights of the Company's preferred unitholders include the following:

- a) Distributions on each Series A Preferred Unit shall accumulate at \$0.5625 for each three-month period until the date the Company redeems the Series A Preferred Units in full. Distributions on each Series B Preferred Unit shall accumulate at \$0.53125 for each three-month period until the earlier of i) the date the Company redeems the Series B Preferred Units in full and ii) October 15, 2027. After October 15, 2027, distributions on each Series B Preferred Unit shall accumulate for each three-month period until the date the Company redeems the Series B Preferred Units in full in accordance with the terms of the Company's Limited Liability Company Agreement based on an annual rate of three-month LIBOR plus 6.241% as pro-rated for the applicable three-month period. As three-month LIBOR has been discontinued, in accordance with the terms of the Limited Liability Company Agreement, the Company may, in its discretion, use a substitute or successor base rate that it has determined is most comparable to three-month LIBOR as the base distribution rate described in the immediately preceding sentence. The Company expects to utilize three-month SOFR in replacement of three-month LIBOR.
- b) The Company has the right to redeem the Series A Preferred Units at any time and will have the right to redeem the Series B Preferred Units on or after October 15, 2027, in whole or in part, for \$25.00 per unit plus any accumulated and unpaid distributions.
- c) The Series A Preferred Units have no voting rights, except in the event that six quarterly Series A distributions are in arrears, in which case the Series A holders are entitled, voting as a class together with holders of other parity securities upon which like voting rights have been conferred and are exercisable, to elect one member of the board of directors. The Series B Preferred Units have no voting rights, except in the event that six quarterly Series B distributions are in arrears, in which case the Series B Holders are entitled, voting as a class together with holders of any parity securities upon which like voting rights have been conferred and are exercisable, to elect one member of the board of directors. The size of the board of directors shall be increased as needed to accommodate such change.
- d) The Series A Preferred Units and Series B Preferred Units each rank senior to the Company's common units.
- e) In the event of liquidation of the Company, all property and all cash in excess of that required to discharge liabilities of the Company shall be distributed, subject to the issuance of any equity securities having a priority to the Series A and B Preferred Units, first to the Series A and B Preferred Unit holders until there has been distributed in respect of each Series A and B Preferred Unit then outstanding \$25.00 plus any accumulated and unpaid distributions. Any remaining amounts are distributed to the common unitholder.

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**Preferred and Common Unit Distributions**

The distributions payable on the Series A and Series B Preferred Units for the years ended December 31, 2024, 2023 and 2022 were \$25.1 million, \$24.9 million and \$25.6 million, respectively.

During the year ended December 31, 2024, the Company declared and paid a cash distribution of \$2.5013 (2023 – \$0.5003) per common unit, totaling \$250.0 million (2023 – \$50.0 million), to its sole common unitholder, Stonepeak.

**Issuance of Common Units**

In December 2022 and February 2023, the Company received equity contributions of \$129.3 million and \$86.2 million, respectively, from Stonepeak in connection with funding the first installment payments for the five Samsung LNG Carrier Newbuildings the Company ordered in November 2022 (see Note 14a). On March 8, 2023, the Company issued 11,383,543 common units to Stonepeak based on the total contributions received of \$215.5 million (see Note 12c).

**Preferred Unit Repurchases**

In March 2022, the Company established a plan which authorized the repurchase of up to \$30.0 million of its Series A and Series B Preferred Units. The following table summarizes the preferred units repurchases for the years ended December 31, 2024, 2023 and 2022.

	Year Ended December 31,					
	2024		2023		2022	
	#	\$	#	\$	#	\$
Series A Preferred Units	—	—	29,395	700	38,057	932
Series B Preferred Units	—	—	131,081	3,272	72,804	1,758
<b>Total</b>	<b>—</b>	<b>—</b>	<b>160,476</b>	<b>3,972</b>	<b>110,861</b>	<b>2,690</b>

As at December 31, 2024, the remaining dollar value of Series A and Series B Preferred Units that may be repurchased under the plan was \$23.3 million.

**17. Restructuring Charges**

During the year ended December 31, 2022, the Company incurred restructuring charges of \$2.7 million. The restructuring charges primarily relate to severance costs resulting from the reorganization and realignment of employees supporting the Company as a result of the Stonepeak Transaction.

**18. (Write-down) Gain and Gain (Loss) on Sales of Vessels**

The following table provides information on the Company's (write-down) gain and gain (loss) on sales of vessels for the years presented in these consolidated financial statements:

Segment	Asset Type	December 31, 2024	December 31, 2023	December 31, 2022
		\$	\$	\$
LNG (notes 6 and 18a)	LNG Carriers	(387,109)	35,807	(52,004)
NGL (note 18b)	Multi-gas Carriers	4,339	(7,816)	(2,393)
(Write-down) gain and gain (loss) on sales of vessels		(382,770)	27,991	(54,397)

- a) In March 2022, the carrying values of two of the Company's LNG carriers, the *Seapeak Arctic* and the *Seapeak Polar*, were written down to their estimated fair values, using appraised values, as a result of changes in the Company's expectations of these vessels' future opportunities subsequent to the completion of their time-charter contracts in April 2022. The total impairment charge of \$44.0 million for both vessels is included in (write-down) gain and gain (loss) on sales of vessels for the year ended December 31, 2022 in the Company's consolidated statement of (loss) income.

In December 2022, the Company recorded a further write-down on the *Seapeak Arctic* to its estimated sales value of \$15.1 million based on its expected selling price as the vessel was being marketed for sale. The write-down of \$8.0 million is included in (write-down) gain and gain (loss) on sales of vessels for the year ended December 31, 2022 in the Company's consolidated statement of (loss) income. In February 2023, the *Seapeak Arctic* was sold for net proceeds of \$14.9 million, resulting in a loss on sale of \$1.0 million, which is included in (write-down) gain and gain (loss) on sales of vessels for the year ended December 31, 2023 in the Company's consolidated statement of (loss) income.

In March 2023, the carrying value of the *Seapeak Polar* was further written-down to its estimated fair value, based on the recent sale of a similar vessel, as a result of further changes in the Company's expectations of this vessel's future opportunities subsequent to the completion of its time-charter contract in May 2023. The impairment charge of \$7.5 million is included in (write-down) gain and gain (loss) on sales of vessels for the year ended December 31, 2023 in the Company's consolidated statement of (loss) income. In June 2023, the *Seapeak Polar* was sold for net proceeds of \$14.7 million, resulting in a gain on sale of \$0.5 million, which is included in (write-down) gain and gain (loss) on sales of vessels for the year ended December 31, 2023 in the Company's consolidated statement of (loss) income.

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As at December 31, 2024, the Company's LNG segment included seven steam turbine LNG carriers, the oldest vessels in the Company's LNG fleet. The Company has made downward revisions to the outlook for this class of older vessel based on a combination of an oversupply of this type of vessel and reduced charterer interest due to their less efficient design. As such, the Company has reduced its forecast for future hire rate and its estimate of their useful lives from 35 to 25 years and increased the likelihood that three of the vessels may be sold in 2025. As a result, in December 2024, the carrying values of these vessels were written down to their estimated fair values. The total impairment charge of \$387.1 million is included in (write-down) gain and gain (loss) on sales of vessels for the year ended December 31, 2024 in the Company's consolidated statement of (loss) income. The estimated fair value for four of the vessels were written down to their estimated fair values using a discounted cash flow approach with a discount rate of 7.98% based on the vessels operating to age 25, which includes the remaining duration of their existing long-term fixed-rate charter contracts. Of these four vessels, the three larger-capacity RasGas II Joint Venture vessels were assumed to be rechartered at a daily hire rate of \$33,800. The estimated fair value for the other three vessels were written down to their estimated fair values of \$16.0 million per vessel based on our knowledge of potential sale transactions of steam vessels within the marketplace.

- b) In June 2022, the *Sonoma Spirit* multi-gas carrier was sold and delivered to its buyer for net proceeds of \$10.0 million, resulting in a gain on sale of \$0.2 million, which is included in (write-down) gain and gain (loss) on sales of vessels for the year ended December 31, 2022 in the Company's consolidated statement of (loss) income.

In November 2022, the Company signed memorandum of agreements for the sales of the *Seapeak Unikum* and the *Seapeak Vision* multi-gas carriers for total net proceeds of \$48.0 million and recorded a write-down of \$2.6 million based on the expected net sales proceeds, which is included in (write-down) gain and gain (loss) on sales of vessels for the year ended December 31, 2022 in the Company's consolidated statement of (loss) income. The *Seapeak Unikum* was delivered to its buyer in March 2023 for net proceeds of \$24.7 million, resulting in a gain on sale of \$0.2 million, which is included in (write-down) gain and gain (loss) on sales of vessels for the year ended December 31, 2023 in the Company's consolidated statement of (loss) income. The *Seapeak Vision* was delivered to its buyer in April 2023 for net proceeds of \$24.0 million, which approximated its net book value.

In December 2023, the Company signed memorandum of agreements for the sales of the *Seapeak Napa*, the *Seapeak Cathinka* and the *Seapeak Camilla* multi-gas carriers for total net proceeds of \$22.3 million and recorded a write-down of \$3.6 million based on the expected net sales proceeds, which is included in (write-down) gain and gain (loss) on sales of vessels for the year ended December 31, 2023 in the Company's consolidated statement of (loss) income. As at December 31, 2023, the vessels were classified as held for sale in the Company's consolidated balance sheet. In February 2024, the *Seapeak Napa* was delivered to its buyer for net proceeds of \$10.4 million, resulting in a gain on sale of \$0.5 million, which is included in (write-down) gain and gain (loss) on sales of vessels for the year ended December 31, 2024 in the Company's consolidated statement of (loss) income. In March 2024, the *Seapeak Cathinka* was delivered to its buyer for net proceeds of \$6.5 million, resulting in a gain on sale of \$0.2 million, which is included in (write-down) gain and gain (loss) on sales of vessels for the year ended December 31, 2024 in the Company's consolidated statement of (loss) income. In April 2024, the *Seapeak Camilla* was delivered to its buyer for net proceeds of \$6.7 million, resulting in a gain on sale of \$0.3 million, which is included in (write-down) gain and gain (loss) on sales of vessels for the year ended December 31, 2024 in the Company's consolidated statement of (loss) income.

In December 2023, the carrying value of the *Seapeak Pan* multi-gas carrier was written down to its estimated fair value as a result of changes in the Company's expectations of the vessel's future opportunities. The estimated fair value was determined with reference to the selling price from the recent sales of similar vessels, feedback from recent selling efforts relating to the vessel, the condition of one of the vessels which was required to undergo a scheduled drydocking in the first quarter of 2024 and prevailing prices for the recycling of vessels. The impairment charge of \$4.5 million for the vessel is included in (write-down) gain and gain (loss) on sales of vessels for the year ended December 31, 2023 in the Company's consolidated statement of (loss) income. In August 2024, the Company sold the *Seapeak Pan* for net proceeds of \$6.5 million, resulting in a gain on sale of \$3.4 million which is included in (write-down) gain and gain (loss) on sales of vessels for the year ended December 31, 2024 in the Company's consolidated statement of (loss) income.

## 19. Acquisition of Evergas

On December 29, 2022, the Company completed the acquisition of 100% of the equity interests in Greenship Gas Trust and Greenship Gas Manager Pte. Ltd. and their subsidiaries (collectively, *Evergas*) from affiliates of Jaccar Holdings (or *Jaccar*) for a cash purchase price of \$241.4 million, of which \$238.4 million was paid on closing and the remaining \$3.0 million was paid during February 2023.

The Company financed the cash purchase price with existing cash and by borrowing \$180.0 million under its revolving credit facility. As part of the acquisition, the Company assumed the existing financing obligations of Evergas, none of which at the time of acquisition matured until 2025. During 2023 and 2024, the Company refinanced these existing financing obligations with new financing arrangements, none of which matures until 2030. Evergas owns and operates two Very Large Ethane Carriers and eight Semi-Refrigerated/Multi-gas carriers that were built between 2015 and 2020. These vessels are employed on fixed-rate time-charter contracts to Ineos Group Limited that expire between 2027 and 2031. Evergas also in-chartered six pressurized LPG carriers under bareboat charter contracts that ended in December 2024. The Company considers Evergas to be a natural complement to the Company's NGL segment.

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The major classes of assets and liabilities to which the Company allocated the purchase price were as follows:

	December 29, 2022 \$
<b>Assets</b>	
Cash and cash equivalents	13,971
Restricted cash	1,332
Other current assets	10,977
Vessels related to finance leases	680,564
Operating lease right-of-use assets	15,036
Other non-current assets (note 8)	7,794
Intangible assets – time-charters (weighted-average amortization period of 4.7 years)	24,810
Goodwill (note 8)	5,467
<b>Liabilities</b>	
Accounts payable	(3,914)
Accrued liabilities and other	(7,949)
Unearned revenue	(11,102)
Current obligations related to finance leases	(44,519)
Current portion of operating lease liabilities	(9,956)
Long-term obligations related to finance leases	(421,015)
Long-term operating lease liabilities	(11,063)
Other long-term liabilities	(9,002)
<b>Total purchase price</b>	<b>241,431</b>

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the estimated future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The factors contributing to the recognition of goodwill are the assembled workforce of Evergas and potential benefits from the possible expansion into the captured CO2 transportation market. None of the goodwill is expected to be deducted for tax purposes and was allocated to the NGL reporting unit for purposes of the evaluation of any future goodwill impairment.

The results of Evergas' operations have been included in the Company's consolidated statements of (loss) income since the December 29, 2022 date of acquisition with no material impact on the Company's revenues and earnings for the year ended December 31, 2022.

The following unaudited pro forma information assumes the acquisition of Evergas occurred January 1, 2021. The pro forma information includes the historical results of operations of Evergas as well as adjustments for interest expense that would have been incurred due to financing the acquisition and depreciation and amortization of the fair value adjustments associated with the acquired vessels, time-charters and finance lease arrangements. The unaudited pro forma information for the year ended December 31, 2022 excludes pre-acquisition transaction expenses of \$4.9 million. The unaudited pro forma information presented below is for illustrative purposes only and does not reflect future events that may occur after December 31, 2022, or any operating efficiencies or inefficiencies that may result from the Evergas acquisition. Therefore, the information is not necessarily indicative of results that would have been achieved had the operations of Evergas been combined with the Company during the periods presented or the results that the Company will experience going forward.

	Year Ended December 31, 2022 \$
Revenues	757,140
Net income	246,657

## 20. Subsequent Events

- a) On January 21, 2025, the Company's 50%-owned Exmar LPG Joint Venture took delivery of the *Champagny*, the first of two 45,000-cubic meter LPG-fueled newbuilding LPG carriers scheduled for delivery to them by HMD in 2025. The vessel concurrently commenced its one-year charter contract (with an option for a second year) with TotalEnergies SE.
- b) On January 27, 2025, the Company refinanced the *Marvel Swan* LNG carrier by selling the vessel to a Lessor for \$213.0 million and leasing it back for a period of 7 years. The Company has an option to repurchase the vessel in July 2032 for \$145.7 million. The Company used the proceeds from the refinancing to prepay the \$160 million term loan associated with the vessel, which was scheduled to mature in 2026.

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- c) On January 27, 2025, the Company's 50%-owned Exmar LPG Joint Venture entered into an agreement with Avance Gas for the assumption of its shipbuilding contracts for the construction of four 40,000-cubic meter dual-fueled LPG carriers. These vessels are being constructed by Nantong CIMC, with scheduled deliveries in late-2025 and 2026. The Company has a 50% economic ownership interest in these LPG carriers and its proportionate share of the total fully built-up cost is approximately \$282.4 million. The Exmar LPG Joint Venture intends to secure long-term debt financing on the vessels prior to their delivery.
- d) On February 27, 2025, the Company declared and paid a cash distribution of \$1.0005 per common unit, totaling \$100.0 million, to its sole common unitholder, Stonepeak.