



SFL Corporation Ltd.

Q1 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.

Q1 2024 Highlights



GROSS REVENUE⁽¹⁾
\$236m

- Adjusted EBITDA⁽²⁾ of \$152m
- Increased contribution from car carriers and *Hercules*

NET INCOME
\$45.3m

- Earnings per share of \$0.36
- \$5.5m from profit share and fuel-cost savings

DIVIDEND
\$0.27/share

- 81st consecutive quarterly dividend
- ~8% dividend yield ⁽³⁾

BACKLOG⁽⁴⁾
\$3.6bn

- Several vessel acquisitions and charter extensions
- Added >\$500 million 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 first quarter preliminary earnings release Appendix 1: Reconciliation of Adjusted EBITDA

3) Based on SFL share closing price of \$14.34 on May 13, 2024

4) Fixed rate backlog as of March 31, 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



NEWBUILDS AND CHARTERS

- 3x newbuild LR2 product tankers with delivery Q2 to Q4 2024
- 5 year charters to a world-leading energy and commodities company

ACQUISITION AND CHARTERS

- 2x LNG dual-fuel 33,000 dwt stainless steel chemical tankers
- 8 year time charter and pool agreement with Stolt-Nielsen

NEW MAERSK CHARTERS

- Multiple charter extensions, including 3x 10,600 TEU vessels to 2030
- Added backlog of approx. \$250 million

SUSTAINABILITY LINKED BONDS

- \$150 million senior unsecured bonds due 2028
- Refinancing existing debt and general corporate purposes

PORTFOLIO⁽¹⁾



CONTRACT DURATION⁽²⁾

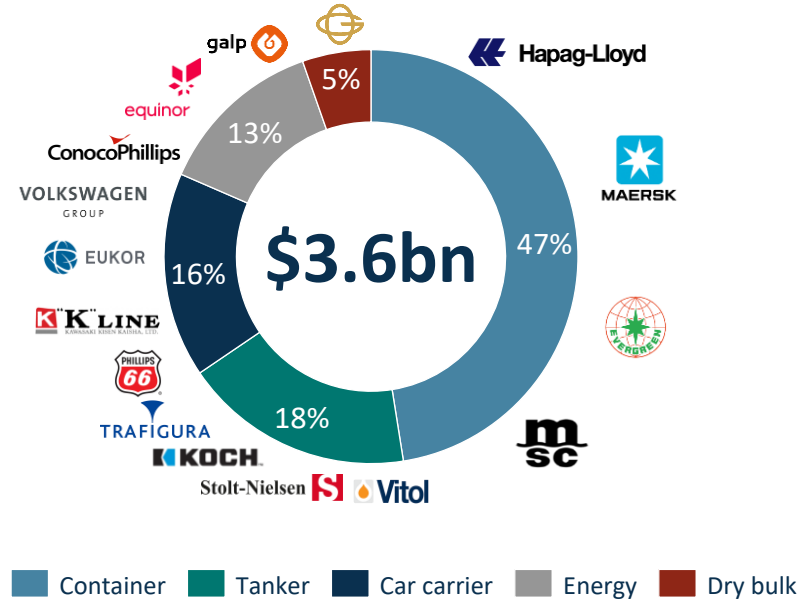


CHARTER HIRE Q1 2024

Bareboat charter



CONTRACTED REVENUE⁽³⁾

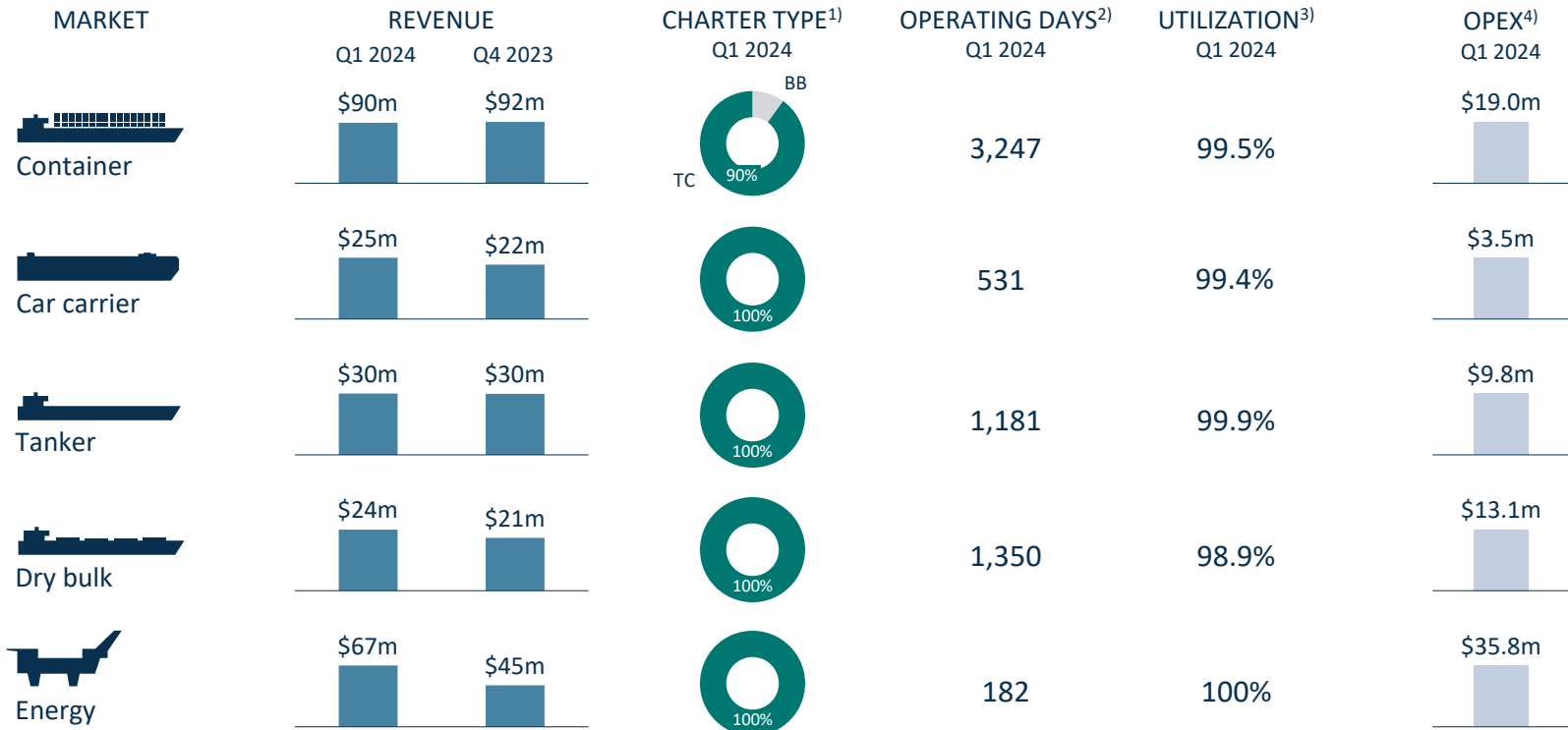


1) Including partly owned vessels and acquired vessels yet to be delivered to SFL

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 March 31, 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



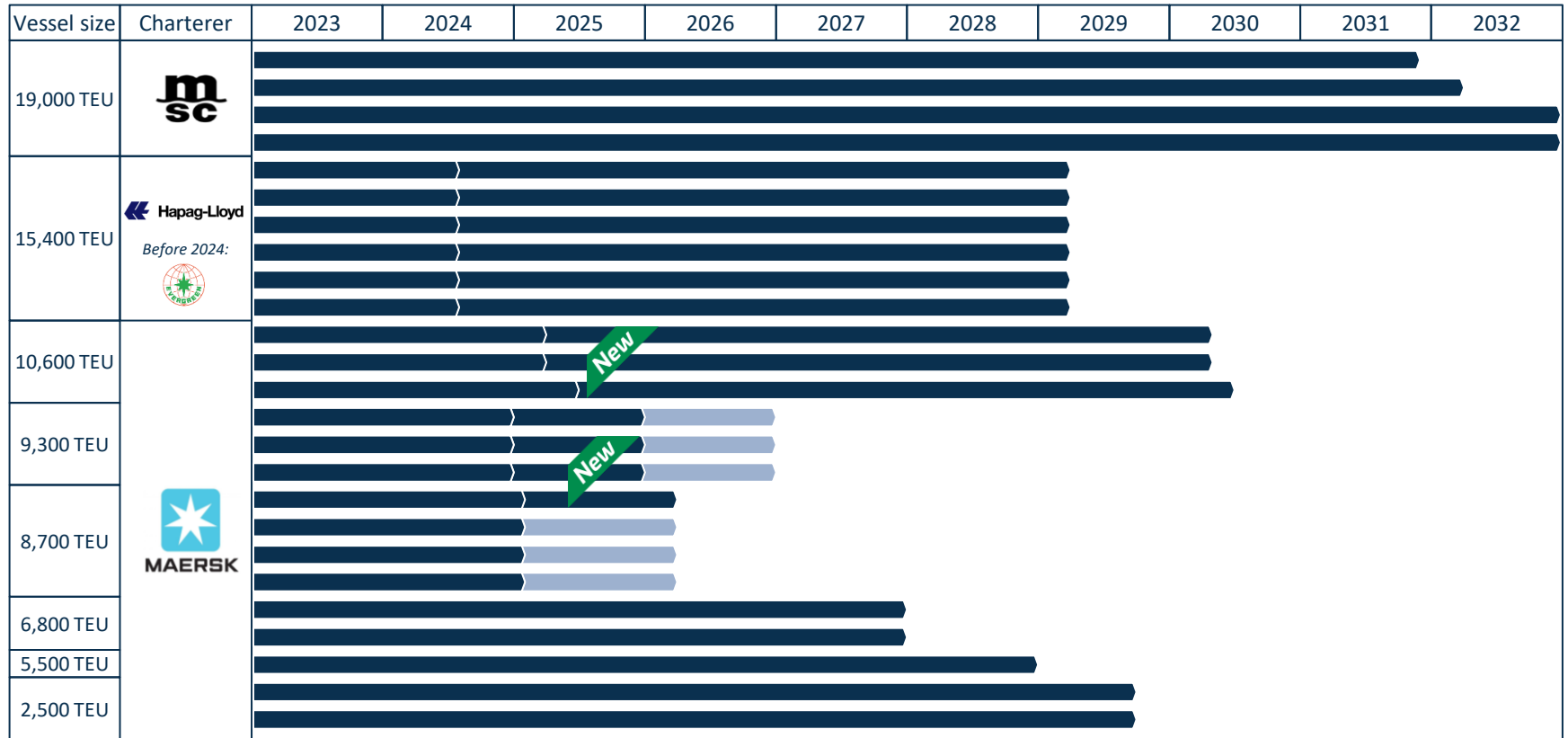
1) Revenue by charter contract type. TC = time charter where SFL is providing crew and ship management services to the charterer. BB = Bareboat where SFL only provides the ship where the charterer undertakes crewing and ship management

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

Majority of Container Fleet Continuously Contracted Going Forward



Firm contract

Option

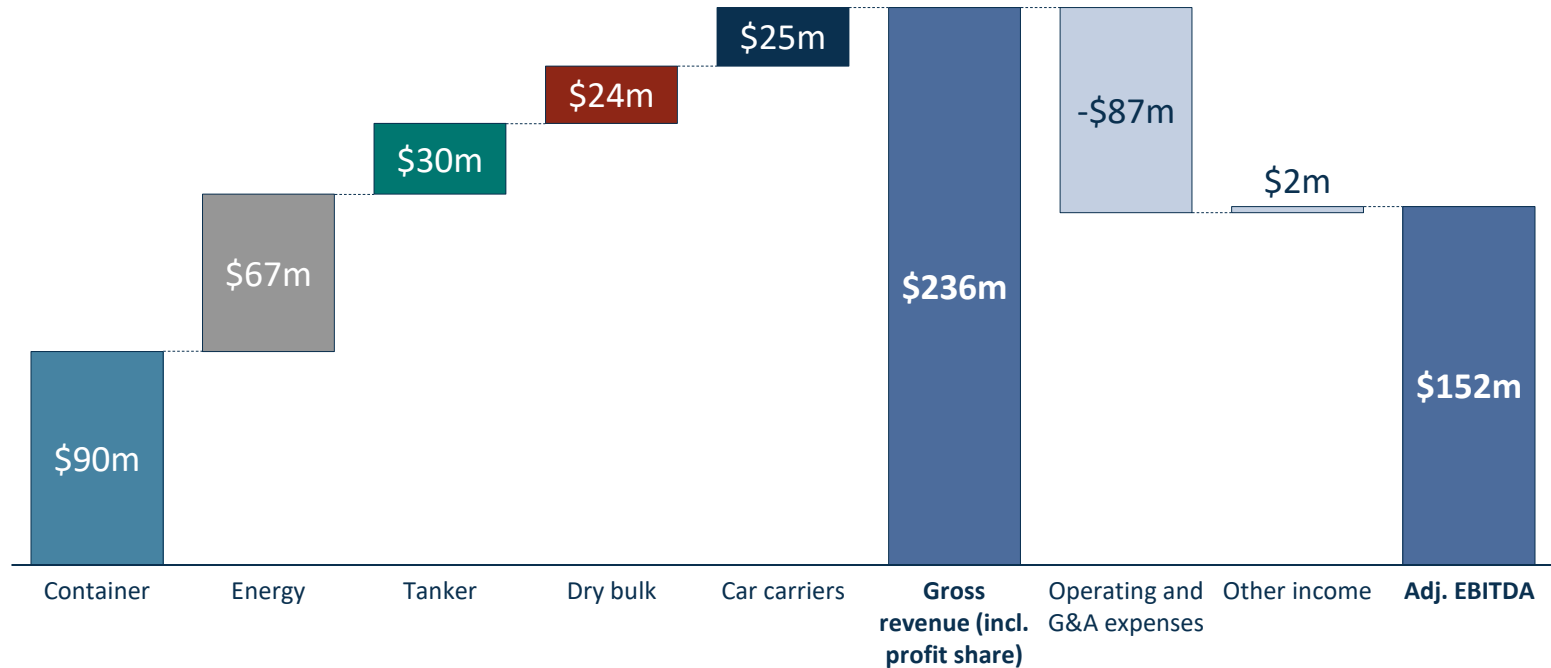
Note: The list excludes seven container vessels on bareboat charters with purchase obligation to MSC expiring in 2025 and two debt-free feeders on contract to Maersk

SFL Financial Performance



ADJUSTED EBITDA Q1 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

- \$235.8m of charter hire, including share of revenue from associates and revenue classified as repayment and profit share
- Includes \$5.5m of profit share and scrubber fuel savings
- Operating revenue increase driven by new Car Carrier charter commencements and *Hercules* revenue

TAXES

- Increase due to local taxes in Namibia linked to *Hercules* operation

NET INCOME

- \$45.3 or \$0.36 per share

(in thousands of \$ except per share data)	Three months ended	
	Mar 31, 2024	Dec 31, 2023
Charter revenues: operating leases and rig revenue contracts	220,386	203,162
Charter revenues: sales-type leases (excluding charter hire treated as Repayments)	840	916
Profit share income	5,540	3,389
Other operating income	2,298	2,106
Total operating revenues	229,064	209,573
Loss on sale of assets and termination of charters	(17)	-
Vessel and rig operating expenses	(81,234)	(76,381)
Administrative expenses	(5,461)	(3,793)
Depreciation	(56,878)	(56,390)
Total operating expenses	(143,573)	(136,564)
Operating income	85,474	73,009
Results in associates	778	693
Interest income from associates	1,138	1,150
Interest income, other	1,700	2,230
Interest expense	(42,879)	(42,280)
Interest and valuation gain/(loss) on non-designated derivatives	3,003	(3,867)
Loss on Investments in debt and equity securities	(415)	(1,394)
Other financial items	(714)	2,861
Taxes	(2,783)	(1,034)
Net income	45,302	31,368
Basic earnings per share (\$)	0.36	0.25

Balance Sheet



CASH AND LIQUIDITY

- \$168m at quarter end
- New sustainability linked bond of \$150m issued in April addressing 2024 bond maturity and general corporate purposes

CAPITAL EXPENDITURE

- ~\$340m of capex related to 5x tanker vessels of which ~\$240m to be financed by senior bank debt
- ~\$30m of net capex remaining on jack-up rig *Linus* for SPS and upgrades

CAPITAL STRUCTURE⁽¹⁾

- Book equity ratio of 27.8%

(in thousands of \$)

	Mar 31, 2024	Dec 31, 2023
ASSETS		
<i>Short term</i>		
Cash and cash equivalents	168,153	165,492
Investment in marketable securities	4,382	5,104
Amount due from related parties	6,834	3,532
Investment in sales-type leases, current portion	7,895	20,640
Other current assets	134,443	103,291
<i>Long term</i>		
Vessels, rigs and equipment, net	2,777,855	2,654,733
Vessels and equipment under finance lease, net	563,155	573,454
Capital improvements, newbuildings and vessel deposits	6,447	86,058
Investment in sales-type leases, long term	33,131	35,099
Investment in associates	16,515	16,473
Amount due from related parties, long term	45,000	45,000
Other long term assets	13,780	22,513
Total assets	3,777,590	3,731,389
LIABILITIES AND STOCKHOLDERS' EQUITY		
<i>Short term</i>		
Short term and current portion of long term interest bearing debt	577,108	432,918
Amount due to related parties	1,189	2,890
Finance lease liability, current portion	405,486	419,341
Other current liabilities	109,792	114,046
<i>Long term</i>		
Long term interest bearing debt, net of deferred charges	1,630,351	1,713,828
Other long term liabilities	3,307	8,969
Stockholders' equity	1,050,357	1,039,397
Total liabilities and stockholders' equity	3,777,590	3,731,389

1) Book values as of March 31, 2024

