



SFL Corporation Ltd.

Q2 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.

Q2 2024 Highlights



GROSS REVENUE⁽¹⁾
\$199m

- Adjusted EBITDA⁽²⁾ of \$131m
- Reduced contribution from energy assets

NET INCOME
\$21m

- Earnings per share of \$0.16

DIVIDEND
\$0.27/share

- 82nd consecutive quarterly dividend
- ~9% dividend yield⁽³⁾

BACKLOG⁽⁴⁾
\$4.9bn

- Several vessel acquisitions and charter extensions
- 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 second quarter preliminary earnings release Appendix 1: Reconciliation of Adjusted EBITDA

3) Based on SFL share closing price of \$11.47 on August 13, 2024

4) Fixed rate backlog as of June 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)

Recent Events



NEW PRODUCT AND CHEMICAL TANKERS

- 5x product and chemical tankers with delivery Q2 - Q4 2024
- Added backlog of ~\$265 million

NEW MAERSK CHARTERS

- New 5-year charters for seven large container vessels
- Added backlog of ~\$485 million

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

SHARE OFFERING

- 8 million new shares with \$100 million gross proceeds in July
- General corporate purposes including new transactions

A Leading Maritime Infrastructure Company



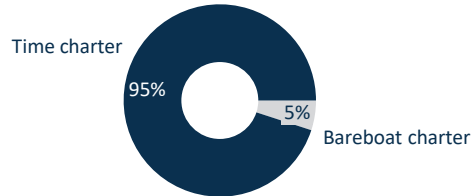
PORTFOLIO⁽¹⁾



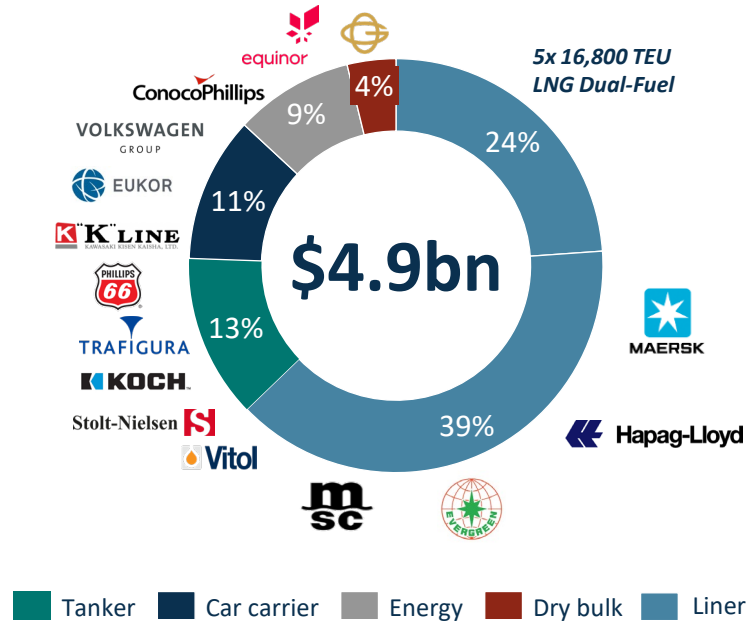
CONTRACT DURATION⁽²⁾



CHARTER HIRE Q2 2024



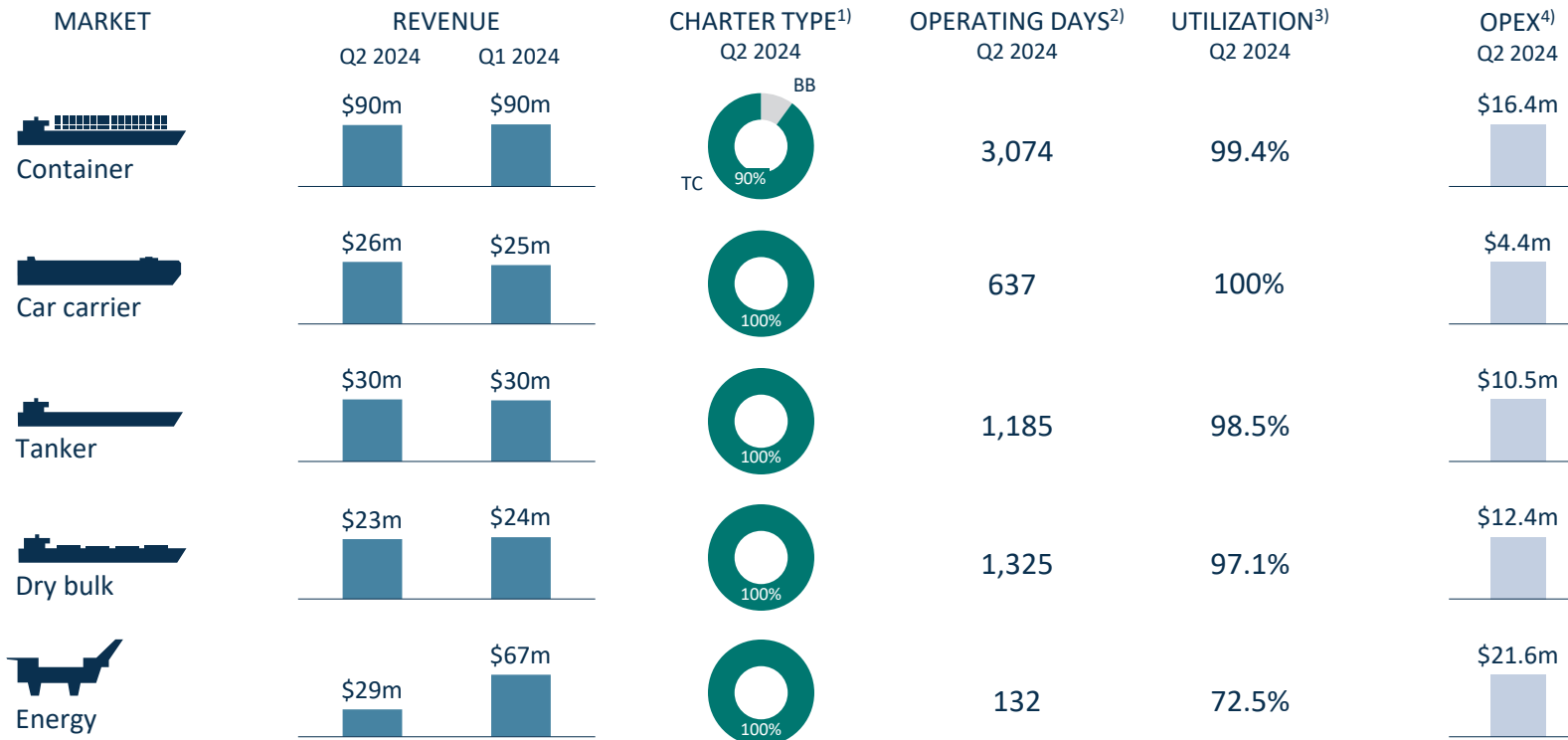
CONTRACTED REVENUE⁽³⁾



Notes:

- 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 June 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

Adding Scale and Visibility to the Container Fleet



Note:
The list excludes seven container vessels on bareboat charters with purchase obligation to MSC expiring in 2025 and five vessels on contract to Maersk

Tanker Portfolio – Significant Uplift With New Transactions



Notes:

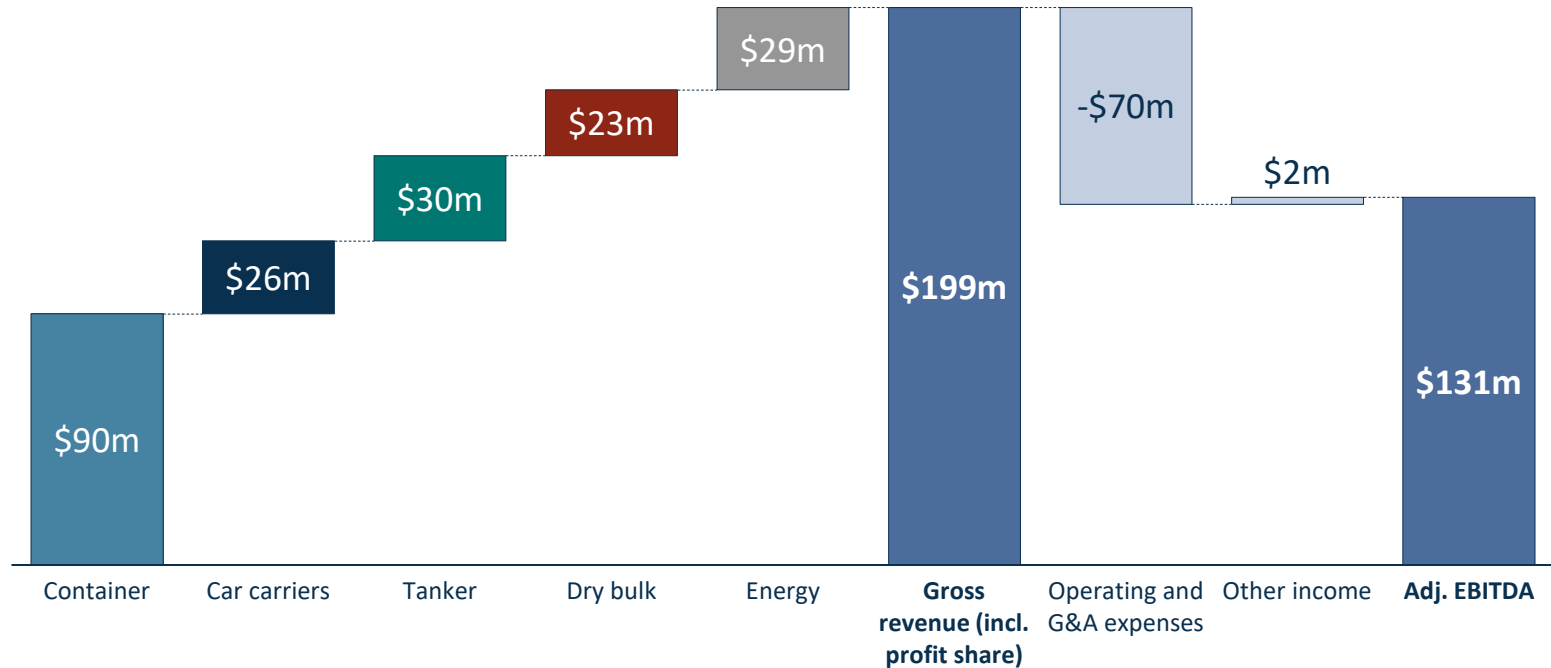
- 1) One chemical vessel is under a pool agreement with 2024 charter rate estimated current market level
- 2) Contract duration from June 30 2024
- 3) Annualized run rate EBITDA are for illustrative purposes only and is not regarded as guidance and is based on management's estimates at the time. Figures are based on each respective vessels contracted hire rate minus a generic operating expense multiplied by 360 days. Figures assume an average run-rate operating expense of approximately \$7,400 per day (excl dry-docking)

SFL Financial Performance



ADJUSTED EBITDA Q2 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



REVENUE

- \$198.8m of charter hire, including share of revenue from associates and revenue classified as repayment and profit share
- Includes \$4.4m of profit share and fuel cost savings

ENERGY

- Lower revenue and operating expenses recorded for energy assets as *Hercules* spent half of the quarter in mobilization mode and *Linus* underwent its ten-year special survey

NET INCOME

- \$20.6 or \$0.16 per share

(in thousands of \$ except per share data)

	<i>Three months ended</i>	
	Jun 30, 2024	Mar 31, 2024
Charter revenues: sales-type leases (excluding charter hire treated as Repayments)	556	840
Charter revenues: operating leases and rig revenue contracts	183,641	220,386
Profit share income	4,392	5,540
Other operating income	2,326	2,298
Total operating revenues	190,915	229,064
Loss on sale of assets and termination of charters	-	(17)
Vessel and rig operating expenses	(65,204)	(81,234)
Administrative expenses	(5,364)	(5,461)
Depreciation	(58,121)	(56,878)
Total operating expenses	(128,689)	(143,573)
Operating income	62,226	85,474
Results in associates	697	778
Interest income from associates	1,138	1,138
Interest income, other	2,498	1,700
Interest expense	(45,296)	(42,879)
Interest and valuation gain on non-designated derivatives	1,527	3,003
Gain/(loss) on investments in debt and equity securities	208	(415)
Other financial items	(702)	(714)
Taxes	(1,664)	(2,783)
Net income	20,632	45,302
Basic earnings per share (\$)	0.16	0.36

Balance Sheet



CASH AND LIQUIDITY

- \$186m at quarter end

FINANCING AND CAPITAL EXPENDITURE

- ~\$340m of capex related to 5x tanker vessels of which ~\$244m to be financed by senior bank debt which has been secured
- ~\$30m of net capex remaining on jack-up rig *Linus* for SPS and upgrades to be funded by cash on balance sheet
- ~\$1bn of capex related to 5x 16,800 teu container vessels to be funded by a combination of cash at hand and pre- and post-delivery vessel loans
- ~\$700m of senior bank financing secured to address maturities due next twelve months

CAPITAL STRUCTURE⁽¹⁾

- Book equity ratio of 26.8%
- Issuance of 8 million shares with \$100 million gross proceeds in July

(in thousands of \$)

ASSETS

Short term

	Jun 30, 2024	Mar 31, 2024
Cash and cash equivalents	186,062	168,153
Investment in marketable securities	4,662	4,382
Amount due from related parties	8,630	6,834
Investment in sales-type leases, current portion	39,111	7,895
Other current assets	142,633	134,443

Long term

Vessels, rigs and equipment, net	2,809,216	2,777,855
Vessels and equipment under finance lease, net	552,856	563,155
Capital improvements, newbuildings and vessel deposits	49,357	6,447
Investment in sales-type leases, long term	-	33,131
Investment in associates	16,487	16,515
Amount due from related parties, long term	45,000	45,000
Other long term assets	12,996	13,780

Total assets

3,867,010 **3,777,590**

LIABILITIES AND STOCKHOLDERS' EQUITY

Short term

Short term and current portion of long term interest bearing debt	570,992	577,108
Amount due to related parties	1,199	1,189
Finance lease liability, current portion	391,553	405,486
Other current liabilities	149,693	109,792

Long term

Long term interest bearing debt, net of deferred charges	1,711,892	1,630,351
Other long term liabilities	5,775	3,307
Stockholders' equity	1,035,906	1,050,357

Total liabilities and stockholders' equity

3,867,010 **3,777,590**

1) Book values as of June 30, 2024

