

Himalaya Shipping – Investor presentation



March 2023



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1

12x modern dual-fuel Newcastlemaxes – 210k DWT capacity for delivery 2023/2024

2

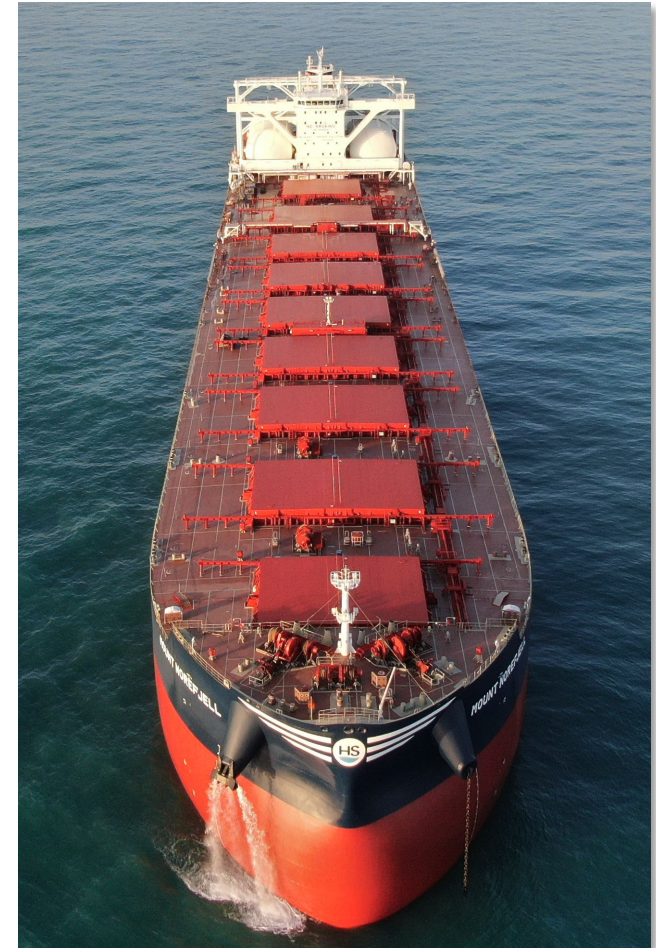
Proven earnings premium of 40–42%² versus conventional vessels offering attractive cash flow yield where free cash flow above estimated cash breakeven is to be paid out to shareholders

3

Ships reduce CO₂ emissions³ by >40% when running on LNG

4

Favourable market conditions with historically low orderbook at ~6% of fleet



Sea trial Mount Norefjell, November 2022

1. Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) 2. Based on 6 index-linked charters with a contracted premium to BCI 5TC of 40–42% 3) Basis 43 mT pr day fuel consumption and 3.2 CO₂ pr mT for a 180k dwt 2014/15 built Capesize vessel and 28 mT pr day fuel consumption and 2.8 CO₂ pr mT for a Himalaya newbuild.

I. Introduction to Himalaya Shipping

II. Market conditions

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Himalaya Shipping at a glance – green with premium earnings potential



Green newbuild programme at New Times Shipyard

12x dual-fuel, scrubber-fitted Newcastlemax newbuilds at \$71.6m/vessel with expected delivery between Q1 2023 and Q3 2024

Flexible dual-fuel LNG design with scrubbers creating optionality, supplemented by high LNG & HSFO storage capacity

Fleet expected to comply with EEXI/CII with estimated 43% lower CO₂ emissions¹ compared to a 2014-built Capesize vessel



Currently listed on Euronext Expand with newbuild financing secured⁷

Target to seek listing on NYSE in 2023

~90%⁶ sale leaseback financing for all 12 vessels secured for 7 years with a fixed interest rate

Fixed bareboat charters eliminating exposure to increasing interest rates



7 / 12 vessels chartered-out on fixed or index-linked time charters enabling high utilization

6 ships fixed on index-linked charters with premium of 40% - 42% to BCI + scrubber²/LNG benefit

1st ship Mount Norefjell fixed on two-year charter at \$30,000/day

Vessels can sail on LNG/HSFO/VLSFO³ giving full optionality/endurance for Brazil - China round voyage



Attractive cash flow yield with intention to distribute monthly dividends

Intention to distribute free cash flow as monthly dividends once the vessels are delivered

Estimated to be cash flow positive when standard Capesize rates are above \$13,900 per day⁴







Strong shareholder support and management with in-depth industry knowledge and capital market track record

Drew Holdings (Tor Olav Trøim affiliate) the largest shareholder owning ~38.7%⁵

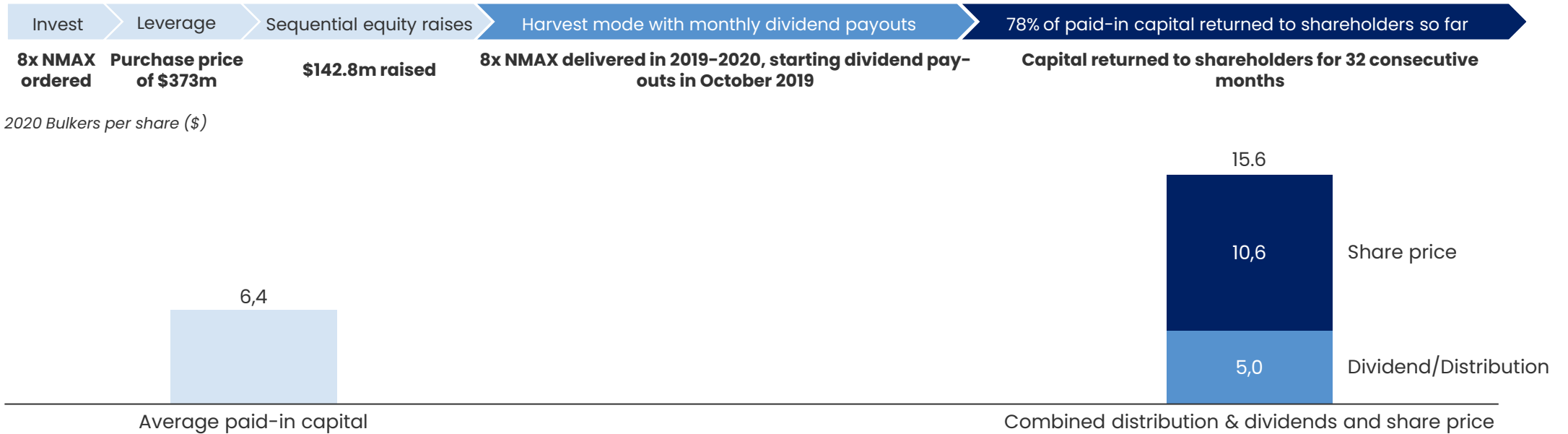
Competitive G&A with commercial and administrative services agreement with 2020 Bulkers, technical management services agreement with OSM and Wilhelmsen, and newbuild program supervised by SeaQuest

1. Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) and basis 43 mT pr day fuel consumption and 3.2 CO₂ pr mT for a BIMCO described Capesize (2014-built) and 28 mT pr day fuel consumption and 2.8 CO₂ pr mT for a Himalaya newbuild 2. VLSFO - HSFO spread of \$236 basis Singapore bunkering for January 2023 and 6 index-linked charters with a contracted premium to BCI 5TC of 40-42% 3. HSFO = high Sulphur fuel oil, VLSFO = very low Sulphur fuel oil 4. Company assumption based on indicated Newcastlemax premium to Capesize vessels and estimated scrubber/LNG benefit, when all vessels are delivered 5. Through Drew Holdings Ltd. (as of December 31, 2022) wholly owned by Drew Trust, a trust established in Bermuda for the benefit of Mr. Trøim and his immediate family. 6. Based on average purchase price of \$71.6m and average debt financing including scrubber financing for four vessels of \$63.1m, 7. Including 90% scrubber financing on 4 vessels, the Company intends to finance the remaining 8 scrubbers either through debt financing with existing lenders or equity.

Magni Partners – Sponsor¹

 <p>Magni Partners, founded by sole shareholder Tor Olav Trøim, is invested in the following relevant group portfolio companies:</p>	Company				
	Magni board member	Bjorn Isaksen – member	-	Tor Olav Trøim – COB ³	Tor Olav Trøim – COB ³
	Segment	Dry bulk	Dry bulk	Offshore drilling	LNG
	Number of units	12 ²	8	24	4

2020 Bulkercs has returned more than 78% of paid-in capital to shareholders¹



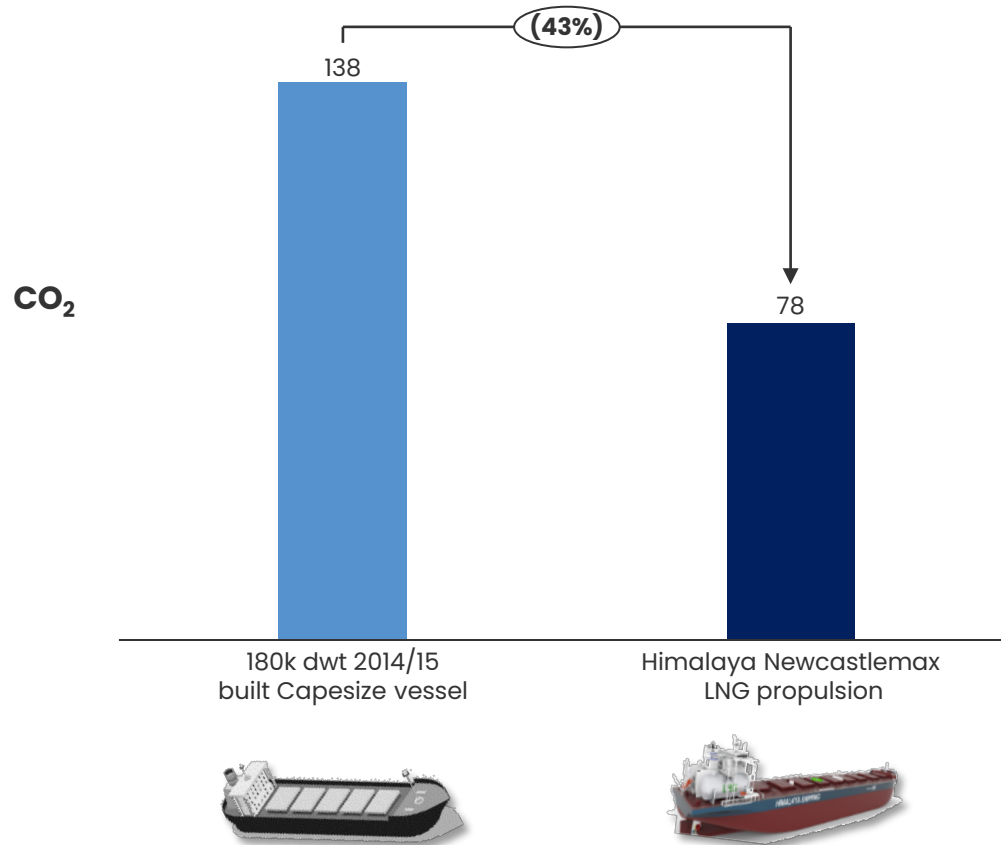
1. Figures as of March 8, 2023. 2) First vessel delivered, second expected to be delivered 9th March. Remaining 10 vessels under construction 3) COB = Chairman of the Board. Source: 2020 Bulkercs and FactSet

Attractive fleet with delivery from Mar-23 to Aug-24



43% more CO₂ efficient than a standard Capesize⁴

CO₂ pr day (mT)



Fleet overview

Ship	Price ^{1,2} (\$m)	Yard	Size (DWTk)	Ship type	Estimated delivery date ³
Mount Norefjell	70.2	NTS	210	DF Newcastlemax	Mar-23
Mount Ita	70.2	NTS	210	DF Newcastlemax	Mar-23
Mount Etna	70.2	NTS	210	DF Newcastlemax	Apr-23
Mount Blanc	70.2	NTS	210	DF Newcastlemax	Jun-23
Mount Matterhorn	72.1	NTS	210	DF Newcastlemax	Jul-23
Mount Neblina	72.1	NTS	210	DF Newcastlemax	Sep-23
Mount Bandeira	72.1	NTS	210	DF Newcastlemax	Jan-24
Mount Hua	72.1	NTS	210	DF Newcastlemax	Jan-24
Mount Elbrus	72.6	NTS	210	DF Newcastlemax	Feb-24
Mount Denali	72.6	NTS	210	DF Newcastlemax	Jun-24
Mount Aconcagua	72.6	NTS	210	DF Newcastlemax	Jul-24
Mount Emali	72.6	NTS	210	DF Newcastlemax	Aug-24
Total / Average	859.7 / 71.6				

1. Purchase price including variations orders, deducted Address Commissions, and cost of scrubbers (\$2.4 million per vessel). 2. Address Commission to be deducted from the purchase price at delivery. 3. The contractual delivery dates are on an «on or before» basis, and the delivery dates being the basis for the Presentation are the latest indicated target delivery dates from New Times, which for some vessels are earlier dates than New Times' contractual deadline for delivery. 4. When running on LNG, basis 43 mT pr day fuel consumption and 3.2 CO₂ pr mT for a 180k dwt 2014/15 built Capesize vessel and 28 mT pr day fuel consumption and 2.8 CO₂ pr mT for a Himalaya newbuild. Source: Bloomberg and Company estimates



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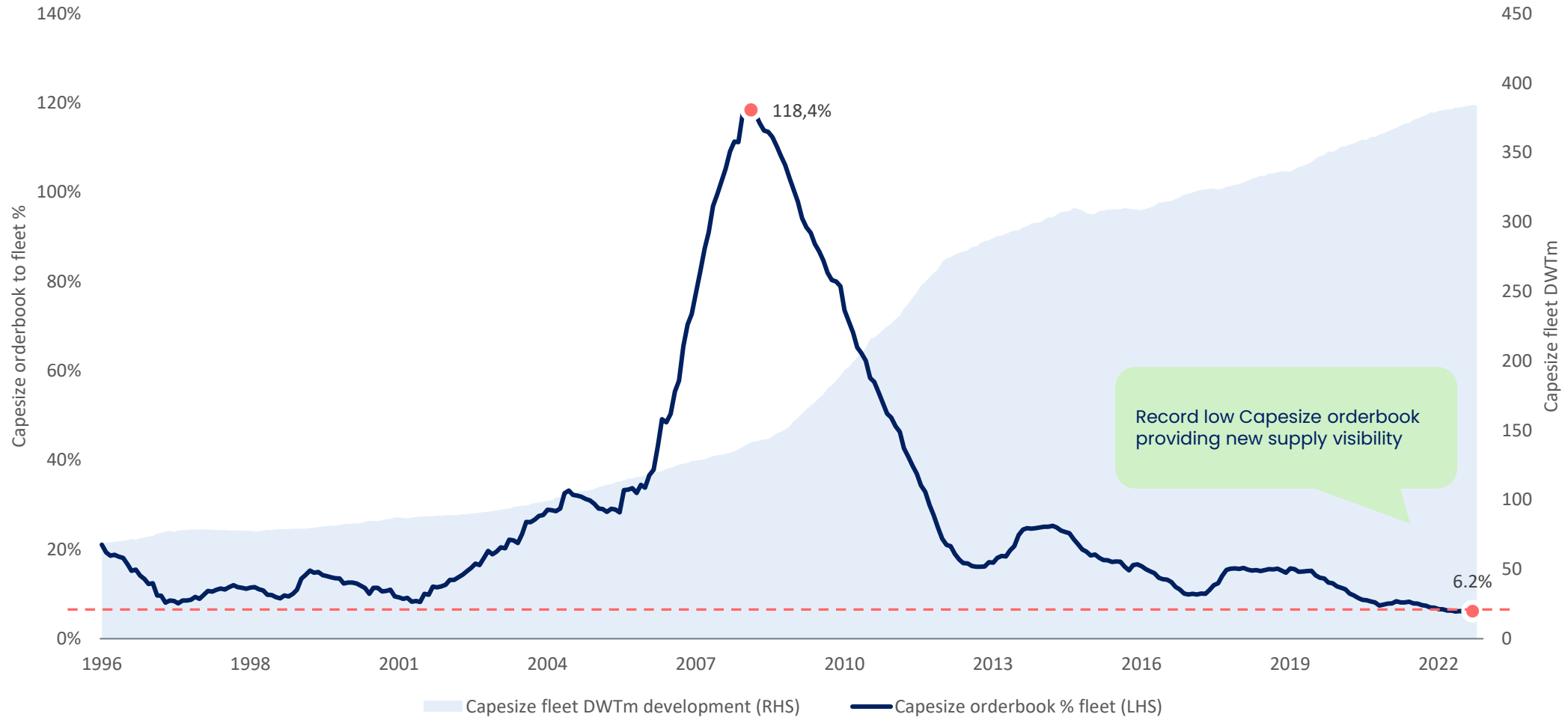
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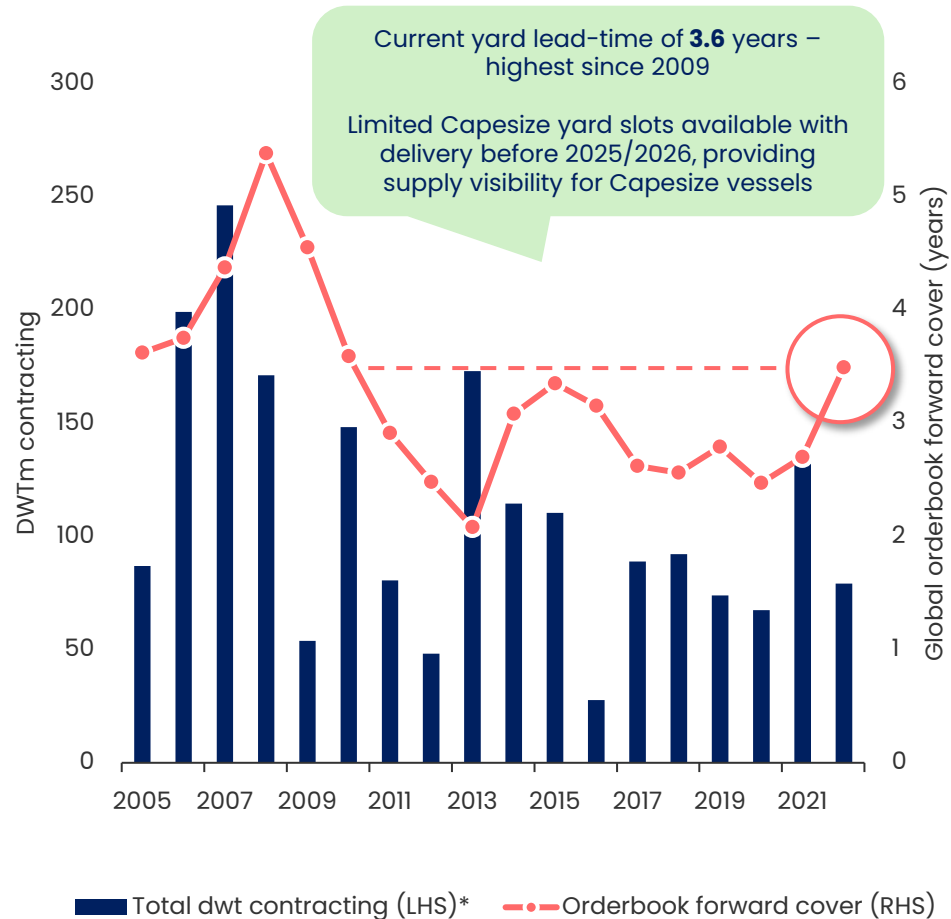
Favourable supply dynamics (1/4) – Capesize orderbook at record low levels

Capesize orderbook to fleet ratio at 6.2%

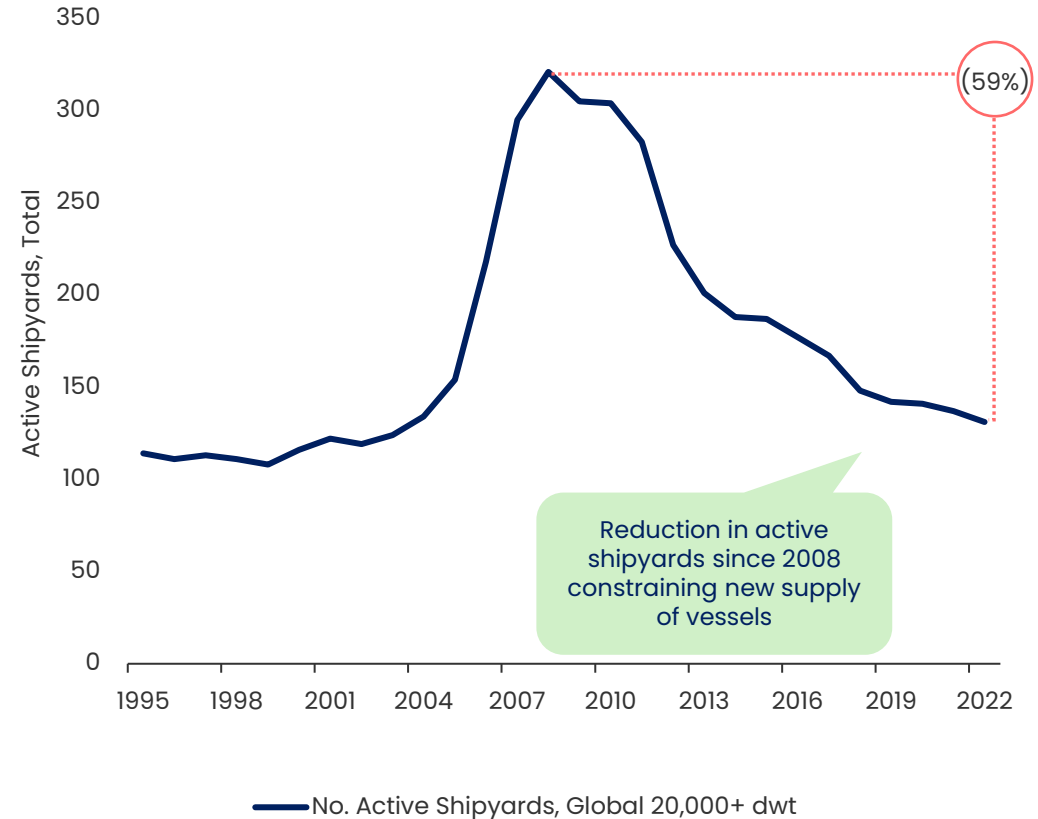


Favourable supply dynamics (2/4) – Shipyard capacity is limited

Limited yard capacity available for Capesize vessels

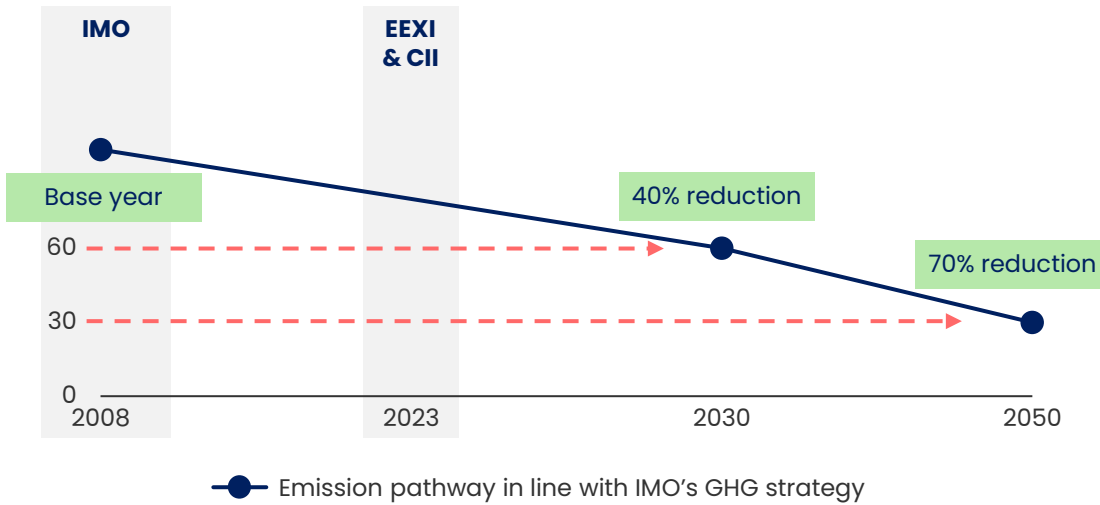


Number of active shipyards at all time low



*Including Dry bulk, Tankers, LNG, LPG, and Container ships
 Source: Clarksons Shipping Intelligence Network (<https://sin.clarksons.net/>) as of January 26, 2023

Slow steaming seen as a likely consequence of EEXI & CII



IMO 2020 targeting maximum Sulphur content of 0.5% in fuel

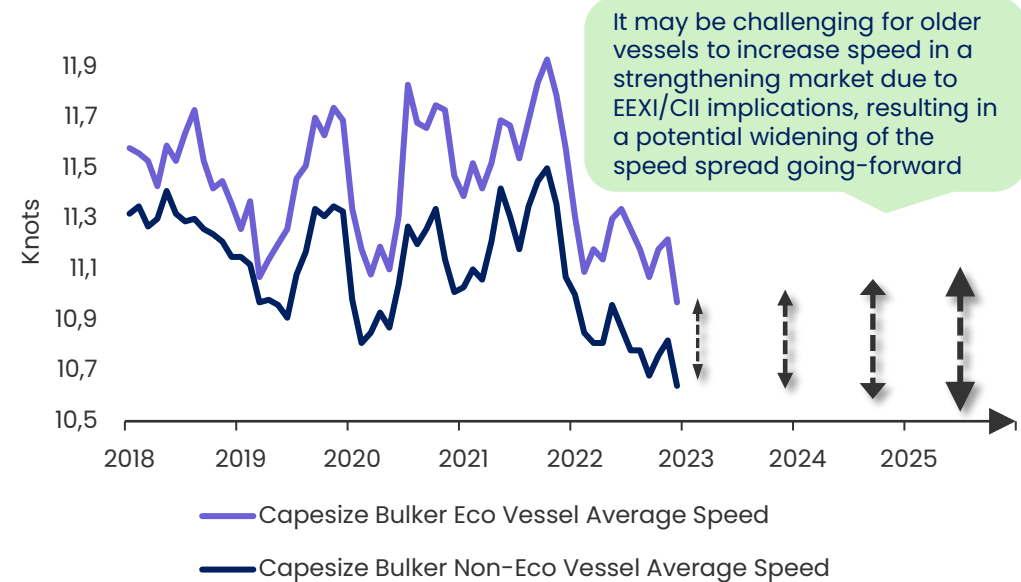
EEXI and CII 2023 targeting CO₂ emissions

- Limit CO₂ emissions through an air pollution prevention certificate (IAPP)
- Older and less-fuel efficient ships limited to either undertake major retrofitting, slow steaming (i.e. reducing operating speeds through limiting maximum engine power) or to potentially be scrapped

IMO 2030 targeting 40% reduction in carbon emission by 2030

- Followed by at least 70% of the shipping industry's total emissions by 2050

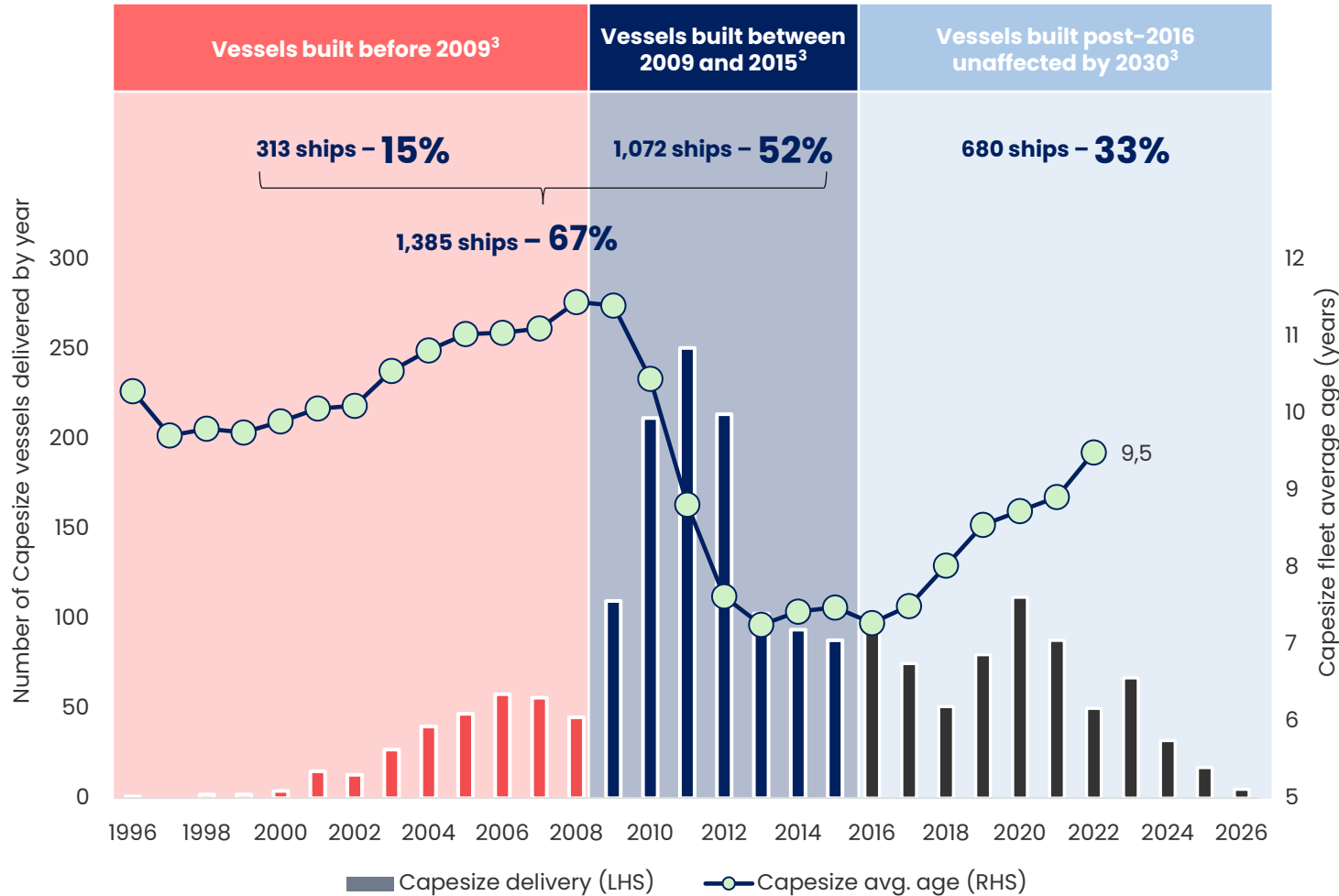
Reduced sailing speed decreases the effective fleet supply



Himalaya vessels expected to comply with both EEXI/CII and have on par or better fuel consumption than the industry's existing fleet which may allow for faster sailing speed

Favourable supply dynamics (4/4) – Capesize fleet is getting older

67% of Capesize vessels likely facing non-compliance by 2030 due to EEXI & CII



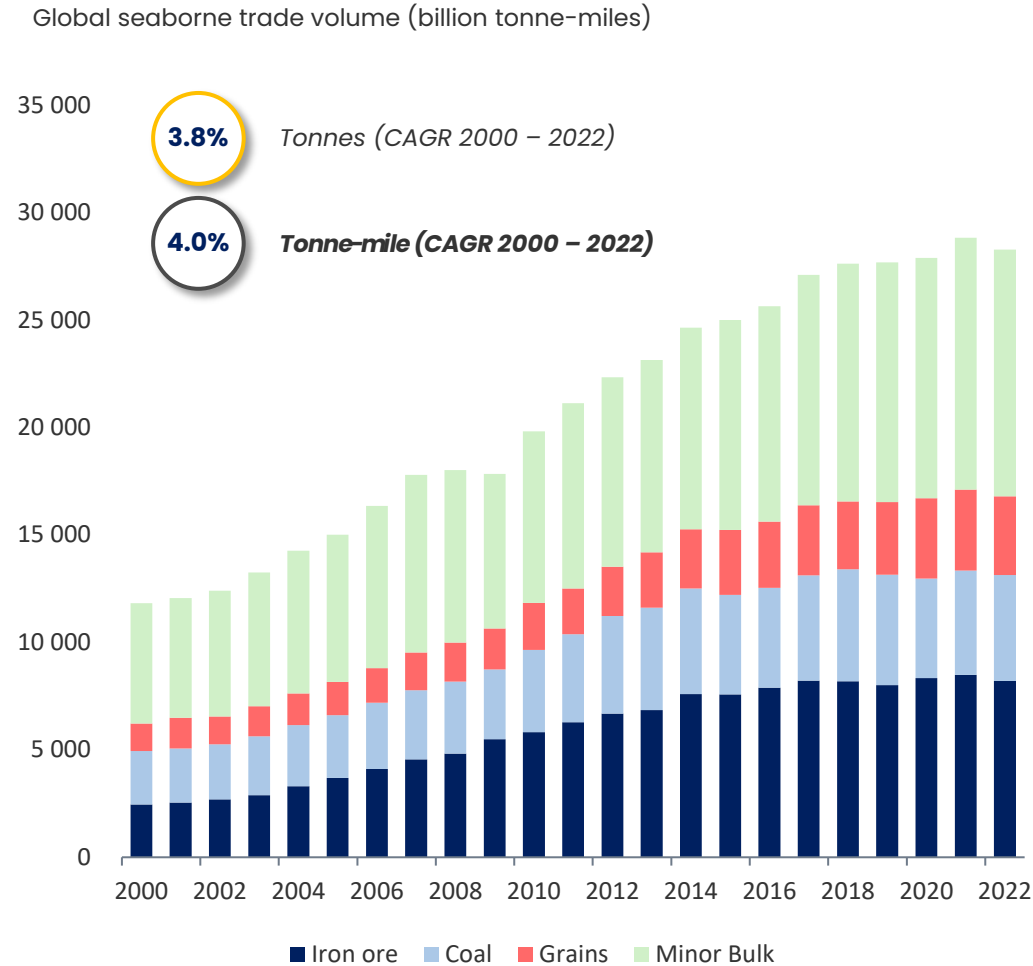
Older vessels (non-eco) at risk

Year	# vessels scrapped p.a. (if scrapped @ 20 years)	Cum. scrapping candidates as % fleet ² (@ 20 years)
2023	27	1%
2024	40	3%
2025	47	6%
2026	58	9%
2027	56	12%
2028	45	14%
2029	110	20%
2030	212	31%
2031	251	44%
2032	214	55%

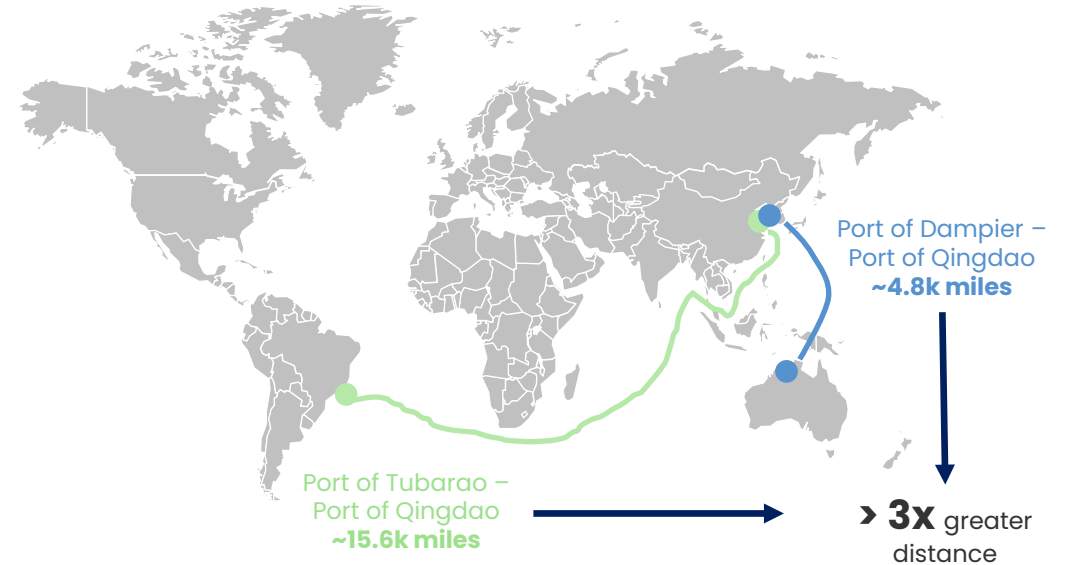
1. Capesize including sub-categories Newcastlemax and VLOC 2. Capesize fleet defined as all vessels delivered since 1996 until year-end 2022. 3. Non-compliant illustrated by vessels delivered before 2008, facing non-compliance illustrated by vessels delivered after 2008 but before 2015, and vessels unaffected illustrated by vessels delivered after 2015. Source: Clarksons Shipping Intelligence Network (<https://sin.clarksons.net/>) as of January 26, 2023, and Company assumptions

Favourable demand dynamics – Dry bulk a multi-decade growth story

Tonne-mile demand historically outpaced volume growth



Himalaya vessels expected to sail greater distances



Himalaya vessels will be deployed globally, with the key trade routes for Newcastlemax vessels being the transportation of **iron ore** from **Australia** and **Brazil** to **China**

Resilient market despite challenges

Capesize index day rates dropped from ~\$33k/day average in 2021 to \$16k/day average in 2022 because of...

✗ **Reduced congestion in 2022**

- Equal to 5% supply growth and putting us at 28% which is the average since Jan-16

✗ **Full Chinese lockdown in recent years**

- Unprecedented scale of lockdowns, quarantines and mass-testing

✗ **Slowdown in Chinese GDP and steel demand**

- Chinese steel production impacted by property sector slowdown

✗ **Production problems in Brazil**

- Aftermath of 2019 Brumadinho tailings dam collapse still impacting mineral exports
 - Brazilian export volume yet to reach 2018 levels

Even with these challenges Capesize index rates were above Himalaya's estimated Capesize equivalent cash break-even¹ of \$13.9k/day

Larger vessels could benefit from attractive demand drivers

✓ **The Chinese re-opening story**

- The lifting of quarantine and lockdown restrictions may increase economic activity and dry bulk import demand
- Property sector trends could also start to benefit from government support

✓ **The global economic recovery**

- A global economic "soft landing" followed by global economic recovery should support dry bulk import demand generally

✓ **Seasonality effects**

- Easing of traditional first quarter seasonal demand impacts including Chinese New Year and weather disruptions

✓ **Energy markets**

- Continued energy security concerns may encourage long haul coal trade, which may further boost dry bulk demand

1. Estimated cash break-even including estimated vessel operating expenses, estimated SG&A expenses, estimated fixed bareboat rate per day and estimated scrubber financing per day when adjusting for estimated scrubber benefit and estimated cargo and fuel premium. Source: Clarksons Shipping Intelligence Network (<https://sin.clarksons.net/>) as of January 26, 2023 and Company



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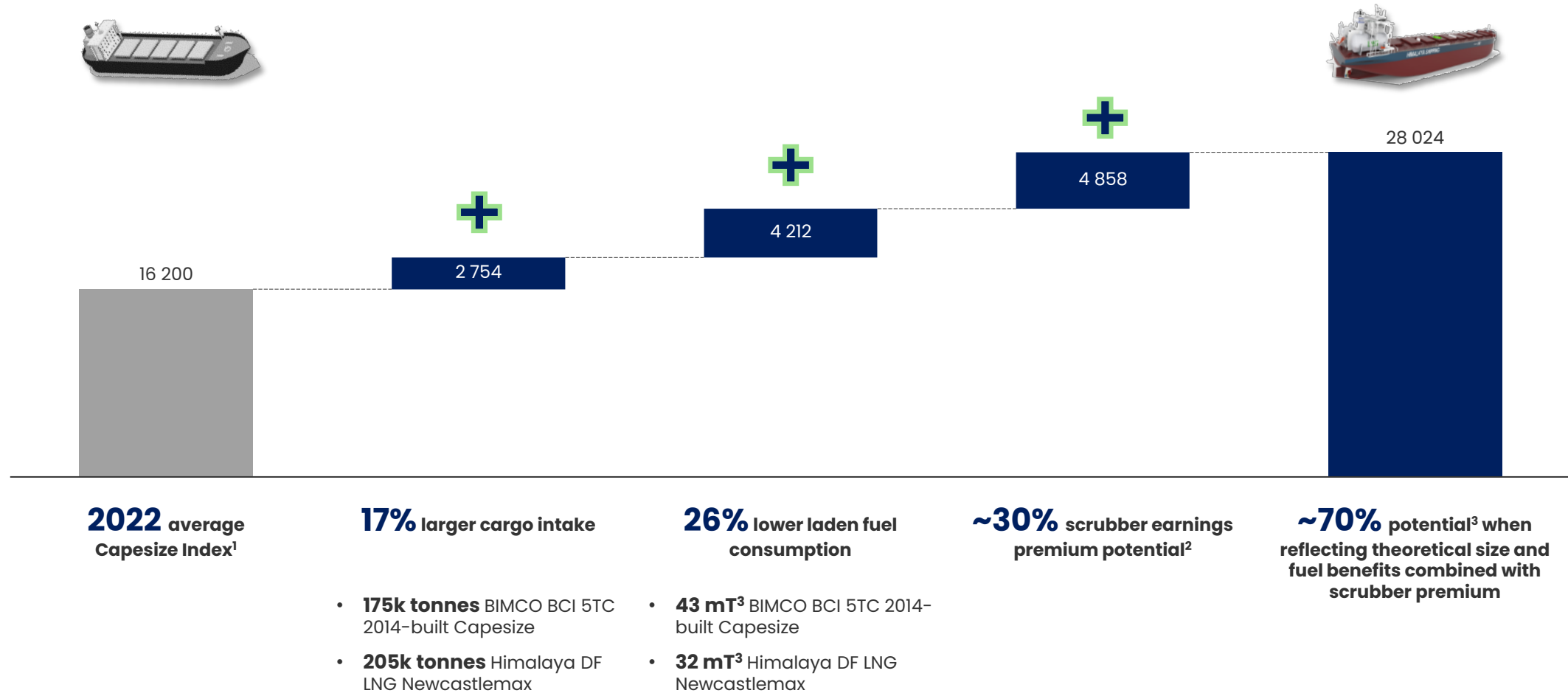
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Size, fuel consumption and fuel flexibility key attractions of Himalaya fleet



Fuel flexibility unlocking premium potential vs. conventional vessels

\$/day

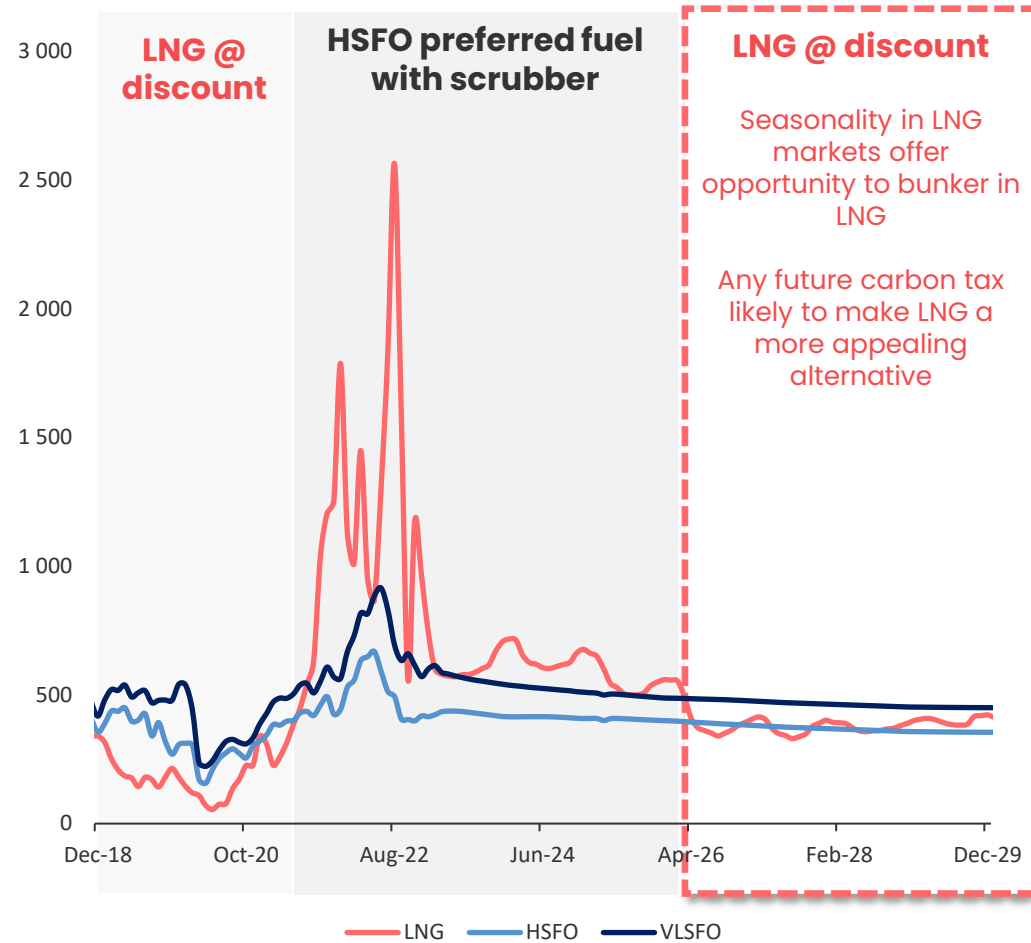


1. 2022 average of the 5 T/C Routes for Baltic Capesize Index of \$16,177. 2. Scrubber benefit based on VLSFO – HSFO spread of \$236 basis Singapore bunkering for average January 2023. 3. Premium achieved will depend on the terms Himalaya Shipping is able to achieve in contracts entered into, including the variable scrubber earnings. Source: Clarksons Shipping Intelligence Network (<https://sin.clarksons.net/>) as of January 26, 2023, Bloomberg and Company estimates

Higher fuel spreads favour fuel-efficient vessels

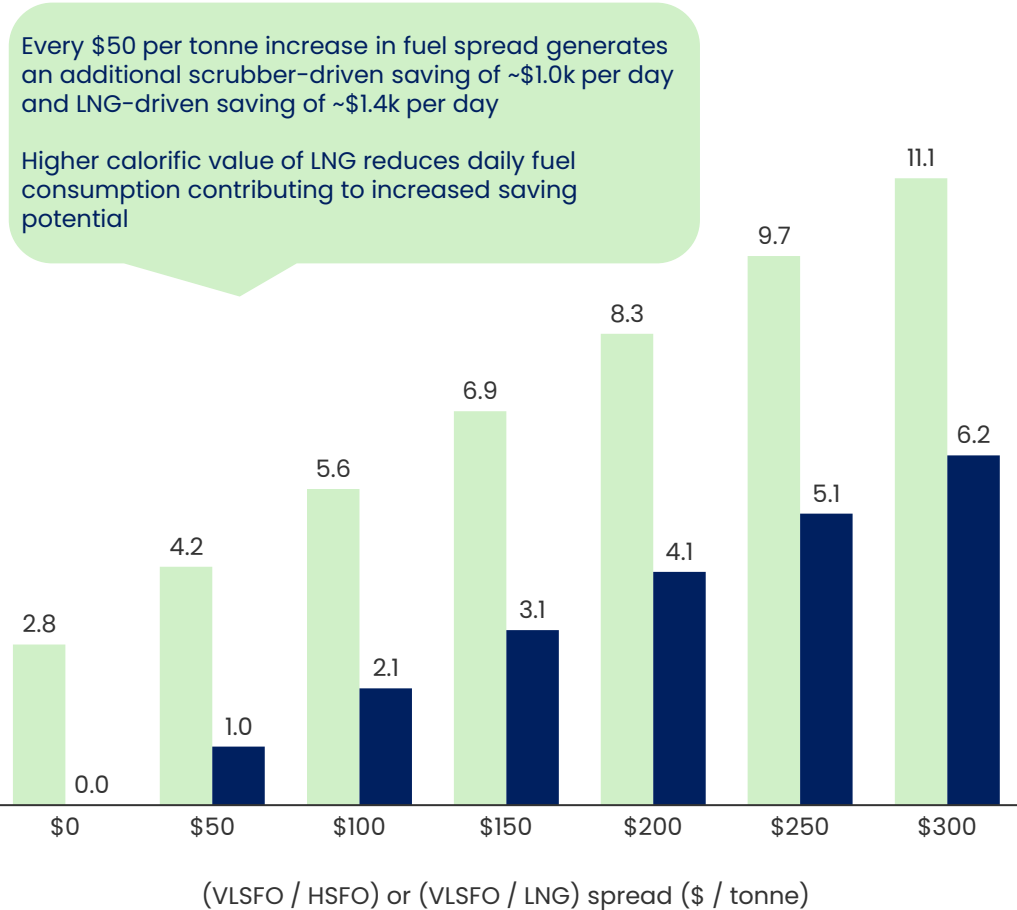
LNG expected to be at a discount to VLSFO by 2026

\$/tonne, calorific value adjusted^{1,2}



Savings³ driven by fuel spreads (\$k per day/per vessel)

■ LNG savings ■ Scrubber savings



1. HSFO = high Sulphur fuel oil, VLSFO = very low Sulphur fuel oil 2. Calorific adjusted kj/kg 40,500 (HSFO), 41,200 (VLSFO), 50,000 (LNG). Data shown from December 2018 through February 2023 reflect spot prices for respective fuels, data shown from March 2023 onward reflect forward curves for respective fuels. 3. Implied scrubber-driven savings illustrated 27.4 tonnes/day consumption, 75% retention of scrubber premium by the Company. LNG-driven saving illustrated by 22.7 tonnes/day consumption for LNG and 27.4 tonnes/day consumption for VLSFO, and \$600/tonne VLSFO and \$600/tonne LNG and spread based on increasing VLSFO. Source: Bloomberg and Company assumptions

Estimated Capesize cash break-even equivalent of ~\$13,900/day

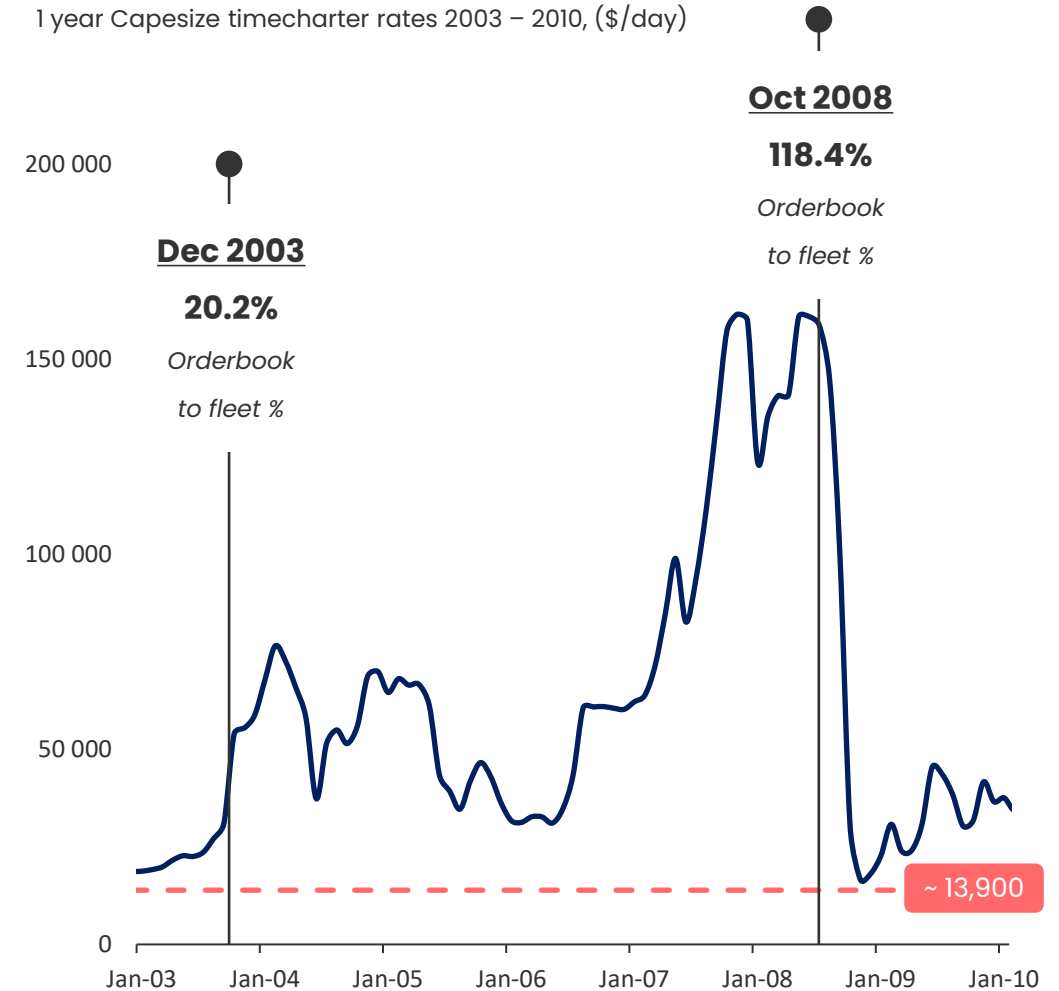


Estimated cash break-even of a fully delivered basis

Value of ship (average purchase price)	\$m	71.6
Financing (average debt financing)¹	"	63.1
Loan to purchase price	%	88%
Fixed bareboat day-rate ²	\$/day	16,567
Scrubber financing ³	\$/day	841
Estimated Opex	"	6,300
Estimated SG&A	"	732
Estimated cash break-even	"	24,440
Estimated scrubber benefit when sailing ⁴	\$/day	(4,858)
Earnings premium ⁵	41%	(5,661)
Capesize equivalent cash break-even rate		13,921

Last upcycle Capesize rates vs. est. equivalent cash break-even

1 year Capesize timecharter rates 2003 – 2010, (\$/day)



1. Based on Company estimated average debt financing for 12 vessels, including scrubber financing for four vessels. 2. Blended fixed bareboat day-rate. 3. Floating interest rate scrubber financing for four vessels. 4. VLSFO – HSFO spread of \$236 basis Singapore bunkering for average January 2023. 5. 6 index-linked charters with a contracted premium to BCI 5TC of 40–42%. Source: Clarksons Shipping Intelligence Network (<https://sin.clarksons.net/>) as of January 26, 2023 and Company estimates



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Management



Herman Billung

Contracted CEO

- Assumed the role as CEO of 2020 Bulk carriers February 1, 2022 and subsequently was contracted as the CEO of Himalaya Shipping
- Extensive senior shipping experience including MD at T. Klaveness Group, MD at Frapaco Shipping, CEO at Golden Ocean Management and Songa Bulk and SVP in Star Bulk



Vidar Hasund

Contracted CFO

- Assumed the role of CFO of 2020 Bulk carriers on January 1, 2019
- Previous experience as Chief Accounting Officer at Borr Drilling, Financial Officer and International Tax Accounting Manager at PGS, financial controller at BW Gas and Auditor at KPMG
- Norwegian state authorized public accountant

Board members



Georgina Sousa

Chairwoman

- Served as a Director on our Board of Directors since June 2, 2021
- Previous experience as Head of Corporate Administration at Frontline
- Experience as director of Frontline, Borr Drilling Limited, North Atlantic Drilling, Sevan Drilling, Northern Drilling, Flex LNG, Seadrill, and Golar LNG, in addition to having served as secretary at Archer



Carl Erik Steen

Director

- Appointed as board member of the Company on November 1, 2021
- Previous head of Nordea's Shipping, Oil Services & International Division
- Holds directorship positions in various Norwegian and Bermudian companies



Bjørn Isaksen

Director

- Served as a Director on our Board of Directors since June 2, 2021
- Partner in Magni Partners since 2014
- Previous partner at ABG Sundal Collier



Jehan Mawjee

Director

- Served as Director on our Board of Directors since December 19, 2022
- Employed as Chief Accounting Officer of Borr Drilling Limited since April 2021. Previous accounting roles at Golar LNG from 2015-2021, and KPMG 2012-2015
- Chartered Accountant and holds a Master of Professional Accounting degree from the University of Saskatchewan

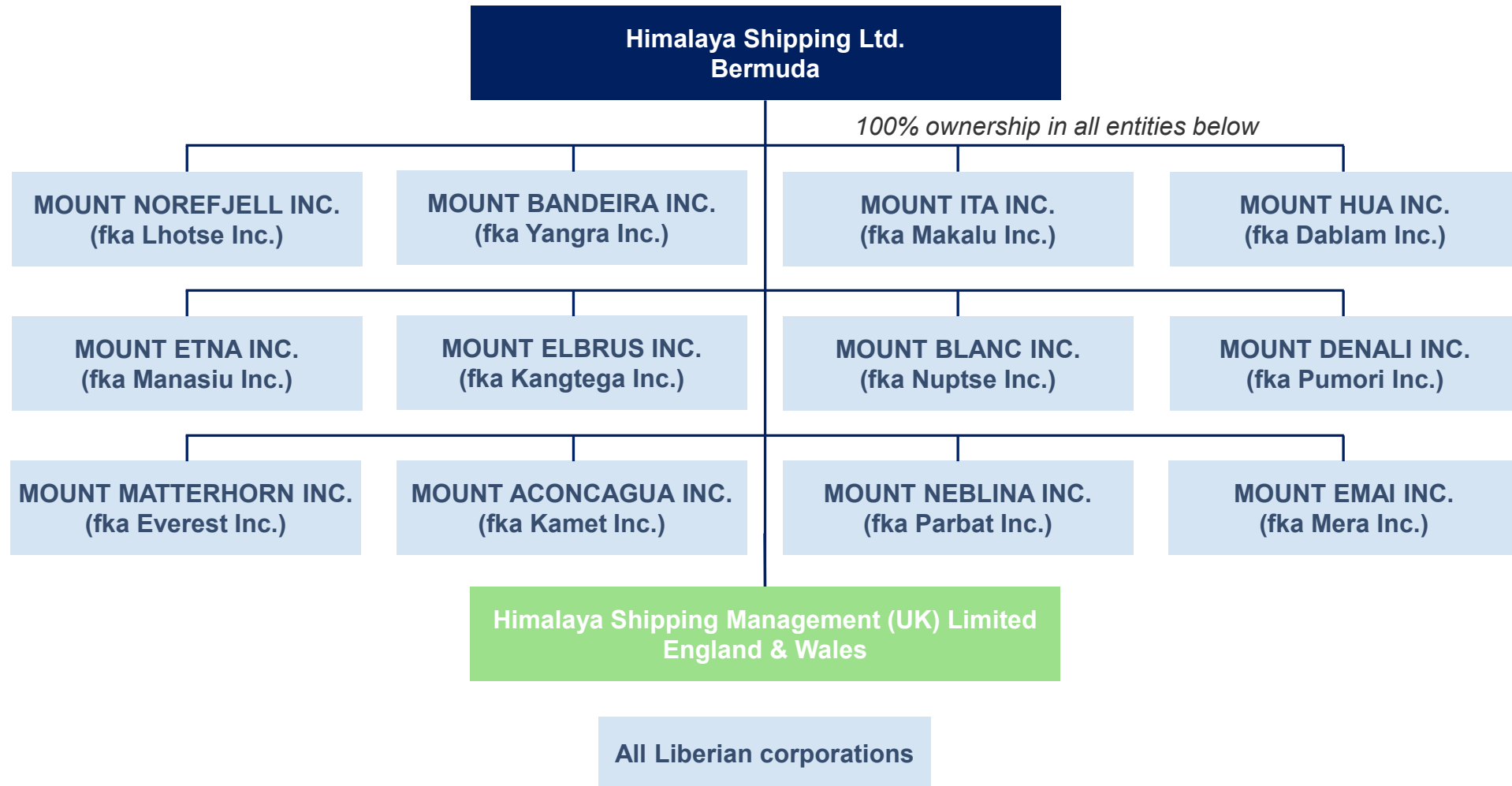


Mi Hong Yoon

Director

- Served as a Director on our Board of Directors since May 23, 2022
- Previous experience at Digicel Bermuda as Chief Legal, Regulatory and Compliance Officer
- Senior Legal Counsel of Telstra Corporation in Hong Kong and London

Overview of legal structure



Financial statement as of 31.12.2022

(In USDm, unless stated otherwise)

Year ended December 31, 2022

Period from March 17 to December 31,2021

Operating expenses

General and administrative expenses

(2.0)

(1.0)

Total operating expenses

(2.0)

(1.0)

Operating loss

(2.0)

(1.0)

Interest expense, net of capitalized interest

-

-

Net loss attributable to shareholders of Himalaya Shipping Ltd.

(2.0)

(1.0)

Balance sheet statement as of 31.12.2022

<i>(In USDm, unless stated otherwise)</i>	December 31, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	0.3	11.3
Other current assets	1.4	-
Total current assets	1.7	11.3
Non-current assets		
Newbuildings	176.1	83.5
Other non-current assets	-	0.4
Total non-current assets	176.1	83.9
Total assets	177.8	95.2

<i>(In USDm, unless stated otherwise)</i>	December 31, 2022	December 31, 2021
Liabilities and shareholders equity		
Current liabilities		
Current portion of long-term debt	7.0	-
Trade accounts payables	14.9	0.8
Amounts due to related parties	2.7	-
Accrued expenses	1.1	-
Other current liabilities	0.3	-
Total current liabilities	26.0	0.8
Non current liabilities		
Long-term debt	60.5	-
Amounts due to related parties	1.0	2.5
Total non-current liabilities	61.5	2.5
Total liabilities	87.5	3.3
Shareholders equity		
Common shares	32.2	32.2
Additional paid-in capital	61.1	60.7
Retained loss	(3.0)	(1.0)
Total shareholders equity	90.3	91.9
Total liabilities and shareholders equity	177.8	95.2