



FLEX LNG



Arctic Securities presentation

August 26, 2020

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, 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.



Commercial

- Weak spot market in Q2/Q3 due to Covid-19 affecting demand
- 100% technical availability of ships despite pandemic
- TCE⁽¹⁾ of \$47kpdr in Q2 in line with guidance (TCE of \$57kpdr in H1-20)

Finance

- Adj. net loss⁽¹⁾ of \$0.7m in Q2 (adj. net income of \$8.6m in H1-20)
- \$920m debt secured for newbuilds with \$937m remaining capex
- Free cash at end Q2 of \$116m

Outlook

- Secured employment for Flex Aurora/Artemis/Resolute/Amber
- Higher Q3 revenues due to newbuilds, expect similar TCE in Q3 as Q2⁽²⁾
- Spot market improving from August ahead of winter season

1) TCE rate and Adjusted net income/(loss) are non-GAAP measures. A reconciliation to the most directly comparable GAAP measure is included in the Q2-20 earnings report

2) Subject normal operation and up-time on vessels

BALANCED CONTRACT PORTFOLIO



Fixed hire TCs

- Flex Ranger
- Flex Aurora
- Flex Resolute

Variable hire TCs

- Flex Enterprise
- Flex Rainbow
- Flex Artemis
- Flex Amber

Spot market

- Flex Endeavour
- Flex Constellation
- Flex Courageous

Newbuildings

- Flex Freedom
- Flex Volunteer
- Flex Vigilant

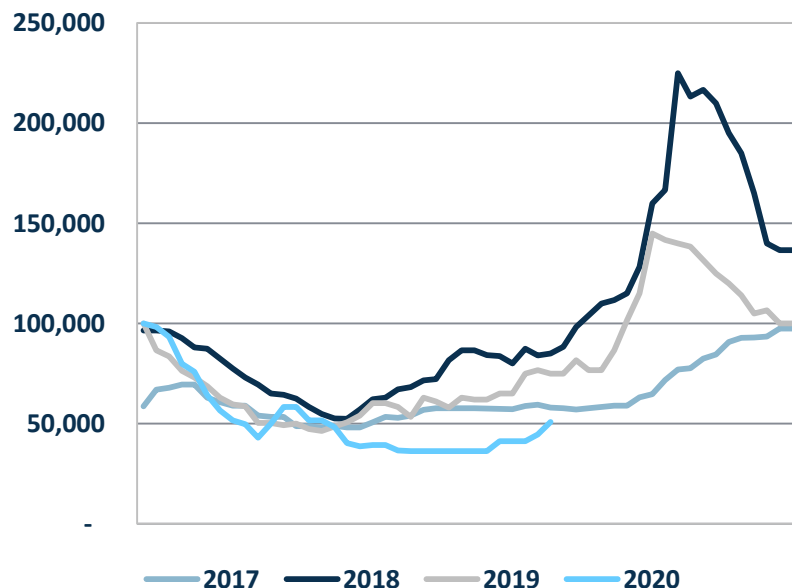
94% of available days in Q3 booked⁽¹⁾

1) Subject normal operation and up-time on vessels

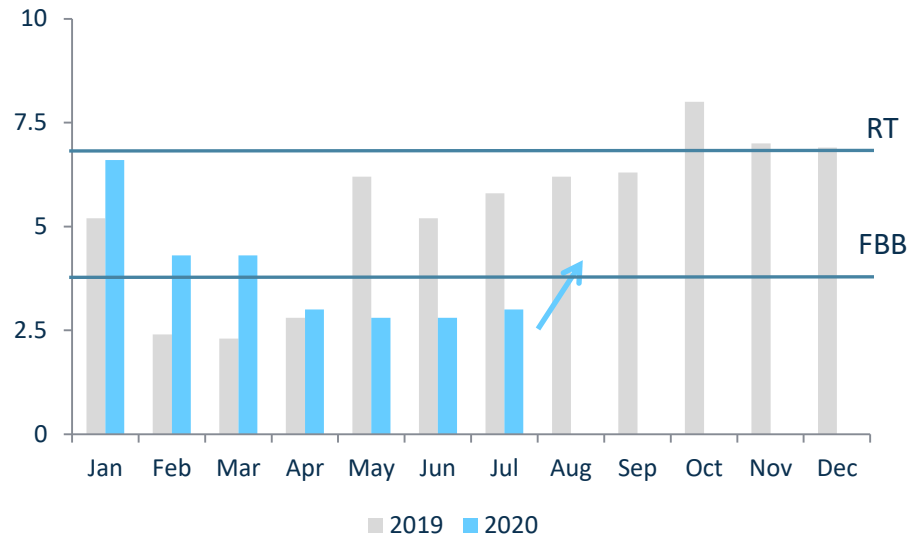
SPOT MARKET REVIEW



Spot LNGC headline freight rates per day (MEGI/XDF)



Ballast bonus conditions

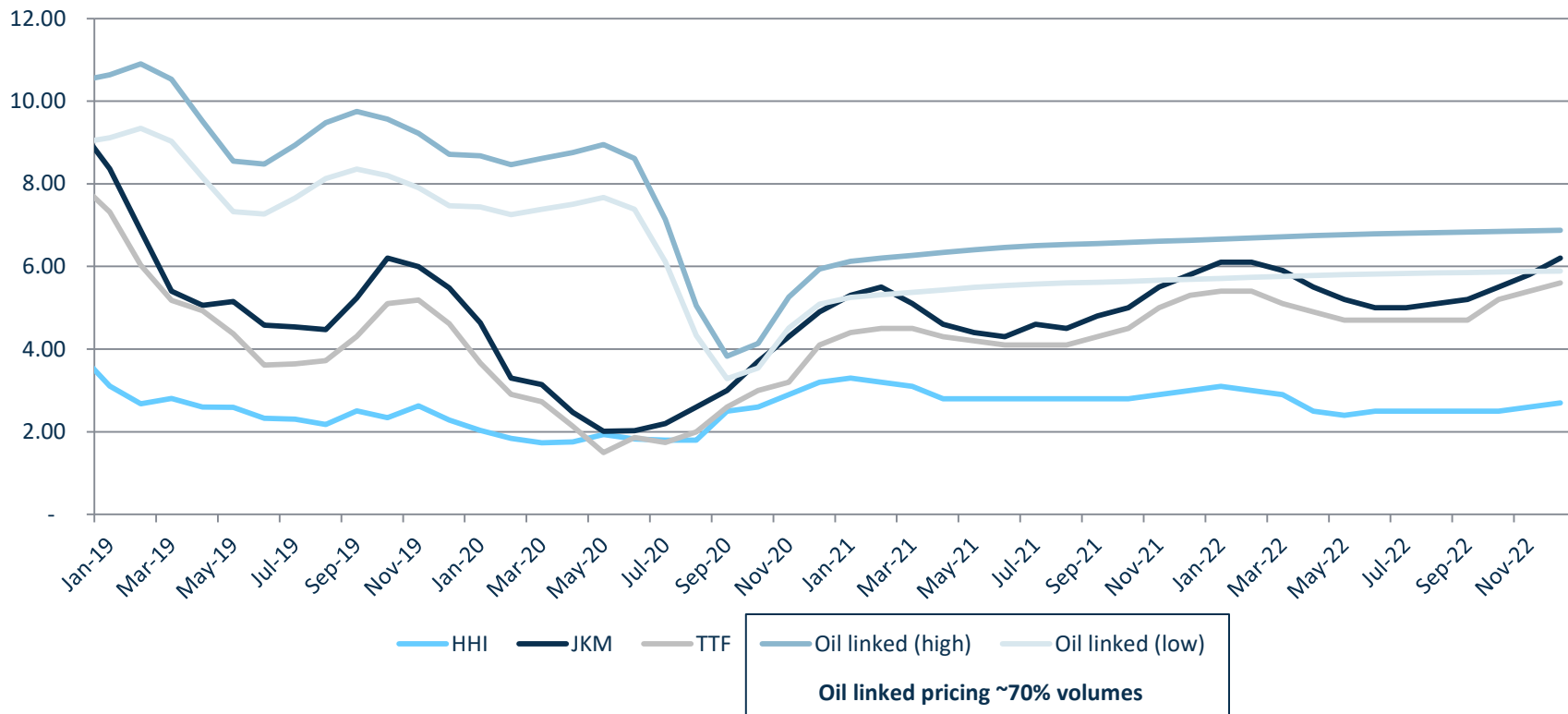


Very weak ballast bonus conditions in April- July, but sharp improvement in ballast bonus conditions during August

GLOBAL GAS PRICES RECOVERED FROM SUMMER LOWS



\$/Mmbtu



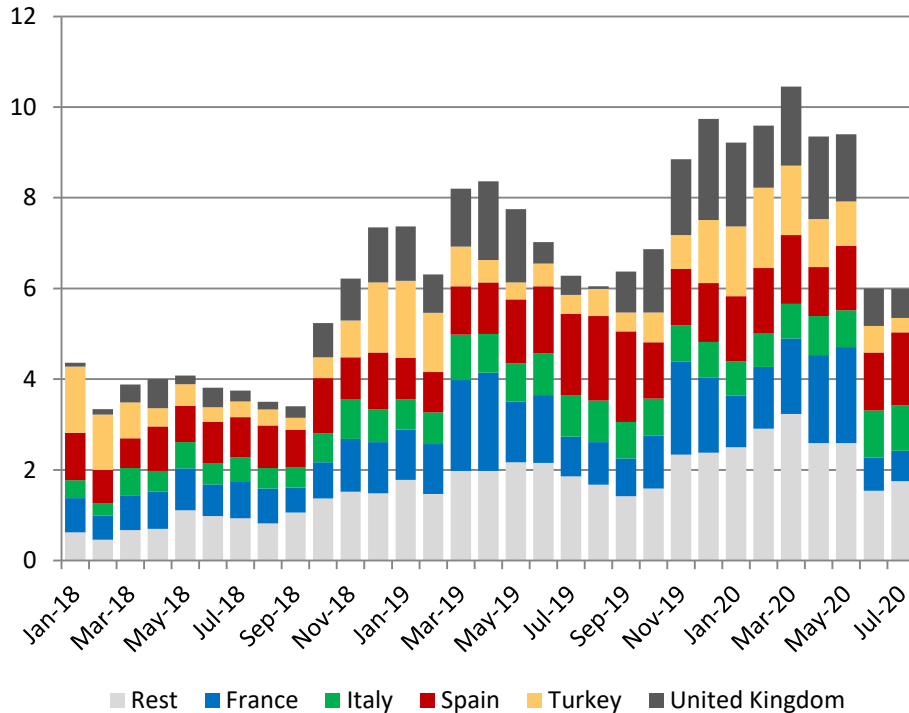
1) Source: CME, Energy Aspect, IGU

2) Oil linked (high) is 331 formula with 14% Brent slope while oil price (low) is 331 formula with 12% Brent slope

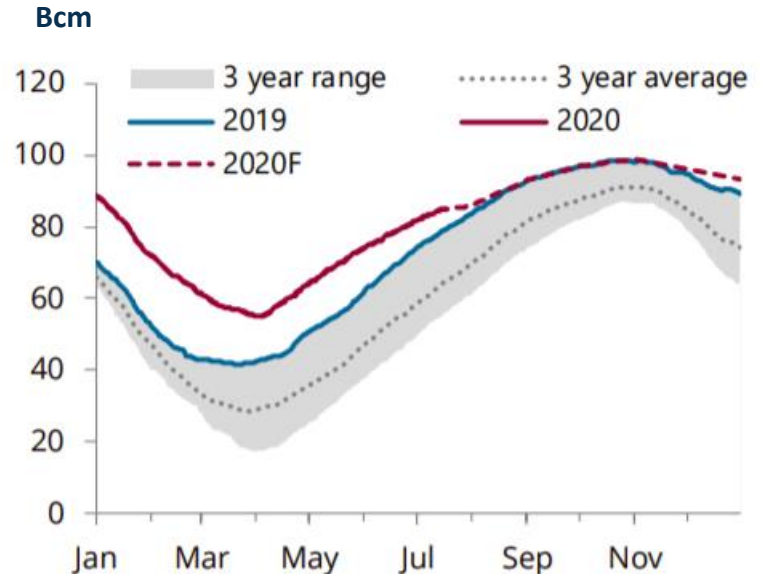
EUROPEAN IMPORTS UP BY ABOUT 9MT (16%)



Monthly European LNG imports (MT)

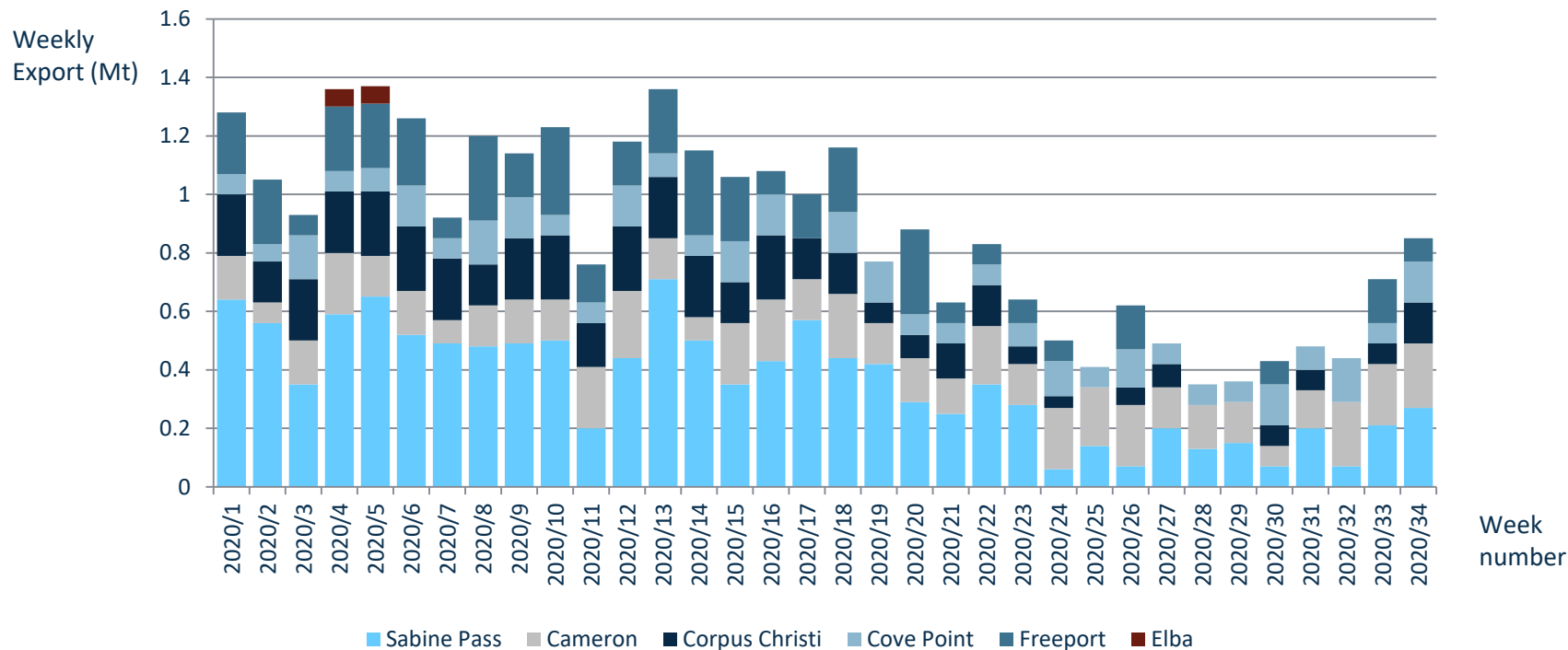


European inventory levels stabilizing

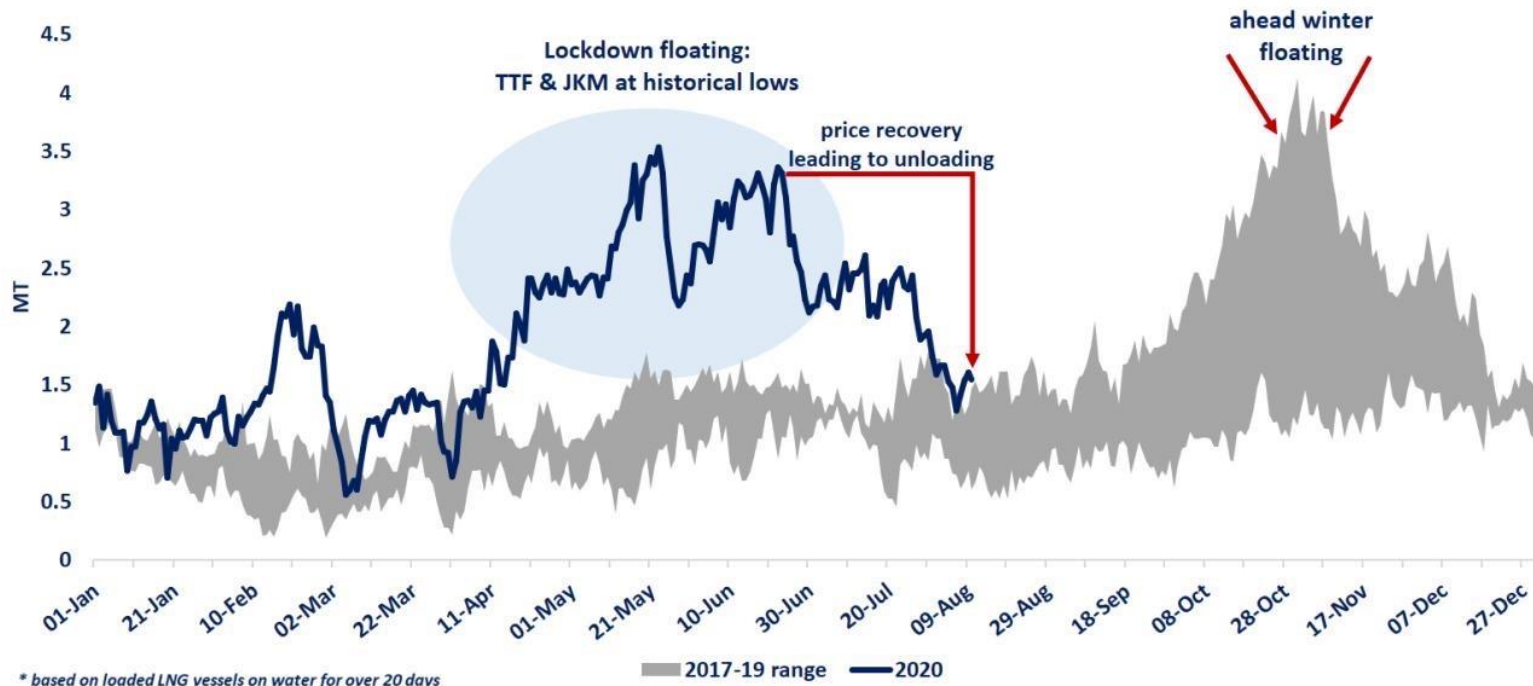


Pipeline gas imports in Europe during H1 was down ~22mt

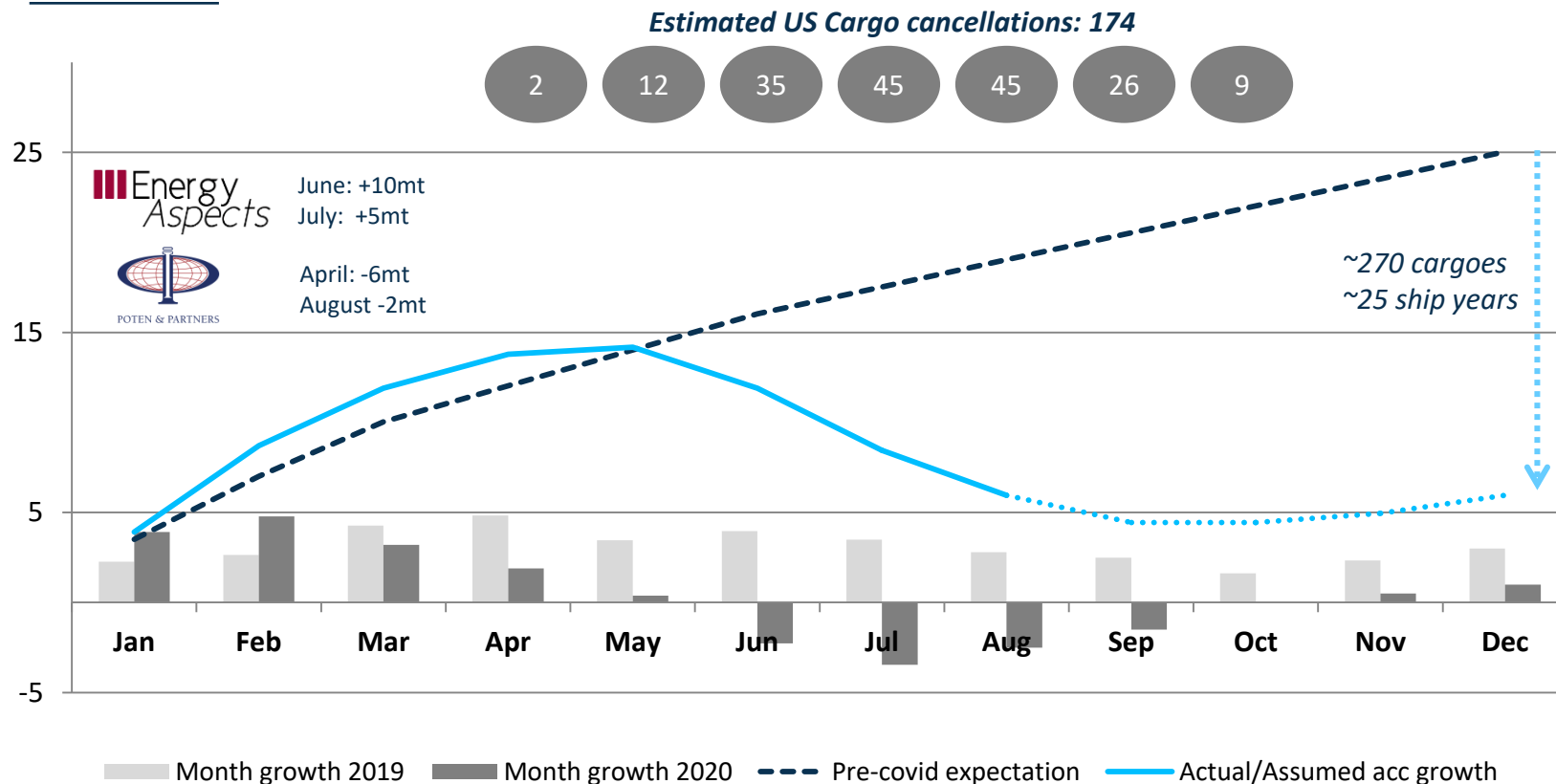
US EXPORTS REBOUNDED



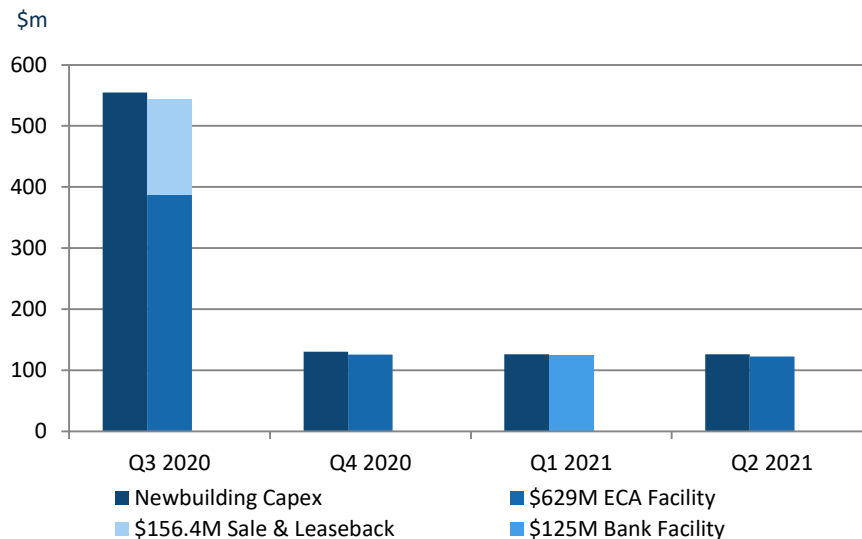
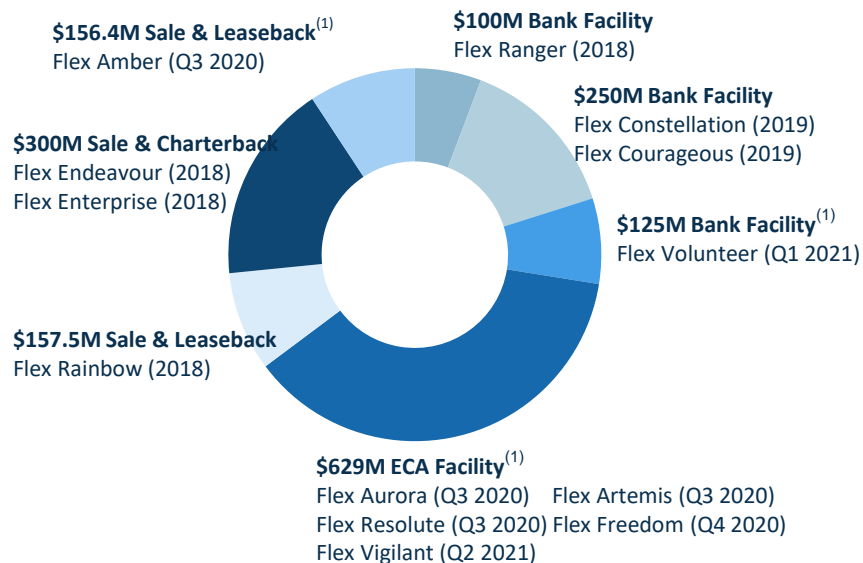
FLOATING STORAGE HAS BALANCED THE MARKET



WE EXPECT ~20MT LOST EXPORTS DUE TO COVID-19



FINANCING SECURED FOR ALL VESSELS



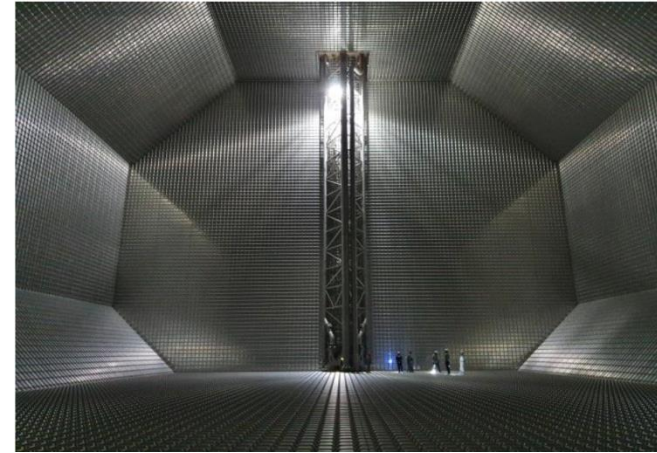
- \$156.4m Sale and Leaseback for Flex Amber and \$125m bank facility for Flex Volunteer signed Q2 2020
- \$10m accordion increase for Flex Artemis under \$629m ECA Facility agreed July 2020
- <\$20m in net remaining capex vs. cash of \$116m per quarter-end
- No debt maturities before H2-2024

1) \$125M Bank Facility, \$156.4M Sale & Leaseback and remaining tranches under \$629M ECA Facility remains subject customary closing conditions

SUMMARY



- Flex LNG is well positioned with a mixed portfolio of fixed and variable TCP as well as spot ships
- We expect incrementally tighter shipping market with less cargo cancellations from September
- Winter temperatures and economic recovery will decide the length of shipping tightness as well as inventory levels which again affects 2021 summer LNG prices
- Flex LNG fully financed its fleet with \$920m financing to cover the \$937m remaining capex while keeping \$116m cash at hand
- Flex LNG owns 13 new highly efficient (MEGI/XDF) LNG carriers, all fully financed, and operated by first class in-house mgt.



Flex Aurora cargo tank

Bon voyage!



FLEX LNG

