

SFL Corporation Ltd.

Q4 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 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.

Recent Events & Highlights



84th consecutive quarterly dividend of \$0.27 per share



Added 7 new vessels to the fleet in 2024 in combination with long-term charters, including car carriers, chemical tankers and LR2 product carriers



Increased fixed-rate charter backlog by more than \$2bn in 2024, with majority to customers with investment-grade rating



Completed more than \$1.3bn asset financings and senior unsecured bond loans in 2024, plus 150m senior unsecured bond loan in January 2025



Awarded approximately \$48m compensation from Seadrill in a Norwegian Court in connection with the redelivery of Hercules in 2022

Q4'24 key highlights

\$232m¹

Gross revenue

\$132²

Adjusted EBITDA

\$20m

Net income

\$0.15

Earnings per share

\$0.27

Dividend per share

~10%³

Dividend yield

\$4.3bn⁴

Backlog

>\$2.0bn

Backlog added in 2024

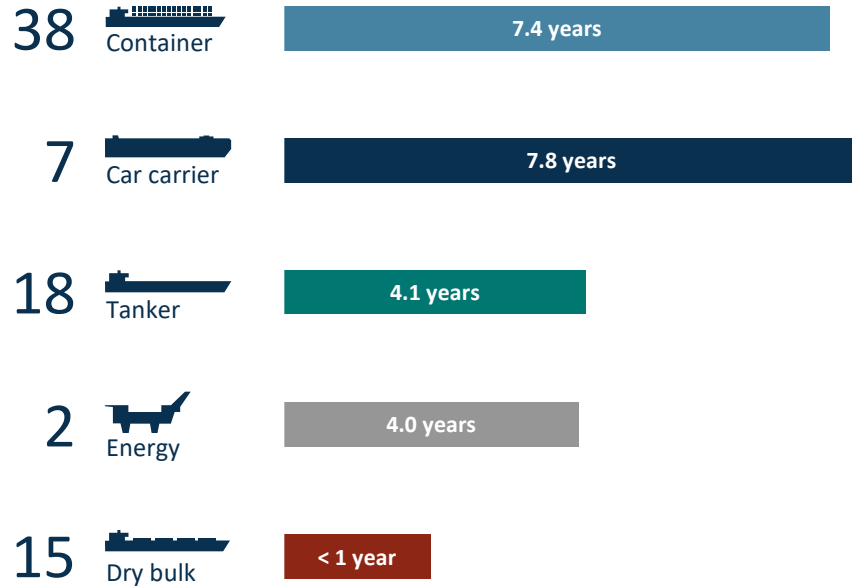
Notes: (1) Gross revenue includes charter hire from all vessels and rigs, including assets in 100% owned subsidiaries classified as 'Investment in associates' and proportionate charter hire from partly owned vessels; (2) Adjusted EBITDA' is a non- U.S. GAAP measure. It represents cash receipts from operating activities before net interest and capital payments. For details, please see SFL's fourth quarter preliminary earnings release Appendix 1: Reconciliation of Adjusted EBITDA; (3) Based on SFL closing price of \$10.55 on February 03, 2025; (4) Fixed rate backlog as of December 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)

A Leading Maritime Infrastructure Company

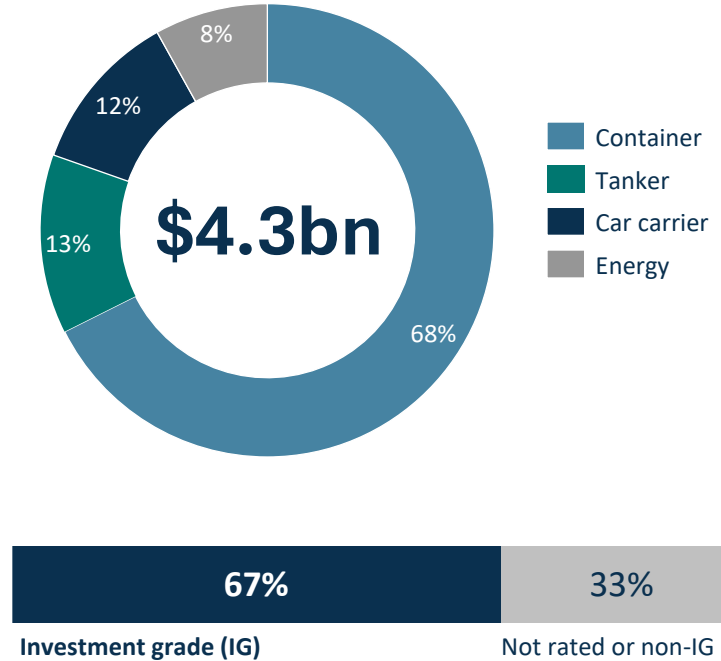


Portfolio¹

Contract duration²



Contracted revenue³



Notes: (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 December 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). Excludes contracted revenue from dry bulk vessels


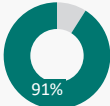








Strong Portfolio of Industry Leading Clients



Customers with new / add-on business since 2021	<p>Hapag-Lloyd 11%</p> <ul style="list-style-type: none"> World's fifth largest container shipping line Publicly listed with a market cap of ~\$29bn Rated Ba1 / BB+ 	<p>K LINE 4%</p> <ul style="list-style-type: none"> Leading liner operator Publicly listed with a market cap of ~\$10bn
	<p>MAERSK 17%</p> <ul style="list-style-type: none"> World's second largest container shipping line Publicly listed with a market cap of ~\$26bn Rated Baa1 / BBB+ 	<p>Vitol 4%</p> <ul style="list-style-type: none"> The world's largest independent energy trader with \$400bn turnover in 2023 Privately owned with head offices in Switzerland
	<p><i>Undisclosed</i> 28%</p> <ul style="list-style-type: none"> Investment grade shipping company 	<p>KOCH 4%</p> <ul style="list-style-type: none"> Among the largest privately held US companies Industrial conglomerate operating in several different end markets Rated Aa3 / AA-
	<p>ConocoPhillips 8%</p> <ul style="list-style-type: none"> Among the world's largest independent E&P players based on production and proven reserves Publicly listed with a market cap of ~\$130bn Rated A2 / A- 	<p>TRAFIGURA 3%</p> <ul style="list-style-type: none"> One of the world's largest charterers of dry and wet shipping tonnage World's second largest oil trader
	<p>VOLKSWAGEN 6%</p> <ul style="list-style-type: none"> One of the world's leading car and commercial vehicle makers Publicly listed with a market cap of ~\$47bn Rated A3 / BBB+ 	<p>Stolt-Nielsen 2%</p> <ul style="list-style-type: none"> World-leading chemical logistics company Publicly listed with a market cap of ~\$1.4bn
	Others	<p>13% % of contracted revenue</p>

Operational Performance Highlights



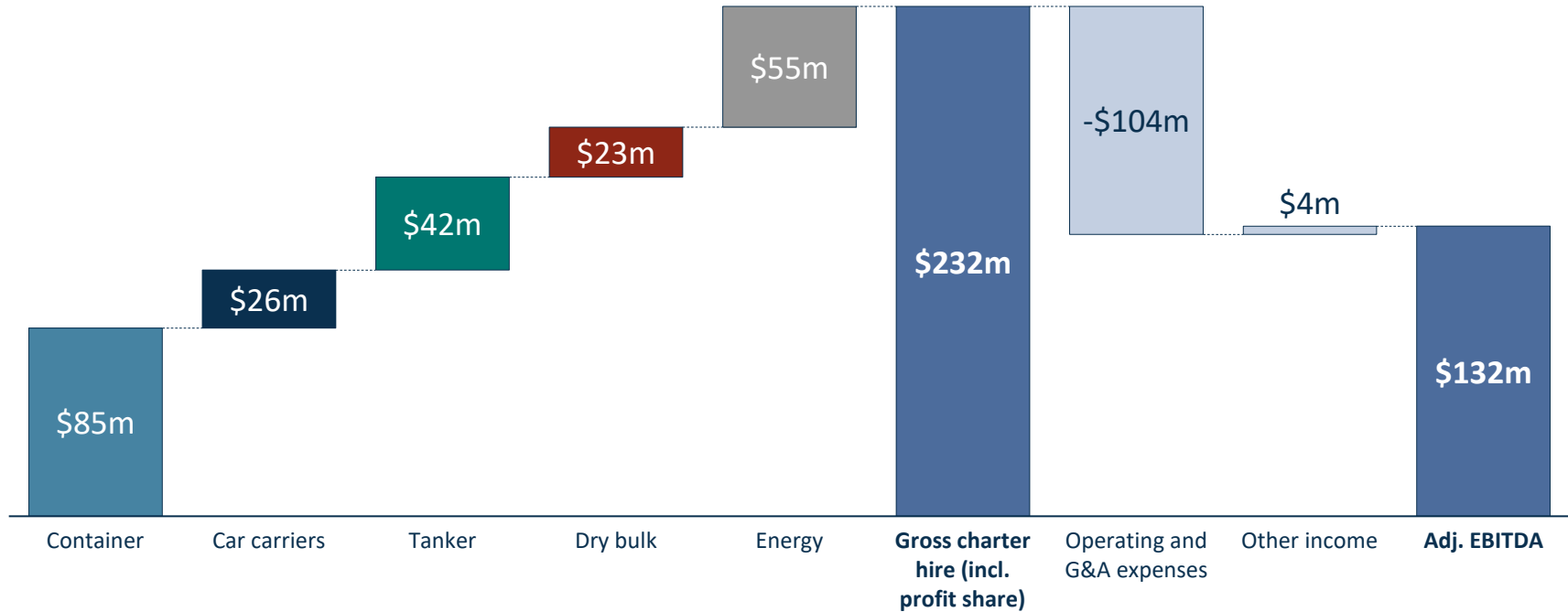
Market	Charter type ¹ Q4 2024	Operating days ² Q4 2024	Utilization ³ Q4 2024	Revenue Q4 2024	OPEX Q4 2024
 Container	 91% ■ BB ■ TC	3027	97.9%	\$85m	\$23m
 Car carrier	 100%	643	99.9%	\$26m	\$4m
 Tanker	 100%	1,596	97.3%	\$42m	\$19m
 Dry bulk	 100%	1,363	99.9%	\$23m	\$9m
 Energy	 100%	127	69.0%	\$55m	\$39m

Notes: (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

SFL Financial Performance



Adjusted EBITDA Q4 2024 Breakdown¹



Notes: (1) Not as accounted under US GAAP and including cash flow in 49.9% owned subsidiaries accounted for as 'investment in associates' (Riverbox); (2) Long-term charters includes total gross charter hire related to contracts undertaken for a period greater than one year from all owned vessels and firm rig employment, including assets in 49.9% owned subsidiaries accounted for as 'Investment in associates'; (3) Short-term shipping charters includes gross hire from short term charters and voyage charters from vessels; (4) Ordinary bank loan- and lease instalments relating to the Company's projects. Excluding refinancing and prepayments

Income Statement



Operating Revenue

- \$231.7m of charter hire, including share of revenue from associates and revenue classified as repayment, incl. ~\$2.6m of profit share
- Operating revenue decrease driven by Hercules concluding its contract with Equinor in Canada in the quarter

Operating Expenses

- Increase in operating expenses due to new vessel deliveries and scheduled dry-dockings

Net Income

- \$20.2m or \$0.15 per share

(in thousands of \$ except per share data)

	<i>Three months ended</i>	
	Dec 31, 2024	Sep 30, 2024
Charter revenues: sales-type leases (excluding charter hire treated as Repayments)	508	535
Charter revenues: operating leases and rig revenue contracts	222,364	248,552
Profit share income	2,588	4,159
Other operating income	3,642	2,077
Total operating revenues	229,102	255,323
Gain on sale of assets and termination of charters	5,391	-
Vessel and rig operating expenses	(102,627)	(94,238)
Administrative expenses	(4,824)	(4,928)
Depreciation	(62,164)	(62,018)
Total operating expenses	(169,615)	(161,184)
Operating income	64,878	94,139
Results in associates	654	669
Interest income from associates	1,150	1,150
Interest income, other	2,711	2,280
Interest expense	(48,359)	(46,451)
Interest and valuation loss on non-designated derivatives	(743)	(3,511)
Loss on investments in debt and equity securities	(502)	(145)
Other financial items	3,525	(542)
Taxes	(3,116)	(3,068)
Net income	20,198	44,521
Basic earnings per share (\$)	0.15	0.34

Balance Sheet



Cash and Liquidity

- \$135m cash and cash equivalents at quarter end
- Subsequent to quarter end, new bond issue of \$150m issued in January for general corporate purposes

Financing and Capital Expenditure

- Concluded final closing on all its new financing and refinancing facilities with approx. \$280m drawn during the quarter
- The second instalment of 5% relating to newbuilding order for five 16,800 teu container vessels paid in December
- The remaining instalments are due closer to delivery and is expected to be financed by pre- and post-delivery loan facilities

Capital Structure⁽¹⁾

- Book equity ratio of 27.5%

(in thousands of \$)	Three months ended	
	Dec 31, 2024	Sep 30, 2024
ASSETS		
<i>Short term</i>		
Cash and cash equivalents	134,551	163,807
Investment in marketable securities	3,736	4,579
Amount due from related parties	5,201	7,794
Investment in sales-type leases, current portion	35,135	37,136
Other current assets	137,395	159,989
<i>Long term</i>		
Vessels, rigs and equipment, net	3,552,298	3,223,546
Vessels and equipment under finance lease, net	-	318,907
Capital improvements, newbuildings and vessel deposits	162,254	112,649
Investment in associates	16,382	16,464
Amount due from related parties, long term	45,000	45,000
Other long term assets	15,817	9,827
Total assets	4,107,769	4,099,698
LIABILITIES AND STOCKHOLDERS' EQUITY		
<i>Short term</i>		
Short term and current portion of long term interest bearing debt	689,045	395,281
Amount due to related parties	1,296	936
Finance lease liability, current portion	-	222,662
Other current liabilities	137,516	128,202
<i>Long term</i>		
Long term interest bearing debt, net of deferred charges	2,150,417	2,204,512
Other long term liabilities	1,073	8,471
Stockholders' equity	1,128,422	1,139,634
Total liabilities and stockholders' equity	4,107,769	4,099,698

SFL Corporation – Summary

