



FLEX LNG

Employment & Market Update

July 6, 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.

WE RECENTLY ADDED ~\$750M OF ADDITIONAL FIRM BACKLOG



Flex Enterprise and Flex Amber fixture

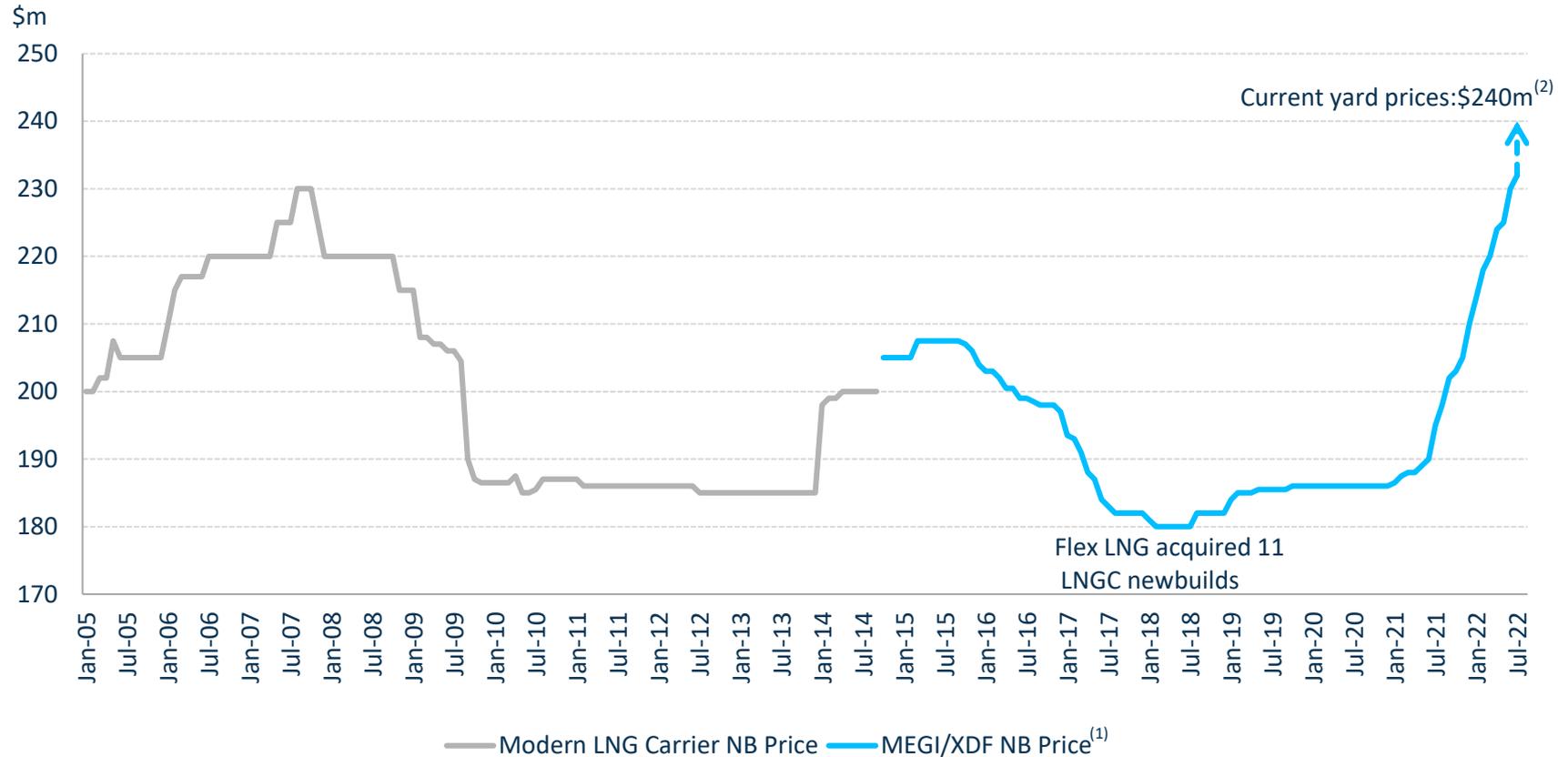
- On June 23, 2022, we announced that Flex LNG and the existing charterer has agreed to replace the variable Time Charters for each ship with new seven-year fixed hire Time Charters commencing July 1, 2022, to June 30, 2029.
- Flex Enterprise and Flex Amber have been on variable hire Time Charters with a supermajor for the last 3.3 and 1.7 years, respectively. The firm period under these Time Charters was March 2023 and October 2022, respectively. The Charterer also had the option to extend by an additional one-year period for each ship, but these Time Charters now replaced.

Flex Rainbow fixture

- On June 23, 2022, we also announced a ten-year extension of the Flex Rainbow Time Charter with the new Time Charter commencing in direct continuation of the existing Time Charter with commencement in January 2023 running to January 2033.
- The charterer of Flex Rainbow, an international trading house, in December 2021 extended the fixed hire Time Charter by one-year until end-January 2023 when the new Time Charter will thus commence.

Altogether this added 24 years of firm backlog bringing the total to minimum 54 years

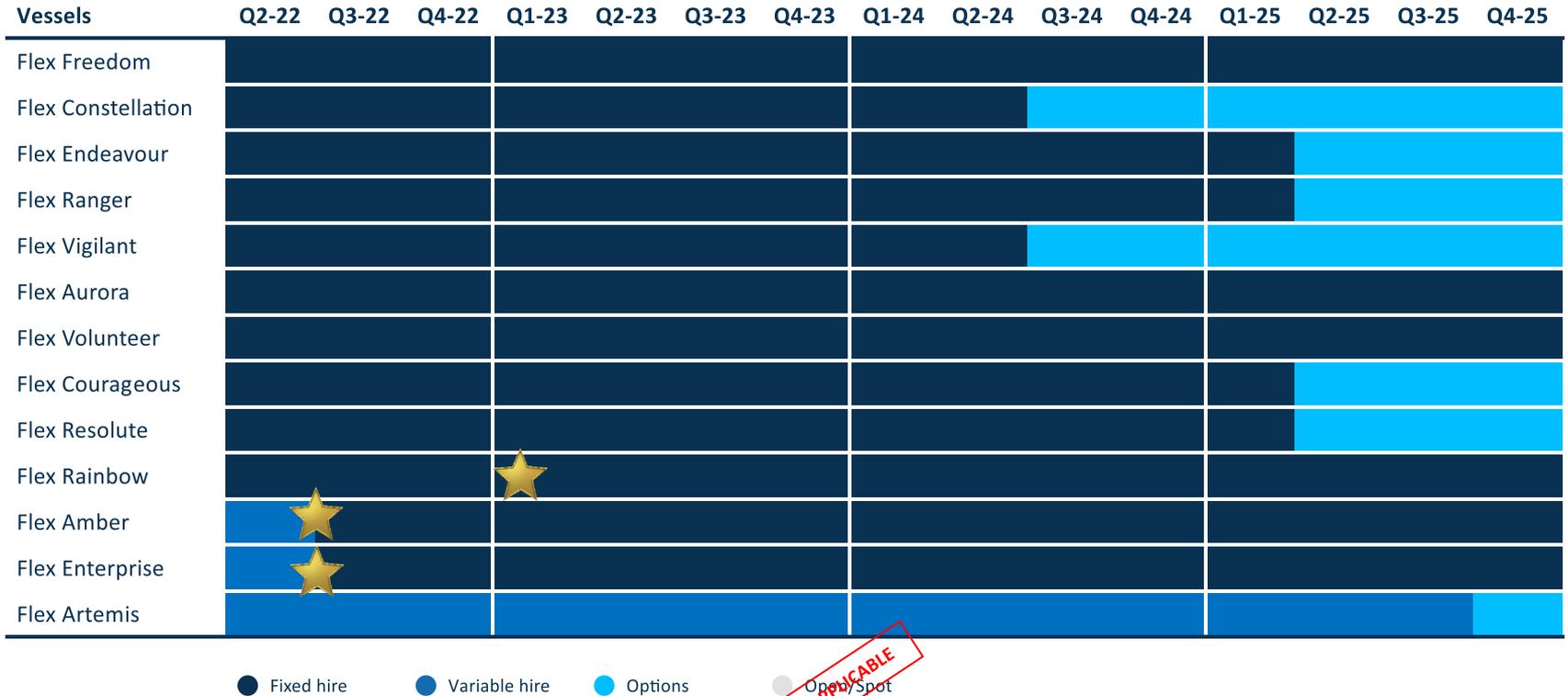
WE BOUGHT SHIPS WHEN PRICES WERE LOW



1) Source: Clarkson SIN

2) Source: SSY

PROVIDING 100% CONTRACT COVERAGE UNTIL AT LEAST MID-2024

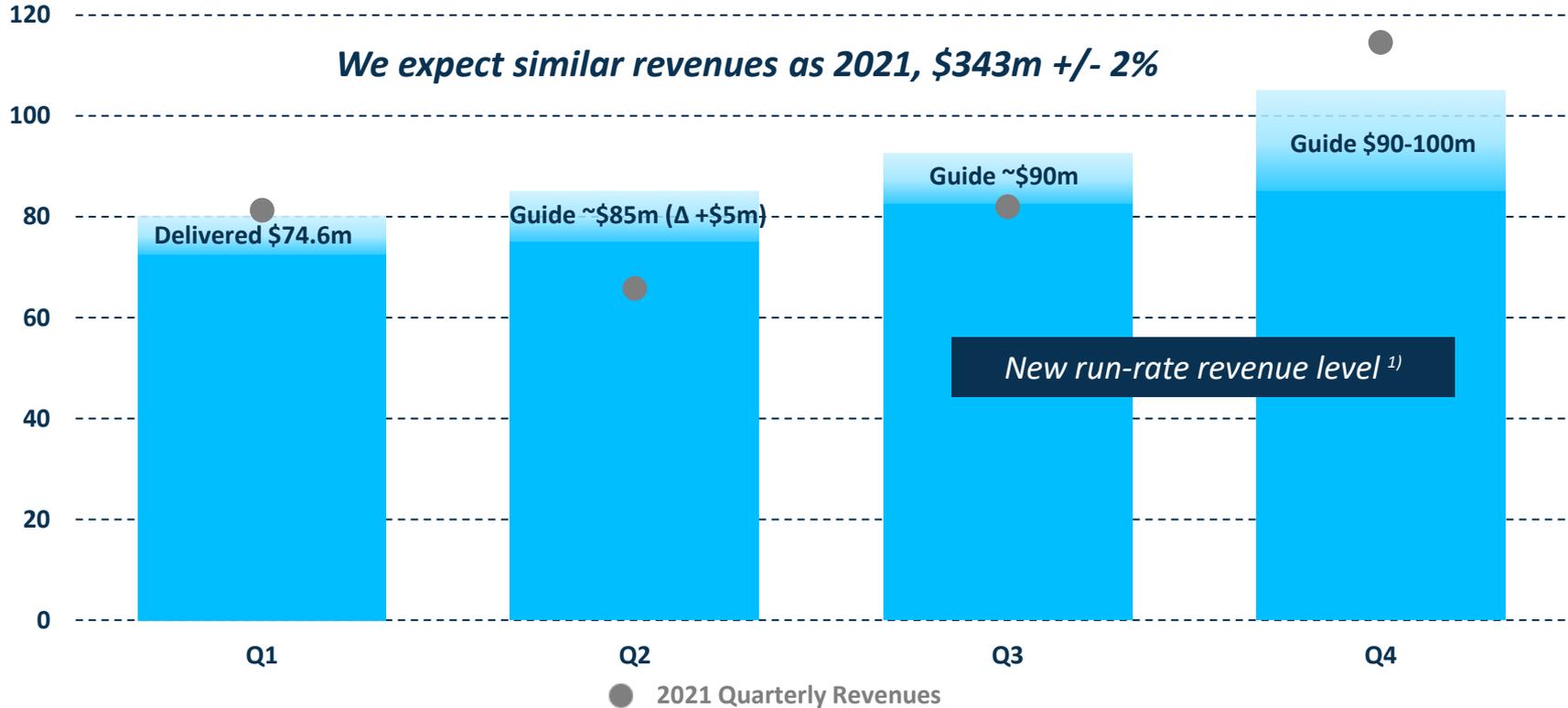


NOT APPLICABLE

UPDATE ON GUIDANCE FROM Q1-22



Revenues \$m



1) Note: Assumes regular operations of the ship with no unforeseen down-time and/or dry-docking. Four ships scheduled for dry-docking in 2023

WE WILL CONTINUE TO OPTIMIZE OUR BALANCE SHEET



Balance Sheet Optimization Phase 1

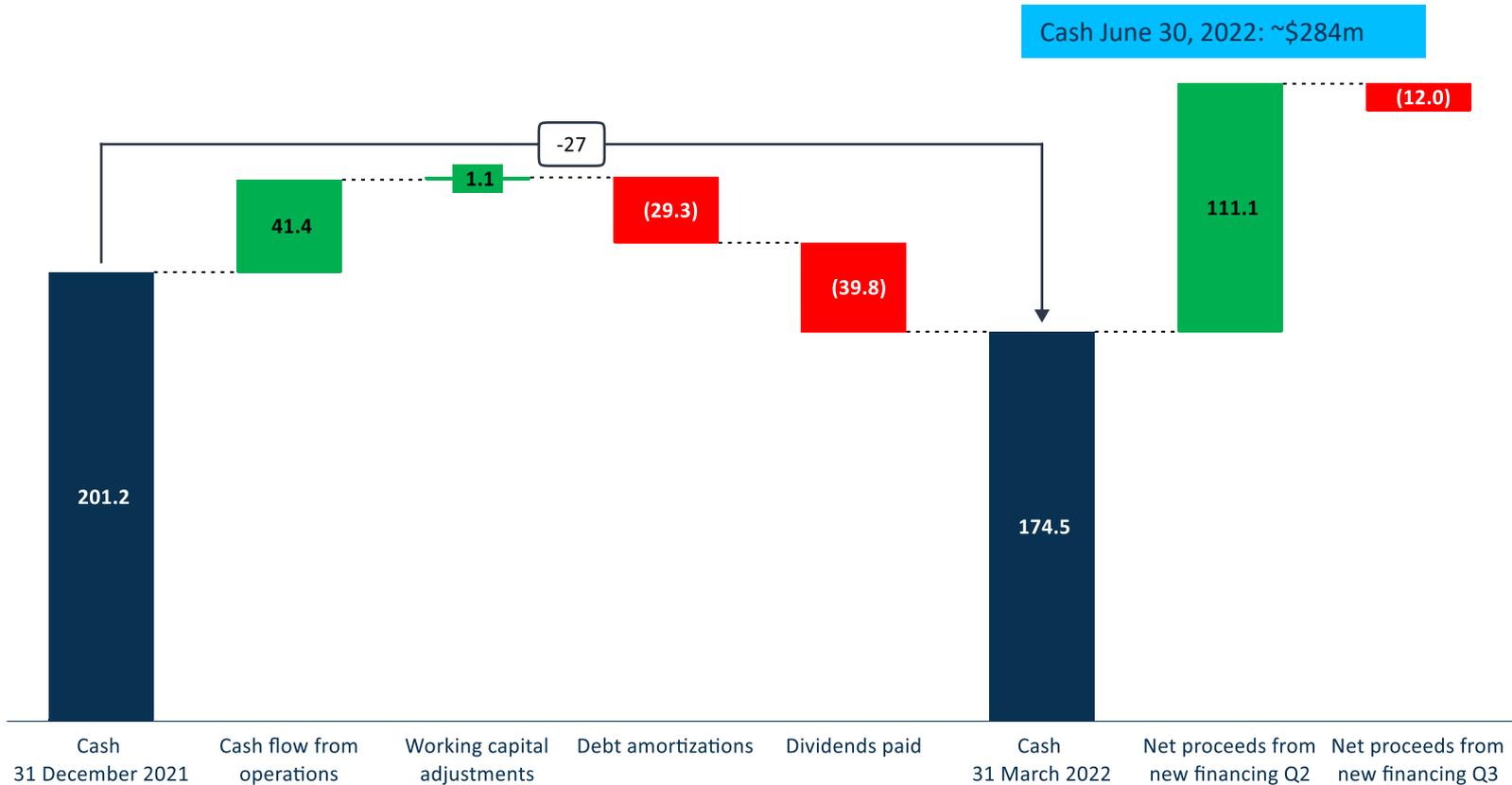
- On November 16, 2022, we announced a balance sheet optimization program to release ~\$100m through refinancing of existing debt while at the same time obtaining more favorable terms and conditions given the increased backlog and improved outlook
- We have now released ~\$137m⁽¹⁾ by \$855m refinancing of the existing debt on six ships:
 - a) Flex Volunteer (\$160m SLB)
 - b) Flex Ranger, Flex Rainbow and Flex Endeavour (\$375m bank loan) where Flex Endeavour is expected to be finalized during Q3-22
 - c) Flex Constellation and Flex Courageous (\$320m SLB)

Balance Sheet Optimization Phase 2

- We are now planning to refinance the remaining seven ships where we expect to be able to obtain improved terms while at the same time raising net cash of ~\$100m
 - a) Flex Enterprise lease will be terminated in Q3-22. We are currently assessing alternatives to the \$125m accordion facility under the \$375m bank loan given the long TC attached to this vessel.
 - b) Flex Amber is financed under a SLB maturing 2030 and we are currently assessing refinancing of this lease by Q4-22
 - c) Flex Aurora, Flex Artemis, Flex Resolute, Flex Freedom and Flex Vigilant are financed under a KEXIM ECA facility today where the commercial bank tranche is maturing in 2025. We are also exploring alternatives including amend and extend of the existing loan and/or refinancing.

1) Assuming we do not utilize the \$125m accordion option for the refinancing of Flex Enterprise, otherwise the figure is \$12m lower

BALANCE SHEET OPTIMIZATION PHASE 2 WILL ADD FURTHER CASH



AND WE WILL CONTINUE TO RETURN CASH TO SHAREHOLDERS



	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	LTM
Adjusted EPS	\$0.64	\$0.29	\$0.60	\$1.18	\$0.45	\$2.52
DPS	\$0.40	\$0.40	\$0.75	\$0.75	\$0.75	\$2.65
Buy-backs	\$0.10	\$0.01	\$0.04	\$0.00	\$0.00	\$0.05
Distribution	78%	141%	132%	64%	167%	107%

Decision Factors

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

Cashflow expected to increase as we forecast higher revenues in Q2, Q3 and Q4 than in Q1

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

HEADLINES ON JULY 5 ILLUSTRATE THE ENERGY CRISIS IN EUROPE



Bloomberg
Europe Edition

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Natural Gas Soars 700%, Becoming Driving Force in the New Cold War

Germany Weighs How Much Consumers Will Shoulder Unipier Rescue
updated 4 hours ago

Germany 'Sharpens Tools' in Gas Crisis as Bailout Talks Continue
updated 49 minutes ago

Ukraine Latest: NATO Begins Expansion Process Amid Turkey Threat
updated 2 hours ago

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Europe power prices hit new high in wake of Russian gas supply cuts

Prices quadruple in a year exacerbated by maintenance problems at French nuclear plants

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European Gas Prices Jump as Norwegian Oil Workers Strike

High inflation in Europe has increased demands for pay rises across industries

Electrifying power prices in Germany

Baseload electricity 1 year ahead (€ per megawatt)

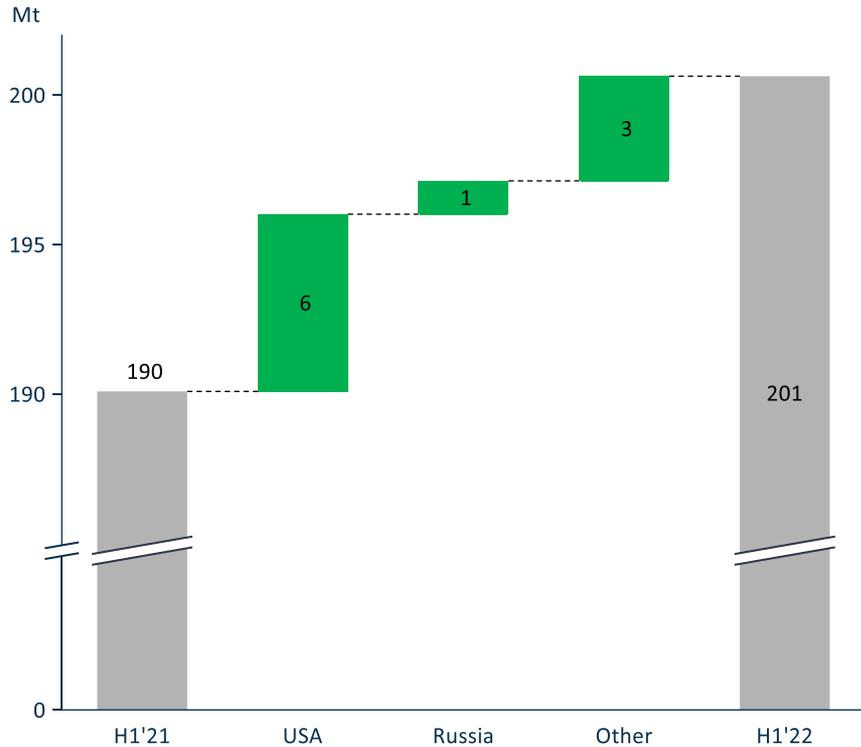


Source: Bloomberg
© FT

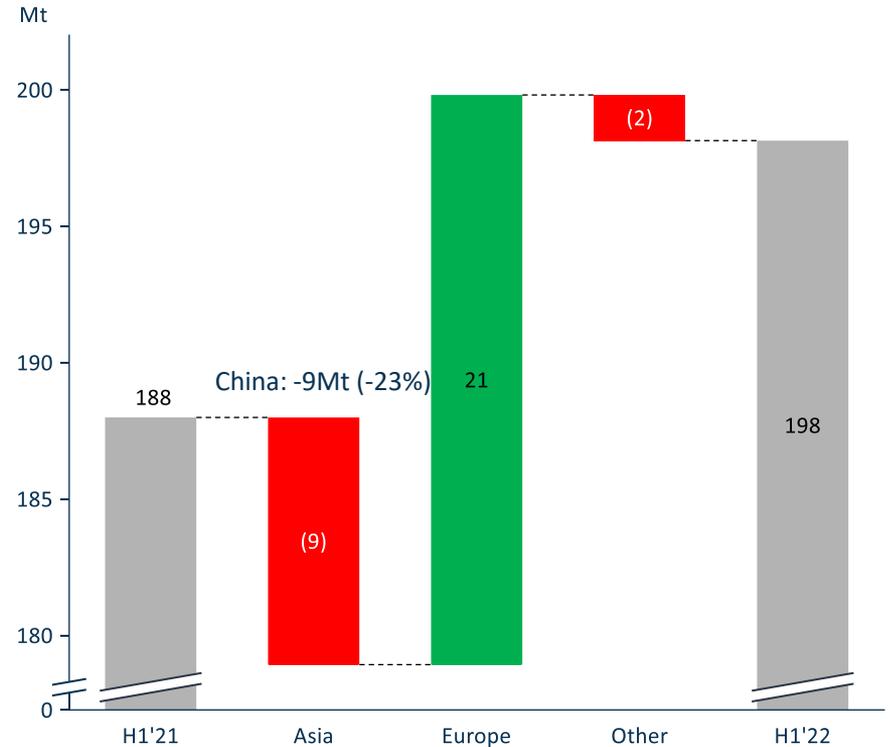
GLOBAL LNG VOLUMES WERE UP BY 6% IN H1-2022



Change in LNG exports H1-22 vs H1-21

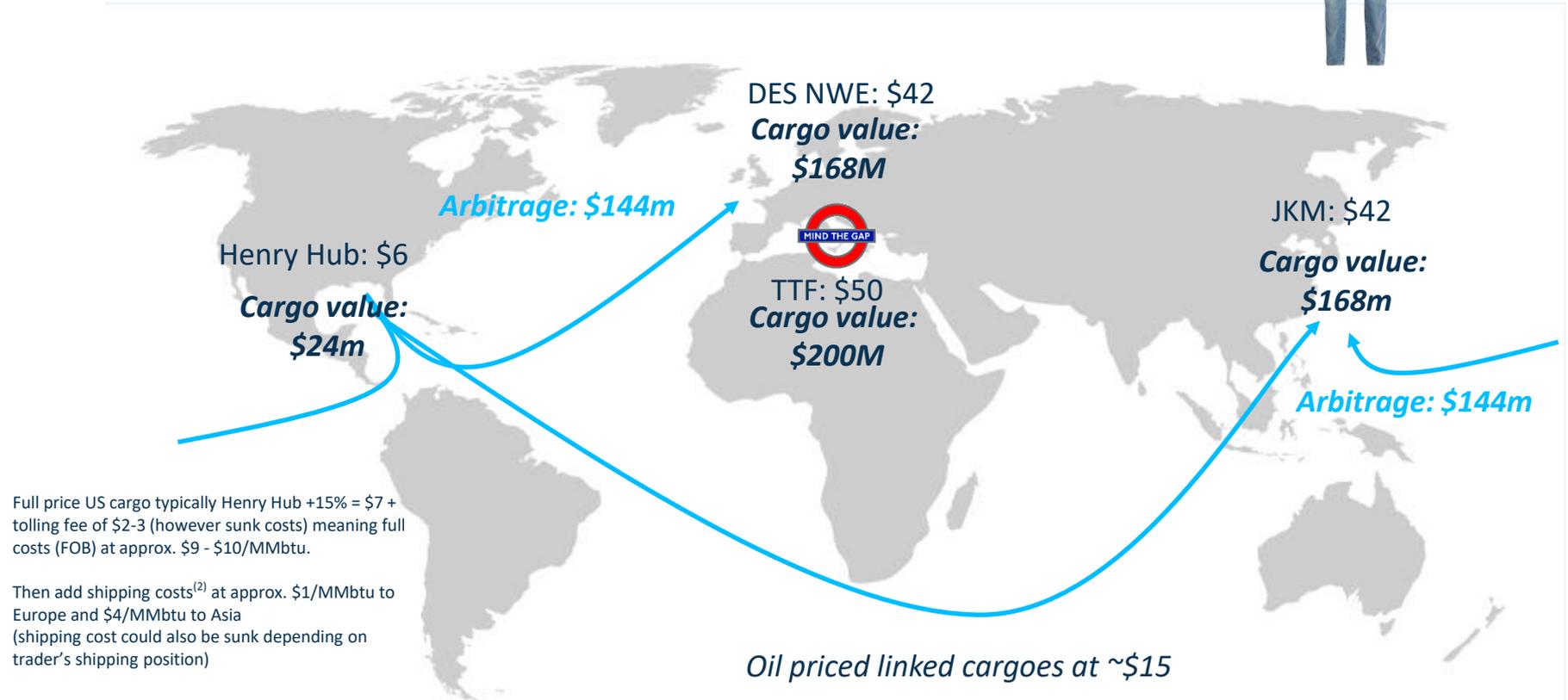


Change in LNG imports H1-22 vs H1-21



1) Source: Kpler and Affinity

BUT LNG PRODUCT MARKET REMAIN TIGHT AS SLIMFIT JEANS



Full price US cargo typically Henry Hub +15% = \$7 + tolling fee of \$2-3 (however sunk costs) meaning full costs (FOB) at approx. \$9 - \$10/MMbtu.

Then add shipping costs⁽²⁾ at approx. \$1/MMbtu to Europe and \$4/MMbtu to Asia (shipping cost could also be sunk depending on trader's shipping position)

1) Source: Product prices as of close July 5, 2022, from S&P Global. DES NWE = Delivered ex Ship North-West Europe

2) Shipping costs from S&P

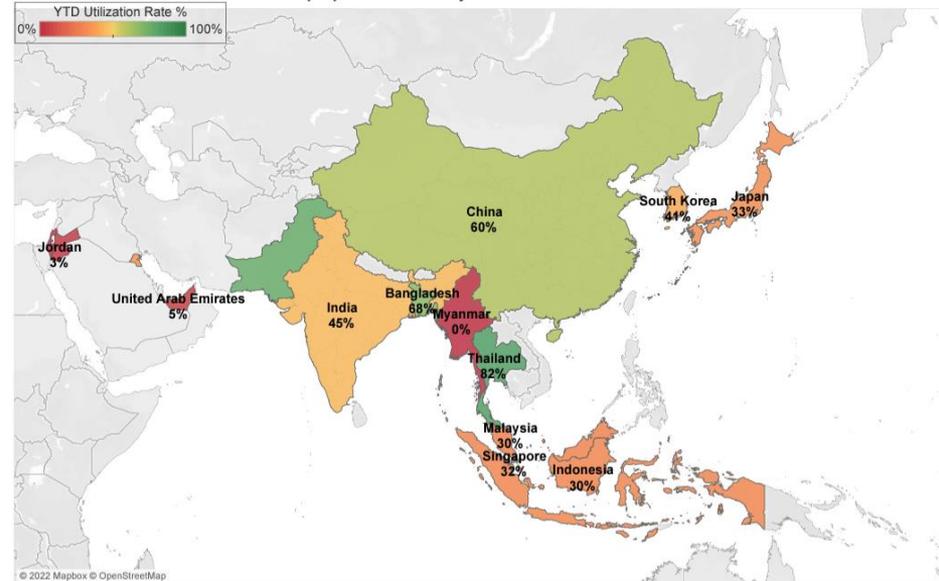
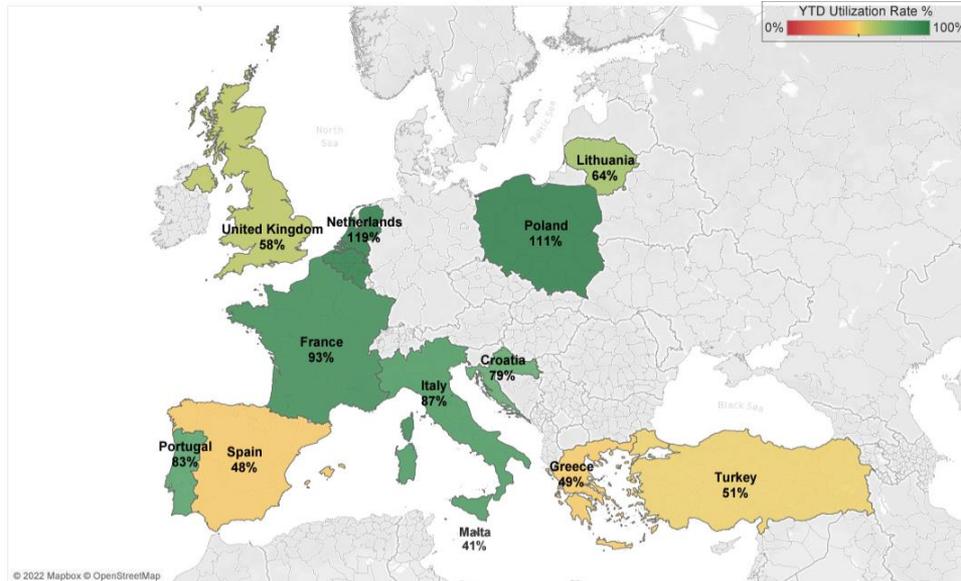
3) Cargo economics assumes large cargo of 4trn BTU or approx. 172,000 cbm

THE EUROPEAN LNG GLUT IS CREATING BOTTLENECKS

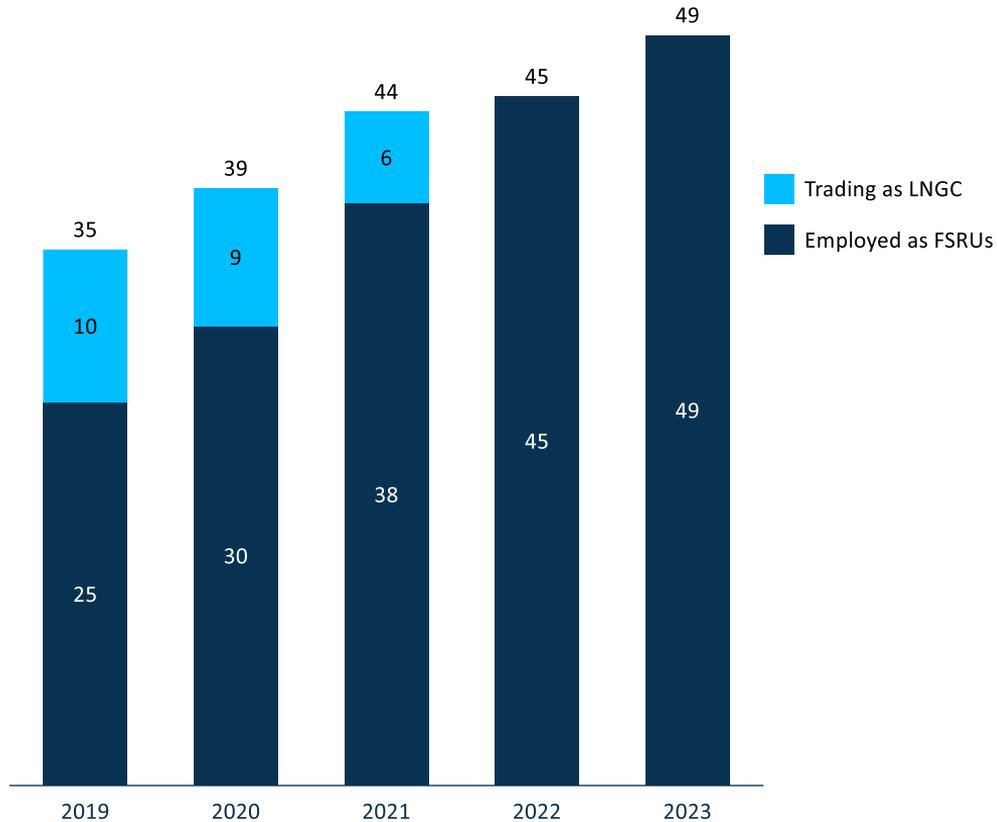


Full throttle in Netherlands, Poland, France and Italy

While significant slack at Asian LNG import terminals



FSRUs BEING PULLED OUT OF THE LNGC MARKET



Source: GIIGNL and Tradewinds

TradeWinds
The Global Shipping News Source

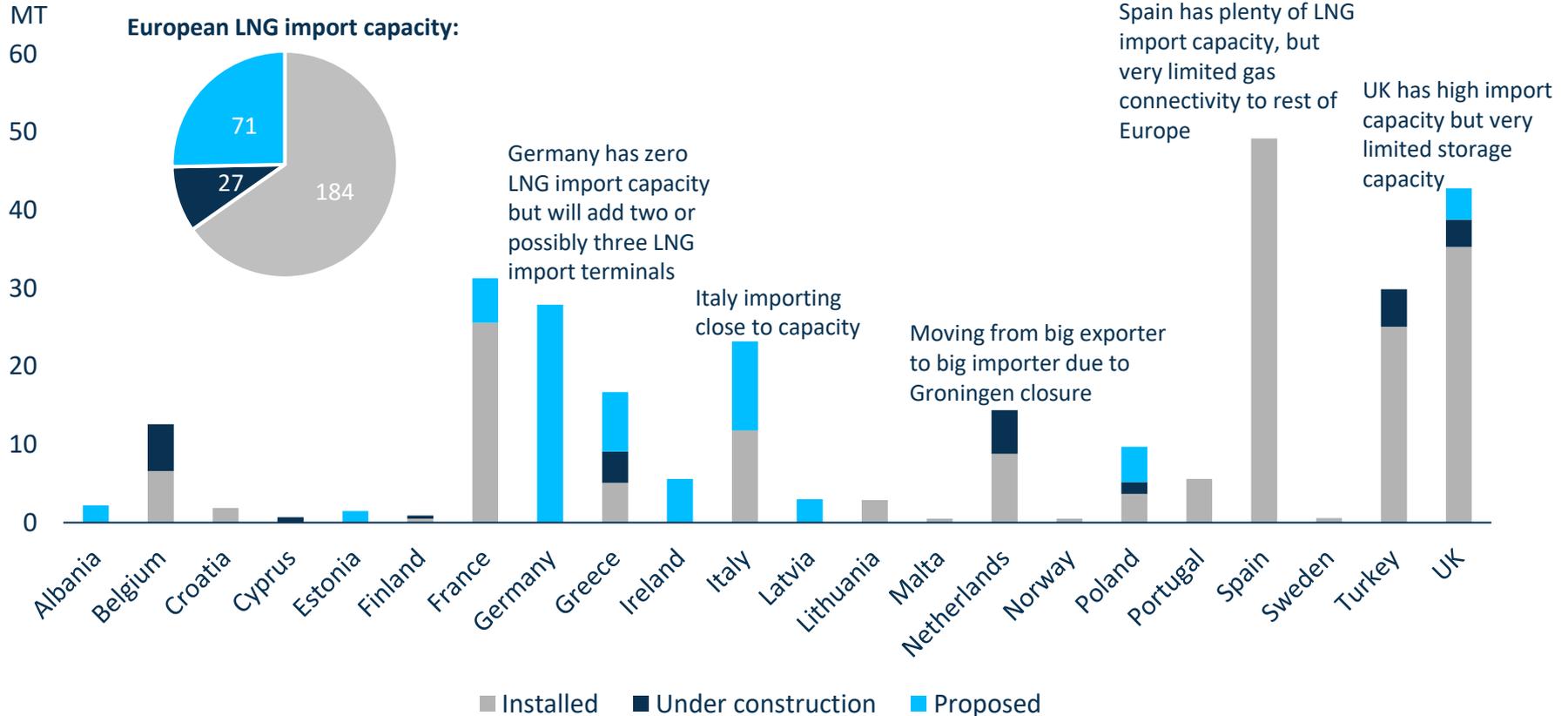
Latest News Tankers Bulkers Containerships Gas



Germany plans fourth FSRU as pressure mounts to ditch Russian gas rises

Country's Ministry of Economics gives update on its efforts for new floating import terminals

EUROPEAN LNG IMPORT CAPACITY SET TO GROW RAPIDLY

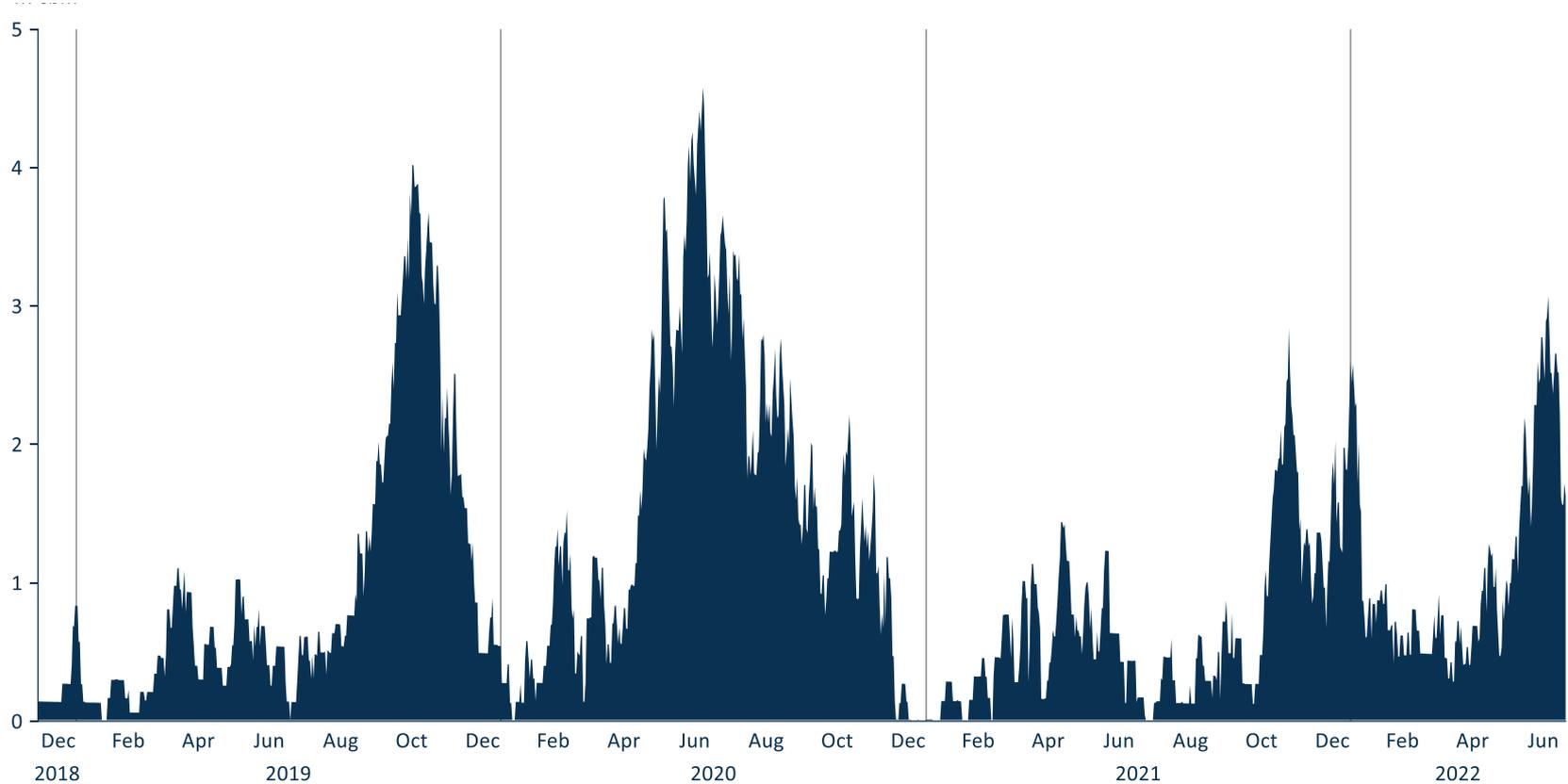


1) Source: GIGNL and Affinity

BOTTLENECKS ALSO INCREASING FLOATING STORAGE



Million of cbm LNG in floating storage



1) Source: Kpler

THE WEATHERMAN MIGHT CREATE MORE US DISRUPTIONS



NOAA hurricane season probability

- Forecast from the US National Oceanic and Atmospheric Administration's (NOAA) Climate Prediction Centre is predicting above-average hurricane activity this year which could disrupt US LNG exports thus further tightening the LNG market.
- For the 2022 hurricane season, NOAA is with 70% confidence forecasting the following range:

Named Storms:

14 - 21

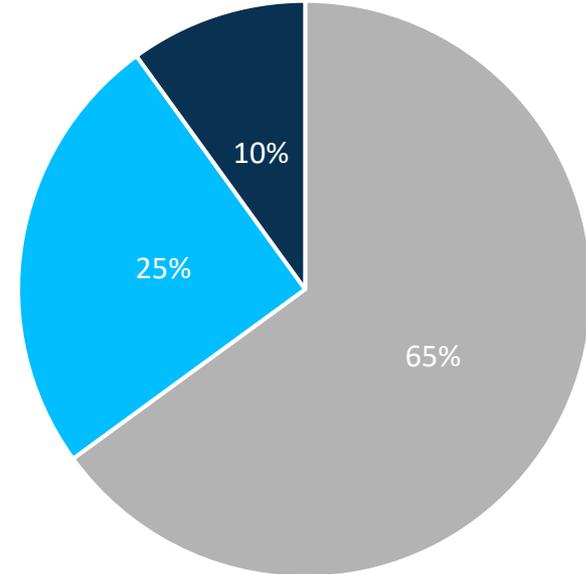
Hurricanes:

6 - 10

Major hurricanes:

3 - 6

NOAA hurricane season probability



■ Above-normal ■ Near-normal ■ Below-normal season

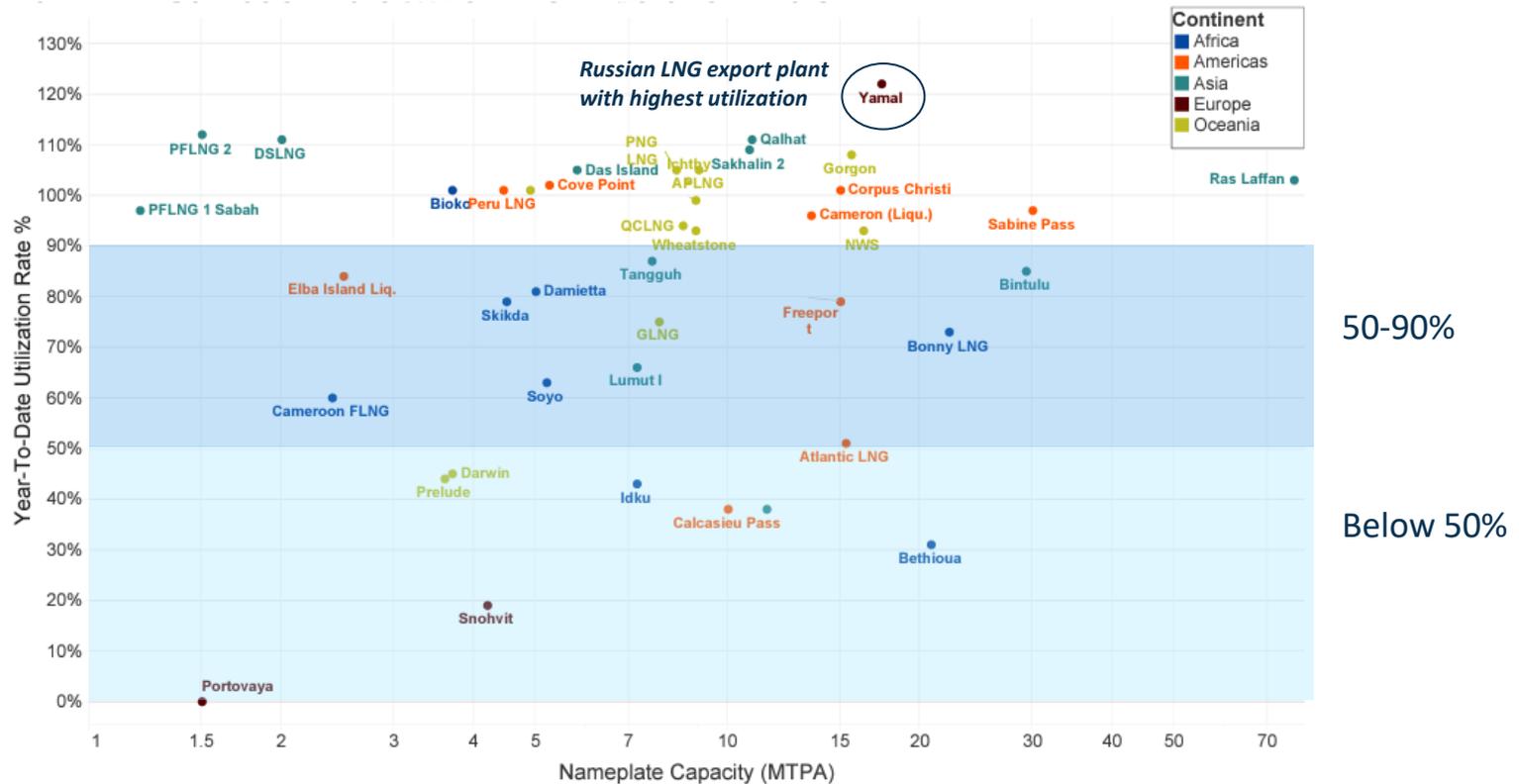
1) Source: NOAA.

2) Named storms (winds of 39 mph or higher), hurricanes (winds of 74 mph or higher), major hurricanes (category 3, 4 or 5; with winds of 111 mph or higher).

SEVERAL LNG PLANTS PRODUCING BELOW CAPACITY



Utilization level at LNG export plants

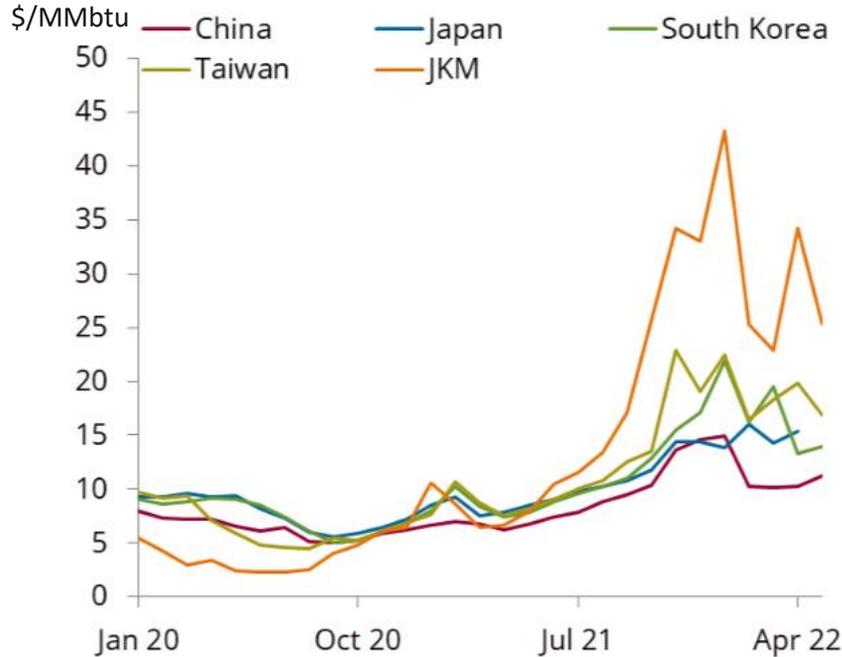


1) Source: Kpler

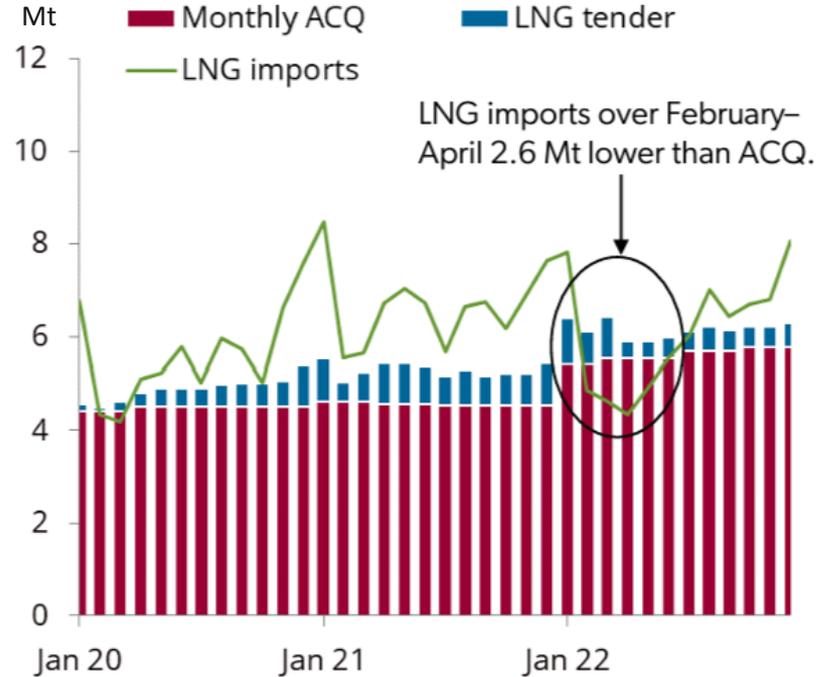
PRICE OF LNG DEPENDS ON THE CONTRACT



The large Asian buyers mostly buying term LNG



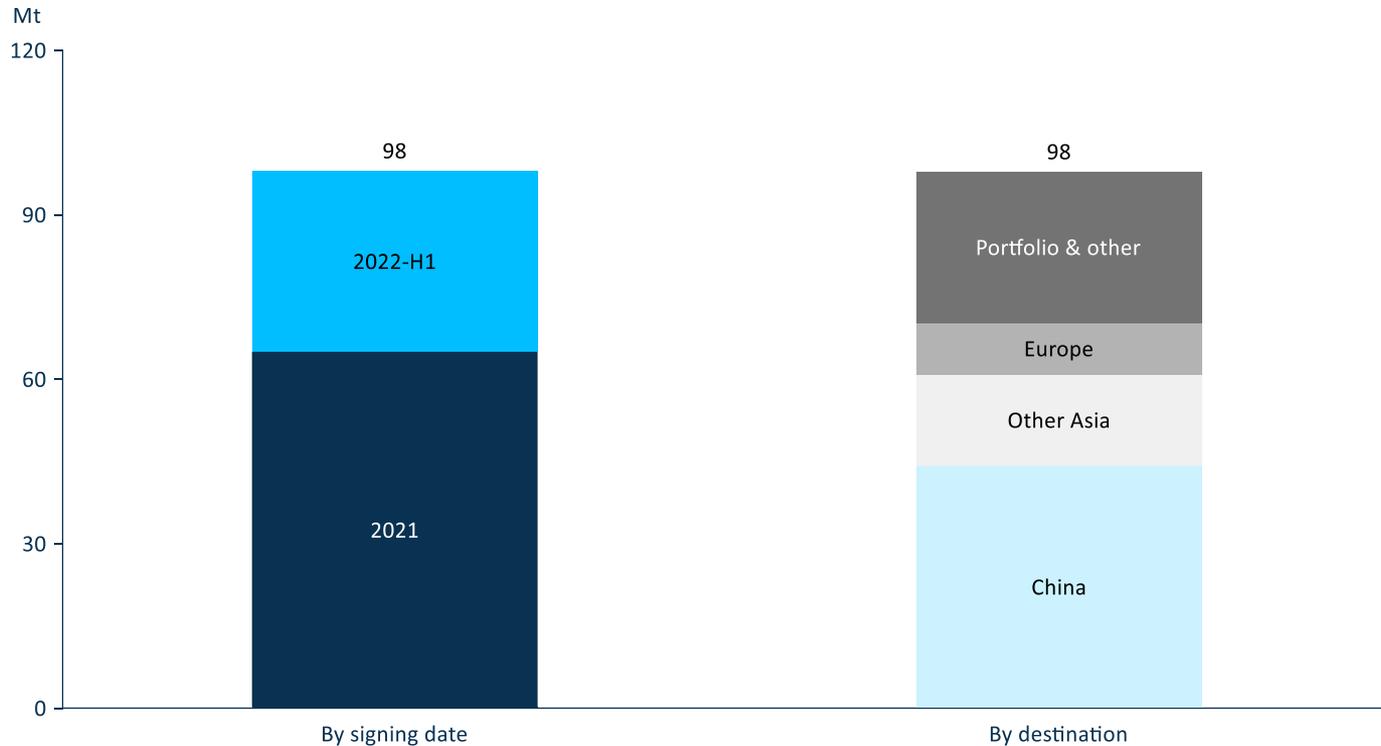
Lockdowns in China adversely impacting demand



DESPITE LACK OF LNG IN EUROPE, CHINA REMAINS THE BIG BUYER



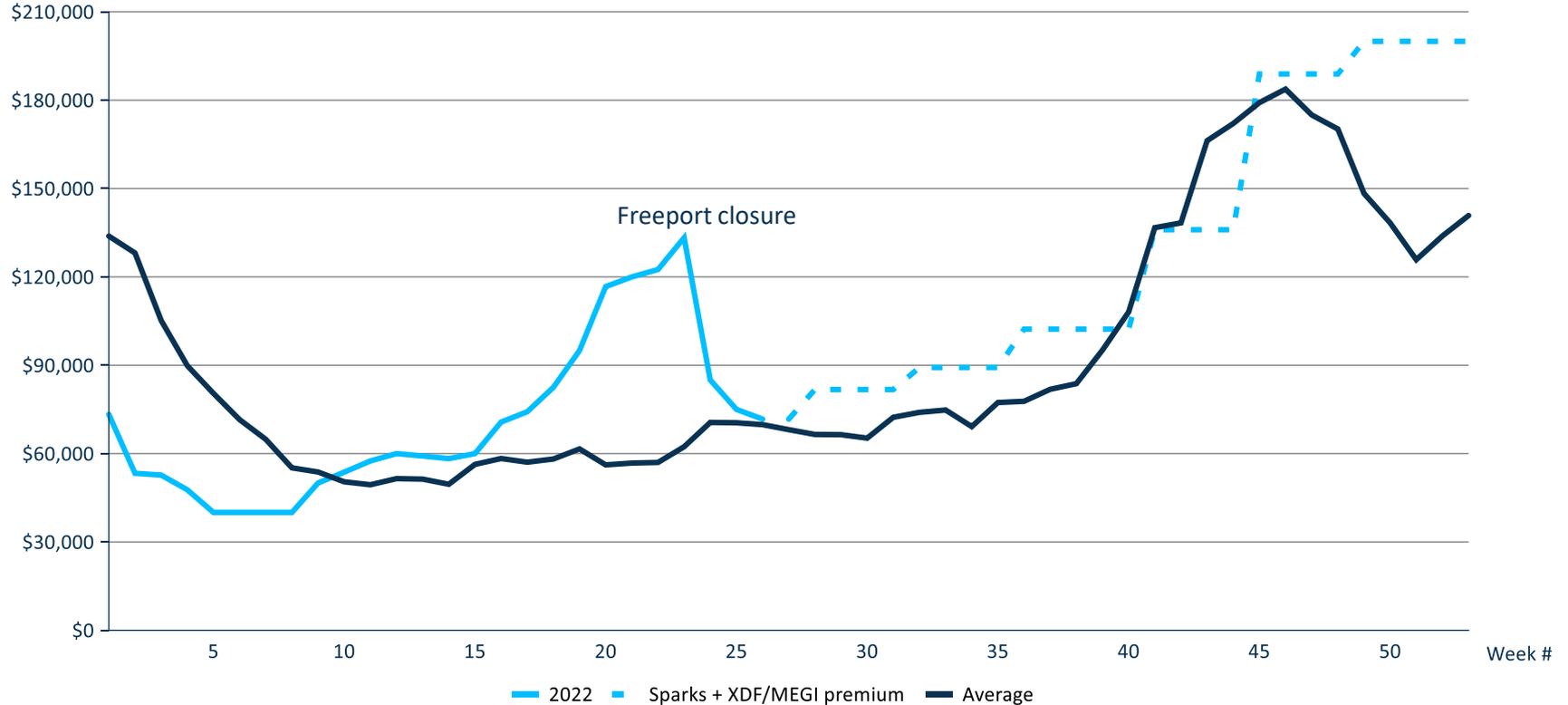
Recent LNG offtake agreements



SPOT MARKET COOLED DOWN AFTER FREEPORT CLOSURE

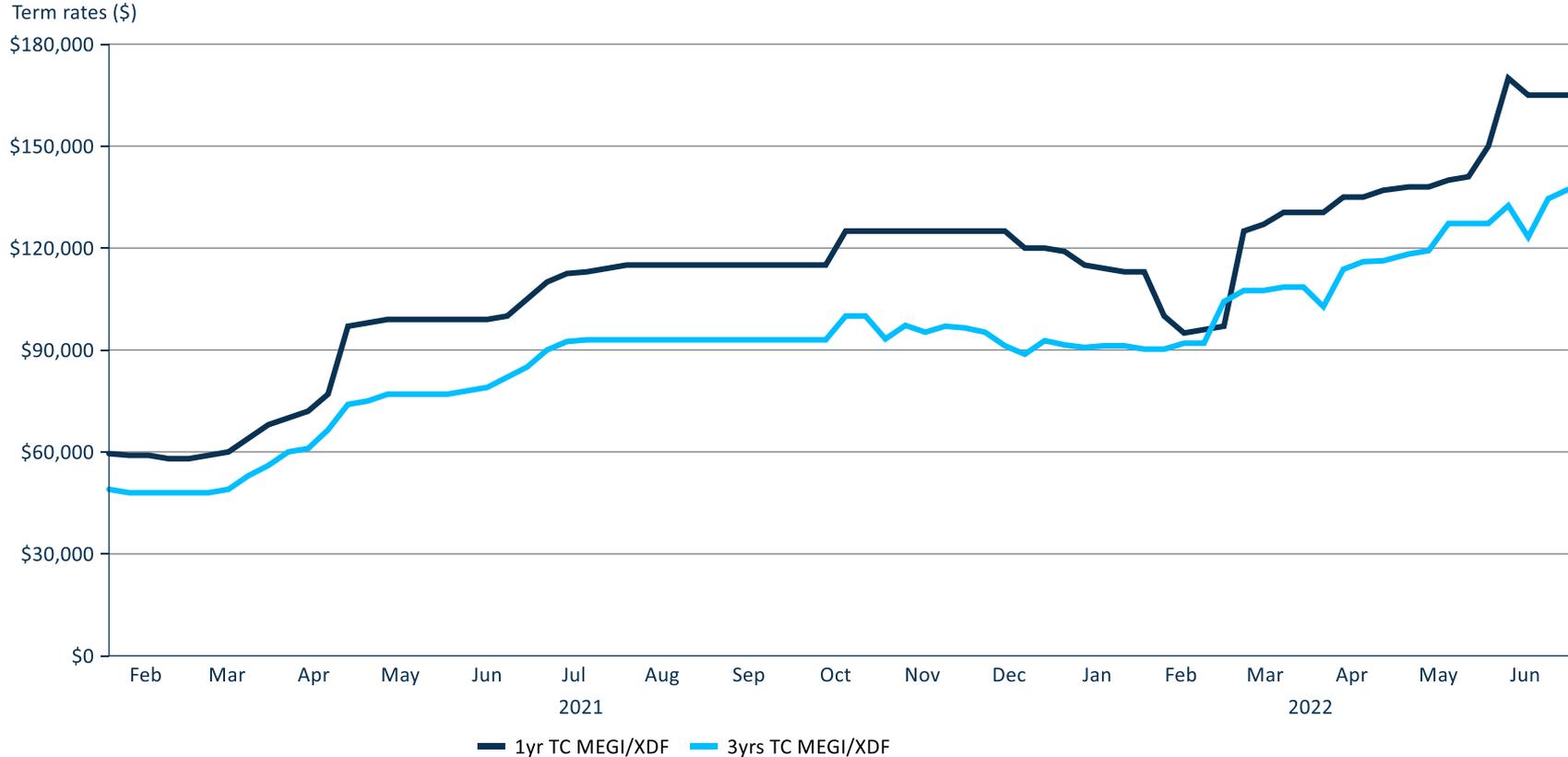


Headline rate MEGI/XDF (\$)



1) Source: Affinity and Spark. MEGI/XDF premium at fixed \$20,000 per day to TFDE

WHILE THE TERM MARKET REMAINS VERY FIRM



1) Source: Fearnleys (1yr), Affinity (3yrs)



- We publish yearly ESG report according to SASB guidelines which includes information about:

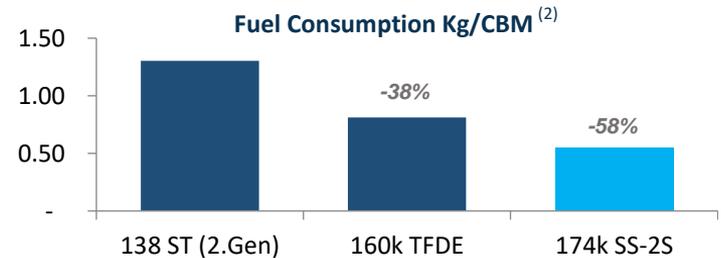
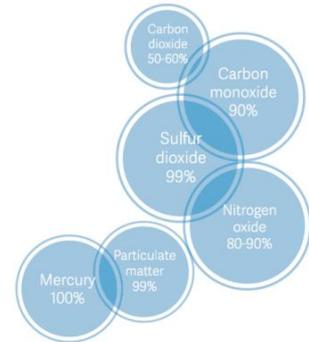
- Environmental Footprint of Fuel Use
- Ecological Impacts
- Business Ethics
- Health & Safety



This year we will also be adding the CDP framework to report on climate-related risks to benchmark our efforts and performance against peers



Estimated emission reduction of natural gas vs. coal in power generation⁽¹⁾



1) Source : Texas A&M University

2) Source: Company estimates

SUMMARY



We have now fixed all our ships on longer term TCs

Firm backlog of 54 years with another 28 years optional backlog

Revenues in 2022 expected to be similar to healthy levels in 2021

We expect higher revenues and TCE in 2023 given 100% coverage

Next phase of balance sheet optimization initiated

Quarterly dividend of \$0.75 per share - attractive ~12% yield



Bon Voyage!



FLEX LNG