



FLEX LNG

Third Quarter 2021 Results Presentation

November 16, 2021



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



Commercial

- Market blow-out materialized with strong freight and product market
- Substantial attractive backlog secured providing increased visibility
- 13 state-of-the art large LNGC on the water with average age ~2 years
- Continued excellent operational performance despite Covid-19

Financials

- Revenues of \$82m in line with guidance of ~\$80m
- Net income and adj. Net income⁽¹⁾ of \$33m and \$32m respectively
- EPS and adj. EPS⁽¹⁾ of \$0.62 and \$0.60 respectively
- \$160m SLB for Flex Volunteer at ~4% cost releasing \$38m in cash
- Dividend of \$0.75 per share giving an attractive yield of ~14%⁽²⁾

Outlook

- Q4 Revenues estimate of ~\$110m vs. \$85-100m previously guided
- High charter coverage 2022-24 while maintaining market exposure
- Spot rates at all-time high and firm term rates
- EEXI & CII gaining traction in term discussions/fleet renewals

1) Adjusted net income and adjusted EPS are non-GAAP measures. A reconciliation to the most directly comparable GAAP measure is included in the Q3-21 earnings report

2) Annualized yield assuming share price of \$21.2

WE HAVE SECURED TWO ADDITIONAL ATTRACTIVE TERM CHARTERS



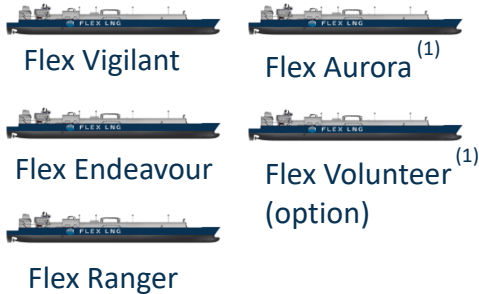
- We have agreed with an Energy Major two Time Charter contracts for Flex Courageous and Flex Resolute with a minimum firm contract duration of three (3) years with Charterers option to extend by up to four (4) years (2+2 years)
- The ships will be delivered to the Charterer during Q1-2022 in direct continuation of their existing Time Charters with worldwide delivery
- Both ships are large 173,400 cbm MEG1 ships with either partial or full reliquification systems
- The Time Charters adds additional attractive earnings backlog to our fleet



DON'T EXECUTE, FLEXECUTE



1



Minimum 3 to 3.8 years firm period for each of the ships with up to 2 optional years for each ship

2

Trader



Minimum 3 years with up to 3 optional years

3

Portfolio player



Minimum 5 years with 2 optional years

4

Energy Major



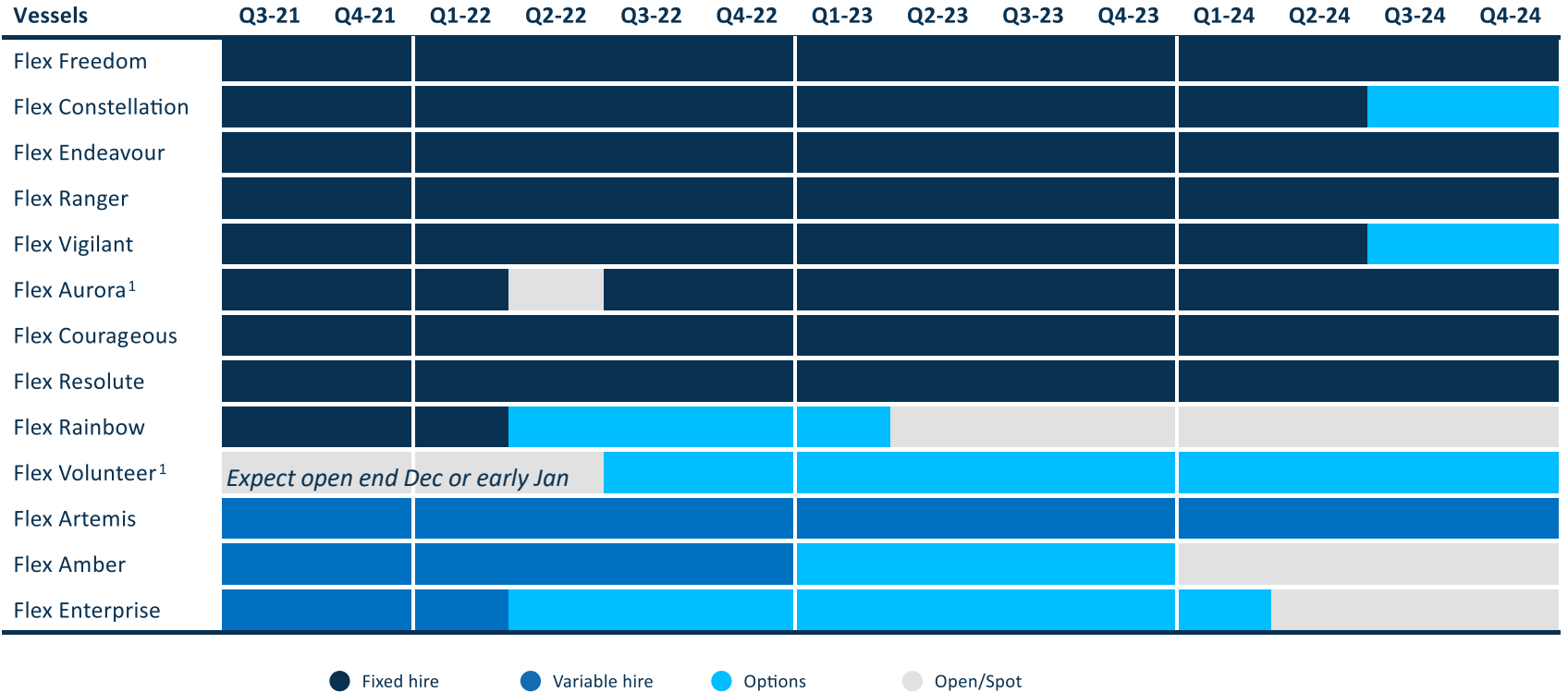
Minimum 3 years firm period for each of the ships with up to 4 optional years for each ship⁽²⁾

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

2) Time Charters of Flex Courageous and Flex Resolute are subject to certain customary closing conditions.

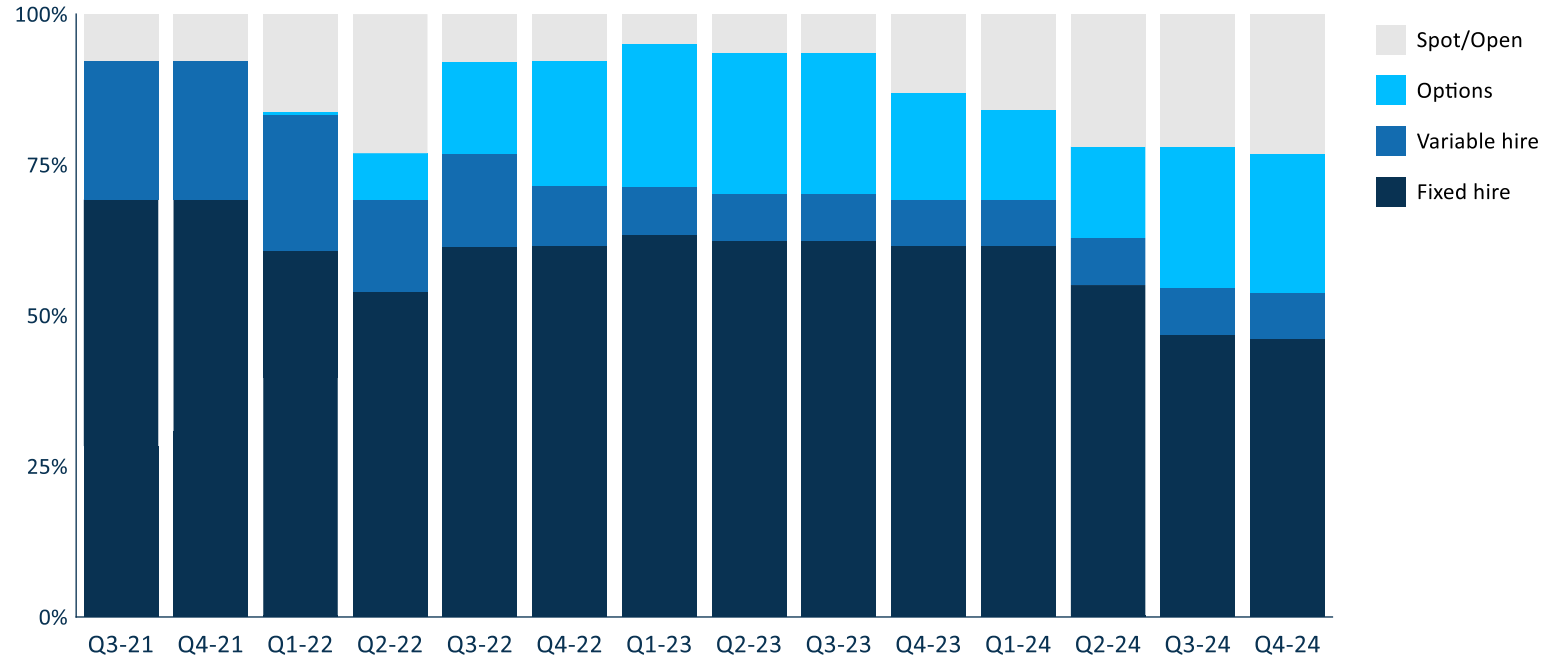
3) List includes new Time Charters with a firm duration of 3 years or longer since April 2021. Flex LNG has also agreed extension of Flex Amber by 12 months and extension options for Flex Aurora and Flex Resolute

* SOLD OUT: BUT COME BACK SOON *



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 AIM TO PAY OUT FREE CASHFLOW OVER THE CYCLE



	Q4-20	Q1-21	Q2-21	Q3-21	SUM
Adjusted EPS	\$0.45	\$0.64	\$0.29	\$0.60	\$1.98
DPS	\$0.30	\$0.40	\$0.40	\$0.75	\$1.85
Buy-backs	\$0.03	\$0.10	\$0.01	\$0.04	\$0.18
Distribution	73%	78%	141%	132%	103%

Decision Factors

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

We have distributed 103% of earnings the last twelve months notwithstanding delivery of four newbuildings with associated capex while maintaining a healthy cash balance to \$138m

Q3 FINANCIAL HIGHLIGHTS



	Q3 2021	Q2 2021	Δ%	YTD 2021	YTD 2020	Δ%
TCE per day (\$)¹	68,341	57,780	18 %	67,048	53,070	26 %
Opex per day (\$)	(12,962)	(13,776)	(6)%	(13,382)	(12,668)	6 %
Income statement (\$m)						
Revenues	82	66	24 %	229	97	136 %
Adjusted EBITDA¹	65	47	38 %	175	67	161 %
Adjusted net income¹	32	16	104 %	82	10	735 %
Adjusted EPS¹ (\$/share)	0.60	0.29	105 %	1.53	0.18	747 %

Balance Sheet (\$m)

Cash	138	144
Vessels	2,360	2,379
Total Assets	2,521	2,540
Debt	1,607	1,633
Equity	861	852
Total Equity and Liabilities	2,521	2,540

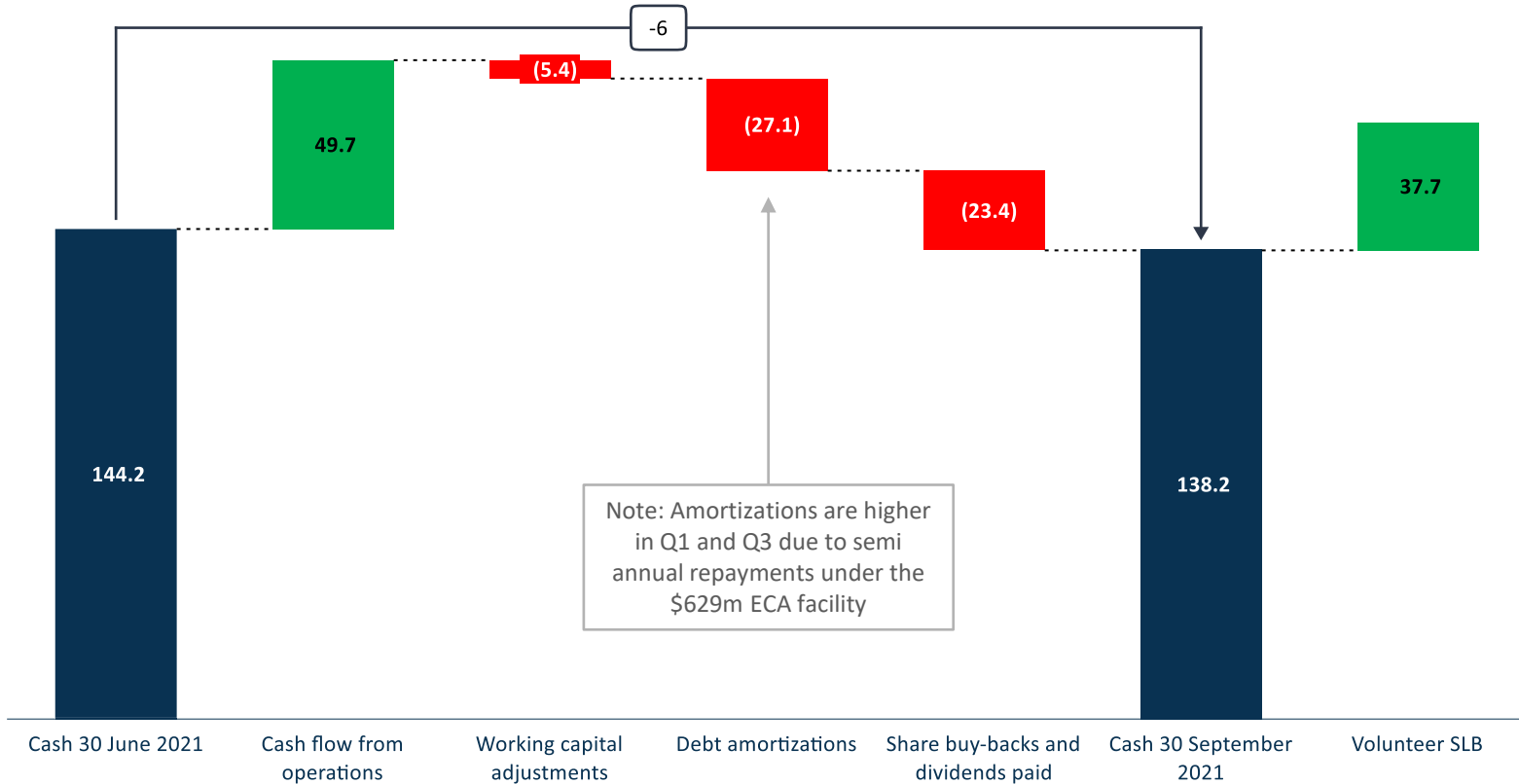
Comments

Revenues: The QoQ increase in revenues and TCE per day due to seasonal higher rates impacting our variable hire contracts and spot earnings and phasing in a full quarter of long term contracts

Opex: Positive development on underlying opex in Q3. YTD Covid related costs approx. \$500/day, hence YTD opex is below the guided level net of Covid cost.

1) TCE, adjusted EBITDA, adjusted net income and adjusted EPS are non-GAAP measures. A reconciliation to the most directly comparable GAAP measure is included in the Q3-21 earnings report

SOLID CASH POSITION WITH MORE TO COME



FLEX VOLUNTEER SALE & CHARTER BACK FREES UP \$38M



- Counterpart: First class Asian based lease-provider
- Amount: \$160m, net of \$55m initial down payment reflecting a market value of \$215m which is supported by broker valuations.
Transaction to be booked as long-term debt
- Tenor: 10 years
- Balloon: Put/call options at maturity of \$80m
- Bareboat rate: Fixed bareboat rate based on an annuity profile resulting in an all-in fixed interest of ~4% p.a.
- Covenants: No financial covenants
- Net proceeds: \$37.7m
- Closing: MOA & BBCP signed. Closing subject to normal closing conditions and expected to conclude by mid December.



\$100M BALANCE SHEET OPTIMIZATION PROGRAM INITIATED



Targets:

- ✓ Free up \$~100m
- ✓ Reduce cost of debt
- ✓ Maintain industry leading cash break even level

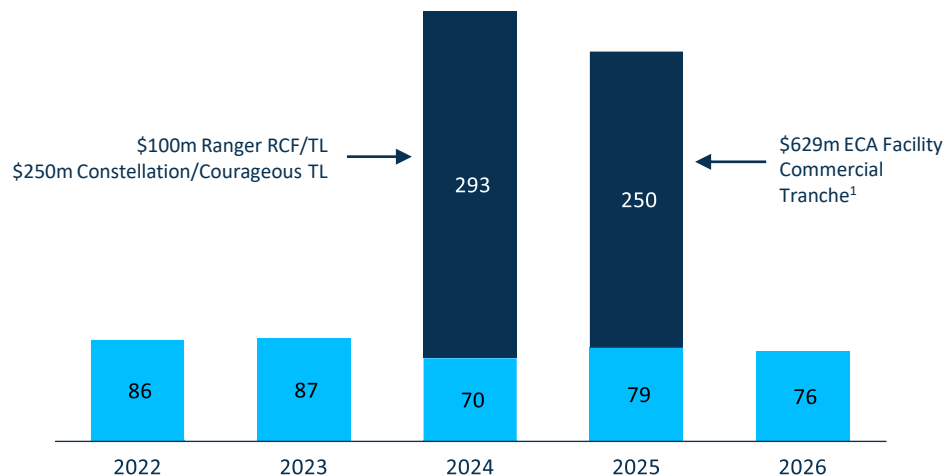
Actions:

- ✓ \$160m Flex Volunteer Sale & Charter Back
- Refinance and/or amend & extend existing facilities

Timing:

Within 12 months

Debt Profile

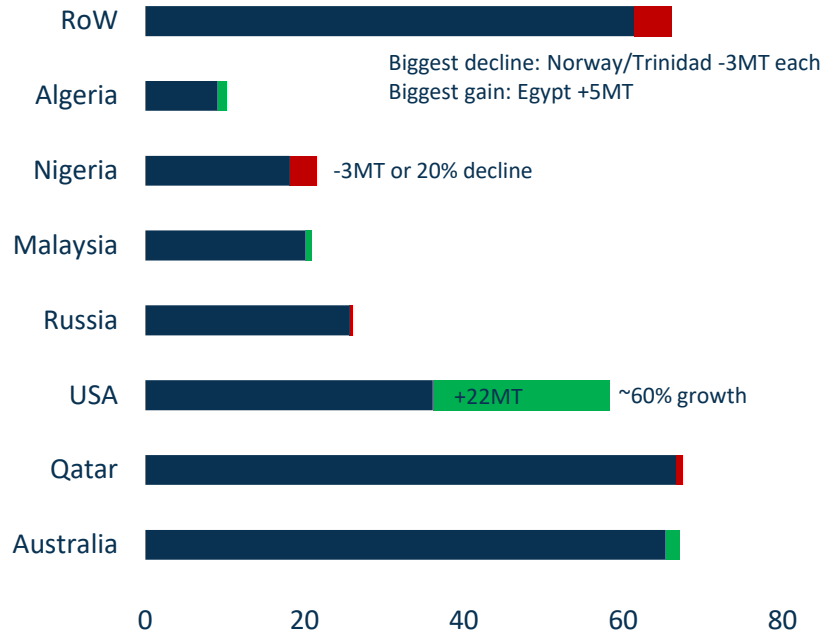


1) If the \$250m commercial tranche under the \$629m ECA facility is not refinanced at terms acceptable to the ECA lenders, the ECA tranche will also mature in 2025

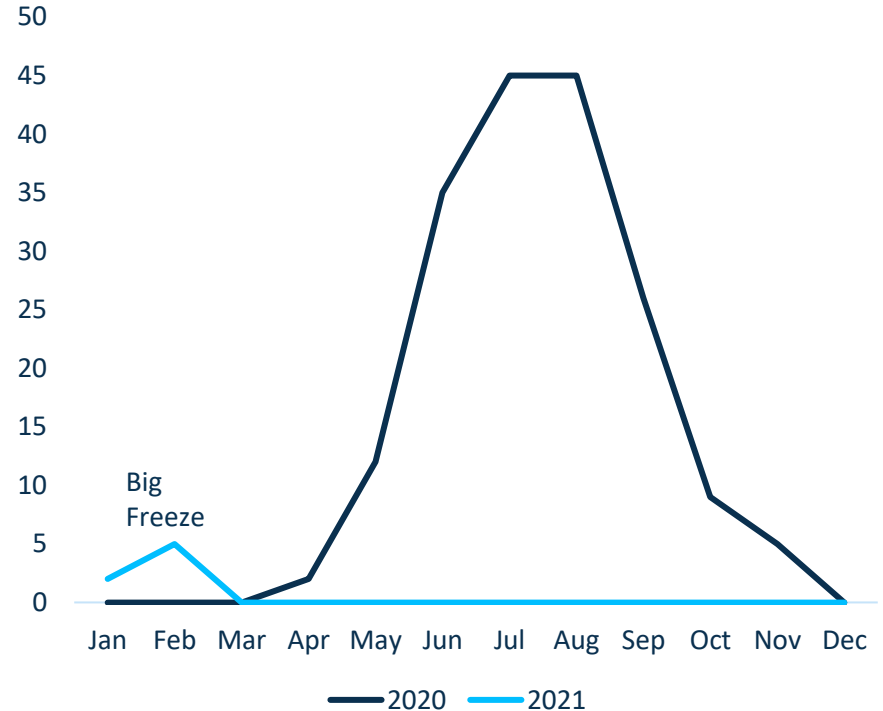
LNG EXPORTS GROWING 7% DRIVEN BY STRONG US EXPORTS



LNG Exports increased 17MT Jan-Oct y-o-y



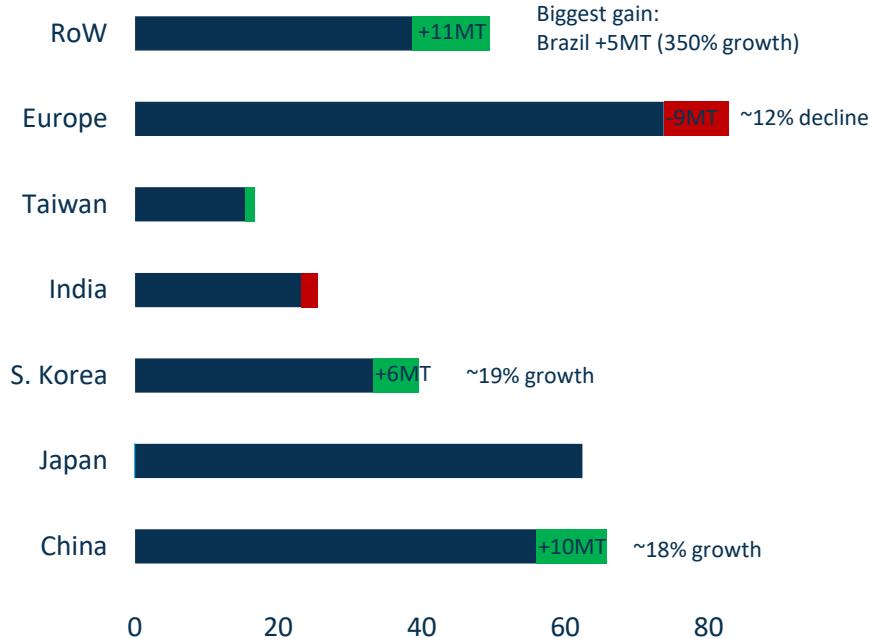
Number of US monthly cargo cancellations



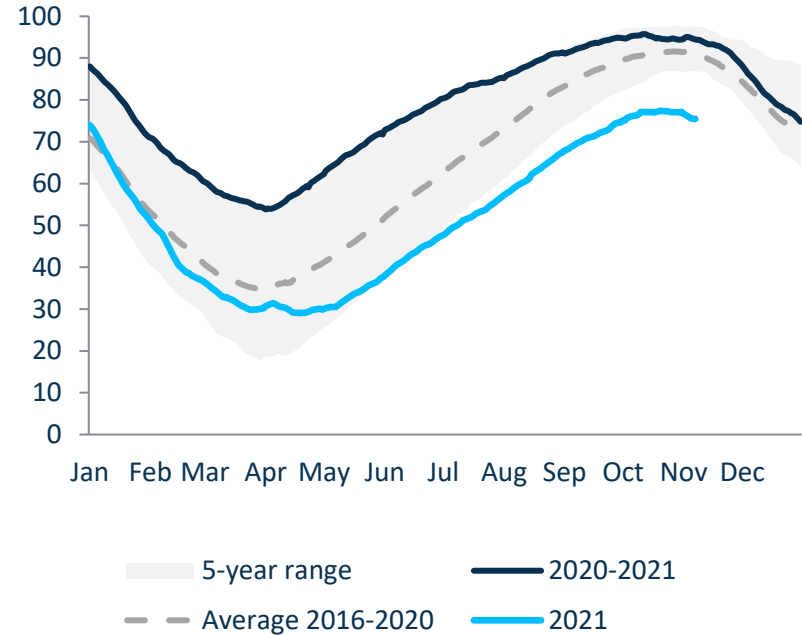
IMPORT GROWTH DRIVEN BY CHINA, SOUTH KOREA AND BRAZIL



Significantly less LNG available for Europe



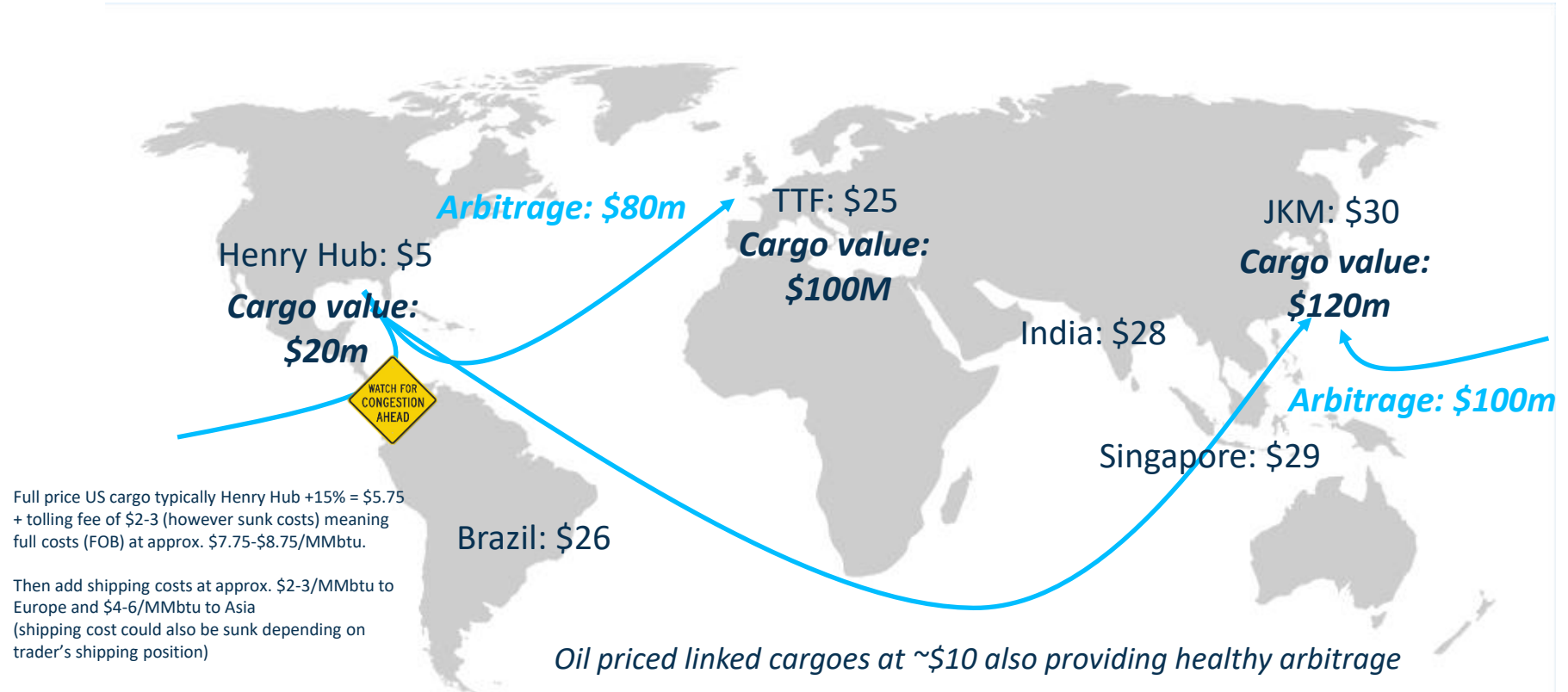
Resulting in low natural gas inventories in Europe



SPOT LNG TRADING AT A BIG PREMIUM TO OIL



PRICES AND ARBITRAGE PULLING CARGOES TO ASIA



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.

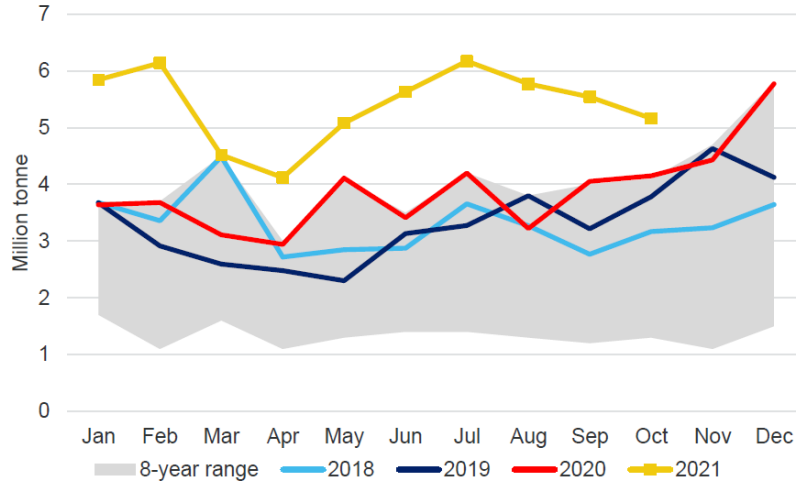
Then add shipping costs at approx. \$2-3/MMbtu to Europe and \$4-6/MMbtu to Asia (shipping cost could also be sunk depending on trader's shipping position)

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

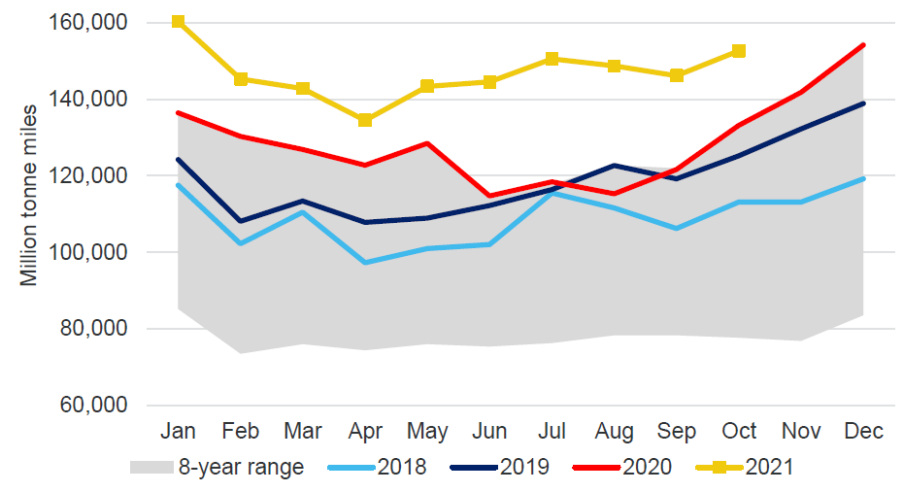
ATLANTIC TO PACIFIC TRADE DRIVING TONNE-MILE ALL-TIME HIGH



Interbasin-trade¹ growing 48% to 54mt



Resulting in 18% tonne-mile growth



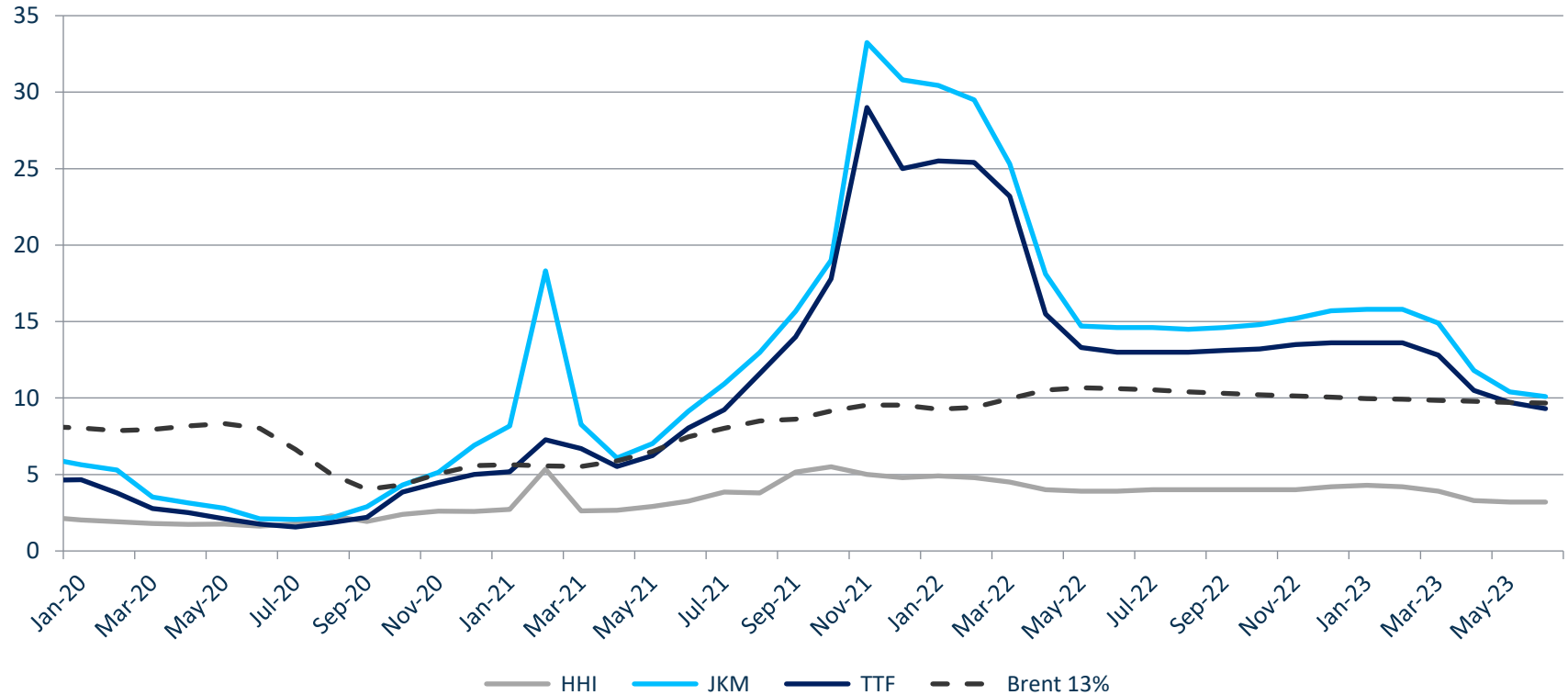
1) Interbasin defined as trade between Atlantic and Pacific

2) Source: Clarksons Platou

TIGHT LNG PRICES UNTIL SUMMER 2023



\$/MMbtu

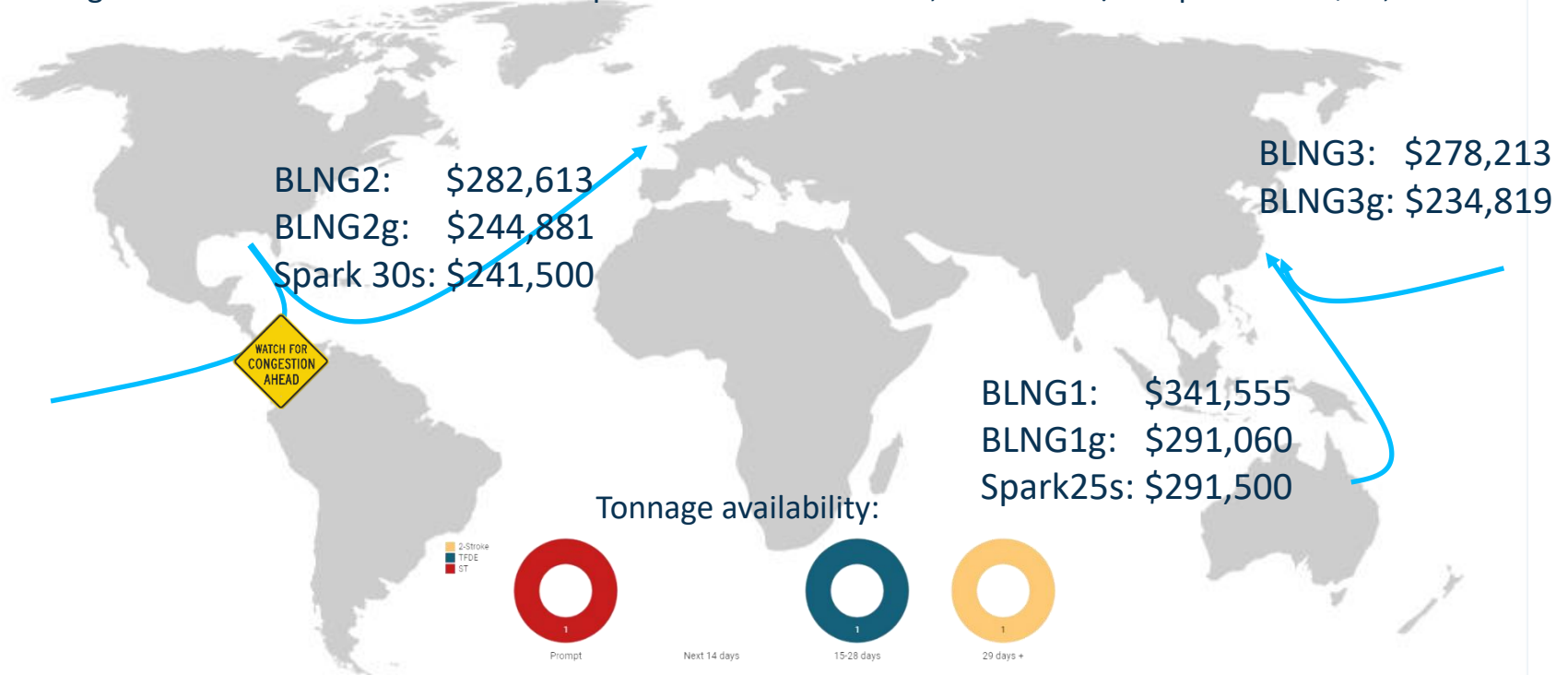


1) Source: Platts, EIA and ICE
 2) Historical TTF defined as Platts DES NEW

LACK OF SHIPS AND HIGH ARBITRAGE DRIVES UP SPOT RATES

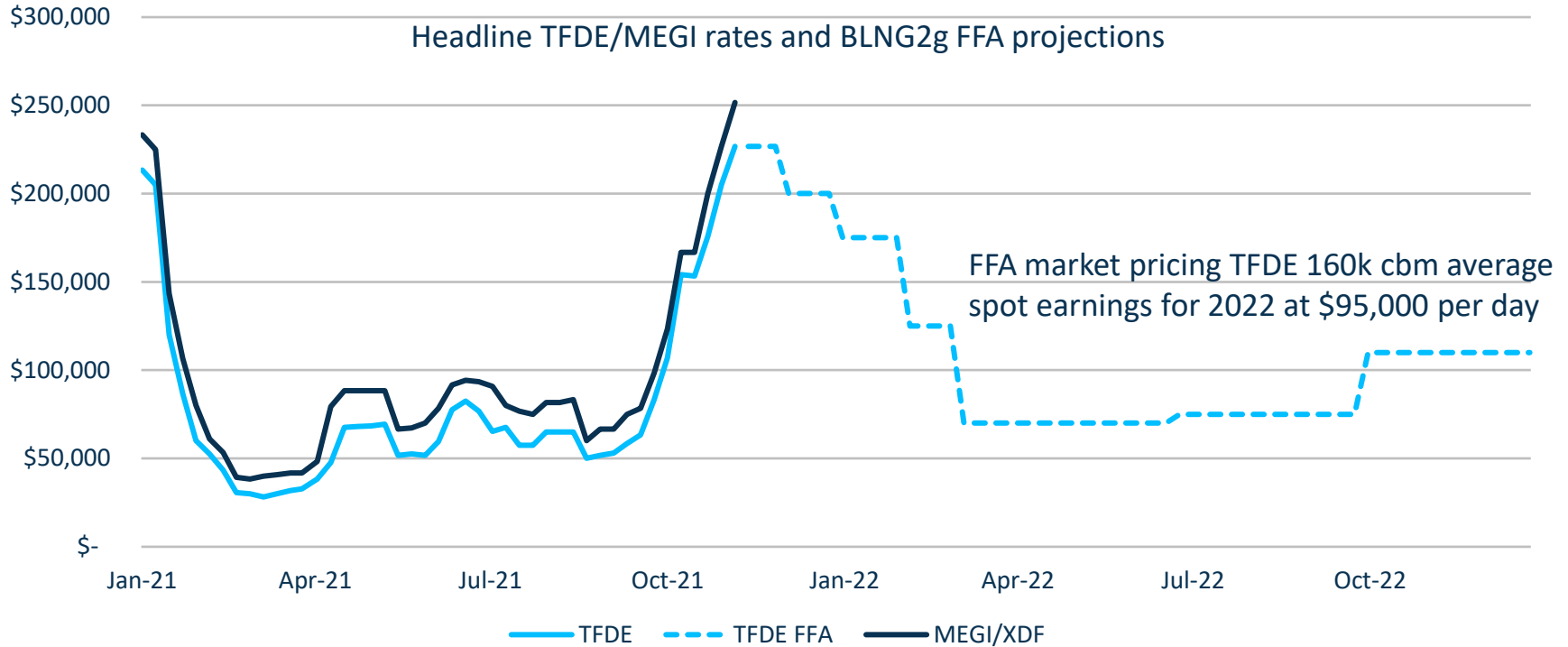


Freight indices: 160k cbm TFDE roundtrip basis on November 12, 2021. MEGI/XDF premium ~\$60,000



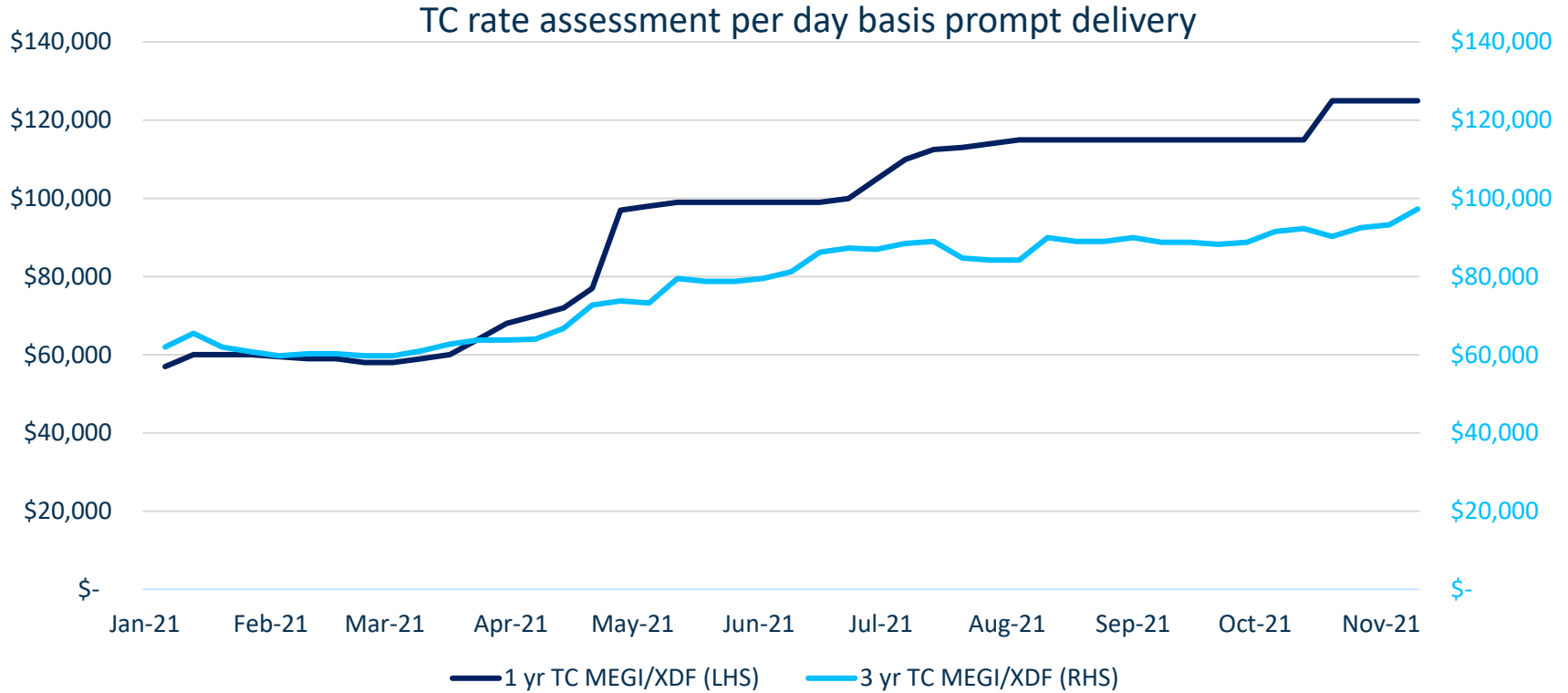
1) Source: Affinity, Fearnleys, Clarksons, Spark Commodities and Baltic Exchange
2) BLNGg is gas mode while BLNG is fuel mode. Megi/XDF 174k cbm vs 160k cbm TFDE premium from Spark

TIGHT MARKET PRICING IN HIGHER SPOT RATES IN 2022



1) Source: Affinity

AND IMPROVED SPOT MARKET HAS FIRMED UP TERM RATES



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

SUMMARY



Revenues of \$82m in line with guidance ~\$80m

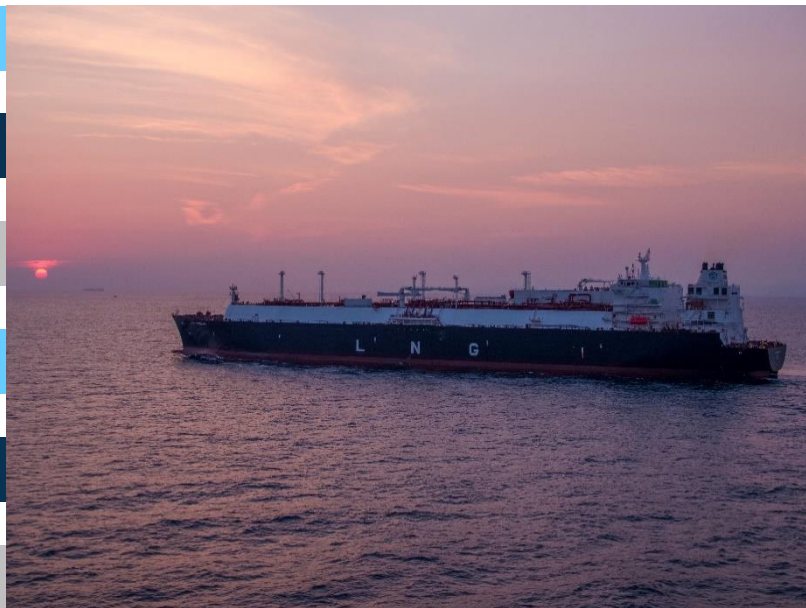
Strong Q4 revenue guidance of ~\$110m

Attractive backlog while maintaining ~30% spot exposure

Dividend of \$0.75 per share providing attractive 14% yield

Positive outlook both shorter and longer term

Solid cash position of \$138m plus \$38m released from SLB



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



Contact Details



Flex LNG Management AS
Bryggegata 3
0250 Oslo
Norway



+47 23 11 40 00



www.flexlng.com

Investor Relations



www.flexlng.com/investor-home

Stock Exchange



FLNG
EURONEXT
OSLO BØRS

FLNG
LISTED
NYSE

Ticker: FLNG