

Fourth Quarter 2021 & Full Year 2021 Results Presentation

February 16, 2021



FLEX LNG



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.

HIGHLIGHTS



Revenues of \$115m slightly ahead of guidance of ~\$110m

Best ever TCE/day of \$95,900 bringing 2021 average to \$74,500

Net income and adj. Net income⁽¹⁾ of \$69m and \$63m

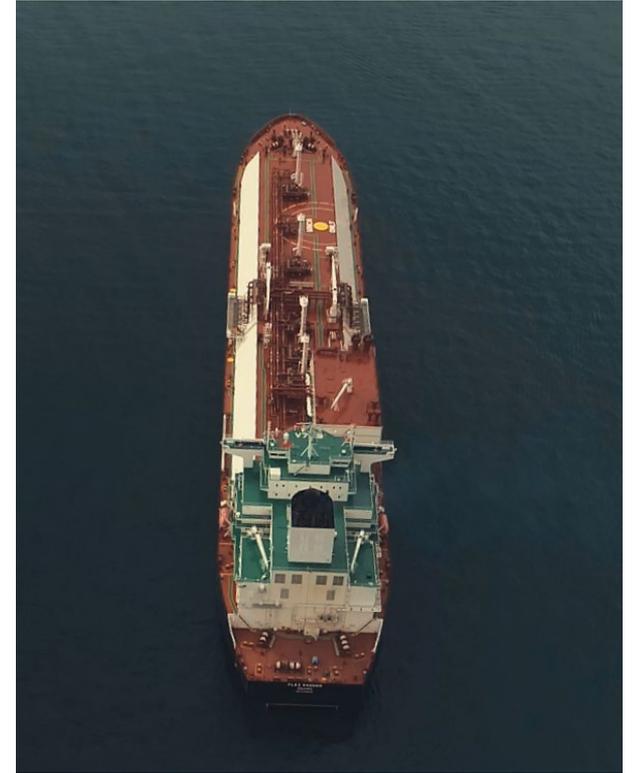
EPS and adj. EPS⁽¹⁾ of \$1.31 and \$1.18

Dividend of \$0.75 per share - yield of ~15%⁽²⁾

Rock solid cash balance of \$201m at year-end

Secured \$695m refinancing's releasing another \$~87m of cash

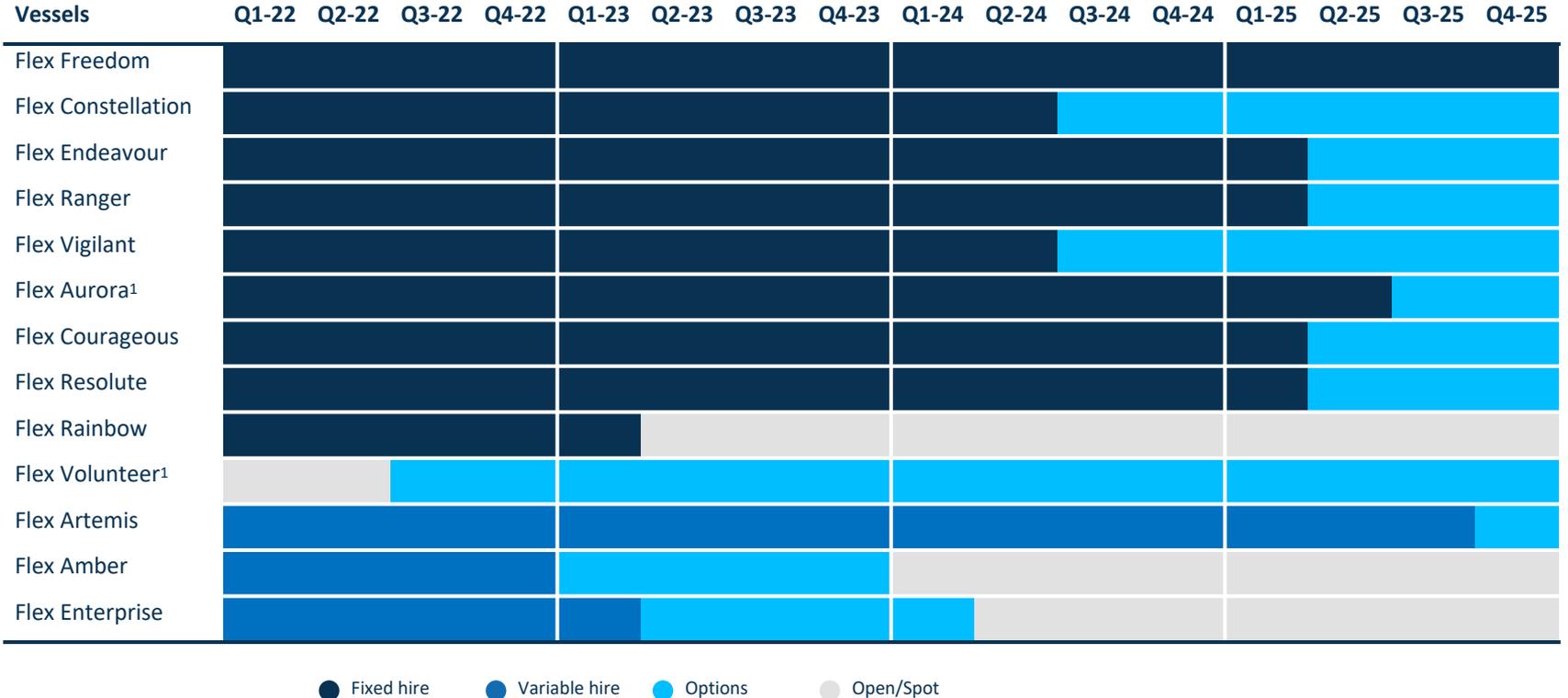
Strong backlog with ~93 % of 2022 already covered



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

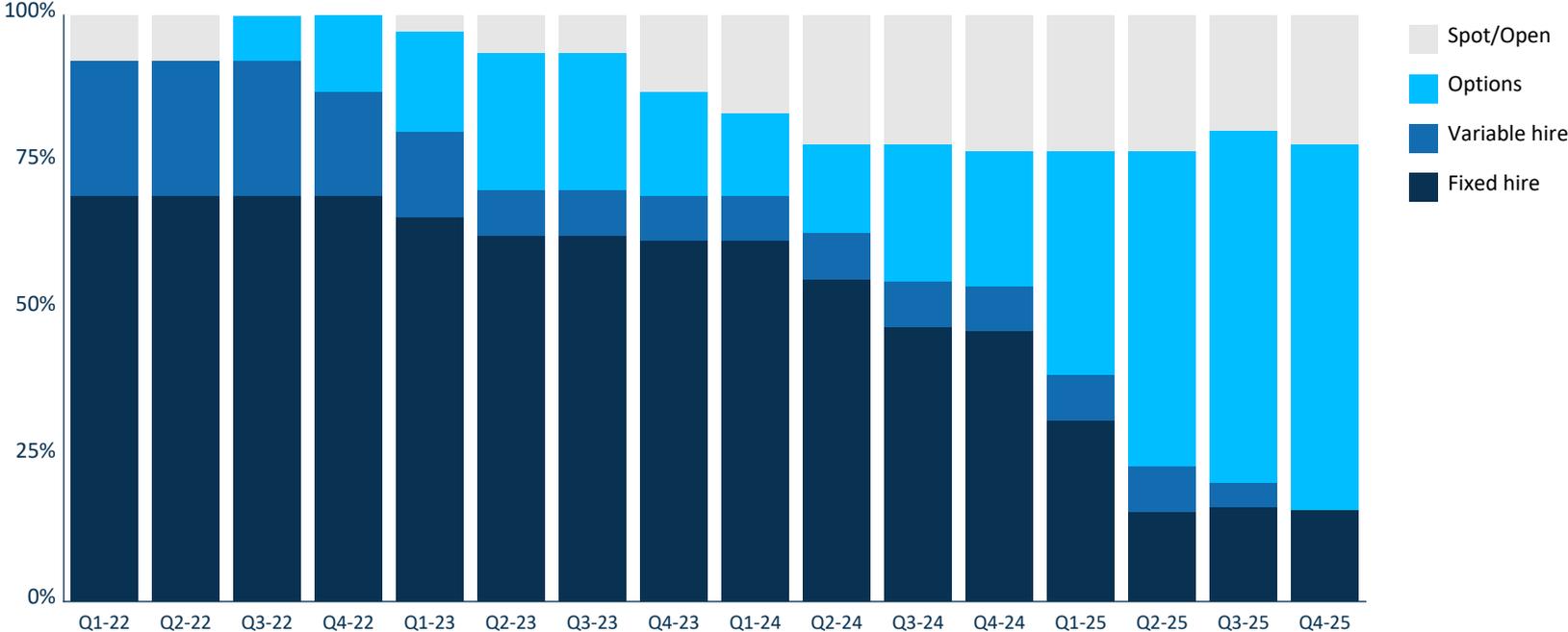
2) Annualized yield assuming share price of \$20.13 on NYSE February 16, 2022

ATTRACTIVE BACKLOG WITH 93% OF 2022 ALREADY COVERED



1) Under the TCs with Cheniere, Flex LNG can nominate performing vessels for the TC and the actual vessels might differ from Flex Aurora and Flex Volunteer depending on vessel availability and fleet portfolio management

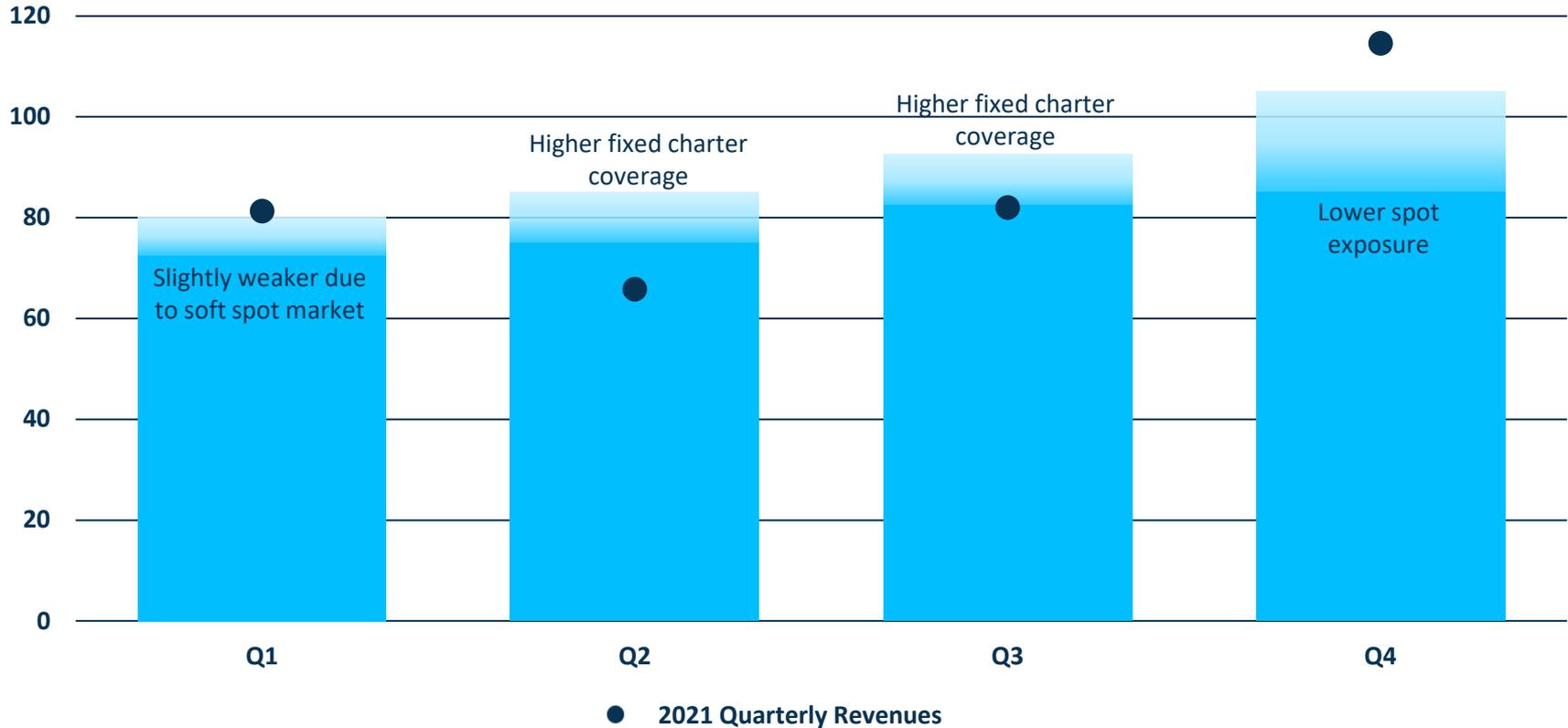
HIGH EARNINGS VISIBILITY WHILE MAINTAINING MARKET EXPOSURE



WE ESTIMATE 2022 REVENUES +/- ~5% vs. 2021 WITH LESS VOLATILITY



Revenues \$m



1) Source: Company estimates, assumes regular operations of the ship with no unforeseen downtime

WE AIM TO PAY OUT FREE CASHFLOW OVER THE CYCLE



	Q1-21	Q2-21	Q3-21	Q4-21	SUM
Adjusted EPS	\$0.64	\$0.29	\$0.60	\$1.18	\$2.71
DPS	\$0.40	\$0.40	\$0.75	\$0.75	\$2.30
Buy-backs	\$0.10	\$0.01	\$0.04	\$0.00	\$0.15
Distribution	78%	141%	132%	64%	90%

Decision Factors

Earnings and cash flow ¹⁾	✓	ⓘ	✓	✓
Market outlook	✓	✓	✓	✓
Backlog and visibility	✓	✓	✓	✓
Liquidity position	✓	✓	✓	✓
Covenant compliance	✓	✓	✓	✓
Debt maturities	✓	✓	✓	✓
Capex liabilities	✓	✓	✓	✓
Other considerations	✓	✓	✓	✓

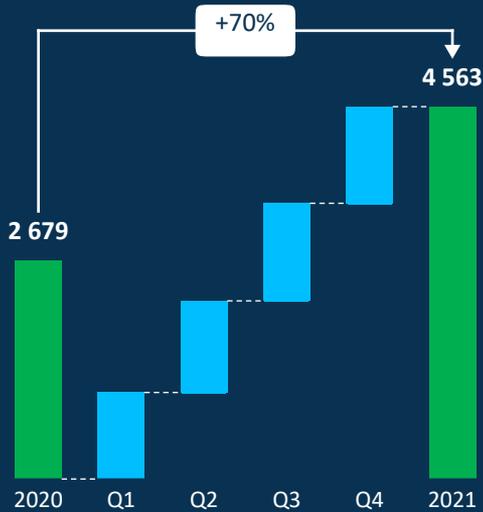
During 2021 we also took delivery of our three last remaining newbuildings with net capex of about \$17.5m which translate into \$0.33 per share.

Hence, we spent \$2.78 per share on shareholder distribution and net capex

1) Adjusted net income and adjusted EPS are non-GAAP measures. A reconciliation to the most directly comparable GAAP measure is included in the Q4-21 earnings report

KEY FINANCIAL FIGURES FOR 2021

OPERATING DAYS



2021:
 Total available days: 4,575
 Off-hire days: 12

TCE PER DAY



CASH BREAK EVEN PER DAY

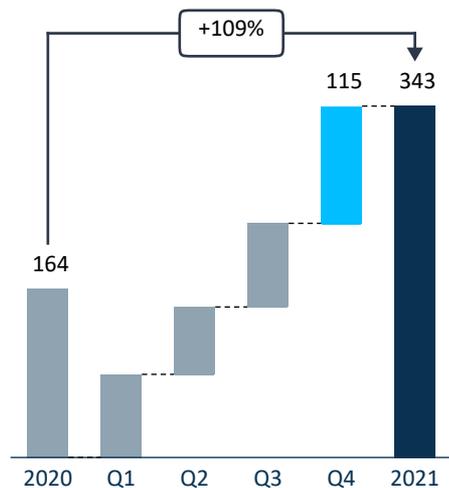


Opex: Approx. \$600/day is Covid-19 related where \$400/day is direct Covid-19 related costs and \$200/day is indirect Covid-19 related costs

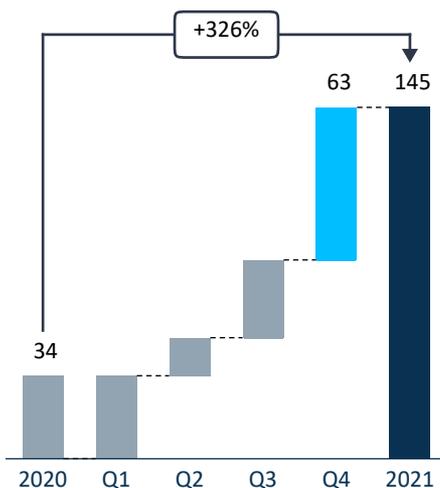
BIGGER FLEET AND HIGHER EARNINGS MEANS BETTER RETURNS



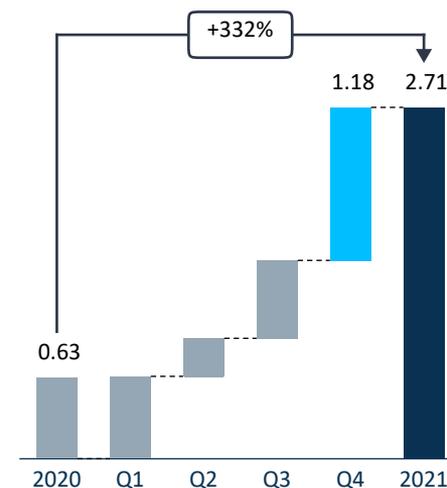
REVENUES (\$m)



ADJUSTED NET INCOME (\$m)¹



ADJUSTED EARNINGS PER SHARE (\$)¹

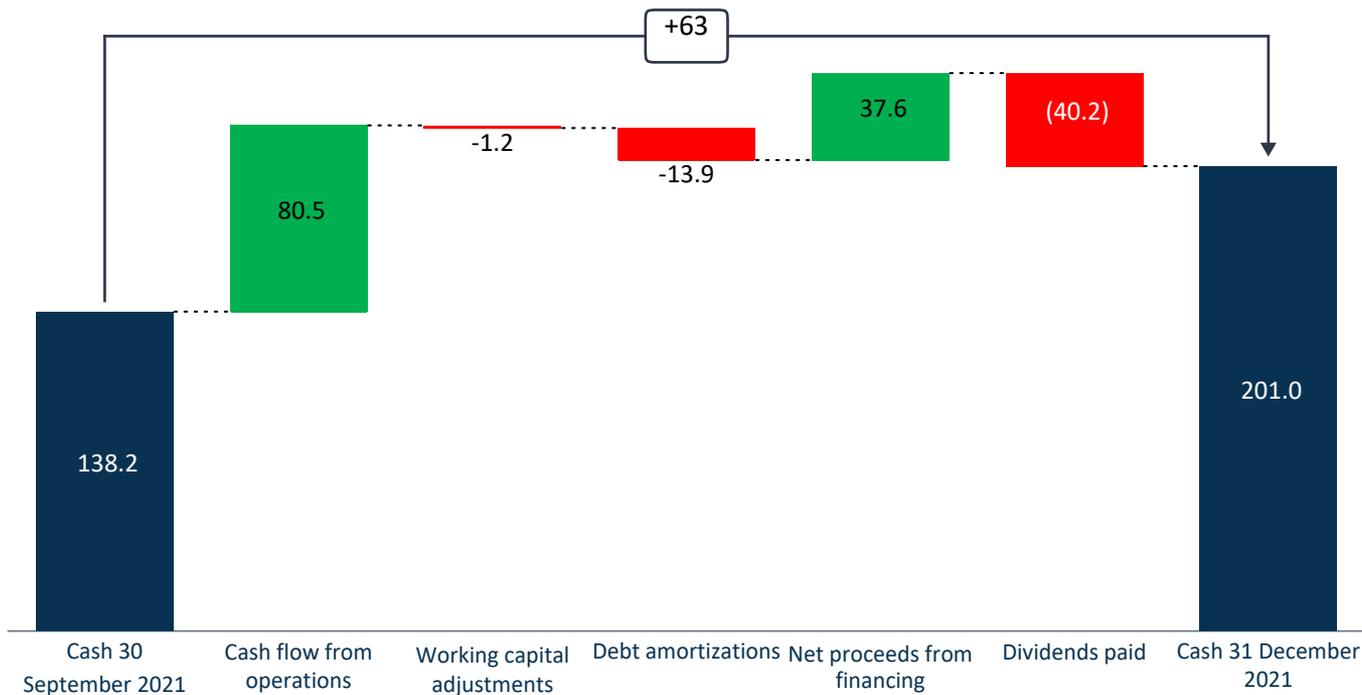


1) Adjusted net income and adjusted EPS are non-GAAP measures. A reconciliation to the most directly comparable GAAP measure is included in the Q4-21 earnings report

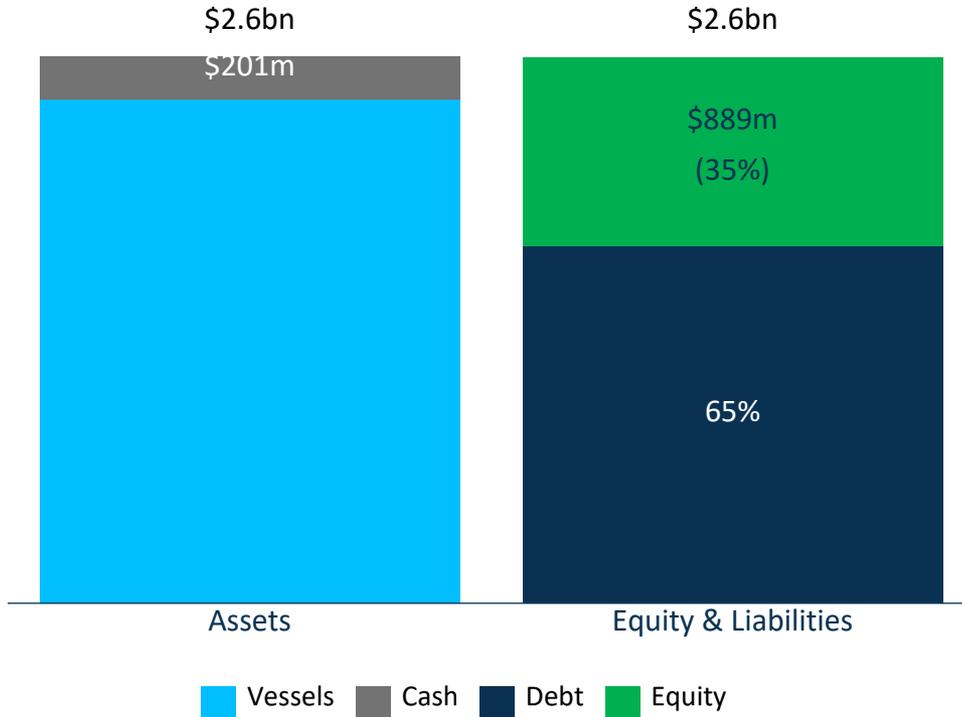
DESPITE \$40M OF DIVIDENDS, WE INCREASED CASH BY \$63M IN Q4



Amounts in US\$m



ROBUST AND CLEAN BALANCE SHEET



- 13 state-of-the art LNGCs
- Average fleet age of 2.2 years
- The fleet has been acquired at historical attractive prices compared to the newbuilding prices today, but book equity values reflect historical cost adjusted with regular depreciations
- Ample cash position of \$201m
- Solid equity ratio of 35%

ALREADY OVER-DELIVERED ON \$100M BALANCE SHEET OPTIMIZATION



- We have received credit approved term sheets for attractive new financings of an aggregate \$695m for five existing vessels with an accordion option⁽²⁾ to add a sixth vessel to an aggregate of \$820m.
- The term sheets are subject to final documentation and normal closing conditions.
- The new financings will release approx. \$86-88m in net proceeds if the accordion option is exercised. The amount will actually be about \$12m higher if we don't exercise this option.
- The total net proceeds from the Balance Sheet Optimization Program is upsized to \$125m when including the Flex Volunteer Lease executed in December 2021.
- After completion of the above transactions, the required debt service rate for these vessels will be reduced compared with the existing financings and can further improve depending on the utilisation of the RCF.

KEY TERMS	LEASE	BANK
Amount:	2 x \$160m Sale & Lease Back	\$375m split in i) \$250m RCF and ii) \$125m Term Loan
Age adjusted profile:	20 years	22 years
Tenor:	10 years	6 years
Interest:	SOFR + 2.50% p.a.	SOFR + 2.10% p.a.
Vessels:	Flex Courageous Flex Constellation	Flex Ranger Flex Rainbow Flex Endeavour <u>Accordion:</u> Flex Enterprise
Closing:	Q2 2022	Q2 2022 ⁽¹⁾

1) Drawdowns of the tranches for Flex Endeavour and Flex Enterprise, if accordion option is utilized, are expected to be made in Q3 2022 under the purchase options under their respective lease

2) Accordion option is currently uncommitted and subject to approval by participating banks

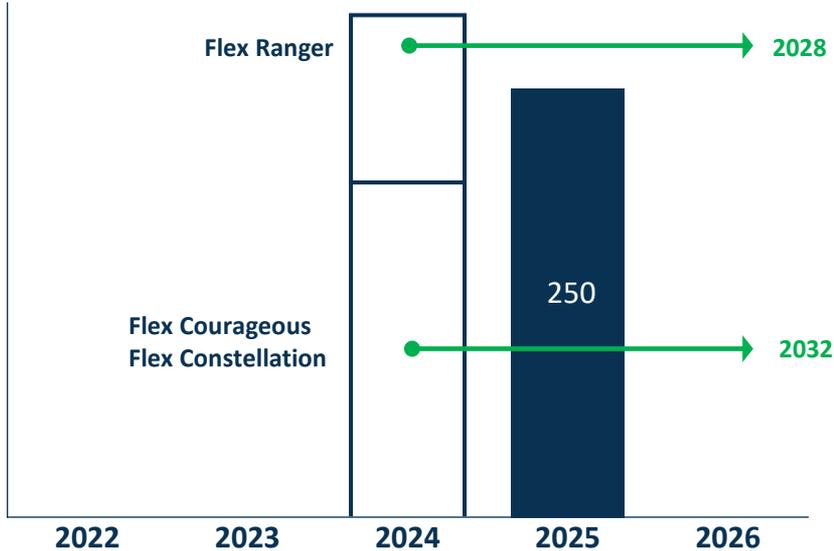
PUSHED DEBT MATURITIES AND MARGINAL DRYDOCK COMMITMENTS



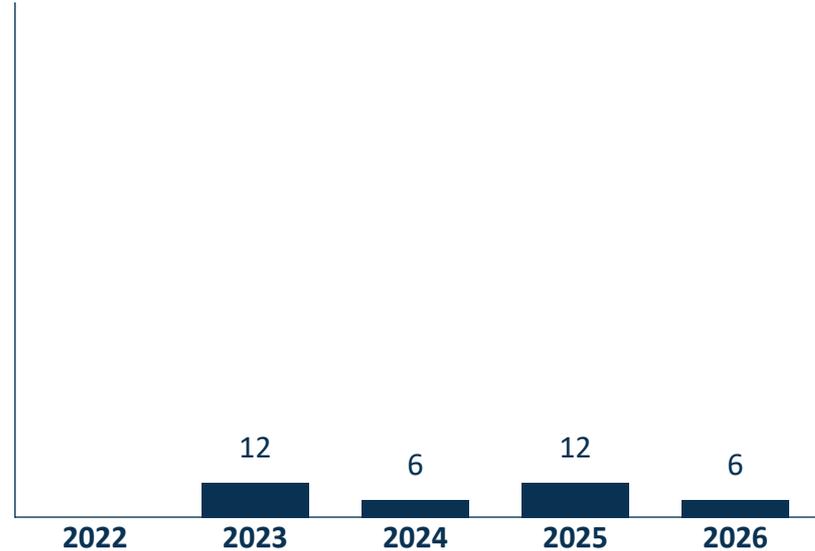
No debt maturity prior to 2025 after the refinancing of Flex Ranger, Flex Courageous and Flex Constellation

Insignificant capex commitments for the 5 years drydock cycle - \$3m per vessel

US\$m



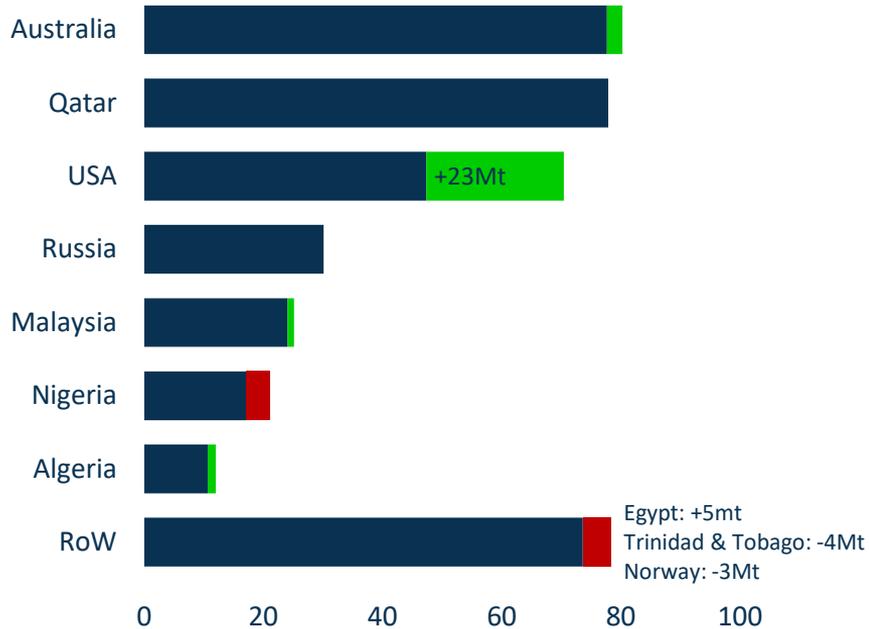
US\$m



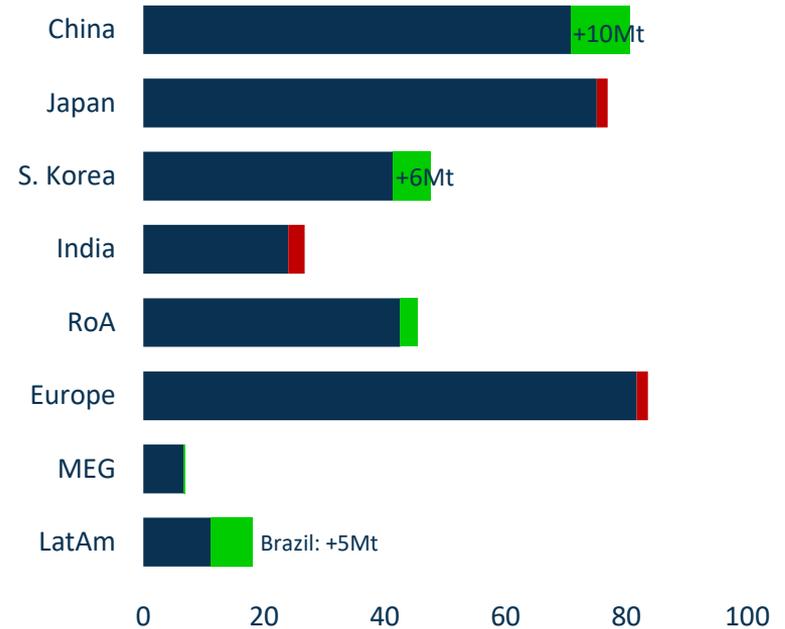
LNG VOLUMES UP BY ABOUT 5% IN 2021



LNG Exports up 19Mt in 2021 driven by US



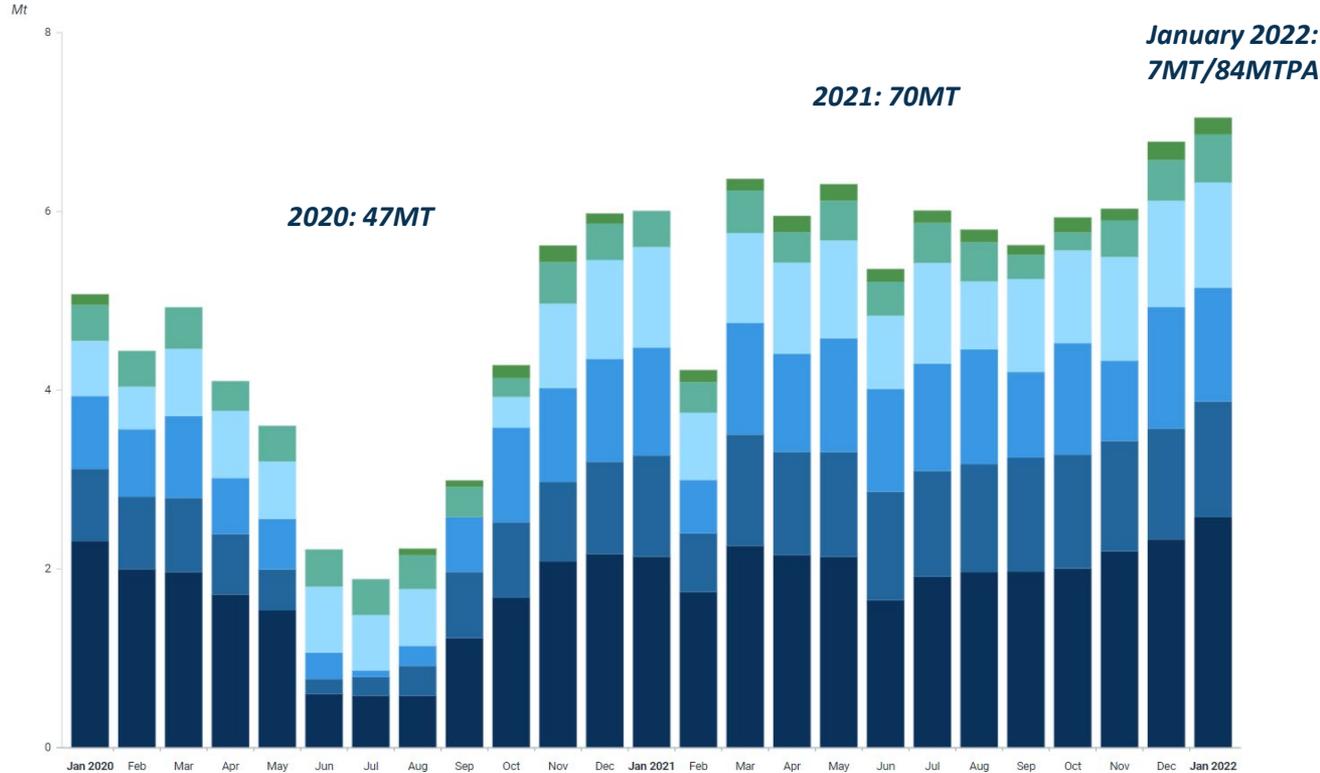
LNG Imports driven by China, South Korea and Brazil



US EXPORTS +49% IN 2021 AND SET FOR FURTHER GROWTH IN 2022



● Sabine Pass
 ● Corpus Christi
 ● Freeport
 ● Cameron (Liqu.)
 ● Cove Point
 ● Elba Island Liq.



New US terminals 2022:

VENTURE GLOBAL **LNG**

Calcasieu Pass: 10MT
February 2022

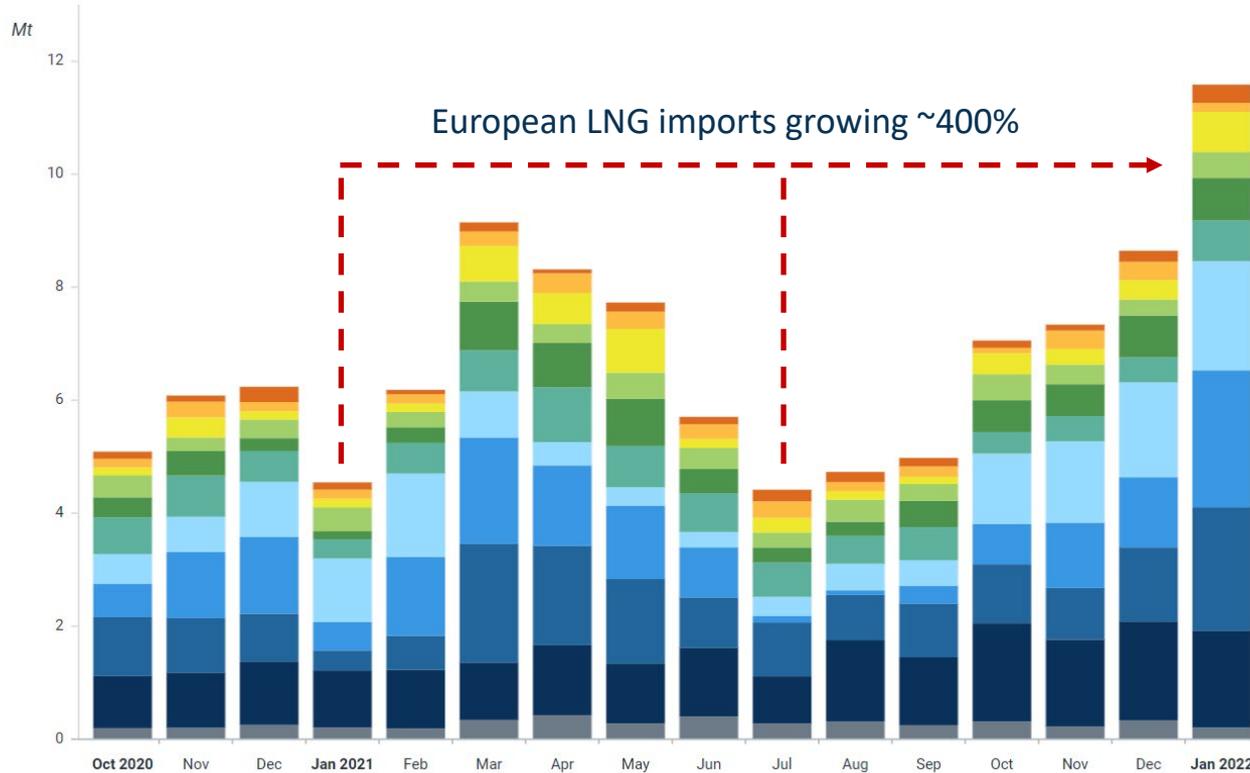


Sabine Pass T6: 5MT
February 2022

EUROPEAN LNG IMPORTS REBOUNDED IN Q4



Spain France United Kingdom Turkey Italy Netherlands Portugal Belgium Poland Greece Others



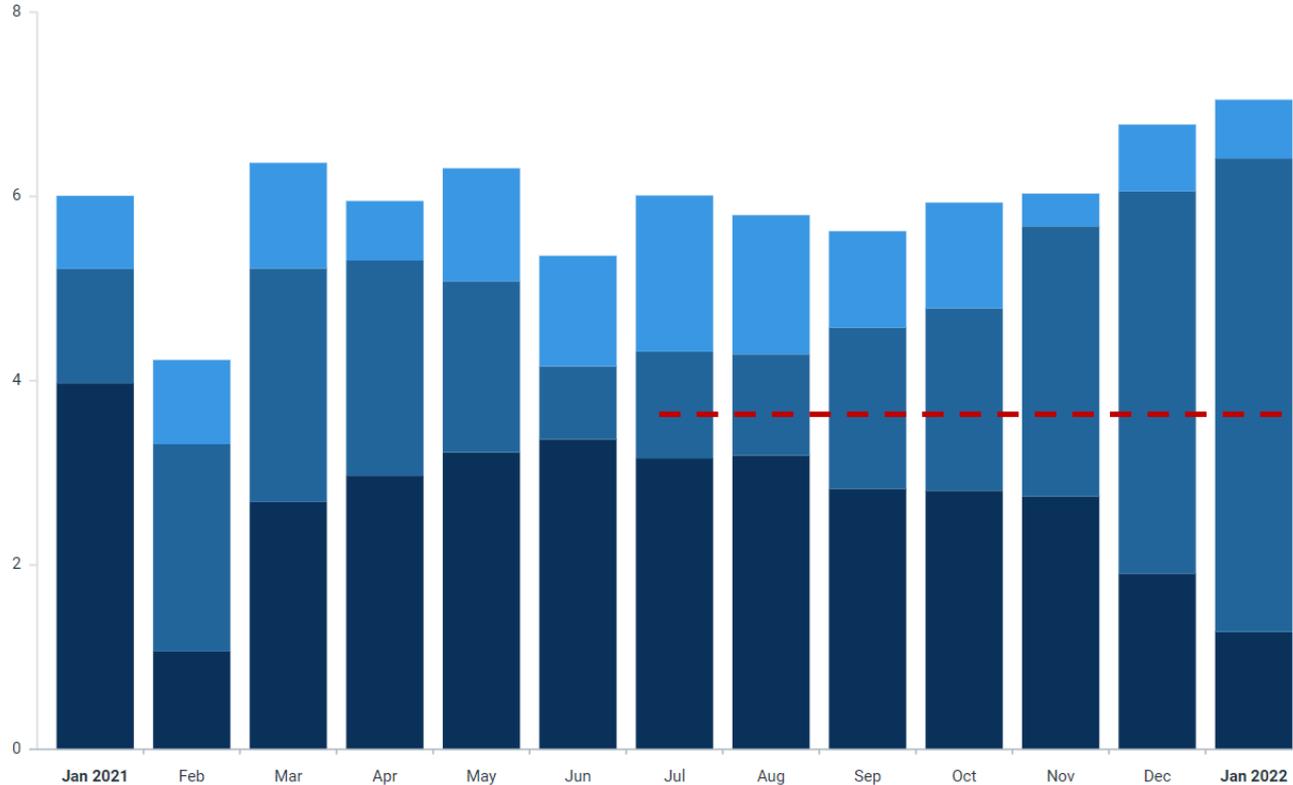
1) Source: Kpler

WITH US EXPORTS SHIFTING TOWARDS EUROPE



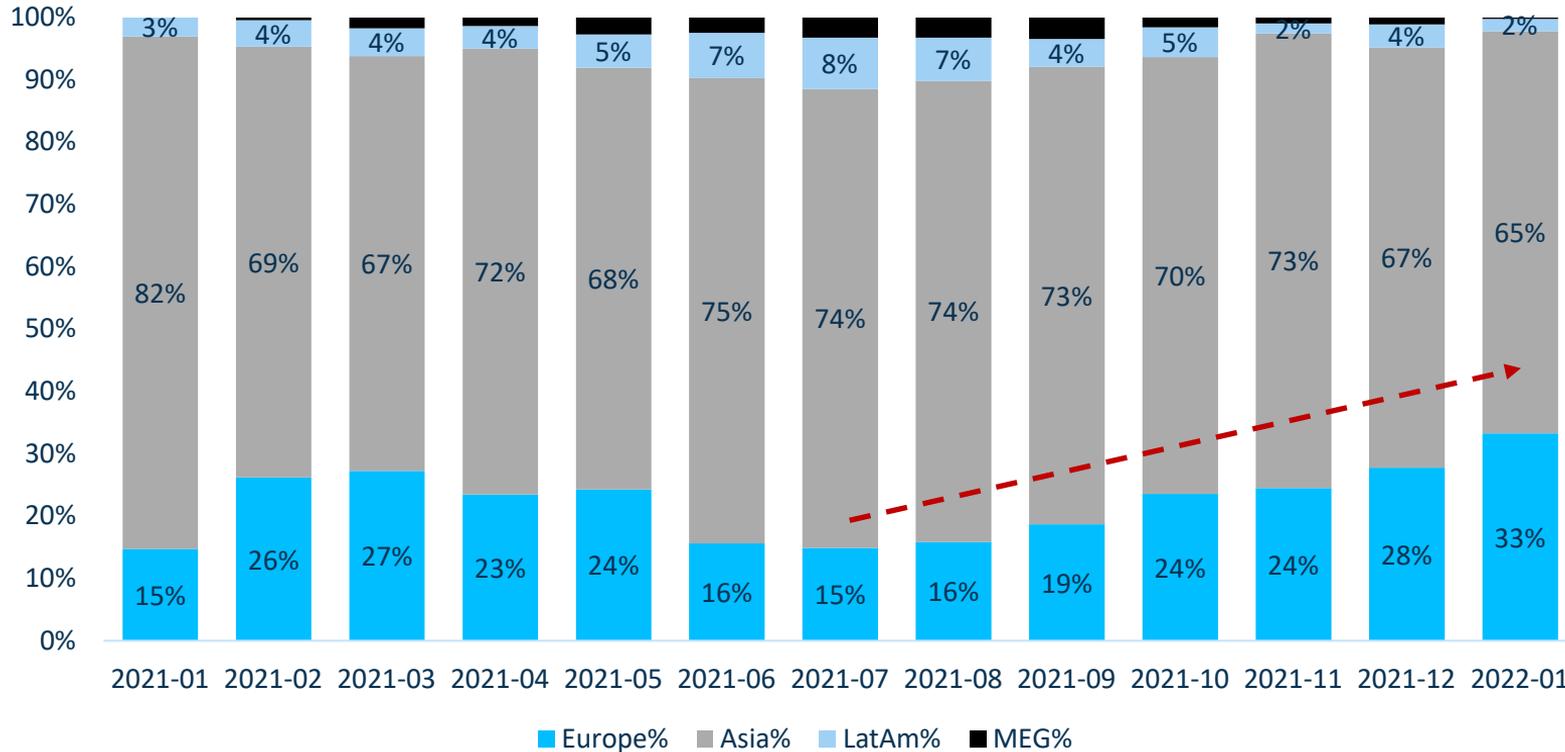
● Asia ● Europe ● Americas

Mt



Europe's market share of US LNG going from 15% to 75%

WHICH RESULTED IN LESS PULL TO ASIA IN Q4-21 AND EARLY 2022

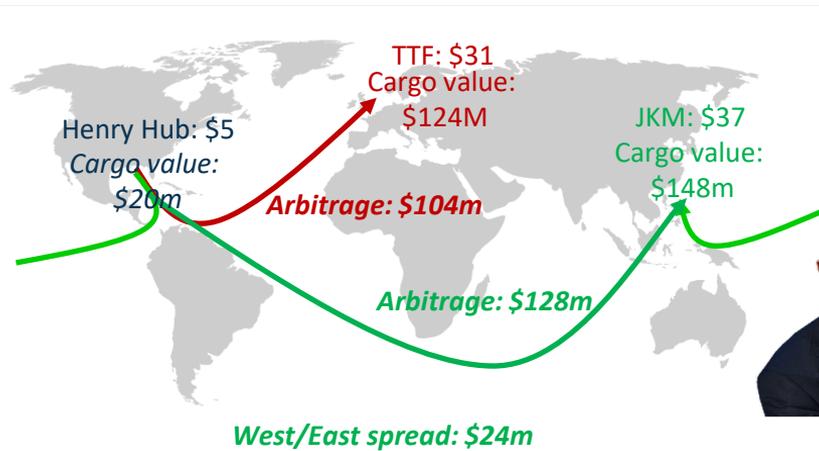


Europe's global market share of LNG going from 15% to 33%

WHY THE SPOT FREIGHT MARKET SOURED IN DECEMBER



The LNG Product Market on November 30, 2021:



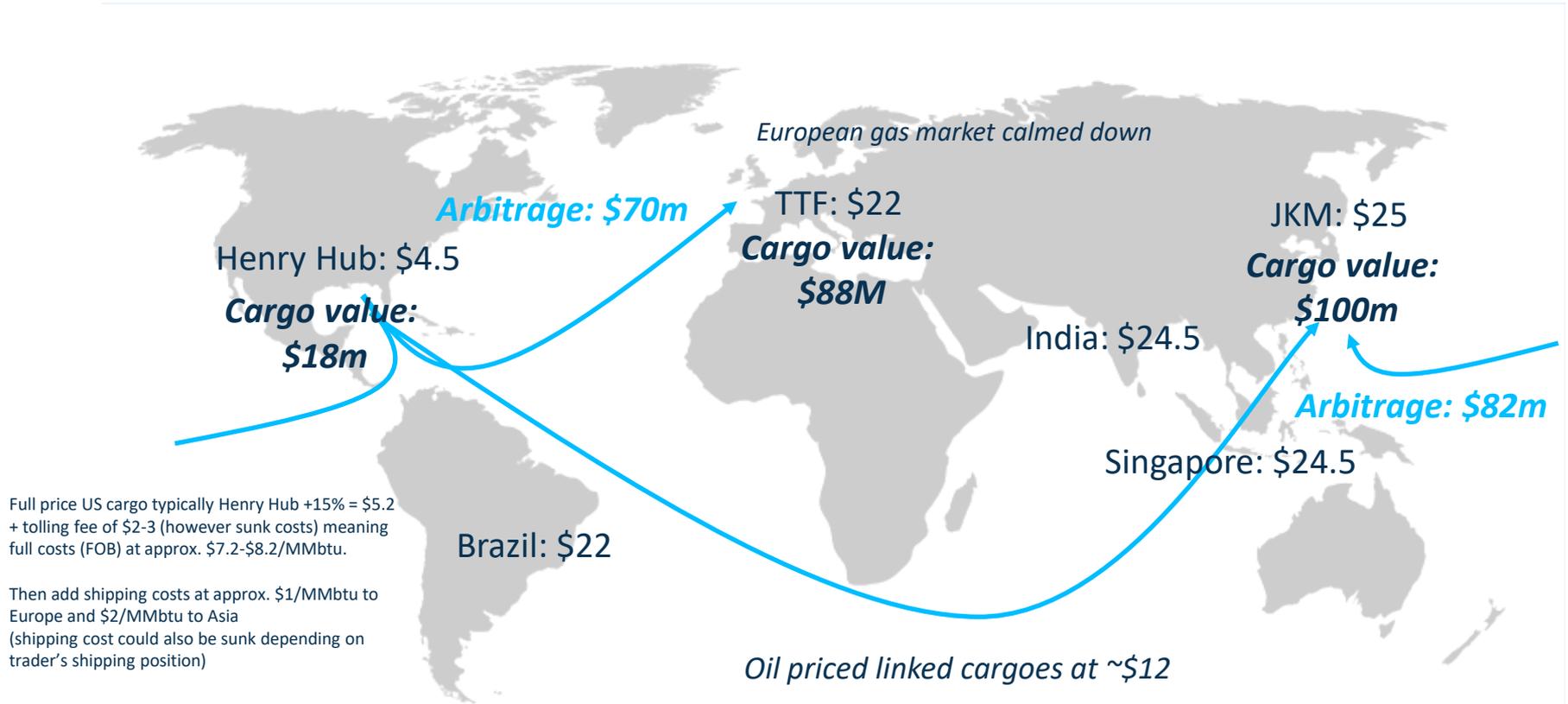
The LNG Product Market on December 21, 2021:



Full price US cargo typically Henry Hub +15% = \$5.75 + tolling fee of \$2-3 (however sunk costs) meaning full costs (FOB) at approx. \$7.75-\$8.75/MMbtu. Then add shipping costs which could also be sunk depending on trader's shipping position)

- 1) Source: Platts
- 2) Assume large cargo of 4trn BTU or approx. 172,000 cbm

THE PRODUCT MARKET AS OF CLOSE FEBRUARY 15, 2022



Full price US cargo typically Henry Hub +15% = \$5.2 + tolling fee of \$2-3 (however sunk costs) meaning full costs (FOB) at approx. \$7.2-\$8.2/MMbtu.

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

1) Source: Product prices as of close Feb 15, 2022 from Platts where TTF = DES NWE

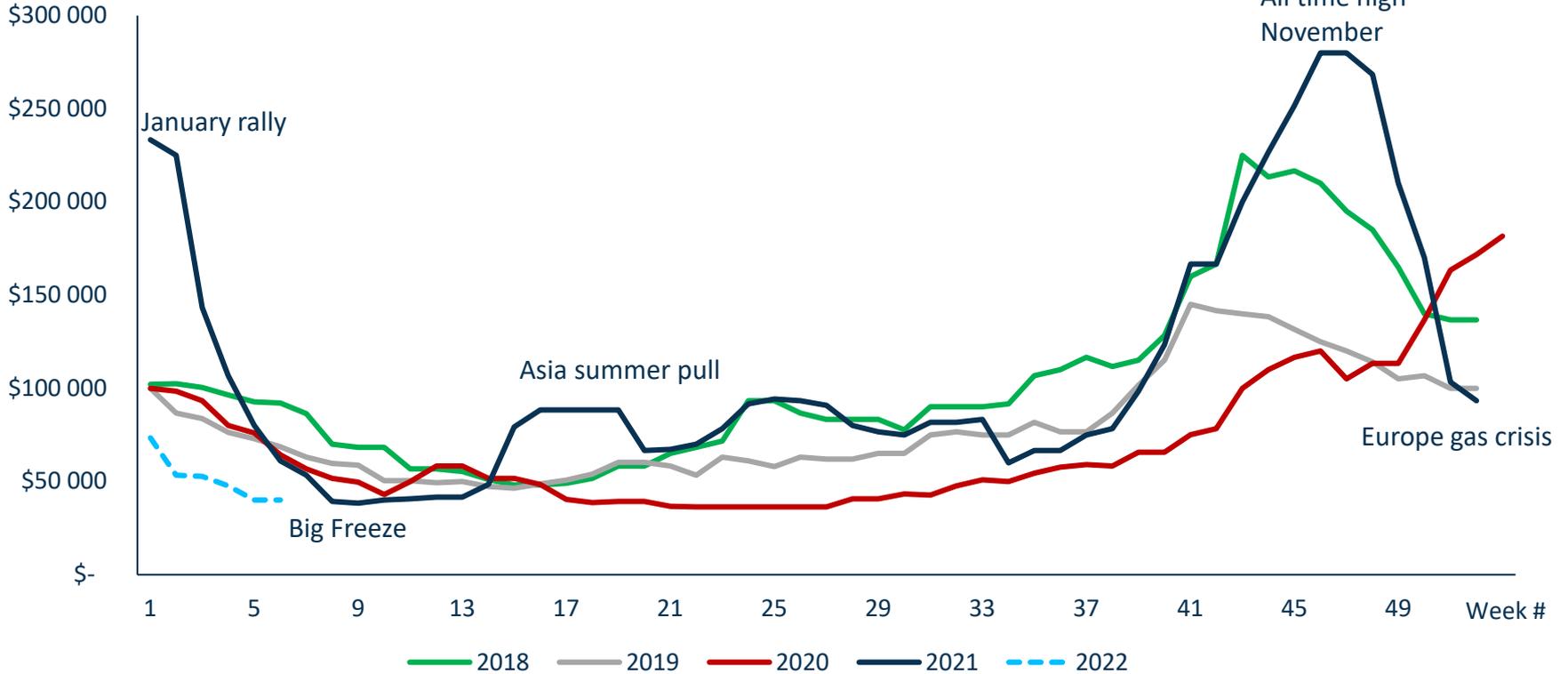
2) Shipping costs from SSY

3) Assume large cargo of 4trn BTU or approx. 172,000 cbm

HEALTHY BUT VOLATILE SPOT MARKET IN 2021, SLOW START 2022



Headline rate MEGI/XDF



1) Source: Affinity

WHY ARE BALTIC INDEX ZERO WHEN HEADLINE RATES ARE \$40,000?

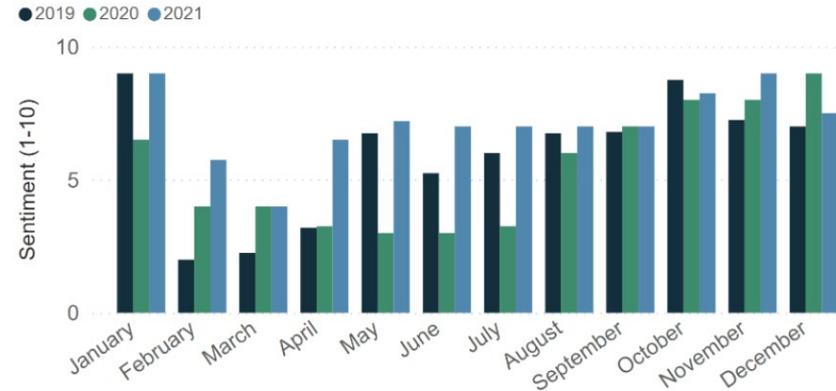


Freight rate consist of three elements

- 1) **Headline rate:** The rate in \$/day that the charterer pays for the laden leg
- 2) **Ballast bonus:** The amount paid by charterer to repositioning the vessel back to load port, often quoted in % of fuel and hire
- 3) **Positioning fee:** The amount paid by charterer for the positioning of the vessel to the load port which can be quoted in % fuel and hire or as a lump-sum



Ten shades of ballast bonus



Depending on market sentiment, market can move from:

- 1) **One-way economics:** Owner is only paid for laden leg (ballast bonus sentiment at zero)
- 2) **Full round-trip basis (FRT):** Paid laden/ballast 100% basis (ballast bonus sentiment at seven)
- 3) **Three-way economics:** Paid positioning + FRT (ballast bonus sentiment at ten)

...or something in between

HOW BALLAST BONUS CONDITIONS AFFECT SPOT TCE EARNINGS



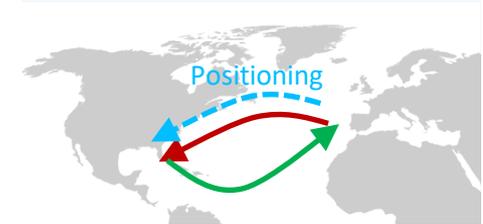
Soft market:



“Normal” market:



Hot market:



\$40,000 on one-way economics

- Laden leg \$40,000 per day delivery load port
- No Ballast bonus, nor any positioning fee
- Hence, average earnings \$20,000 per day
- However, if compliant fuel and/or LNG prices are high, the round-trip economics can potentially go negative due to these fuel costs on ballast leg
- This can happen if owner has heel onboard, would like to keep the ship cold and/or want to repositioning the ship

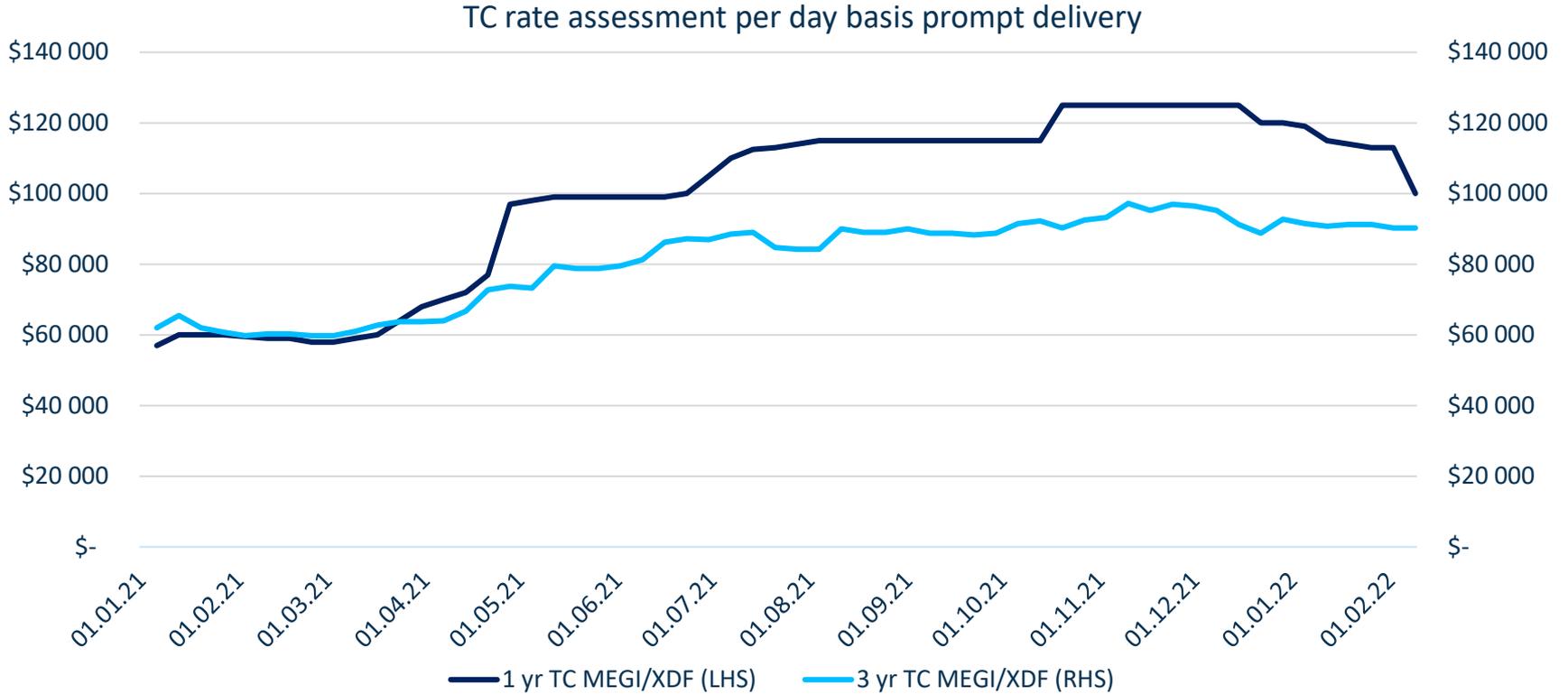
\$75,000 on round trip basis

- Laden leg \$75,000 per day with ballast bonus back to load port
- No positioning fee
- RT earnings \$75,000 in line with headline freight rates
- Typical fixture from last discharge port to discharge port

\$150,000 on 3-way economics

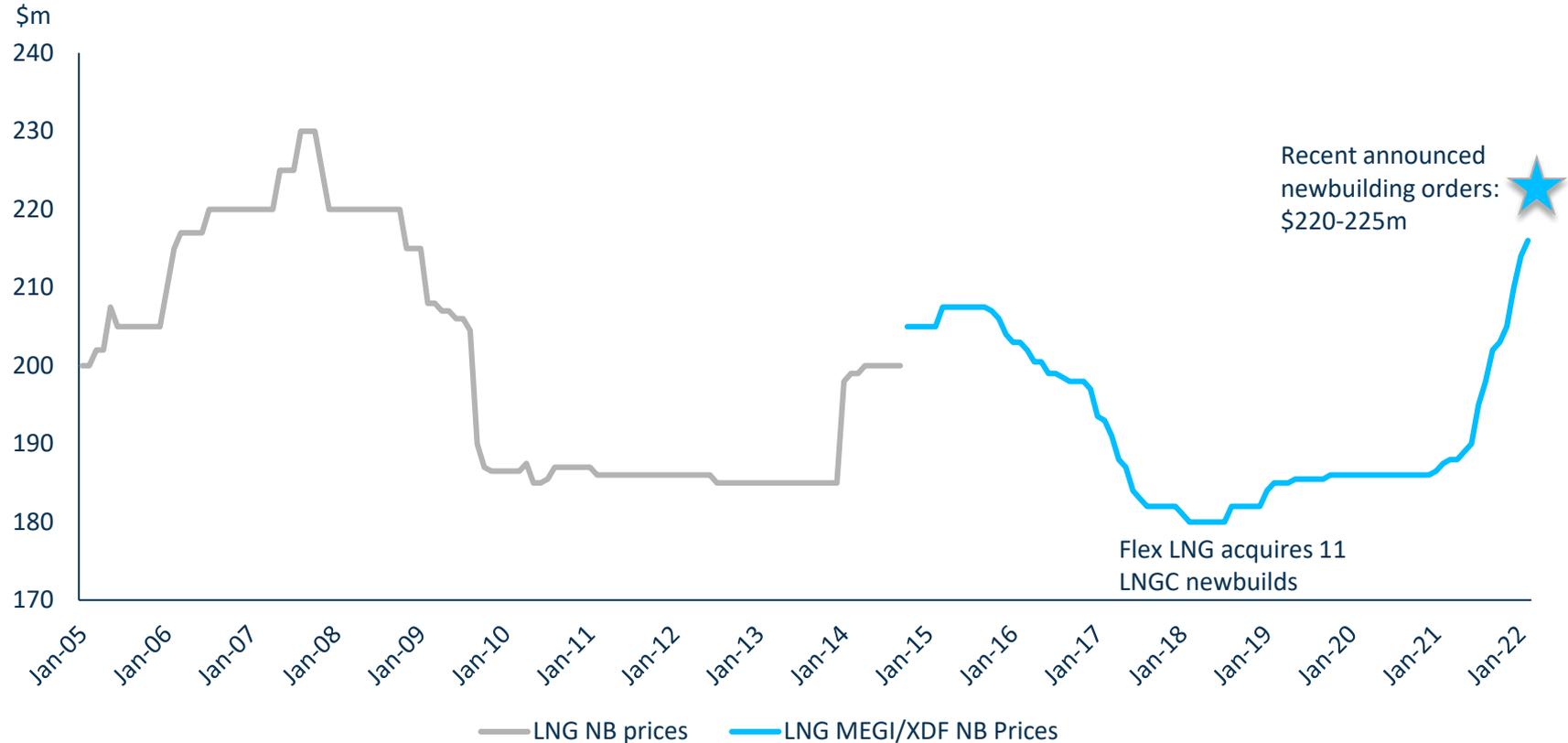
- Laden leg \$150,000 per day with ballast bonus back to load port
- Positioning fee of 100% of laden leg
- RT earnings: ~\$200,000 to \$250,000
- This can happen if owner fix the ship ex last discharge port or if e.g., an Atlantic ship is competing with an Asian ship for a US cargo where owner of Atlantic ship adds a positioning fee to compensate for more advantageous position

DESPITE SOFTER SPOT MARKET, TERM RATES ARE HOLDING FIRM



1) Source: Fearnleys for 1yr and Affinity for 3yr rates

HIGHER NEWBUILDING PRICES MEANS HIGHER REQUIRED TERM RATES



MASS EXTINGUISHION: COMING SOON TO A SHIP NEAR YOU



LNG 1.0: 219 ships

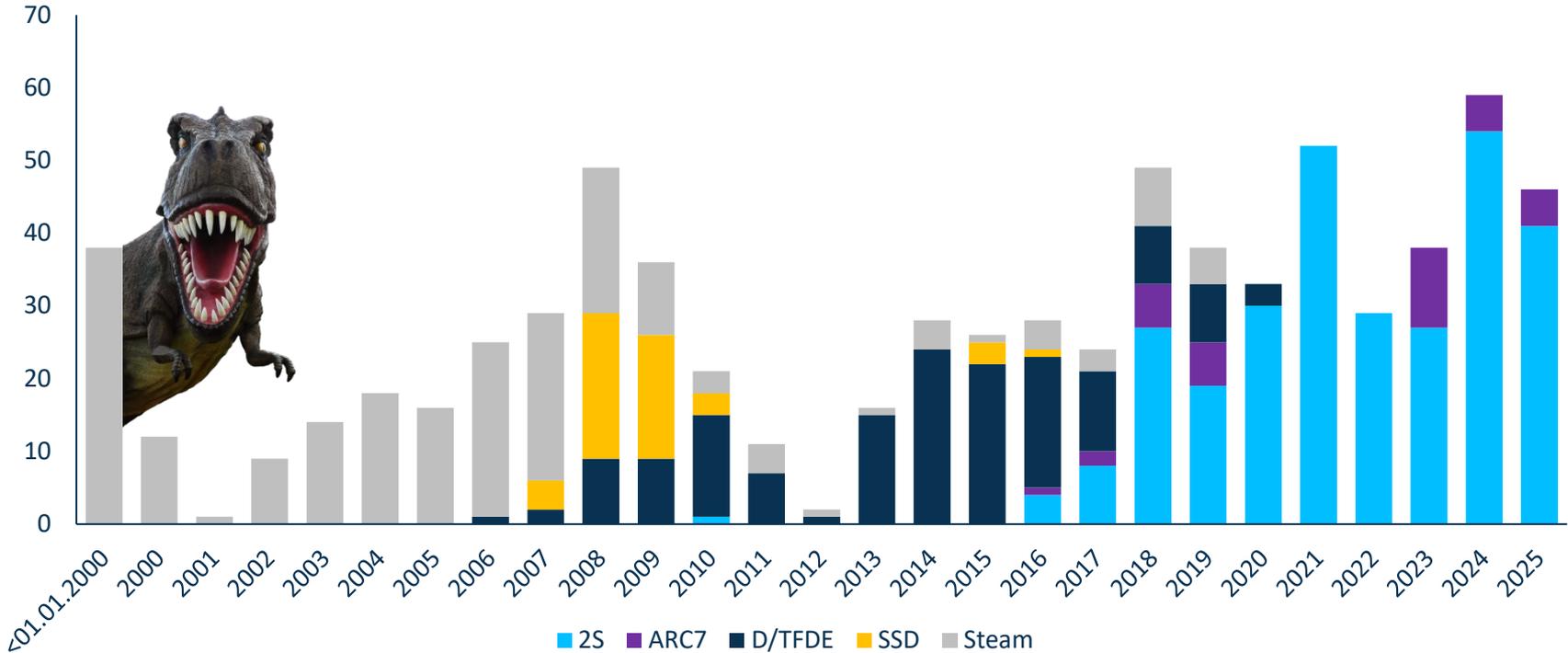
1st/2nd gen steam + steam hybrid

LNG 2.0: 200 ships

3rd/4th gen D/TFDE + QMAX/FLEX

LNG 3.0: 328 ships

5th gen MEGI/XDF/MEGA + Arc7

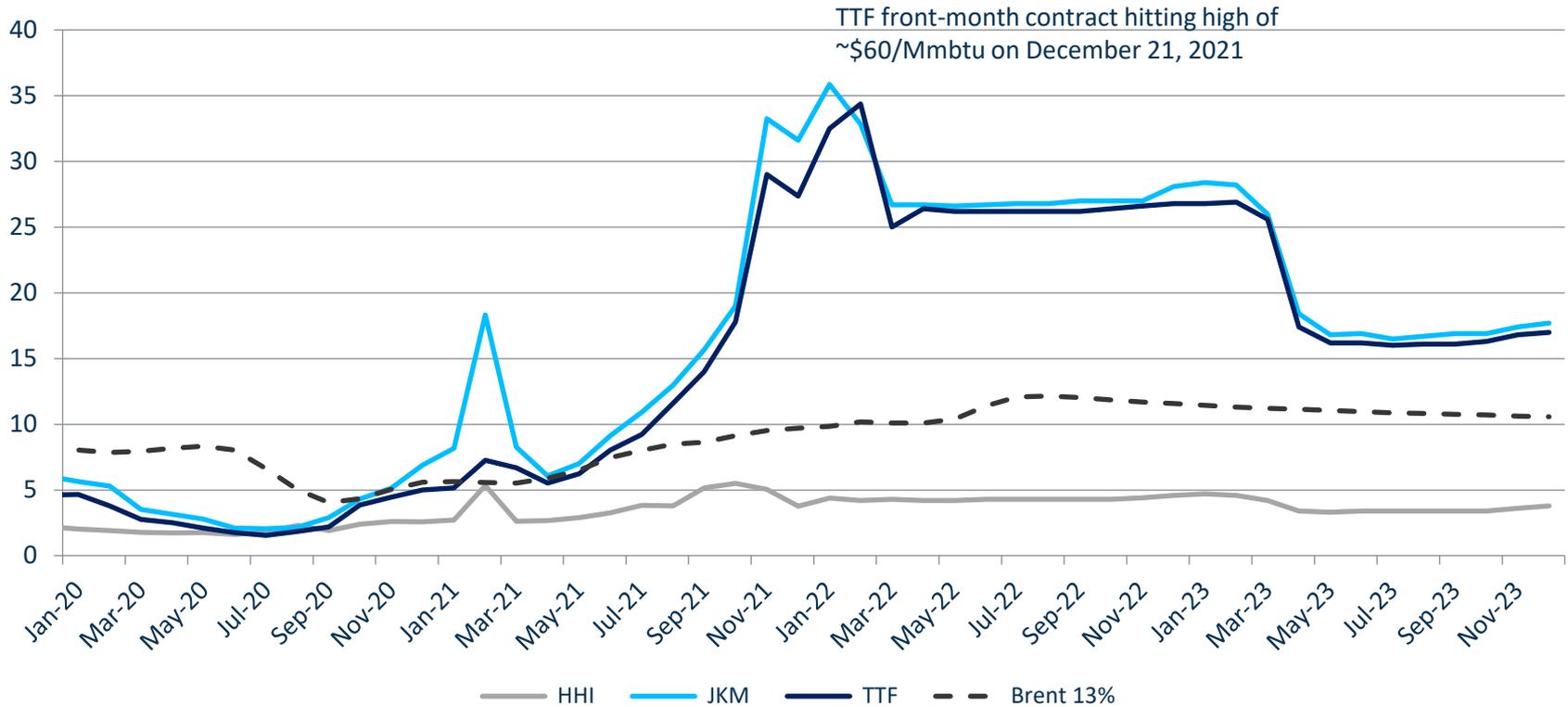


1) Source: Fearnleys, Poten, Clarksons SIN and Company
 2) Conventional LNG Carriers > 100k cbm. Laid up vessels are included

THE LNG MARKET WILL CONTINUE TO BE TIGHT

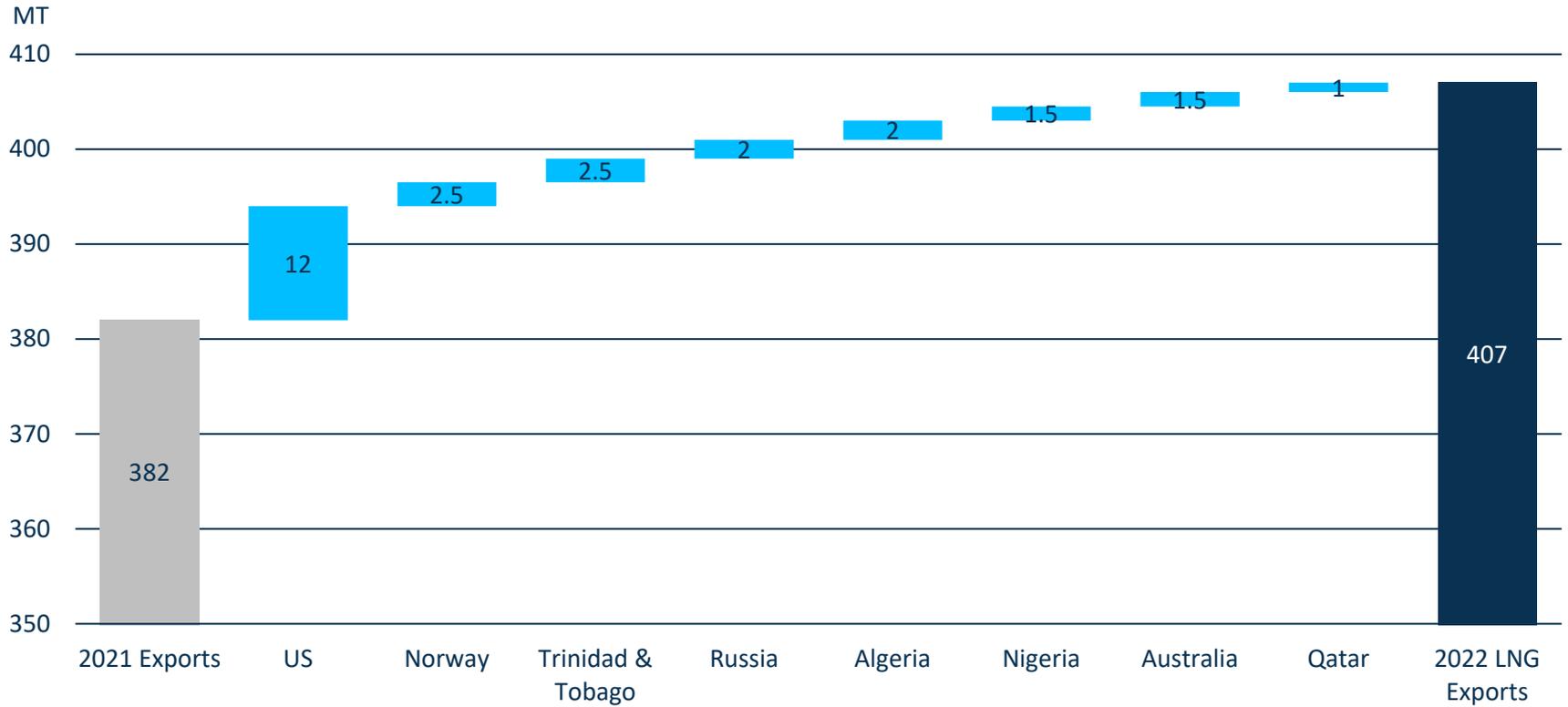


\$/MMbtu



1) Source: Platts, EIA and ICE
2) Historical TTF defined as Platts DES NEW

WE EXPECT LNG EXPORTS TO GROW ~25MT IN 2022 OR ABOUT 6%

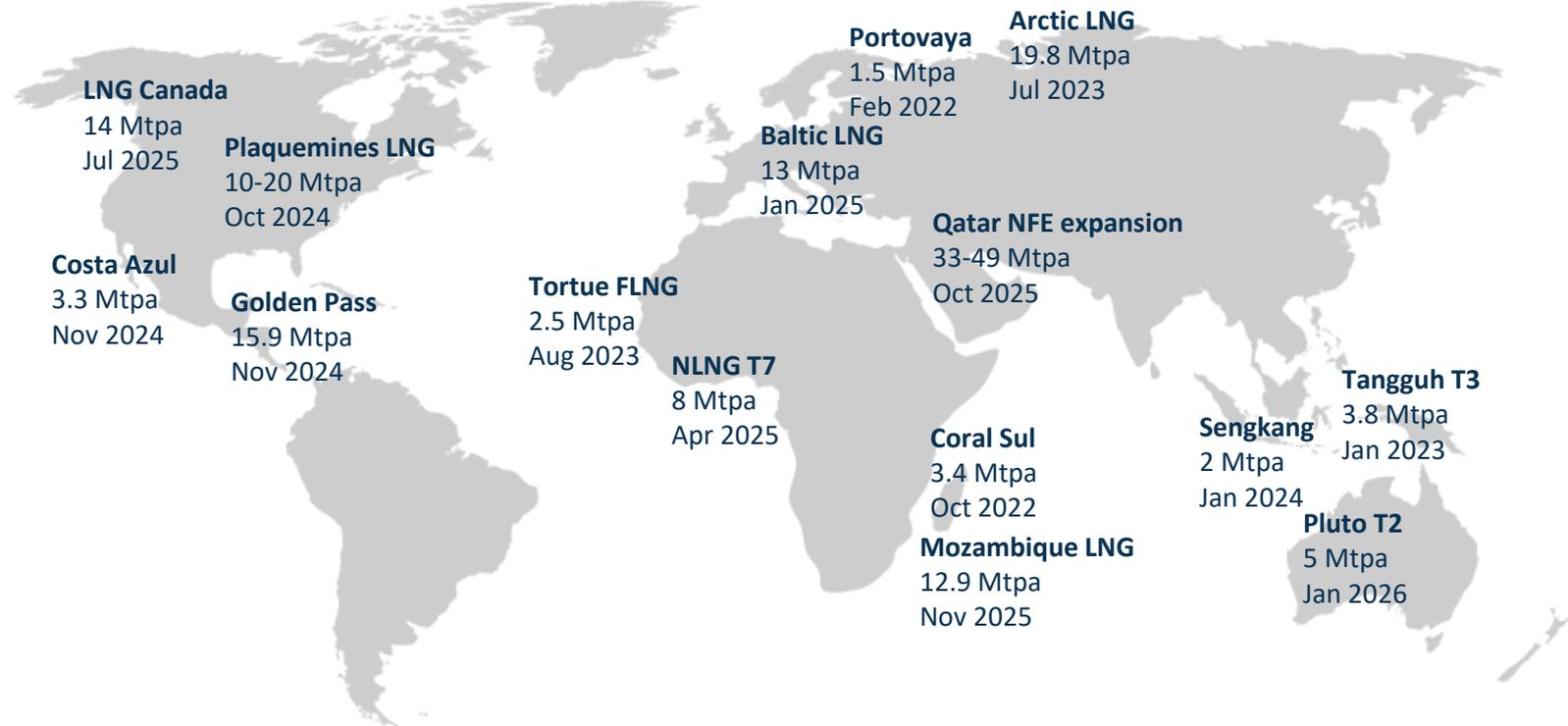


1) Source: EIA, Energy Aspect, Kpler and Company

AND MORE LNG EXPORT GROWTH IN THE “PIPELINE”



LNG export plants under construction:



1) Source: Energy Aspect, Upstream, Woodside, venture Global

SUMMARY



Stellar Revenues and TCE/day of \$115m and \$95,900

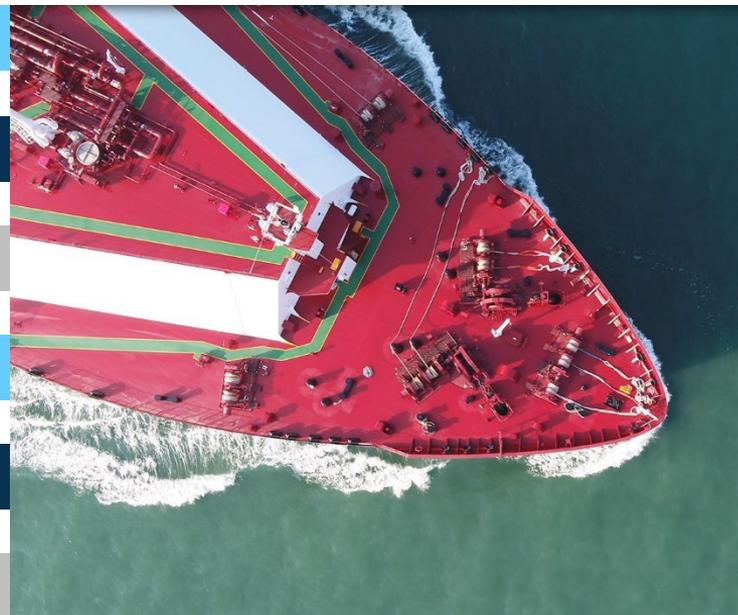
All-time high EPS and Adj. EPS of \$1.31 and \$1.18

Attractive backlog with 93% of 2022 already covered

Dividend of \$0.75 per share providing attractive 15% yield

Fundamentals remains strong despite weak Q1 spot market

Solid cash position of \$201m plus ~\$87m from re-financings



Q&A



FLEX LNG

APPENDIX - FLEET LIST



	VESSEL NAME	BUILT	YARD	CAPACITY	PROP.	BOR
1	FLEX ENDEAVOUR	2018	DSME	173,400m3	MEGI + PRS	0,075%
2	FLEX ENTERPRISE	2018	DSME	173,400m3	MEGI + PRS	0,075%
3	FLEX RANGER	2018	SHI	174,000m3	MEGI	0,085%
4	FLEX RAINBOW	2018	SHI	174,000m3	MEGI	0,085%
5	FLEX CONSTELLATION	2019	DSME	173,400m3	MEGI + PRS	0,075%
6	FLEX COURAGEOUS	2019	DSME	173,400m3	MEGI + PRS	0,075%
7	FLEX AURORA	2020	HHI	174,000m3	X-DF	0,085%
8	FLEX AMBER	2020	HHI	174,000m3	X-DF	0,085%
9	FLEX ARTEMIS	2020	DSME	173,400m3	MEGI + FRS	0,035%
10	FLEX RESOLUTE	2020	DSME	173,400m3	MEGI + FRS	0,035%
11	FLEX FREEDOM	2021	DSME	173,400m3	MEGI + FRS	0,035%
12	FLEX VOLUNTEER	2021	HHI	174,000m3	X-DF	0,085%
13	FLEX VIGILANT	2021	HHI	174,000m3	X-DF	0,085%
AVERAGE FLEET AGE		2 YEARS				

PRS - Partial Reliquefaction System

FRS - Full Reliquefaction System



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