

Interim Report Presentation

Period ending September 30, 2019

November 20, 2019



FLEX LNG



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," "ANTICIPATE," "ESTIMATE," "INTEND," "PLAN," "TARGET," "PROJECT," "LIKELY," "MAY," "WILL," "WOULD," "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, 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.

FLEX LNG Q3-19: PACKED WITH HIGHLIGHTS



- Delivered Revenues of \$29.8m vs. \$19.0m for Q2-19
- Achieved Time Charter Equivalent⁽¹⁾ rate of \$58.2kpdr in line with guidance of ~\$60kpdr
- Delivered Adjusted EBITDA⁽¹⁾ of \$21.8m vs. \$11.3m for Q2-19
- Executed \$525m of loans for Flex Endeavour/Enterprise/Ranger/Courageous during Q3-19
- Secured new attractive \$629m financing for five newbuildings
- Lack of available ships in second half of 2019 has resulted in significantly higher freight rates
- Q4-19 booked with Revenue guidance of ~\$50m to ~\$55m
- Flex LNG Fleet Management received Document of Compliance (DOC) in October
- Implemented Sustainability Accounting Standards Board (SASB) reporting in relation to ESG
- Dividend of \$0.10 per share declared for Q3-19

1) Time Charter Equivalent rate and Adjusted EBITDA are non-GAAP measures. A reconciliation to the most directly comparable GAAP measure is included in the Q3-19 earnings report

SHIP MANAGEMENT BROUGHT IN-HOUSE



- According to schedule, Flex LNG Fleet Management AS received Document of Compliance on October 17, 2019
- A team of experience technical personnel have been recruited to fill key roles in new management company
- Bernhard Schulte Shipmanagement, which has delivered high quality service with zero LTIF/TRCF, will continue to provide crewing, procurement, IT, HSEQ etc.
- Why we bring fleet management in-house:
 - LNG is complex and mission critical
 - Business driven
 - Long-term perspective of assets and total cost of ownership
- Should make Flex LNG a more attractive partner for long-term charters according to strategy of incrementally increasing backlog as fleet of ships on water is growing



Flex LNG Fleet Management AS

IMPLEMENTING SASB ESG REPORTING






- Flex LNG has implemented the Sustainability Accounting Standards Board (SASB) guidelines and will publish a yearly ESG report based on this framework. The report includes information about:

-  Environmental Footprint of Fuel Use
-  Ecological Impacts
-  Business Ethics
-  Health & Safety



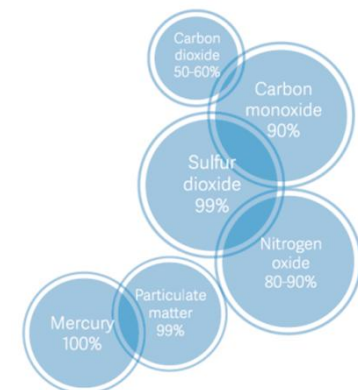
- The ESG report also includes valuable information about our commitment to the UN's Sustainable Development Goals:

-  Good Health and Well-Being
-  Life Below Water
-  Peace, Justice and Strong Institutions



- The ESG report can be found on www.flexlng.com/ESG

Estimated emission reduction vs. coal⁽¹⁾



1) Source: : Texas A&M University

\$629,000,000 FINANCING SECURED FOR 2020 NEWBUILDINGS



ECA lender/guarantor:



ECA Coordinator:



Facility Agent:



- \$629m attractive debt financing secured for five newbuildings delivering in 2020
 - Korea Eximbank (KEXIM) to provide \$379m in direct loans and guarantees
 - Commercial banks to provide \$250m loan
 - Accordion up-size option of up to \$50m (\$10m per vessel) in case of long-term charter⁽¹⁾
- \$379m KEXIM commitment is for up to 12 years⁽²⁾
- Commercial bank loan tenor of 5 years from final drawdown, expected November 2020
- Average repayment profile of 20 years for facilities
- Average margin⁽³⁾ ~2.2% p.a. above LIBOR, i.e. all-in interest cost of ~4% p.a.
- Attractive cash breakeven level of ~\$43,000/day per vessel⁽⁴⁾
- No requirement for firm employment and financial covenants linked to balance sheet:
 - Book equity > 25%; Min available liquidity > \$25m & > 5% NIBD; positive consolidated working capital
- Financing subject to final documentation and customary closing conditions expected to be fulfilled prior to delivery of newbuildings



1) Accordion is uncommitted and subject to acceptable TCP and credit approval by banks

2) According to OECD framework for ECA financing with profile 12 years. Tenor is subject to rollover of commercial bank loan at acceptable terms, otherwise maturity at same time as commercial bank loan

3) Including KEXIM guarantee premium

4) Based on 5-year interest rate swap of 1.70% p.a. and vessel operating expense of \$13,000 per day, excluding general admin costs

ATTRACTIVE LONG-TERM FINANCING SECURED



Endeavour/Enterprise - \$300m Sale and Charterback

- 10-year sale and charterback transaction maturing July 2029
- All-in cost of ~6% p.a.
- 20 year annuity style repayment profile (21.5 years age-adjusted)

Rainbow - \$157.5m Sale and Leaseback

- 10-year sale and leaseback transaction maturing July 2028
- Interest at LIBOR + 3.50% p.a.
- 20 year repayment profile

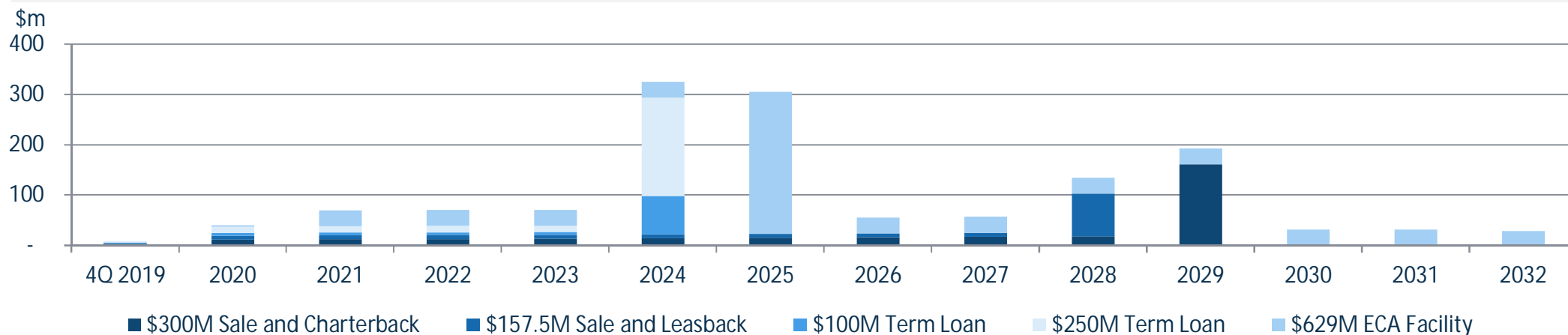
Constellation/Courageous - \$250m Term Loan Facility

- Five-year bank facility maturing August 2024
- Interest at LIBOR + 2.35% p.a.
- 20 year repayment profile

Ranger - \$100m Term Loan and Revolving Credit Facility

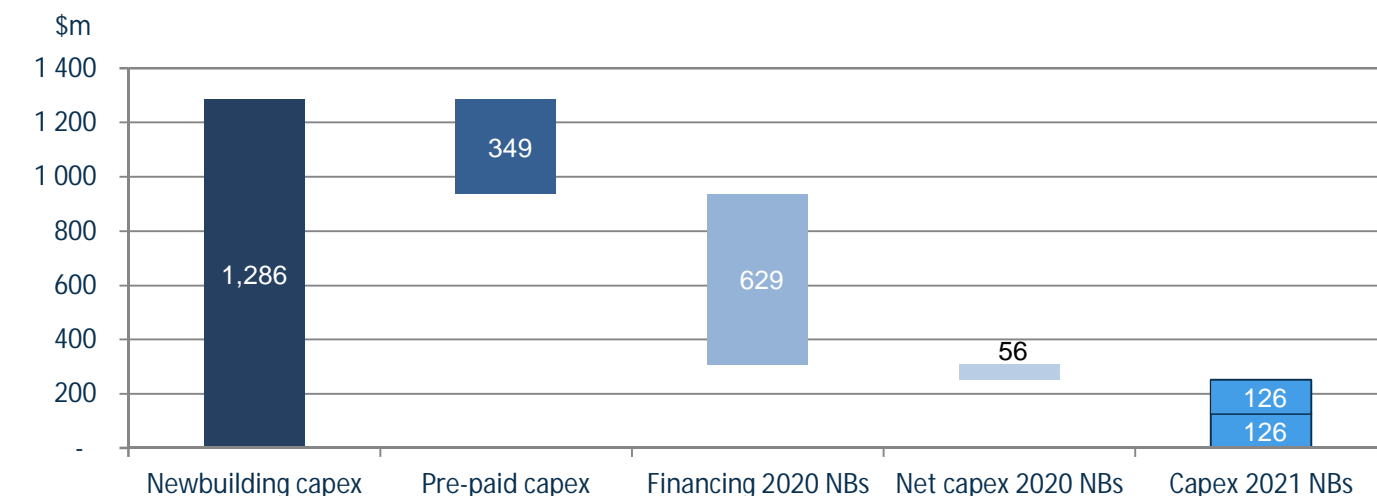
- Five-year bank facility maturing July 2024
- Interest at LIBOR + 2.25% p.a.
- 17.9 year repayment profile (19 years age-adjusted)

Amortization Schedule⁽¹⁾



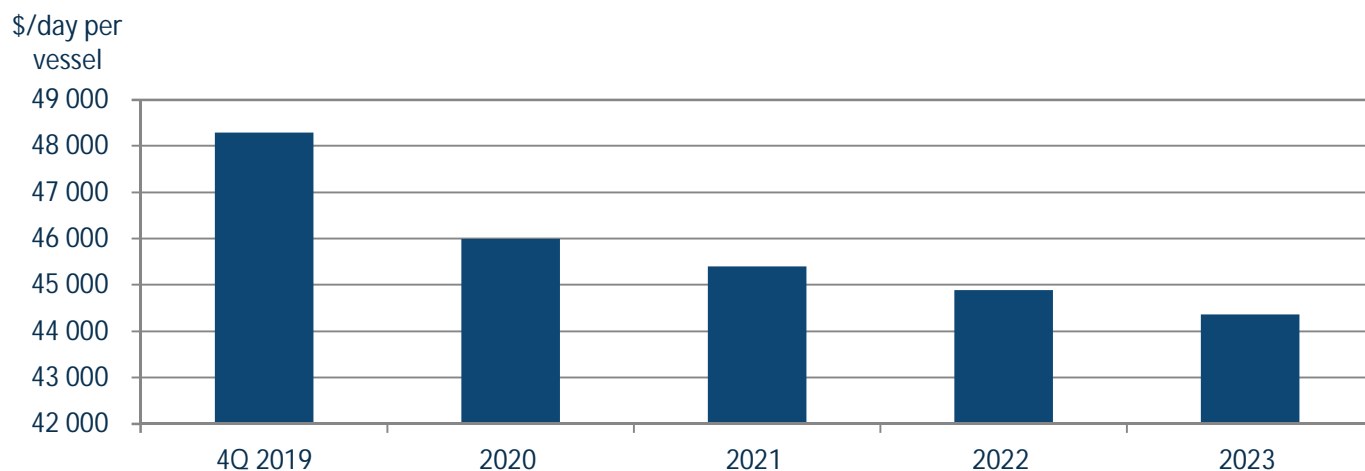
1) Assumes \$50m revolving facility under \$100m term loan fully drawn. The \$629m ECA facility remains subject final documentation and customary closing conditions. Repayment schedule for \$629m ECA facility based on scheduled delivery dates for the five newbuildings. The 12-year ECA tranche under the \$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.

LIMITED REMAINING CAPEX AND ATTRACTIVE CASH BREAK-EVEN LEVELS



Limited remaining capex⁽¹⁾

- Remaining capex of \$126m per vessel for Flex Vigilant and Flex Volunteer scheduled for delivery in 2021
- In line with recent bank financings and well below Hyundai Glovis sale and charterback of \$150m per vessel



Attractive cash breakeven levels⁽²⁾

- Cash breakeven level projected to decline over next years due to attractive terms on recent financings, reduced leverage and lower interest expenses

1) The \$629m ECA facility for the 2020 newbuildings remains subject final documentation and customary closing conditions.

2) Based on 5-year interest rate swap of 1.70% p.a., vessel operating expense of \$13,000 per day and scheduled delivery of 2020 newbuildings. Excluding general admin expenses.

INCOME STATEMENT



Unaudited Figures in thousand of \$	Three months ended	
	Sept 30, 2019	Jun 30, 2019
Vessel operating revenues	29,814	19,018
Voyage expenses	-994	-1,113
Vessel operating expenses	-4,618	-5,165
Administrative expenses	-2,286	-1,506
Depreciation	-7,840	-6,308
Operating income/(loss)	14,076	4,926
Finance income	264	204
Interest expense	-9,437	-6,853
(Loss)/gain on derivatives	-915	-2,229
Write-off of debt issuance costs	-3,388	-
Other financial items	-133	33
Income/(loss) before tax	467	-3,919
Income tax credit/(expense)	1	-
Net income/(loss)	468	-3,919

- Revenues of \$29.8m vs. \$19.0m for Q2-19
- Adjusted EBITDA⁽¹⁾ of \$21.8m vs. \$11.3m for Q2-19
- Administrative expenses impacted by costs associated with NYSE listing and establishment of in-house technical ship management
- Increase in interest expense due to drawdown of \$250m facility for Flex Constellation and Flex Courageous in June and August, respectively, and increased leverage on Flex Endeavour and Flex Enterprise following closing of \$300m Hyundai Glovis sale and charterback in July
- Unrealized non-cash loss on interest rate swaps of \$0.9m in Q3-19 compared to \$2.2m in Q2-19
- Non-cash write-off of debt issuance cost of \$3.4m relating to re-financing of \$315m facility

1) Adjusted EBITDA is a non-GAAP measure. A reconciliation to the most directly comparable GAAP measure is included in the Q3-19 earnings report

BALANCE SHEET



Unaudited Figures in thousand of \$	Sept 30, 2019	Jun 30, 2019
Assets		
Current assets		
Cash, restricted cash and cash equivalents	56,554	26,444
Other current assets	16,570	9,899
Non-current assets		
Vessels and equipment	1,155,835	982,459
Other fixed assets	5	5
Vessel purchase prepayment	349,472	385,472
Derivative instruments receivable	269	-
Total Assets	1,578,705	1,404,279
Liabilities and Equity		
Current liabilities		
Current portion of long-term debt	34,261	29,996
Derivative instruments payable	3,521	2,257
Other current liabilities	17,272	15,107
Non-current liabilities		
Long-term debt	702,893	536,762
Other non-current liabilities	3	1
Total equity	820,755	820,156
Total Equity and Liabilities	1,578,705	1,404,279

- Assets consist of six vessels in operation and seven newbuildings under construction as per Sep 30, 2019
- Increase in Vessels and equipment due to delivery of Flex Courageous
- Vessel purchase prepayments of \$349.5m relates to remaining seven newbuildings
- Total interest bearing debt of \$737.2m, of which \$34.3m is due next 12 months
- Solid liquidity situation quarter end:
 - \$56.5m free cash
 - \$50m available RCF under \$100m facility
 - \$270m available under Sterna RCF
- Equity ratio of 52%

CASHFLOW



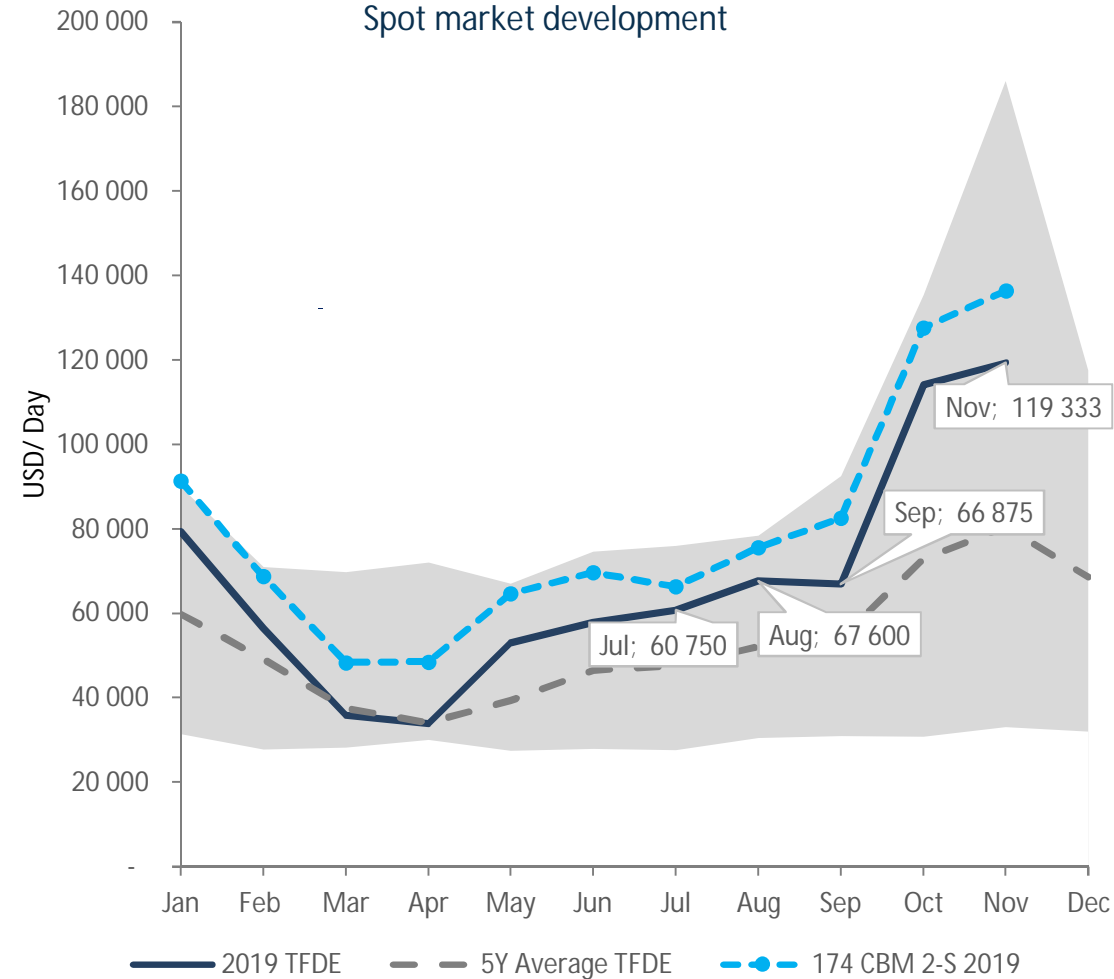
Unaudited Figures in thousand of \$	Three months ended	
	Sept 30, 2019	Jun 30, 2019
Net income/(loss)	468	-3,919
Working capital adjustments	-4,506	4,685
Other non-cash items	12,461	8,612
Net cash flow from operating activities	8,423	9,378
Purchase of other fixed assets	-3	-
Newbuilding capex	-145,214	-146,199
Net cash flow used in investing activities	-145,217	-146,199
Repayment of long-term debt	-9,078	-5,906
Repayment of revolving credit facility	-50,000	-
Prepayment of long-term debt	-294,000	-
Proceeds from long-term debt	525,000	123,537
Financing costs	-5,014	-
Other	-4	18
Net cash flow from financing activities	166,904	117,649
Net cash flow	30,110	-19,172
Cash balance at the beginning of period	26,444	45,616
Cash balance at the end of period	56,554	26,444

- Net cash flow from operating activities of \$8.4m
- Newbuilding capex of \$145.2m relates to final payment upon delivery of Flex Courageous
- Prepayment of long-term debt relates to \$315m facility
- Proceeds from long-term debt:
 - \$125m drawdown Flex Courageous
 - \$300m from Hyundai Glovis SCB
 - \$100m from refinancing Flex Ranger

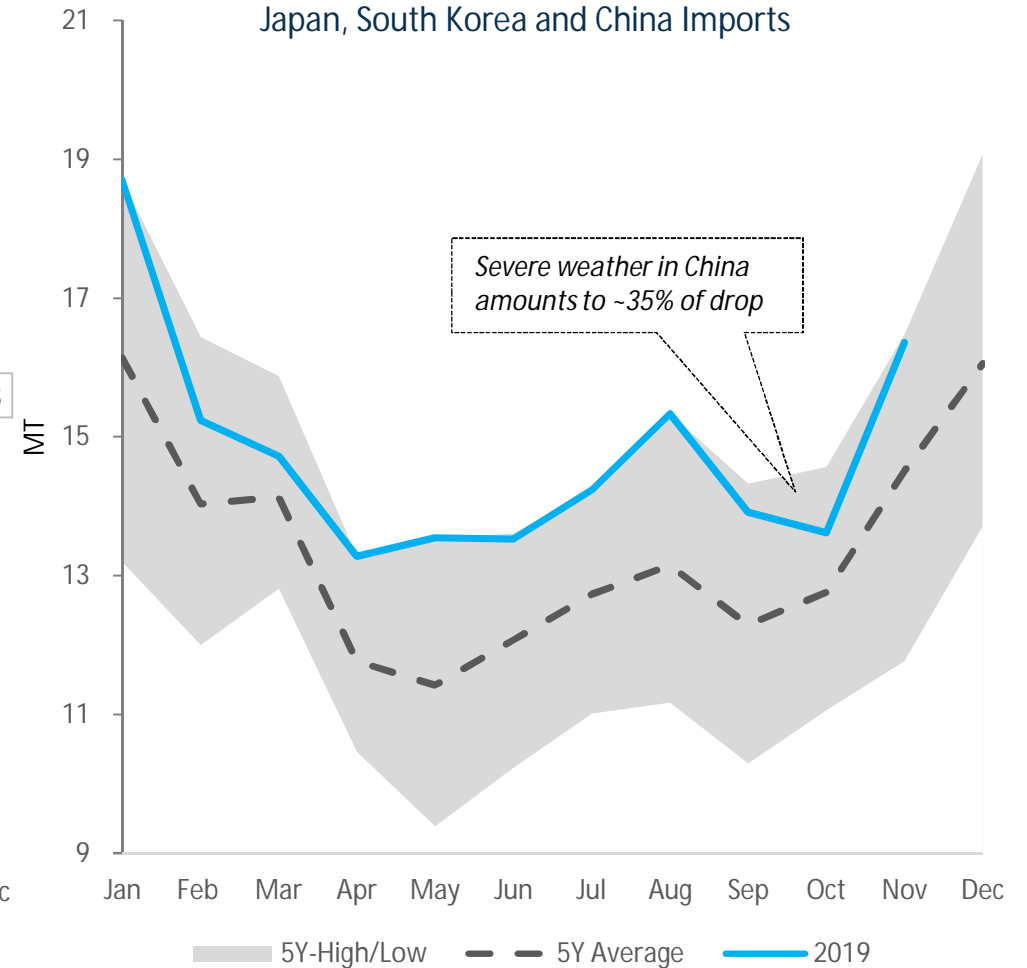
DÉJÀ VU IN FREIGHT MARKET



Spot market development



Japan, South Korea and China Imports

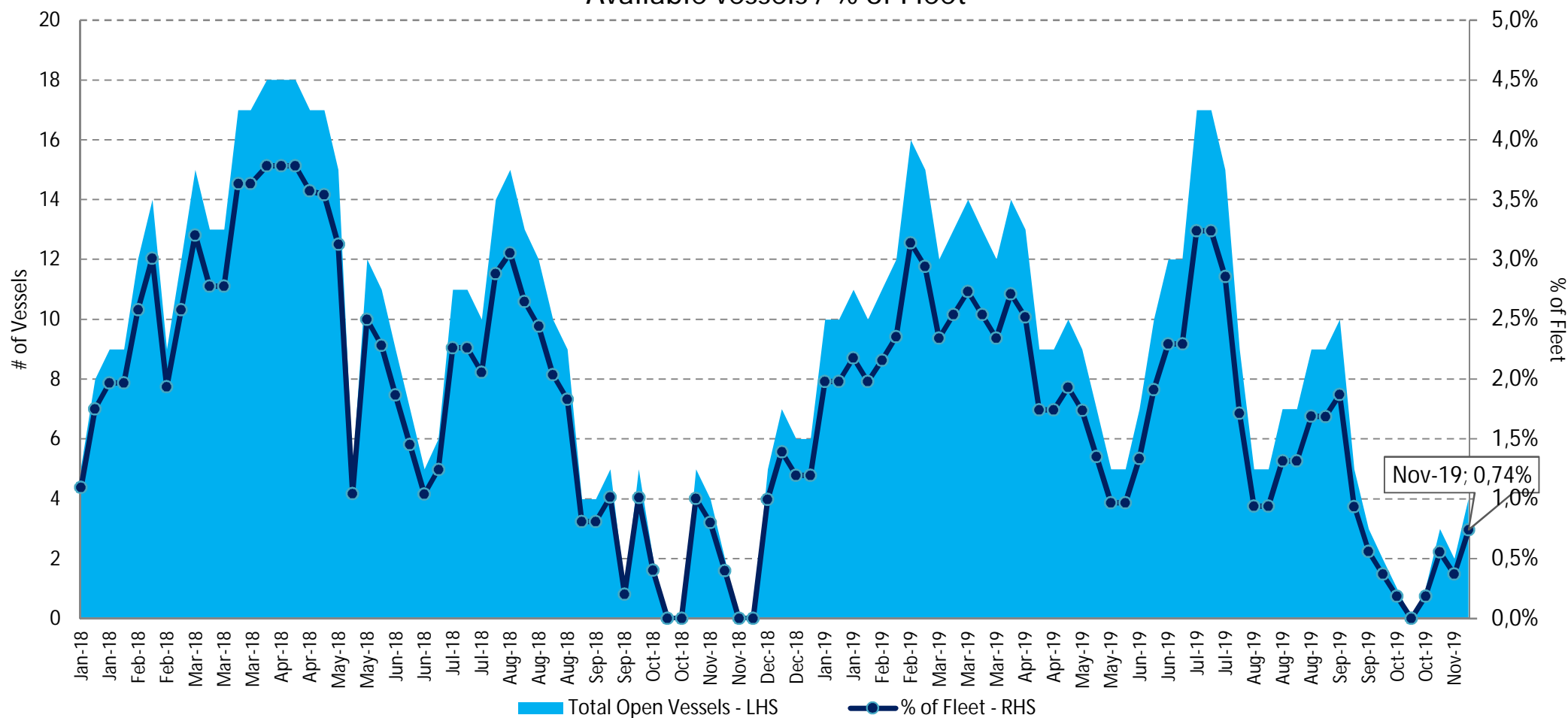


1) Source: Clarkson SIN, KPLER

LACK OF AVAILABLE SHIPS DRIVING RATES



Available vessels / % of Fleet

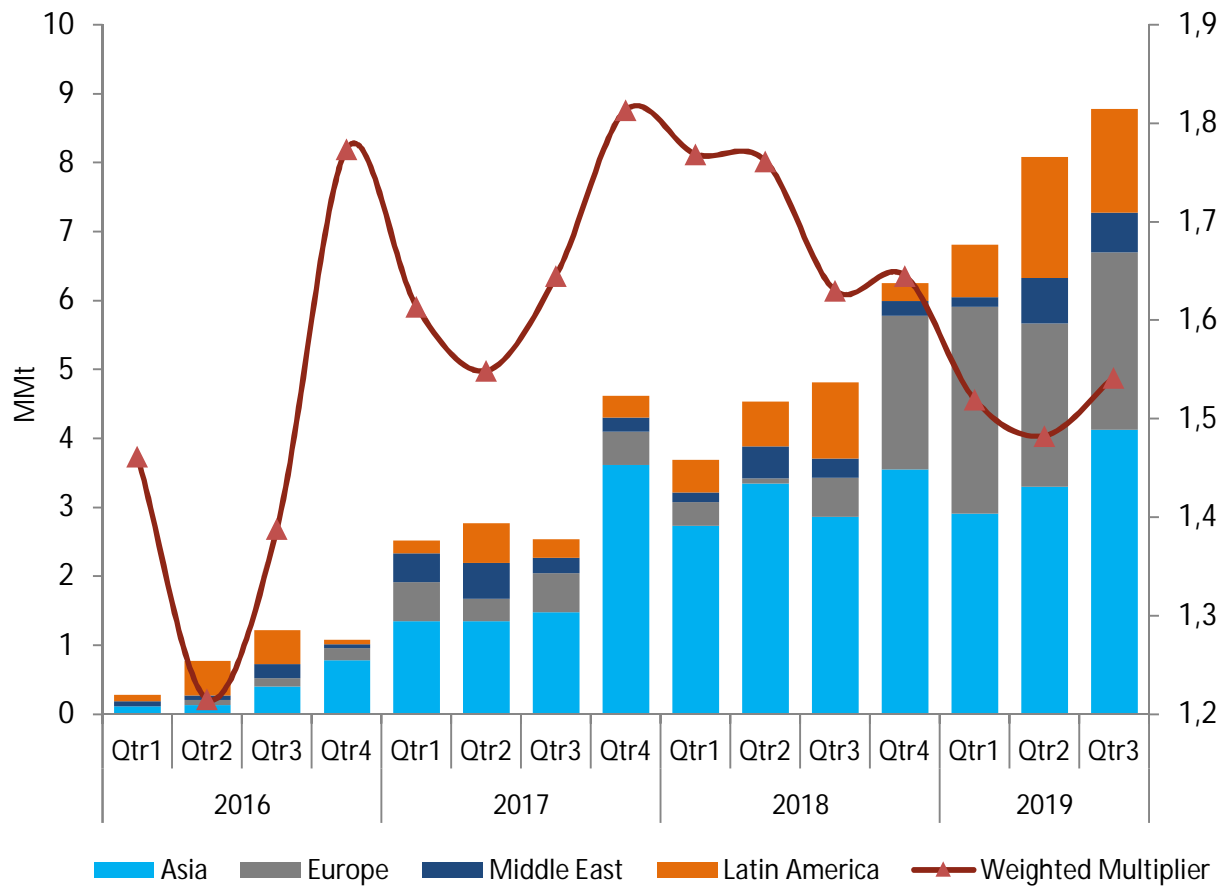


1) Source: Affinity, Clarksons

MORE CARGOES GOING EAST AGAIN

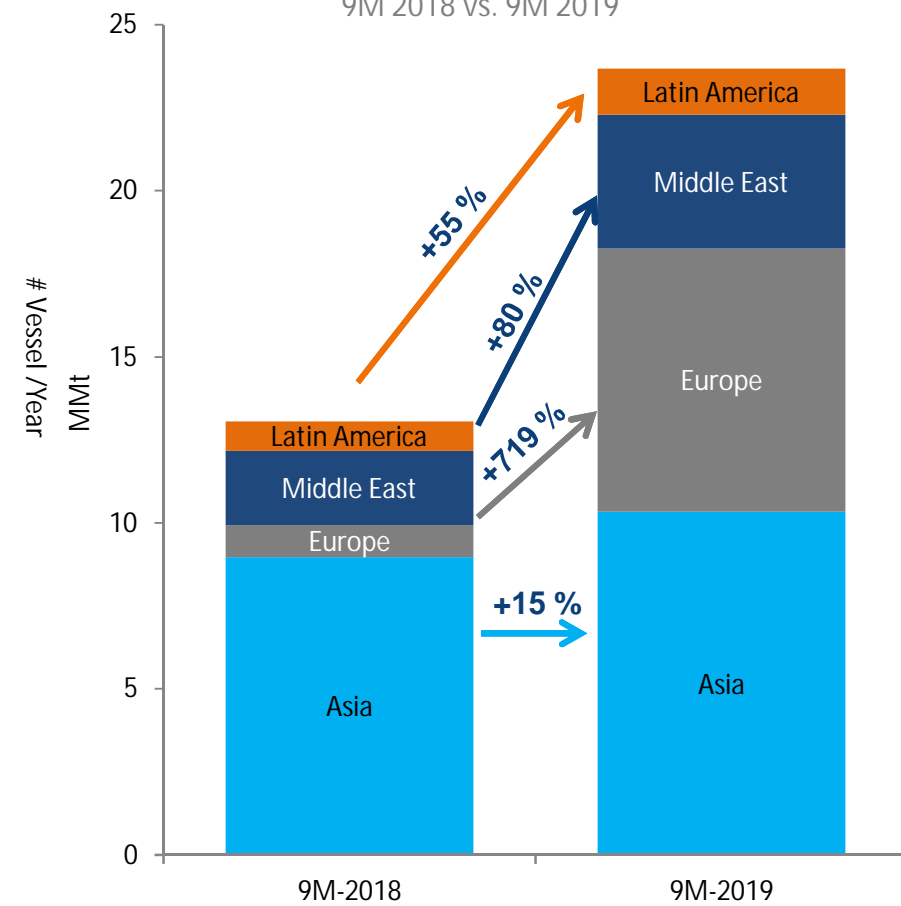


Current trading pattern affects vessel multiplier

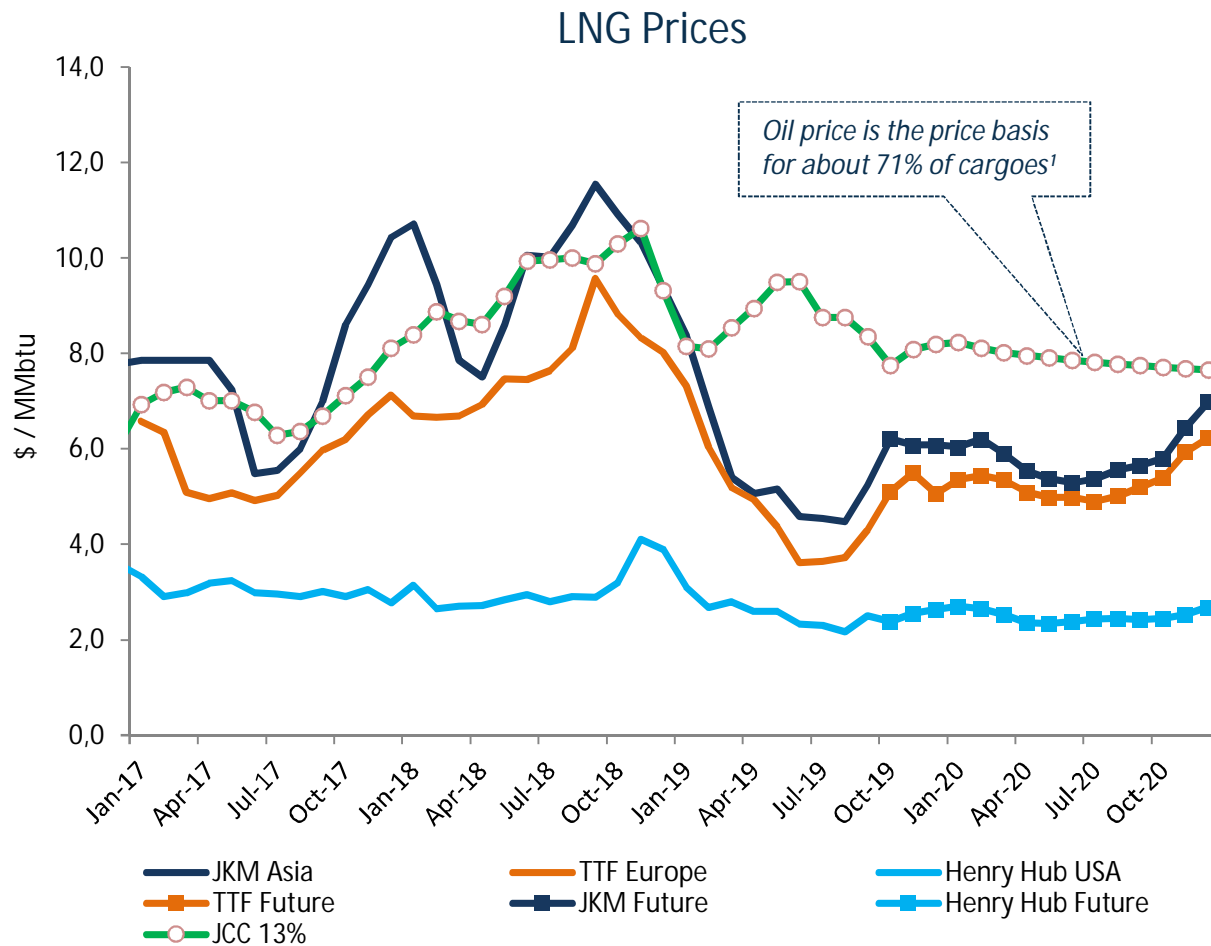


US Exports by Region

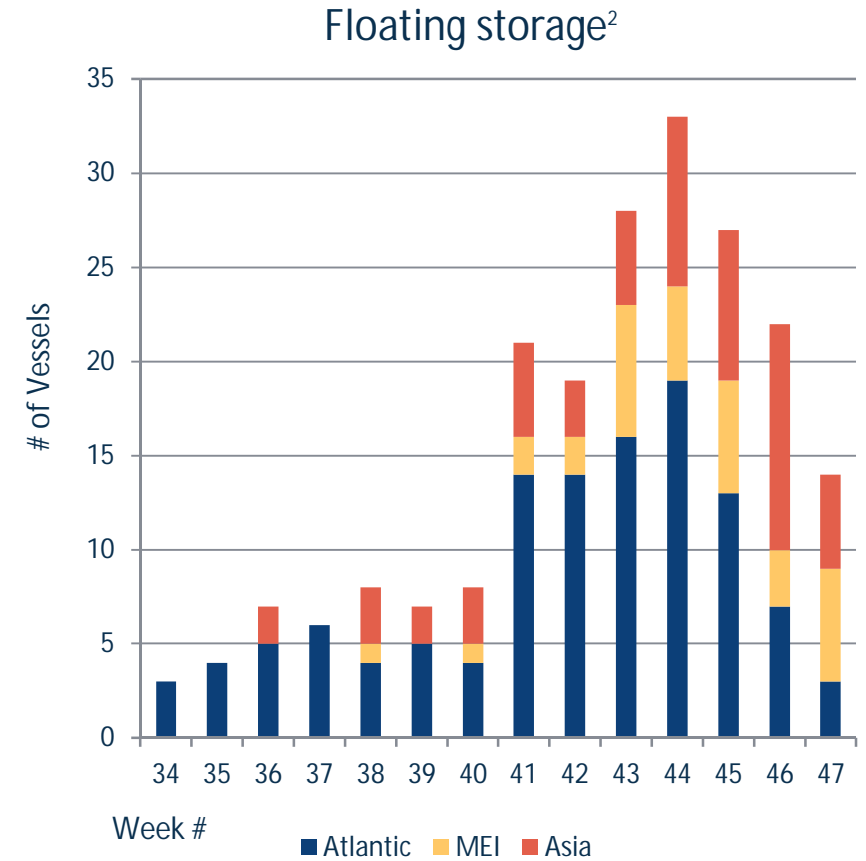
9M 2018 vs. 9M 2019



RETURN OF FLOATING STORAGE



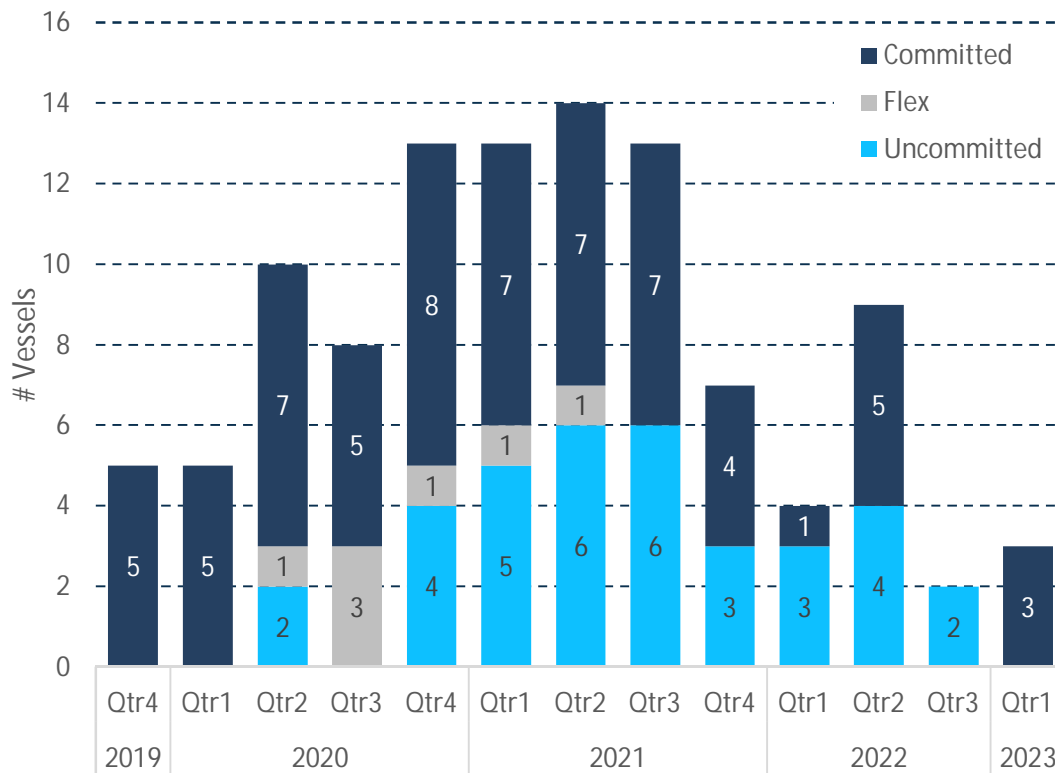
1) Source: Bloomberg, CME, Poten
2) Source: KPLER



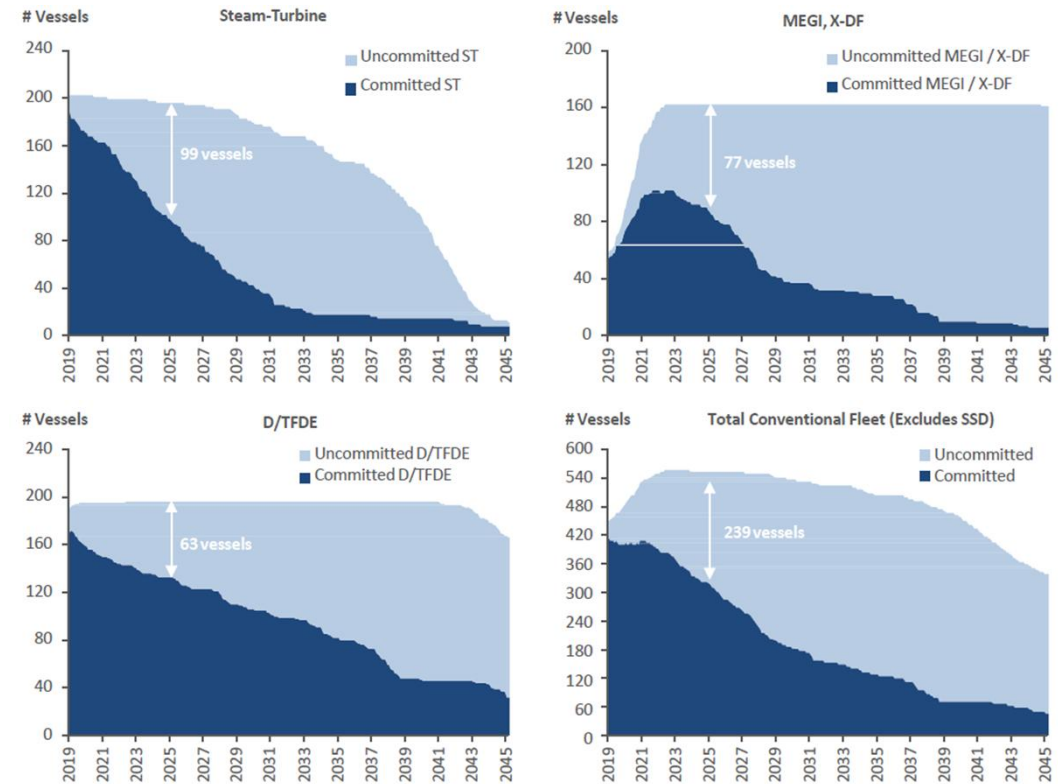
COMPETITIVE NEWBUILDING SLOTS



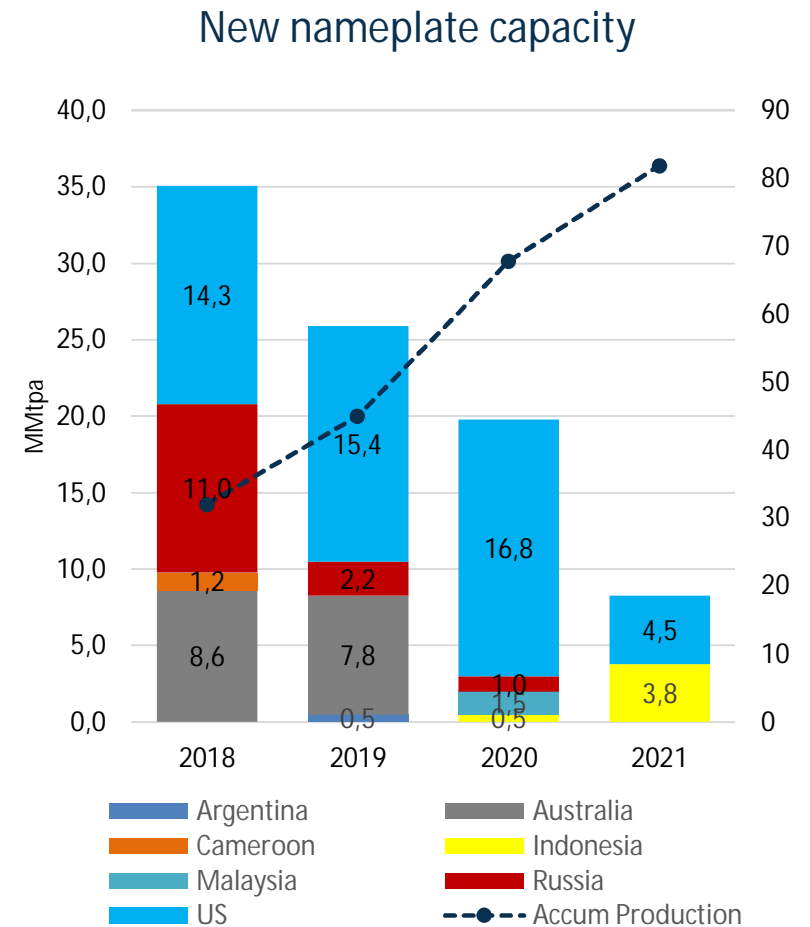
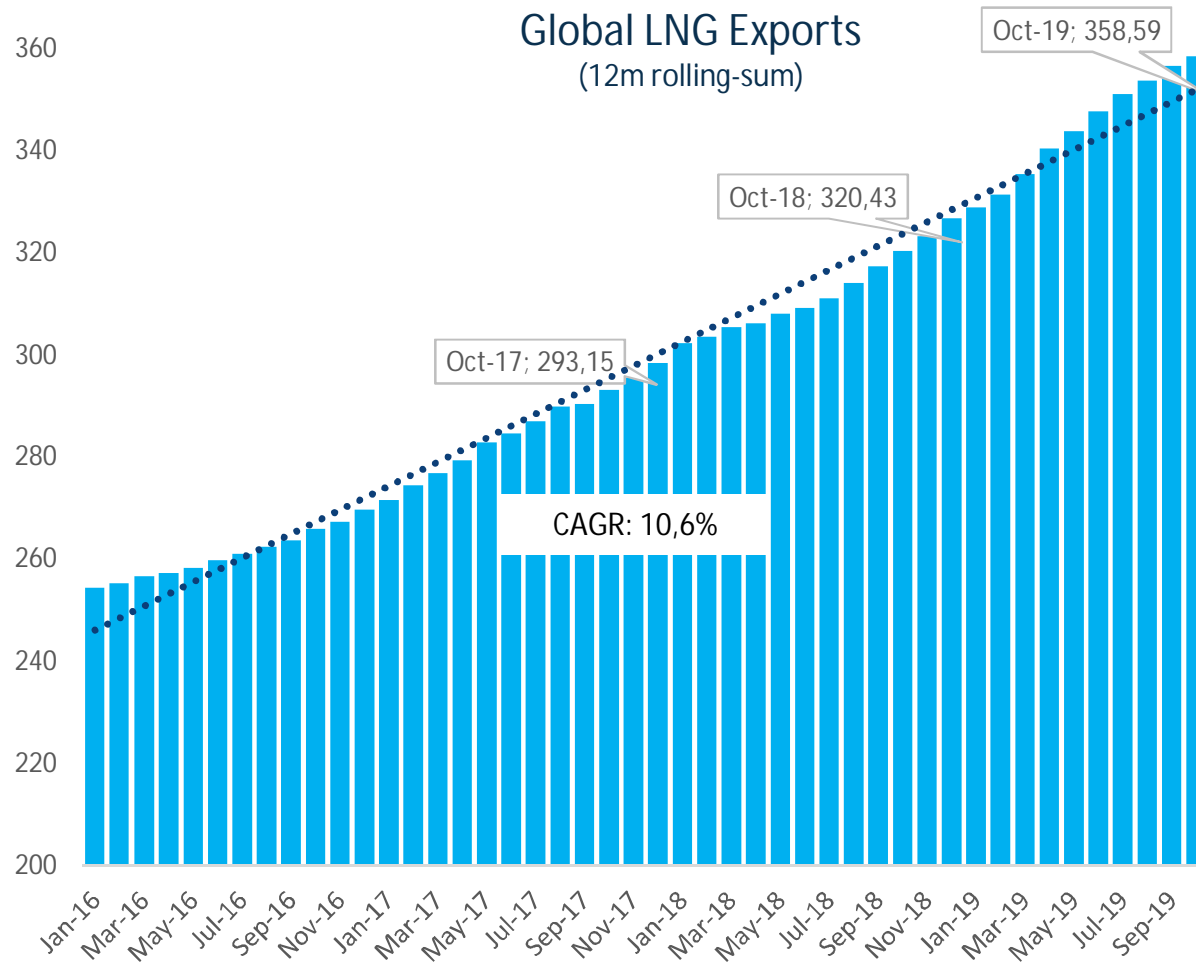
Order book for large LNG Carriers



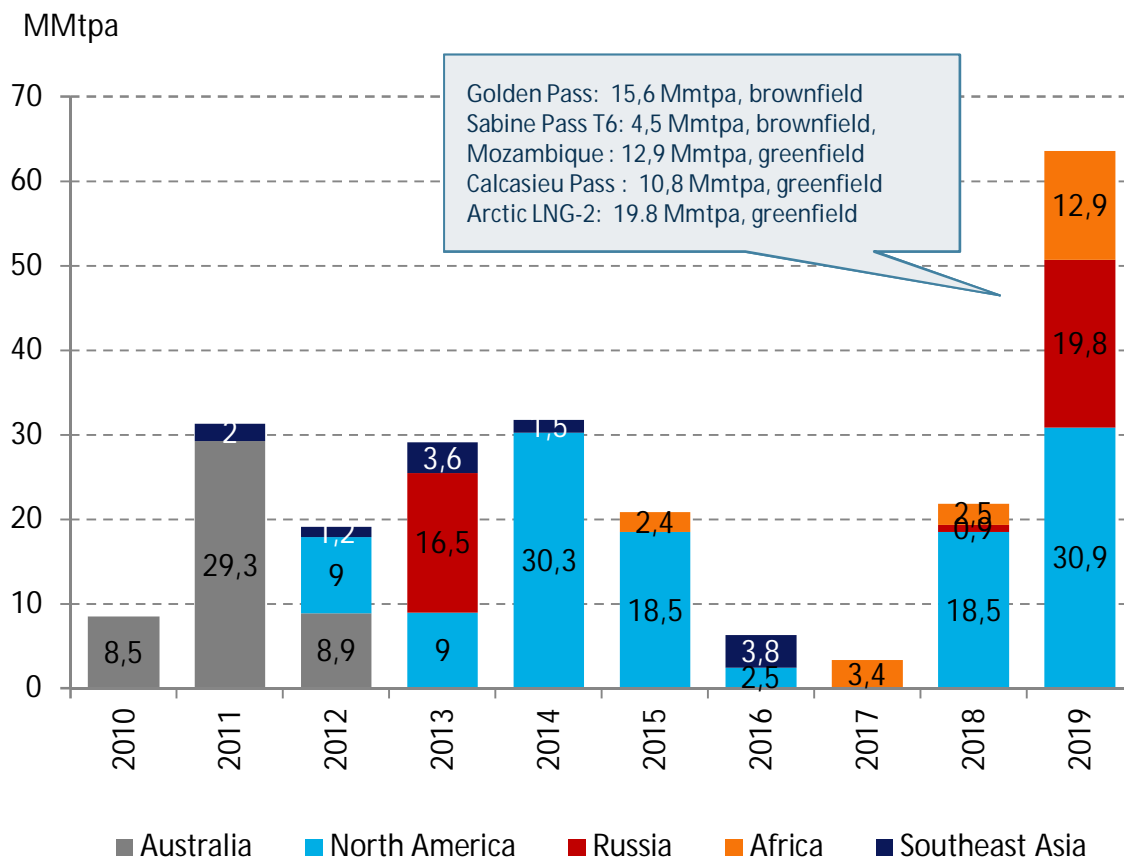
New ships will replace old ships



LNG VOLUMES GROWING AS EXPECTED



RECORD NUMBER OF NEW VOLUMES SANCTIONED

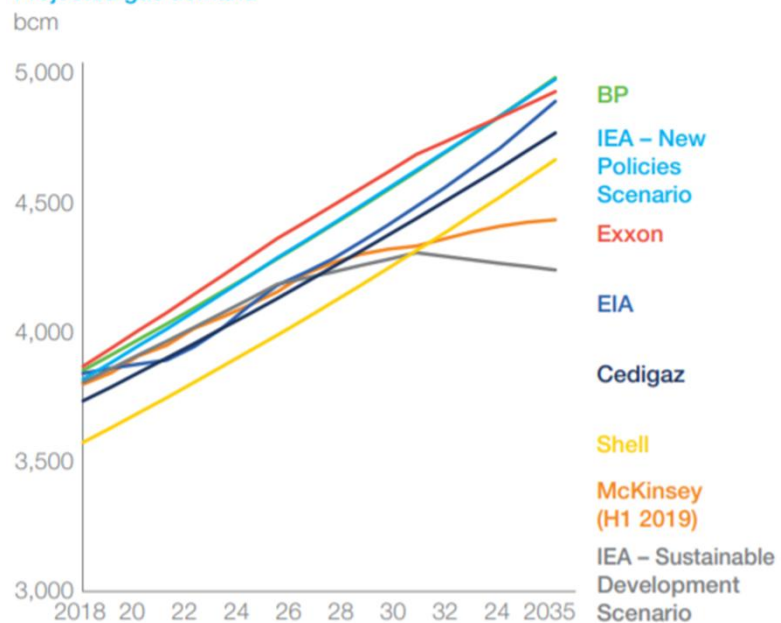


Likely FIDs	Country	Volume (Mmtpa)	Time
Woodfibre LNG		2.1	2019
Rovuma LNG		15.2	2020
Qatargas expansion		33	2020
Pluto Train 2		5	2020
Energia Costa Azul I		3.3	2020
Driftwood LNG Phase 1		16.6	2020
Nigeria LNG Train 7		7.7	2020
PNG T3/Papua LNG		8	2020
Total FID volumes		90.9	

COMPELLING LONG-TERM OUTLOOK

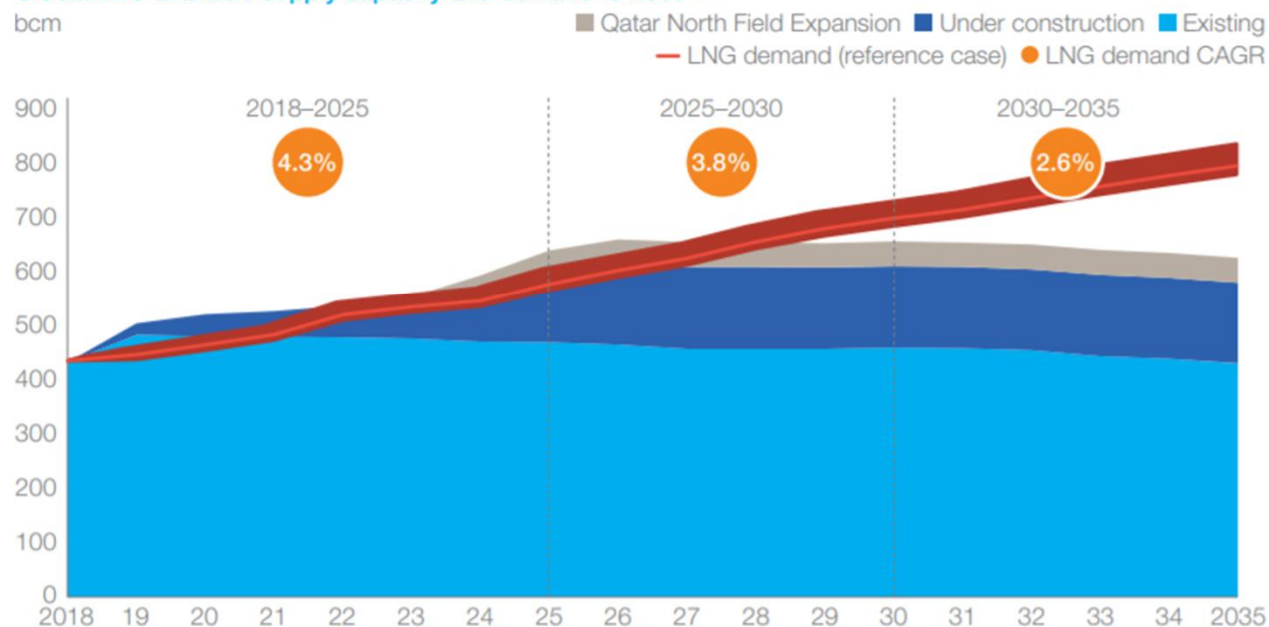


Projected gas demand



CAGR
2018–35, %

Global LNG available supply capacity and demand to 2035^{1,2}



1) Source: McKinsey

SUMMARY



- Significantly improved market conditions impacting financial results positively
- Attractive long-term financing secured for five of remaining seven newbuildings
- Very strong capitalization, liquidity position and track record on raising attractive financing
- In-house technical ship management in place according to plan
- Dividend of \$0.10 per share declared for Q3-19





FLEX LNG



FLNG
LISTED
NYSE

FLNG
LISTED
OSLO