



FLEX LNG

Third Quarter 2022 Results Presentation

November 15, 2022



FORWARD-LOOKING STATEMENTS



MATTERS DISCUSSED IN THIS PRESENTATION MAY CONSTITUTE FORWARD-LOOKING STATEMENTS. THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 PROVIDES SAFE HARBOR PROTECTIONS FOR FORWARD-LOOKING STATEMENTS IN ORDER TO ENCOURAGE COMPANIES TO PROVIDE PROSPECTIVE INFORMATION ABOUT THEIR BUSINESS. FORWARD-LOOKING STATEMENTS INCLUDE STATEMENTS CONCERNING PLANS, OBJECTIVES, GOALS, STRATEGIES, FUTURE EVENTS OR PERFORMANCE, AND UNDERLYING ASSUMPTIONS AND OTHER STATEMENTS, WHICH ARE OTHER THAN STATEMENTS OF HISTORICAL FACTS.

FLEX LNG LTD. ("FLEX LNG" OR "THE COMPANY") DESIRES TO TAKE ADVANTAGE OF THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND IS INCLUDING THIS CAUTIONARY STATEMENT IN CONNECTION WITH THIS SAFE HARBOR LEGISLATION. THE WORDS "BELIEVE," "EXPECT," "FORECAST," "ANTICIPATE," "ESTIMATE," "INTEND," "PLAN," "POSSIBLE," "POTENTIAL," "PENDING," "TARGET," "PROJECT," "LIKELY," "MAY," "WILL," "WOULD," "SHOULD," "COULD" AND SIMILAR EXPRESSIONS IDENTIFY FORWARD-LOOKING STATEMENTS.

THE FORWARD-LOOKING STATEMENTS IN THIS PRESENTATION ARE BASED UPON VARIOUS ASSUMPTIONS, MANY OF WHICH ARE BASED, IN TURN, UPON FURTHER ASSUMPTIONS, INCLUDING WITHOUT LIMITATION, MANAGEMENT'S EXAMINATION OF HISTORICAL OPERATING TRENDS, DATA CONTAINED IN THE COMPANY'S RECORDS AND OTHER DATA AVAILABLE FROM THIRD PARTIES. ALTHOUGH FLEX LNG BELIEVES THAT THESE ASSUMPTIONS WERE REASONABLE WHEN MADE, BECAUSE THESE ASSUMPTIONS ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT AND ARE BEYOND THE COMPANY'S CONTROL, THERE CAN BE NO ASSURANCE THAT THE COMPANY WILL ACHIEVE OR ACCOMPLISH THESE EXPECTATIONS, BELIEFS OR PROJECTIONS. FLEX LNG UNDERTAKES NO OBLIGATION, AND SPECIFICALLY DECLINES ANY OBLIGATION, EXCEPT AS REQUIRED BY LAW, TO PUBLICLY UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

IN ADDITION TO THESE IMPORTANT FACTORS, OTHER IMPORTANT FACTORS THAT, IN THE COMPANY'S VIEW, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE DISCUSSED IN THE FORWARD-LOOKING STATEMENTS INCLUDE: UNFORESEEN LIABILITIES, FUTURE CAPITAL EXPENDITURES, THE STRENGTH OF WORLD ECONOMIES AND CURRENCIES, GENERAL MARKET CONDITIONS, INCLUDING FLUCTUATIONS IN CHARTER RATES AND VESSEL VALUES, CHANGES IN DEMAND IN THE LNG TANKER MARKET, THE LENGTH AND SEVERITY OF THE COVID-19 OUTBREAK, THE IMPACT OF PUBLIC HEALTH THREATS AND OUTBREAKS OF OTHER HIGHLY COMMUNICABLE DISEASES, CHANGES IN THE COMPANY'S OPERATING EXPENSES, INCLUDING BUNKER PRICES, DRY-DOCKING AND INSURANCE COSTS, THE FUEL EFFICIENCY OF THE COMPANY'S VESSELS, THE MARKET FOR THE COMPANY'S VESSELS, AVAILABILITY OF FINANCING AND REFINANCING, ABILITY TO COMPLY WITH COVENANTS IN SUCH FINANCING ARRANGEMENTS, FAILURE OF COUNTERPARTIES TO FULLY PERFORM THEIR CONTRACTS WITH THE COMPANY, CHANGES IN GOVERNMENTAL RULES AND REGULATIONS OR ACTIONS TAKEN BY REGULATORY AUTHORITIES, INCLUDING THOSE THAT MAY LIMIT THE COMMERCIAL USEFUL LIVES OF LNG TANKERS, POTENTIAL LIABILITY FROM PENDING OR FUTURE LITIGATION, GENERAL DOMESTIC AND INTERNATIONAL POLITICAL CONDITIONS, POTENTIAL DISRUPTION OF SHIPPING ROUTES DUE TO ACCIDENTS OR POLITICAL EVENTS, VESSEL BREAKDOWNS AND INSTANCES OF OFF-HIRE, AND OTHER FACTORS, INCLUDING THOSE THAT MAY BE DESCRIBED FROM TIME TO TIME IN THE REPORTS AND OTHER DOCUMENTS THAT THE COMPANY FILES WITH OR FURNISHES TO THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC").

FOR A MORE COMPLETE DISCUSSION OF CERTAIN OF THESE AND OTHER RISKS AND UNCERTAINTIES ASSOCIATED WITH THE COMPANY, PLEASE REFER TO THE REPORTS AND OTHER DOCUMENTS THAT FLEX LNG FILES WITH OR FURNISHES TO THE SEC.

THIS PRESENTATION IS NOT AN OFFER TO PURCHASE OR SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE OR SELL, ANY SECURITIES OR A SOLICITATION OF ANY VOTE OR APPROVAL.

THIRD QUARTER HIGHLIGHTS



RESULTS

Revenues of \$91m in line with guidance ~\$90m
Net income and adj. net income⁽¹⁾ of \$47m and \$42m
EPS and adj. EPS⁽¹⁾ of \$0.88 and \$0.79 respectively

RECENT EVENTS

Freight market booming - affecting both short and long term rates positively
Flex Enterprise/Amber/Aurora commenced new TCs during Q3
Raised \$630m by refinancing four LNGCs at very competitive terms

GUIDANCE

Guiding Revenues of \$95-98m in Q4 in line with previous \$90-100m guidance
Expect minimum \$300m cash release from balance sheet optimization
100% contract coverage for 2023 and minimum 91% coverage for 2024

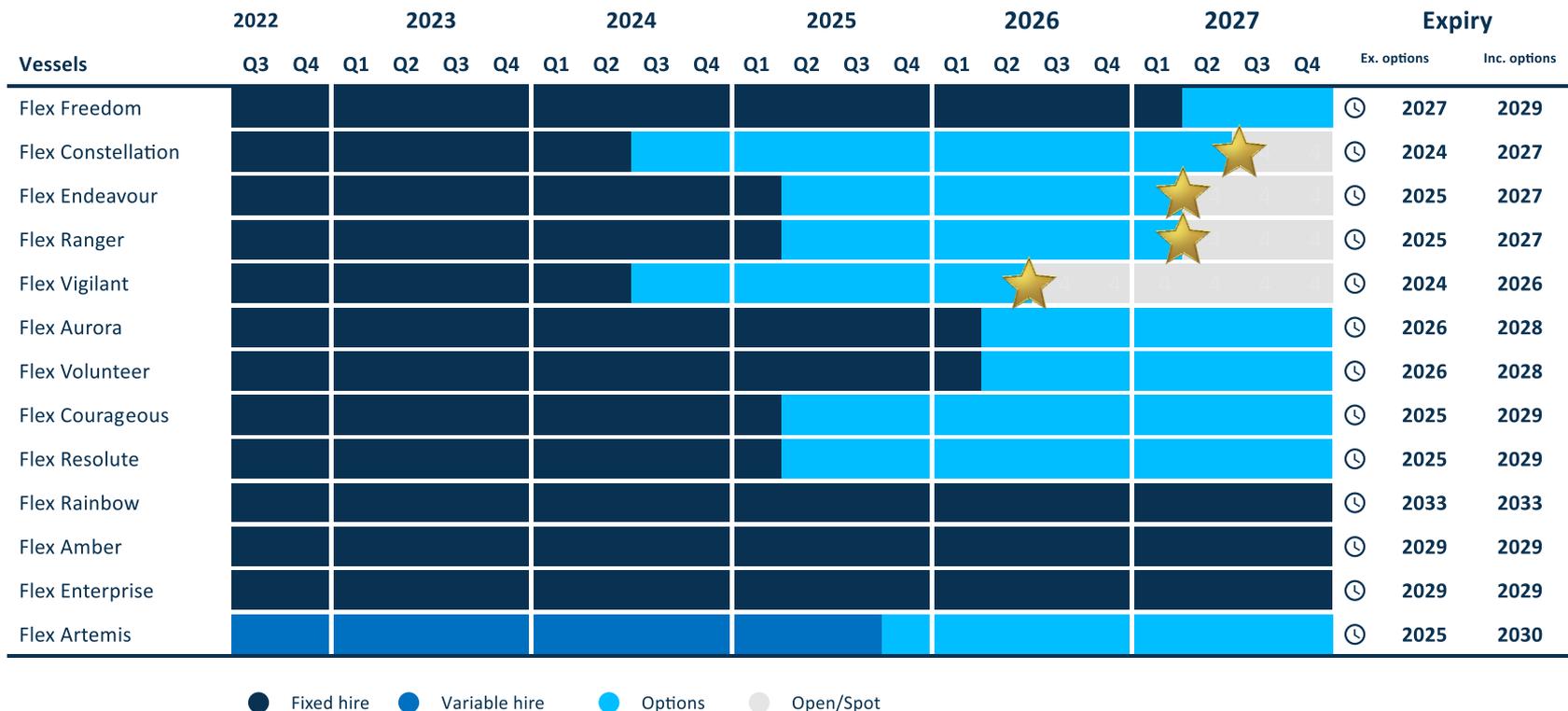
DIVIDEND

Board declared ordinary quarterly dividend of \$0.75 per share
YTD declared dividend of \$2.75 per share in line with EPS of \$2.76
Shareholder distribution last twelve months implies a yield of ~10%⁽²⁾

1) Adjusted net income and adjusted EPS are non-GAAP measures. A reconciliation to the most directly comparable GAAP measure is included in the earnings report

2) Annualized dividend yield assuming a share price of \$34

HIGH COVERAGE WITH SHIPS OPEN FOR PLAY IN 2026-2027



● Fixed hire
 ● Variable hire
 ● Options
 ● Open/Spot

ATTRACTIVE QUARTERLY DIVIDEND OF \$0.75 – LTM YIELD ~10%



	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	LTM
Adjusted EPS⁽¹⁾	\$0.64	\$0.29	\$0.60	\$1.18	\$0.45	\$0.61	\$0.79	\$3.03
DPS	\$0.40	\$0.40	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$3.00
Special-DPS						\$0.50		\$0.50
Buy-backs	\$0.10	\$0.01	\$0.04					\$0.00
Total distribution	\$0.50	\$0.41	\$0.79	\$0.75	\$0.75	\$1.25	\$0.75	\$3.50

Decision Factors

Earnings and cash flow	✓	i	✓	✓	i	✓	✓
Market outlook	✓	✓	✓	✓	✓	✓	✓
Backlog and visibility	✓	✓	✓	✓	✓	✓	✓
Liquidity position	✓	✓	✓	✓	✓	✓	✓
Covenant compliance	✓	✓	✓	✓	✓	✓	✓
Debt maturities	✓	✓	✓	✓	✓	✓	✓
Capex liabilities	✓	✓	✓	✓	✓	✓	✓
Other considerations	✓	✓	✓	✓	✓	✓	✓

1) Adjusted EPS is a non-GAAP measure. A reconciliation to the most directly comparable GAAP measure is included in the earnings report

WHY WE HAVE MADE \$93M ON INTEREST RATE SWAPS SINCE 2021



...Because we started to worry about inflation a lot earlier than Federal Reserve

Q4-20 Earnings presentation, February 17, 2021:

RAPIDLY SHIFTING BUSINESS LANDSCAPE



1) Source: The Economist 2018-2020

Transcript Q4-20 Earnings presentation, Feb 17, 2021⁽¹⁾:

*“The medicine against Covid-19 is not only newly developed messenger RNA vaccines, **but old Keynesian fiscal and monetary stimulus on an unprecedented scale.** We are living in the age of the greatest ever fiscal and monetary experiment.*

*Will easy money and huge budget deficits at a time when baby boomers are retiring **lead to higher inflation? Are we seeing the last melt up of the debt supercycle which have now endured since Paul Volcker** and fellow central bankers manage to rein in inflation about 40 years ago? Will this debt supercycle be replaced by a new commodity supercycle? These are questions on the top of mind for most investors these days.*

In any case, we are not afraid of inflation and certainly not a commodity supercycle. Our balance sheet consists of real physical assets being 13 ultra-modern LNG carriers which transport LNG which is rapidly becoming a commodity delinked from oil.

In times of inflation, commodity stocks tend to outperform the general market and shipping is part of the commodity value chain. If our customers are selling their cargoes at a higher price, there is generally more money on the table to pay for freight”

1) Source: Flex LNG Q4-20 Webcast

HOW THE BUSINESS LANDSCAPE HAS PLAYED OUT



Biden push big fiscal stimulus on top of already lax monetary policies

European gas inventories at very low levels prior winter season is creating a shock

Markets starting to worry that inflation might not just be transitory

Invasion of Ukraine is creating supply shocks and sanctions are implemented

Energy security is suddenly resurrected due to supply shocks

Fed increase rate by 0.25% in March and then starts jumbo hikes to catch up

How to solve the energy trilemma discussion becoming more sober

Europe at peril due to Russian gas cuts. So far been lucky due to LNG and weather



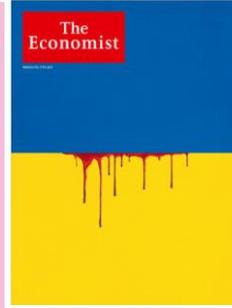
March 2021



October 2021



February 2022



March 2022



March 2022



April 2022



June 2022



July 2022

Want more background on the energy crisis? Check out recent Smarter Markets podcasts with Flex LNG Board member Susan Sakmar and Flex LNG CEO Øystein Kalleklev:



1) Source: Economist and Smarter Markets

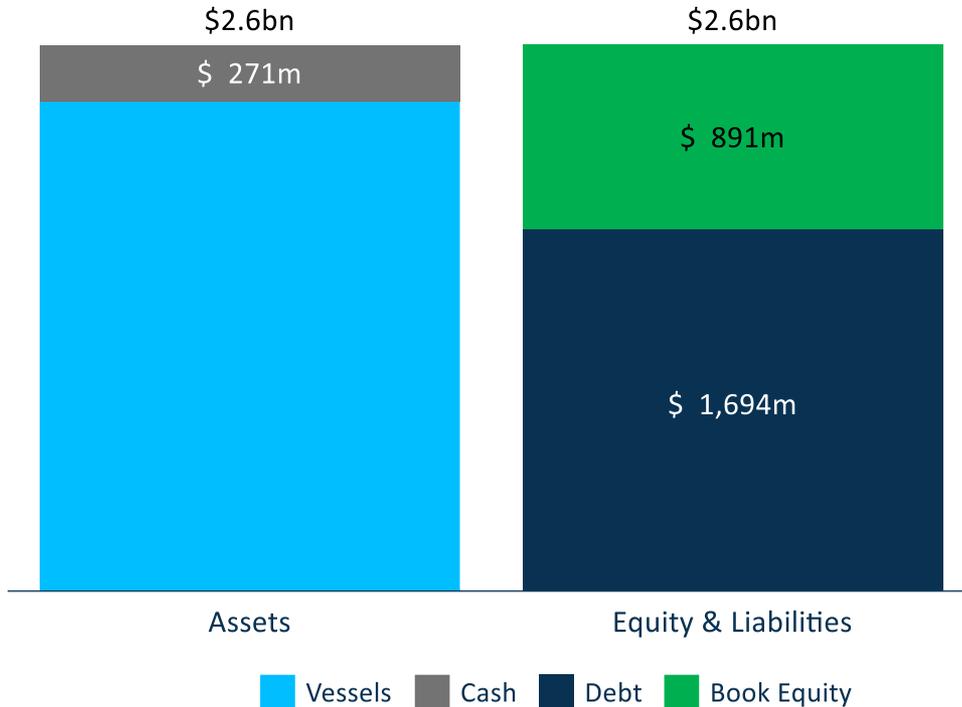
KEY FINANCIAL HIGHLIGHTS



Income statement (\$m)	Q3 2022	Q2 2022	Δ\$	9M 2022	9M 2021	Δ\$	Comments
Revenues	91	84	7	250	229	21	<i>TCE¹ per day of \$75,941</i>
Operating expenses	(17)	(15)	(2)	(47)	(45)	(2)	<i>Opex per day of \$14,625</i>
Operating income	53	48	4	140	124	16	
Interest expenses	(22)	(16)	(6)	(52)	(42)	(10)	<i>Hedged by derivatives</i>
Gain on derivatives	28	14	14	75	11	64	<i>See further details on slide 11</i>
Extinguishment of debt	(13)	(2)	(11)	(14)	—	(14)	
Net income	47	44	2	147	93	54	<i>Extinguishment costs: Purchase option of Endeavour and Enterprise higher than book value of debt. Payback time of approx 2 years under new financing</i>
EPS (\$/share)	0.88	0.83	0.05	2.76	1.74	1.02	
Adjusted EBITDA (\$m)	71	66	5	193	175	18	
Adjusted net income (\$m)	42	32	11	96	77	19	
Adjusted EPS (\$/share)	0.79	0.60	0.19	1.81	1.44	0.37	

1) TCE, adjusted EBITDA, adjusted net income and adjusted EPS are non-GAAP measures. A reconciliation to the most directly comparable GAAP measure is included in the earnings report

ROBUST AND CLEAN BALANCE SHEET

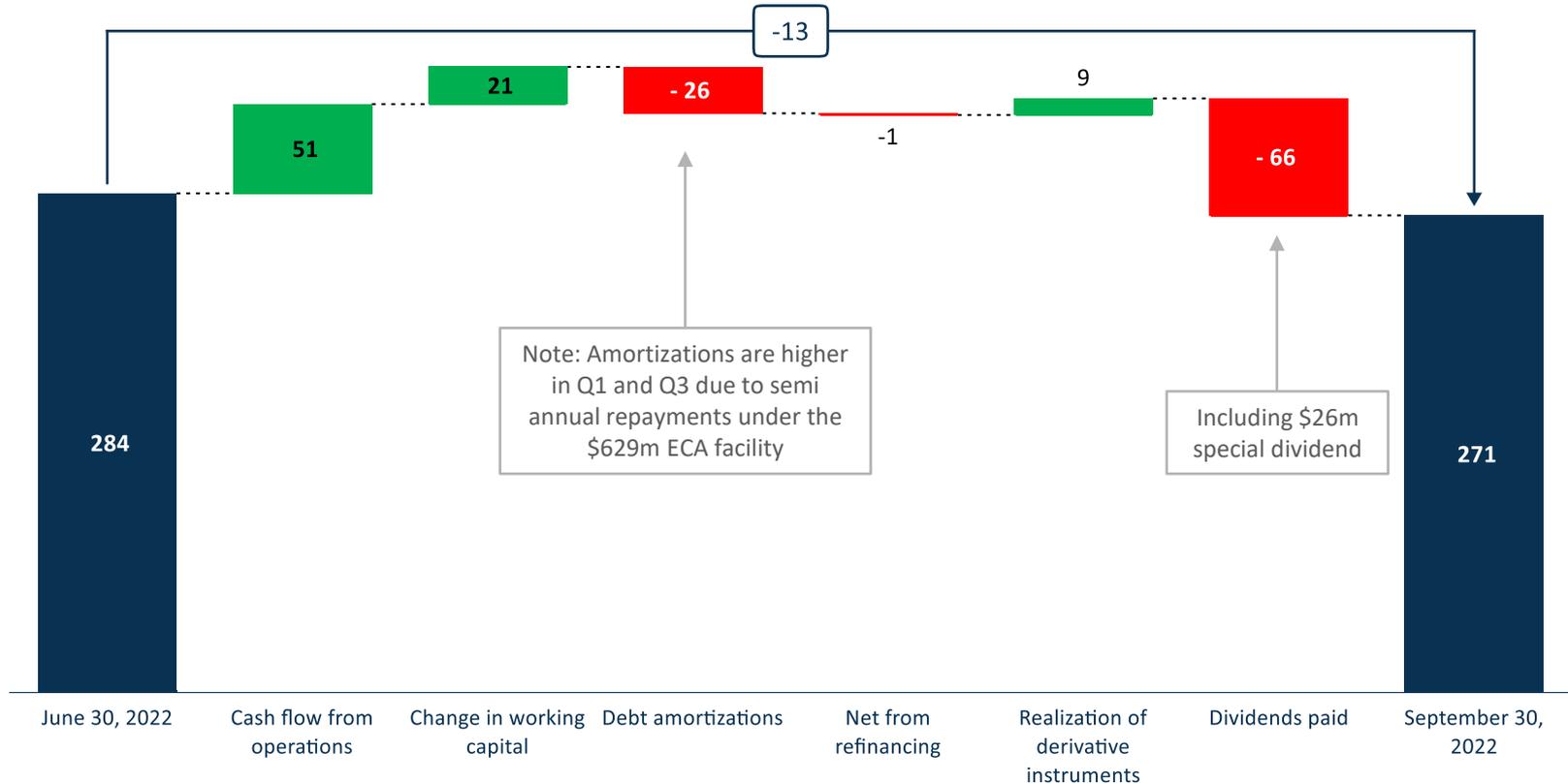


- 13 state-of-the art LNGCs
- Average fleet age of ~3 years as per end Q3
- The fleet has been acquired at historical attractive prices compared to the newbuilding prices today, while book equity values reflect historical cost adjusted with regular depreciations
- Ample cash position of \$271m
- Solid book equity ratio of 34%

MAINTAIN STRONG CASH BALANCES DESPITE XO-DIVIDEND PAYMENT



Amounts in \$m



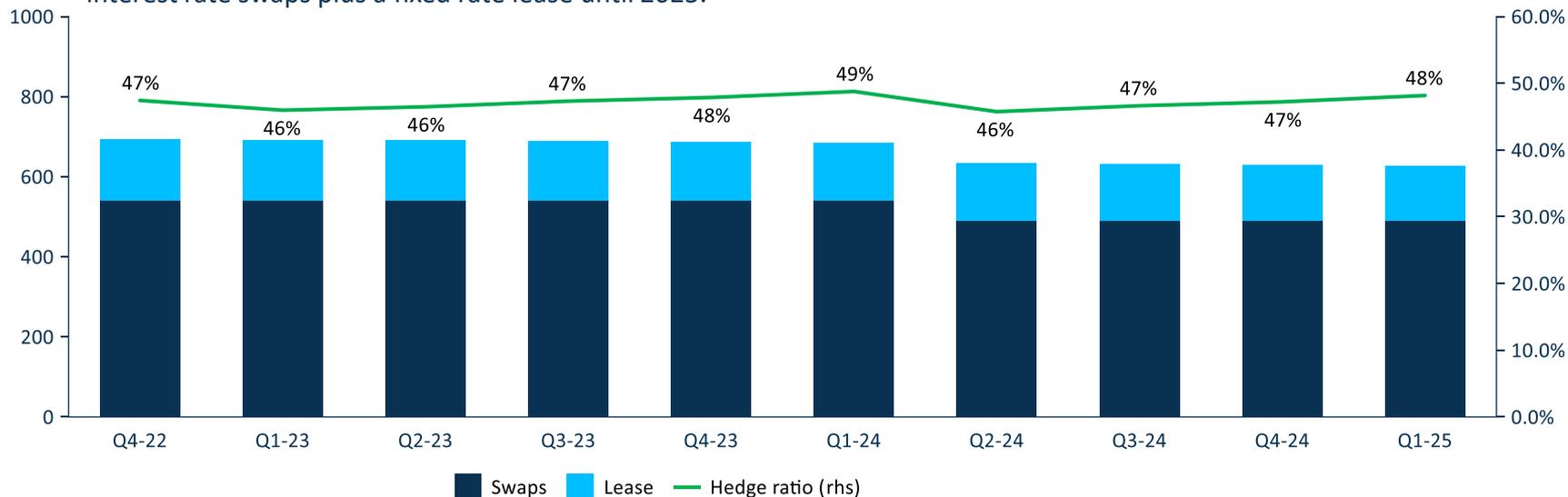
INTEREST RATE RISK MANAGED BY ACTIVE HEDGING STRATEGY



- During Q3 and Q4 we have amended and terminated some interest swaps to optimize exposure and take money off the table. Proceeds from termination of swaps will be used for interest expenses i.e. hedging through cash on account.
- Thus the hedge ratio is reduced to average 47% of the debt (excluding RCF) fixed by LIBOR and SOFR interest rate swaps plus a fixed rate lease until 2025.

SUMMARY (as per Nov 2022)	SOFR	LIBOR	TOTAL
Notional swap amounts	\$381m	\$260m	\$641m
Weighted average duration	5.3 years	2.6 years	
Weighted average rate	1.32%	1.14%	

Terminated swaps	Q3	Q4	TOTAL
Proceeds	\$9.4m	\$14.4m	\$23.8m



FLEXECUTING BALANCE SHEET OPTIMIZATION PHASE 2

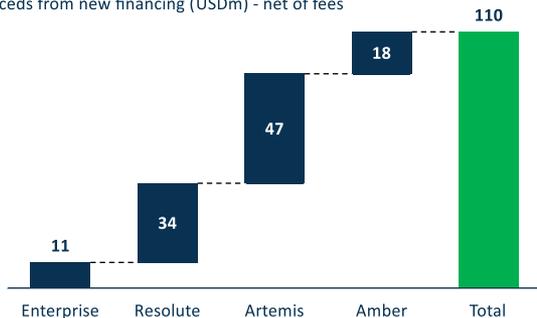


✓ TARGET MET AHEAD OF SCHEDULE

✓ ALL PRIORITIES MET

✓ POTENTIAL FOR ADDITIONAL \$100M

Proceeds from new financing (USDm) - net of fees



Phase 2 Priorities

- » Repayment Profile
- » Pricing
- » Tenor
- » Leverage

Remaining Vessels

Flex Rainbow & Flex Aurora:

- » Received attractive indicative offers

Flex Freedom & Flex Vigilant:

- » Financing alternatives under consideration

Status	Vessel	Type	Amount	Margin	Tenor	Profile ¹	Closing	Net proceeds ²
✓ Completed	Flex Enterprise	Bank	\$150m	SOFR + 1.71%	6.75Y	20Y	Q3-22	\$11m
▶ Credit approved	Flex Resolute	Bank	\$150m	SOFR + 1.75%	6Y	21Y	Expected Q4-22	\$34m
▶ Credit approved	Flex Artemis	Lease	\$160m	SOFR + 2.15%	12Y	22Y	Expected Q1-23	\$47m
▶ Credit approved	Flex Amber	Lease	\$170m	SOFR + 2.15%	12Y	22Y	Expected Q1-23	\$18m
Total			\$630m					\$110m

1) Age adjusted repayment profile

2) Proceeds expected net of i) outstanding debt as per Q4-22 and ii) fees

FORTIFYING THE BALANCE SHEET



STABLE CASH FLOWS



Sustainable cash flows from long term contracts

FREE UP CAPITAL



\$247m to be released from phase 1 & 2 of the balance sheet optimization program with aim to exceed \$300m

CAPACITY AT LOW CARRY COST



\$250m RCF capacity at 0.75% commitment fee. Ambition to increase RCF capacity further

SUPPORTS THE FLEX LNG JOURNEY

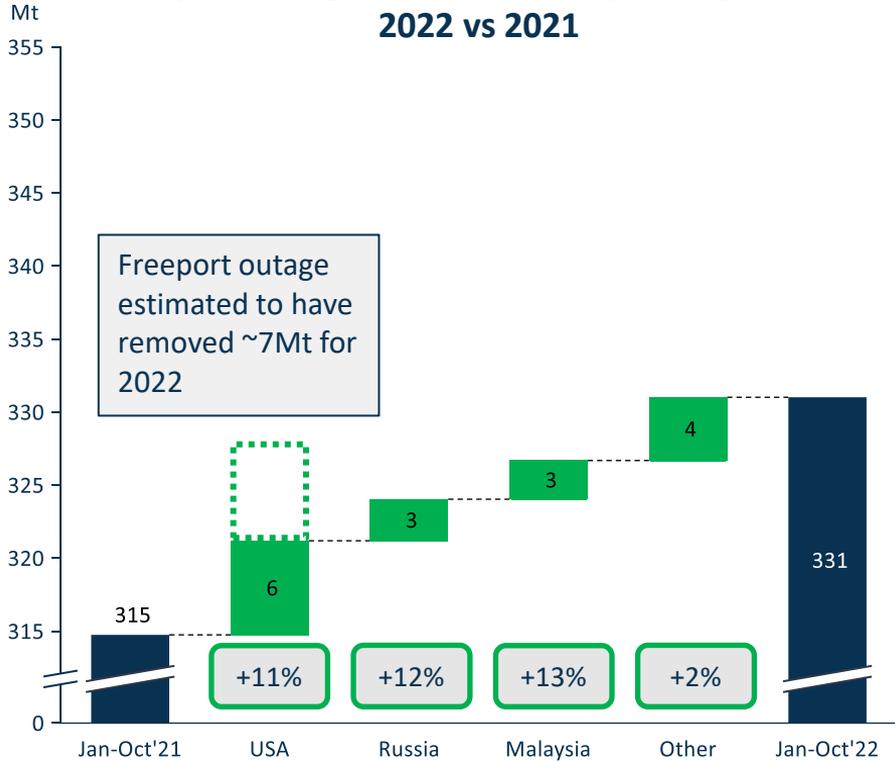


Sustainable through cycles

GLOBAL LNG VOLUMES UP BY 5% IN FIRST 10 MONTHS OF 2022



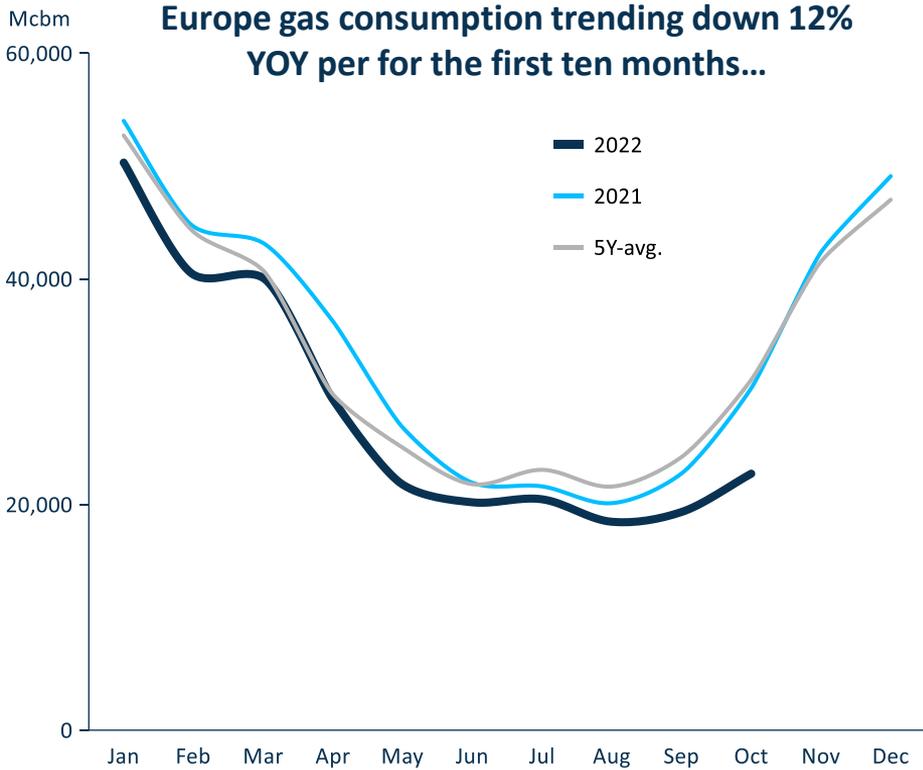
LNG export change, YOY for January through October 2022 vs 2021



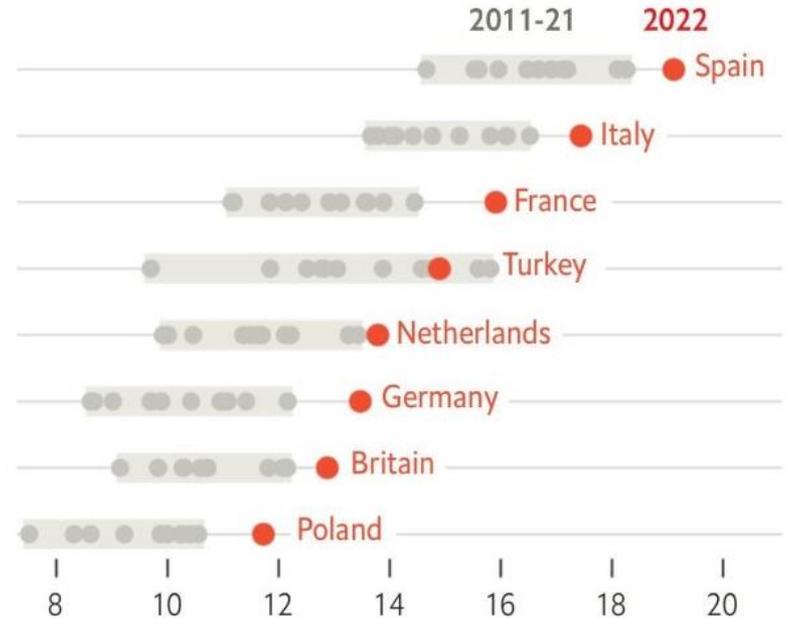
LNG import change, YOY for January through October 2022 vs 2021



DEMAND SUBVERSION ALLEVIATING EUROPE'S GAS CRUNCH



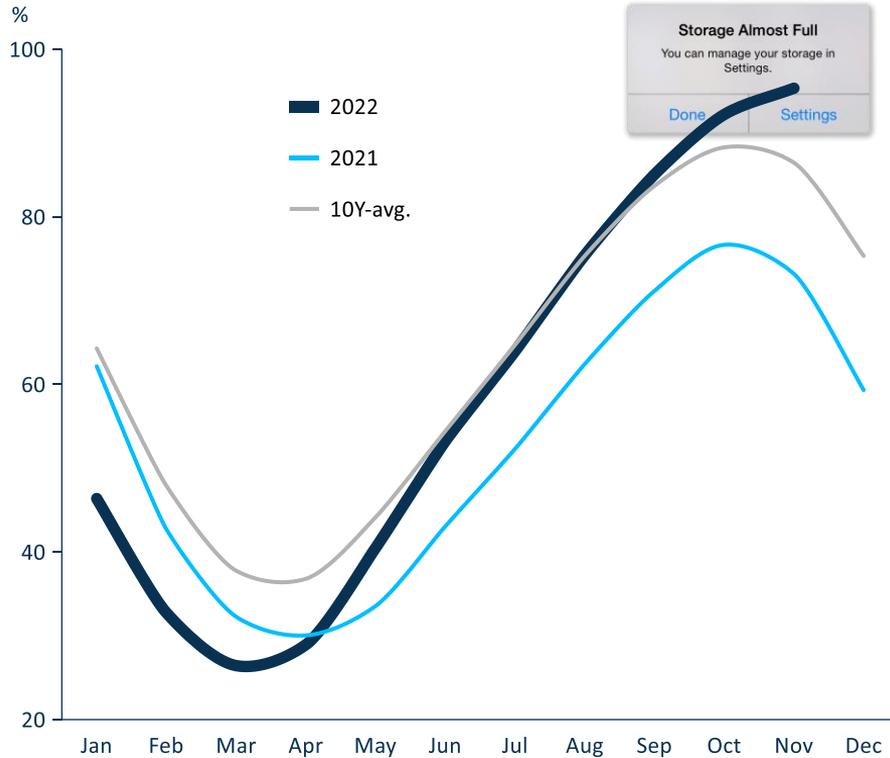
...with October temperatures well above average



RESULTING IN TANK TOPS DESPITE RUSSIAN EXPORT CURTAILMENTS

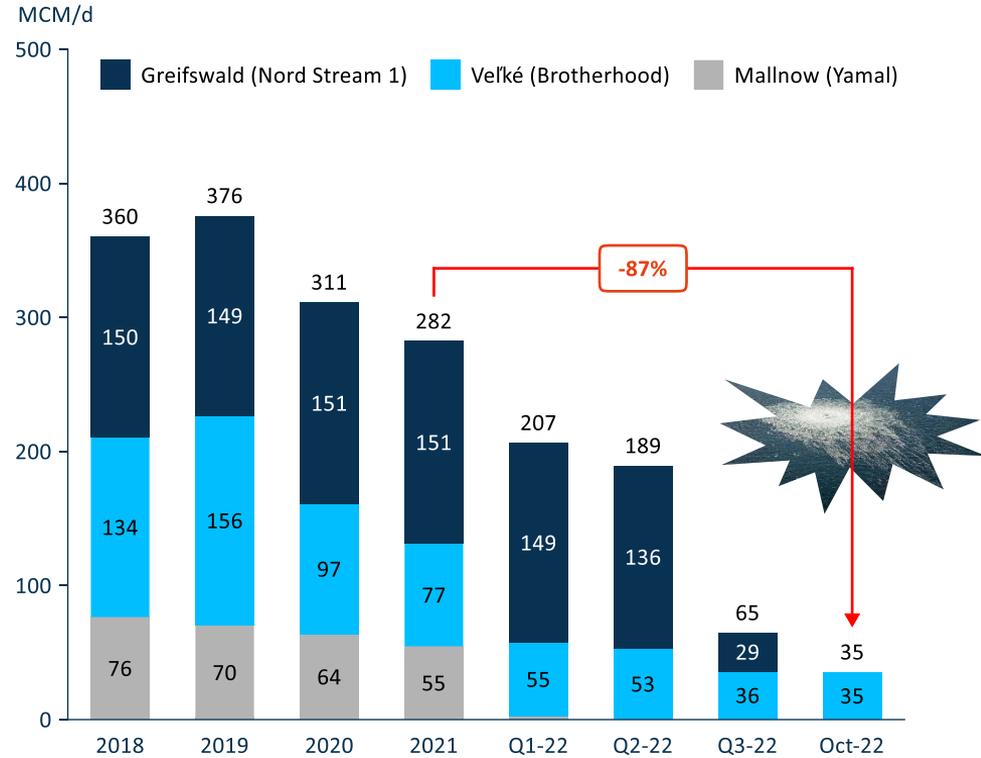


EU natural gas storage inventory (% of full)

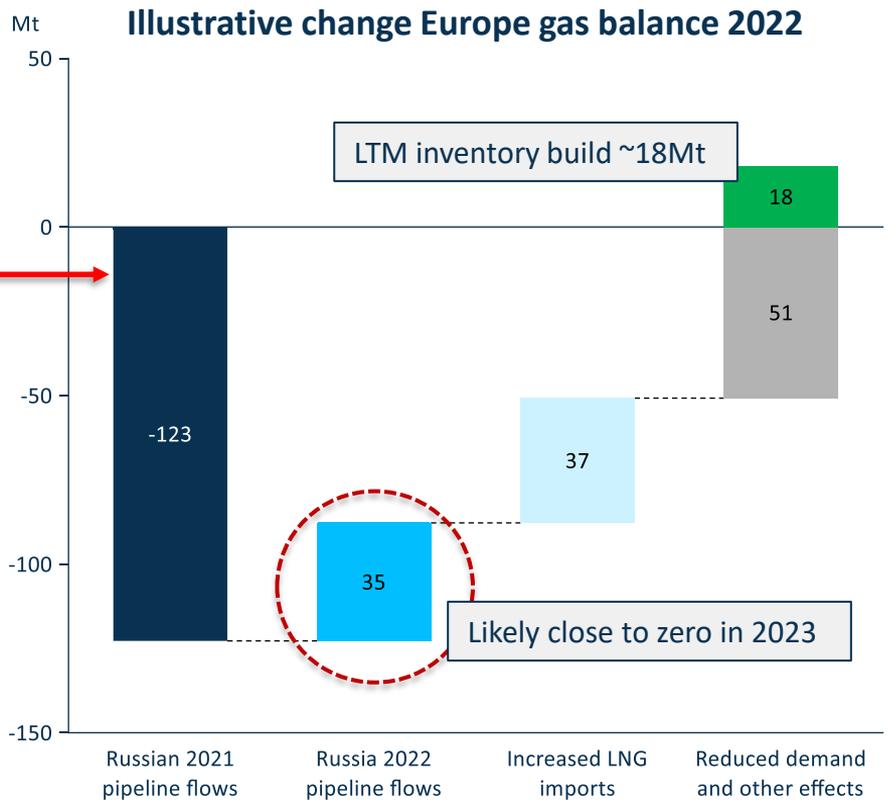
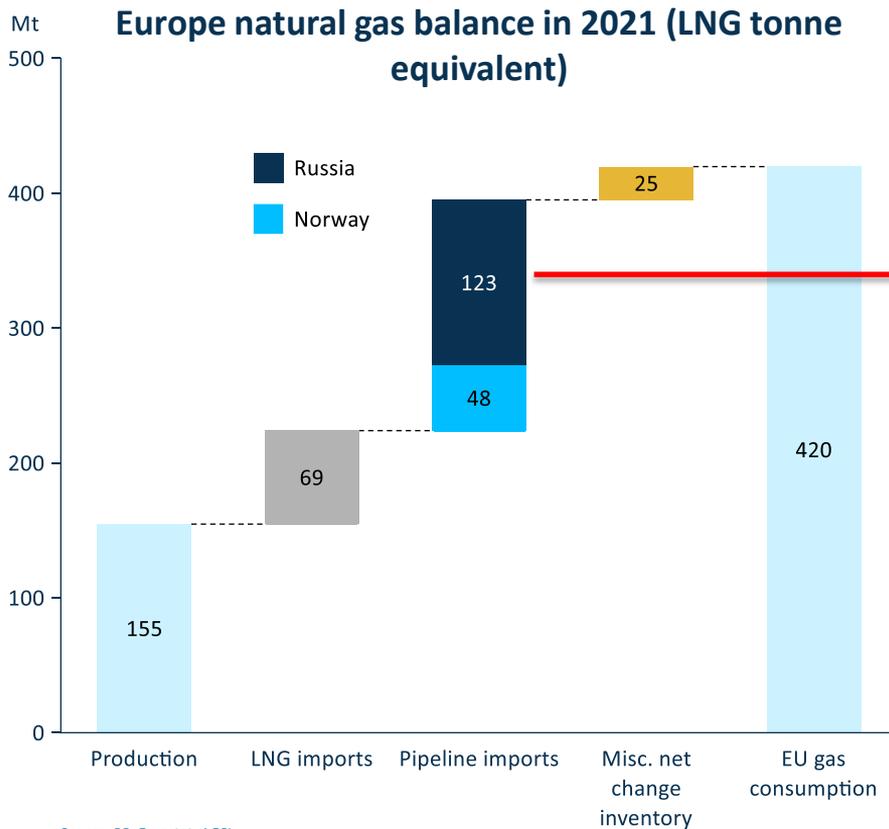


Source: GIE AGSI & Bloomberg

EU pipeline daily flows from Russia (MCM/day)

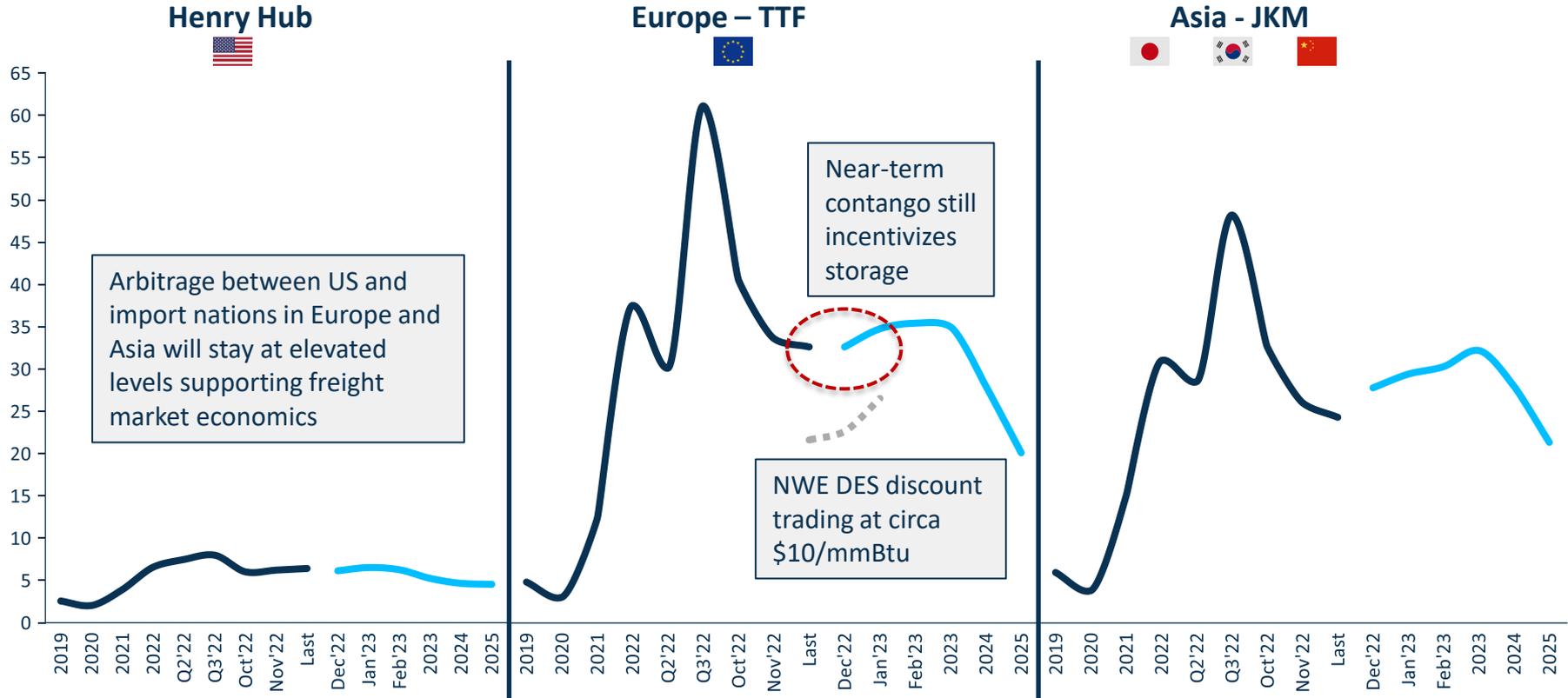


EUROPEAN SUPPLY GAP IN 2023 AS RUSSIAN FLOWS PROBABLY HALTS

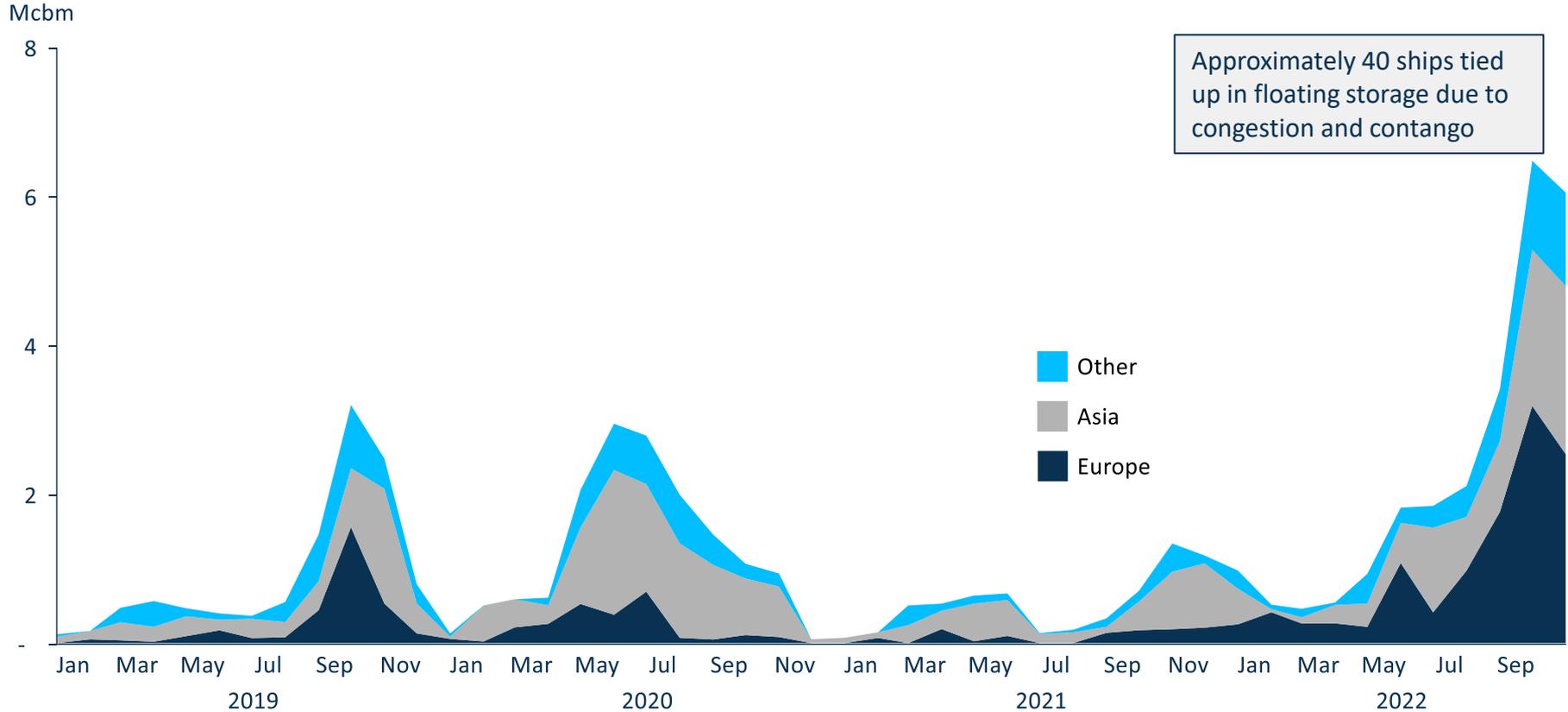


Source: BP, Eurostat, AGSI

AND GAS CRUNCH NOT GOING AWAY ANYTIME SOON



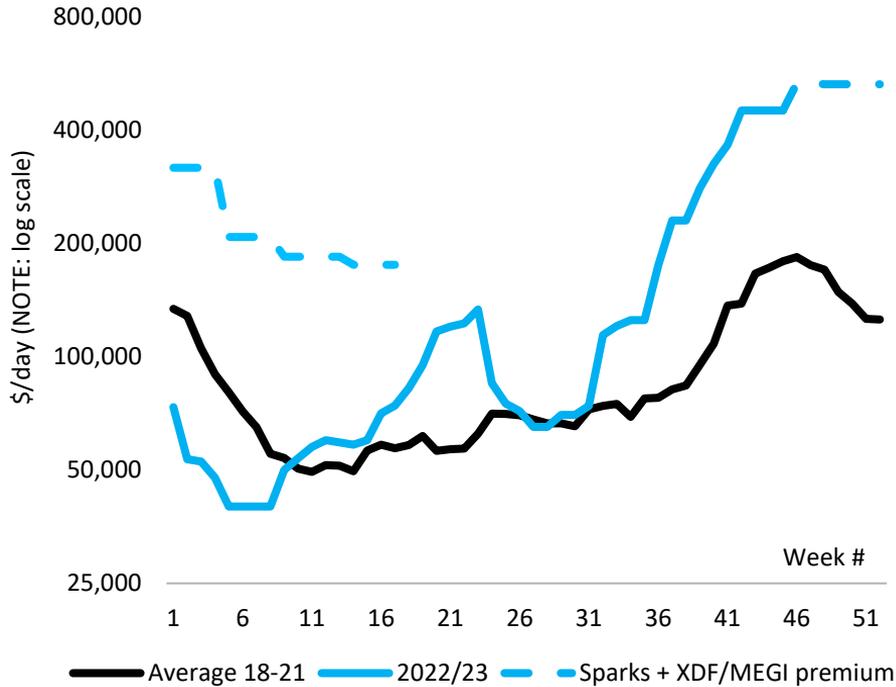
FLOATING STORAGE HAVING RECORD IMPACT ON SPOT MARKET



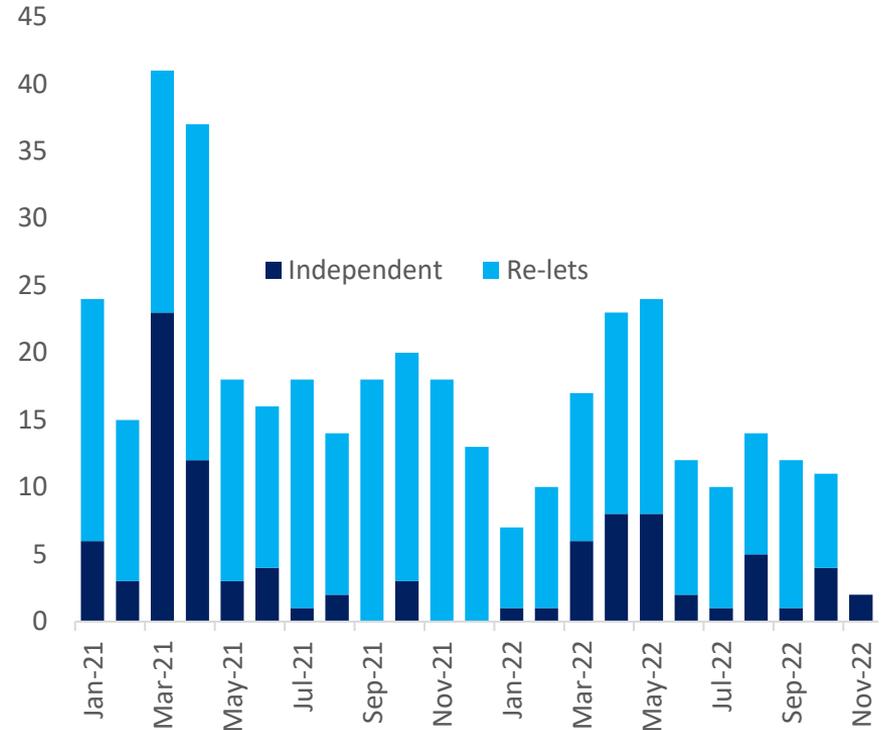
AS SPOT FREIGHT MARKET HAS BOOMED, LIQUIDITY EVAPORATED



Spot freight rates (logarithmic axis)

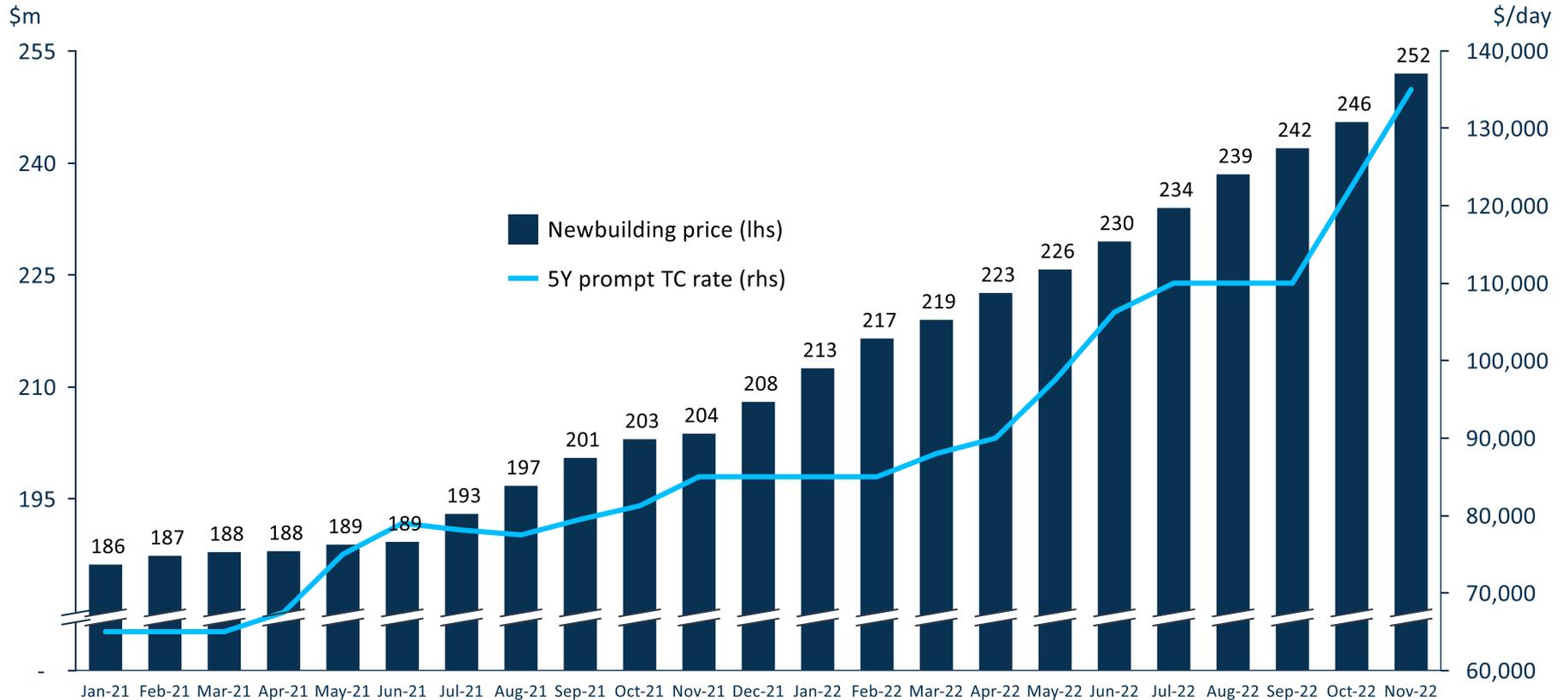


Number of spot fixtures split by Owners



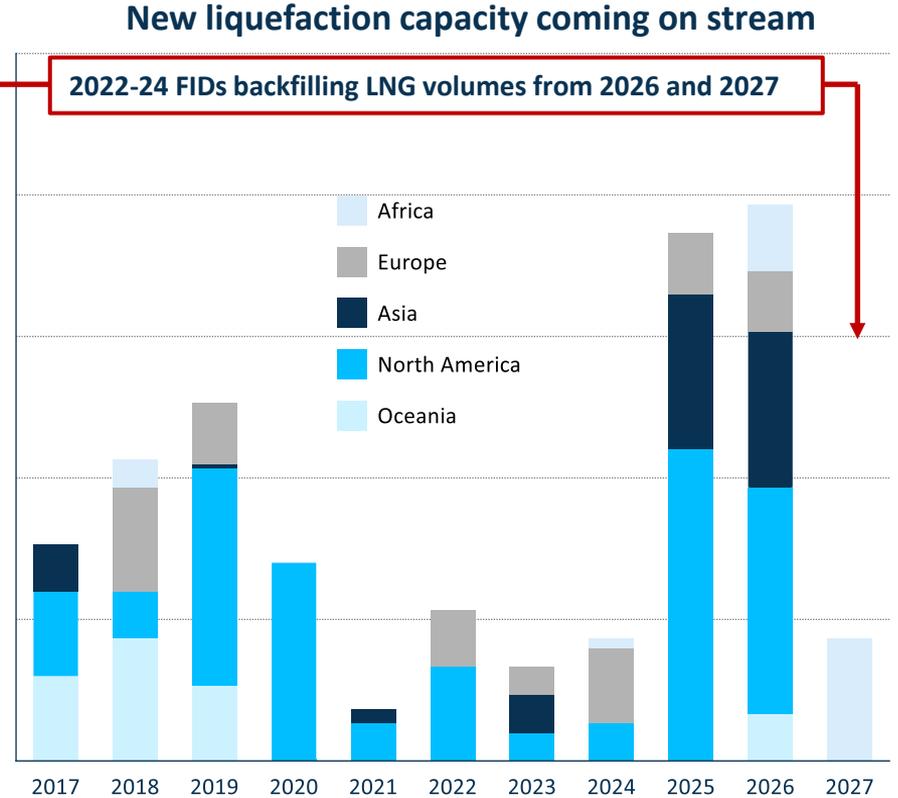
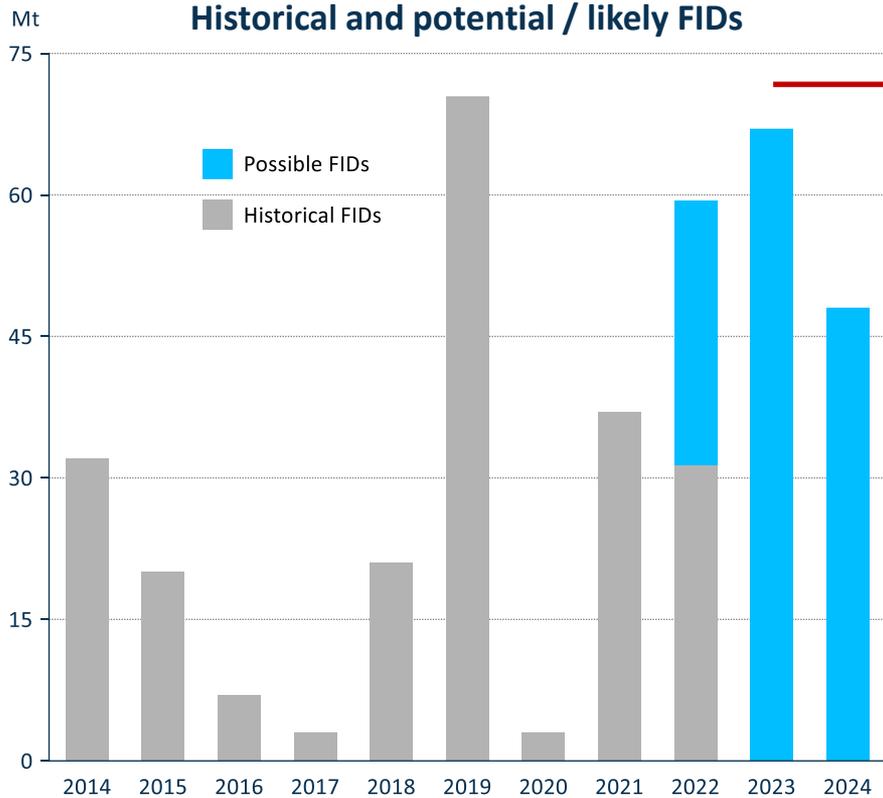
Source: Affinity, Spark and Clarkson.
MEGI/XDF premium at fixed \$100,000 per day to TFDE

HIGHER NEWBUILD PRICES PUSHING UP LONG TERM RATES



Source: Clarkson SIN, Tradewinds

NEW WAVE OF LNG PROJECTS WILL SUPPLY 2026 AND ONWARDS



THIRD QUARTER HIGHLIGHTS



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Bon Voyage!



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