



FLEX LNG

DNB

**Energy & Shipping
Conference 2022**

March 9, 2022



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



Fleet of 13 modern MEGI/XDF LNG carriers on the water aged ~2yrs

TCE ⁽¹⁾ of \$74,500 in 2021 vs Cash break even of \$43,700

Net income and adj. Net income ⁽¹⁾ of \$162m and \$145m in 2021

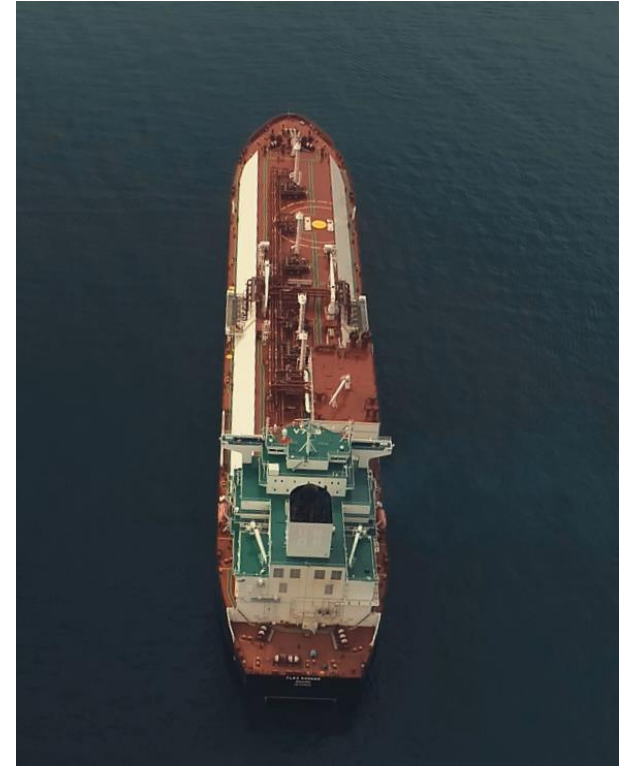
EPS and adj. EPS ⁽¹⁾ of \$3.04 and \$2.71 in 2021

Quarterly Dividend of \$0.75 per share - yield of ~14% ⁽²⁾

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

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

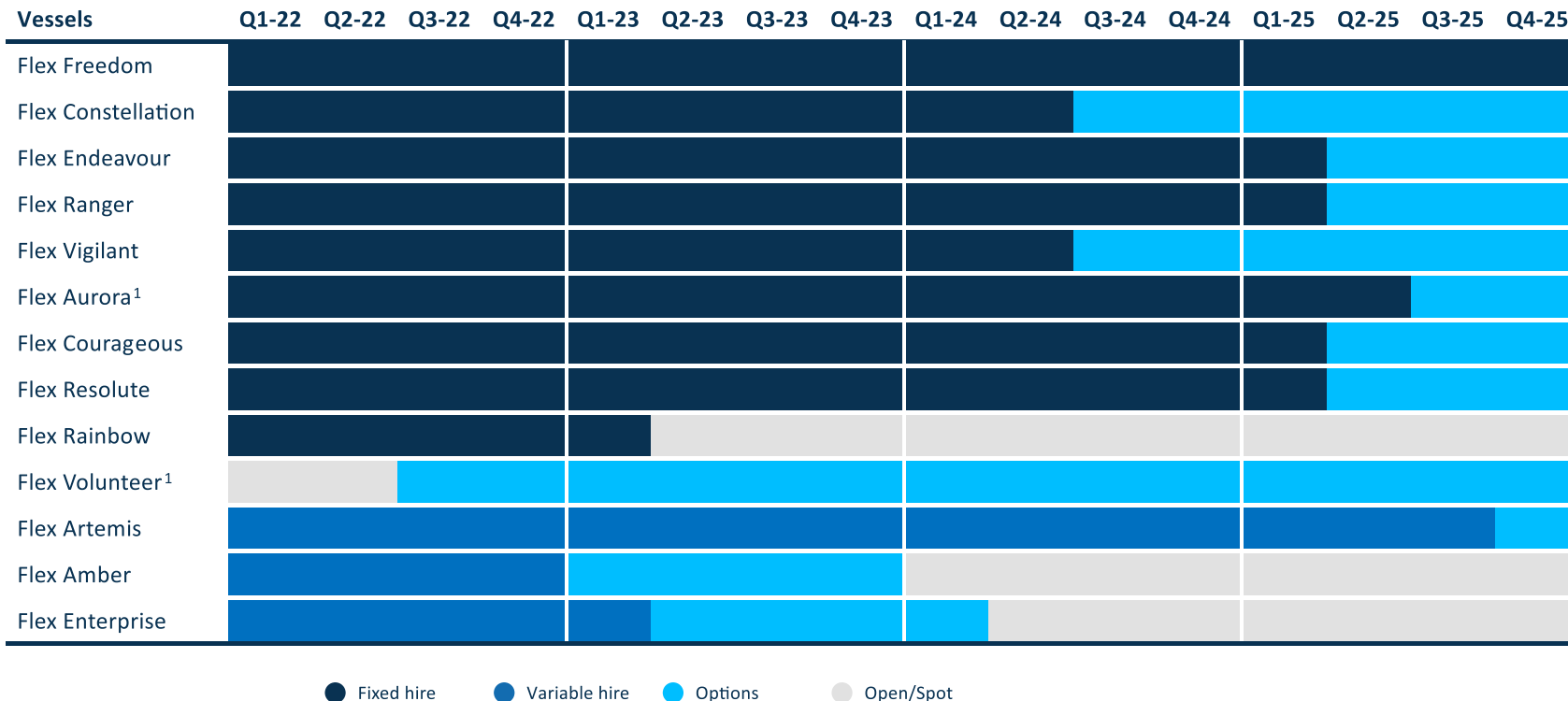
Strong backlog with ~93 % of 2022 already covered



1) Time Charter Equivalent Earnings or TCE, 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

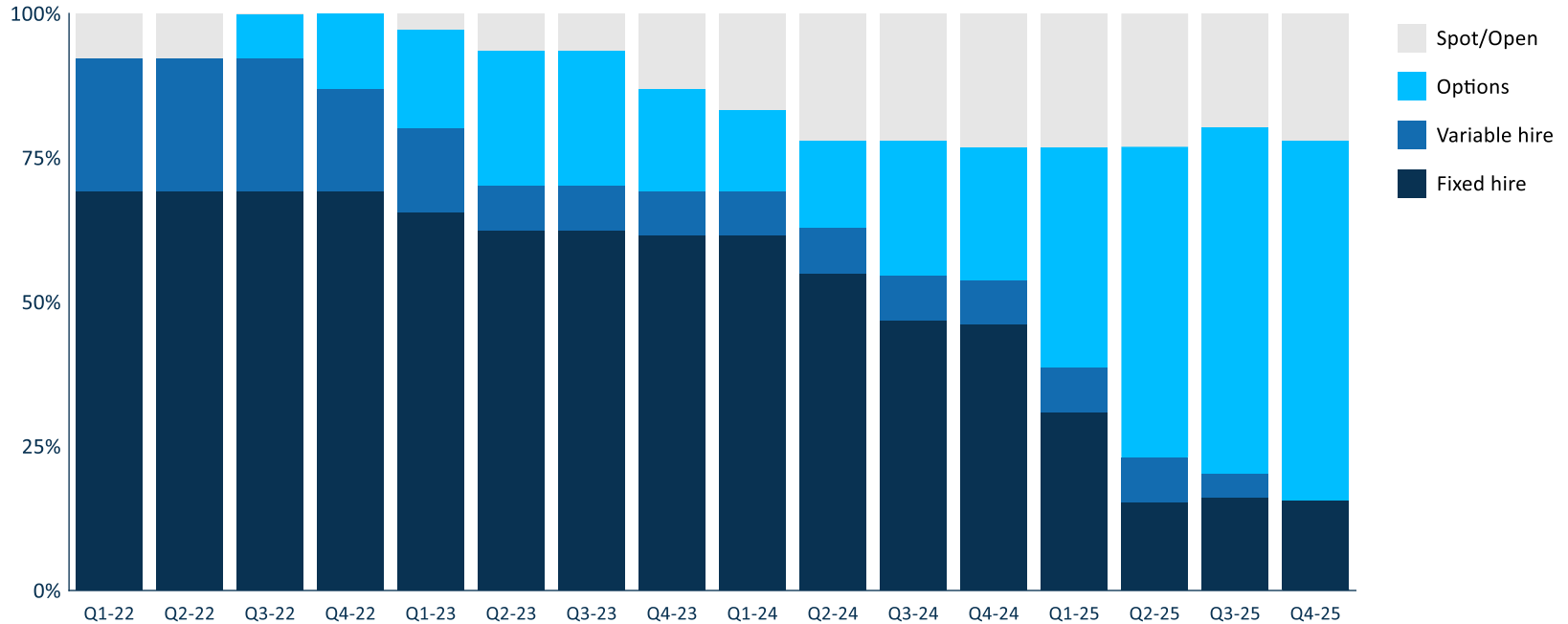
2) Annualized yield assuming share price of \$22.09 on NYSE March 8, 2022

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

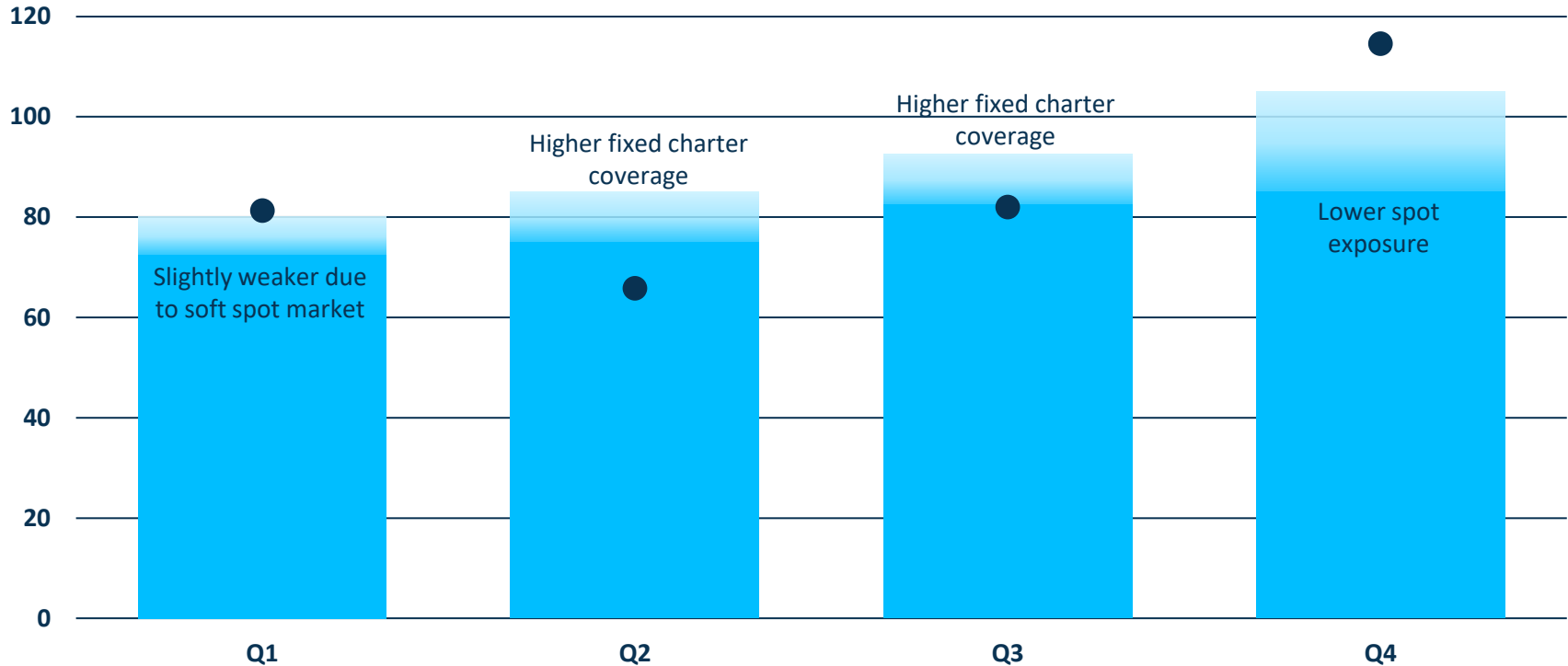
HIGH EARNINGS VISIBILITY WHILE MAINTAINING MARKET EXPOSURE



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



Revenues \$m



● 2021 Quarterly Revenues

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

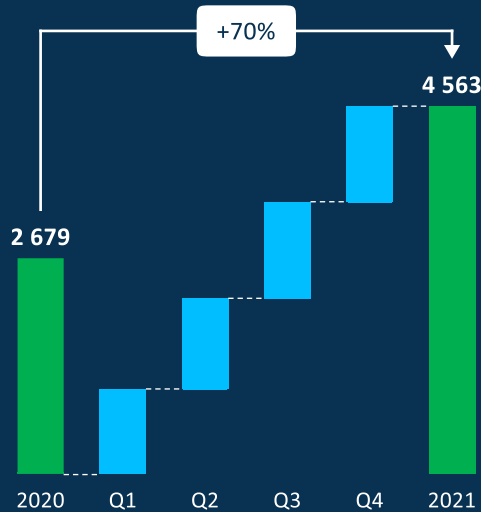
Earnings and cash flow	✓	ⓘ	✓	✓
Market outlook	✓	✓	✓	✓
Backlog and visibility	✓	✓	✓	✓
Liquidity position	✓	✓	✓	✓
Covenant compliance	✓	✓	✓	✓
Debt maturities	✓	✓	✓	✓
Capex liabilities	✓	✓	✓	✓
Other considerations	✓	✓	✓	✓

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

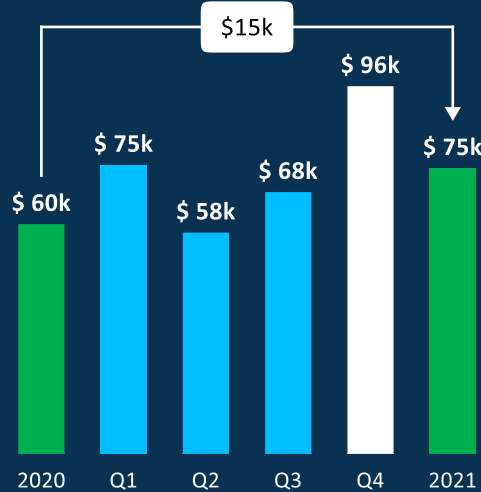
KEY FINANCIAL FIGURES FOR 2021

OPERATING DAYS

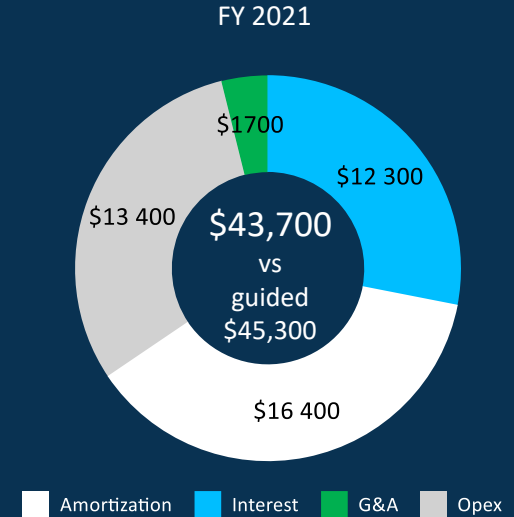


2021:
 Total available days: 4,575
 Off-hire days: 12

TCE PER DAY



CASH BREAK EVEN PER DAY

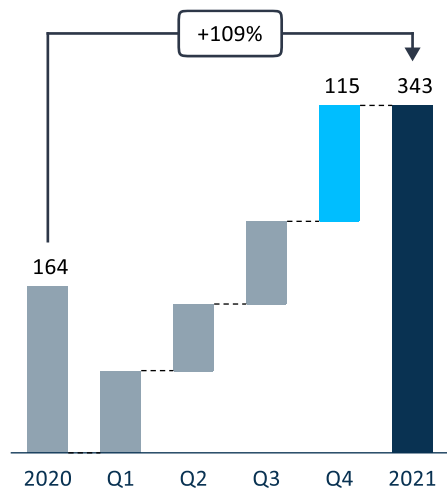


Opex: Approx. \$600/day is Covid-19 related where \$400/day is direct Covid-19 related costs and \$200/day is indirect Covid-19 related costs

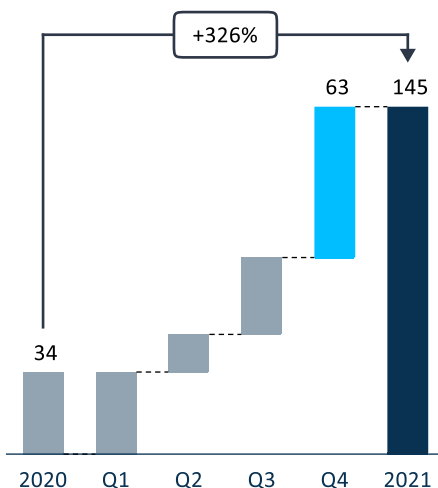
BIGGER FLEET AND HIGHER EARNINGS MEANS BETTER RETURNS



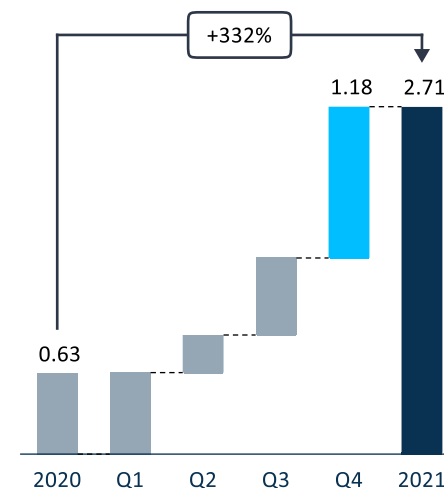
REVENUES (\$m)



ADJUSTED NET INCOME (\$m)¹

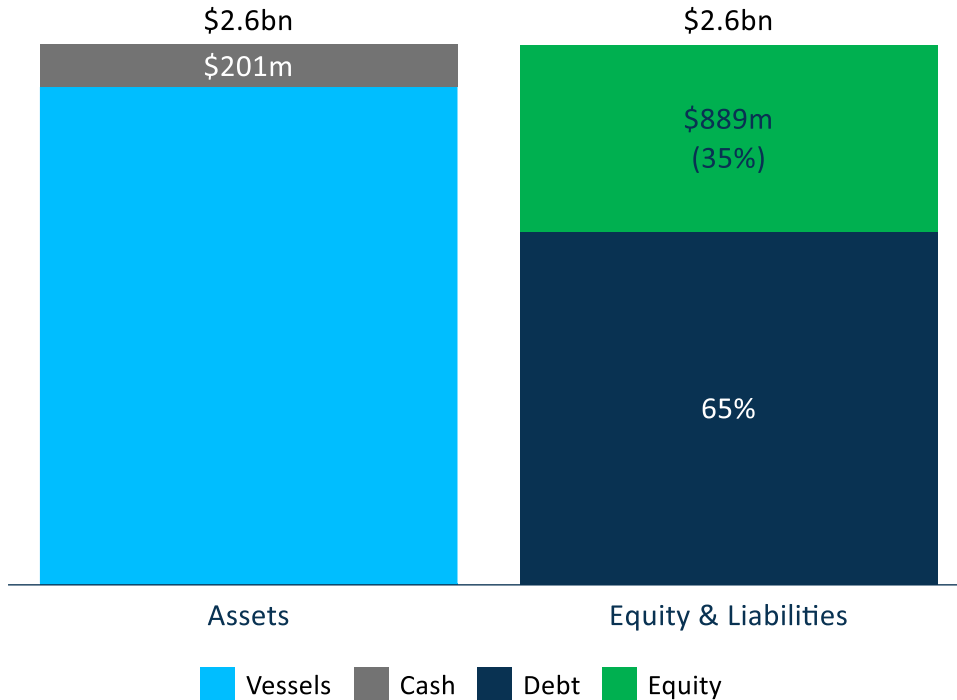


ADJUSTED EARNINGS PER SHARE (\$)¹



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

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⁾

Utilized market uproar to secure \$200m 10-year non-amortizing interest rates swaps at \$1.7% giving all-in rate of 3.8%

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

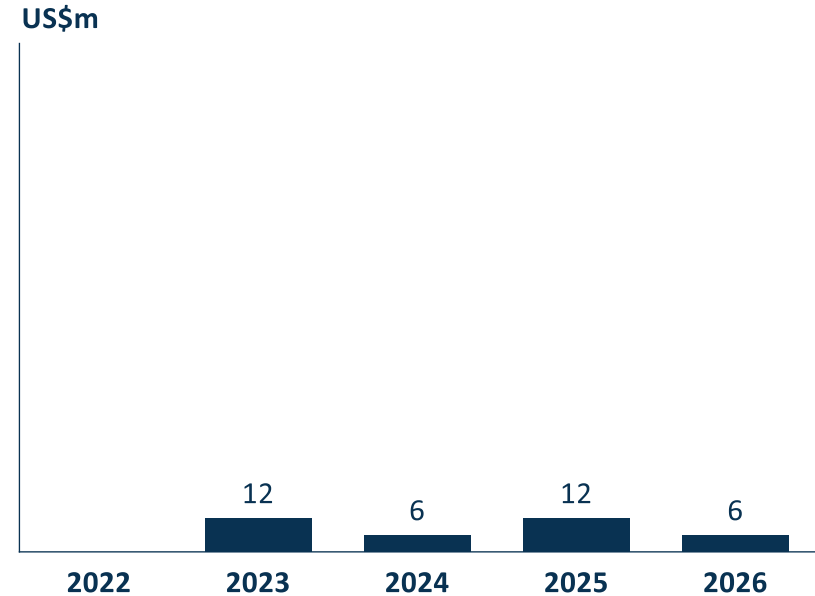
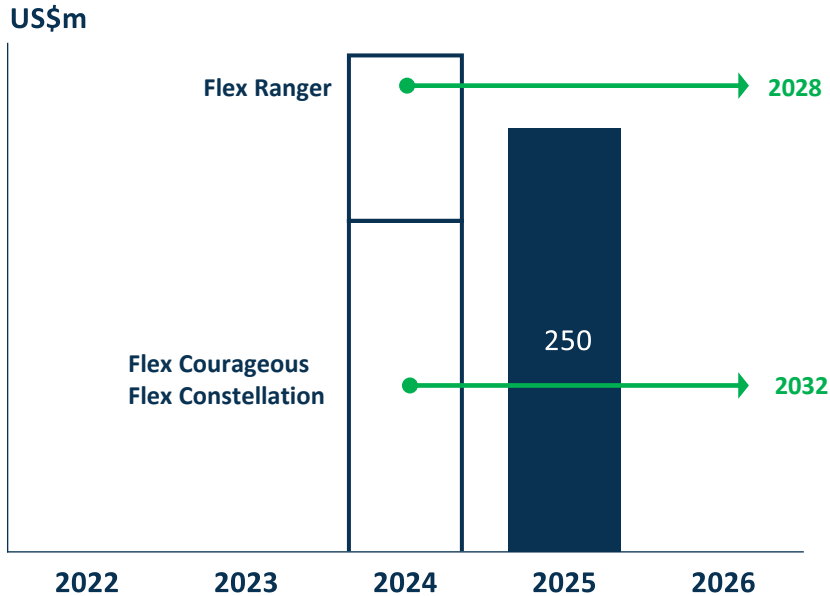
2) Accordion option is currently uncommitted and subject to approval by participating banks

PUSHED DEBT MATURITIES AND MARGINAL DRYDOCK COMMITMENTS



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

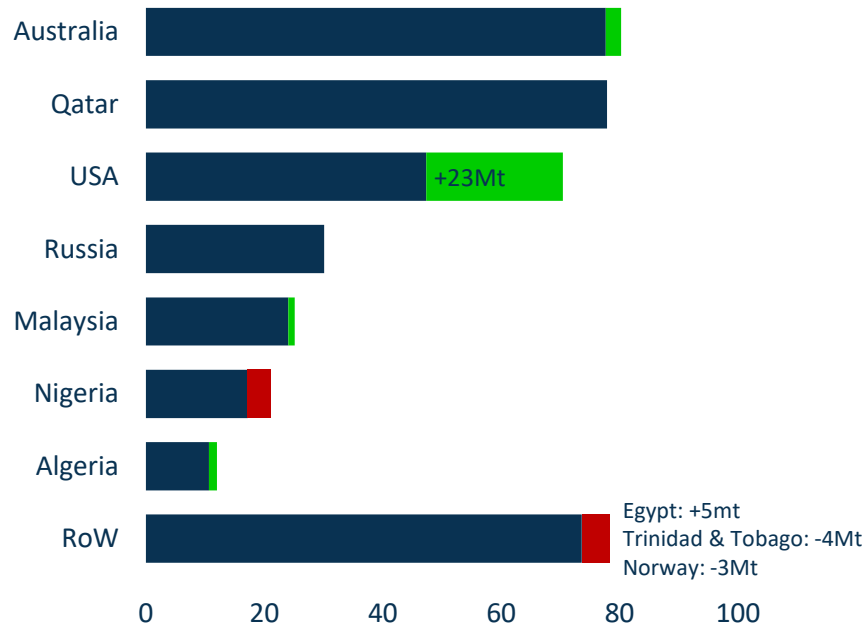
Insignificant capex commitments for the 5 years drydock cycle - \$3m per vessel



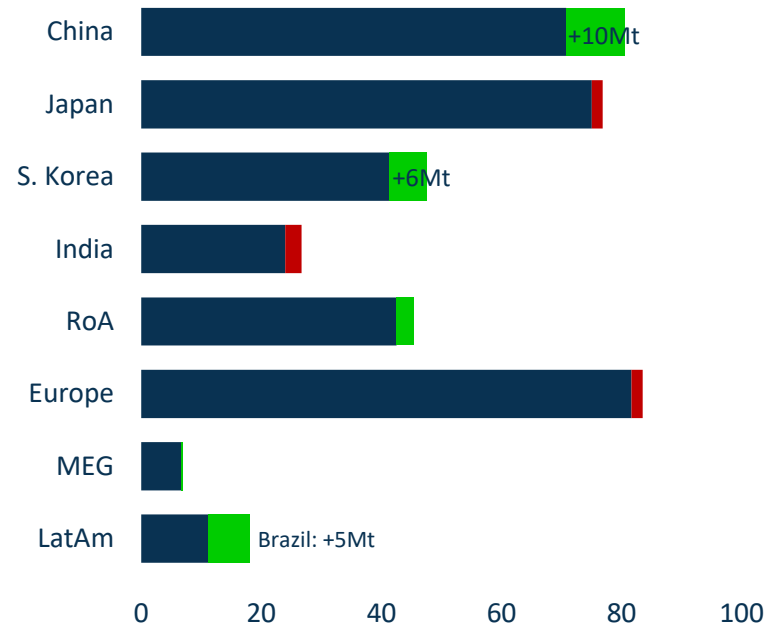
LNG VOLUMES UP BY ABOUT 5% IN 2021



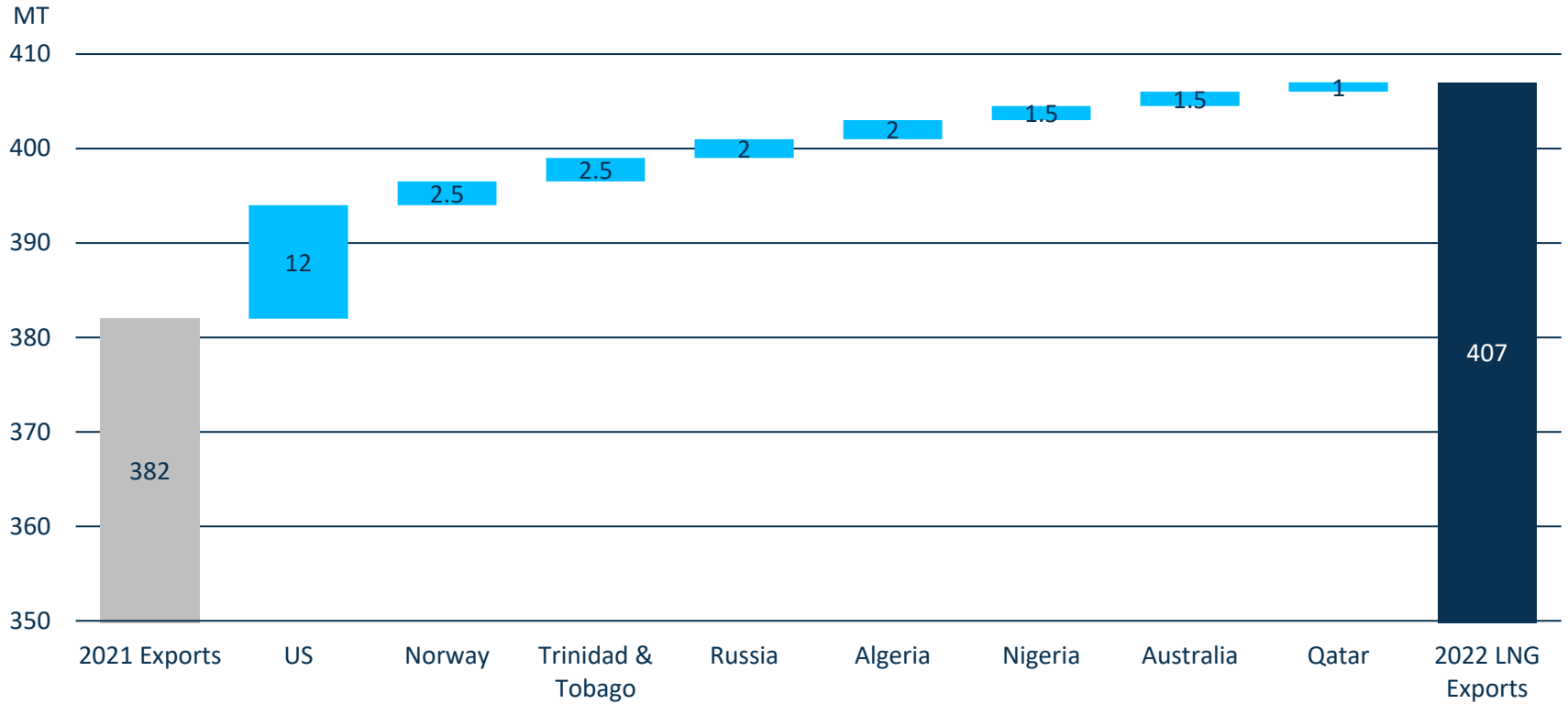
LNG Exports up 19Mt in 2021 driven by US



LNG Imports driven by China, South Korea and Brazil

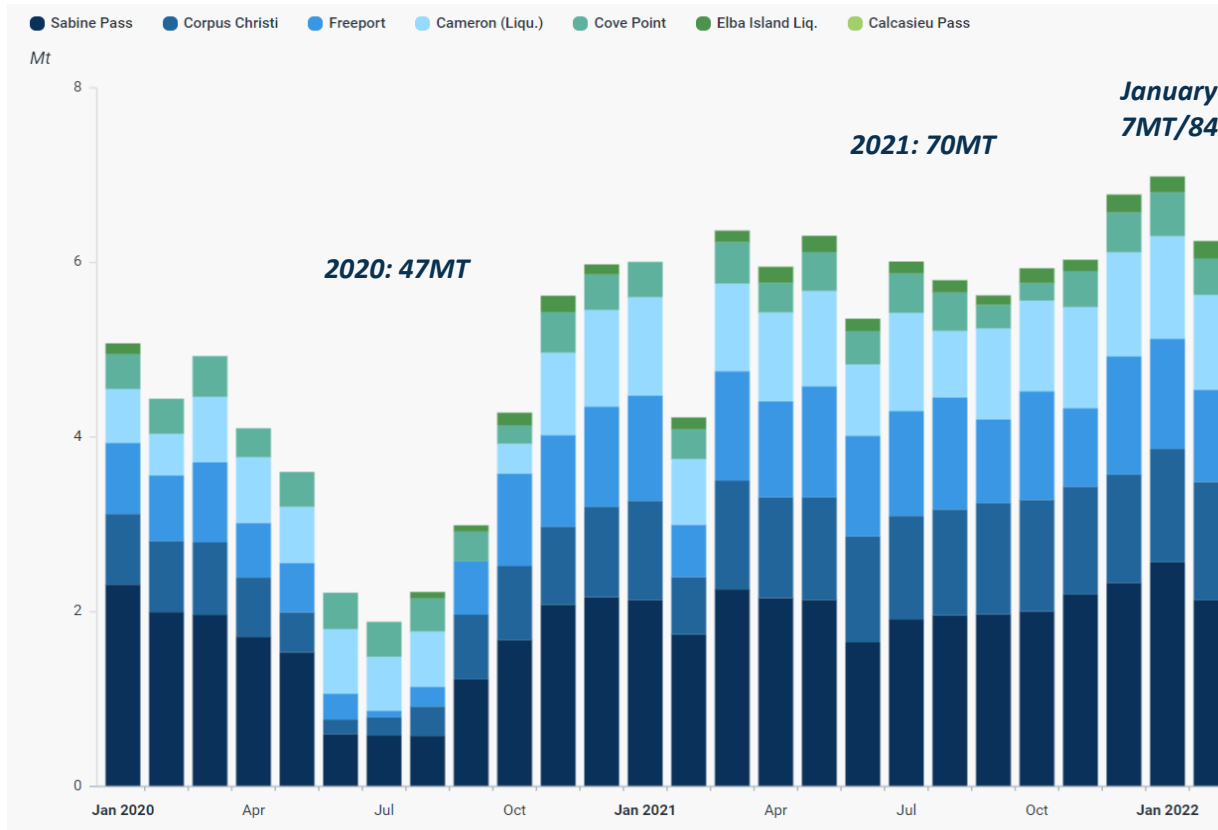


WE EXPECT LNG EXPORTS TO GROW ~25MT IN 2022 OR ABOUT 6%



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

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



Similar export level in February if adjusted for days (0.22MT day)

New US terminals 2022:

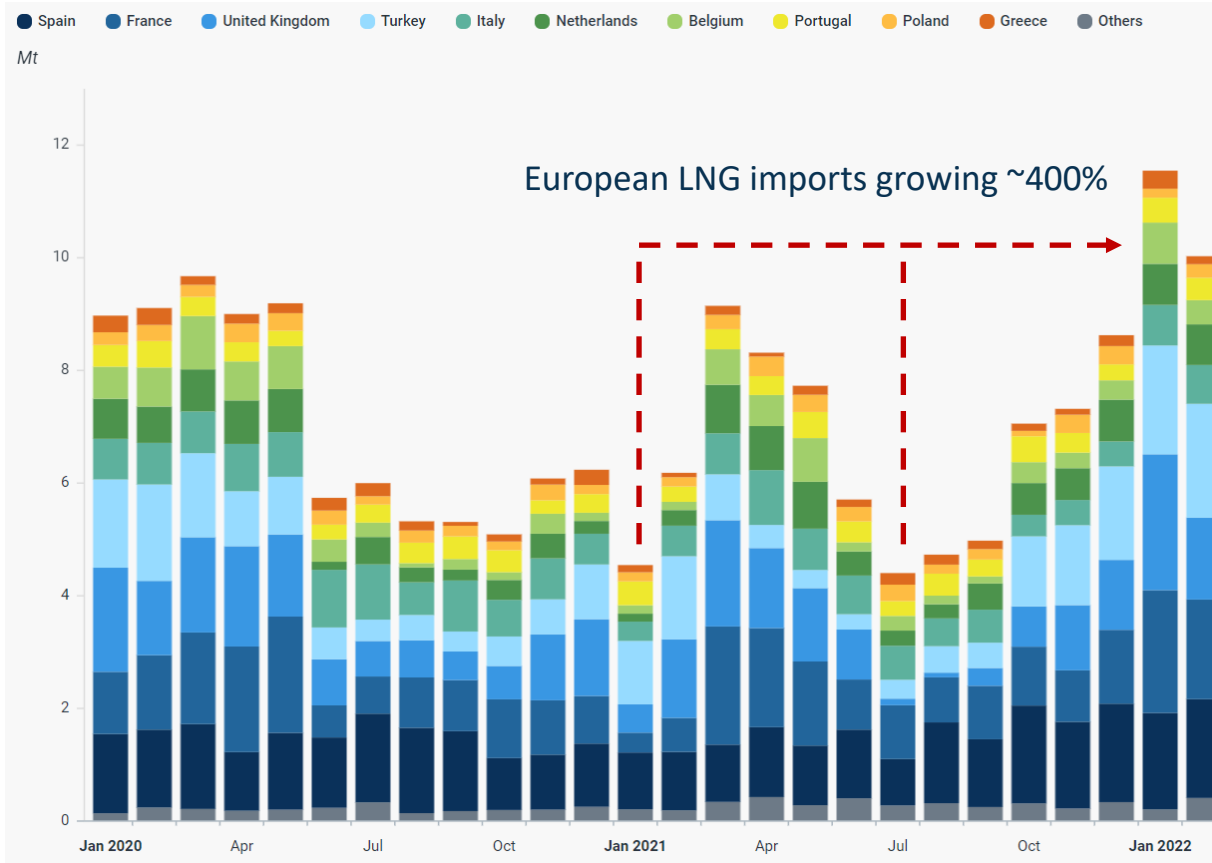
VENTURE GLOBAL LNG

Calcasieu Pass: 10MT
February 2022



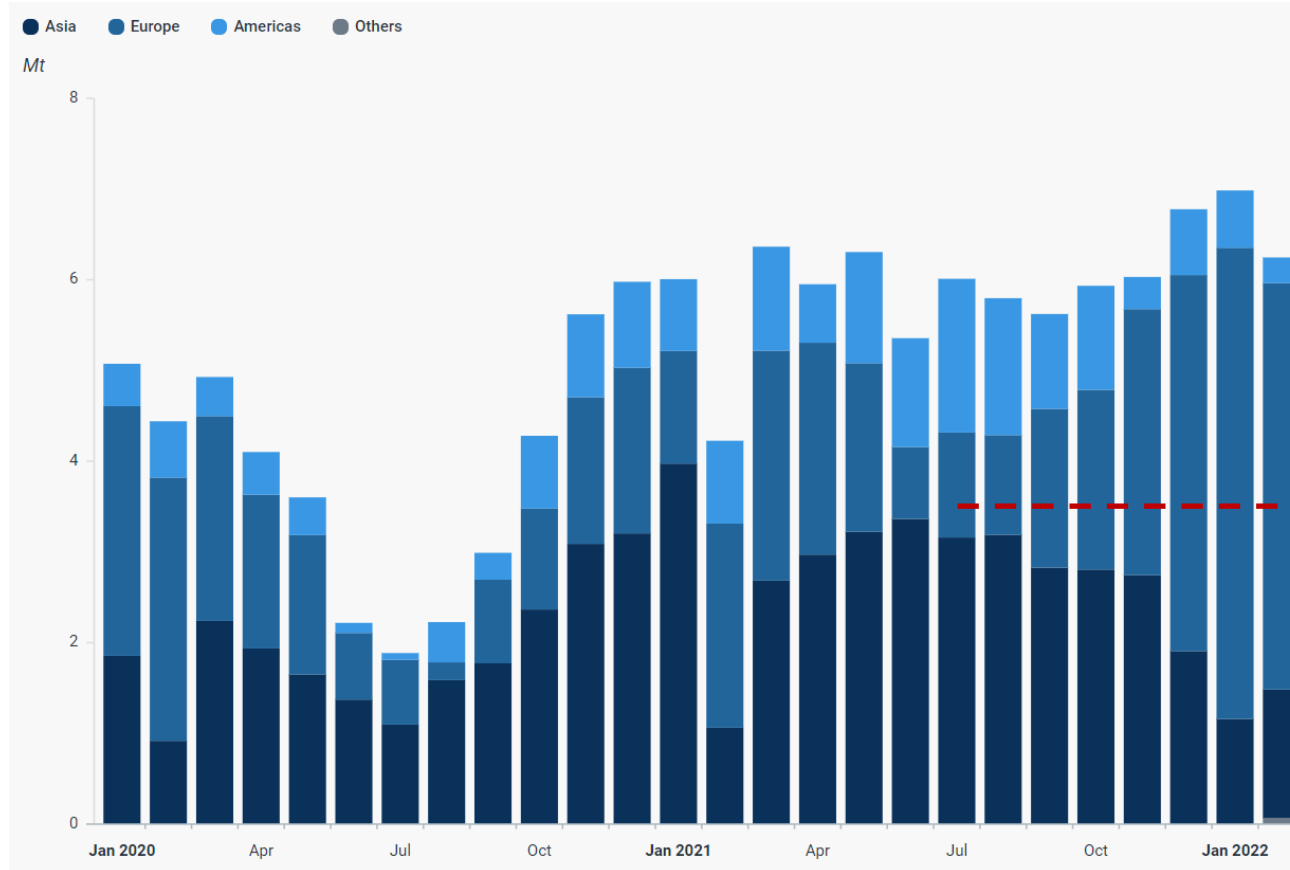
Sabine Pass T6: 5MT
February 2022

EUROPEAN ENERGY CRISIS SPARKED HIGH LNG IMPORTS



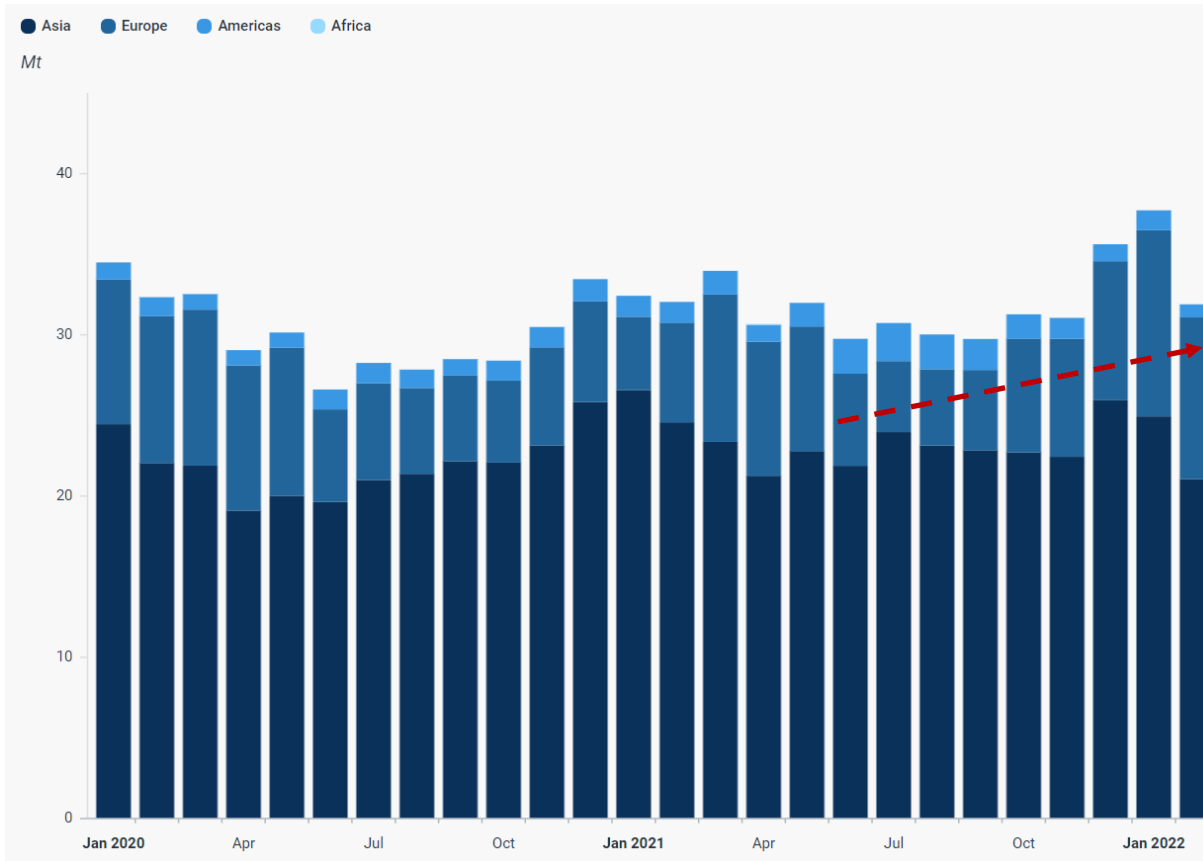
1) Source: Kpler

US LNG ALLEVIATING EUROPE'S ENERGY CRISIS



Europe's market share of US LNG going from 15% to 70-75%

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



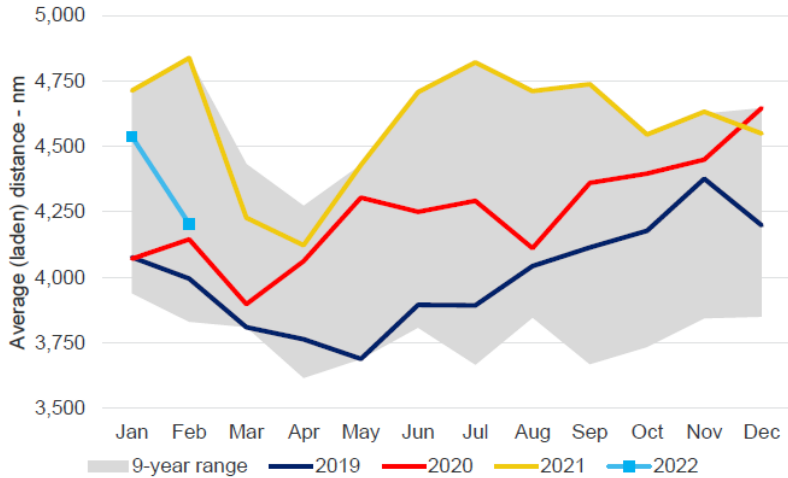
Europe's global market share of LNG going from 15% to 33%

1) Source: Kpler

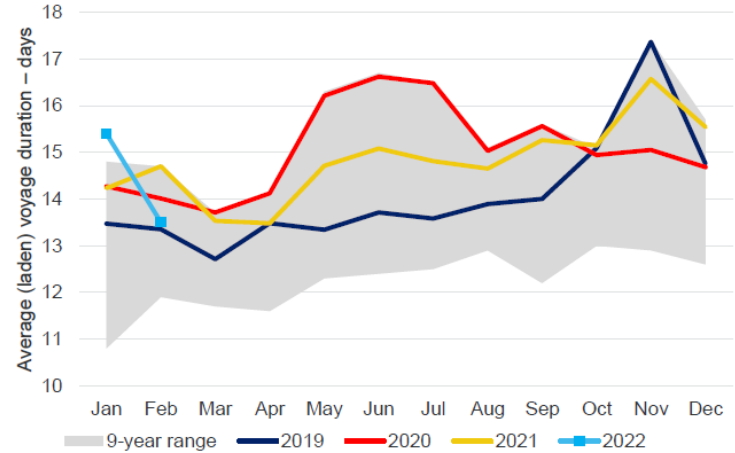
PULL TO EUROPE PUSHED DOWN SAILING DISTANCES



Average laden distance down 8.2% y-o-y



But average sailing duration at 2021 levels y-o-y

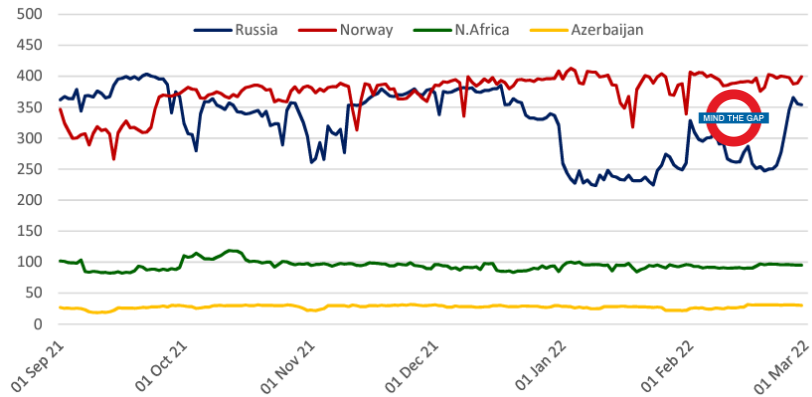


RUSSIAN FLOWS TO EUROPE HAS UNDERPERFORMED



European pipeline gas imports by source:

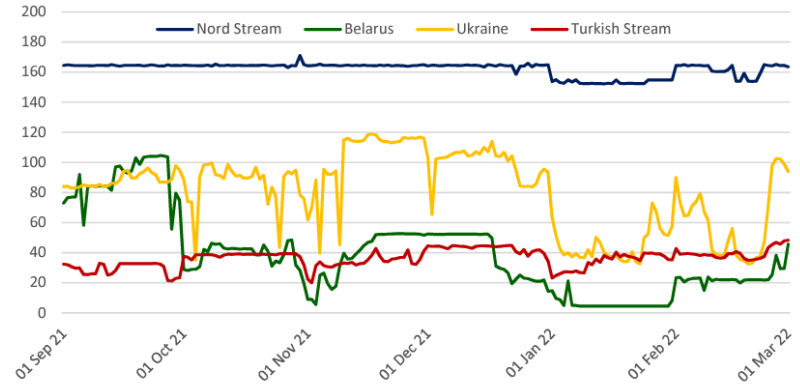
MMcm per day



Norwegian flows surpassed Russian flows

Russian pipeline gas supplies to Europe by route:

MMcm per day

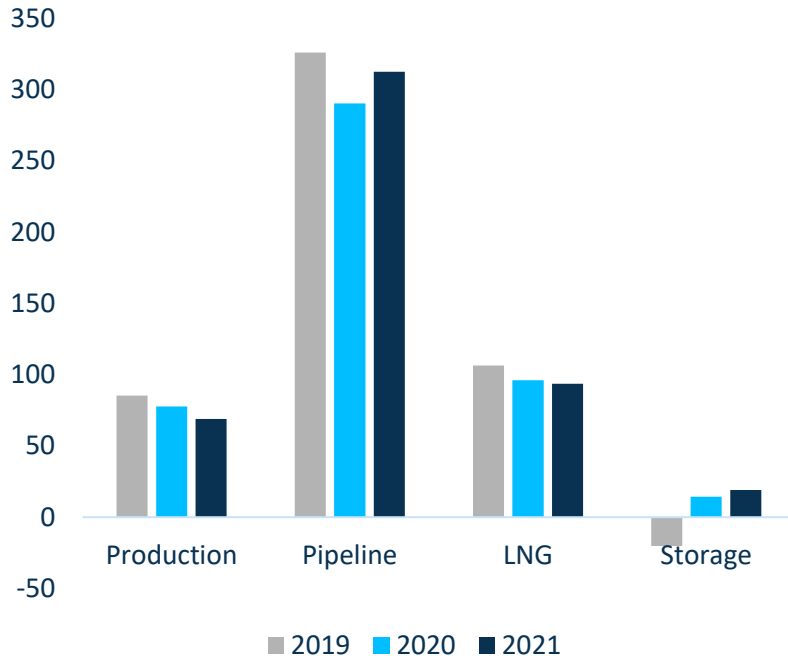


Volatile transit volumes through Ukraine and Belarus

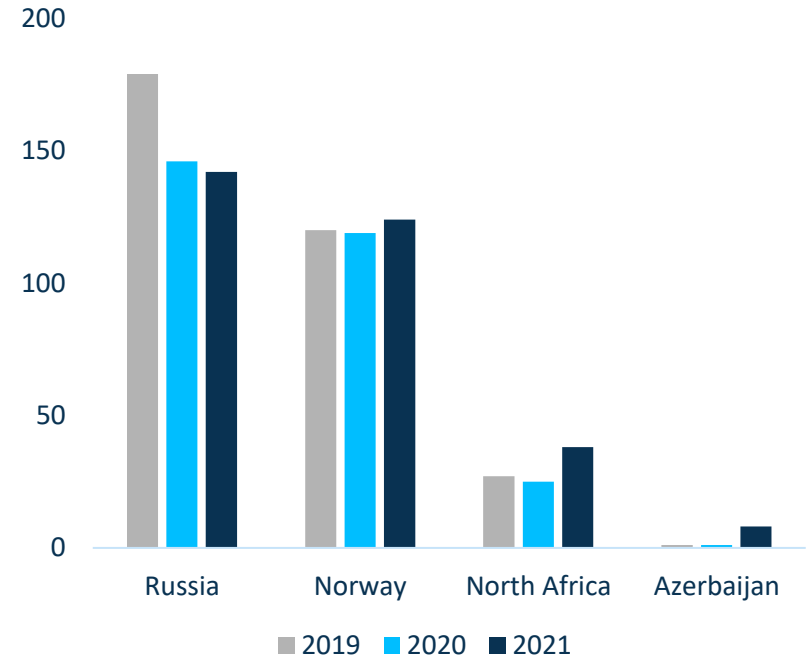
LNG CAN'T REPLACE ALL RUSSIAN PIPELINE GAS



Gas supply to EU27 + UK by source in BCM p.a.



Pipeline gas import dominated by Russia and Norway



THE PRODUCT MARKET MARCH 8, 2022



Bloomberg

Europe Gas Surges to Record After Supply Risks Drive Wild Swings

- Price rally could trigger margin calls for energy traders
- U.S. weighs curbs on Russian oil, fueling broader supply fears

Henry Hub: \$5
Cargo value:
\$20m

Arbitrage:
\$252m

TTF: \$68
Cargo value:
\$272m

JKM: \$54
Cargo value:
\$216m

Arbitrage:
\$196m

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/MMbtu to
Europe and \$4.5/MMbtu to Asia
(shipping cost could also be sunk depending on
trader's shipping position)

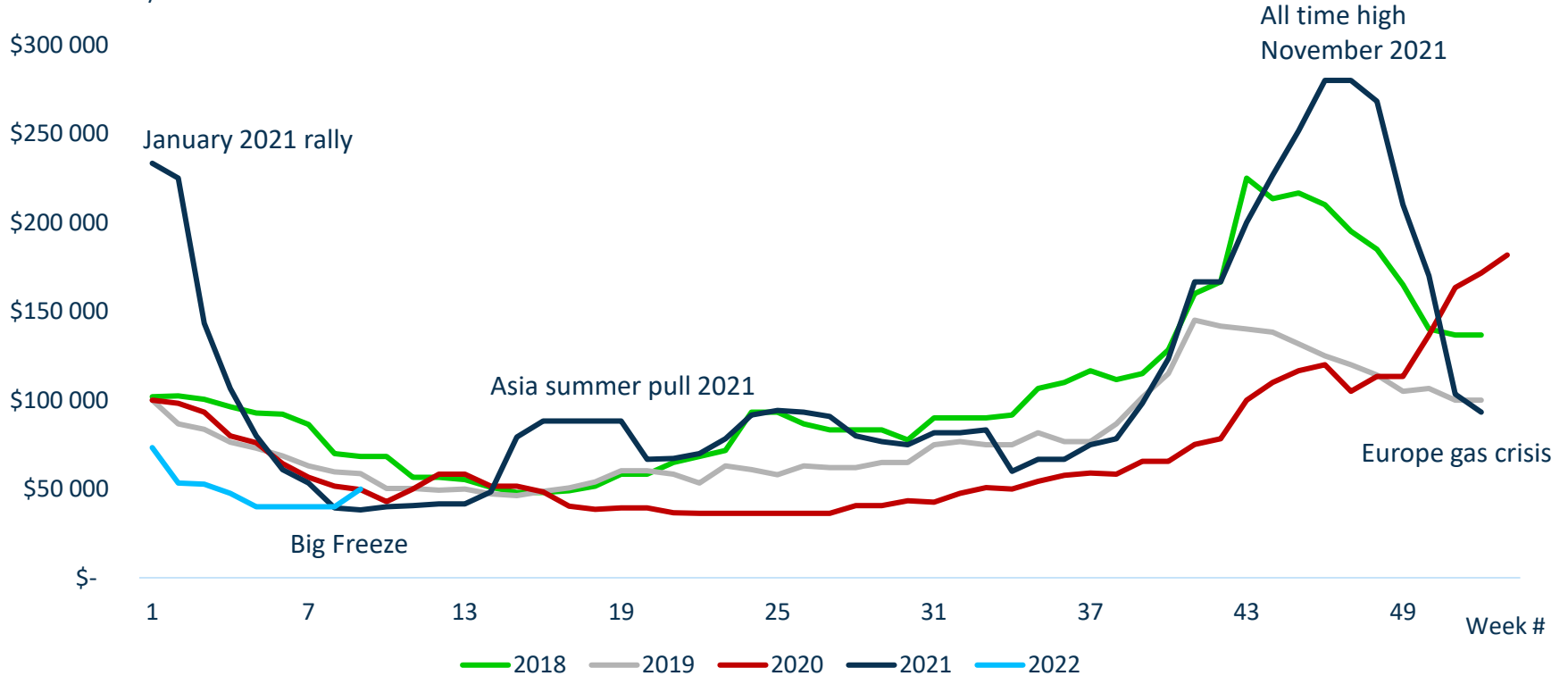
Oil priced linked cargoes at ~\$15

1) Source: Product prices as of March 8 2022 from Platts where Shipping costs from SSY
2) Assume large cargo of 4trn BTU or approx. 172,000 cbm

AFTER A SLOW START THIS YEAR, SPOT MARKET NOW RECOVERING



Headline rate MEGI/XDF



HIGH FUEL PRICES HEAVILY IMPACT TODAY'S TCE LEVELS



Freight indices: 160k cbm TFDE roundtrip basis on March 8, 2022. MEGI/XDF premium of \$45,000²

BLNG2: \$127,068
 BLNG2g: \$ 29,285
 Spark 30s: \$ 34,750

BLNG3: \$142,649
 BLNG3g: \$ 22,825

BLNG1: \$124,131
 BLNG1g: \$ 490
 Spark25s: \$ 22,250

	Atlantic	Middle East	Pacific
174 cbm 2-Stroke	60,000 +50%	45,000 +13%	45,000 +13%
160 cbm TFDE	42,500 +33%	32,500 +2%	32,500 +2%
145 cbm ST	25,000 +14%	25,000 +14%	25,000 +14%

Ballast Bonus	RT (short) RT (long)	LNG + Hire to Hub	LNG + Hire to Hub
Sentiment Short	Bullish	Bullish	Bullish
Sentiment Medium	←----- Bullish ----->		

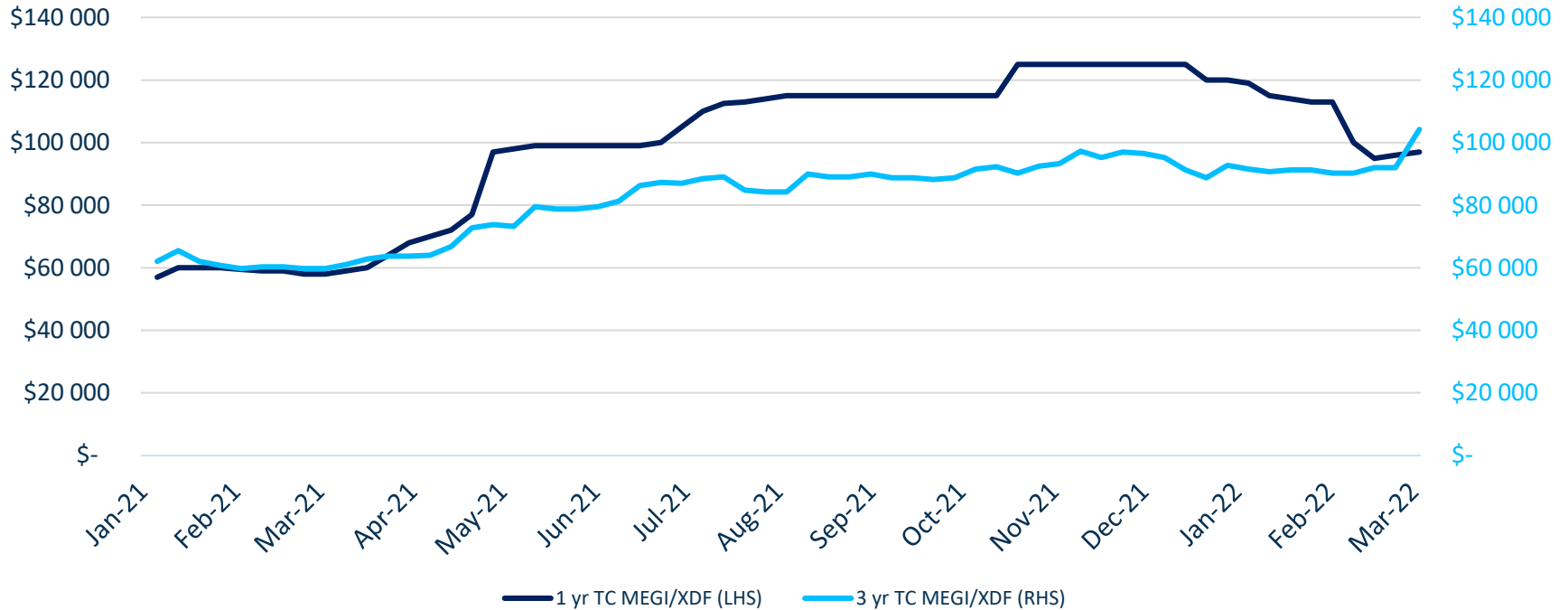
Charterer's now willing to pay round-trip economics again, thus boosting TCE

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 Commodities

TERM MARKET STAYING VERY FIRM

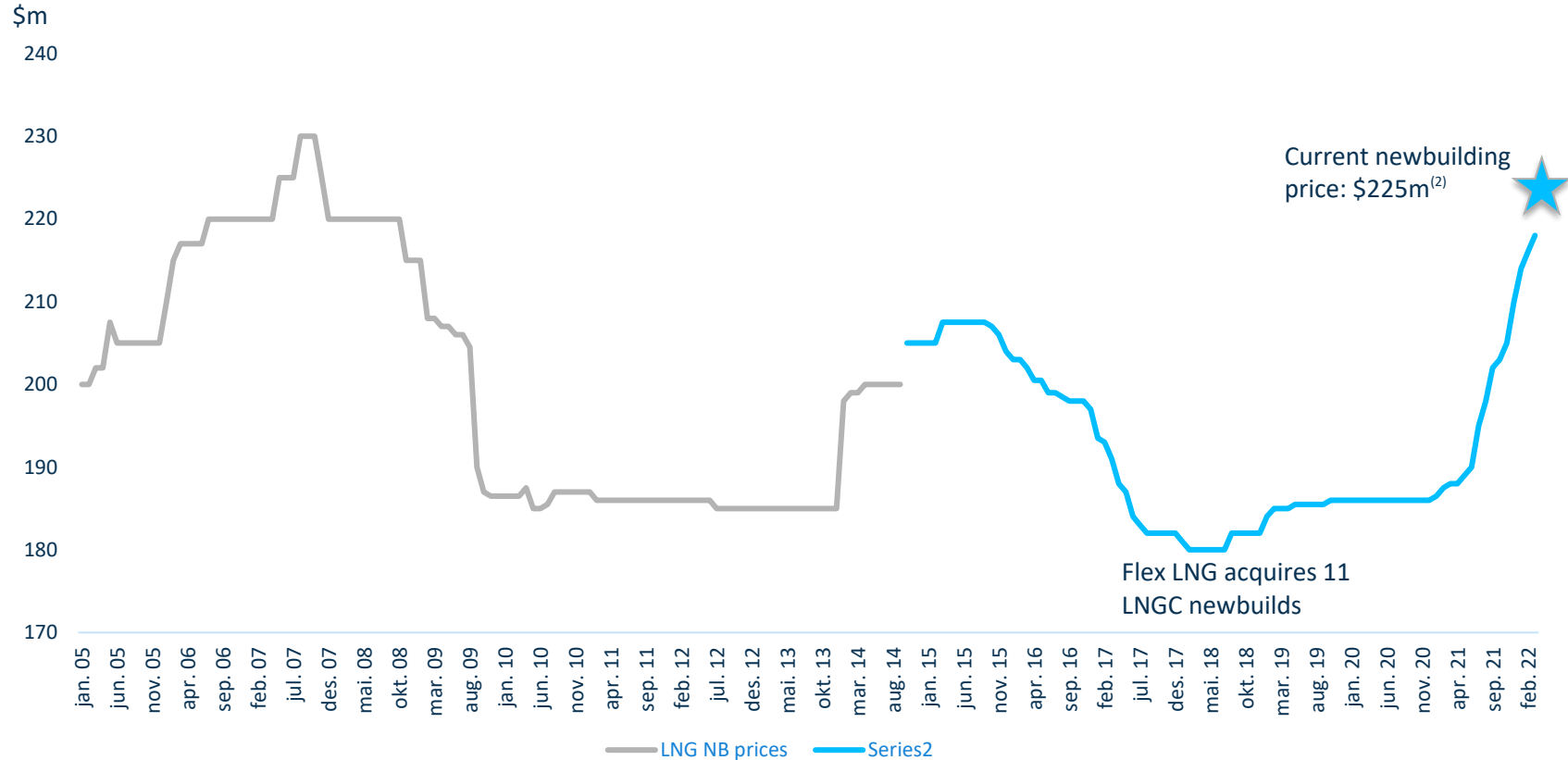


TC rate assessment per day basis prompt delivery



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

HIGHER NEWBUILDING PRICES MEANS HIGHER REQUIRED TERM RATES



1) Source: Clarksons SIN

2) Source: SSY

MASS EXTINGUISHION: COMING SOON TO A SHIP NEAR YOU



LNG 1.0: 219 ships

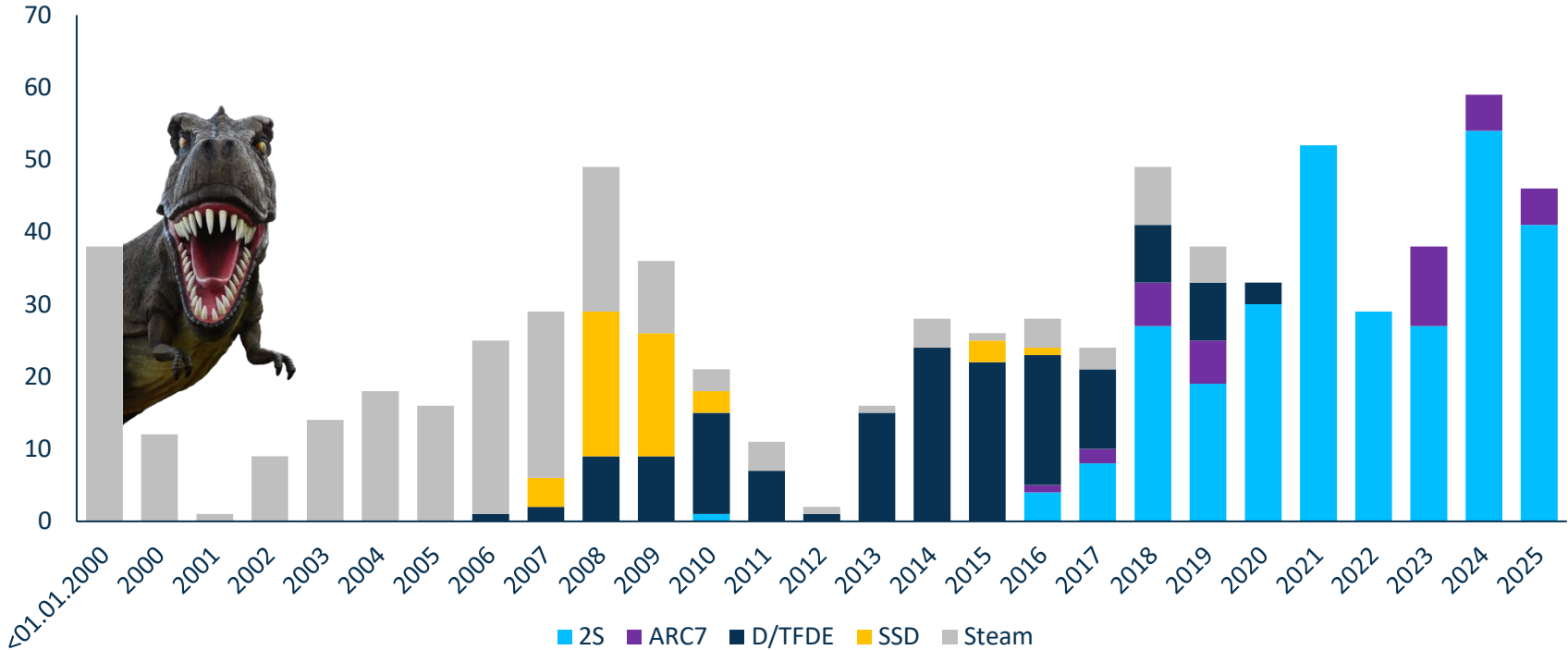
1st/2nd gen steam + steam hybrid

LNG 2.0: 200 ships

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

LNG 3.0: 328 ships

5th gen MEGI/XDF/MEGA + Arc7

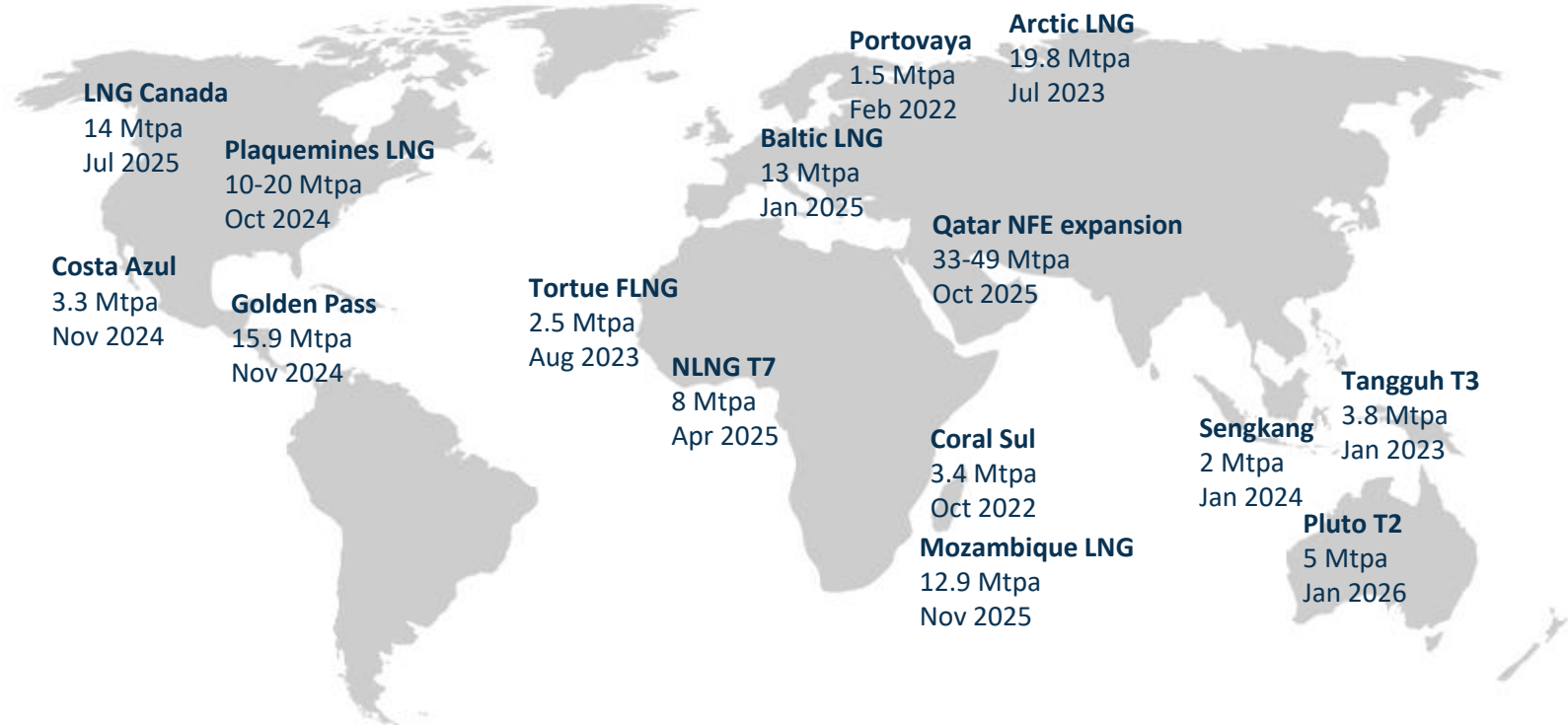


1) Source: Fearnleys, Poten, Clarksons SIN and Company
 2) Conventional LNG Carriers > 100k cbm. Laid up vessels are included

AND MORE LNG EXPORT GROWTH IN THE “PIPELINE”



LNG export plants under construction:



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

INVESTMENT HIGHLIGHTS



13 state-of-the-art MEGI/XDFs on the water

Premium assets with industry low cash break-even levels

Attractive backlog while maintain spot market exposure

Strong term market and the spot market has turned the corner

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

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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