



FLEX LNG

Fourth Quarter 2023 Result Presentation

February 7, 2024

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.

FOURTH QUARTER HIGHLIGHTS



RESULTS

Q4-23 Revenues of \$97.2m in line with guidance of \$97-99m
Net income and adj. net income⁽¹⁾ of \$19.4m and \$37.8m, respectively
Earnings Per Share (EPS) and adj. EPS⁽¹⁾ of \$0.36 and \$0.70, respectively

RECENT EVENTS

LNG freight market seasonal weaker as end of heating season approaching
Extended Flex Resolute with supermajor from Q1-2025 to Q1-2027
Redelivery of Flex Constellation from a 3 year TC in Q1/Q2 2024

GUIDANCE

Guiding Q1-24 Time Charter Equivalent earnings of ~\$75,000-80,000/day
Guiding Q1-24 Revenues and adj. EBITDA of ~\$90m and ~\$70m respectively
Expect to dry-dock Flex Constellation end-Q1 and Flex Courageous in Q2

DIVIDEND

Declaring dividend of \$0.75 per share for the fourth quarter
Dividend for full year 2023 totals \$3.125 per share
Full year 2023 dividend implies a yield of ~11%⁽²⁾

“WHAT WE SAY IS WHAT WE DO”



	TCE (\$/day)	Revenues (\$m)	Adj. EBITDA (\$m)	Summary of 2023
Q1-2023	\$80.2k/day	92	72	Completed the first docking in the quarter, on time & at cost
Q2-2023	\$77.2k/day	87	66	Completed the last three dockings in the quarter, on time & at cost
Q3-2023	\$79.2k/day	95	75	Completed docking program with all ships back in operations
Q4-2023	\$81.1k/day	97	76	Seasonally stronger spot market boosting Flex Artemis earnings
FY2023	\$79.5k/day	371	290	Delivered 2023 in line with guidance on all parameters

Note: 1) TCE and Adjusted EBITDA are non-GAAP measures. A reconciliation to the most directly comparable GAAP measure is included in the earnings report

Q1-2024 EXPECTED TO BE REPEAT OF Q1-2023



Guiding for Q1-2024



Key metrics



TCE rate



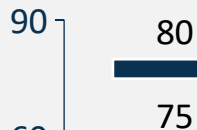
Revenues



Adj. EBITDA

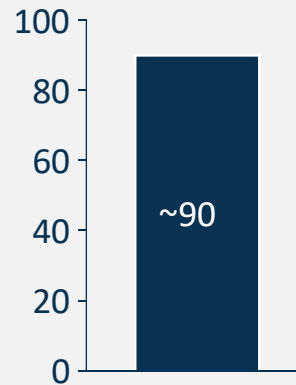
Expectations

\$'000/day



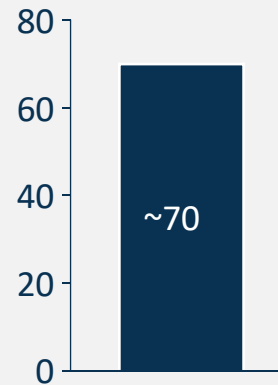
TCE rate

\$m



Revenues

\$m



Adj. EBITDA

WE HAVE BUILT A STABLE BUSINESS...



Quarterly adjusted EBITDA, \$m

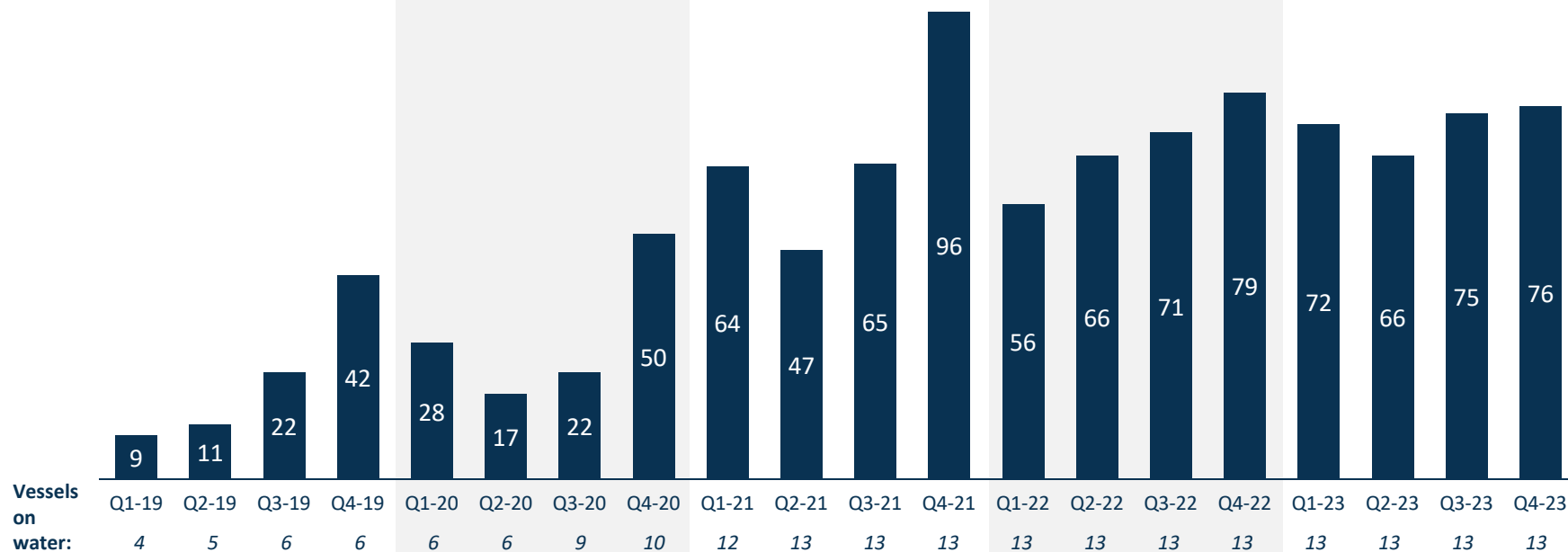
Ramp-up phase and spot oriented, distribute first dividends

Weak spot market in H1-20 due to COVID, solid recovery in Q4

All 13x vessels on the water and capitalize on red hot spot market

Build contract backlog, capitalize on strong spot market

Execute on long-term contracts, and complete first 4x dry-dockings

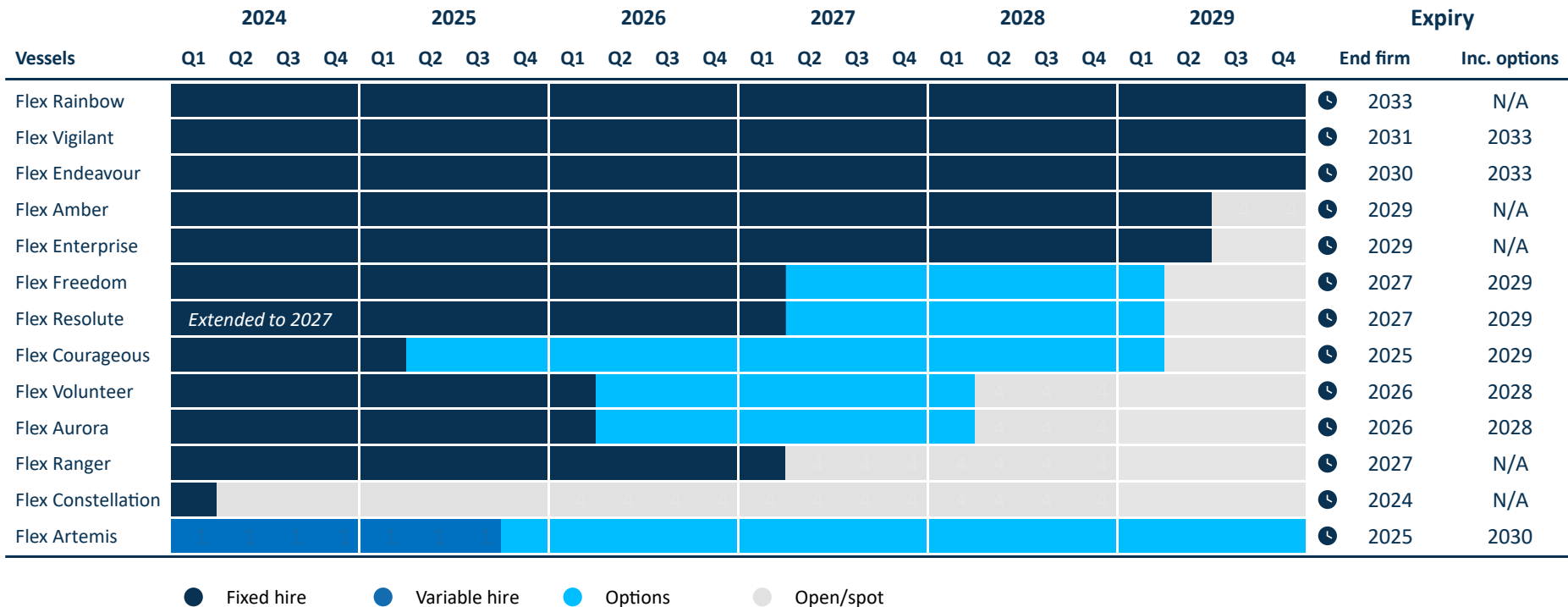


Note: 1) Adjusted EBITDA is a non-GAAP measure. A reconciliation to the most directly comparable GAAP measure is included in the earnings report

...BACKED BY HIGH CONTRACT COVERAGE...



50 years of min charter backlog which may grow to 71 years with charterer's extension options



...WHERE EARNINGS BELONG TO SHAREHOLDERS...



Adjusted Earnings per Share⁽¹⁾

Ordinary Dividend per Share

Special Dividend per Share

Total distribution

Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
\$0.79	\$1.02	\$0.66	\$0.53	\$0.67	\$0.70
\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75
	\$0.25			\$0.125	
\$0.75	\$1.00	\$0.75	\$0.75	\$0.875	\$0.75

LTM
\$2.56
\$3.00
\$0.125
\$3.125

Decision Factors

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

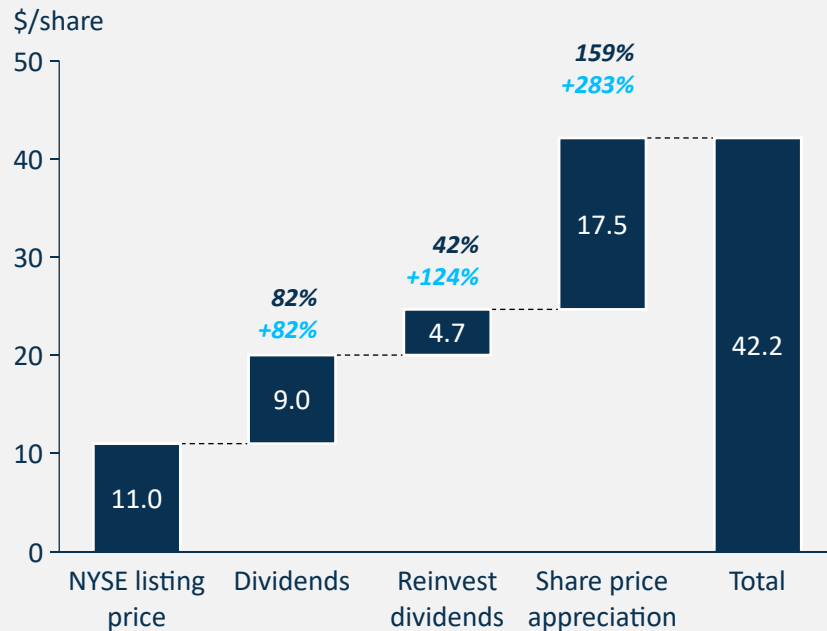
Note: 1) Adjusted EPS is a non-GAAP measure. A reconciliation to the most directly comparable GAAP measure is included in the earnings report

...CREATING A SNOWBALL EFFECT OF INVESTING IN FLEX LNG



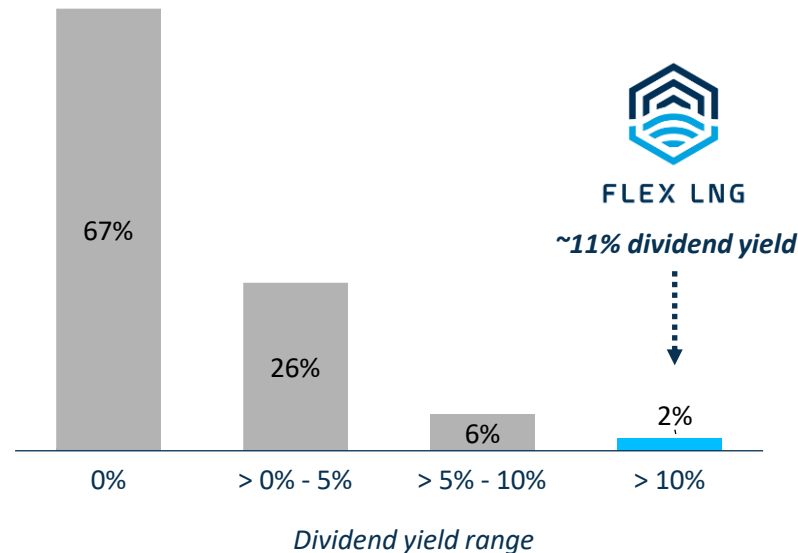
“Time is the friend of the wonderful business, the enemy of the mediocre” Warren Buffett

~280% in Total Shareholder Return¹ since NYSE listing June 2019...



...and we continue to offer attractive dividend yield vs. Russell 2000

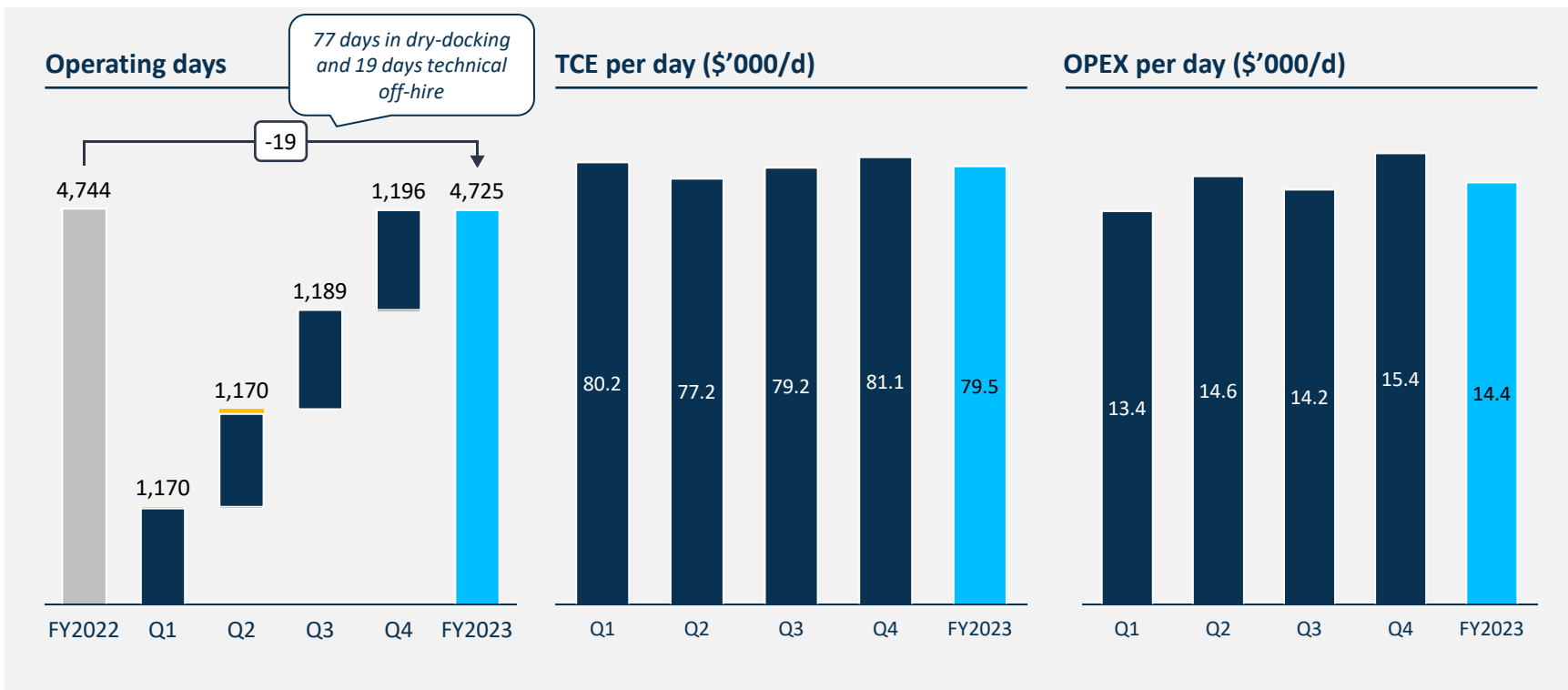
Distribution of dividend yields among Russell 2000 companies:



Source: Bloomberg, Yahoo Finance

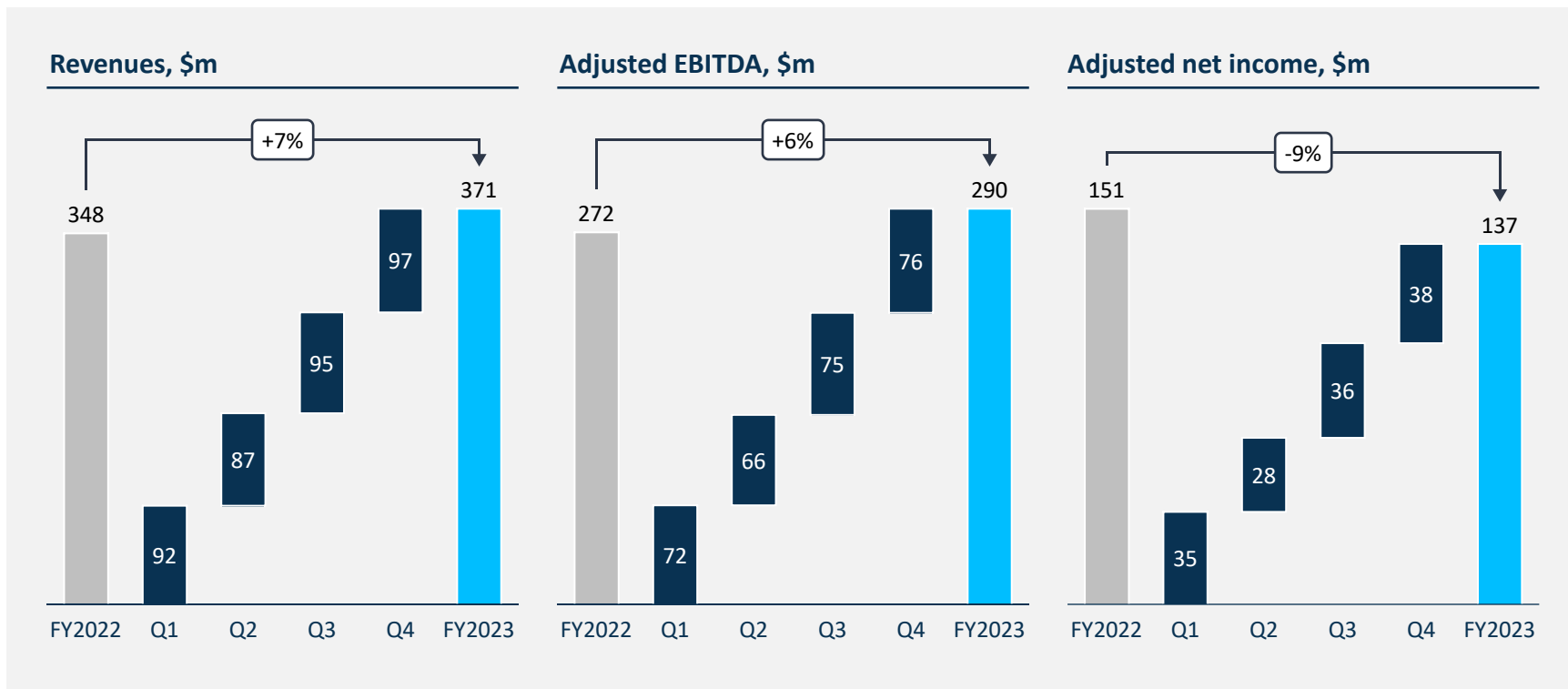
Note: 1) Assuming 100% of dividends reinvested in stock

KEY OPERATIONAL FIGURES IN 2023



Note: TCE and OPEX per day are non-GAAP measures. A reconciliation to the most directly comparable GAAP measure is included in the earnings report

KEY FINANCIAL FIGURES FOR 2023



Note: Adj. EBITDA and adj. net income are non-GAAP measures. A reconciliation to the most directly comparable GAAP measure is included in the earnings report

FINANCIAL HIGHLIGHTS



Income statement (\$m)	Q4-2023	Q3-2023	Δ\$	FY2023	FY2022	Δ\$
Revenues	97.2	94.6	2.7	371.0	347.9	23.1
Operating expenses	(18.4)	(16.9)	(1.5)	(68.4)	(63.4)	(4.9)
Operating income	57.7	56.2	1.5	217.2	200.6	16.5
Interest expenses	(27.7)	(27.5)	(0.1)	(108.7)	(76.6)	(32.1)
Gain/(loss) on derivatives	(11.6)	15.6	(27.3)	18.3	79.7	(61.4)
Net income	19.4	45.1	(25.7)	120.0	188.0	(68.0)
EPS (\$/share)	0.36	0.84	(0.48)	2.24	3.53	(1.29)
Adjusted EBITDA (\$m)	76.2	74.7	1.5	289.6	272.3	17.3
Adjusted net income (\$m)	37.8	36.1	1.8	137.3	150.7	(13.4)
Adj. EPS (\$/share)	0.70	0.67	0.03	2.56	2.83	(0.28)

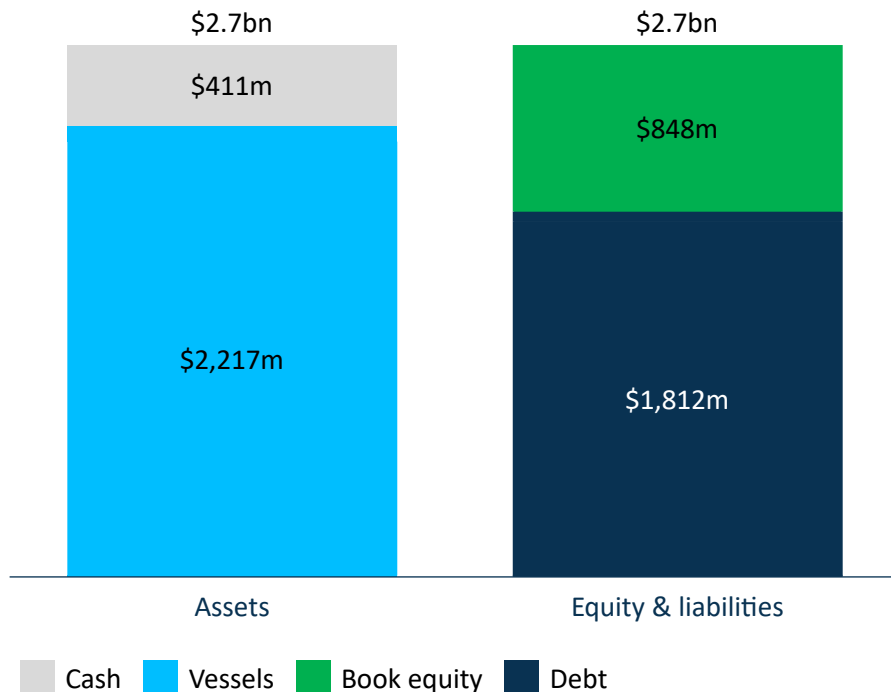
Comments:

Revenues: TCE of ~\$81,100/day in the fourth quarter of 2023. Full-year 2023 TCE of \$79,500/day. Higher variable index charter revenues from Flex Artemis.

OPEX: Higher OPEX in the fourth quarter due to engine maintenance on our 2018 and 2019 built vessels

Loss on derivatives: Recorded a net loss on derivatives of \$11.6m in the quarter, which includes a unrealized loss of \$18.7m and realized gains of \$7.1m, due to a lower long term interest rates in the quarter

ROBUST AND CLEAN BALANCE SHEET



- 13 modern LNGCs (9x MEGIs, 4x X-DFs)
- Average fleet age of 4.1 years as per end Q4
- Ample cash position of \$411m
- Book equity ratio of 31% although the fleet was acquired at historical low prices compared to today's newbuilding prices. Book equity values thus reflect historical cost adjusted with regular depreciations

FLEXIBLE FUNDING PORTFOLIO WITH NO MATURITIES PRIOR 2028



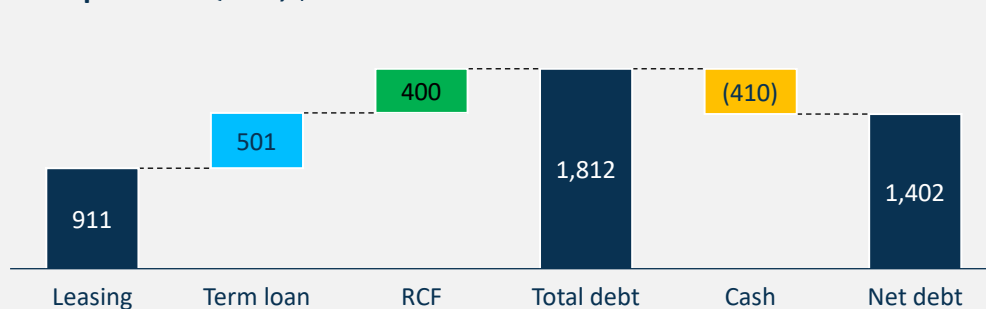
Resilience:

- No debt maturities prior 2028
- Sound split between traditional bank financing and leasing
- Geographically diverse set of lenders (US, Europe & Asia)

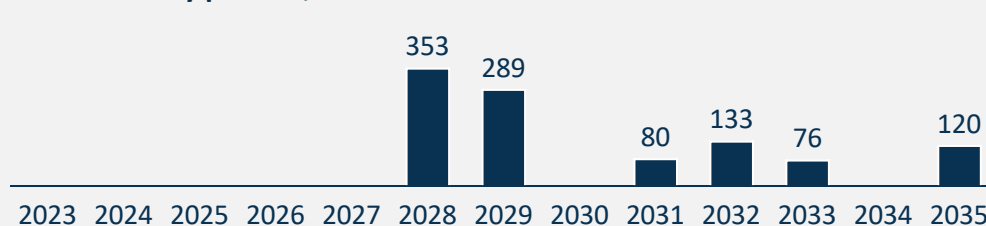
Optionality:

- Attractive loan terms
- \$400m in RCF provides optionality for counter-cyclical opportunities as well as cash management optimization

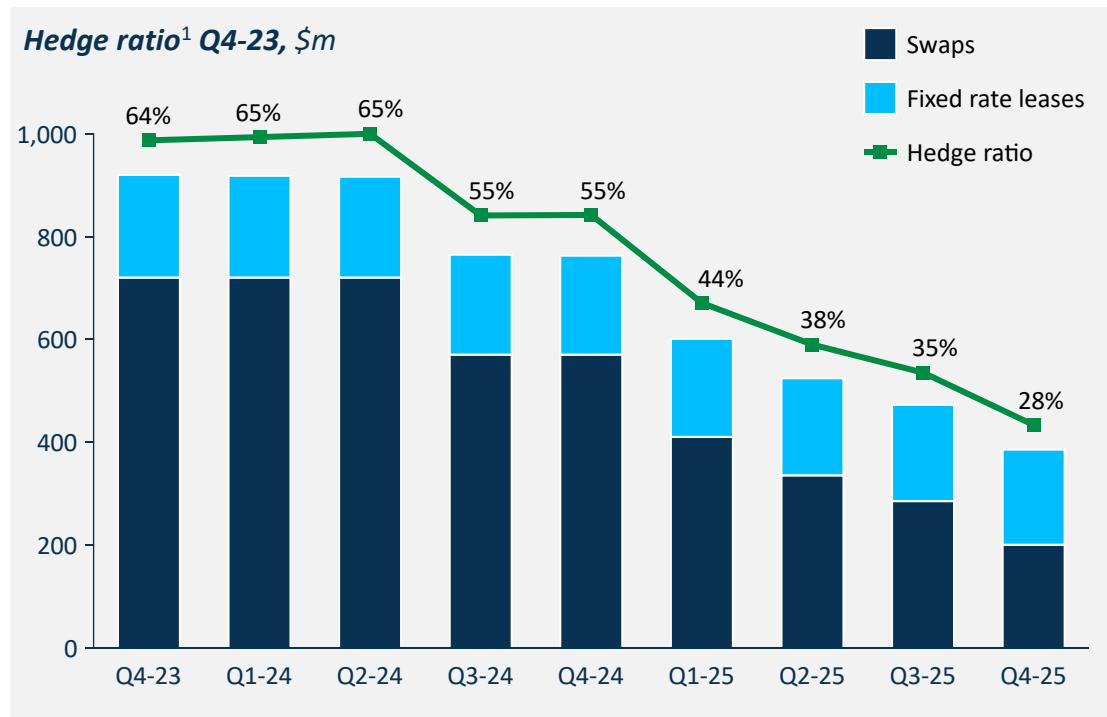
Debt position Q4-23, \$m



Debt maturity profile¹, \$m



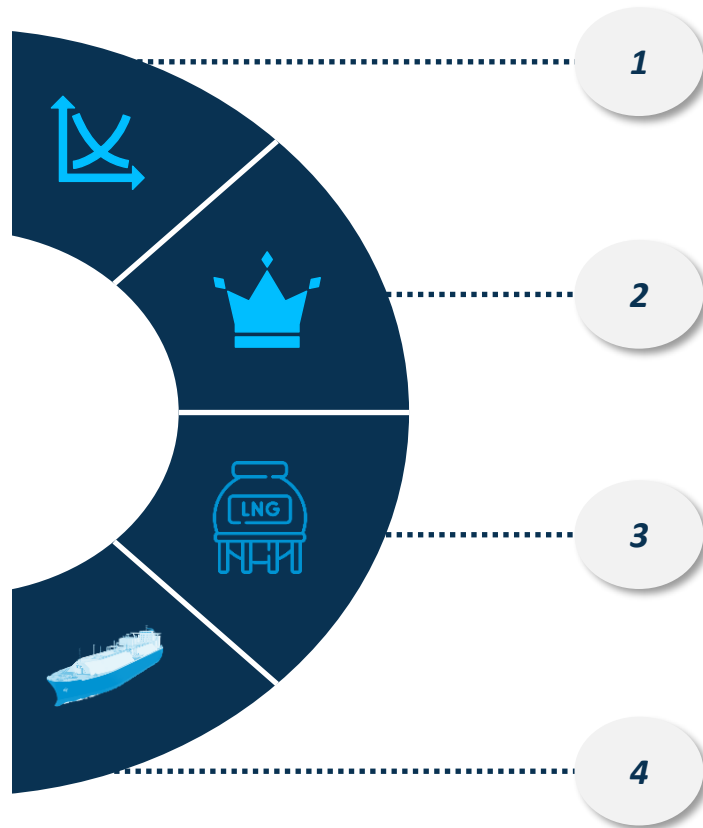
INTEREST RATE RISK MANAGED BY ACTIVE HEDGING STRATEGY



- Balance sheet value of interest rate swap portfolio totals \$48.8m
- The net notional value of the swap portfolio is \$720m, with an average duration of 3.3 years fixed at 1.35%
- We have fixed rate leases of ~\$200m with an average rate of 3.94%
- Since January 2021, our total gains (both realized and unrealized) from interest rate hedging amounts to ~\$116m

Note: 1) Hedge ratio estimated net of undrawn RCF facilities

2023 WAS ANOTHER EVENTFUL YEAR IN GLOBAL LNG



JKM & TTF prices on retreat:

- Rebalancing of market fundamentals supported an easing of historical high JKM & TTF spot prices
- JKM & TTF dropped to ~\$10-11/MMBtu at YE2023, and has now consolidated around the \$8-9/MMBtu mark

Game of Thrones amongst the top LNG exporters & importers:

- China rebuffed the throne from Japan as the largest LNG importer
- The US topped the list of top LNG exporters in 2023, ahead of Australia and Qatar

Limited new export capacity growth near term:

- Only ~4 MTPA in liquefaction name plate capacity installed 2023 with volume growth of 12MT (3%)
- Some ~13 MTPA is expected to come on stream in 2024 with half of these volumes at risk (Arctic LNG-2 T1)

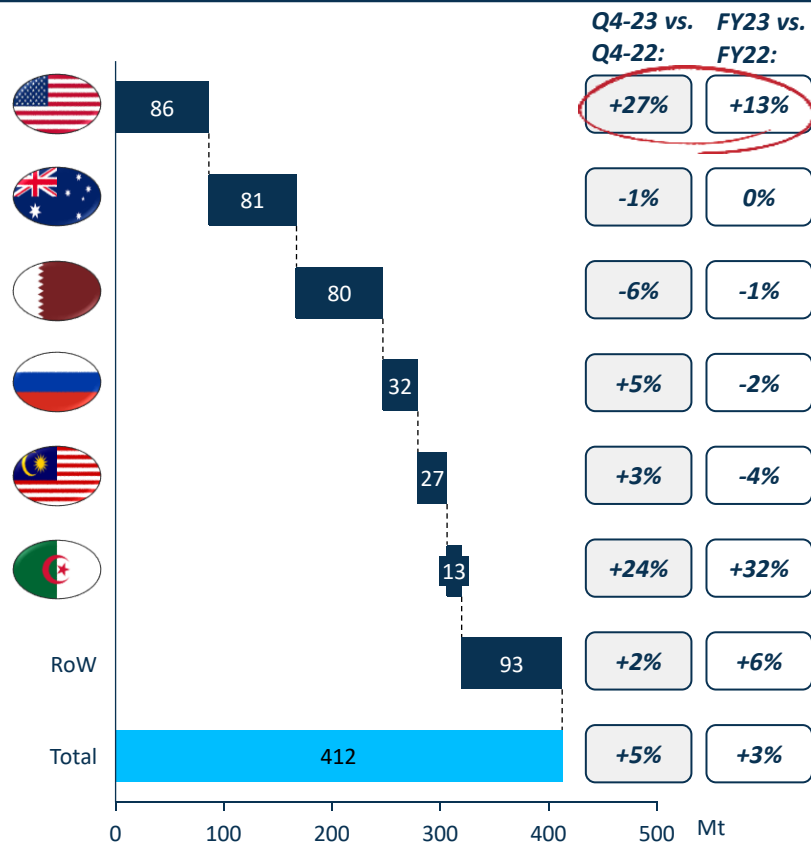
Fragile maritime supply chains creating inefficiencies:

- Reduced traffic through Panama Canal due to drought and low levels of fresh water supply from the Gatun Lake
- Tension in the Middle East has effectively closed the Suez Canal for most shipping companies, including Qatari LNG exports

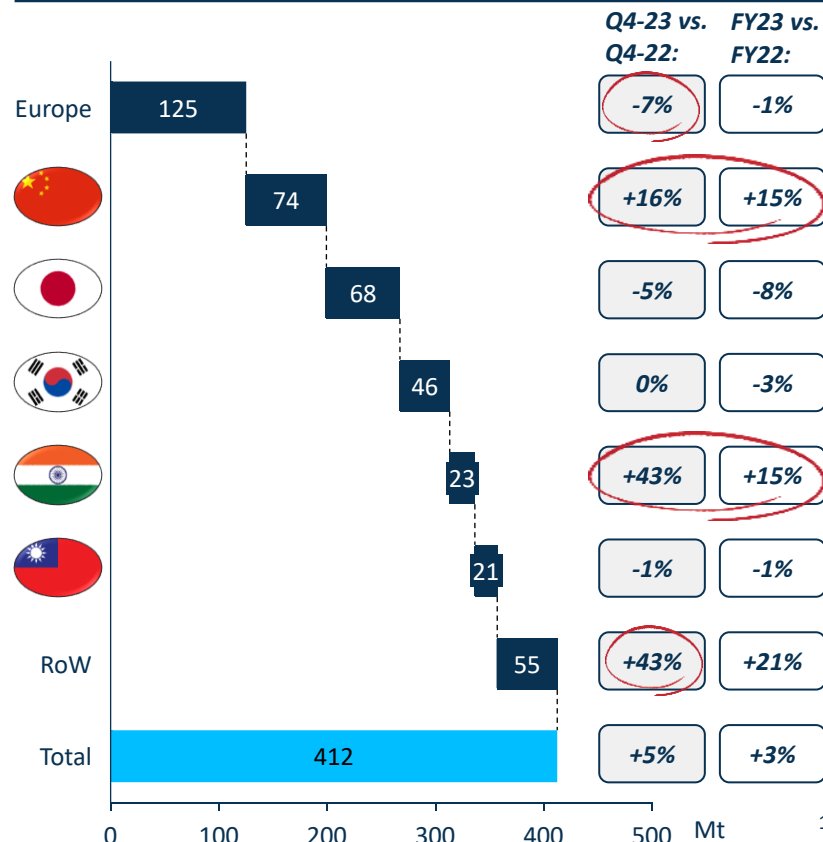
GLOBAL LNG EXPORT VOLUMES WERE UP 3% IN 2023



LNG export by largest origin country/region FY2023



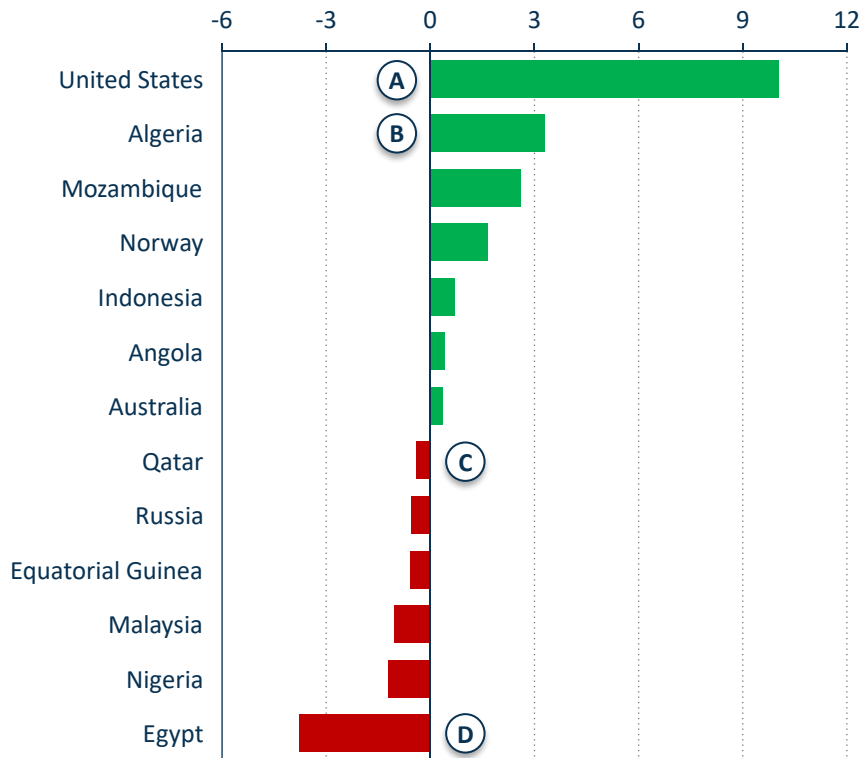
LNG import by largest destination country/region FY2023




USA WAS THE LARGEST EXPORTER IN 2023 WITH 13% Y/Y GROWTH



Changes in LNG export from 2022 to 2023, MT



Movers & shakers amongst top LNG exporters in 2023

A **USA** 

The US topped the list of LNG exporters in 2023, ahead of Australia and Qatar, helped by Freeport LNG coming fully back onstream, and ramp-up of Calcasieu Pass

Forbes
U.S. Overtakes Qatar To Become The World's Top LNG Exporter

B **Algeria**

Passing Nigeria as the largest LNG exporter on the African continent. Algeria's LNG export is becoming an essential component of Europe's gas balance

The Economist INTELLIGENCE UNIT
Algeria becomes Africa's largest LNG exporter

C **Qatar**

Saw slightly lower exports in 2023 due to maintenance work deferred from 2022. Increased geopolitical risk due to Red Sea situation at year end

TradeWinds
The Global Shipping News Source
QatarEnergy admits Red Sea diversions will hit LNG cargo scheduling

D **Egypt**

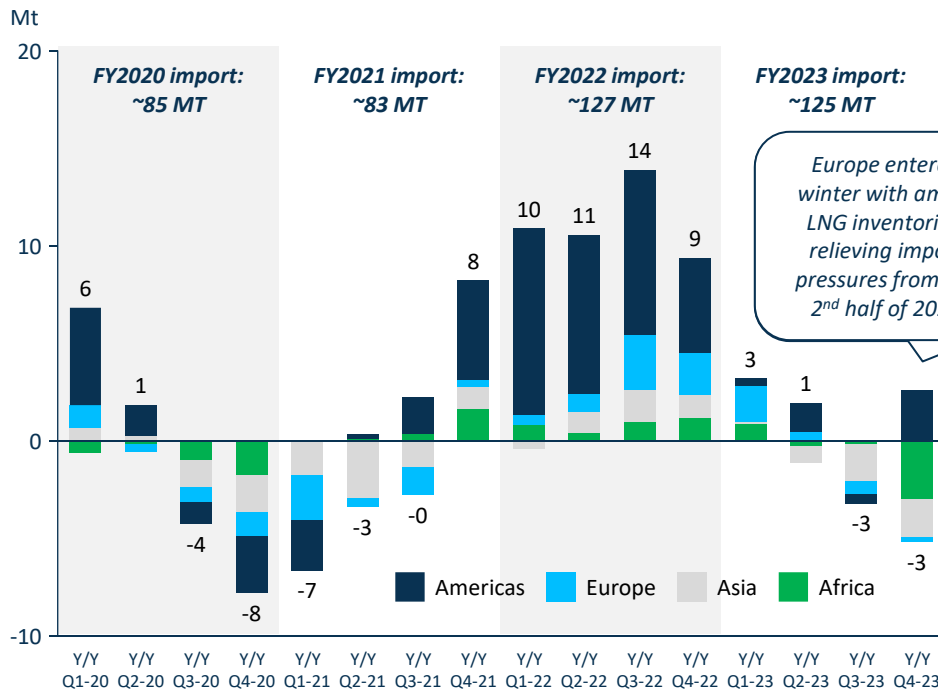
Lower production and disruption to pipeline imports from Israel as the Tamar gas field was paused due to emergence of the Israel-Hamas conflict in Q4-2023

REUTERS
Mideast conflict dims prospect of more Egyptian LNG exports to Europe

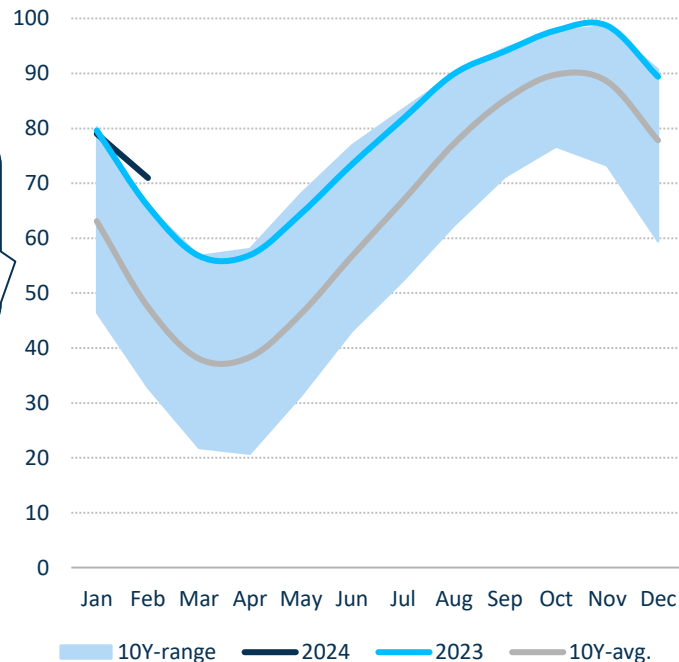
HIGH INVENTORIES HAVE EASED PRESSURE IN EUROPE



Y/Y change in European LNG imports per quarter



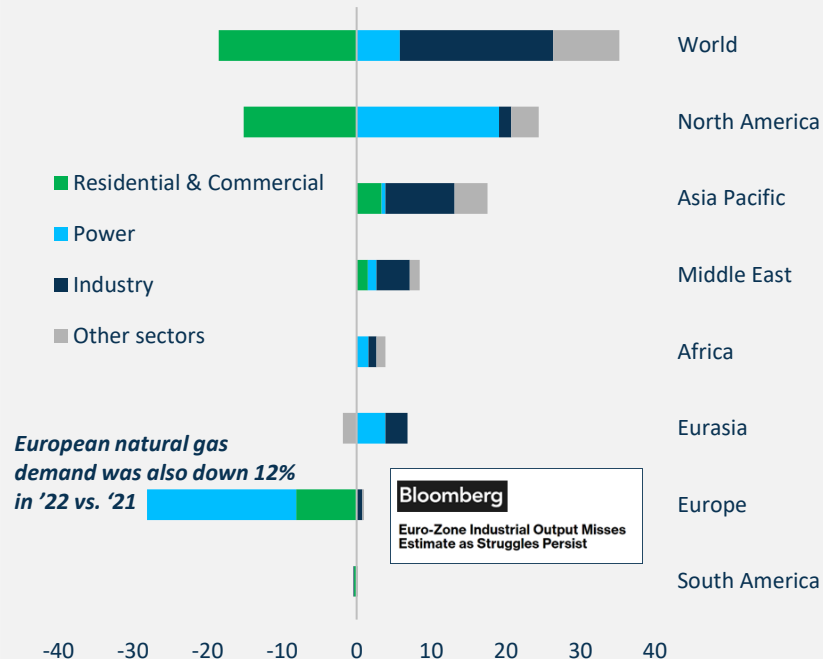
EU natural gas storage inventory, % of full



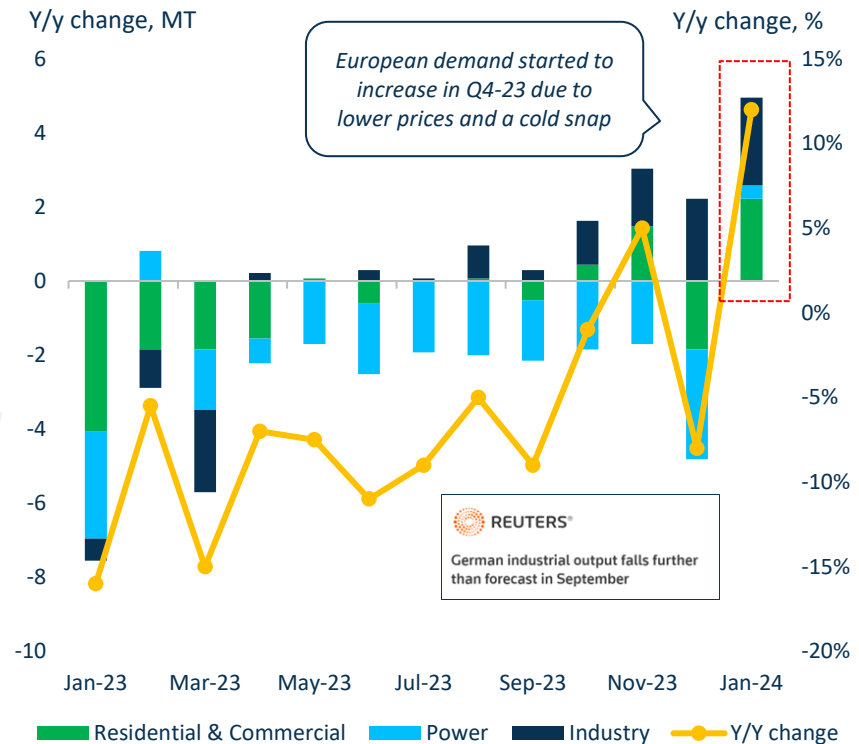
LOWER PRICES NOW DRIVING UP DEMAND AFTER DEMAND SUBVERSION



Change in nat.gas consumption by region & sector, 2023 vs. 2022, MT



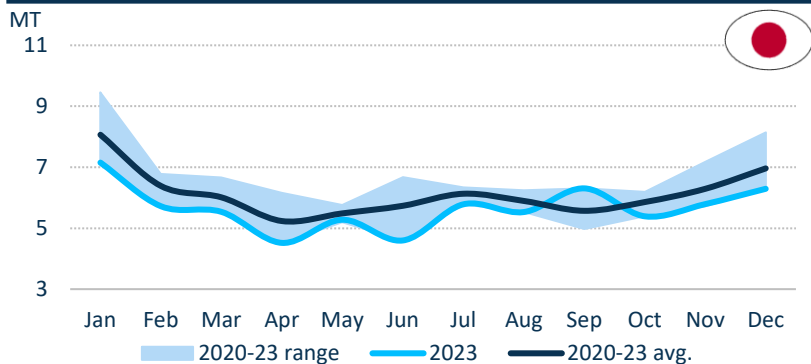
Y/Y change in European natural gas demand, MT



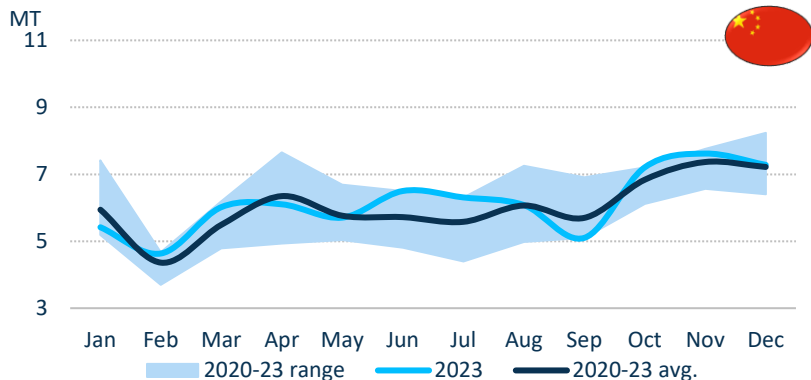
LOWER LNG PRICES ARE CREATING DEMAND IN EMERGING ASIA



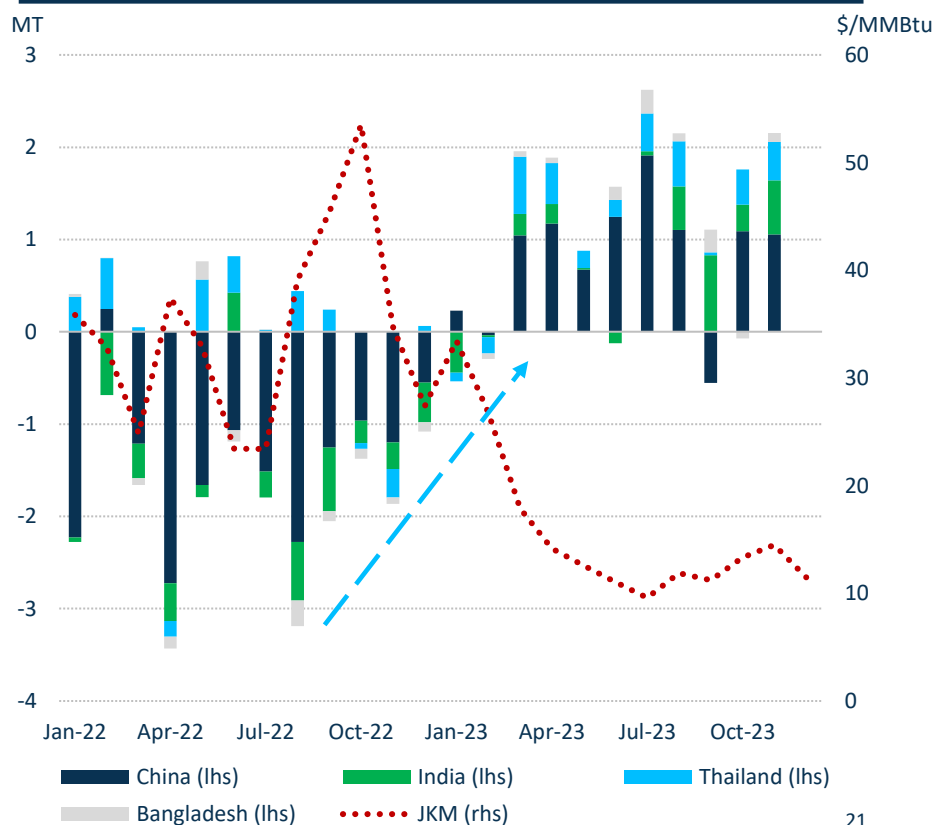
Japanese LNG import on retreat in 2023...



...while China becomes the single largest LNG importer in 2023



Y/Y imports from fast growing Asian countries vs. JKM gas price



US LNG EXPORT MORATORIUM: "ALL POLITICS IS LOCAL"



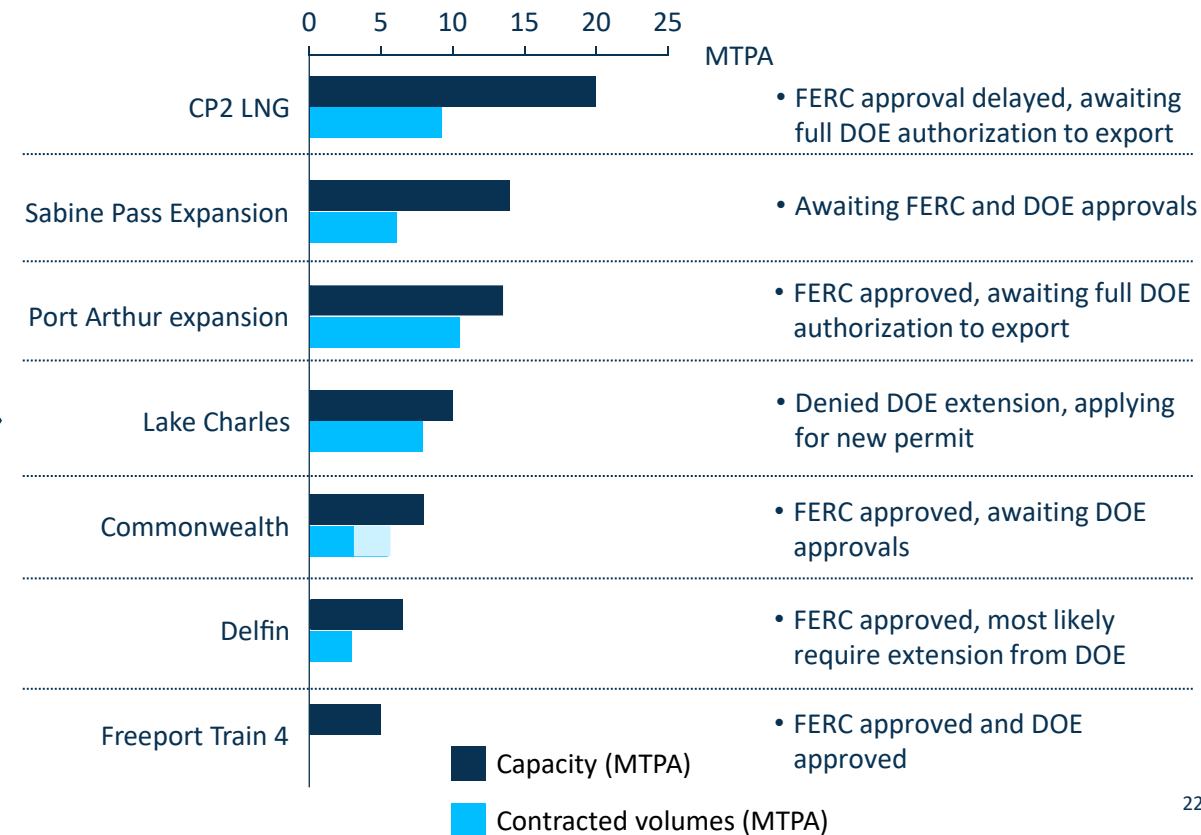
THE WALL STREET JOURNAL

Biden Pauses Approvals for LNG Exports

Updated Jan. 26, 2024 12:22 pm ET

- The White House has "paused" the issuance of crucial LNG export permits, awaiting the Department of Energy's ("DOE") updated assessment of the impact of new terminals.
- LNG developers need approval from the Federal Energy Regulatory Commission ("FERC") before obtaining DOE authorization to export
- Update of the DOE application process will likely delay until after the November elections

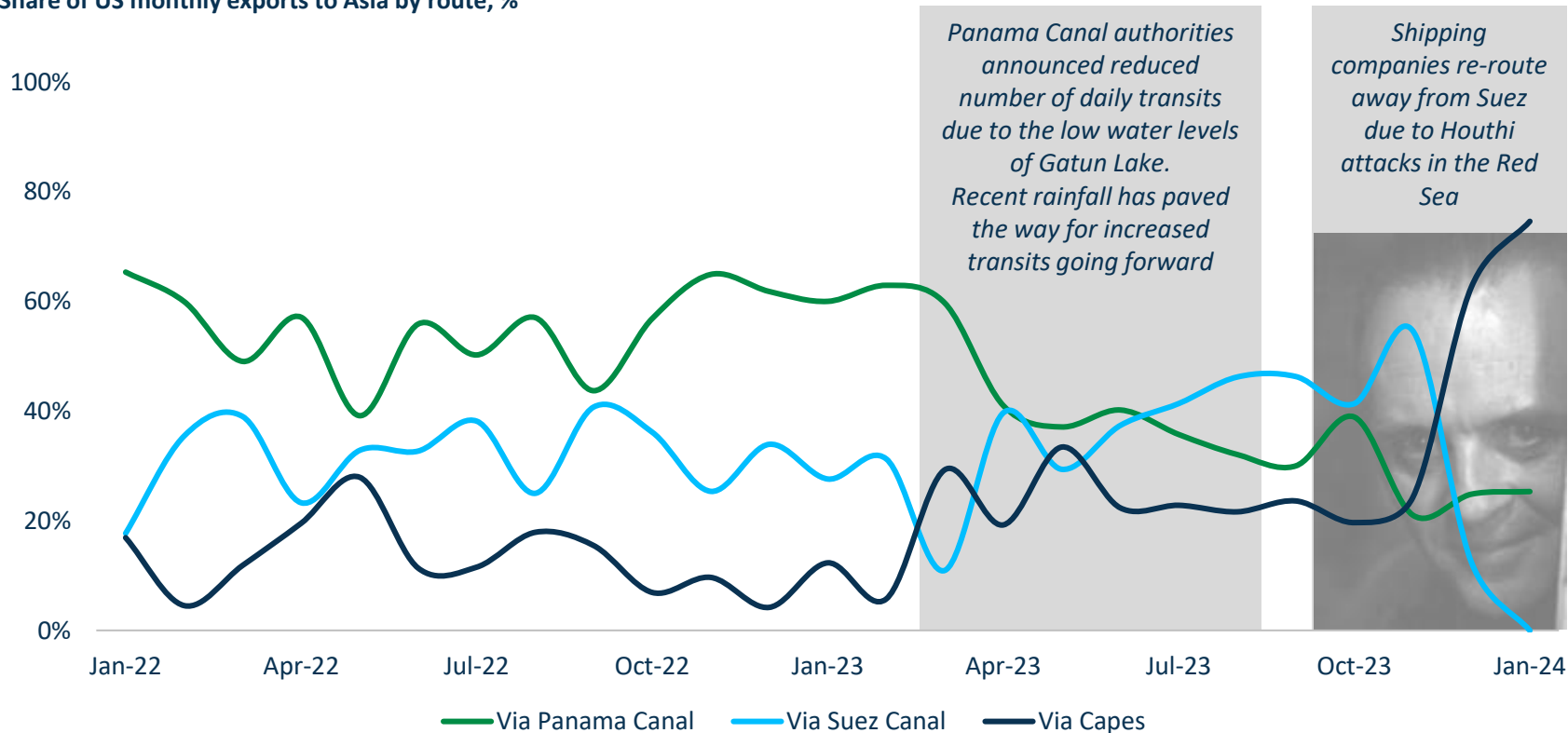
Key liquefaction projects



PERIOD OF INCREASED CANALIBALISM



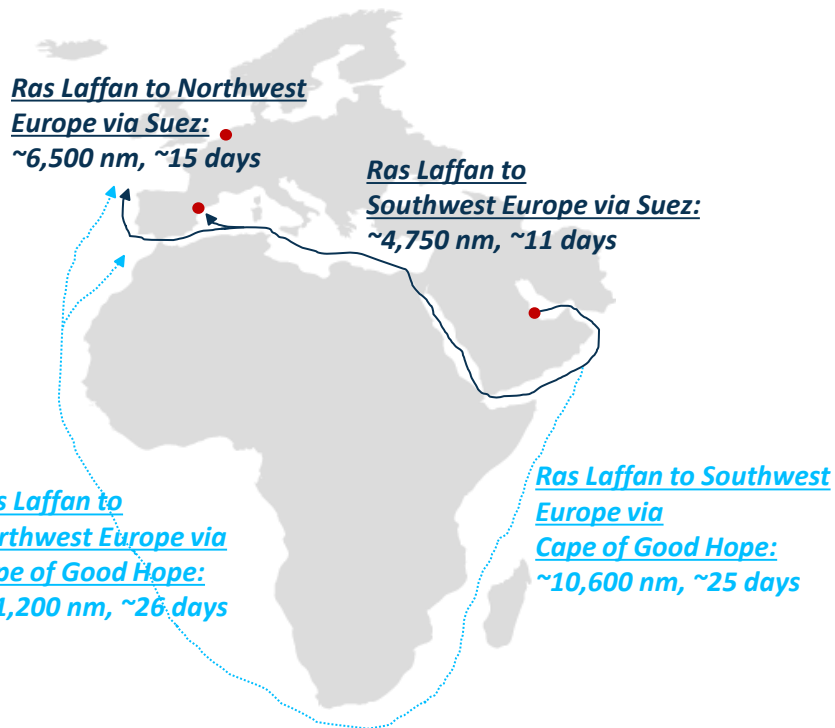
Share of US monthly exports to Asia by route, %



RED SEA RE-ROUTING DRIVING UP SAILING DISTANCES



Qatar-Europe via Cape of Good Hope extends voyage by ~2 weeks...



...rebalancing Qatari LNG volumes



- Traditionally, nearly all Asian LNG exports to Europe move through the Suez Canal
- Qatari volumes represent ~12% or ~15 MT of European LNG import in 2023



- A shut-in Red Sea translates to two weeks of extend voyages via Cape of Good Hope
- Additional freight costs and shipping time likely deemed unsustainable by Middle Eastern LNG exports in the long term



- Short-term consequences: Increased LNG tonnage demand due to longer voyages
- Long-term consequences: Possible trade rearrangements or an increase in FOB sales from the Middle East

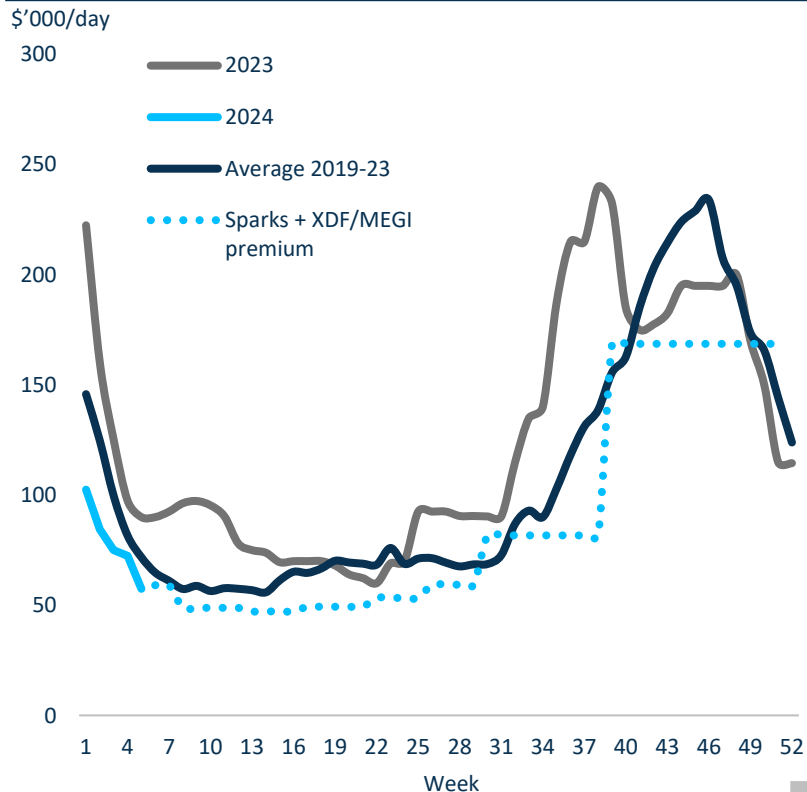
Note: Vessel days assumes 18 knots average speed

Source: Affinity, Kpler

SPOT RATES FOLLOW SEASONAL PATTERN

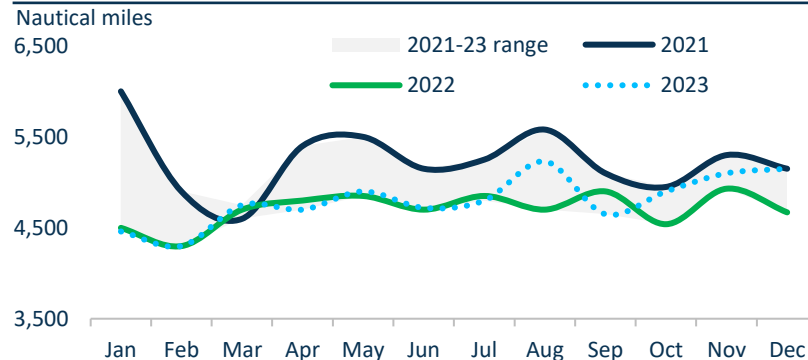


Headline (2-stroke) spot rates

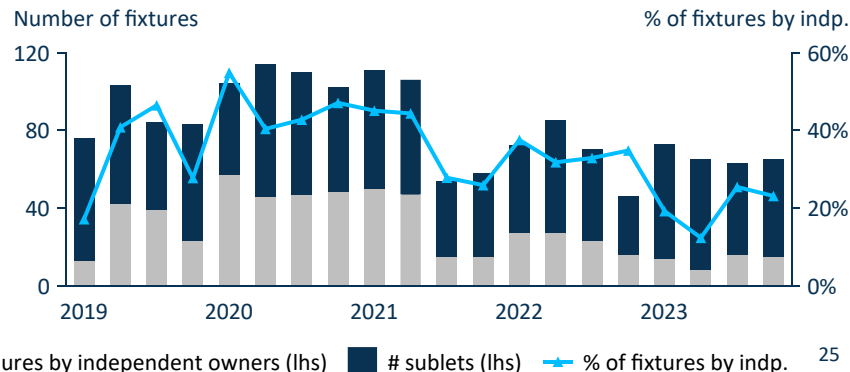


Source: Fearnley, SSY, Affinity

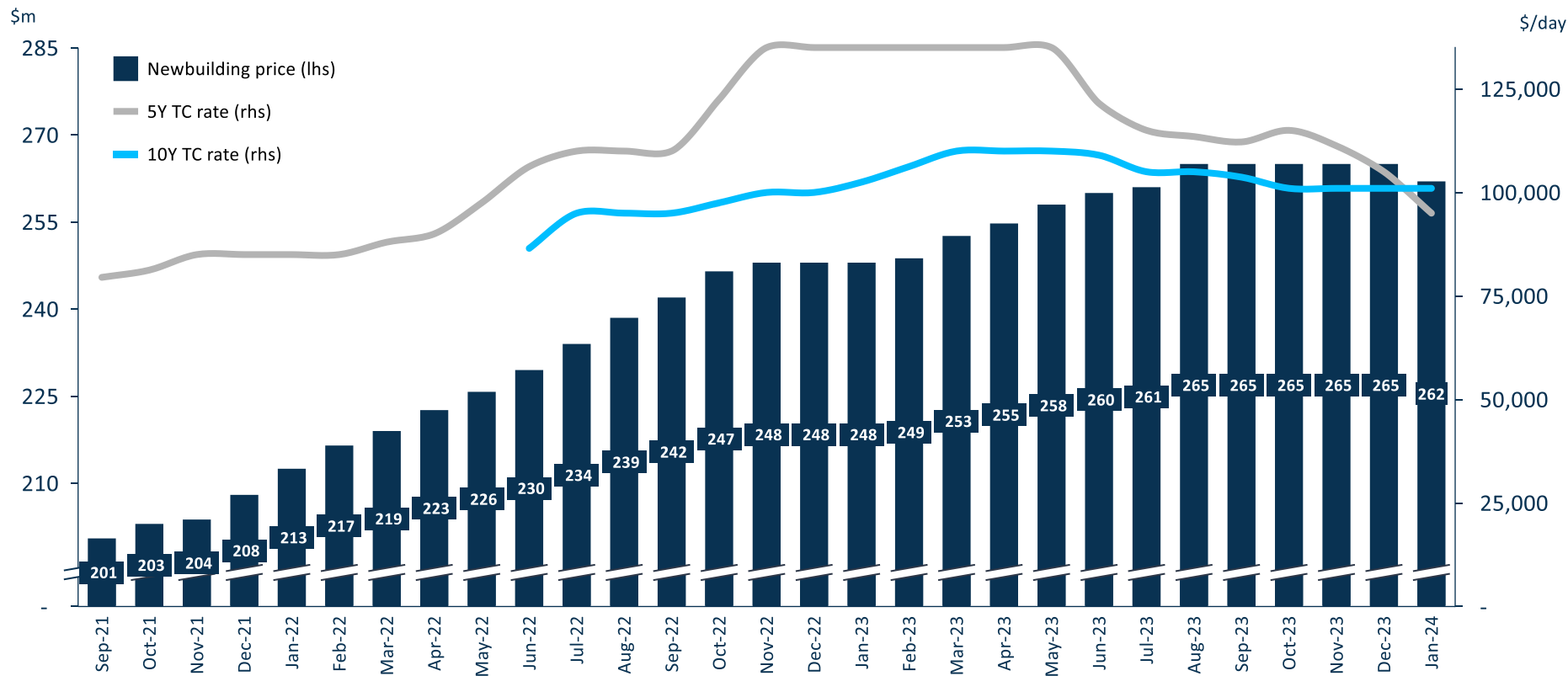
Average distance voyage: USA cargoes



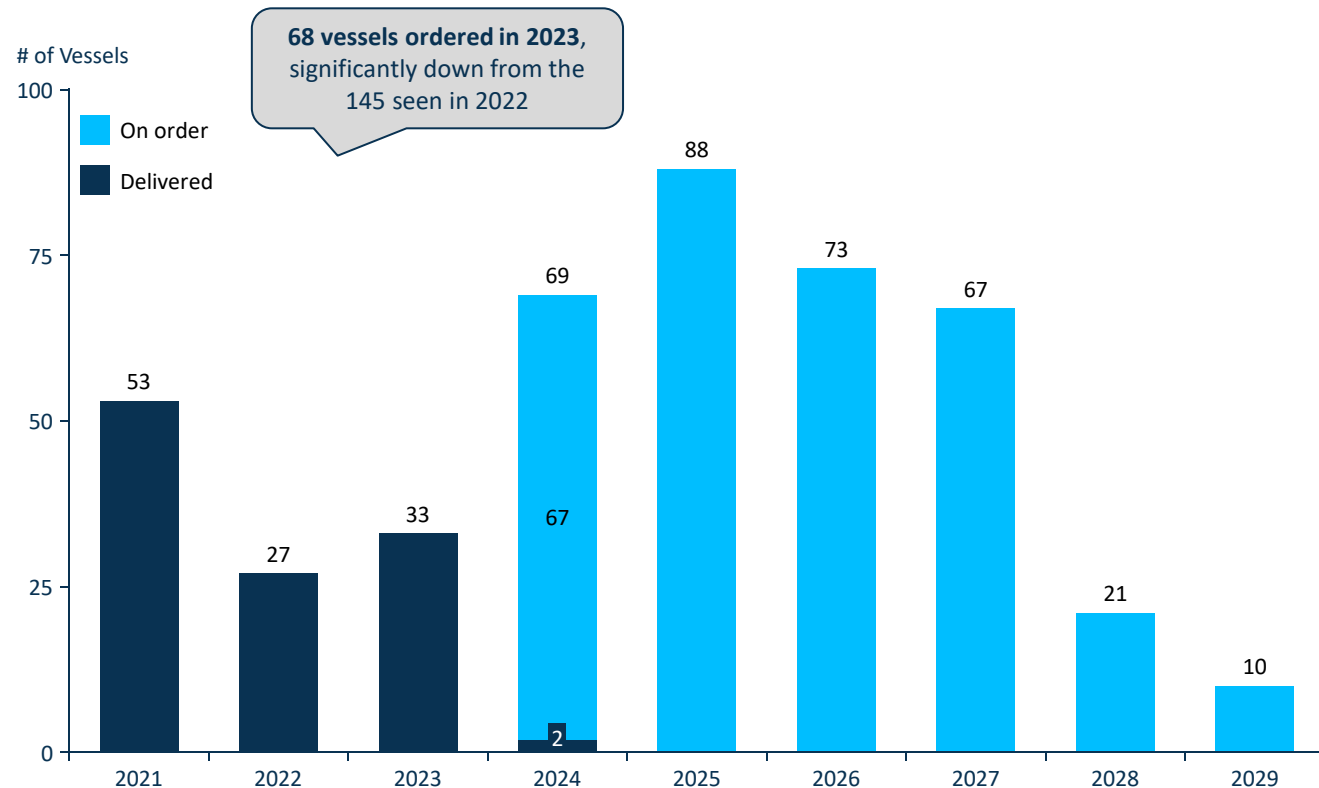
of fixtures by independent owners vs. sublets (short term)



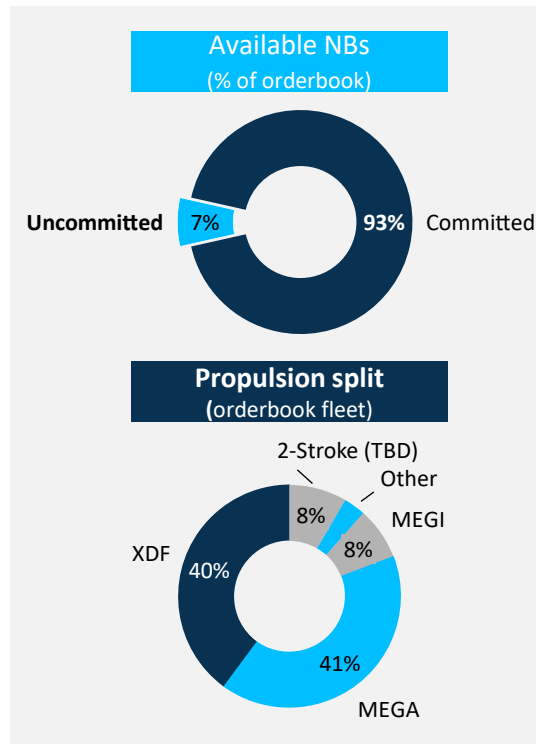
NEWBUILDING PRICES STABILIZED, TERM RATES IN CONTANGO



HIGH VESSEL GROWTH NEAR TERM...



Source: Fearnleys, Braemar, Affinity and Clarkson as of end January 2024



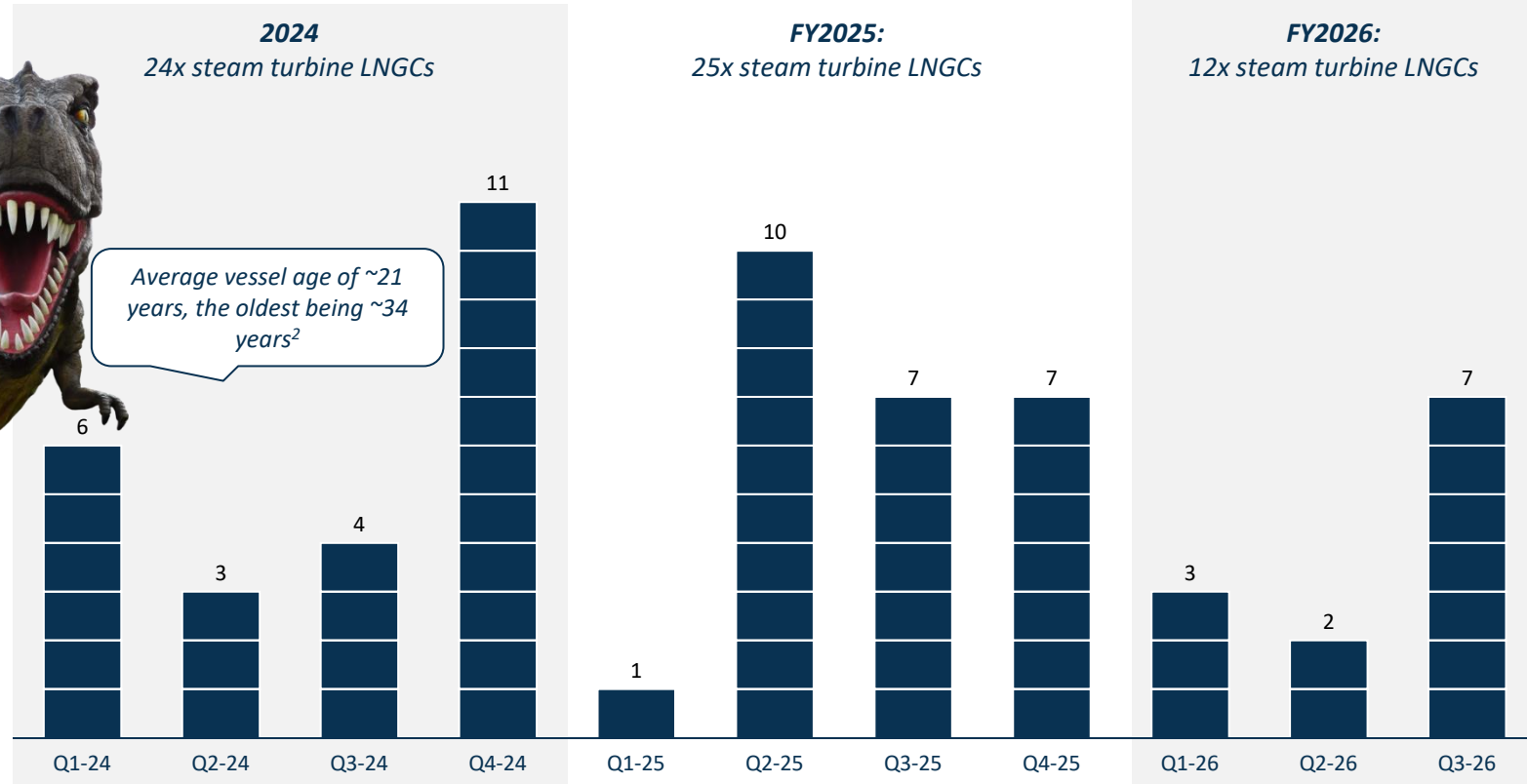
...BUT GET READY FOR THE FIRST LNGC (EEXI)TINCTION ERA



of steam vessels redelivered from contract



Average vessel age of ~21 years, the oldest being ~34 years²

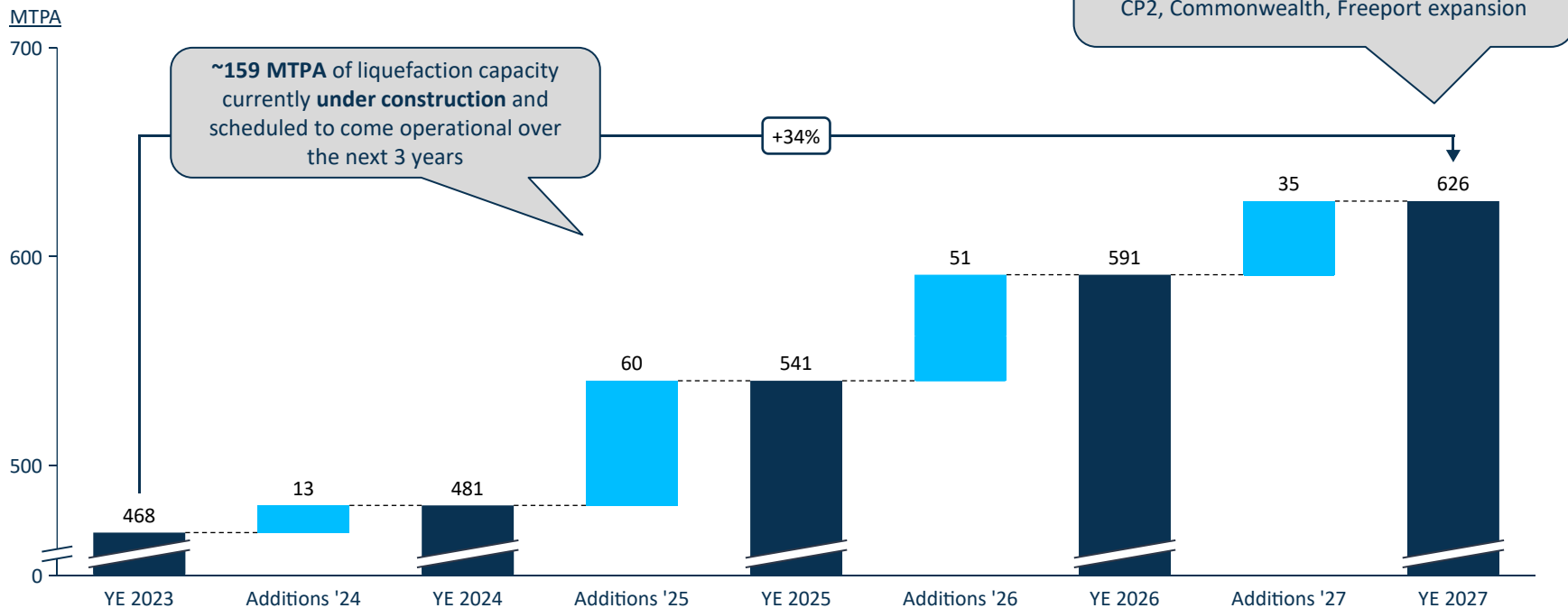


Note: 1) Excludes steam vessels with extension options, 2) As per January 2024

LNG SUPPLY TO GROW RAPIDLY FROM 2025 AND ONWARDS



Liquefaction capacity already FID'ed and under construction

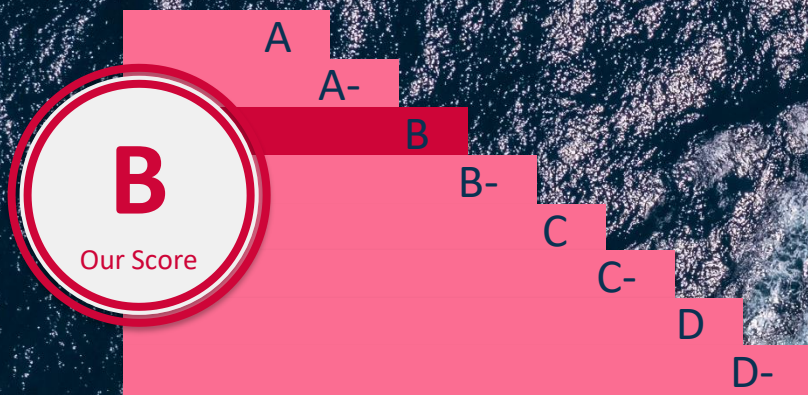




DISCLOSER

2023

Received Feb 6, 2024



FOURTH QUARTER HIGHLIGHTS



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LNG freight market seasonal weaker as end of heating season approaching
Extended Flex Resolute with supermajor from Q1-2025 to Q1-2027
Redelivery of Flex Constellation from a 3 year TC in Q1/Q2 2024

GUIDANCE

Guiding Q1-24 Time Charter Equivalent earnings of ~\$75,000-80,000/day
Guiding Q1-24 Revenues and adj. EBITDA of ~\$90m and ~\$70m respectively
Expect to dry-dock Flex Constellation end-Q1 and Flex Courageous in Q2

DIVIDEND

Declaring dividend of \$0.75 per share for the fourth quarter
Dividend for full year 2023 totals \$3.125 per share
Full year 2023 dividend implies a yield of ~11%⁽²⁾



FLEX LNG

Thank you!

Q&A

