



Hamilton, Bermuda, February 28, 2022

Himalaya Shipping Ltd. ("Himalaya" or the "Company"), today announced its unaudited financial and operating results for the three months and period from March 17 to December 31, 2021.

Key events during the fourth quarter of 2021

- The Company reported net loss of US\$0.5 million
- On October 30, 2021, Mr. Erling Lind resigned as a Director of the Company and was replaced with Carl Erik Steen who was appointed Director of the Company from November 1, 2021.
- In December, the Company received credit approval for the sale leaseback financing of the first four vessels to be delivered from New Times Shipyard.
- On December 22, 2021, the Company was listed on the Euronext Growth.
- On December 30, 2021, the Company appointed Herman Billung as functioning CEO, effective as of February 1, 2022, under the management agreement between 2020 Bulkers Management AS and Himalaya Shipping Ltd.

Subsequent Events

- In February 2022, the Company completed the sale leaseback financing for the first four newbuildings to be delivered from New Times Shipyard.
- In February 2022, the Company received credit approval for sale leaseback financing for the last eight newbuildings to be delivered from New Times Shipyard.

Management discussion and analysis

Consolidated Statements of Operations

Three months ended December 31, 2021

General and administrative expenses were US\$0.5 million for the three months ended December 31, 2021.

Period from March 17 to December 31, 2021

General and administrative expenses were US\$1.0 million for the period from March 17 to December 31, 2021.

Consolidated Balance Sheets

The Company had total assets of US\$95.2 million as of December 31, 2021.

Total shareholders' equity was US\$91.9 million as of December 31, 2021.

Total liabilities as of December 31, 2021, were US\$3.3 million.

Consolidated Statements of Cash Flows

Three months ended December 31, 2021

Net cash used in operating activities was US\$0.4 million for the three months ended December 31, 2021.

Net cash used in investing activities was US\$41.3 million for the three months ended December 31, 2021. The Company paid US\$41.3 million in instalments on the newbuildings during the three months ended December 31, 2021.

Net cash provided by financing activities was US\$49.6 million during the three months ended December 31, 2021. The Company received gross proceeds of US\$50.0 million from a private placement during the three months ended December 31, 2021.

Period from March 17 to December 31, 2021

Net cash used in operating activities was US\$0.5 million for the period from March 17 to December 31, 2021.

Net cash used in investing activities was US\$68.8 million for the period from March 17 to December 31, 2021. During the period from March 17 to December 31, 2021 the Company paid instalments of US\$68.5 million (US\$13.6 million considered non-cash) on the newbuildings.

Net cash provided by financing activities was US\$80.6 million during the period from March 17 to December 31, 2021. The Company received gross proceeds from private placements of US\$95.0 million during the period from March 17 to December 31, 2021

As of December 31, 2021, the Company's cash and cash equivalents amounted to US\$11.3 million.

Corporate Developments and Financing

In February 2022, the Company entered into sale lease back arrangements for the first four newbuildings to be delivered from New Times Shipyard. Pursuant to the lease financing, the Himalaya shall receive financing for the third and fourth pre-delivery instalments. In addition, upon delivery of the relevant vessels from New Times Shipyard, the vessels will be sold to SPVs owned and designated by the leasing company. The vessels will be chartered back on seven year bareboat charters which include purchase options during the respective charter periods.

The Company have secured credit approval for sale leaseback financing with a leasing company for the next eight newbulidings. This financing will cover the remaining newbuilding instalments on the last eight newbuildings.

Himalaya targets to list the Company at a recognized fully regulated stock exchange in the first half of 2022.

Newbuilding program

The vessels are scheduled to be delivered as follows:

(numbers in USD million)

<i>Ship name</i>	<i>Target delivery date</i>	<i>Price</i>	<i>Remaining installments</i>
Mount Kilimanjaro	mar.23	67.8	61
Mount Ita	mar.23	67.8	61
Mount Etna	apr.23	67.8	61
Mount Blanc	jul.23	67.8	61
Mount Matterhorn	sep.23	69.6	62.8
Mount Neblina	Oct-23	69.6	62.8
Mount Bandeira	Dec-23	69.6	62.8
Mount Hua	feb.24	69.6	62.8
Mount Elbrus	apr.24	70.1	63.2
Mount Emai	jul.24	70.1	63.2
Mount Denali	aug.24	70.1	63.2
Mount Aconcagua	sep.24	70.1	63.2
SUM		830	747.9

The Company has decided to increase the size of the LSFO/MGO tanks to 4750 cbm, in order to offer maximum flexibility in trading of the ships. The new tank design mean the vessels can do a full round voyage Brazil-China, both on LSFO and LNG. This significantly increases the flexibility of the ships, and will make the Company able to fully benefit from the lowest cost fuel.

Himalaya's ships have dual fuel engines, meaning they can run on both LNG and MGO/LSFO. Current LNG prices are high due to the strong demand from Asia, and the tension in Eastern-Europe. Long-term LNG prices are however trading at a discount to LSFO. Based on current LNG and LSFO forward prices for 2025-2027, the fuel savings on the ships running LNG would equate to US\$3-4k per day. On top of this comes the CO2 benefit, where our ships are expected to reduce CO2 emission by 40% compared to similar type of vessels running on conventional fuel.

The ships are built to Tier III standard and are equipped with HPSCR (High Pressure Catalytic Reactor). In addition an inline shaft generator is installed to save fuel and reduce CO2 emmisions.

Adding this to the expected premium these ships will have compared to an index ship, secures additional margin and reduces the Capesize equivalent cash break-even rate.

The most recent Capesize DF newbuilding order by a Japanese owner, placed in reputable yard in China was at a price of US\$82 million with delivery in 2025. We estimate an additional US\$4-6 million needs to be spent in order to get up to a Himalaya vessel size and spec. There have also been orders for similar ships in Japan at US\$90 million.

Market commentary

Growth in vessel supply will be moderate in 2022 relative to previous years with a Capesize orderbook for delivery this year of 10.8 million dwt, down from 18.6 million dwt delivered in 2021. The Capesize orderbook according to Clarksons for 2023, 2024 and 2025 currently stands at 9.8 million dwt, 5.8 million dwt and 0.2 million dwt, respectively. This compares to a total Capesize fleet today of 380 million DWT. The continued large influx of orders for container vessels has absorbed a significant part of the capacity for building large commercial vessels. No significant increase in Capesize deliveries can, due to shipyard capacity, be expected before at earliest 2025. New ordering is expected to remain subdued due to lack of financing available from traditional lenders, as well as technological uncertainties as it relates to the optimal propulsion systems to meet the shipping industry's ambitions for de-carbonization. During 2021, 14 Capesize vessels, totaling 3.4 million dwt were scrapped, down from 49 Capesize vessels, totaling 11.4 million dwt scrapped in 2020. So far this year new orders placed totals 1.36 million dwt compared to 7.54 million dwt for the first two months last year. Scrapping stands at 0.16 million dwt compared to 3.1 million dwt at the same time in 2021.

Clarksons expects Capesize seaborne demand to expand by 2.6% and tonne mile demand to expand by 3.1% in 2022, while fleet growth in the Capesize sector is forecasted to grow by 2.3% in 2022, improving utilization. Capesize index rates averaged US\$33,333 in 2021, up from US\$13,073 in 2020.

Outlook

The IMO targets reduction in CO2 intensity from international shipping by 40% from 2008 levels by 2030 and will implement EEXI (Energy Efficiency Existing Ship Index) and CII (Carbon Intensity Indicator) by January 2023. The implementations of EEXI and CII are expected to reduce the average sailing speed of the global fleet, which may lead to efficient ships being favored by charterers and commanding a larger earnings premium. ABS estimates more than 80% of bulk carriers require corrective action before 2030 to stay compliant. The Himalaya ships, which will not need to take corrective action, and hence will benefit from the tighter regulation.

The Company aims to charter out its vessels to large dry bulk operators, commodity traders and end users. As of the date hereof, no charter arrangements have been entered into for our vessels. The Company has received several enquiries about charters of the vessels. The Board expects to achieve better pricing on the charters closer to delivery of the vessels, driven by the new EEXI and CII rules which are expected to be implemented in 2023.

Given the limited orderbook, solid demand fundamentals, and the supply impact from the new environmental regulations, we expect the underlying dry bulk market to improve further in the coming years. Himalaya is targeting to generate solid returns on the equity injected, and return that capital through monthly dividends once all ships are delivered. Based on the average Capesize rates achieved in 2021 of US\$33k per day and the expected index premium for the Himalaya ships, a calculation estimates that the current market cap can be paid back through dividends in less than two years of full trading of the vessels.

Forward-Looking Statements

This announcement includes forward looking statements. Forward looking statements are, typically, statements that do not reflect historical facts and may be identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "intends", "may", "should", "will" and similar expressions. The forward-looking statements in this announcement are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although 2020 Bulkers Ltd. believes that these assumptions are reasonable, they are, by their nature, uncertain and subject to significant known and unknown risks, contingencies and other factors which are difficult or impossible to predict and which are beyond our control. Such risks, uncertainties, contingencies and other factors could cause actual events to differ materially from the expectations expressed or implied by the forward-looking statements included herein.

The information, opinions and forward-looking statements contained in this announcement speak only as of the date hereof and are subject to change without notice.

About Himalaya Shipping Ltd.:

Himalaya Shipping Ltd. is an independent bulk carrier company, incorporated in Bermuda. Himalaya Shipping has ordered 12 LNG dual fuelled Newcastlemax dry bulk carriers with delivery between Q2 2023 and Q4 2024.

February 28, 2022

Bjørn Isaksen

Director

Georgina Sousa

Director

Carl Erik Steen

Director