

# Q1-2021 Presentation

May 21, 2021



FLEX LNG



**FLNG**  
LISTED  
NYSE

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OSLO BØRS

# FORWARD-LOOKING STATEMENTS

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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.

# HIGHLIGHTS

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## Commercial

Unseasonably strong LNG product and freight market  
Secured min. ~22 years of backlog since Q4 report at attractive levels  
12 ships on the water and the last newbuild set for delivery on May 31  
Excellent operational performance with zero LTI despite Covid-19

## Financials

Revenues of \$81.3m in line with guidance of \$80-90m  
Adj. Net income<sup>(1)</sup> of \$34.2m in Q1 (Net income of \$47.2m)  
EPS and adj. EPS<sup>(1)</sup> of \$0.88 and \$0.64 respectively  
Fully financed fleet and solid cash position at quarter-end of \$139m

## Outlook

88% of 2021 fully booked providing high revenue visibility  
Re-stocking of gas inventories will continue over the summer  
Dividend hiked to \$0.40 per share – running annualized yield of ~12%<sup>(2)</sup>  
Increased share buyback cap from \$12 to \$14 reflecting improved outlook

1) Adjusted net income and adjusted EPS are non-GAAP measures. A reconciliation to the most directly comparable GAAP measure is included in the Q1-21 earnings report

2) Dividend yield based on share price \$13.1

# DON'T EXECUTE, FLEXECUTE



1

April 14, 2021

**CHENIERE**



Flex Vigilant



Flex TBN 2022



Flex Endeavour



Flex TBN 2022  
(option)



Flex Ranger

4 LNGCs on TC with the option for a 5th LNGC. 3 ships to be delivered in 2021 and 1 or 2 LNGCs for delivery in 2022. The firm charter period for each of the 4 initial LNGCs is between 3 and 3.75 years, with an option for Cheniere to extend each TC by up to 2 additional years.

2

May 17, 2021

Trader



Flex Constellation

TC with a firm period of 3 years on prompt basis for the LNGC Flex Constellation with Charterer's option to extend by up to 3 additional years

3

May 20, 2021

Portfolio player

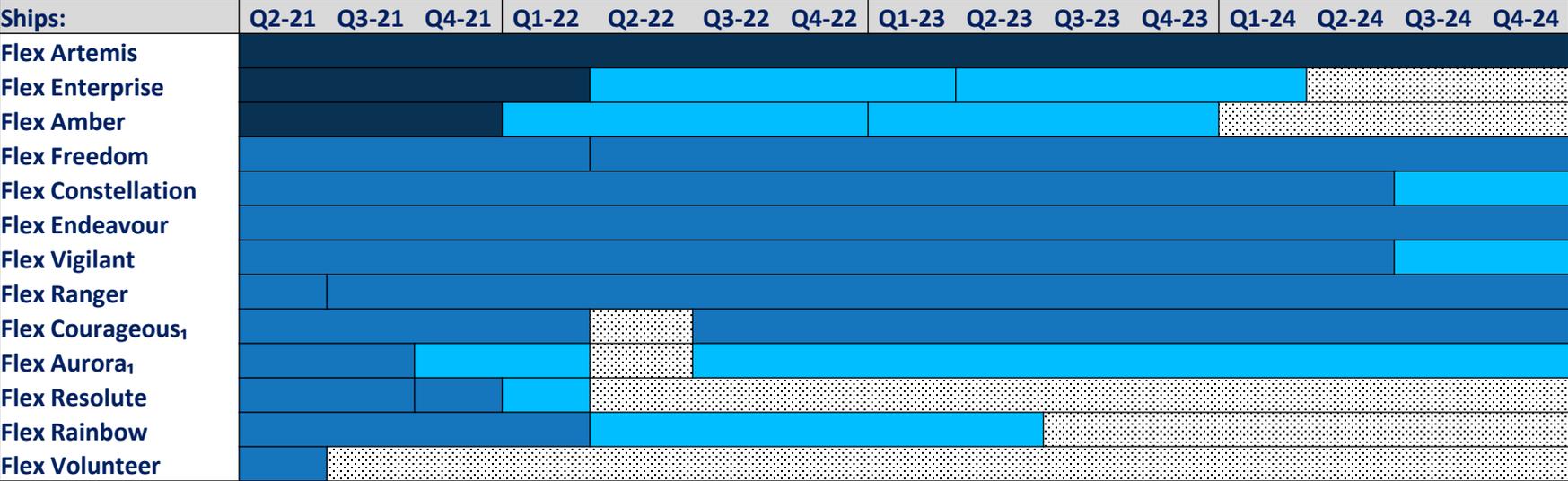


Flex Freedom

TC with a firm period of 3 to 5 years for the LNGC Flex Freedom for delivery in Q1/Q2-2022 in direct continuation of existing TC. The Charterer will have the option to extend by 2 additional years <sup>(1)</sup>

1) Time Charter of Flex Freedom is subject to final documentation as well as certain customary closing conditions.  
2) Customary closing conditions applies to the Cheniere LNGCs excluding Flex Endeavour which has already commenced its Time Charter

# FLEET COMPOSITION POST FLEXECUTION



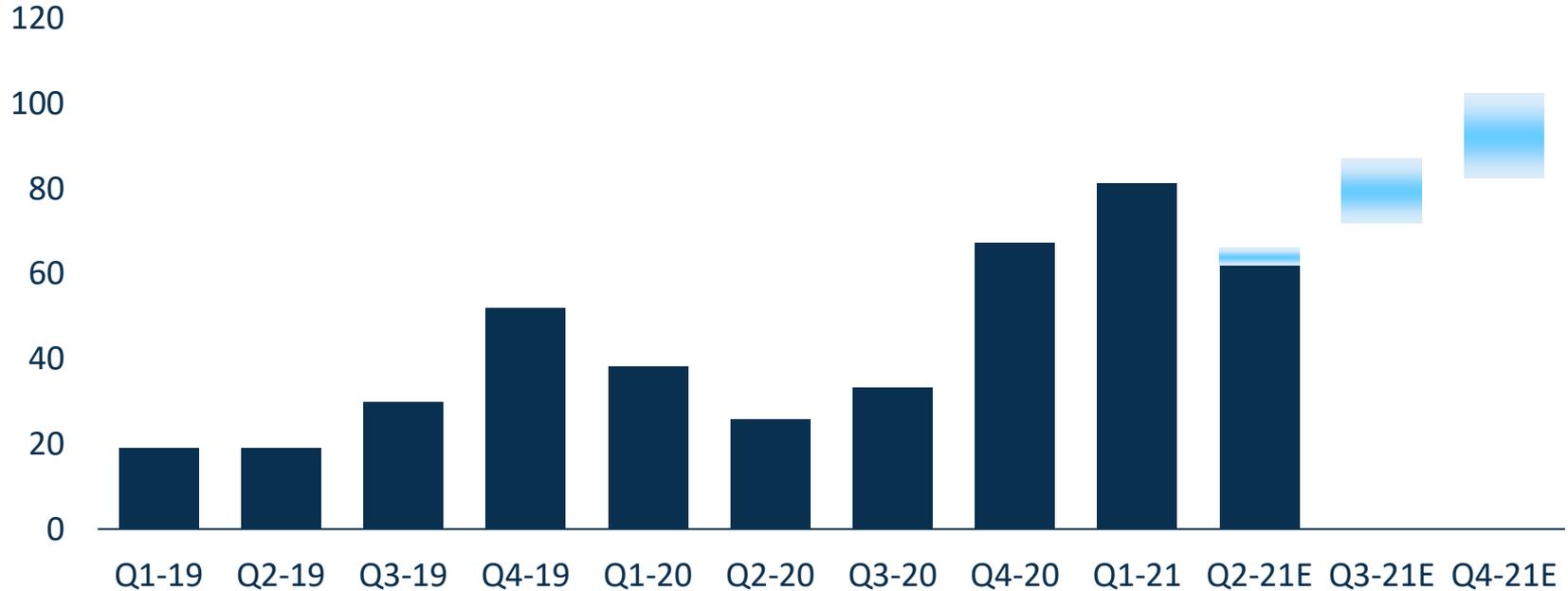
Minimum ~22 firm years of attractive backlog secured since Q4 reporting in February

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

# HIGH COVERAGE = HIGH VISIBILITY AND LOW VOLATILITY



Expected Revenues in \$m



1) Subject normal operations and up-time on vessels. Variations in Revenues reflects spot market exposure to spot ships and ships on variable hire.

# FROM INVESTMENT PHASE TO HARVESTING



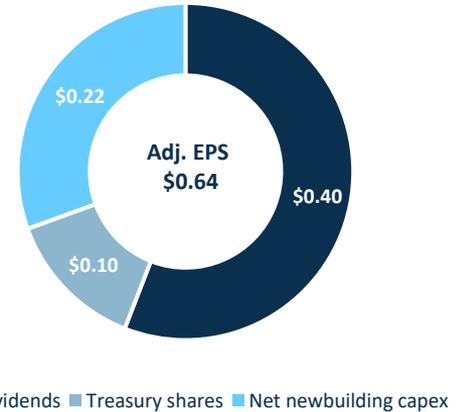
## Industry leading cash break even levels



## Substantial increase of attractive backlog



## Enabling pay-out ratio of >100% in Q1



Supported by strong balance sheet, USD 139m in free liquidity and fully funded fleet with no loan maturities prior to H2-24

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

# INCOME STATEMENT



<i>(in thousands of \$ except per share data)</i>	<i>Three months ended</i>	
	<b>Mar 31, 2021</b>	<b>Dec 31, 2020</b>
Vessel operating revenues	81,260	67,372
Voyage expenses	-1,296	-1,054
Vessel operating expenses	-14,251	-14,453
Administrative expenses	-1,727	-1,593
Depreciation	-16,236	-13,971
<b>Operating income/(loss)</b>	<b>47,750</b>	<b>36,301</b>
Interest income	7	176
Interest expense	-13,525	-12,257
Gain/(loss) on derivatives	12,935	1,253
Foreign exchange gain/(loss)	104	392
Other financial items	-35	-25
<b>Income/(loss) before tax</b>	<b>47,236</b>	<b>25,840</b>
Income tax credit/(expense)	-8	-23
<b>Net income/(loss)</b>	<b>47,228</b>	<b>25,817</b>
<b>Earnings/(loss) per share</b>	<b>0.88</b>	<b>0.48</b>
<b>Adjusted EBITDA</b>	<b>63,951</b>	<b>50,247</b>
<b>Adjusted net income/(loss)</b>	<b>34,189</b>	<b>24,172</b>
<b>Adjusted earnings/(loss) per share</b>	<b>0.64</b>	<b>0.45</b>

- Vessel operating revenues of \$81.3m vs. \$67.4 for Q4-20
- TCE of \$75,399/day vs. \$73,712/day for Q4-20
- Adj. EBITDA<sup>(1)</sup> of \$64.0m vs. \$50.2m for Q4-20
- Vessel operating expenses decreased by \$0.2m despite higher vessel operating days during the quarter, as Q4-20 was more impacted by COVID-19
- The valuation of interest rate swap derivatives improved due to higher longer term interest rates
- Net income of \$47.2m vs. \$25.8m for Q4-20
- Adjusted Net income<sup>(1)</sup> of \$34.2m vs. \$24.2m for Q4-20
- Adjusted earnings per share<sup>(1)</sup> of \$0.64 vs. \$0.45 for Q4-20

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 Q1-21 earnings report

# BALANCE SHEET

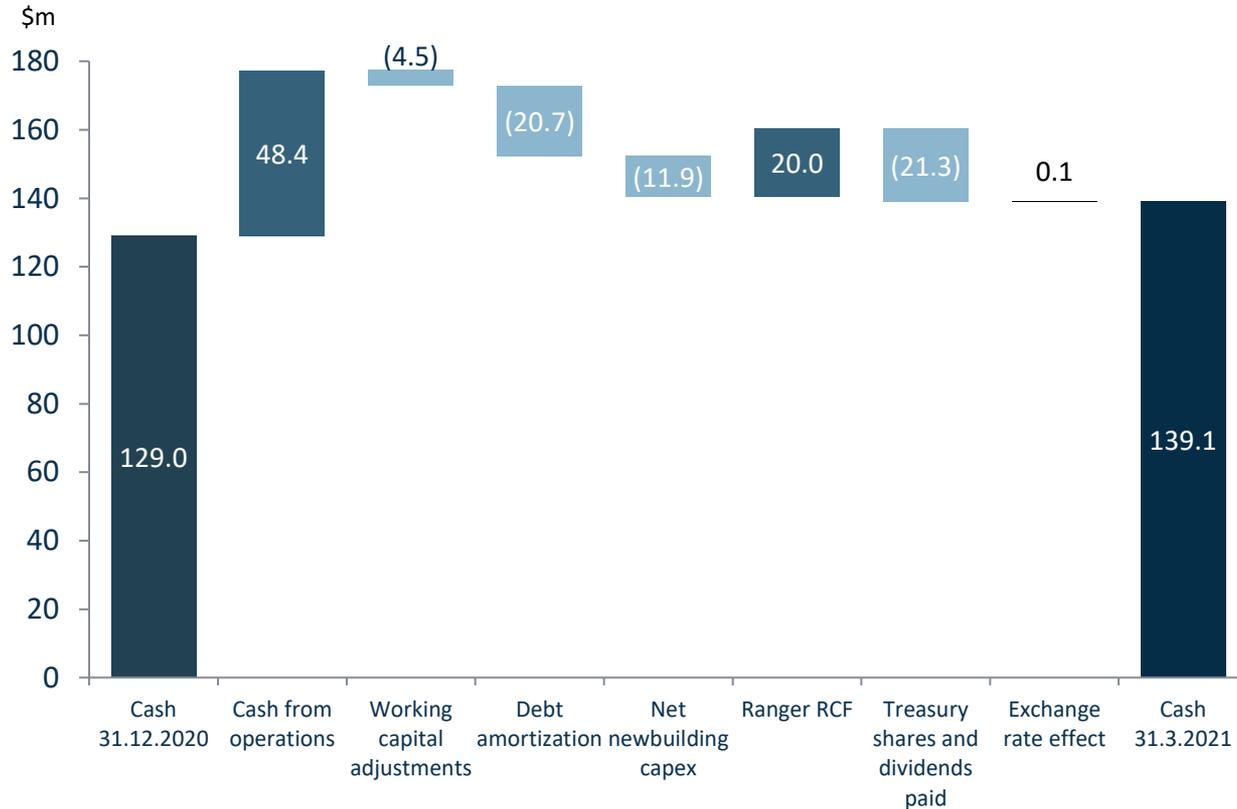


	<i>Three months ended</i>	
	<b>Mar 31, 2021</b>	<b>Dec 31, 2020</b>
<i>(in thousands of \$)</i>		
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	139,041	128,878
Restricted cash	53	84
Other current assets	17,979	28,883
<b>Non-current assets</b>		
Vessels and equipment, net	2,212,678	1,856,461
Vessel purchase prepayment	54,000	289,600
Other fixed assets	6	5
Derivative instruments	4,451	109
<b>Total Assets</b>	<b>2,428,208</b>	<b>2,304,020</b>
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Current portion of long-term debt	74,099	64,466
Derivative instruments	13,224	23,434
Other current liabilities	28,548	43,932
<b>Non-current liabilities</b>		
Long-term debt	1,451,204	1,337,013
Other non-current liabilities	0	0
<b>Total equity</b>	<b>861,133</b>	<b>835,175</b>
<b>Total Equity and Liabilities</b>	<b>2,428,208</b>	<b>2,304,020</b>

- Solid liquidity of \$139m as per Mar 31, 2021
- Increase in vessels and equipment due to delivery of eleventh and twelfth vessel, Flex Freedom and Flex Volunteer, in January
- Vessel purchase prepayment of \$54m relates to remaining newbuilding, Flex Vigilant
- Total interest bearing debt of \$1,451m<sup>(1)</sup> following execution of the \$20m RCF addendum to the Flex Ranger facility, drawdown of the \$125m Flex Volunteer facility and regular repayments of \$20m during the quarter
- Equity ratio of 35%

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

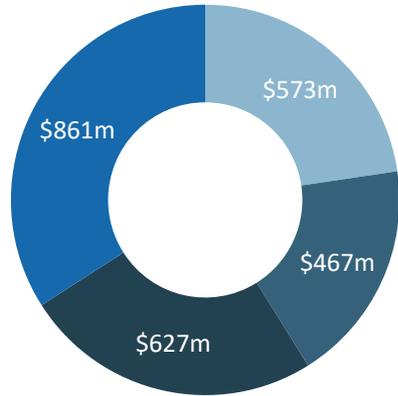
# CASH FLOW DURING THE QUARTER



- Net cash flow of \$10.1m for the quarter, resulting in year-end cash of \$139.1m
- Cash flow from operations of \$43.9m, including negative working capital adj. of \$4.5m
- Two newbuildings delivered in January, with net newbuilding capex of \$11.9m
- Increased RCF under Flex Ranger, freeing up \$20m of additional liquidity
- Repurchasing of shares and dividends paid amounting to \$5.3m and \$16.1m, respectively.

1) Debt amortization includes \$0.7 m reduction in available capacity under \$50m Ranger RCF. The facility also includes a new \$20m bullet RCF agreed and executed in Q1-2021.

# FULLY CAPITALISED WITH DIVERSIFIED SOURCES OF FUNDING



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



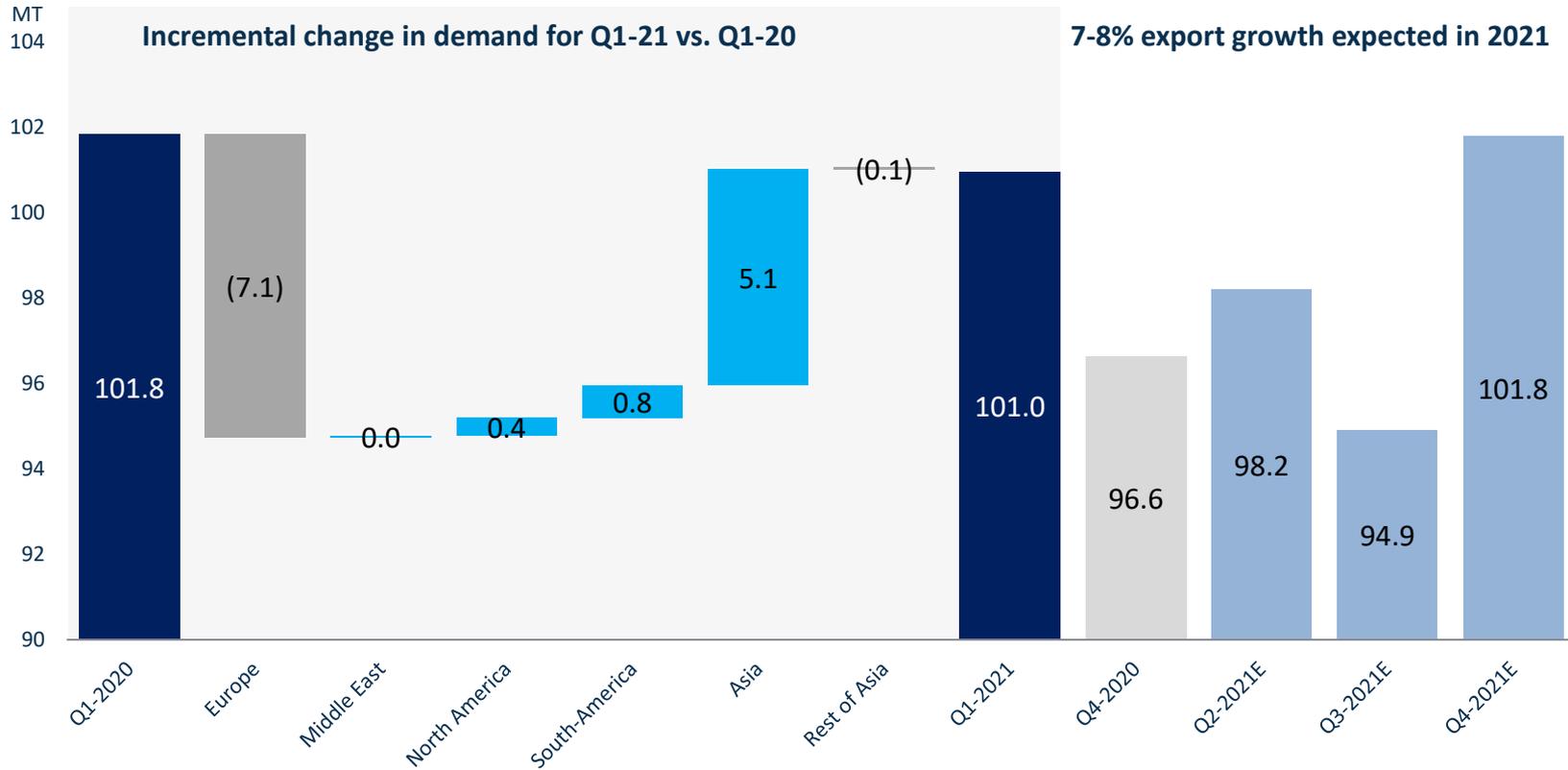
- ~\$1.7 billion in diversified funding split between lease, bank and ECA financing at attractive terms
- Long funding secured with first loan maturity in July 2024
- Staggered debt maturity profile, mitigating re-financing risk
- Well diversified pool of lenders with 15 different financial institutions

1) Common equity and outstanding/committed amounts under financings as per March 31, 2021

2) The remaining tranche under the \$629m ECA facility remains subject customary closing conditions.

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.

# PULL FROM ASIA HAVE TIGHTEN THE MARKET

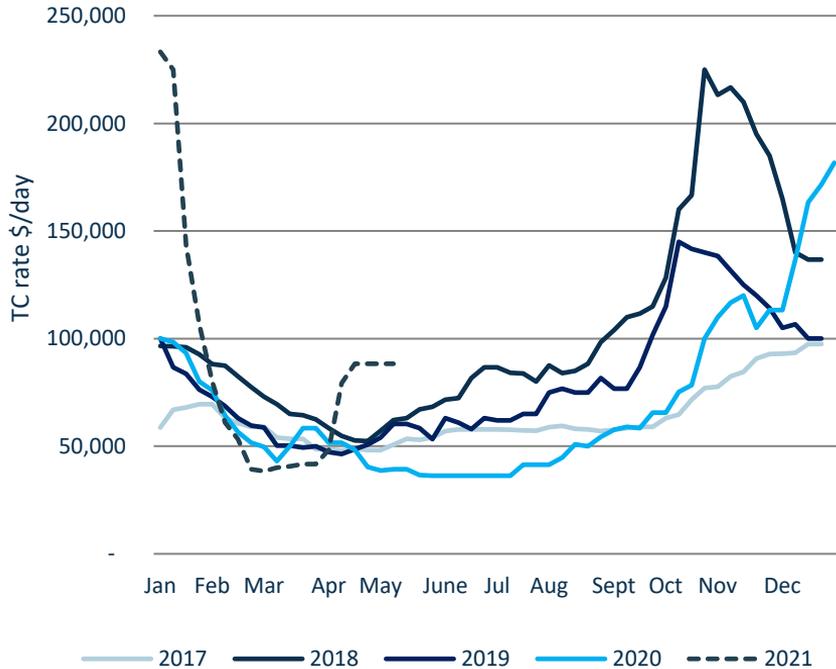


1) Source: Kpler and EnergyAspects

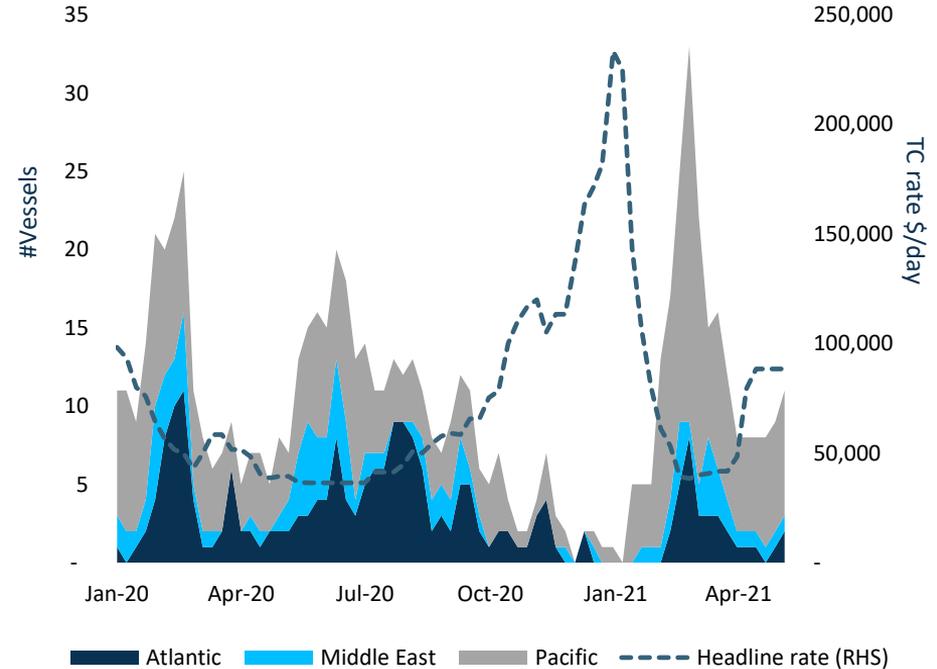
# SPOT MARKET IN REVIEW



## Headline rate (MEGI/XDF)



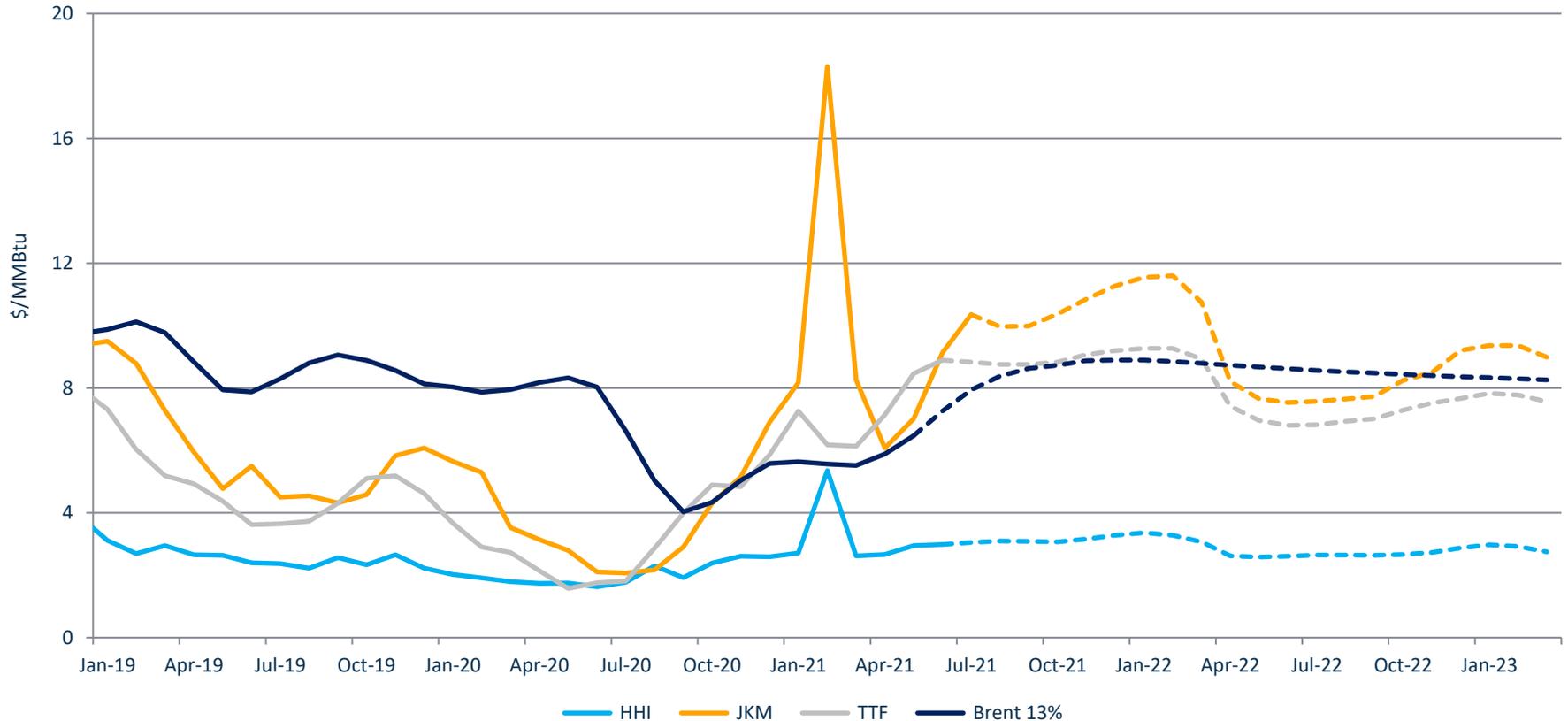
## Prompt available vessels vs. Headline rate



# TIGHTER MARKET IS PUSHING UP TERM RATES



# PRODUCT MARKET REVIEW

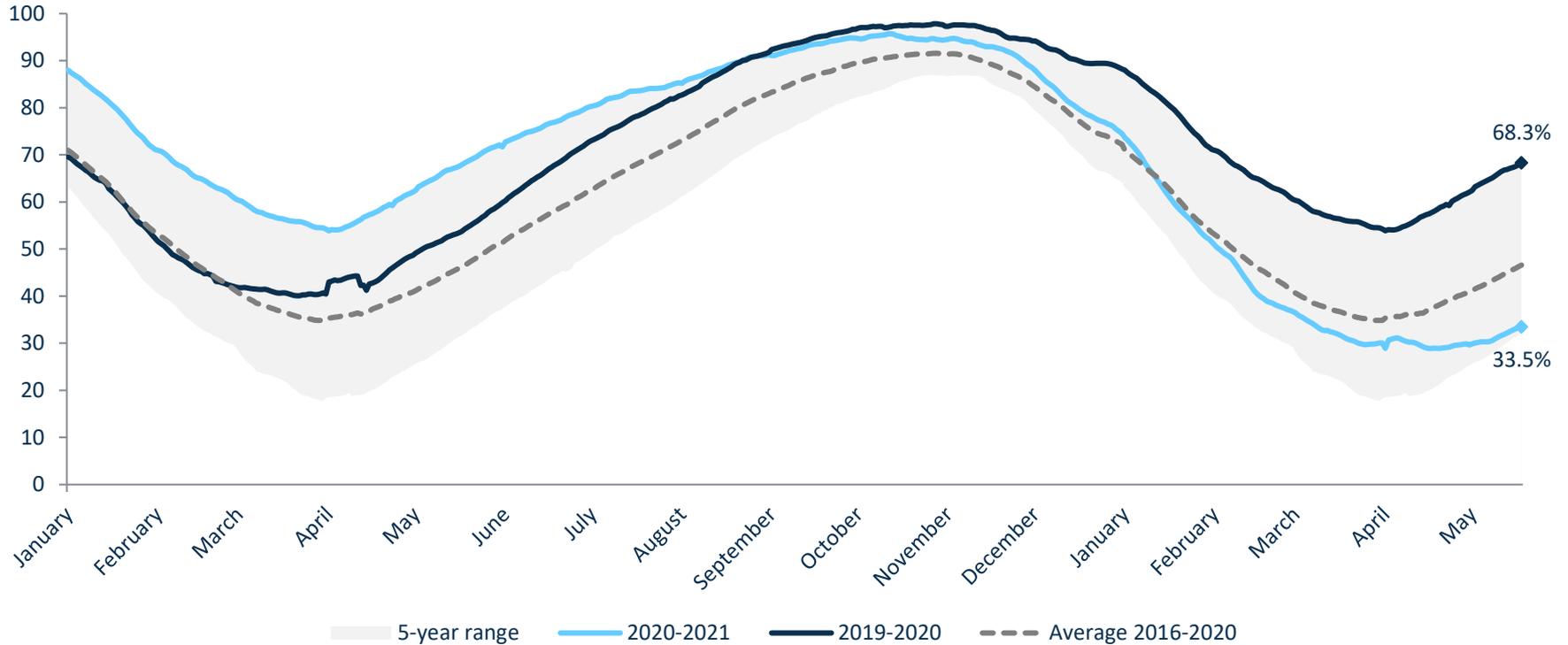


1) Source: CME and Platts  
2) Brent is 331 contract type

# RESTOCKING DEMAND HAS BEEN OUR MAIN THEME FOR THE YEAR

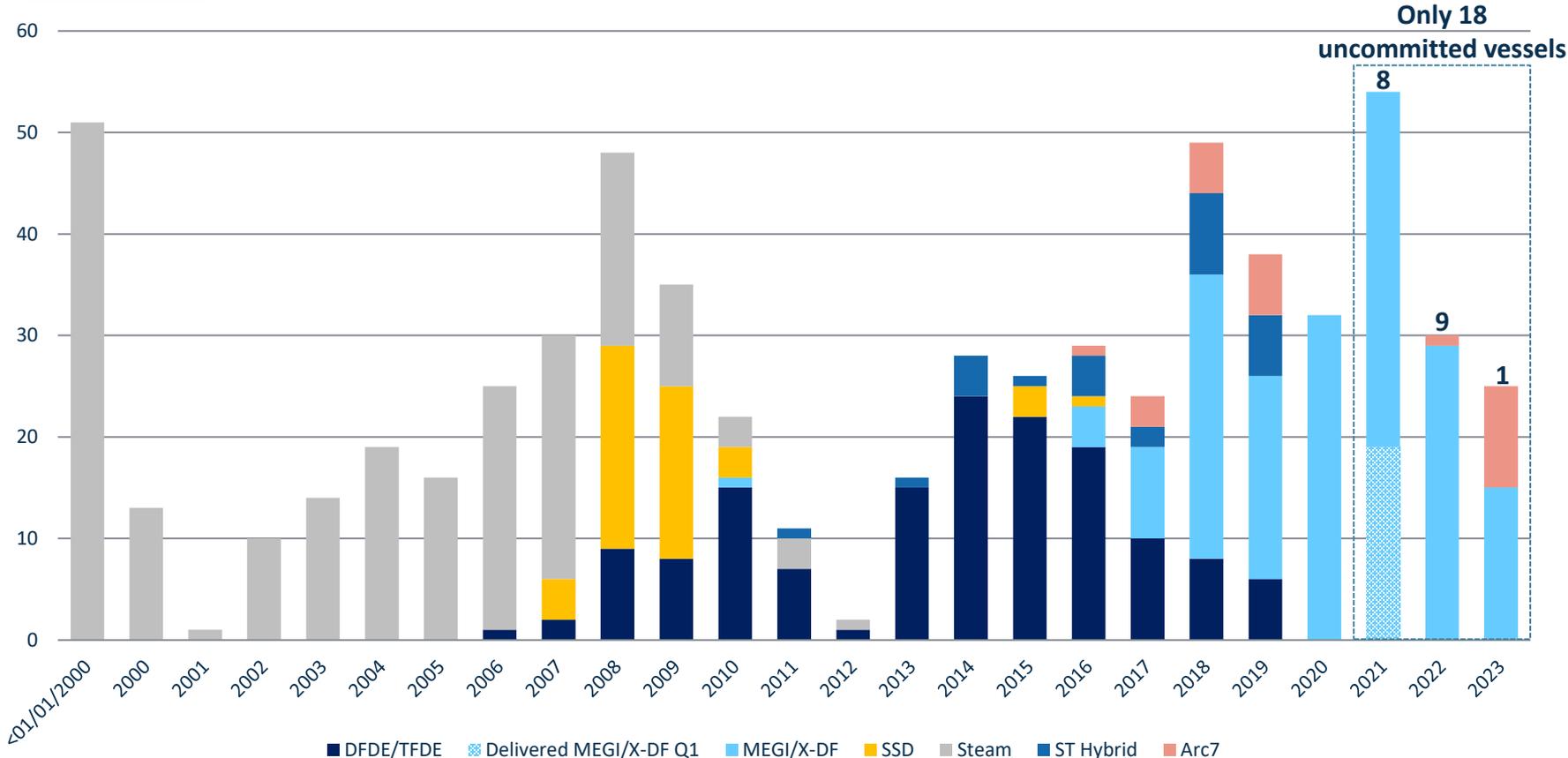


## European gas inventories (% of capacity)



1) Source: GIE AGSI+

# NEWBUILDINGS TAILING OFF WITH FEW UNCOMMITTED SHIPS



1) Source: Fearnleys and Company

2) Uncommitted vessels represents vessels to be yet to be delivered without long term contracts attached and does not include vessels delivered in Q1 without charter attached

3) Conventional LNG Carriers > 100k cbm. Laid up vessels are included

# SUMMARY

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**Revenues of \$81.3m in line with guidance**

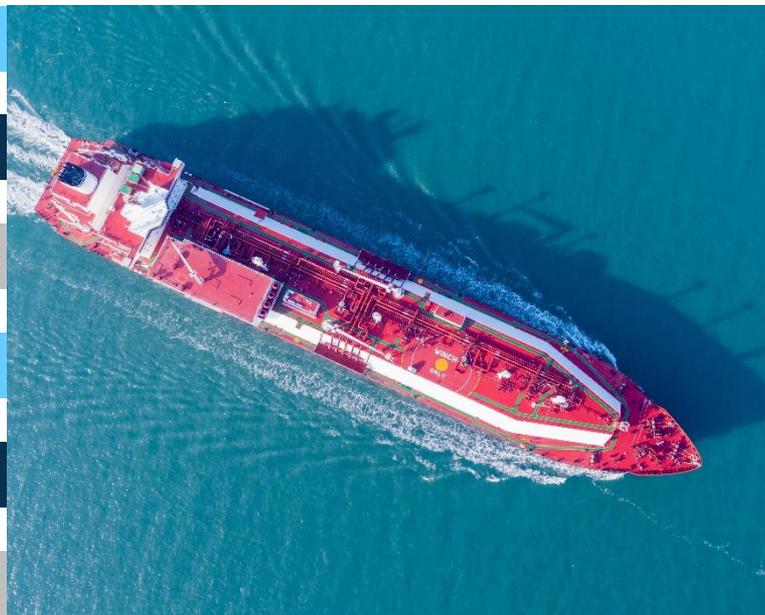
**Secured substantial backlog with 88% of 2021 already booked**

**Dividend hiked from \$0.3 to \$0.4 per share – yield of 12% p.a.**

**All 13 ships on the water by end of May**

**Positive market outlook with summer re-stocking**

**Fully financed fleet with solid cash position of \$139m**



Q&A



FLEX LNG



FLEX CONSTELLATION  
MAJURO  
IMO 9825427