



SFL Corporation Ltd.

Q3 2024 Results Presentation

Forward Looking Statements



This presentation contains forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including SFL management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although SFL believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, SFL cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Important factors that, in the Company's view, could cause actual results to differ materially from those discussed in the forward looking statements include the strength of world economies, fluctuations in currencies and interest rates, general market conditions including fluctuations in charter hire rates and vessel values, changes in demand in the markets in which the Company operates, changes in demand resulting from changes in the Organization of the Petroleum Exporting Countries' petroleum production levels and worldwide oil consumption and storage, developments regarding the technologies relating to oil exploration, changes in market demand in countries which import commodities and finished goods and changes in the amount and location of the production of those commodities and finished goods, increased inspection procedures and more restrictive import and export controls, changes in the Company's operating expenses, including bunker prices, dry-docking and insurance costs, performance of our charterers and other counterparties with whom the Company deals, the impact of any restructuring of the counterparties with whom the Company deals, timely delivery of vessels under construction within the contracted price, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, including any changes to energy and environmental policies and changes attendant to trade conflicts, potential disruption of shipping routes due to accidents or political events, the length and severity of the ongoing coronavirus outbreak and its impact on the demand for commercial seaborne transportation, drilling rigs and the condition of the financial markets and other important factors described from time to time in the reports filed by the Company with the United States Securities and Exchange Commission. SFL disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Q3 2024 Highlights



GROSS REVENUE⁽¹⁾
\$263m

- Adjusted EBITDA⁽²⁾ of \$167m
- Increased contribution from energy assets and tankers

NET INCOME
\$45m

- Earnings per share of \$0.34

DIVIDEND
\$0.27/share

- 83rd consecutive quarterly dividend
- ~10% dividend yield⁽³⁾

BACKLOG⁽⁴⁾
\$4.7bn

- Several vessel deliveries and charter commencements
- Added >\$2 billion of backlog so far in 2024

1) Gross revenue includes charter hire from all vessels and rigs, including assets in 100% owned subsidiaries classified as 'investment in associates' and proportionate charter hire from partly owned vessels

2) 'Adjusted EBITDA' is a non- U.S. GAAP measure. It represents cash receipts from operating activities before net interest and capital payments. For details, please see SFL's third quarter preliminary earnings release Appendix 1: Reconciliation of Adjusted EBITDA

3) Based on SFL share closing price of \$10.67 on November 04, 2024

4) Fixed rate backlog as of September 30, 2024 including subsequent sales and acquisitions, fully owned vessels, rigs and 100% of four partially owned 19,000 teu container vessels, which SFL also manages. The backlog excludes charterers' extension options and purchase/cancellation options (if applicable)

NEWBUILD AND CHARTERS

- 5x LNG dual-fuel 16,800 teu container vessels with delivery in 2028
- 10-year charters and added backlog of >\$1.2 billion

DELIVERY OF TANKER VESSELS

- Two LR2 product tankers on charters to Vitol
- Two chemical tankers on long term employment to Stolt Tankers

NEW BOND ISSUE

- Issued a new NOK 750m (\$71m) bond in the Nordic market
- Exercised option to redeem NOK 600m bond due 2025

SENIOR DEBT FINANCING

- Asset financings and refinancings of approximately \$1 billion
- Effectively addressing all short-term debt maturities

A Leading Maritime Infrastructure Company



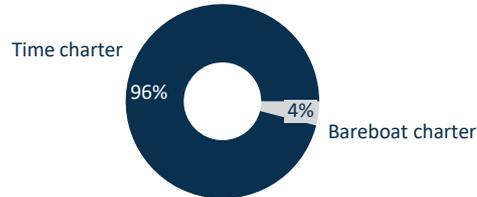
PORTFOLIO⁽¹⁾



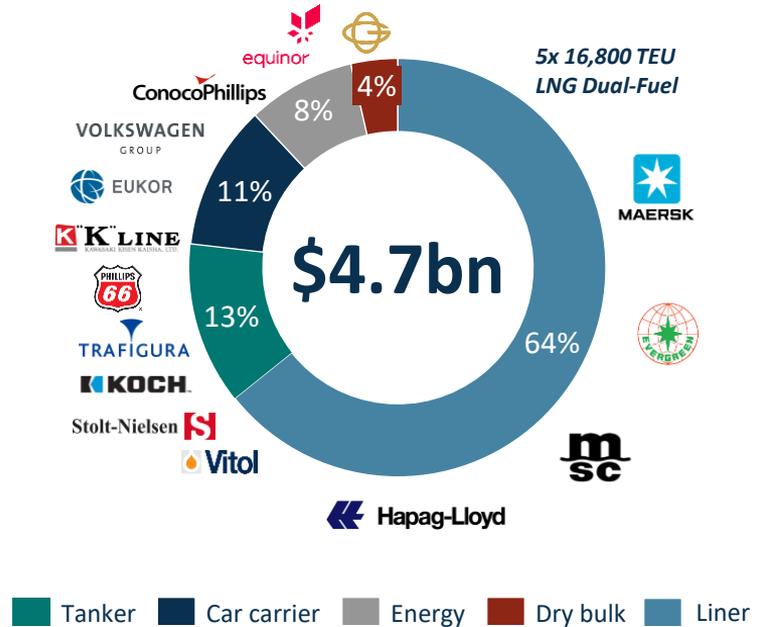
CONTRACT DURATION⁽²⁾



CHARTER HIRE Q3 2024



CONTRACTED REVENUE⁽³⁾

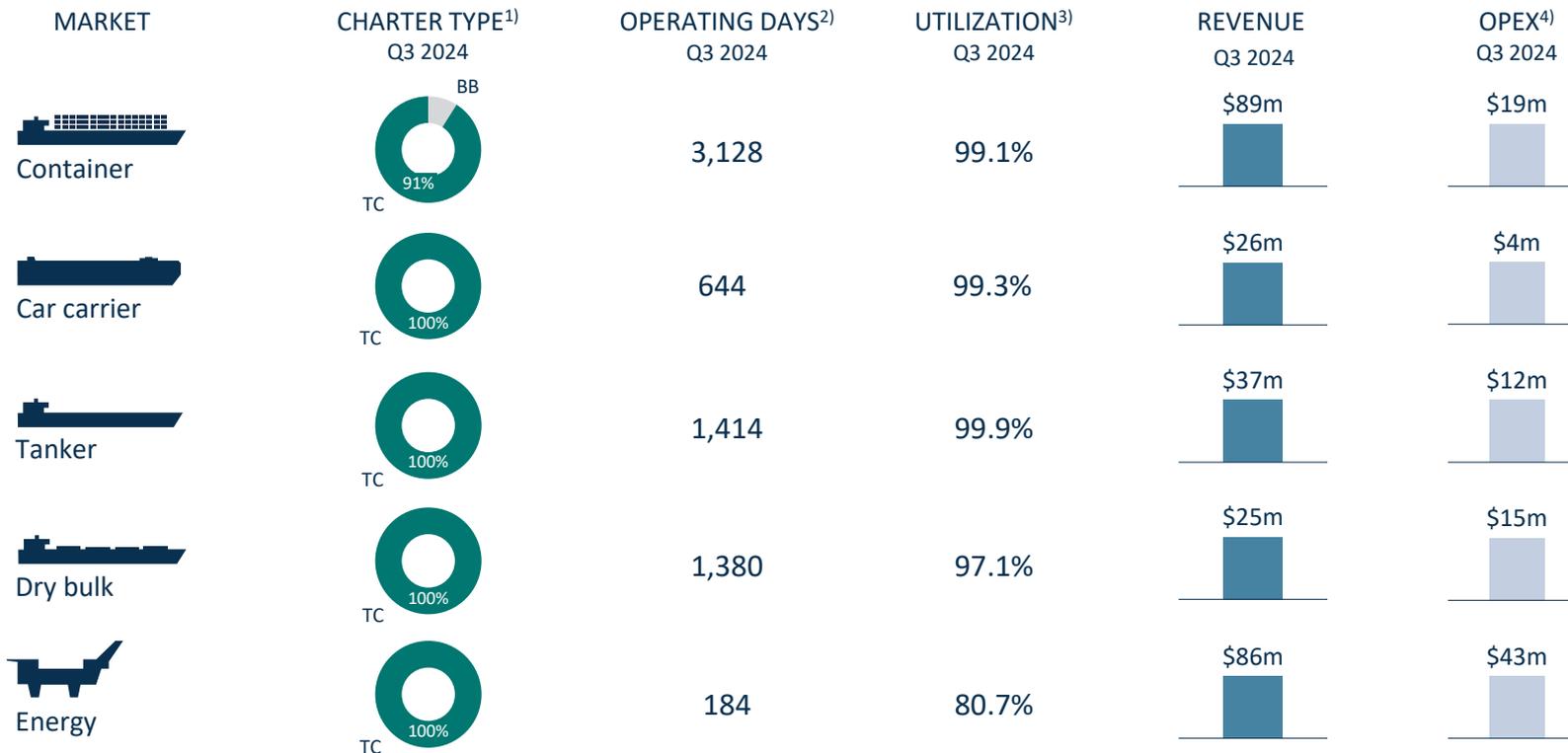


1) Including partly owned vessels and acquired vessels yet to be delivered to SFL

2) Average charter term weighted by charter revenues, excluding charterer option periods, and adjusted for subsequent sales and acquisitions

3) Fixed rate backlog as of September 30, 2024 including subsequent sales and acquisitions, fully owned vessels, rigs and 100% of four partially owned 19,000 teu container vessels, which SFL also manages. The backlog excludes charterers' extension options and purchase/cancellation options (if applicable)

Operational Performance Highlights



1) Revenue by charter contract type. TC = time charter where SFL is providing crew and ship management services to the charterer. BB = Bareboat where SFL only provides the ship where the charterer undertakes crewing and ship management

2) For vessels "operating days" equals calendar days less days for technical off hire, dry dock or yard stay. For rigs "operating days" equals days on rate or in transit covered by mobilisation fees less days off hire and time spent in port not on drilling rate

3) Utilization means Operating days (including time spent in mobilisation for Energy) divided by calendar days

4) Including voyage expenses

Building Customer Relations Through Operational Efficiency



OUR COMPETITIVE ADVANTAGE

- Close cooperation with industry-leading customers
- Strong technical & operational teams
- Vessels designed with focus on future flexibility

11 X LNG DUAL-FUEL VESSELS

- 4 x 7,000 ceu Car Carriers
- 2 x 33k stainless steel Chemical Carriers
- 5 x 16,800 teu Container vessels newbuilds

SIGNIFICANT UPGRADE PROGRAMS ON EXISTING VESSELS

- 6 x 15,400 teu Container vessels in progress
- 7 x 9,500-11,000 teu Container vessels planned
- ~20 % fuel efficiency improvement

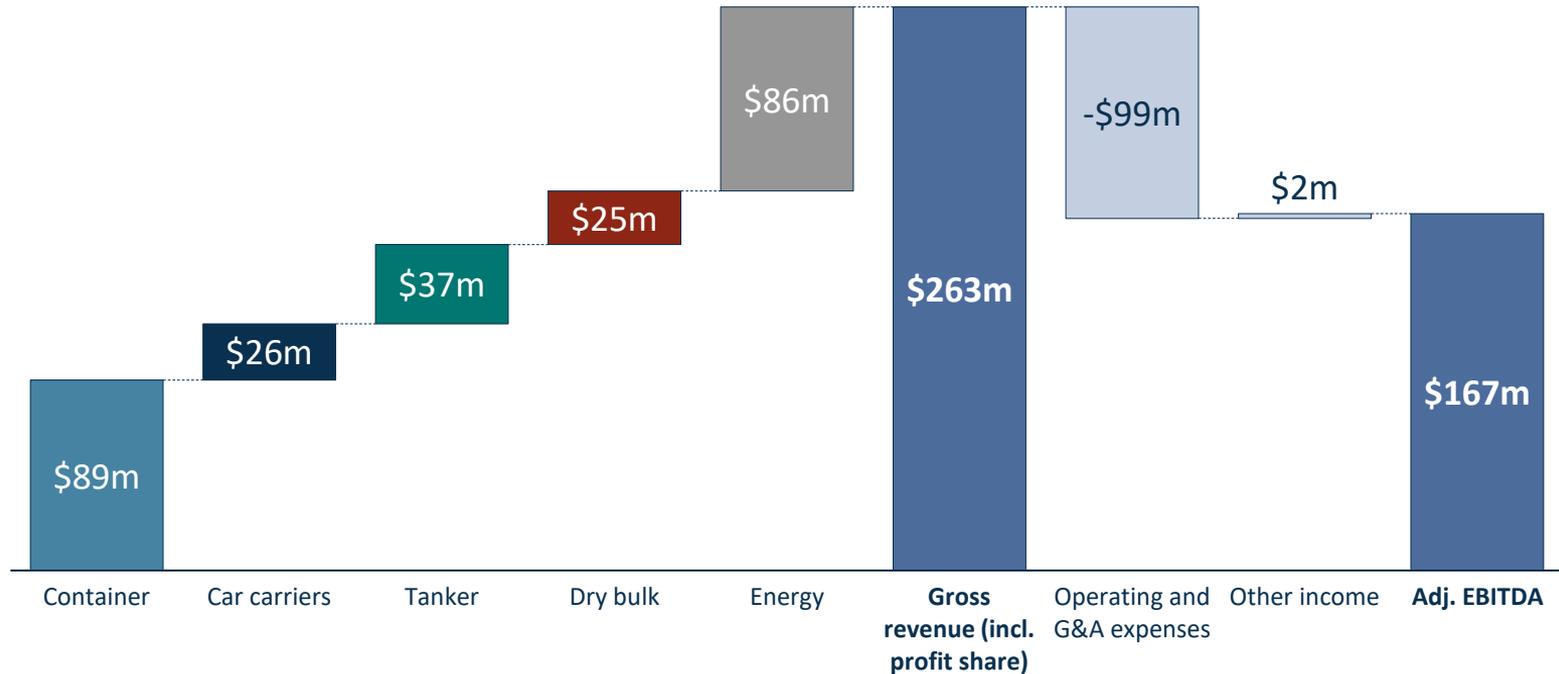


SFL Financial Performance



ADJUSTED EBITDA Q3 2024 BREAKDOWN⁽¹⁾

In millions



1) Pro-forma illustration of cash flow is not as accounted for under US GAAP. This is used as an internal guideline to assess the Company's performance. Note that figures are net of extraordinary and non-cash items, and are including charter hire from assets in 100% owned subsidiaries classified as 'Investment in associates'

Income Statement



OPERATING REVENUE

- \$263.2m of charter hire, including share of revenue from associates and revenue classified as repayment, incl. ~\$4.2m of profit share
- Operating revenue increase driven by energy assets back in operation and tanker deliveries

OPERATING EXPENSES

- Increase in operating expenses due to new vessel deliveries, scheduled dry-dockings and *Hercules* back on contract
- Increase in depreciation driven by vessel deliveries

TAXES

- Increase due to local taxes in Canada in connection with *Hercules* operations

NET INCOME

- \$44.5m or \$0.34 per share

(in thousands of \$ except per share data)

	<i>Three months ended</i>	
	Sep 30, 2024	Jun 30, 2024
Charter revenues: sales-type leases (excluding charter hire treated as Repayments)	535	556
Charter revenues: operating leases and rig revenue contracts	248,552	183,641
Profit share income	4,159	4,392
Other operating income	2,077	2,326
Total operating revenues	255,323	190,915
Vessel and rig operating expenses	(94,238)	(65,204)
Administrative expenses	(4,928)	(5,364)
Depreciation	(62,018)	(58,121)
Total operating expenses	(161,184)	(128,689)
Operating income	94,139	62,226
Results in associates	669	697
Interest income from associates	1,150	1,138
Interest income, other	2,280	2,498
Interest expense	(46,451)	(45,296)
Interest and valuation gain/(loss) on non-designated derivatives	(3,511)	1,527
Gain/(loss) on investments in debt and equity securities	(145)	208
Other financial items	(542)	(702)
Taxes	(3,068)	(1,664)
Net income	44,521	20,632
Basic earnings per share (\$)	0.34	0.16

Balance Sheet



CASH AND LIQUIDITY

- \$164m cash and cash equivalents at quarter end
- New bond issue of NOK 750m issued in September, addressing 2025 bond maturity and general corporate purposes

FINANCING AND CAPITAL EXPENDITURE

- Concluded financings of approx. ~1bn with approx. \$740m drawn during the quarter and the balance subsequent to quarter end
- The first instalment of 10% relating to newbuilding order for five 16,800 teu container vessels paid in September, with another instalment of 5% estimated due at the end of the fourth quarter
- The remaining instalments are due closer to delivery and is expected to be financed by pre- and post-delivery loan facilities
- ~\$15m of net capex remaining on jack-up rig *Linus* for SPS and upgrades to be funded with cash on balance sheet

CAPITAL STRUCTURE⁽¹⁾

- Issuance of 8 million shares with \$100m gross proceeds in July
- Book equity ratio of 27.8%

(in thousands of \$)

ASSETS

Short term

	Sep 30, 2024	Jun 30, 2024
Cash and cash equivalents	163,807	186,062
Investment in marketable securities	4,579	4,662
Amount due from related parties	7,794	8,630
Investment in sales-type leases, current portion	37,136	39,111
Other current assets	159,989	142,633

Long term

Vessels, rigs and equipment, net	3,223,546	2,809,216
Vessels and equipment under finance lease, net	318,907	552,856
Capital improvements, newbuildings and vessel deposits	112,649	49,357
Investment in associates	16,464	16,487
Amount due from related parties, long term	45,000	45,000
Other long term assets	9,827	12,996

Total assets

4,099,698 **3,867,010**

LIABILITIES AND STOCKHOLDERS' EQUITY

Short term

Short term and current portion of long term interest bearing debt	395,281	570,992
Amount due to related parties	936	1,199
Finance lease liability, current portion	222,662	391,553
Other current liabilities	128,202	149,693

Long term

Long term interest bearing debt, net of deferred charges	2,204,512	1,711,892
Other long term liabilities	8,471	5,775

Stockholders' equity

	1,139,634	1,035,906
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Total liabilities and stockholders' equity

4,099,698 **3,867,010**

1) Book values as of September 30, 2024

SFL Corporation - Summary



1) 'Adjusted EBITDA' is a non-U.S. GAAP measure. It represents cash receipts from operating activities before net interest and capital payments. For details, please see SFL's third quarter preliminary earnings release Appendix 1: Reconciliation of Adjusted EBITDA