



FLEX LNG

Pareto Securities' 29th Annual Energy Conference

September 15, 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.

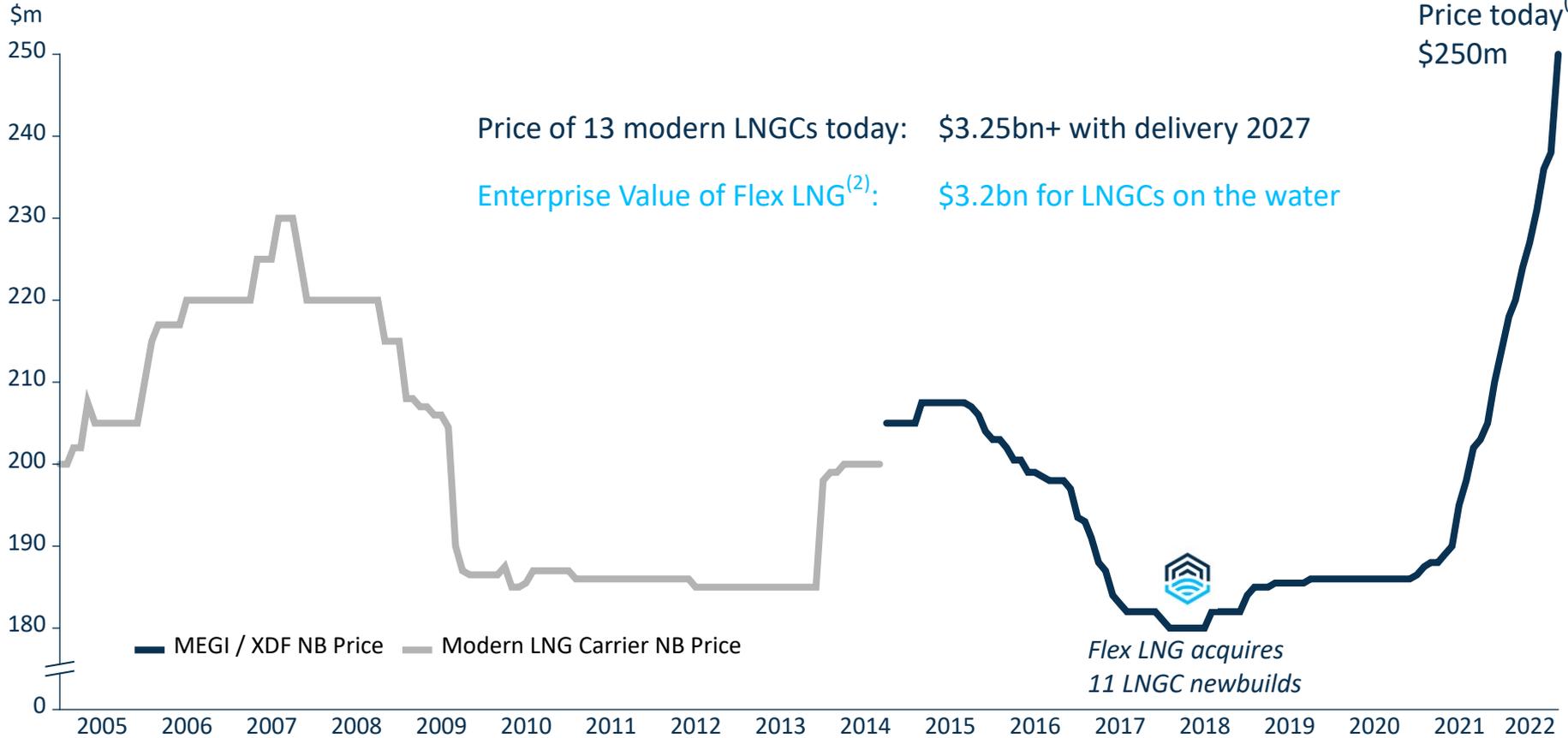
FIRST WE ORDERED SHIPS WHEN PRICES WERE LOW



Price today⁽¹⁾:
\$250m

Price of 13 modern LNGCs today: \$3.25bn+ with delivery 2027

Enterprise Value of Flex LNG⁽²⁾: \$3.2bn for LNGCs on the water



Source: Clarkson SIN, SSY(1)

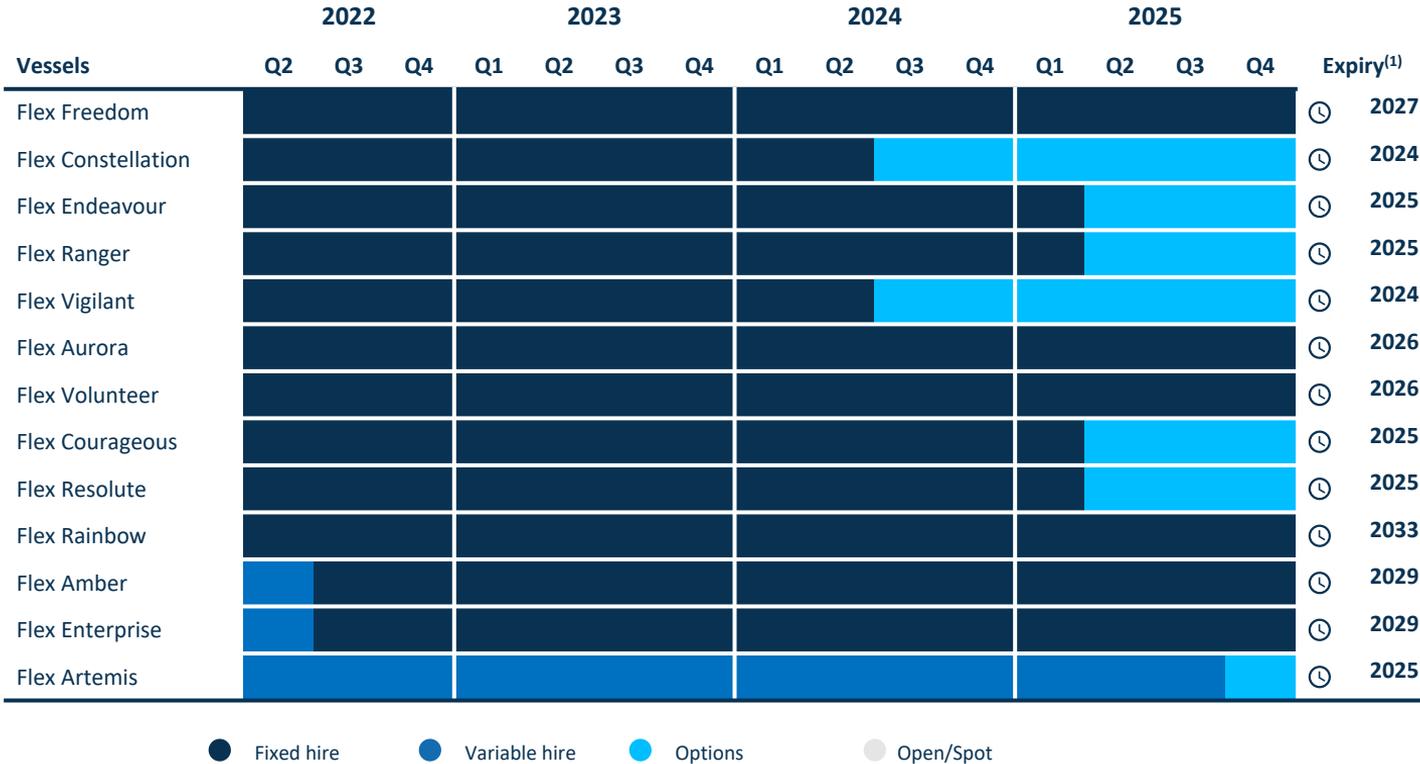
(2): Assume MCap of \$1.8bn (\$33 per share) and NIBD as of June 30, 2022, at \$1.4bn

THEN WE FIXED OUT OUR SHIPS AS THE MARKET RECOVERED



Please note that some of the ships also have extension options

100% CONTRACT COVERAGE UNTIL AT LEAST MID-2024



First class charterers:



1) Charter expiry if no option(s) are declared

AND «BLUECHIPPING» OUR BALANCE SHEET



Phase 1 Completed

- Status: Released \$137m in cash
- ✓ \$160m Sale Lease Back - December 2021
 - ✓ \$375m Term Loan and RCF - April 2022
 - ✓ \$320 Sale & Lease Back - May 2022

Phase 2 Initiated

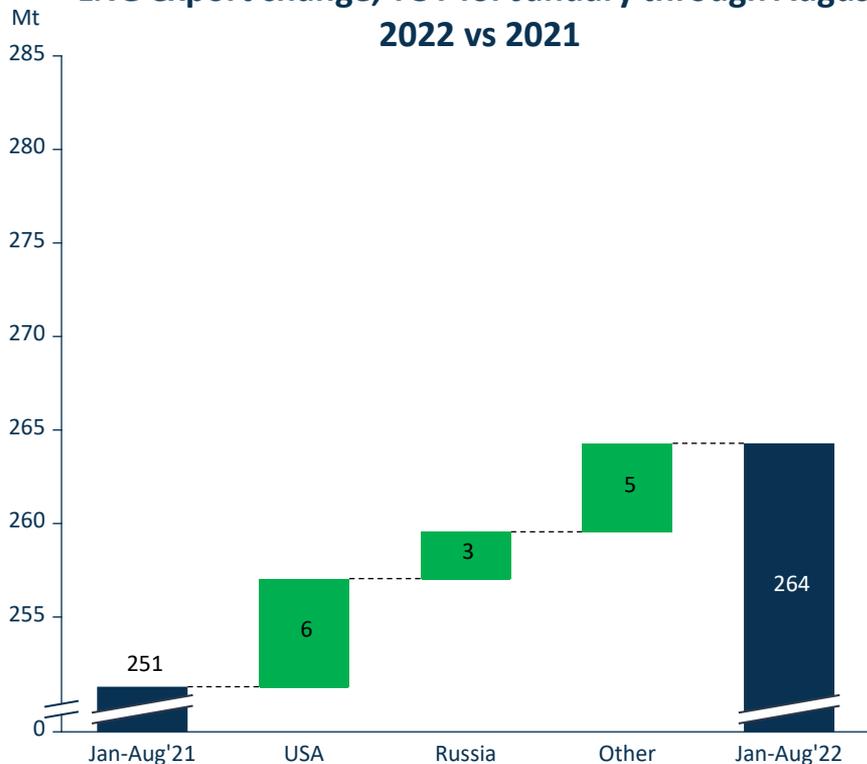
- Target: Further optimize debt funding & free up \$100m in cash
- Priorities:
- » Repayment Profile
 - » Pricing
 - » Tenor
 - » Leverage

Candidates	Existing financing	Maturity Date	Contract	Contract End	New Financing
Flex Enterprise	Unencumbered	N/A	Supermajor	Q3 2029	\$150m bank loan
Flex Amber	Sale & Lease Back	2030	Supermajor	Q3 2029	Amend or refinance
Flex Rainbow	\$375m Facility	2028	Trading house	Q1 2033	Amend or refinance
Flex Artemis	\$629m ECA Facility	2025	Trading house	Q3 2025 + options	Amend & extend or refinance
Flex Aurora	\$629m ECA Facility	2025	Cheniere	Q1 2026 + options	Amend & extend or refinance
Flex Resolute	\$629m ECA Facility	2025	Energy major	Q1 2025 + options	Amend & extend or refinance
Flex Freedom	\$629m ECA Facility	2025	Portfolio player	Q1 2027 + options	Amend & extend or refinance
Flex Vigilant	\$629m ECA Facility	2025	Cheniere	Q2 2024 + options	Amend & extend or refinance

GLOBAL LNG VOLUMES UP BY 5% IN FIRST EIGHT MONTHS OF 2022

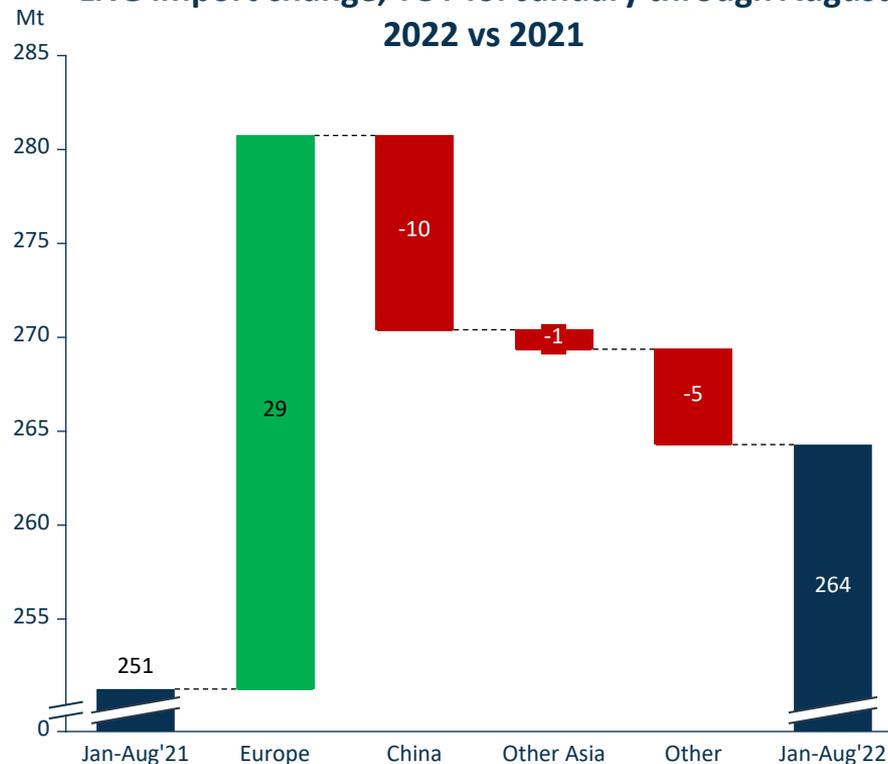


LNG export change, YOY for January through August 2022 vs 2021



Source: Kpler

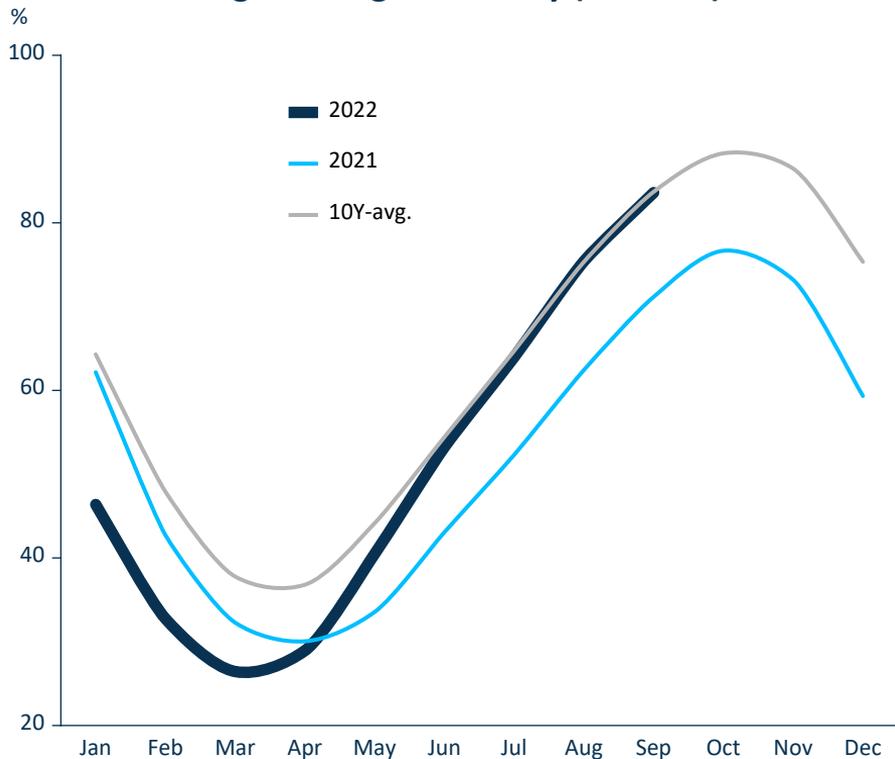
LNG import change, YOY for January through August 2022 vs 2021



EUROPE BUILT INVENTORIES DESPITE PLUMMETING RUSSIAN FLOWS

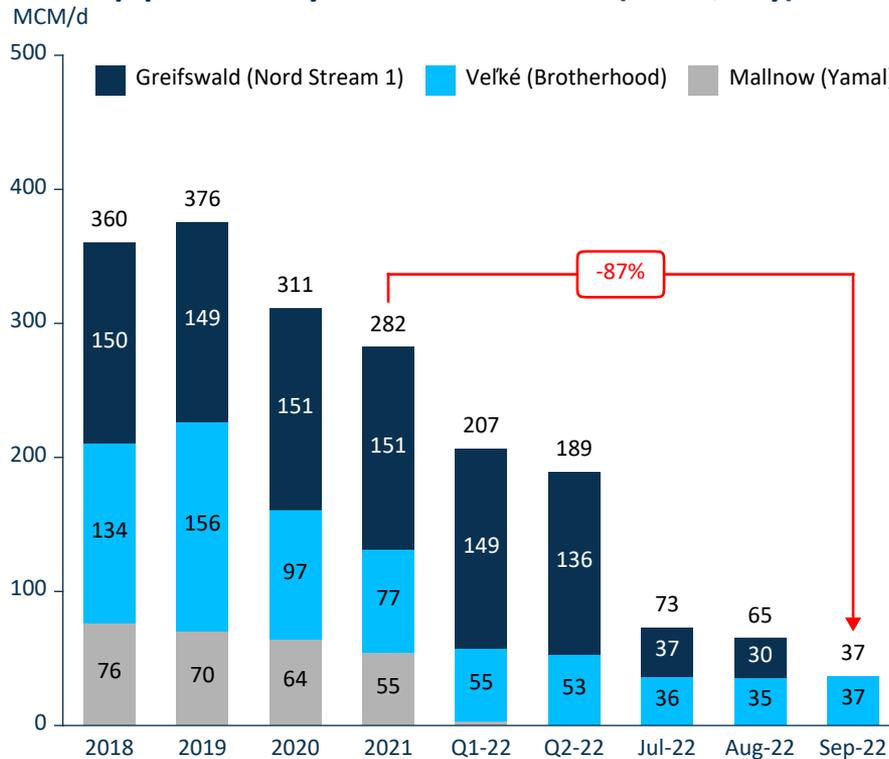


EU natural gas storage inventory (% of full)



Source: GIE AGSI & Bloomberg

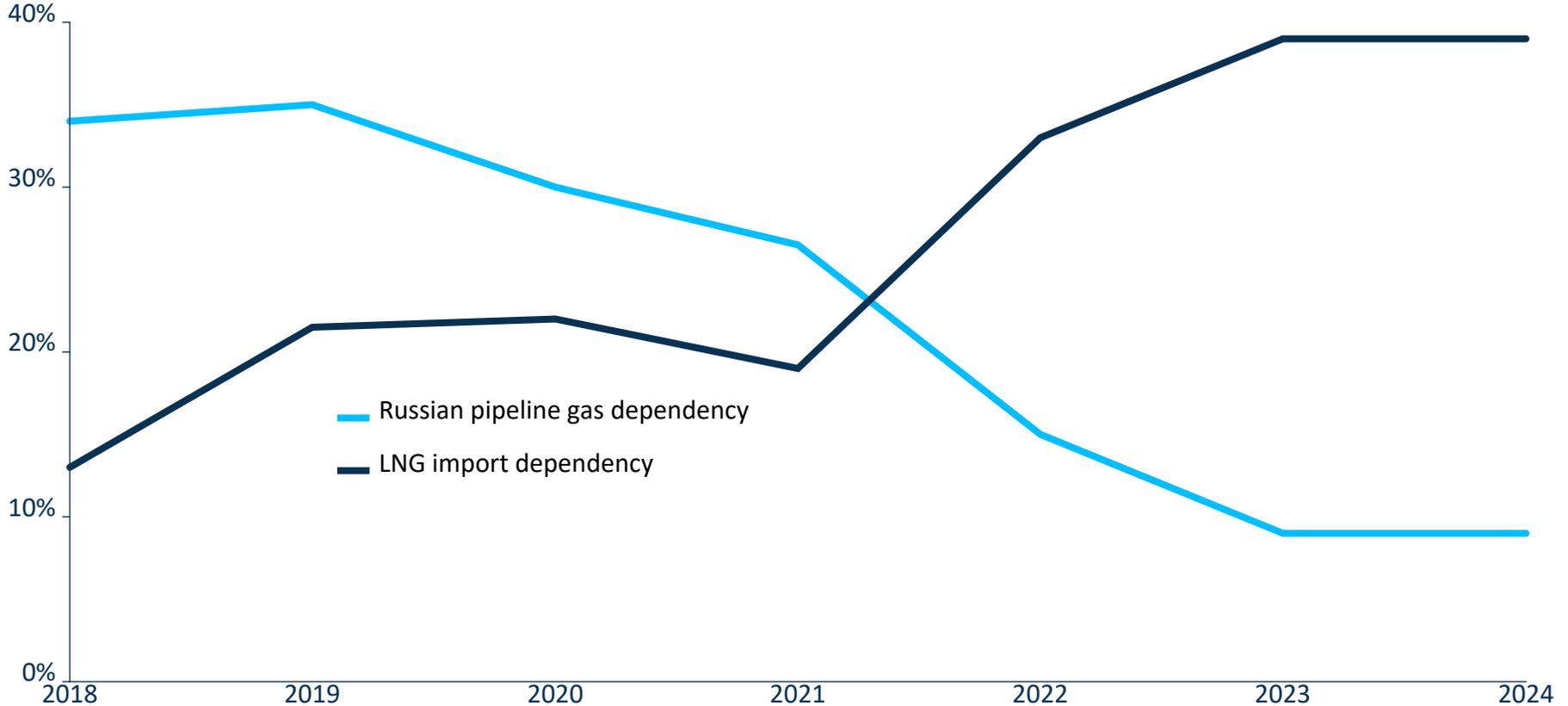
EU pipeline daily flows from Russia (MCM/day)



EUROPE TIRED OF PAYING THE RUSSIAN PIPER...



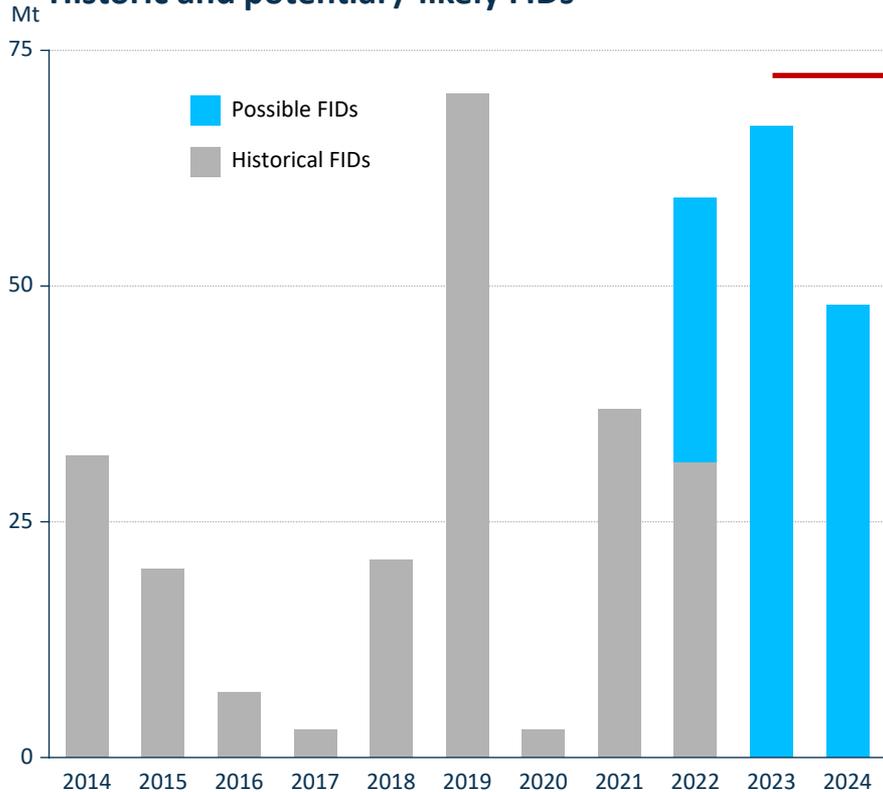
% share of Europe¹ gas demand met



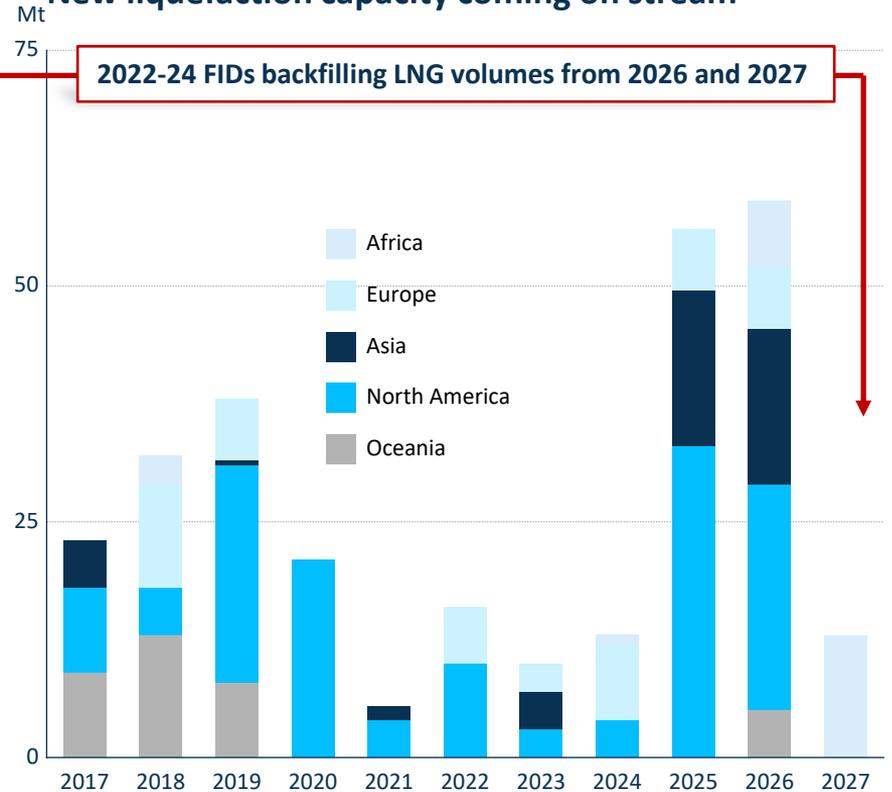
NEW WAVE OF LNG PROJECTS WILL SUPPLY 2027 AND ONWARDS



Historic and potential / likely FIDs

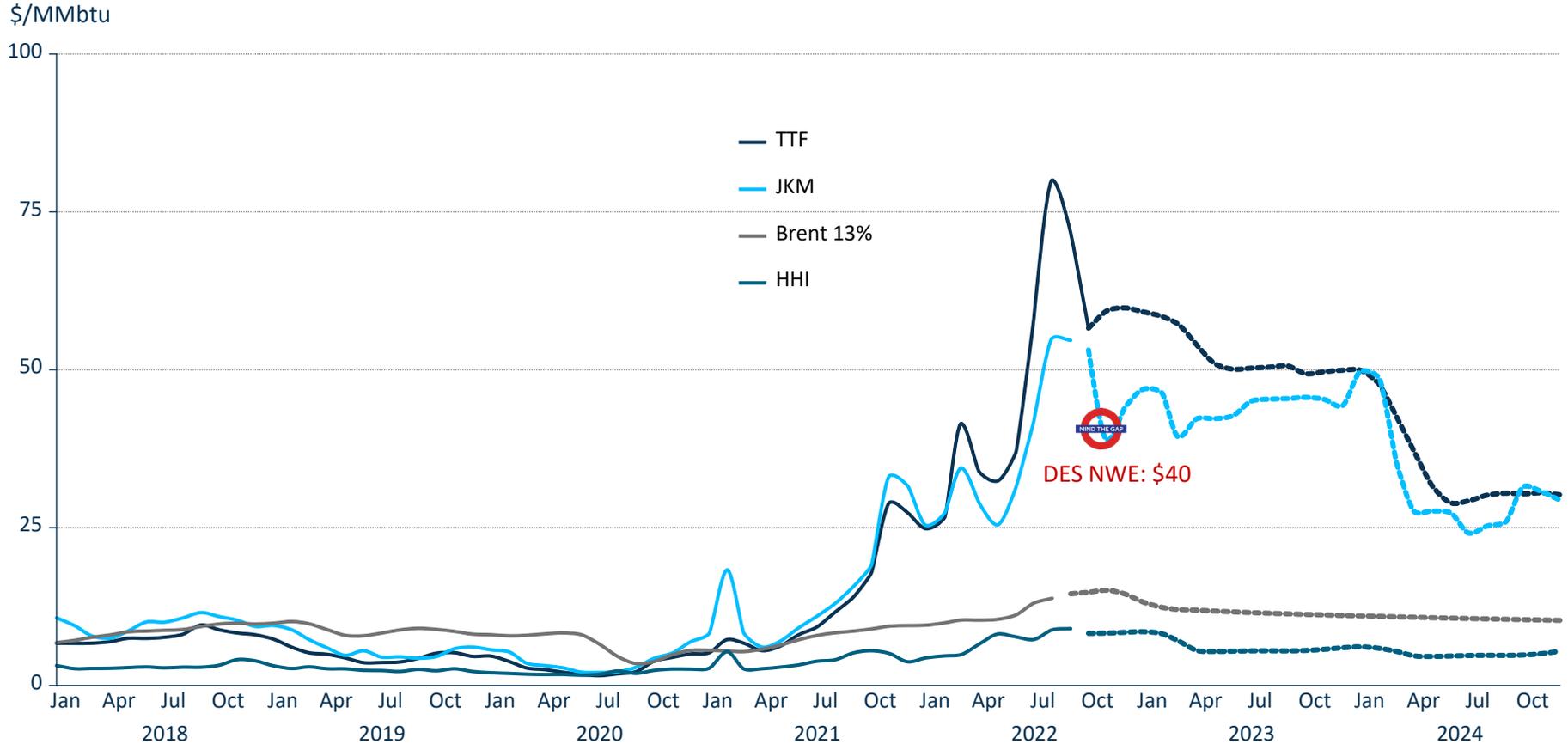


New liquefaction capacity coming on stream



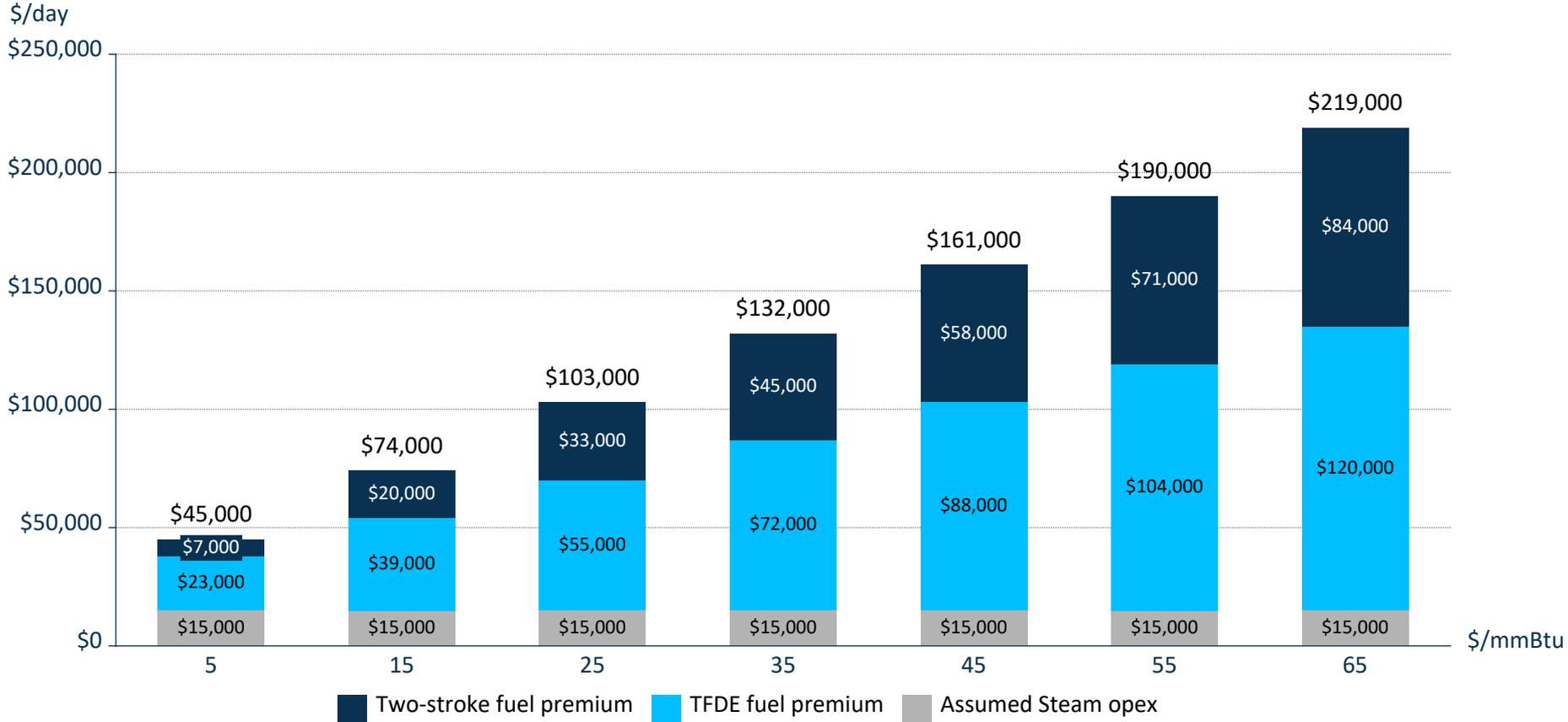
Source: Wood Mackenzie, Clarkson SIN, Affinity

TIGHT GAS MARKETS DESPITE RECENT PRICE ADJUSTMENTS



Source: Bloomberg, CME, Platts
Dotted lines indicate forward curves, data per 12 September 2022

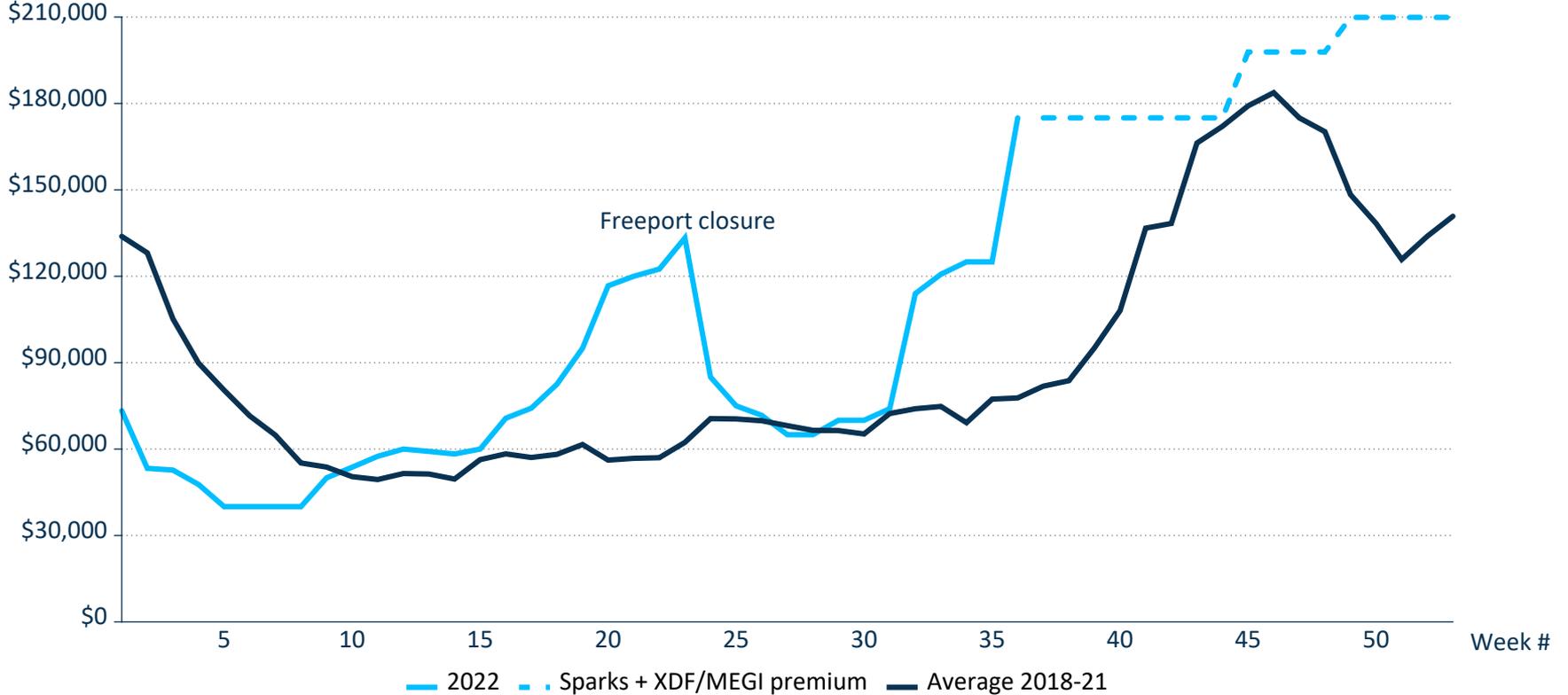
HIGH LNG PRICES = HIGHER EARNINGS POTENTIAL FOR MODERN LNGCs



SPOT MARKET RALLY AHEAD OF WINTER



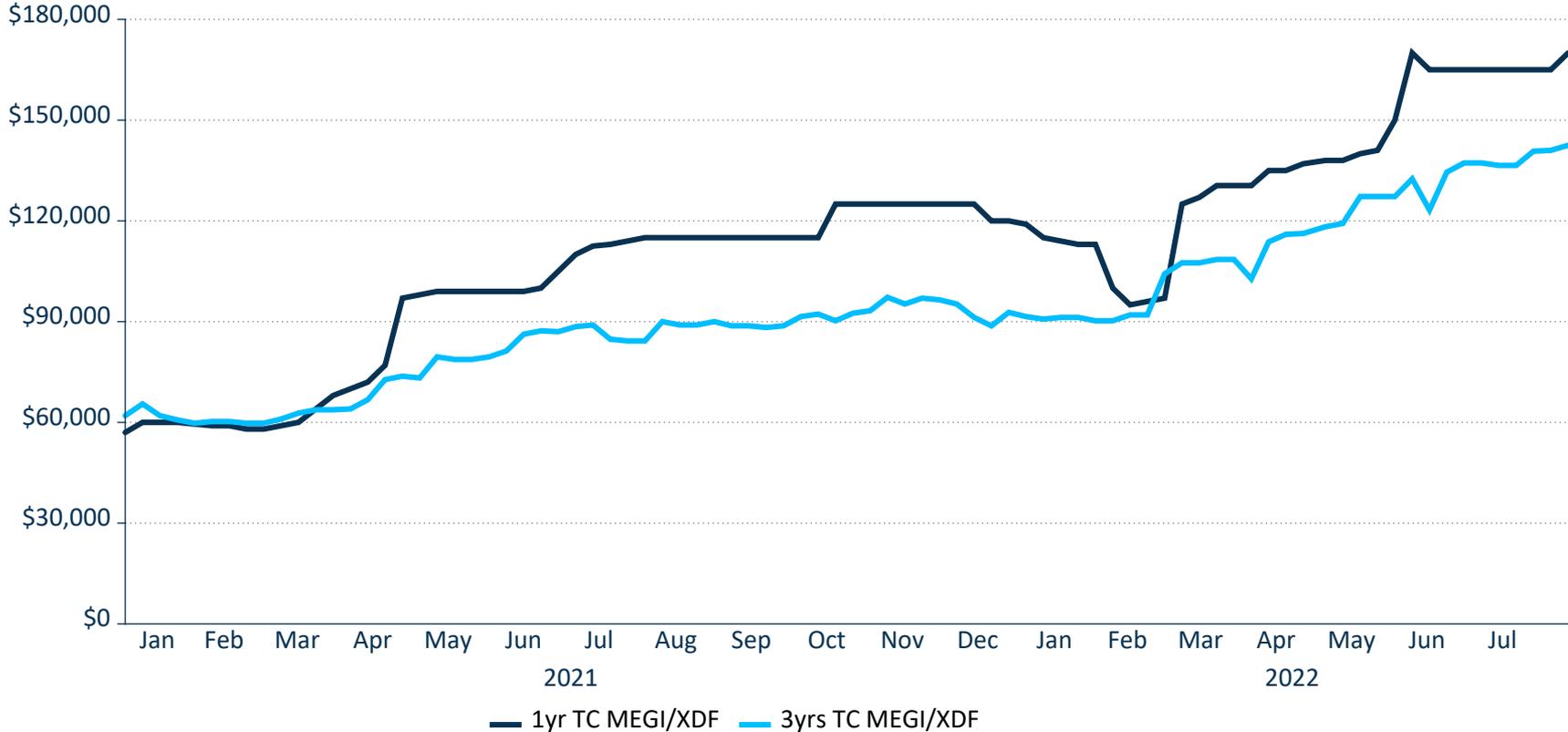
Headline rate MEGI/XDF (\$/day)



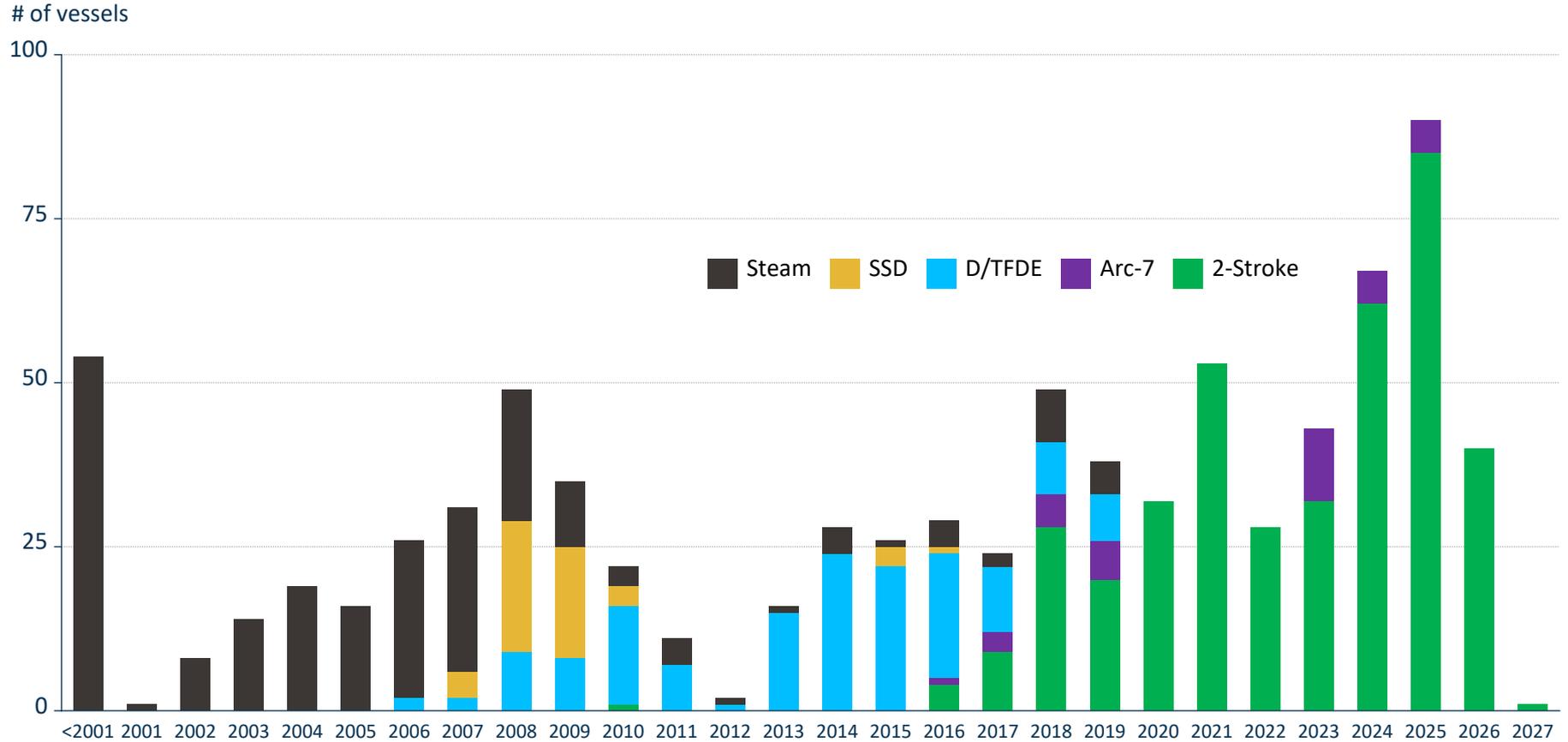
WHILE THE TERM MARKET IS EVEN FIRMER



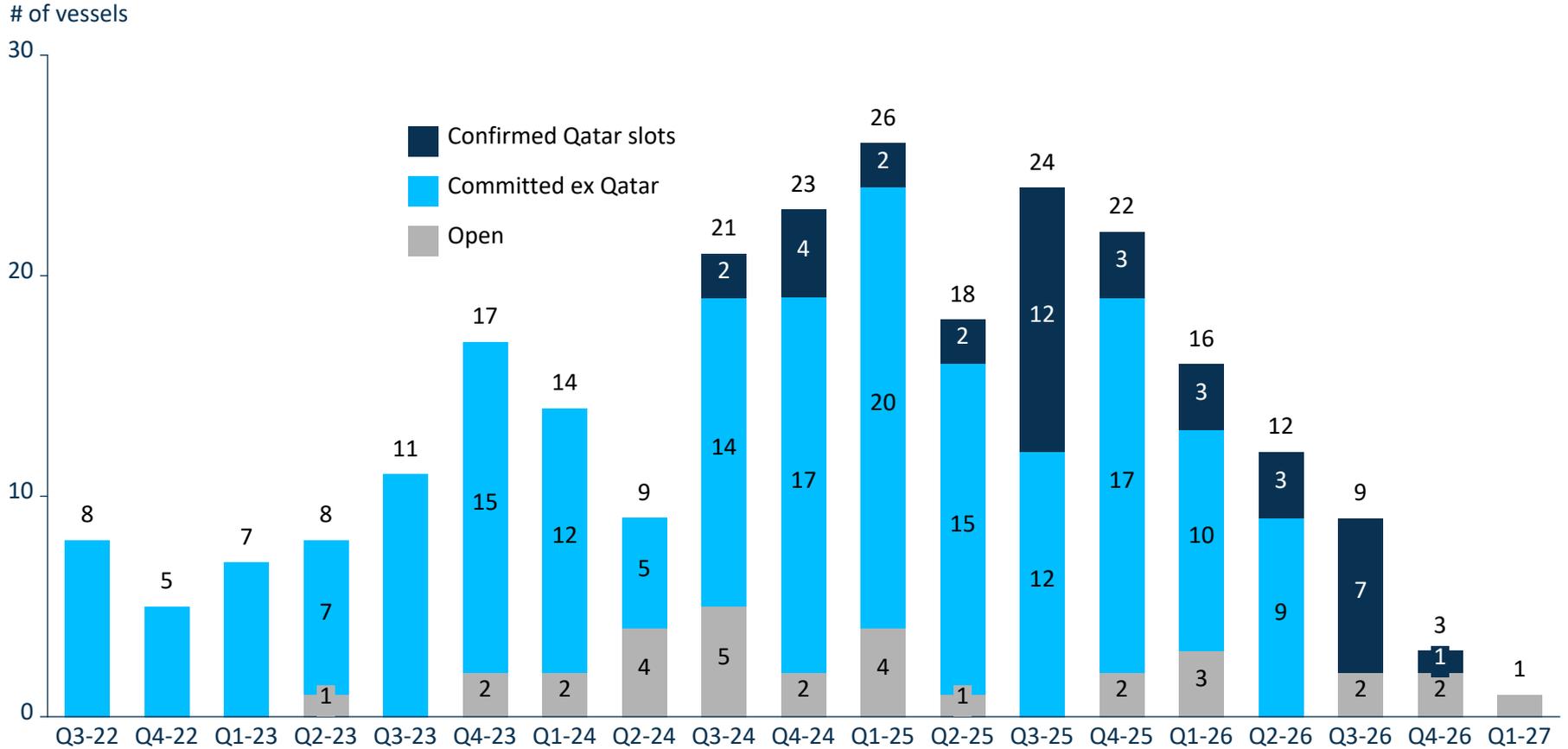
Term rates (\$/day)



FLEET RENEWAL ACCELERATES FROM 2024 BASED ON NEW VOLUMES



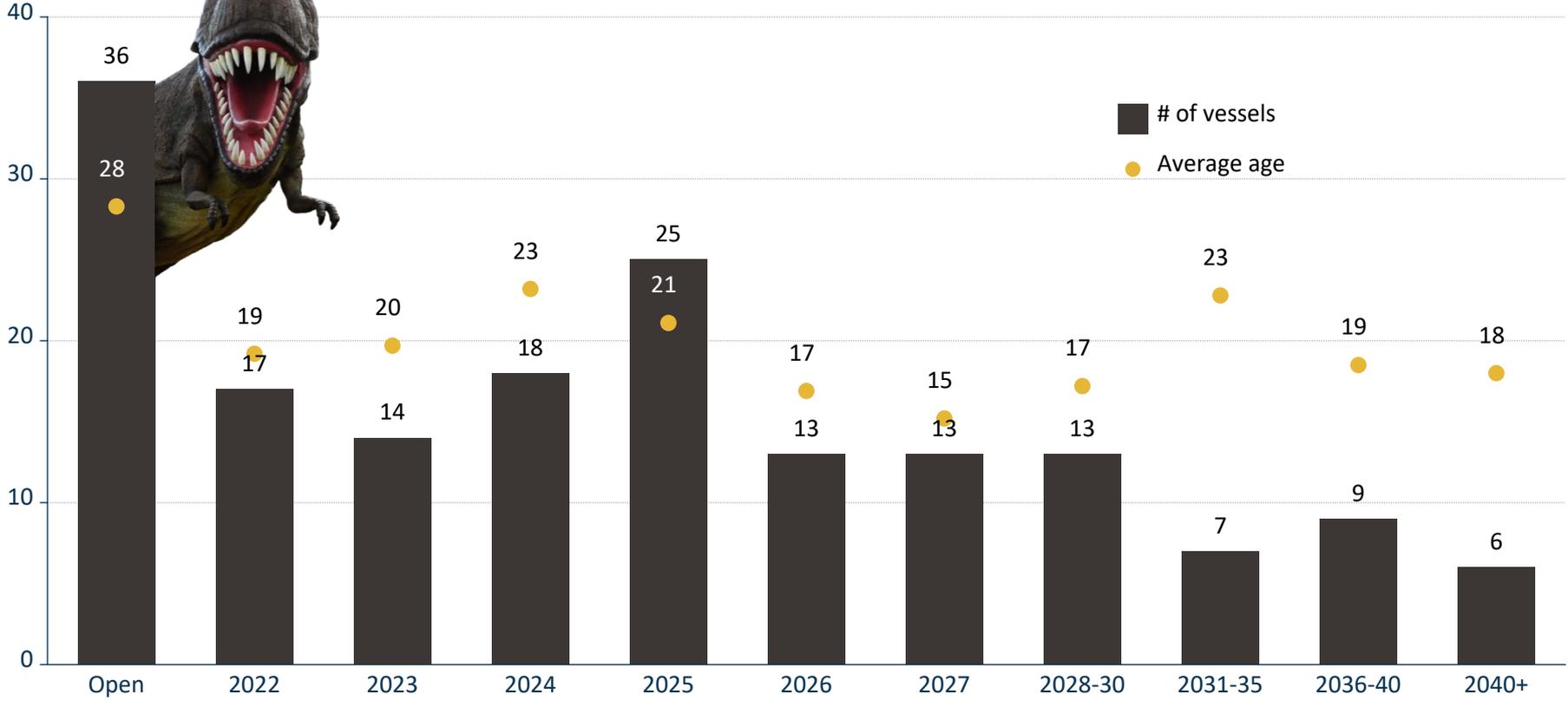
BUT ONLY 30 VESSELS AVAILABLE OF THE CURRENT ORDERBOOK



100 STEAM VESSELS WITH CONTRACT EXPIRY BY 2027



vessels & age



INVESTMENT HIGHLIGHTS



Modern LNGCs bought at bottom of the market

Secured 54 year's backlog to blue-chip clients⁽¹⁾

Super strong balance sheet with \$284m cash⁽¹⁾

Dividend of \$3.5 per share LTM – yield ~11%⁽²⁾

Attractive outlook with Europe turning to LNG

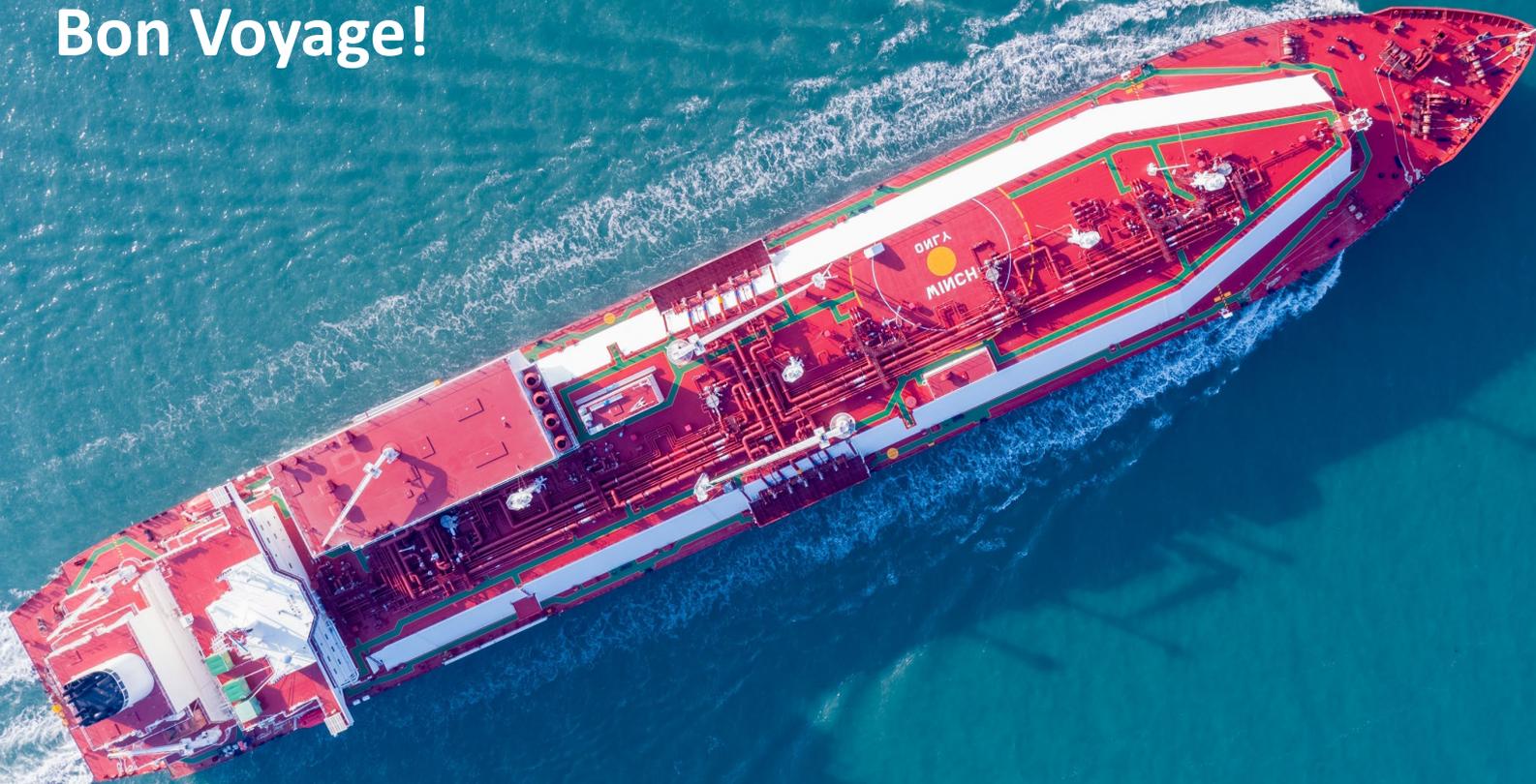
IMO 2023 will accelerate attrition of older ships



1) As per June 30, 2022

2) LTM dividend yield assuming a share price of \$33

Bon Voyage!



FLEX LNG

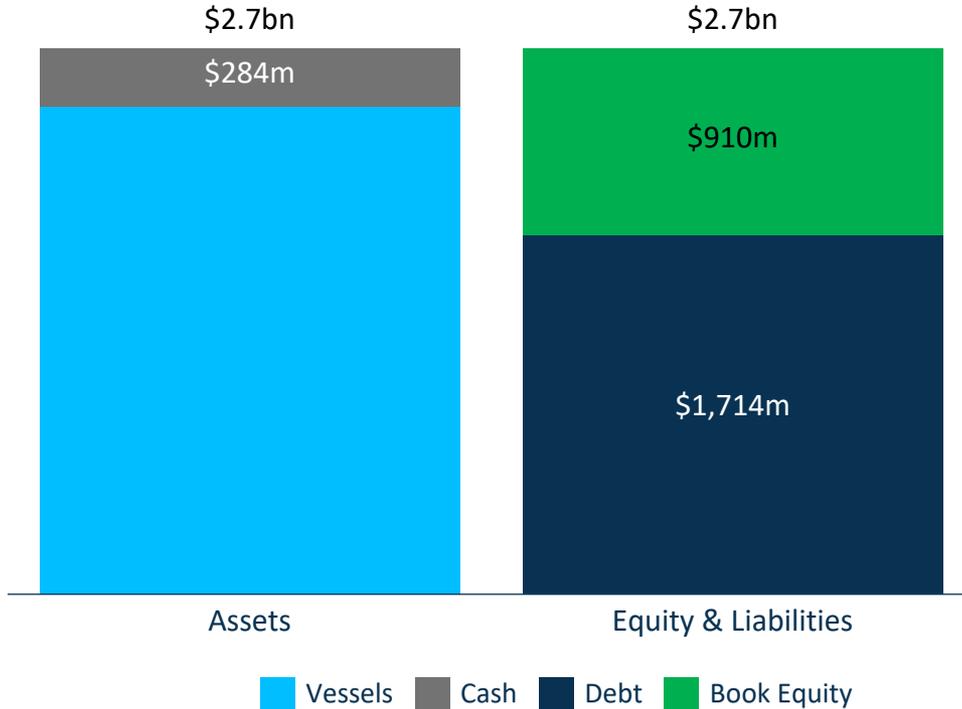
KEY FINANCIAL HIGHLIGHTS



Income statement (\$m)	Q2 2022	Q1 2022	Δ\$	H1 2022	H1 2021	Δ\$	Comments
Revenues	84	75	10	159	147	12	<i>TCE¹ per day of \$70,707</i>
Operating expenses	(15)	(14)	(1)	(30)	(30)	(0)	<i>Opex per day of \$12,990</i>
Operating income	48	38	10	87	77	9	
Interest expenses	(16)	(15)	(1)	(30)	(28)	(3)	<i>Hedged by derivatives</i>
Gain on derivatives	14	32	(17)	46	10	36	
Net income	44	56	(12)	100	60	40	
EPS (\$/share)	0.83	1.05	(0.22)	1.88	1.12	0.76	
Adjusted EBITDA (\$m) ¹	66	56	10	122	111	12	
Adjusted net income (\$m) ¹	33	24	9	56	50	7	
Adjusted EPS (\$/share) ¹	0.61	0.45	0.16	1.06	0.93	0.13	

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 earnings report

ROBUST AND CLEAN BALANCE SHEET



- 13 state-of-the art LNGCs
- Average fleet age of 2.6 years as per end Q2
- The fleet has been acquired at historical attractive prices compared to the newbuilding prices today, while book equity values reflect historical cost adjusted with regular depreciations
- Ample cash position of \$284m
- Solid book equity ratio of 34%

BALANCE SHEET PHASE 1 COMPLETED WITH SPECIAL DIVIDEND



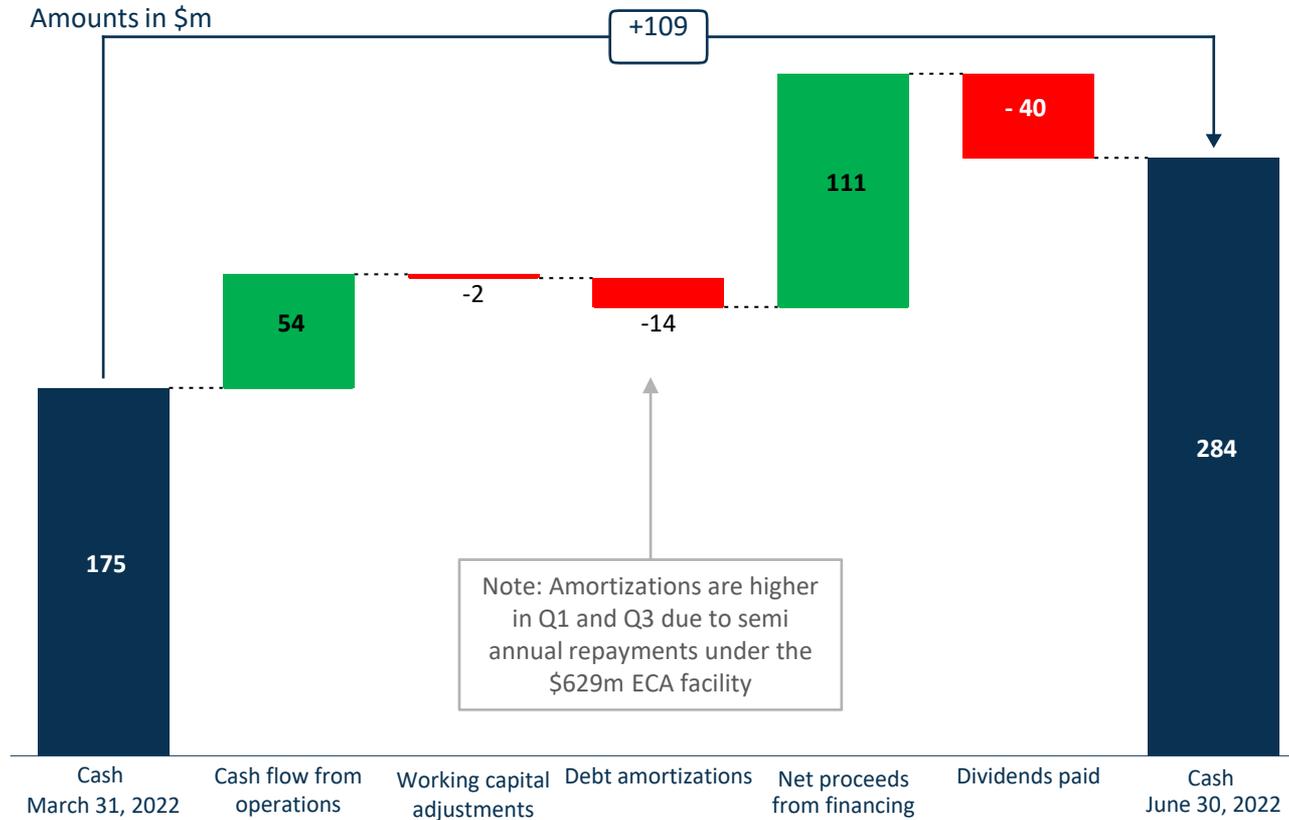
	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	LTM
Adjusted EPS⁽¹⁾	\$0.64	\$0.29	\$0.60	\$1.18	\$0.45	\$0.61	\$2.84
DPS	\$0.40	\$0.40	\$0.75	\$0.75	\$0.75	\$0.75	\$3.00
Special-DPS						\$0.50	\$0.50
Buy-backs	\$0.10	\$0.01	\$0.04				\$0.04
Total distribution	\$0.50	\$0.41	\$0.79	\$0.75	\$0.75	\$1.25	\$3.54

Decision Factors

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

1) Adjusted EPS is a non-GAAP measure. A reconciliation to the most directly comparable GAAP measure is included in the earnings report

ALL TIME HIGH CASH POSITION AFTER REFINANCINGS IN Q2





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