



FLEX LNG

Q4-2020 Presentation

February 17, 2021



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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.

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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.



Commercial

LNG market going from gloom in Q2/Q3 to boom by end of Q4
Three recent deliveries (Flex Amber, Flex Freedom and Flex Volunteer)
12 ships on the water and the last newbuild set for delivery in Q2-21
Excellent operational performance despite Covid-19 with zero LTI

Financials

TCE⁽¹⁾ of \$74kpdr in Q4 in line with guidance of \$ 70-75,000 per day
Adj. net income⁽¹⁾ of \$24.2m in Q4 (Net income of \$25.8m)
Our fleet is fully financed with attractive long-term debt
Healthy cash position at year-end of \$129m plus new \$20m RCF

Outlook

Market has cooled down after boom in January, re-stocking needed
Q1 is 87% booked with expected Revenues⁽²⁾ of \$80-90m vs. \$67m in Q4
Dividend hiked to \$0.3 per share – running annualized yield of ~13%
Increased share buyback cap from \$10 to \$12 reflecting improved outlook

1) TCE rate and Adjusted net income/(loss) are non-GAAP measures. A reconciliation to the most directly comparable GAAP measure is included in the Q4-20 earnings report

2) Subject normal operation and up-time on vessels

WELL POSITIONED FLEET



Fixed hire TCs

Flex Ranger (Feb-21)
Flex Rainbow (Jan-22)
Flex Aurora (Aug-21)
Flex Resolute (Aug-21)

Variable hire TCs

Flex Enterprise (Mar-22)
Flex Artemis (Aug-25)
Flex Amber (Oct-21)

Spot market

Flex Endeavour
Flex Constellation
Flex Courageous
Flex Freedom
Flex Volunteer

Newbuildings

Flex Vigilant (May-21)

Consistent guidance history

Period	Guidance	Reported
Q4-2018	Revenues of ~ \$35m	Revenues of \$36m
Q1-2019	Similar revenues as Q3-2019 (\$19m)	Revenues of \$19m
Q2-2019	Slightly higher TCE than Q1-2019 (TCE \$43kpr)	TCE of \$46kpr
Q3-2019	TCE of ~\$60kpr	TCE of \$58kpr
Q4-2019	Revenues of \$50m to \$55m	Revenues of \$52m
Q1-2020	TCE of close to \$70kpr	TCE of \$68kpr
Q2-2020	97% of days booked close to \$50kpr	TCE of \$47kpr
Q3-2020	Similar TCE as Q2 (\$47kpr)	TCE of \$47kpr
Q4-2020	TCE of \$70-\$75kpr	TCE of \$74kpr

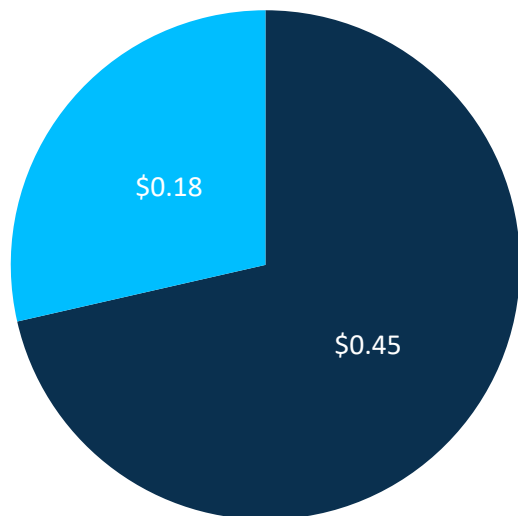
**Q1-2021 is 87% booked with expected
Revenues of \$80m to 90m⁽¹⁾**

1) Subject normal operation and up-time on vessels

ALLOCATION OF EARNINGS FOR 2020

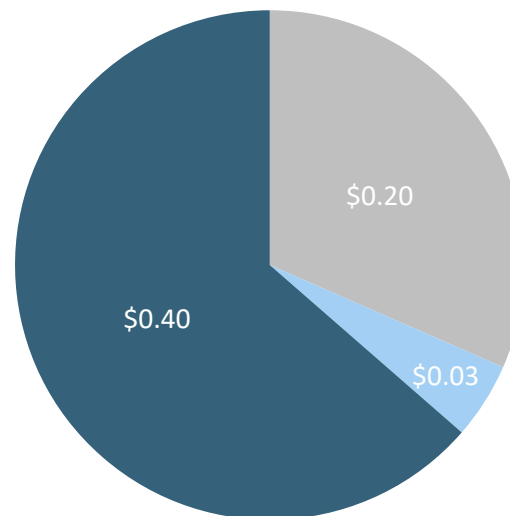


Adjusted EPS of \$0.63 for 2020



■ Adj. EPS Q4 ■ Adj. EPS Q1-Q3

Allocation of earnings during 2020



■ Dividends ■ Treasury shares ■ Net newbuilding capex

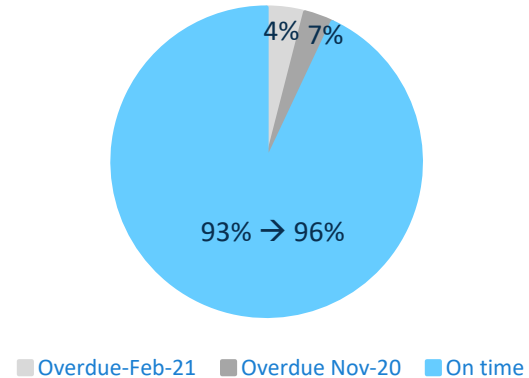
1) Adjusted earnings per share is a non-GAAP measure. A reconciliation to the most directly comparable GAAP measure is included in the Q4-20 earnings report



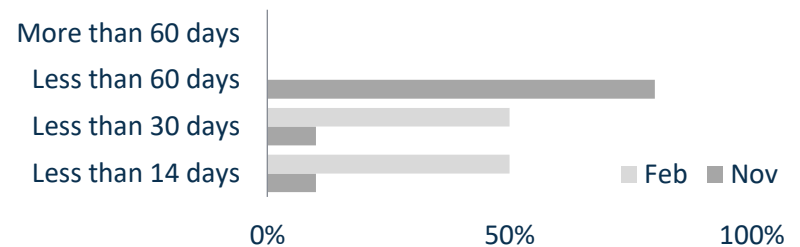
Ensuring safety of crew and cargo

- Standard Operating Procedures for joining and off-signing crew with quarantine and PCR testing
- Outbreak management plan and emergency drills
- Conducted remote ship visits, class surveys, change of management and SIREs
- Carried out 67 crew changes during May to January
- LTI/LTIF of zero for third year in a row
- Taken delivery of six newbuildings between July and January on budget and according to plan

Seafarers on time up from 93% to 96%



And overdue stays have become shorter



The Neptune Declaration
on Seafarer Wellbeing
and Crew Change

RAPIDLY SHIFTING BUSINESS LANDSCAPE



Trade war

Deglobalization

Covid-19

Energy transition

ESG & ETFs

Free money



INCOME STATEMENT



<i>(in thousands of \$ except per share data)</i>	<i>Three months ended</i>		<i>Full year</i>
	Dec 31, 2020	Sep 30, 2020	2020
Vessel operating revenues	67,372	33,147	164,464
Voyage expenses	-1,054	-1,121	-3,697
Vessel operating expenses	-14,453	-8,545	-36,999
Administrative expenses	-1,593	-1,570	-6,302
Depreciation	-13,971	-10,704	-41,846
Operating income/(loss)	36,301	11,207	75,620
Interest income	176	8	327
Interest expense	-12,257	-9,945	-41,805
Gain/(loss) on derivatives	1,253	2,116	-25,182
Foreign exchange gain/(loss)	392	503	-687
Other financial items	-25	-23	-84
Income/(loss) before tax	25,840	3,866	8,189
Income tax credit/(expense)	-23	-44	-84
Net income/(loss)	25,817	3,822	8,105
Earnings/(loss) per share	0.48	0.07	0.15
Adjusted EBITDA	50,247	21,888	117,382
Adjusted net income/(loss)	24,172	1,203	33,974
Adjusted earnings/(loss) per share	0.45	0.02	0.63

- Revenues of \$67.4m vs. \$33.1m for Q3-20
- TCE of \$73,712/day vs. \$46,569/day for Q3-20
- Adj. EBITDA⁽¹⁾ of \$50.2m vs. \$21.9m for Q3-20
- Vessel operating expenses primarily impacted by delivery of four vessels in Q3 and Q4
- Increase in interest expense due to increased debt following vessel deliveries in Q3 and Q4.
- Net income of \$25.8m vs. \$3.8m for Q3-20
- FY-20 net income of \$8.1m and earnings per share of \$0.15
- FY-20 adj. net income⁽¹⁾ of \$34m and adj. earnings per share⁽¹⁾ of \$0.63

1) Adjusted EBITDA, Adjusted net income/(loss) and Adjusted earnings/(loss) per share are non-GAAP measures. A reconciliation to the most directly comparable GAAP measures are included in the Q4-20 earnings report

BALANCE SHEET



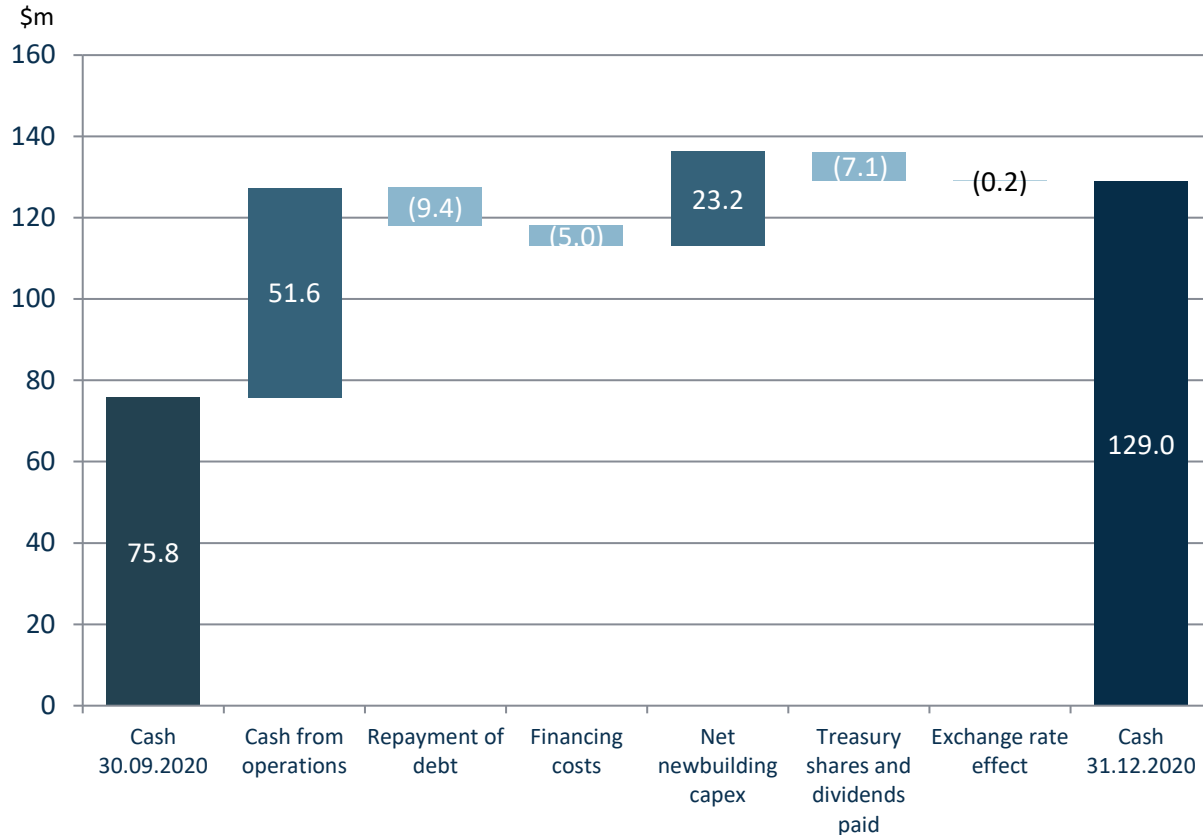
(in thousands of \$)

	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019
Assets			
Current assets			
Cash and cash equivalents	128,878	75,765	129,005
Restricted cash	84	48	93
Other current assets	28,883	22,609	14,792
Non-current assets			
Vessels and equipment, net	1,856,461	1,682,566	1,147,274
Vessel purchase prepayment	289,600	218,418	349,472
Other fixed assets	5	5	10
Derivative instruments	109	0	636
Total Assets	2,304,020	1,999,411	1,641,282
Liabilities and Equity			
Current liabilities			
Current portion of long-term debt	64,466	53,745	34,566
Derivative instruments	23,434	26,241	2,371
Other current liabilities	43,932	23,307	20,795
Non-current liabilities			
Long-term debt	1,337,013	1,079,766	744,283
Other non-current liabilities	0	0	2
Total equity	835,175	816,352	839,265
Total Equity and Liabilities	2,304,020	1,999,411	1,641,282

- Solid liquidity of \$129m at year-end
- Increase in vessels and equipment due to delivery of tenth vessel, Flex Amber, in October
- Vessel purchase prepayment of \$289.6m relates to remaining three newbuildings at year-end, of which two were delivered in January
- Total interest bearing debt of \$1,402m⁽¹⁾ following execution of the \$154.6m sale and leaseback for Flex Amber in October and drawdown of \$125.8m under the \$629m ECA facility in end December relating to Flex Freedom, which was delivered January 1, 2021
- Equity ratio of 36%

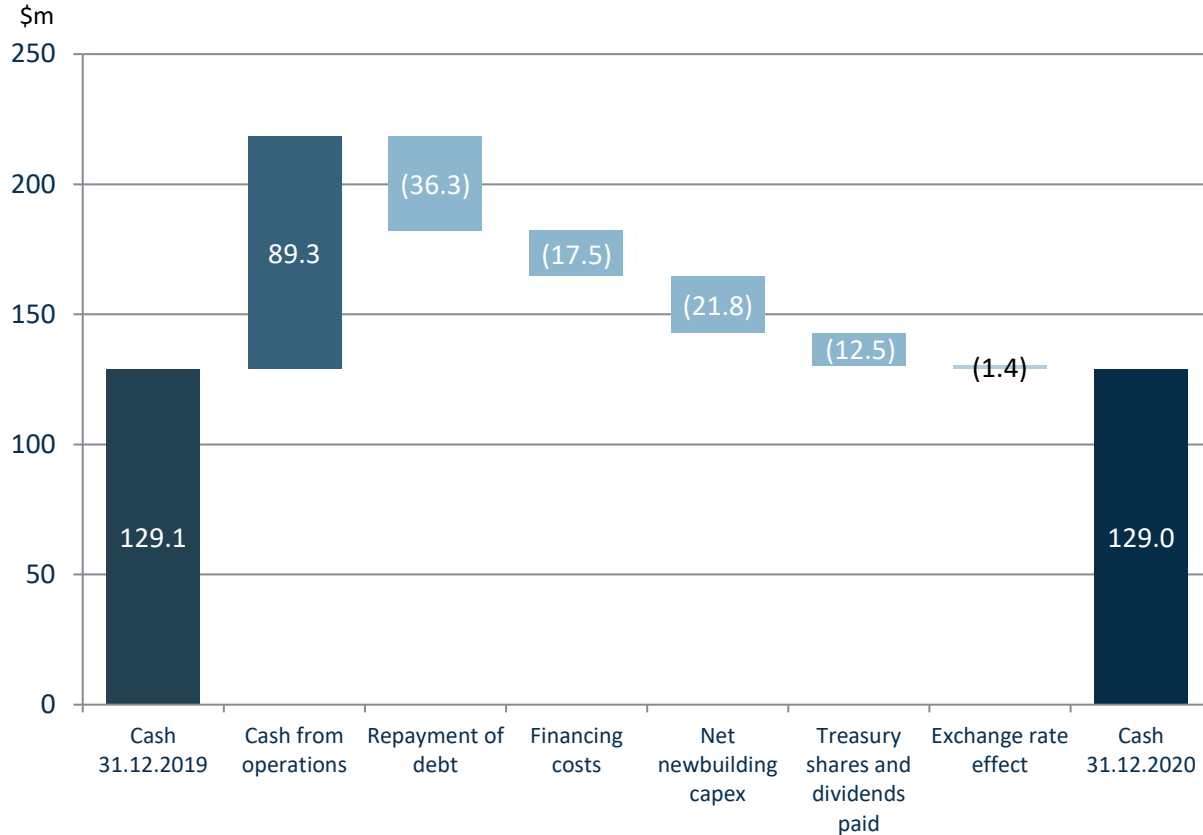
1) Long term debt is presented net of debt issuance cost

CASHFLOW 4Q 2020



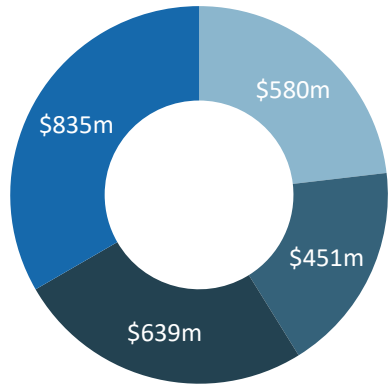
- Net cash flow of \$53.1m for the quarter, resulting in year-end cash of \$129m
- Cash flow from operations of \$51.6m, including positive working capital adj. of \$14.4m
- \$156.4m sale and leaseback for Flex Amber executed in October, freeing up \$23.2m of liquidity upon delivery of vessel
- Repurchase of shares and Q3-20 dividends of \$1.7m and \$5.4m, respectively

CASHFLOW FULL YEAR 2020

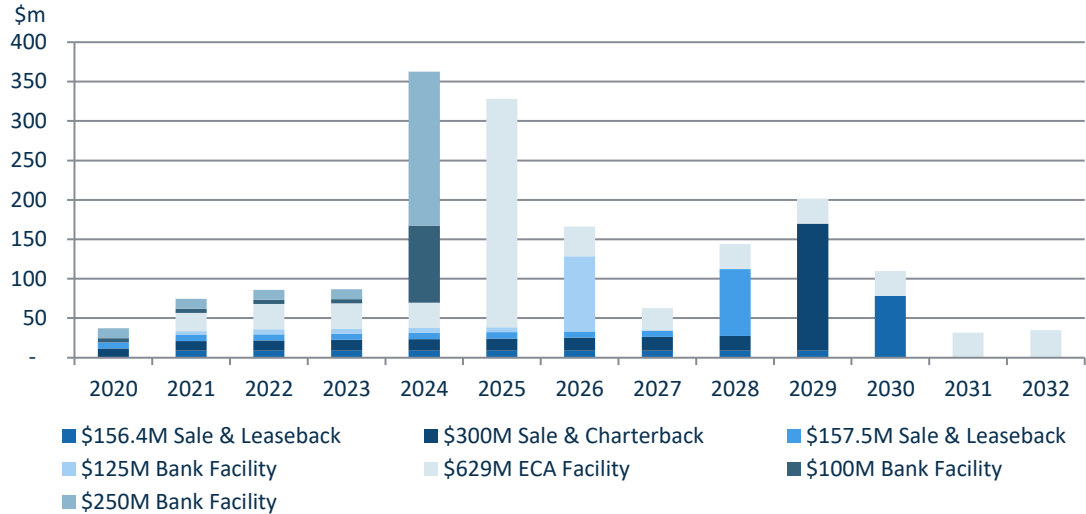


- Cash flow from operations of \$89.3m
- More than \$900m in financing secured for remaining vessels in 2020, with associated financing costs of \$17.5m as follows:
 - Upfront fees: \$9.9m
 - KEXIM premium: \$3.2m
 - Commitment fees: \$3.8m
 - Legal fees: \$0.6m
- Four newbuildings delivered between July and October, with net newbuilding capex of \$21.8m
- Repurchase of shares and dividends paid of \$1.7m and \$10.8m, respectively

FULLY CAPITALISED WITH DIVERSIFIED SOURCES OF FUNDING



■ Lease financing ■ Bank financing
■ ECA financing ■ Common equity



■ \$156.4M Sale & Leaseback ■ \$300M Sale & Charterback ■ \$157.5M Sale & Leaseback
■ \$125M Bank Facility ■ \$629M ECA Facility ■ \$100M Bank Facility
■ \$250M Bank Facility

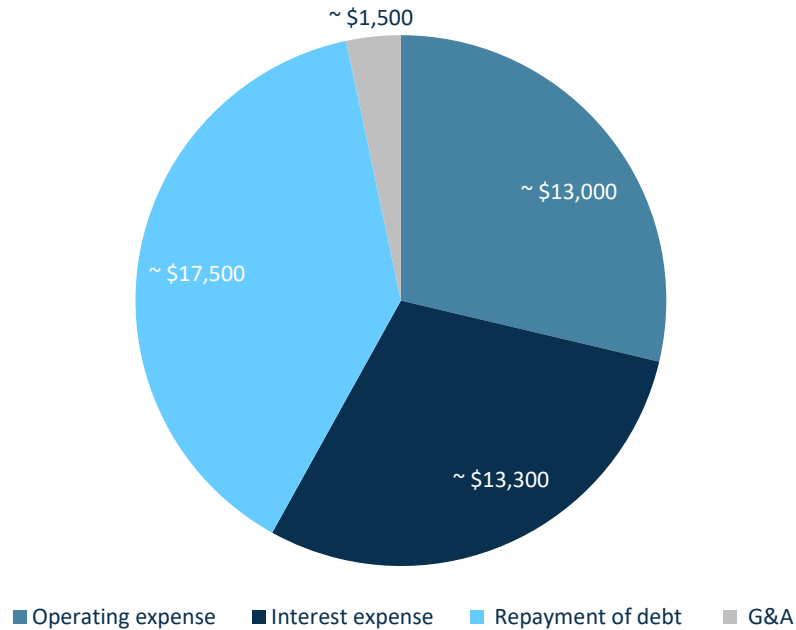
- ~\$1.7 billion in diversified funding split between lease, bank and ECA financing at attractive terms
- \$20m increase under \$100m facility agreed post quarter end, available as non-amortizing RCF
- Long funding secured with first loan maturity in July 2024
- Staggered debt maturity profile, mitigating re-financing risk
- Well diversified pool of lenders with 15 different financial institutions

1) Common equity and outstanding/committed amounts under financings as per December 31, 2020
 2) The remaining tranche under the \$629m ECA facility remains subject customary closing conditions. Actual amount available for drawdown is subject fair market value test. \$20m increase under \$100M Facility remains subject acceptable documentation.
 3) Repayment schedule based on contracted delivery date for remaining newbuilding. The 12-year ECA tranche under the \$629m ECA facility will mature at same time as the \$250m commercial tranche if commercial tranche is not refinanced on terms acceptable to the ECA lenders.

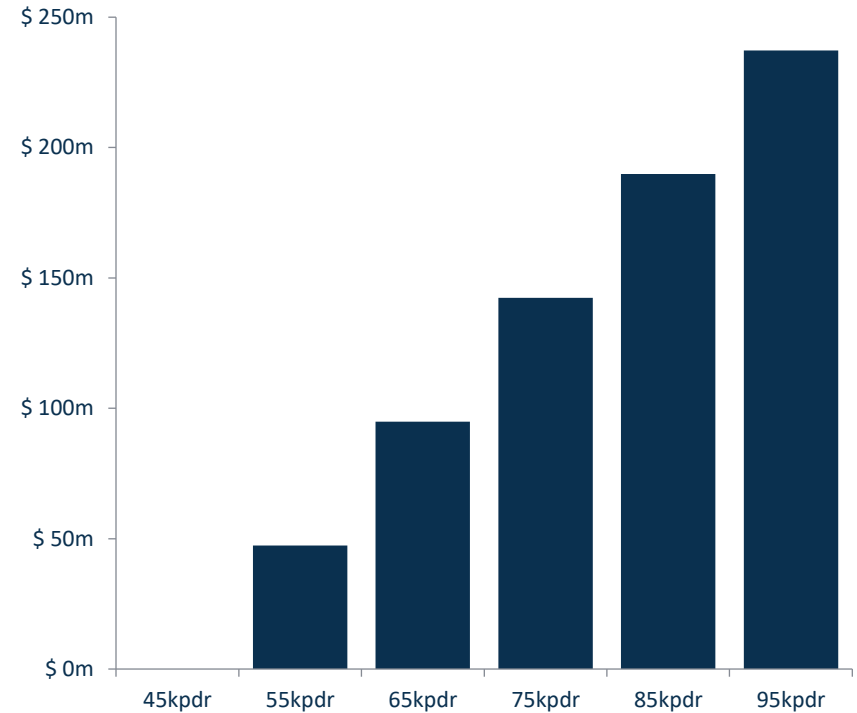
A LEAN MACHINE WITH HIGH CASHFLOW POTENTIAL



Attractive cash breakeven level of \$~45kpd⁽¹⁾



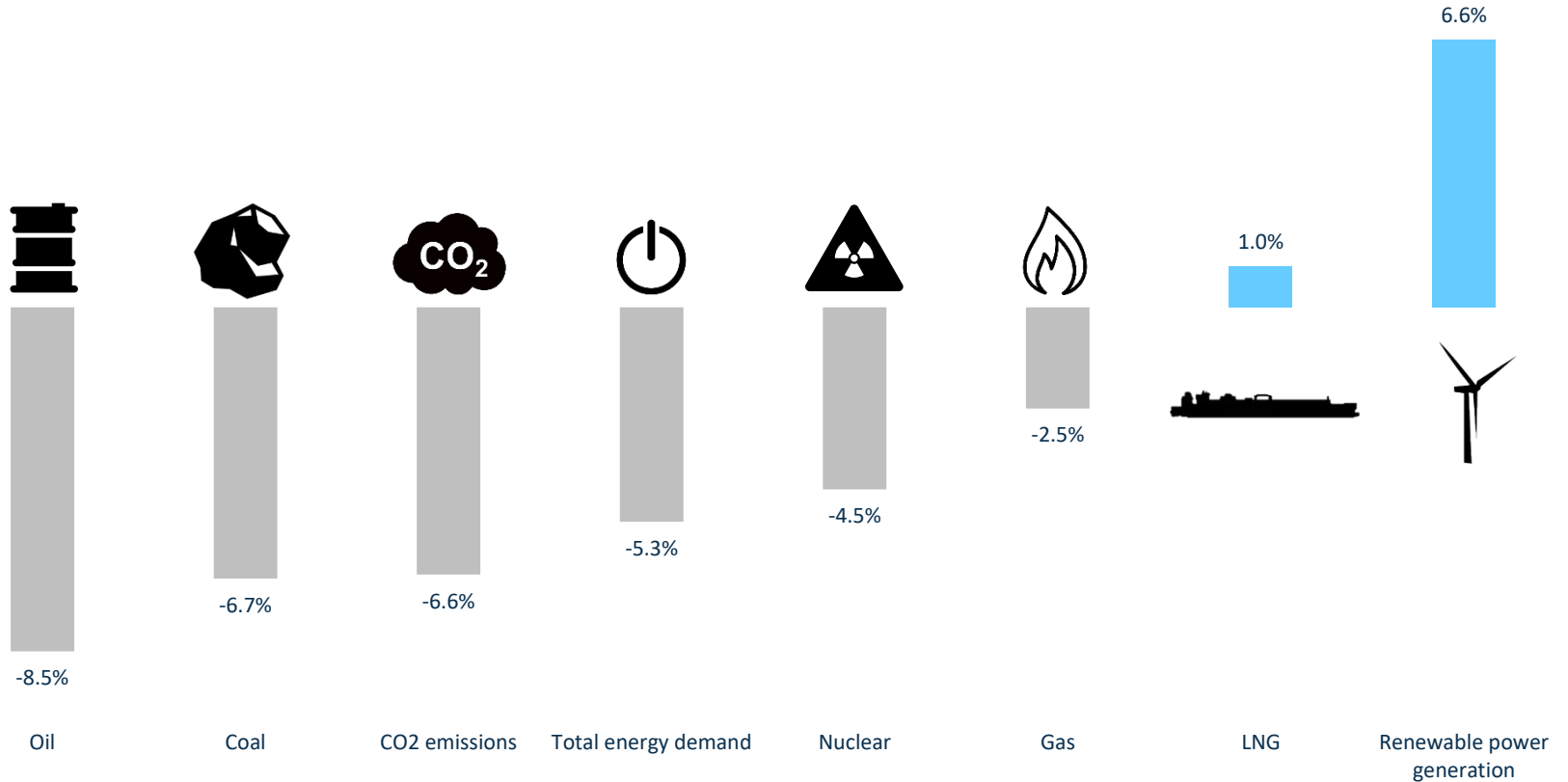
Yearly FCF at different TCEs⁽²⁾



1) Estimated cash breakeven level per vessel per day based on fully delivered fleet, assuming opex of \$13kpd, LIBOR 0.5% p.a. and excluding dry docking capex

2) Assumes cash breakeven of ~\$45kpd and fully delivered fleet

GAS AND RENEWABLES WILL FUEL THE FUTURE

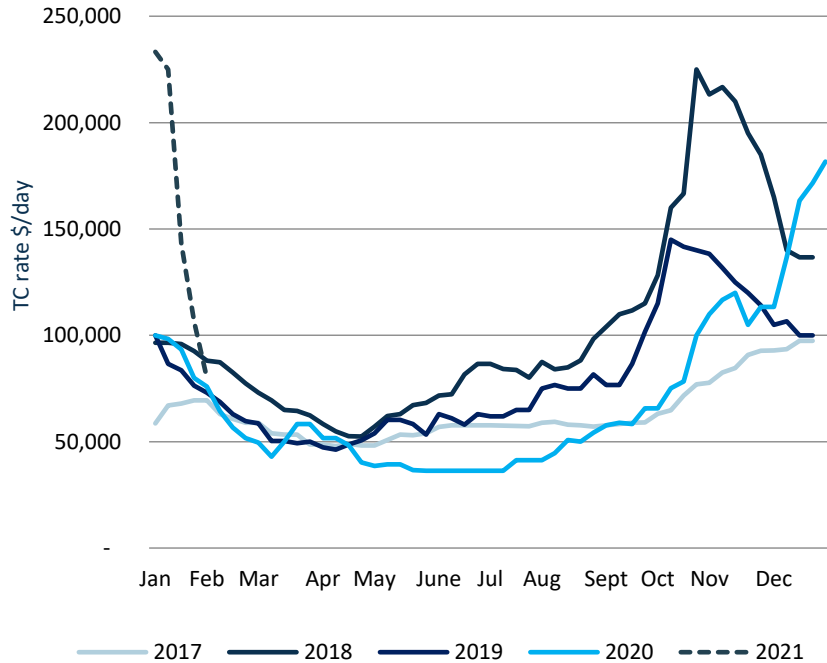


1) Source: IEA and Kpler

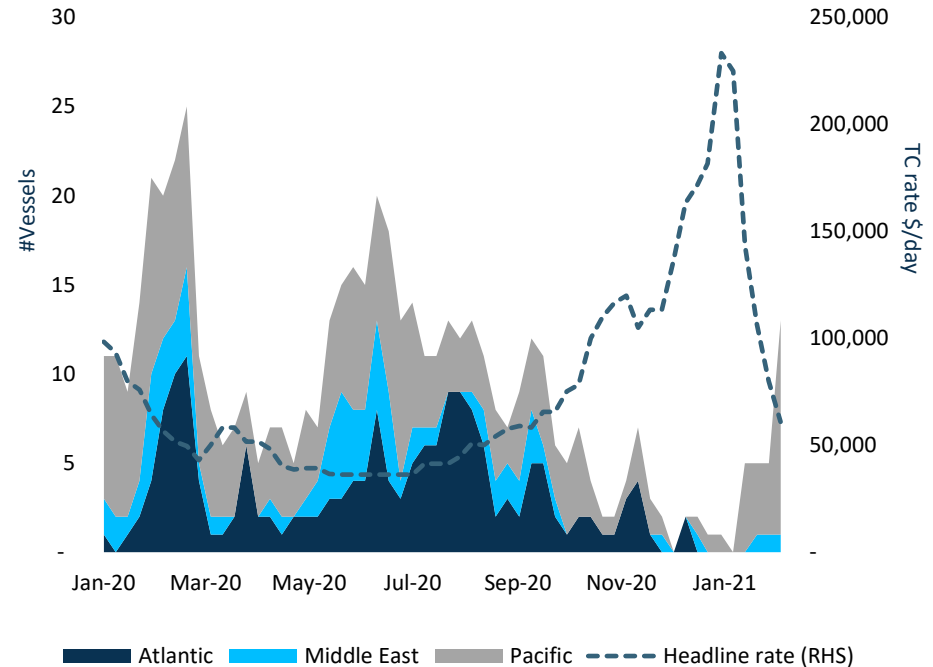
SPOT MARKET IN REVIEW



Headline rate (MEGI/XDF)



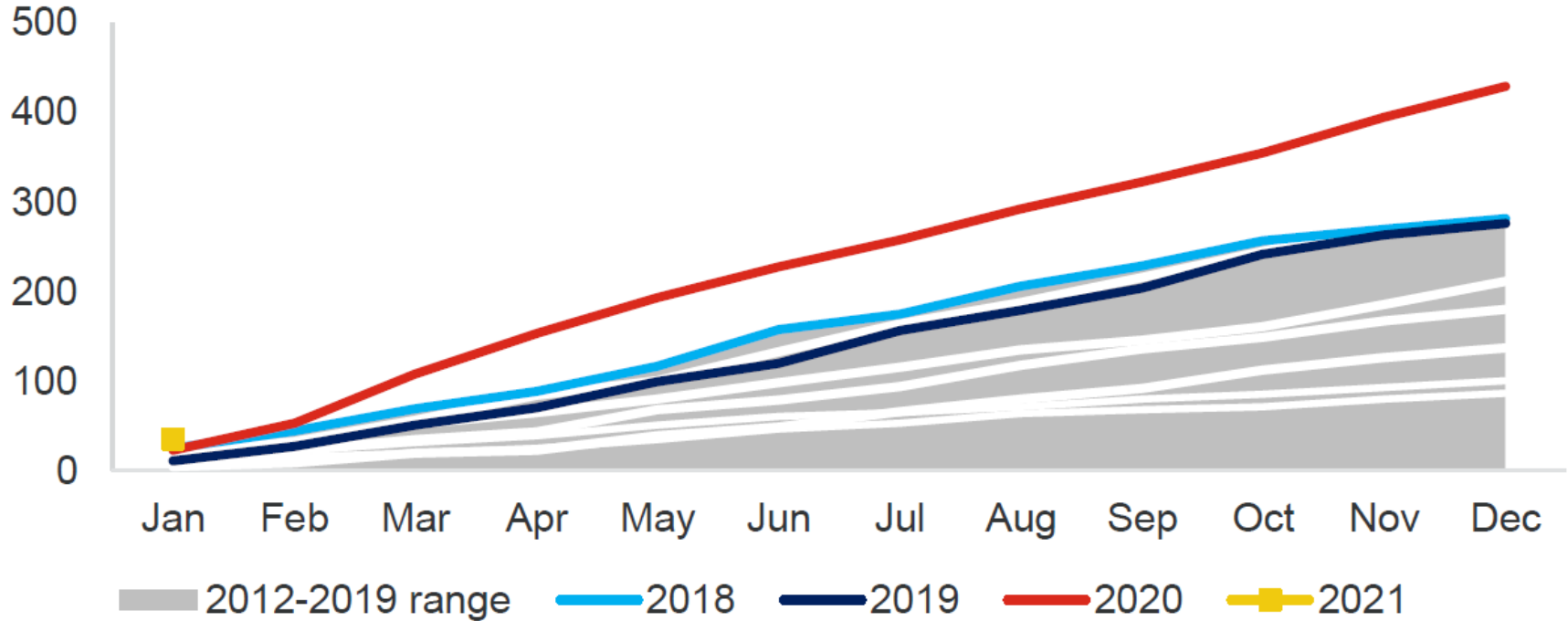
Prompt available vessels vs. Headline rate



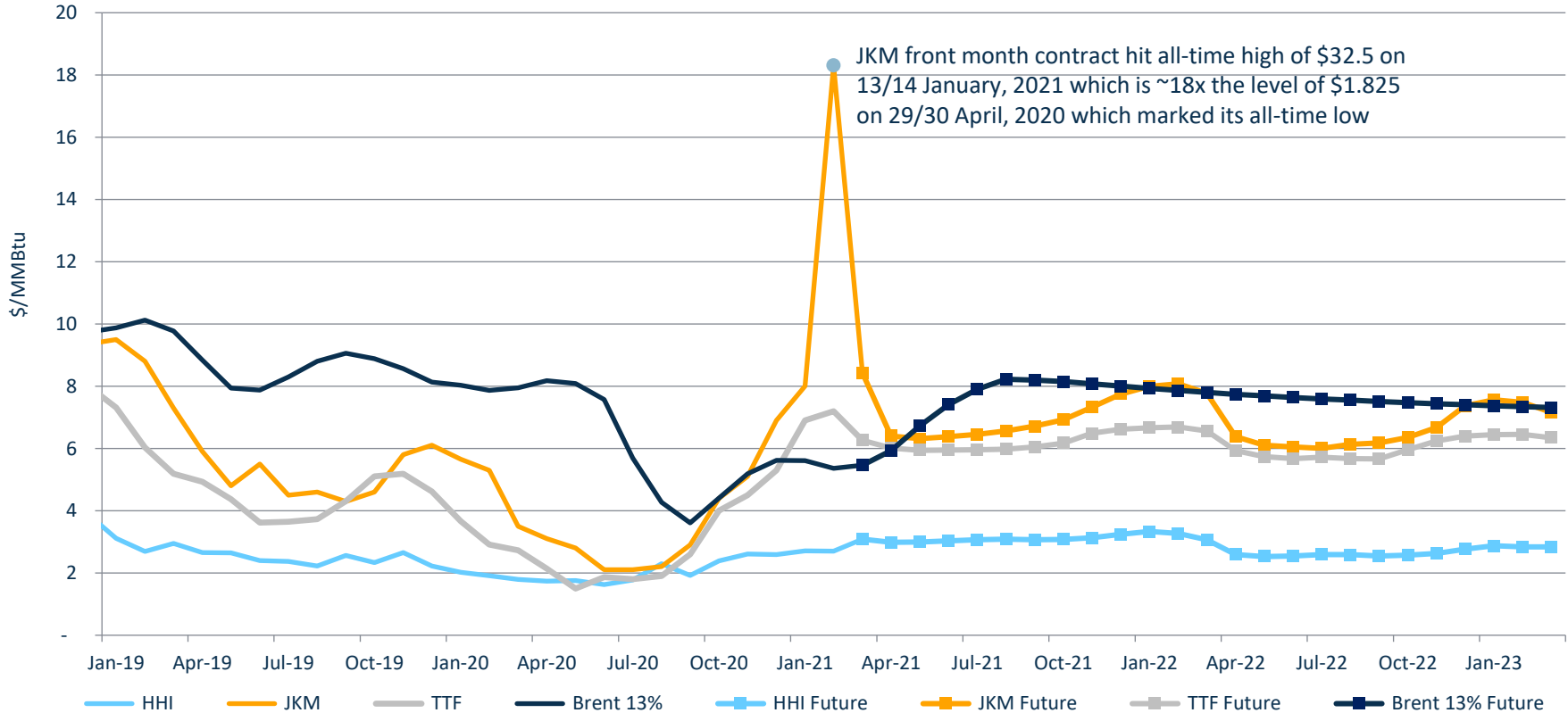
LIQUIDITY OF SPOT MARKET SIGNIFICANTLY IMPROVED



fixtures

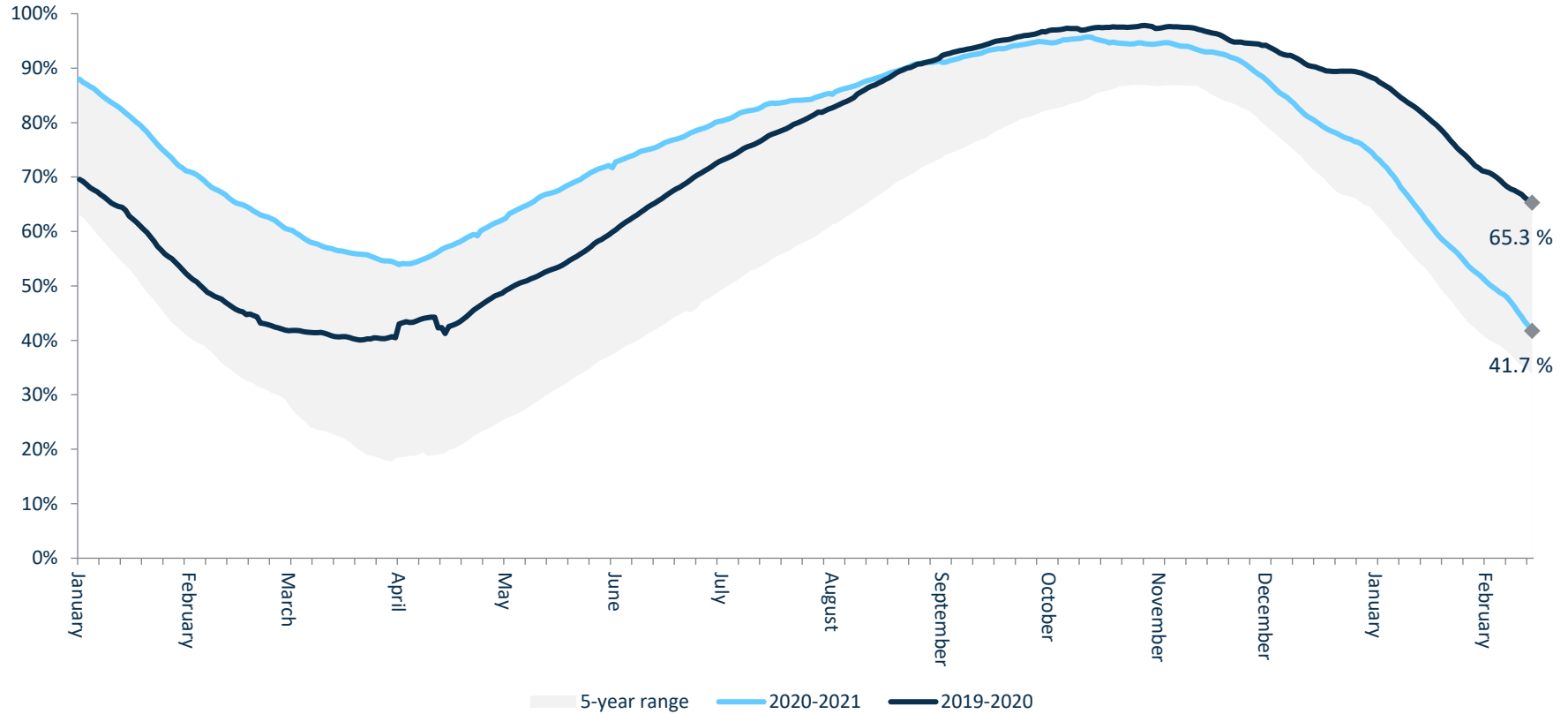


PRODUCT MARKET REVIEW



1) Source: CME, Platts and Refinitiv

EUROPEAN STORAGE LEVELS RAPIDLY DEPLETED



1) Source: GIE AGSI+

THIS WINTER HAS EVIDENCED THE NEED FOR FLEXIBLE GAS



Beijing at -19.6 deg C records coldest morning in over five decades
The Nanjiao station, located in Beijing's Daxing district, is a national-level meteorological station founded in 1912.
[financialexpress.com](#)



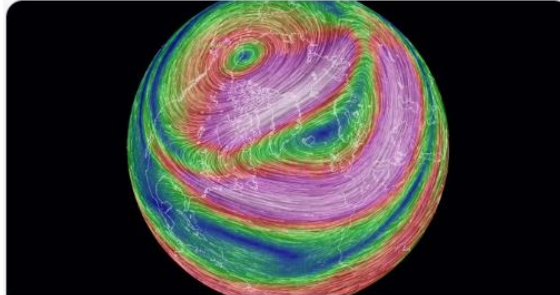
Cold Snap Sparks Record Rise in Natural Gas Prices in Asia
A blast of cold weather in northeast Asia and a shortage of ships for transporting gas have sparked a scramble for cargoes of liquefied natur...
[wsj.com](#)



Rolling Blackouts Hit Texas as Big Freeze Upends Energy Markets
The arctic freeze gripping the central U.S. has triggered rolling blackouts in Texas and is ratcheting up pressure on energy prices already trading ...
[bloomberg.com](#)



Record-Smashing Snowfall Buries Japan: 1,100+ Cars Stranded, 10,000+...
With over 7 feet falling in the past 48 hours alone, large portions of Japan are busting all-time snowfall records set back in 2010.
[electroverse.net](#)

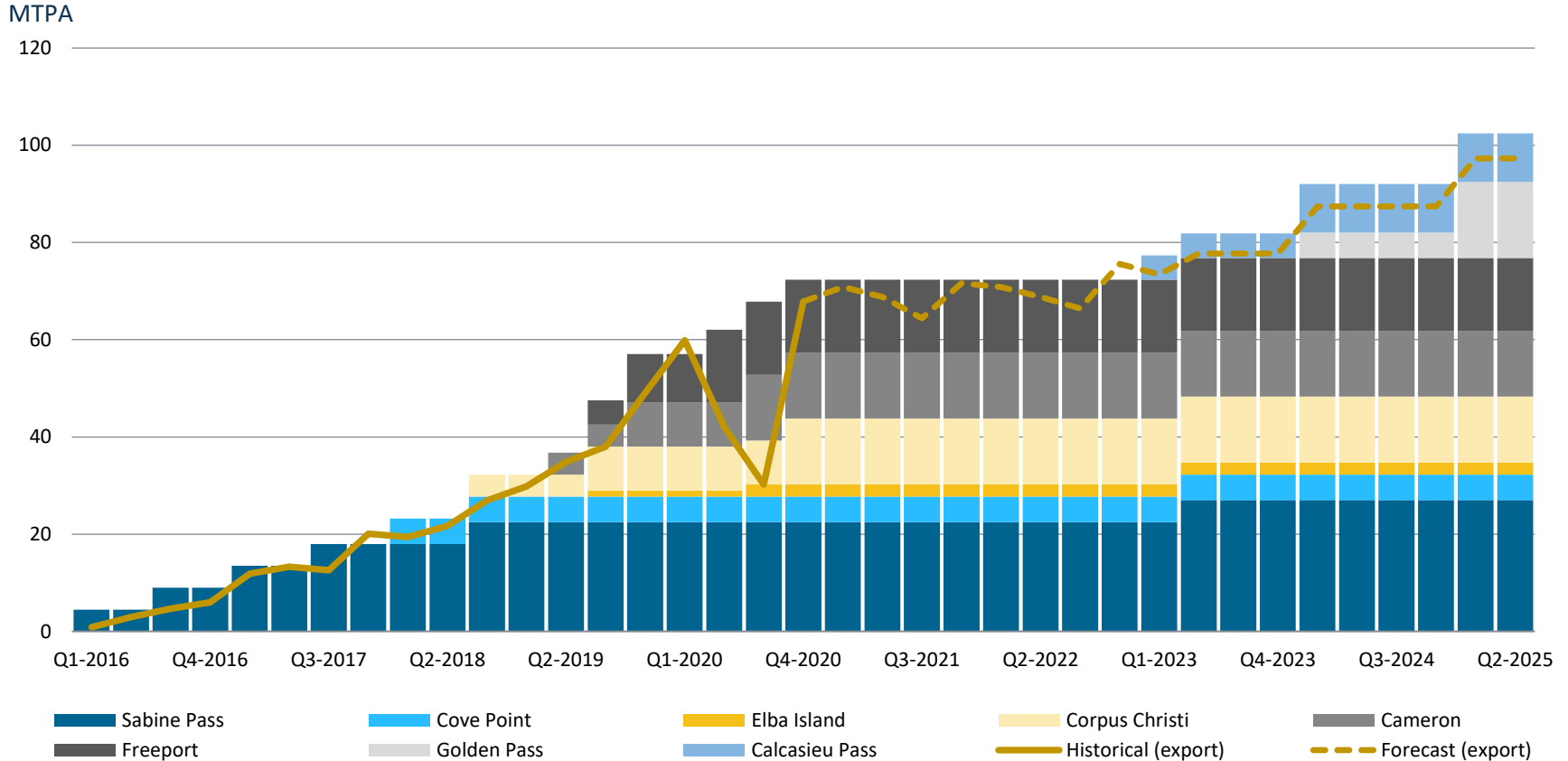


The polar vortex is splitting in two, which may lead to weeks of wild win...
This dramatic event may increase the potential for paralyzing snowstorms and punishing blasts of Arctic air in the U.S. and Europe.
[washingtonpost.com](#)



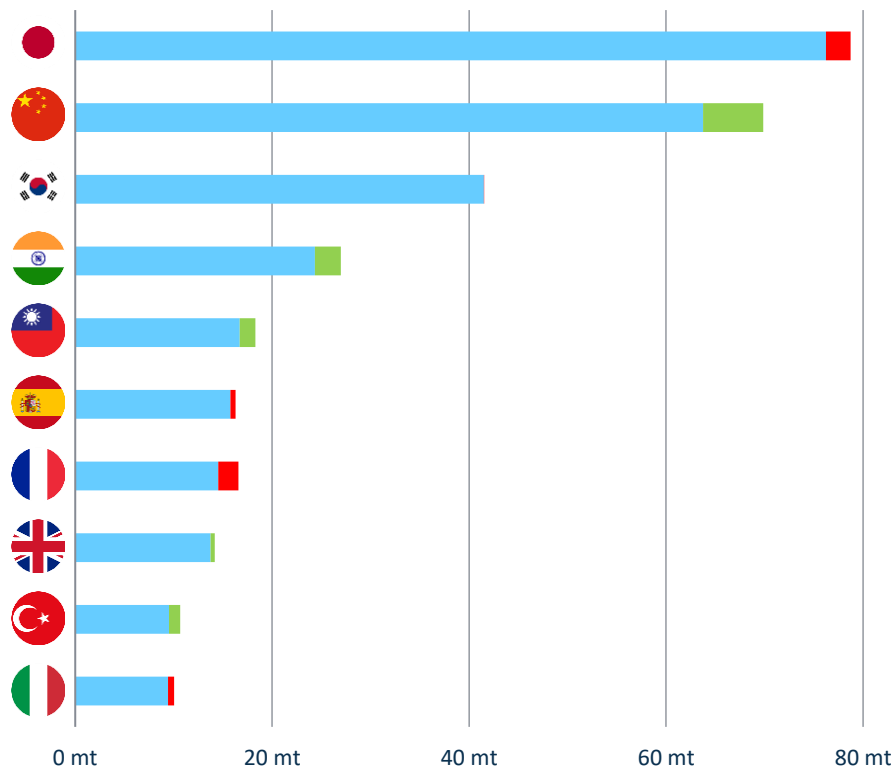
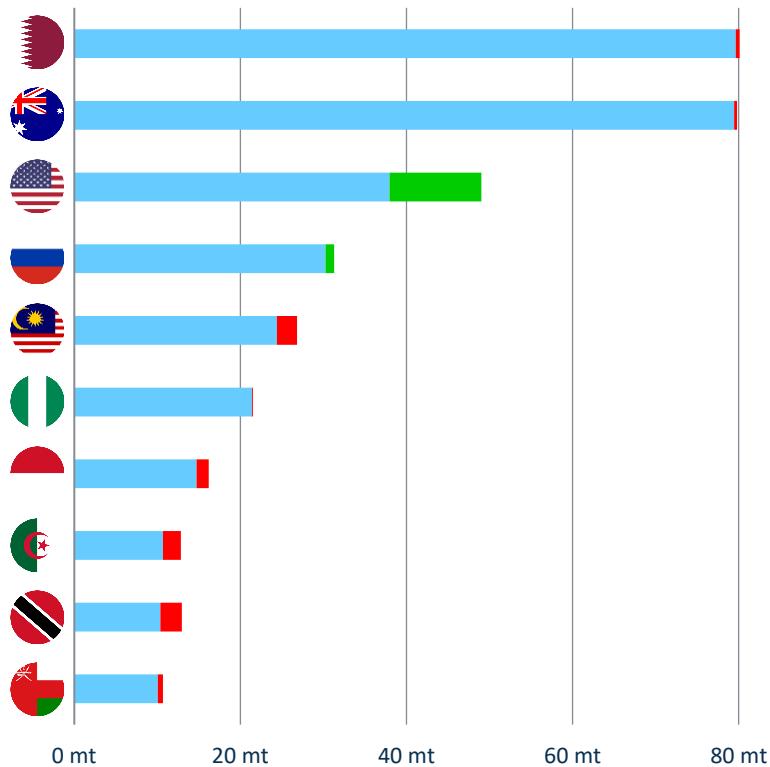
Asian Freeze Sends Natural Gas Cargo Prices Into the Stratosphere
[bloomberg.com](#)

U.S. ACTED AS SWING PRODUCER IN 2020



1) Source: Kpler, Energy Aspects, IEA, EIA and Company

TOP 10 EXPORTING AND IMPORTING COUNTRIES IN 2020



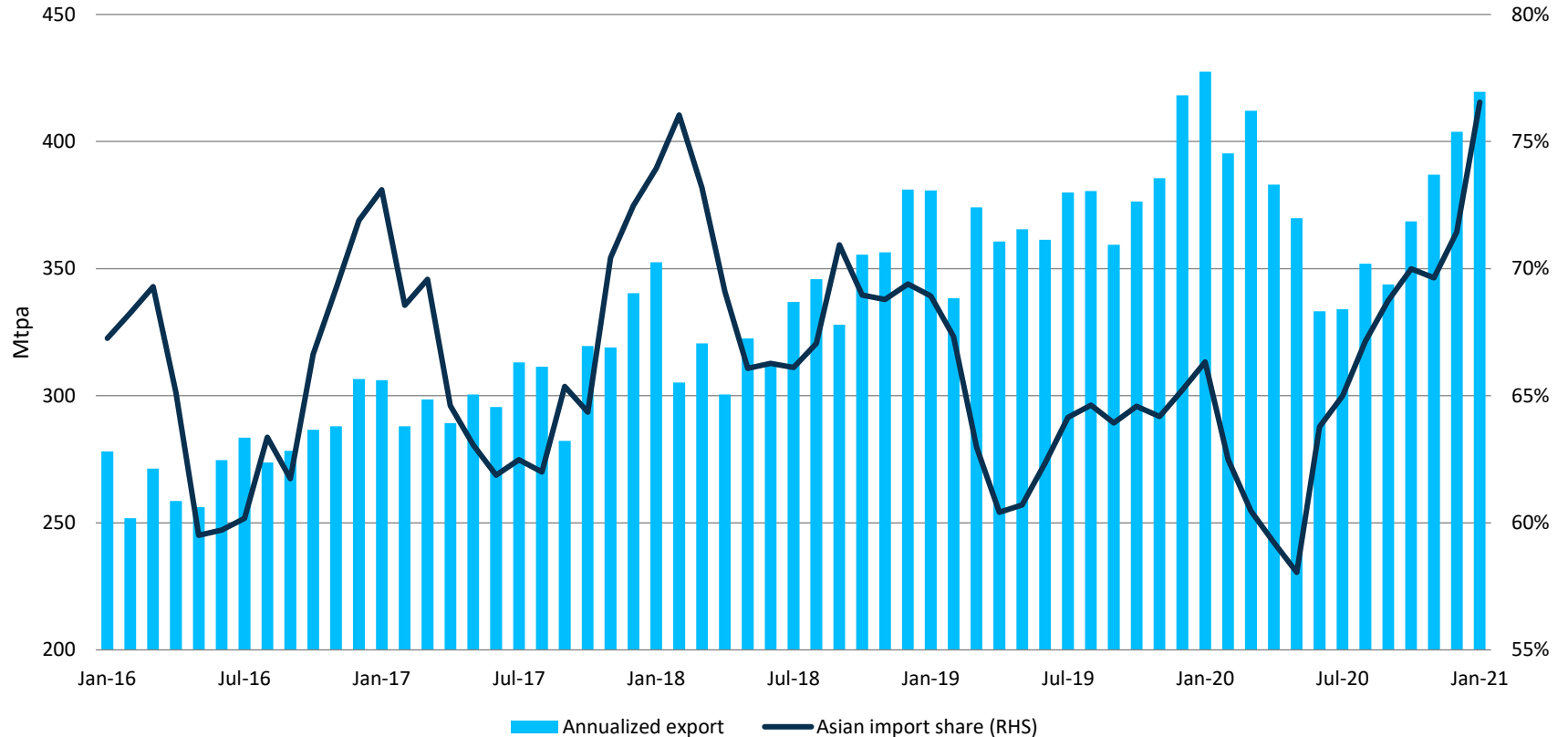
■ LNG Exports 2019 ■ Increase ■ Decrease

■ LNG Imports 2019 ■ Increase ■ Decrease

1) Source: Kpler

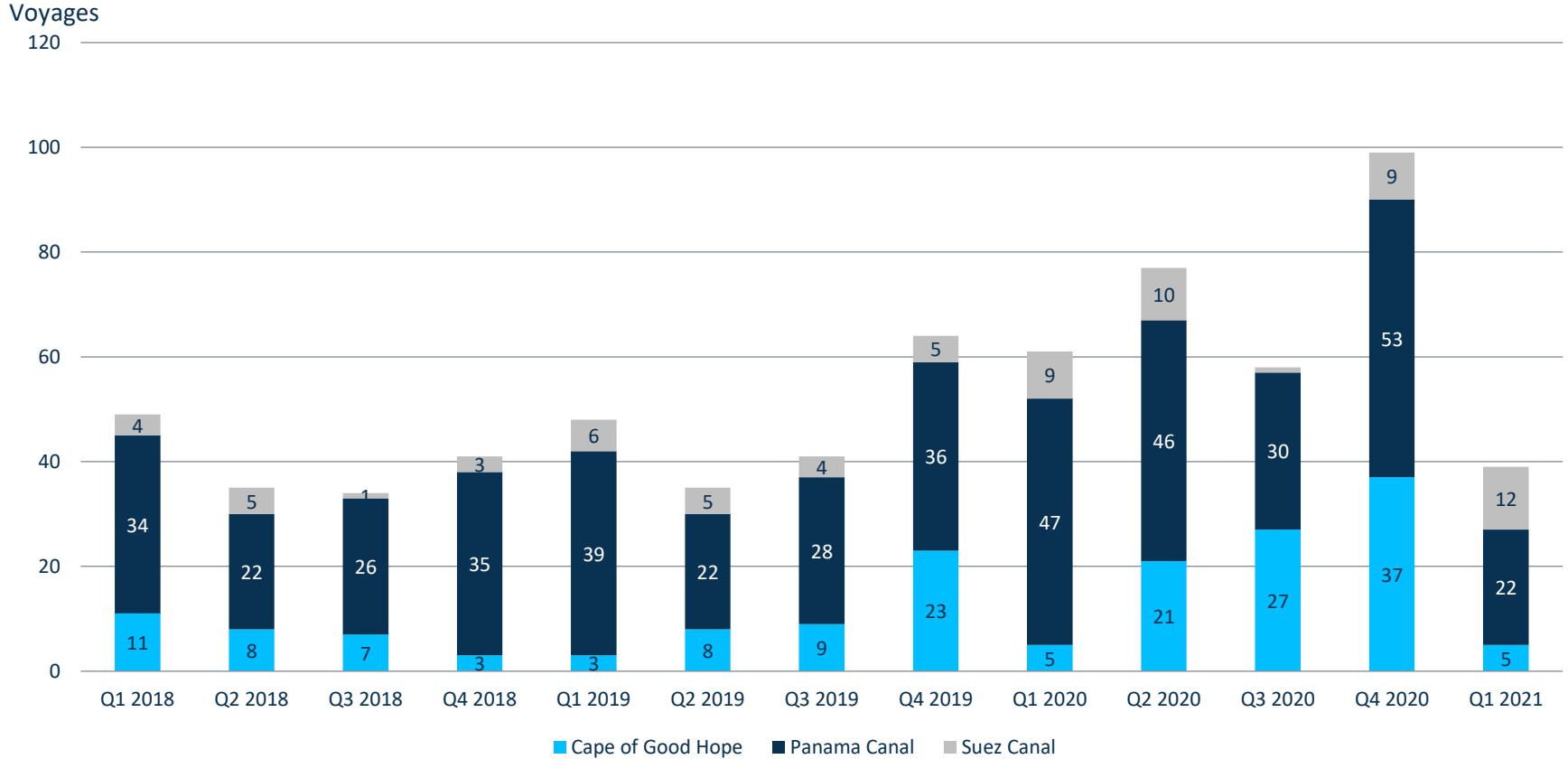
2) Exporting countries in descending order: Qatar, Australia, United States, Russian Federation, Malaysia, Nigeria, Indonesia, Algeria, Trinidad and Tobago and Oman. Importing countries in descending order: Japan, China, South Korea, India, Taiwan, Spain, France, United Kingdom, Turkey and Italy

LNG MARKET REBOUNDED WITH PULL FROM ASIA



1) Source: Kpler

US CARGOES HAVE TRAVELLED FAR DURING THE WINTER

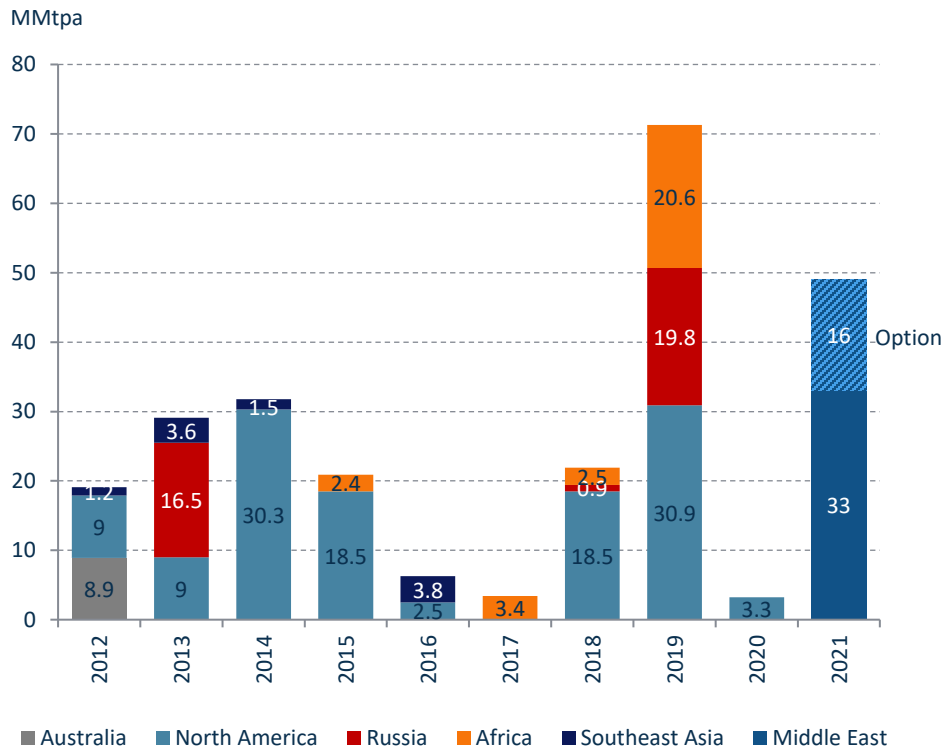


1) Source: Fearnleys and TradeWinds

NEW PROJECTS BEING SANCTIONED AGAIN



Qatargas expansion kicking off 2021 FID's



Main contenders for FID in 2021/22

Likely FIDs	Country	Volume (Mmtpa)
Woodfibre LNG		2.1
Rovuma LNG		15.2
Pluto Train 2		5.0
Goldboro		10.0
Plaquemines		9.9
Driftwood LNG Phase 1		16.6
Port Arthur		13.5
Freeport T4		5.0
Rio Grande LNG Phase 1		11.7
Papua LNG		5.0
Total FID volumes		94.0

1) Source: Bloomberg and Company

WE ARE COMMITTED TO ESG



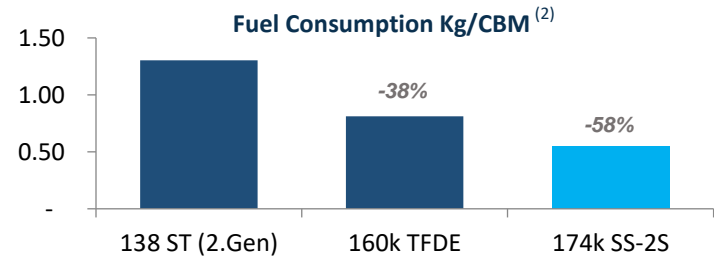
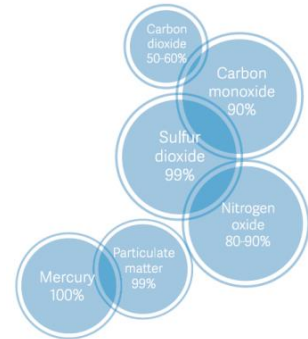
- We publish yearly ESG report according to SASB guidelines which includes information about:

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



*2020 ESG report
will be published
April 2021*

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



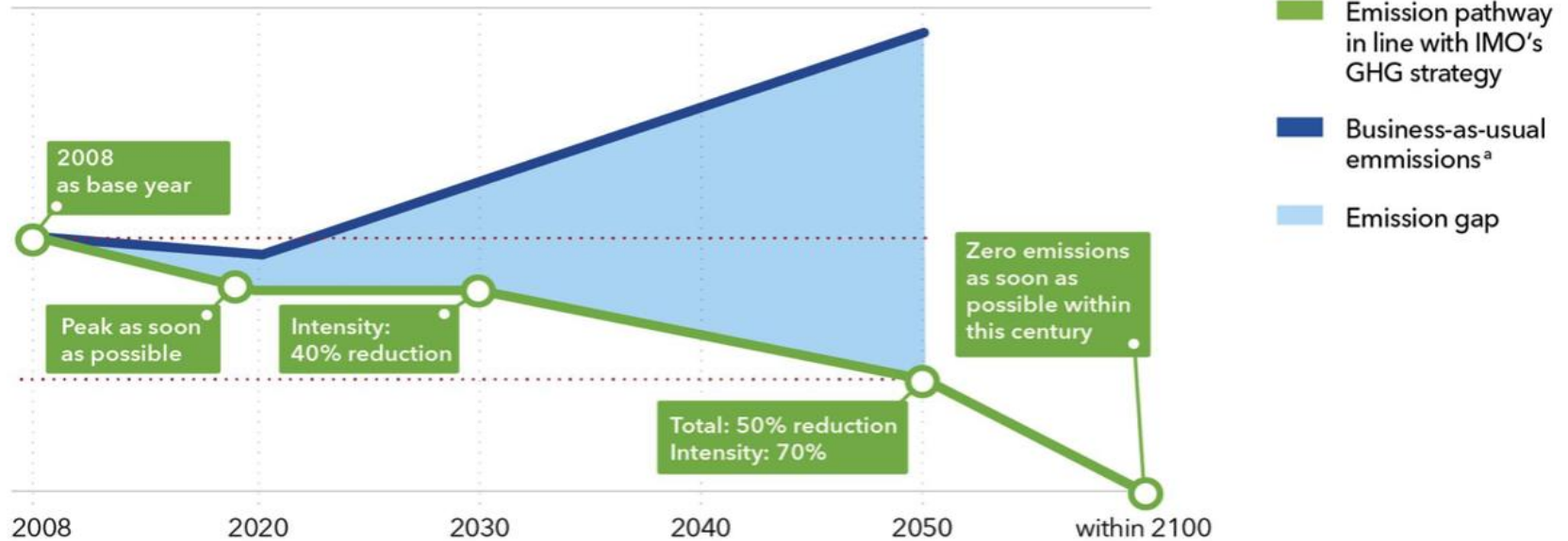
1) Source : Texas A&M University

2) Source: Company estimates

DECARBONIZING SHIPPING IS THE NEXT BIG THING



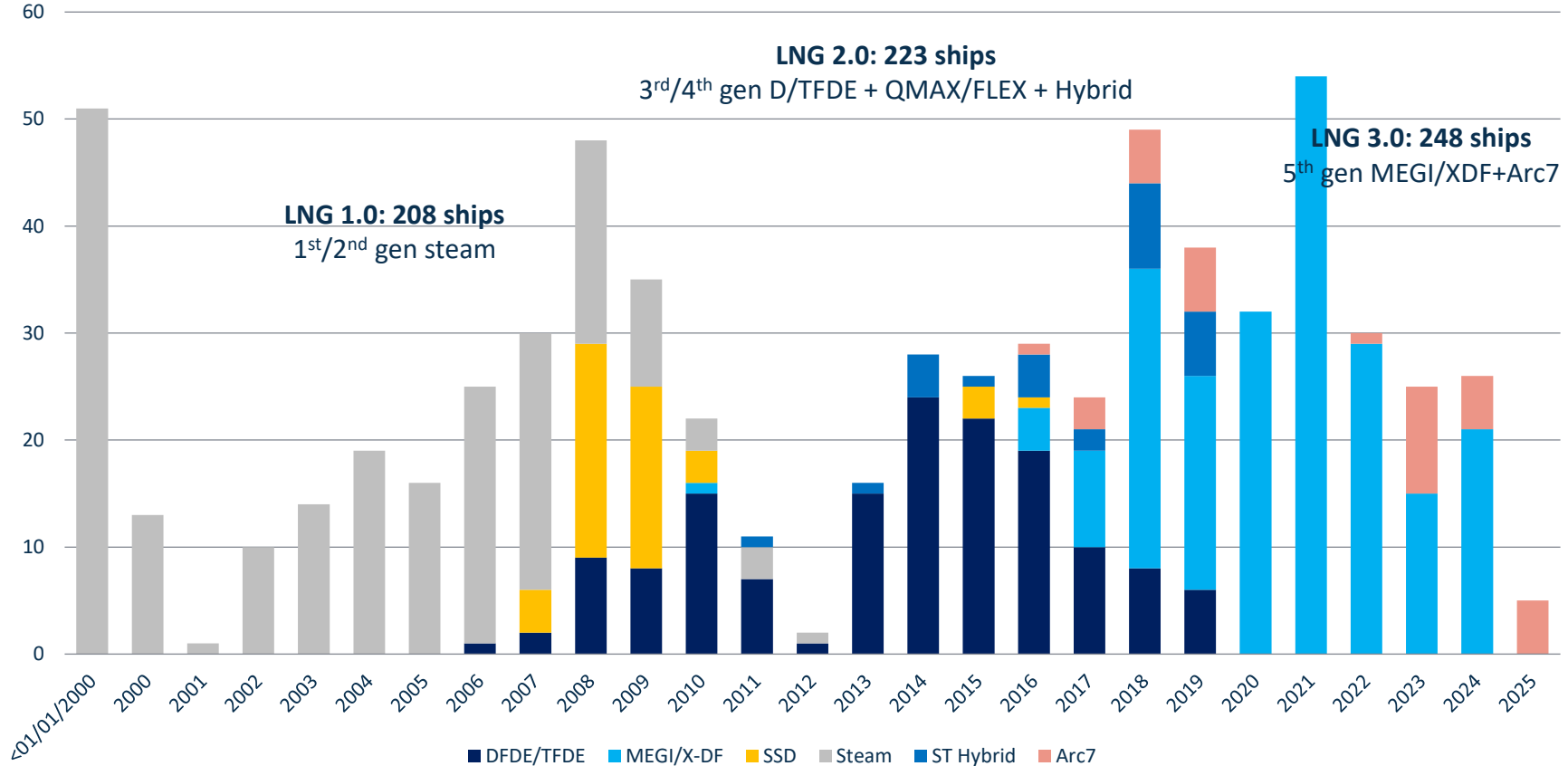
Units: GHG emissions



2020: SOx cap EEDI Phase II	2021: NOx ECA Baltic and North Sea	2022: EEDI Phase III	2023: EEXI SEEMP/CII	2026: EEXI review	2030: GHG 40% cut	2050: GHG 70% cut
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1) Source: DNV, ABS

LNG 3.0: THE GRANULAR VIEW

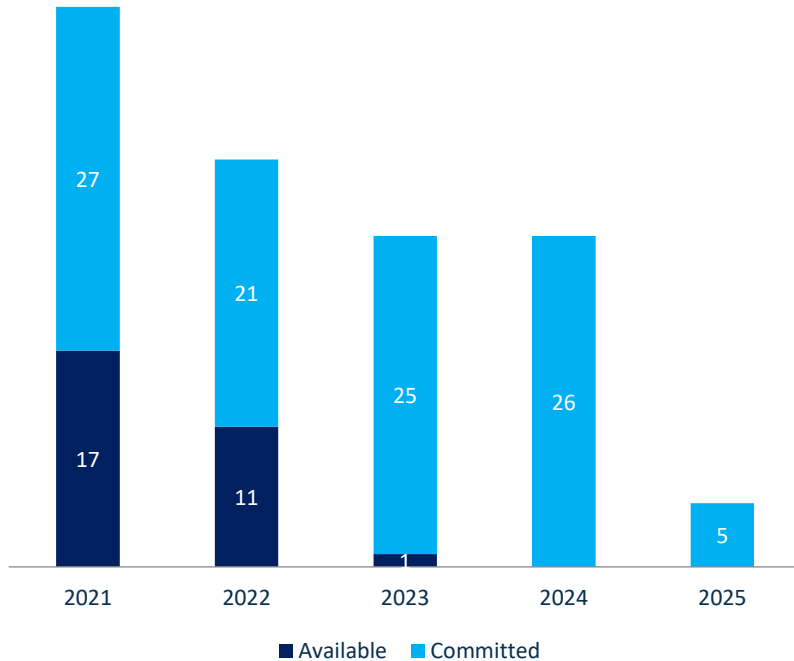


1) Source: Fearnleys and Company
 2) Conventional LNG Carriers > 100k cbm. Laid up vessels are included

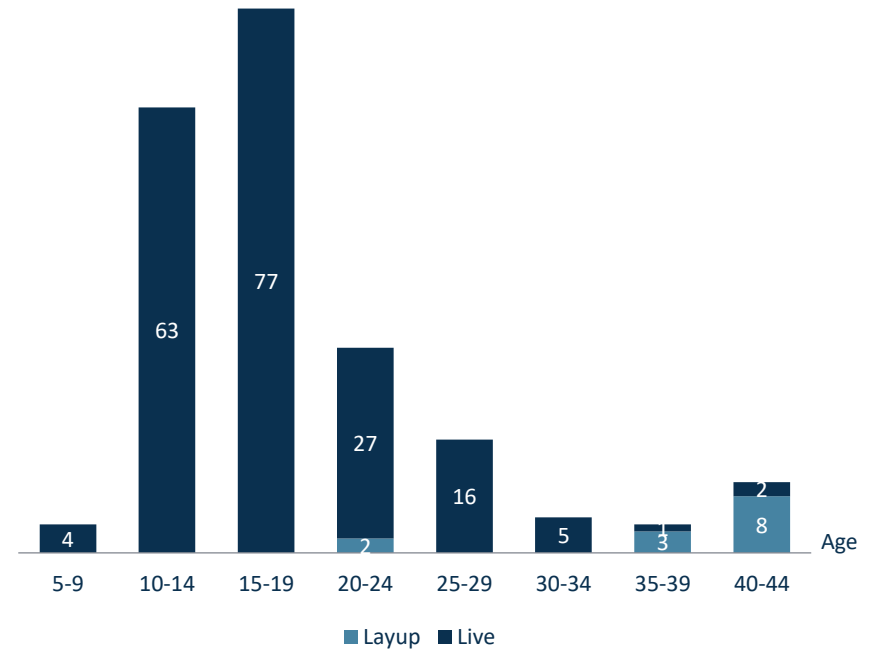
FEW UNCOMMITTED NEWBUILDINGS WITH AN AGEING STEAM FLEET



Available vessels are limited

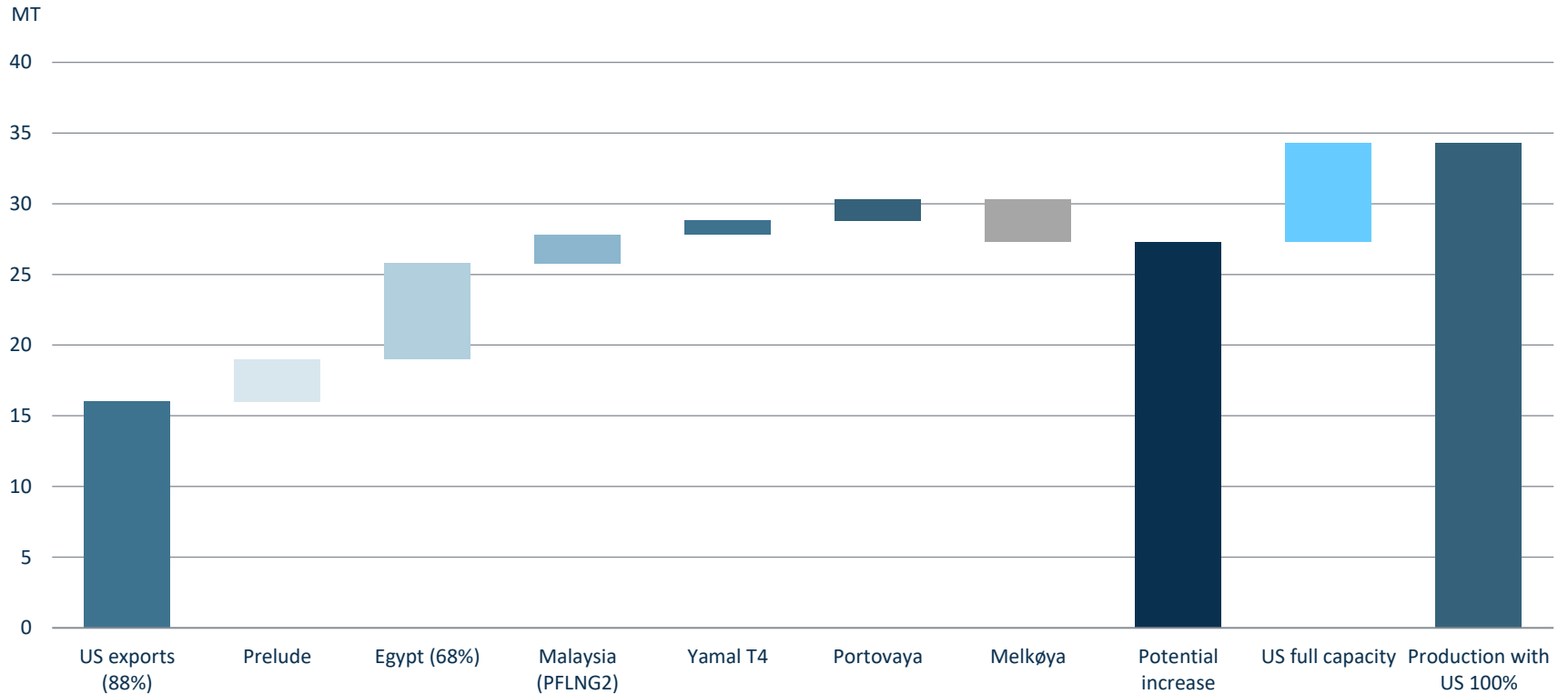


Steam propulsion - Age composition



1) Source: Fearnleys, Poter and Company
2) Conventional LNG Carriers > 100k cbm. Laid up vessels are included

ABOUT 27MT INCREASED PRODUCTION EXPECTED IN 2021



1) Source: Energy Aspects, Kpler, EIA and Company

SUMMARY



Delivered TCE of \$74kpd in line with guidance of \$70-75kpd

Expect Revenues to grow from \$67m in Q4 to \$80-90m in Q1

Dividend hiked from \$0.1 to \$0.3 per share – yield of 13% p.a.

12 ships on the water and last ship due for delivery Q2-21

Improved market outlook with re-stocking of gas required

Fully financed fleet with solid cash position of \$129m





FLEX LNG



Q&A