Himalaya Shipping – Q3 2024 Investor Presentation

7 November 2024

HIMALAYA SHIPPING

Forward looking statements

This results presentation and any related discussions, including any related written or oral statements made by us, contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 that involve risks and uncertainties. Forward-looking statements are statements that do not reflect historical facts and may be identified by words such as "aim", "believe," "assuming," "anticipate," "could", "expect", "intend," "estimate," "forecast," "project," "likely to", "plan," "potential," "will," "may," "should," "indicative," "illustrative," "potential" or other similar expressions and include statements about plans, objectives, goals, strategies, future events or performance, including outlook, prospects, financing agreements associated with our vessels and expected cash break-even, illustrative free cash flow per share and earnings potential based on different scenarios and assumptions, statements about the benefits of our vessels, including the ability to bunker with LNG, LSFO, or HSFO, the terms of our charters and chartering activity, dry bulk industry trends and market outlook, including activity levels in the industry, expected trends, including trends in the global fleet, expected demand for and offer of vessels and utilization of the global fleet and our fleet, including expected average rates, fleet growth, new orderings, the impact of an aging global fleet, expected trends regarding iron ore demand, mandatory dry docking trends and impacts on expected supply of dry bulk vessels and yard capacity, replacement needs, statements about our dividend objective and plans,, expectations on demand, and other non-historical statements. These forward-looking statements are not statements of historical fact and are based upon current estimates, expectations, beliefs, and various assumptions, many of which are based, in turn, upon further assumptions, and a number of such assumptions are beyond our control and are difficult to predict. These statements involve significant risks, uncertainties, contingencies and factors that are difficult or impossible to predict and are beyond our control, and that may cause our actual results, performance or achievements to be materially different from what is expressed, implied or forecasted in such forward-looking statements.

Numerous factors, risks and uncertainties that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed, implied or forecasted in the forward-looking statements include but are not limited to: general economic, political and business conditions; general dry bulk market conditions, including fluctuations in charter hire rates and vessel values; our ability to meet the conditions and covenants in our financing agreements; changes in demand in the dry bulk shipping industry, including the market for our vessels; changes in the supply of dry bulk vessels; our ability to successfully re-employ our dry bulk vessels at the end of their current charters and the terms of future charters; changes in our operating expenses, including fuel or bunker prices, dry docking and insurance costs; changes in governmental regulation, tax and trade matters and actions taken by regulatory authorities; compliance with, and our liabilities under governmental, tax, environmental and safety laws and regulations; potential disruption of shipping routes due to accidents or political events; our ability to refinance our debt as it falls due; fluctuations in foreign currency exchange rates; potential conflicts of interest involving members of our board and management and our significant shareholder; our ability to pay dividends and the amount of dividends we ultimately pay; risks related to climate change, including climate-change or greenhouse gas related legislation or regulations and the impact on our business from climate-change related physical changes or changes in weather patterns, and the potential impact of new regulations relating to climate change, as well as the performance of our vessels; other factors that may affect our financial condition, liquidity and results of operations; and other risks described under "Item 3. Key Information — D. Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2023 filed with the U.S. Securities and Exchange Commission on March 27, 2024.

The foregoing factors that could cause our actual results to differ materially from those contemplated in any forward-looking statement included in this report should not be construed as exhaustive. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this investor presentation. Except as required by law, Himalaya Shipping undertakes no obligation to update publicly any forward-looking statements after the date of this investor presentation, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

This presentation contains certain selected financial measures on a basis other than U.S. generally accepted accounting principles ("GAAP"), including Adjusted EBITDA, average TCE earnings, gross, and illustrative free cash flow. Adjusted EBITDA represents our net income plus depreciation of vessels and equipment; total financial expenses, net; and income tax expense. Adjusted EBITDA is presented here because the Company believes this measure increases comparability of total business performance from period to period and against the performance of other companies. Average TCE earnings, gross, as presented here, represents time charter revenues and voyage charter revenues adding back address commissions and divided by operational days. Average TCE earnings, gross, is presented here because the Company believes this measure provides additional meaningful information for investors to analyse our fleets' daily income performance. For a reconciliation of Adjusted EBITDA and average TCE earnings, gross, to the most directly comparable financial measures prepared in accordance with US GAAP, please see the section of our preliminary results for the quarter ended September 30, 2024, Appendix entitled "Unaudited Non-GAAP Measures And Reconciliations". For a discussion of illustrative free cash flow, see slide 12 including the footnotes thereto. We are unable to prepare a reconciliation of illustrative free cash flow without unreasonable efforts.

Highlights

Q3 2024 Highlights:

- All delivered vessels generated total operating revenues of $39.2 million, an average time charter equivalent earnings of approximately US$36,800/day, gross.
- Net income of $10.7 million and adjusted EBITDA of $31.0 million for the quarter ended September 30, 2024.
- Conversion of index linked charters on Mount Blanc and Mount Neblina to fixed charters from July 1, 2024 to July 31, 2024 and on Mount Blanc, Mount Neblina and Mount Hua from September 1, 2024 to September 30, 2024.
- Acquisition of 40% of the issued shares of 2020 Bulkers Management AS to fully align the management functions with Himalaya Shipping for NOK3.2 million.
- Payment of cash distributions for May, June, July and August 2024 of $0.04, $0.05, $0.06 and $0.07 per common share, respectively.

Subsequent events:

- Conversion of Mount Etna back to index linked rates from October 1, 2024.
- Declaration of cash distributions for September and October 2024 of $0.10 and $0.04 per common share, respectively.
- Execution of an addendum to the Drew revolving credit facility of up to $10 million, extending the timeframe to drawdown from the facility to December 31, 2025 and the latest repayment date to December 31, 2026.

Financial update

Key Financials Q3 2024

HIMALAYA SHIPPING

Income statement

US$ millions, except per share data	Q3 2024	Q2 2024	Variance
Operating revenues	**39.2**	**31.2**	**8.0**
Vessel operating expenses	(6.5)	(5.6)	(0.9)
Voyage expenses and commission	(0.4)	(0.3)	(0.1)
General and administrative expenses	(1.3)	(1.3)	0.0
Depreciation and amortization	(7.3)	(6.5)	(0.8)
Total operating expenses	**(15.5)**	**(13.7)**	**(1.8)**
Operating profit	**23.7**	**17.5**	**6.2**
Loss from equity method investment	-	-	-
Interest expense	(13.3)	(11.0)	(2.3)
Other financial items	0.3	0.4	(0.1)
Total financial expense, net	**(13.0)**	**(10.6)**	**(2.4)**
Tax expense	**-**	**-**	**-**
Net income	**10.7**	**6.9**	**3.8**
Earnings per share	0.24	0.16	
Adjusted EBITDA	31.0	24.0	7.0

Comments

- Increase in operating revenues of $8.0 million in Q3 2024, due to full quarter operations of all 12 vessels. Average TCE earnings, gross of approx. US$36,800/day in Q3 2024 vs US$34,600/day in Q2 2024.
- Cash break-even TCE estimated to be approximately $24,600 per day.
- Increase in vessel operating expenses of $0.9 million in Q3 2024 due to additional 3 vessels delivered in Q2 2024. Average vessel operating expenses of approx. $5,900/day per vessel in Q3 2024 vs $6,000 in Q2 2024.
- General and administrative expenses remained consistent in Q3 2024 from Q2 2024 levels of $1.3 million.
- Increase in Interest expense by $2.3 million in Q3 2024 due to a higher average loan principal outstanding following the sale and leaseback financing on the 3 vessels delivered in Q2 2024.
- Increase in operating profit by $6.2 million in Q3 2024.
- Net income of $10.7 million in Q3 2024 vs $6.9 million in Q2 2024.
- Adjusted EBITDA of $31.0 million in Q3 2024, an increase of $7.0 million over Q2 2024.

Key Financials Q3 2024

Balance Sheet Summary

US$ millions	September 30, 2024	June 30, 2024	Variance
Cash and cash equivalents	21.5	21.9	(0.4)
Vessels and equipment	860.3	867.7	(7.4)
Equity method investment	0.3	--	0.3
Total assets	890.3	897.3	(6.9)
Short-term and long-term debt	719.7	725.5	(5.8)
Total equity	160.2	157.2	3.0

Comments

- Net cash generated by operating activities in Q3 2024 of $16.5 million.
- Net cash used in investing activities in Q3 2024 was $0.1 million, primarily relating to the acquisition of 40% equity in 2020 Bulkers Management AS for $0.3 million, offset by cash rebates on newbuildings of $0.2 million.
- Net cash used in financing activities in Q3 2024 was $16.8 million consisting of payment of cash distributions paid of $9.7 million, loan repayments of $6.4 million and payment of deferred loan costs of $0.8 million;
- Minimum cash balance required under the sale and leaseback arrangements of $7.6 million shown as part of cash and cash equivalents as of September 30, 2024.
- Vessels and equipment decreased primarily due to the quarterly depreciation of $7.3 million in Q3 2024.
- Equity method investment relates to the acquisition of 40% equity in 2020 Bulkers Management AS for $0.3 million.
- Decrease in short-term and long-term debt was mainly due to loan repayments of $6.4 million, offset by deferred finance cost amortisation of $0.7 million.
- $10 million available to draw-down under the RCF with Drew Holdings Ltd.

Key Financials YTD Q3 2024

HIMALAYA SHIPPING

Income statement

US$ millions, except per share data	YTD Q3 2024
Operating revenues	**94.0**
Vessel operating expenses	(17.1)
Voyage expenses and commission	(1.1)
General and administrative expenses	(4.0)
Depreciation and amortization	(19.2)
Total operating expenses	**(41.4)**
Operating profit	**52.6**
Interest expense	(33.4)
Interest income	0.8
Other financial items	-
Total financial expense, net	**(32.6)**
Tax expense	**-**
Net income	**20.0**
Earnings per share	0.46

Comments

- Operating revenues of $94.0 million on all delivered vessels. Average TCE earnings, gross of approx. US$34,300/day.
- Vessel operating expenses of $17.1 million. Average vessel operating expenses of approx. $6,000/day per vessel.
- General and administrative expenses of $4.0 million, including $0.4 million in share-based compensation, $1.3 million in management fees, $0.7 million of D&O insurance, $0.6 million of employee related costs and directors' fees, and $0.5 million in legal, audit and accounting fees.
- Interest expense of $33.4 million on the sale & leaseback financing net of interest capitalized.
- Operating profit of $52.6 million
- Net income of $20.0 million
- Adjusted EBITDA of $71.8 million

Company update

Chartering position

Fleet status report – Current

Himalaya Shipping

Fleet Status Report

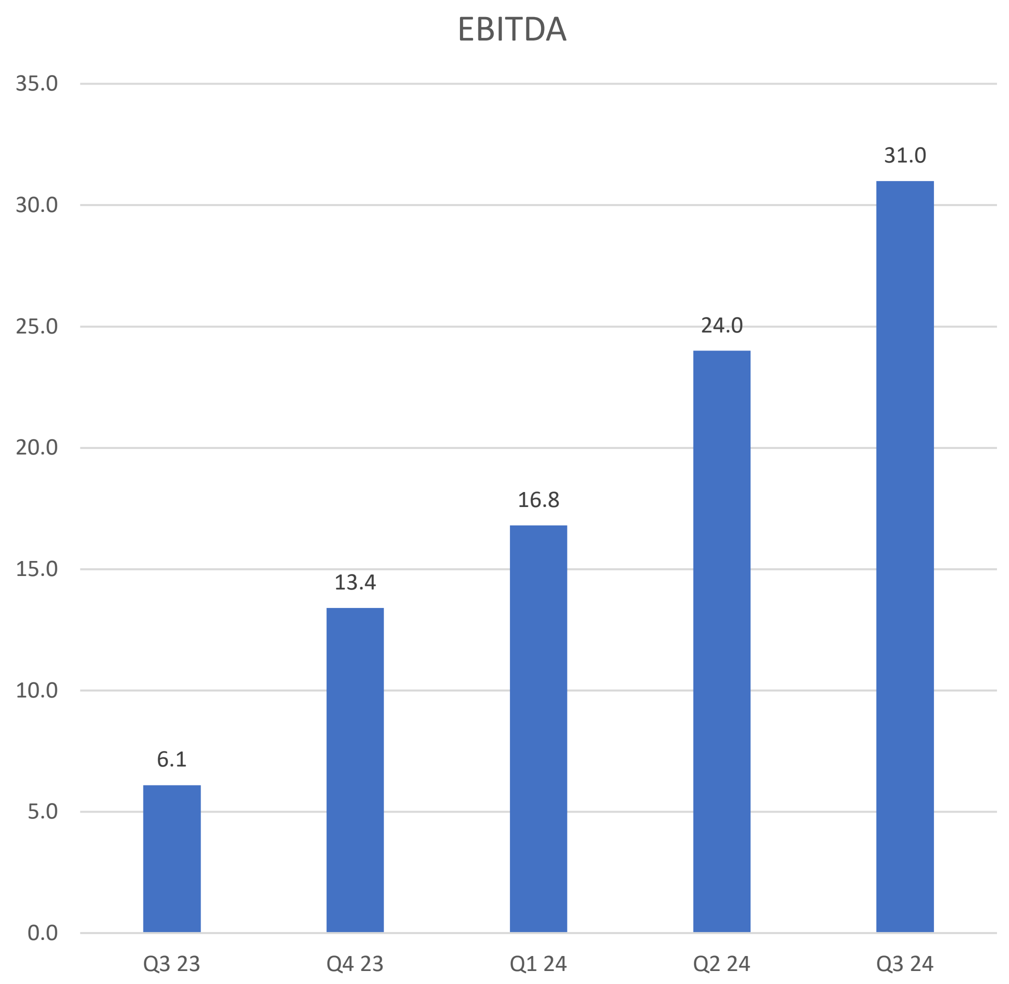
Vessel Name	Built	Type	2024	2025				2026				2027			
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Dual Fuel Newcastlemax															
Mount Norefjell	2023	DF Newcastlemax	30,000												
Mount Ita	2023	DF Newcastlemax			Index										
Mount Etna	2023	DF Newcastlemax					Index								
Mount Blanc	2023	DF Newcastlemax					Index								
Mount Matterhorn	2023	DF Newcastlemax			Index										
Mont Neblina	2023	DF Newcastlemax					Index								
Mount Bandeira	2024	DF Newcastlemax					Index								
Mount Hua	2024	DF Newcastlemax					Index								
Mount Elbrus	2024	DF Newcastlemax			Index										
Mount Denali	2024	DF Newcastlemax					Index								
Mount Acancagua	2024	DF Newcastlemax				Index									
Mount Emai	2024	DF Newcastlemax				Index									

Opti | Available | Under Construction | Evergreen | * + Scrubber

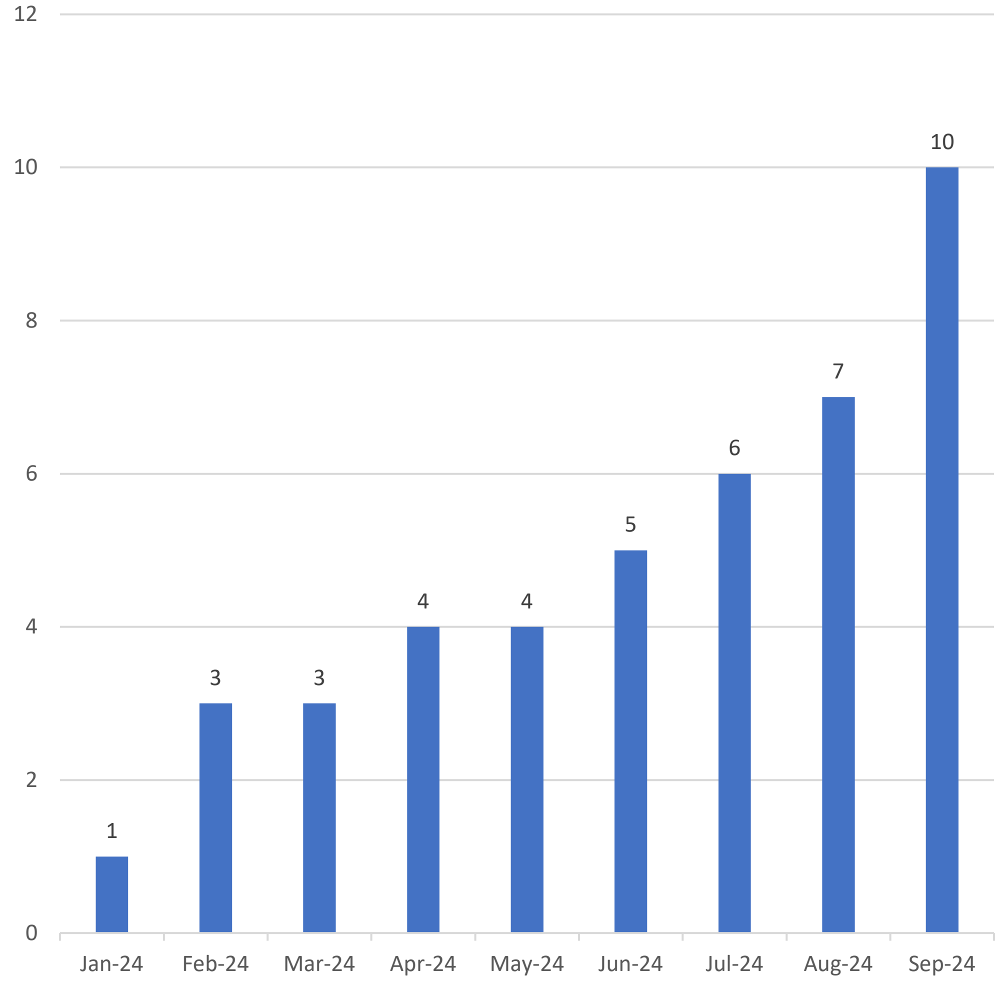
Source: Company Data

Growth in earnings and dividends into an improving market

EBITDA pr Q ($m)

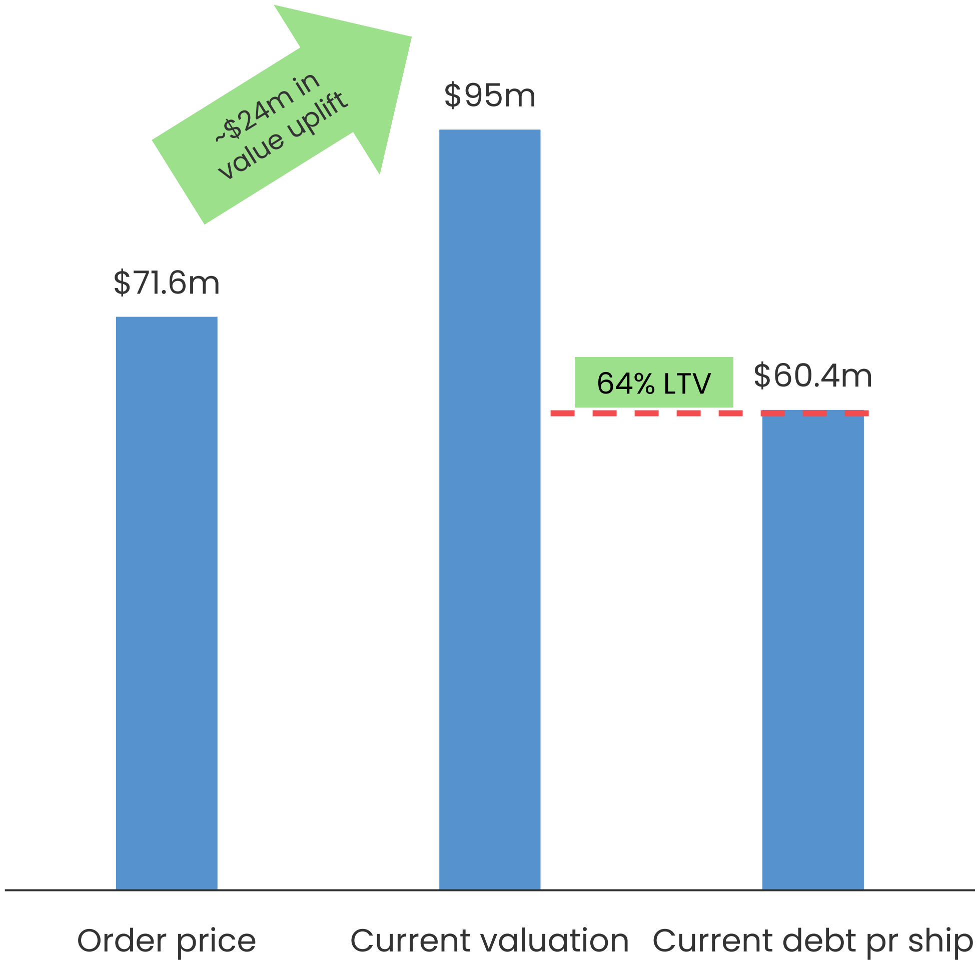


Dividend pr month ($c/share)



Ordered at the right time – financed long-term at fixed price

Modest leverage



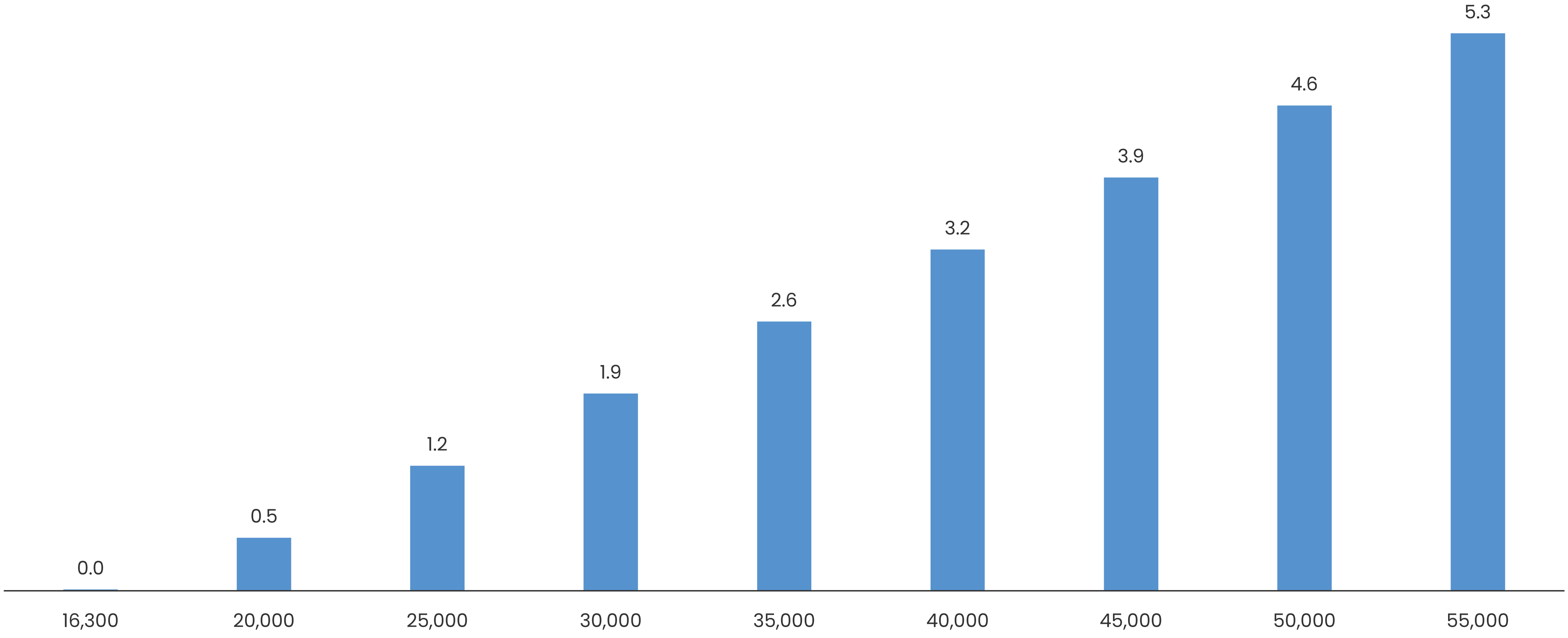
Financing fixed for 7 years gives attractive break-even

Fixed bareboat day-rate[2]	$/day	16,567
Scrubber financing[3]	$/day	841
Estimated Opex	"	6,400
Estimated SG&A	"	732
Estimated cash break-even	**"**	**24,540**
Estimated scrubber benefit when sailing[4]	$/day	(2,200)
Earnings premium[5]	42%	(6,300)
Capesize index eq cash break-even rate	$/day	**~16.300[5]**

Source; Himalaya Shipping. Clarksons. Debt based on $725.5m total debt net of deferred financing costs. 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 $110 basis Singapore bunkering for a consumption of 10,000 tons per year with 75% benefit to the Shipowner. Platts quoted bunker spread 5 Nov 2024 is $110/t. 5. 11 index-linked charters with a contracted premium to BCI 5TC of 42%. Source: Clarksons Shipping Intelligence Network (https://sin.clarksons.net/) as of January 26, 2023 and Company estimates. 5. Capesize index rate adjusted for 5% commission

Solid dividend capacity

Illustrative FCF $ per share based on Capesize index rate



1. This information has been prepared for illustrative purposes only and does not represent the Company's forecast. It is based, among other things, on industry data, internal data and estimates of the Company and is inherently subject to risk and uncertainties. Actual results may differ materially from the assumptions and circumstances reflected in the above illustrative financial information. 2. Assumes BCI5 Index rates + 42% premium (less 5%) commission) + $2,200 in scrubber benefit less $24,540/d in cash breakeven x 12 ships, divided on 43,900,000 shares outstanding

Capital discipline

Attractive cash-break even of ~$16k/day on Capesize index equivalent

Full alignment between shareholders and management – board and sponsors own ~1/3 of the equity

No reinvestment plans – youngest fleet in the industry means limited capital needs

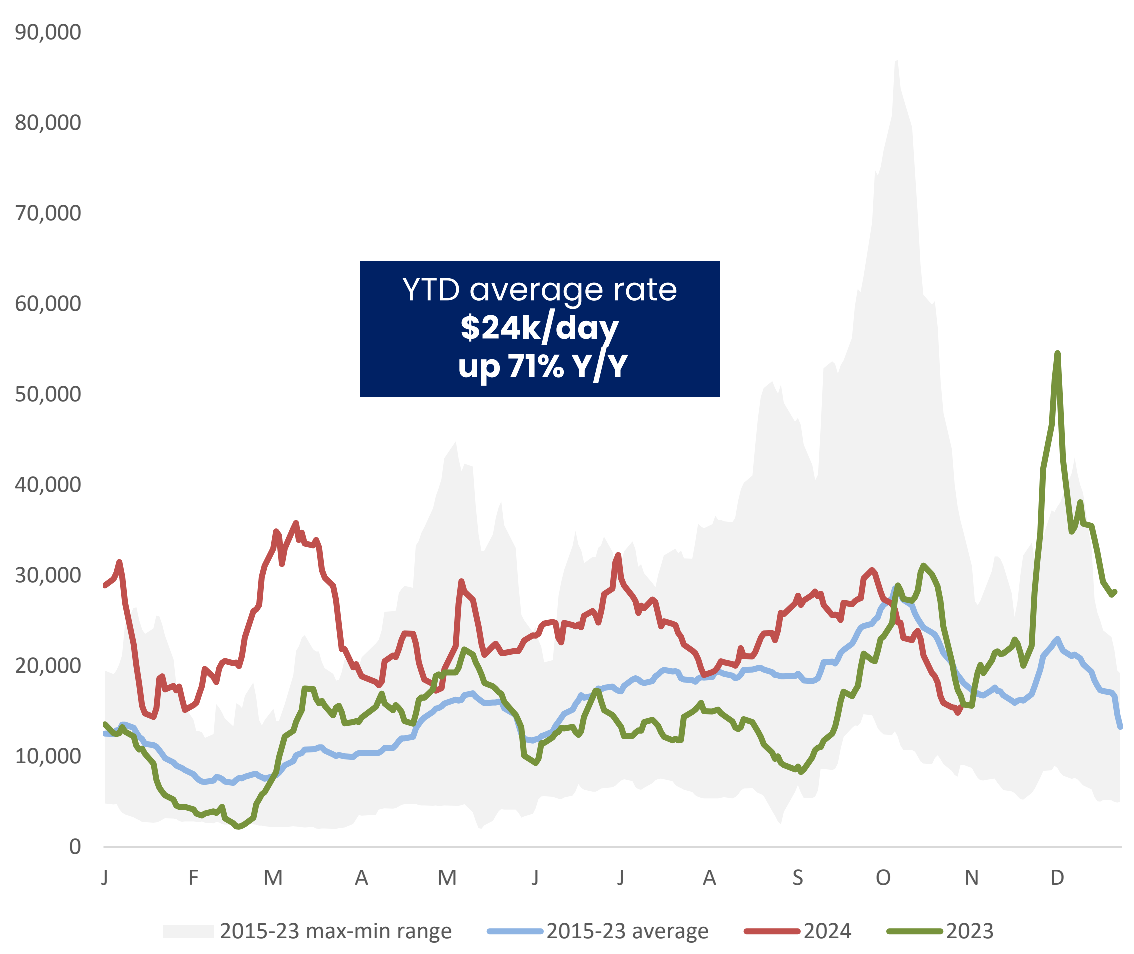
Cash flow from operation targets to be distributed in monthly dividends

Already announced 9 monthly dividends - $0.10c for Sept 2024

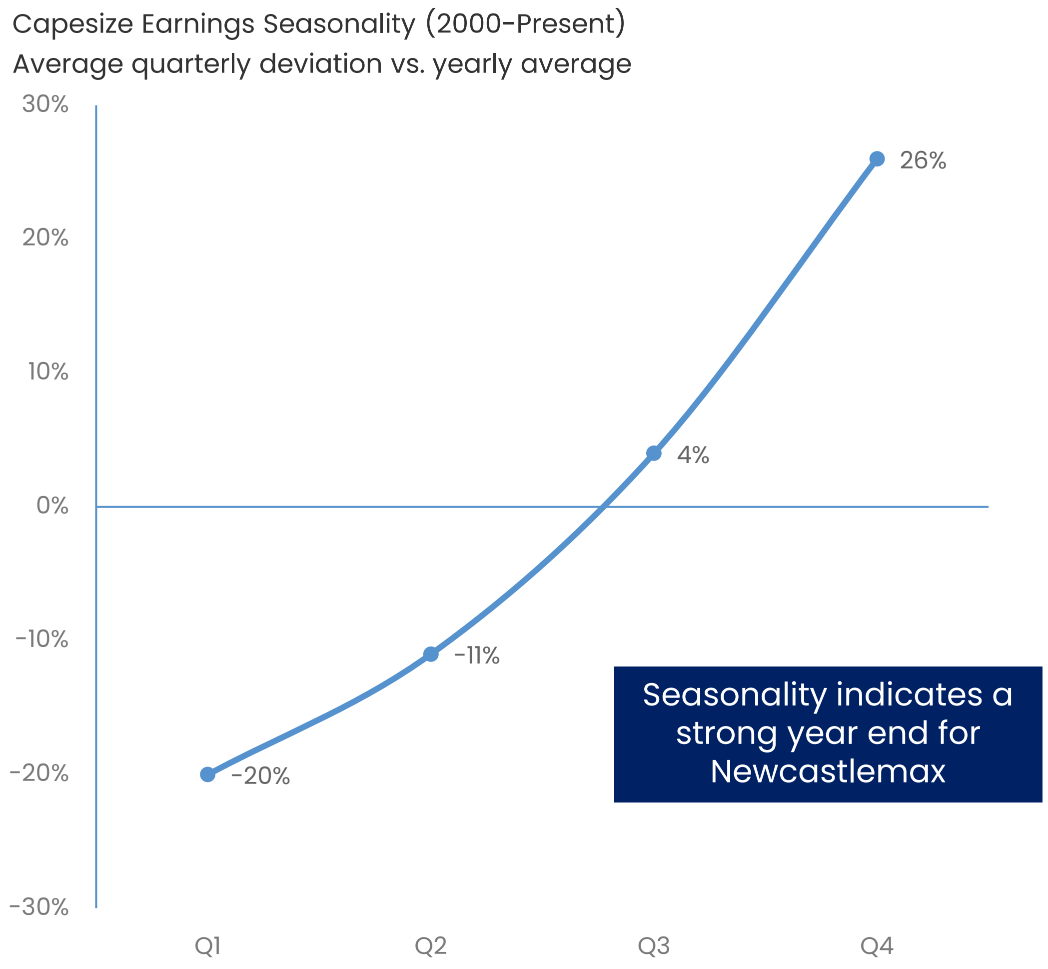
Market update

Strong start to the year and strong seasonality ahead

Baltic 5TC Index



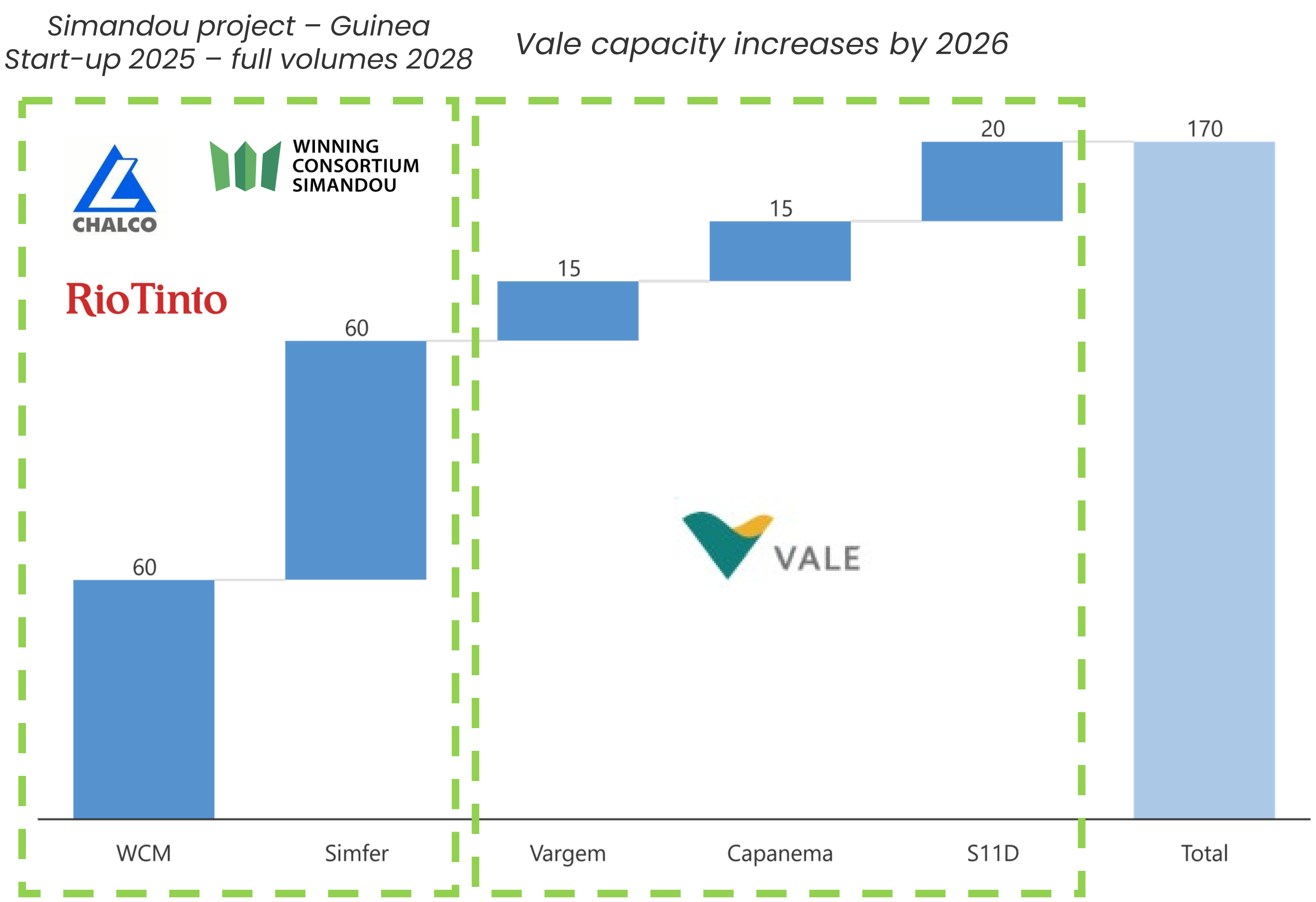
Baltic 5TC Index Seasonality



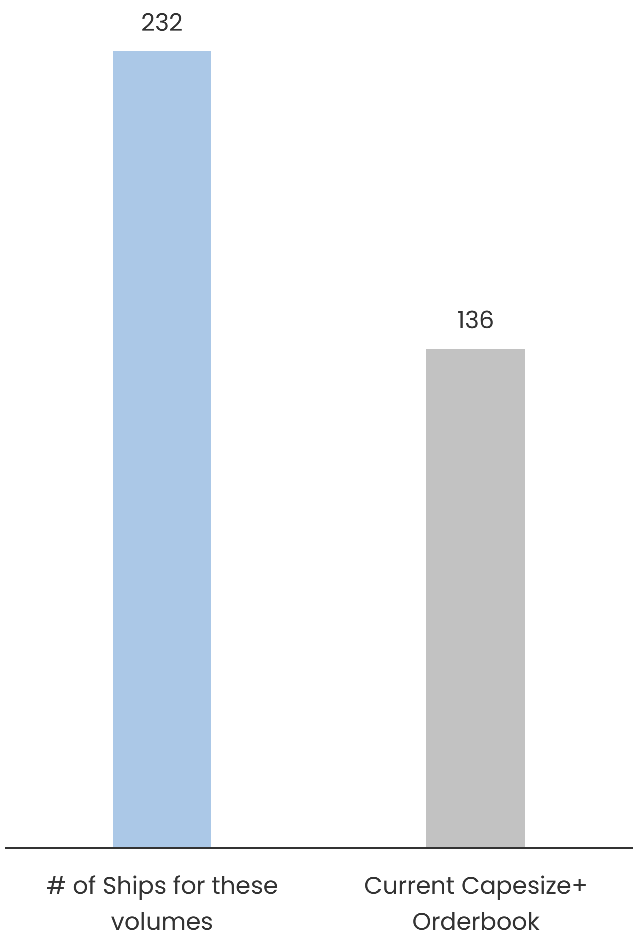
Source: Clarksons Shipping Intelligence Index

Significant iron ore volumes coming – driving tonne-mile demand

Addition iron ore volumes in Atlantic basin (MT/y) – 3x longer than from Australia



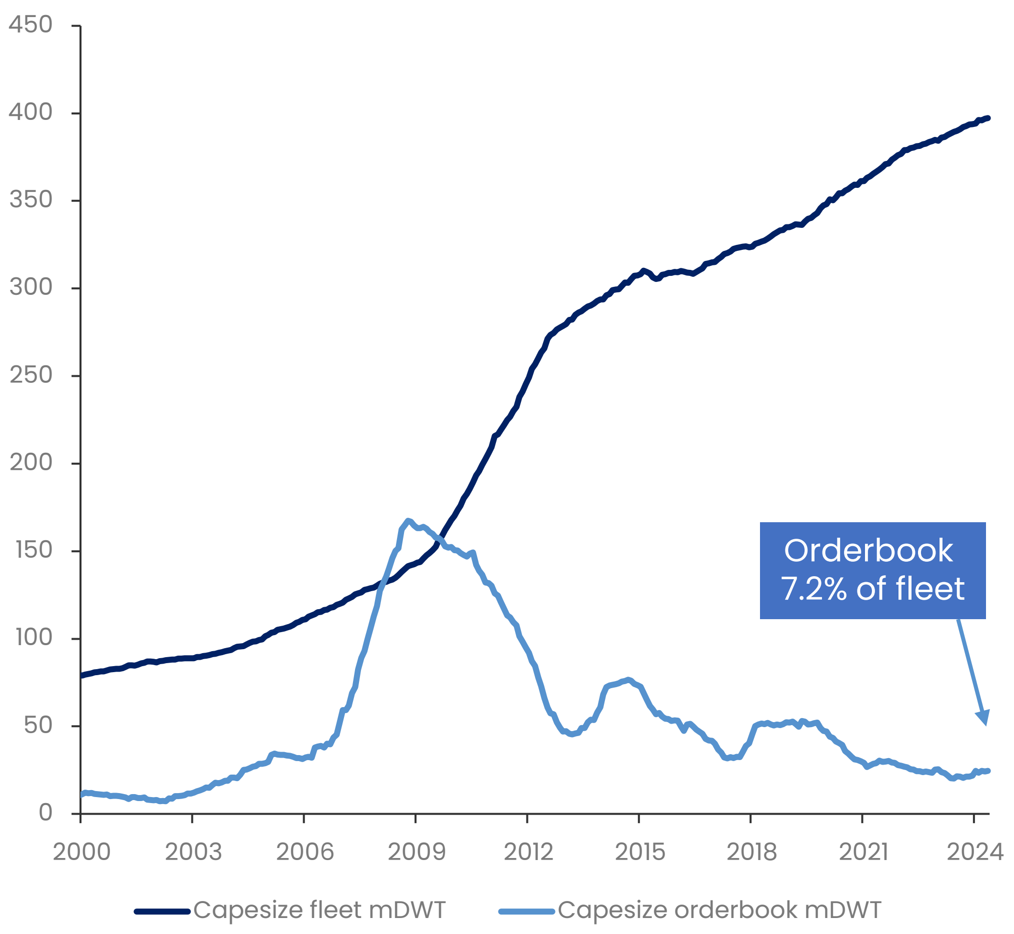
Required # ships 150% > orderbook[1]



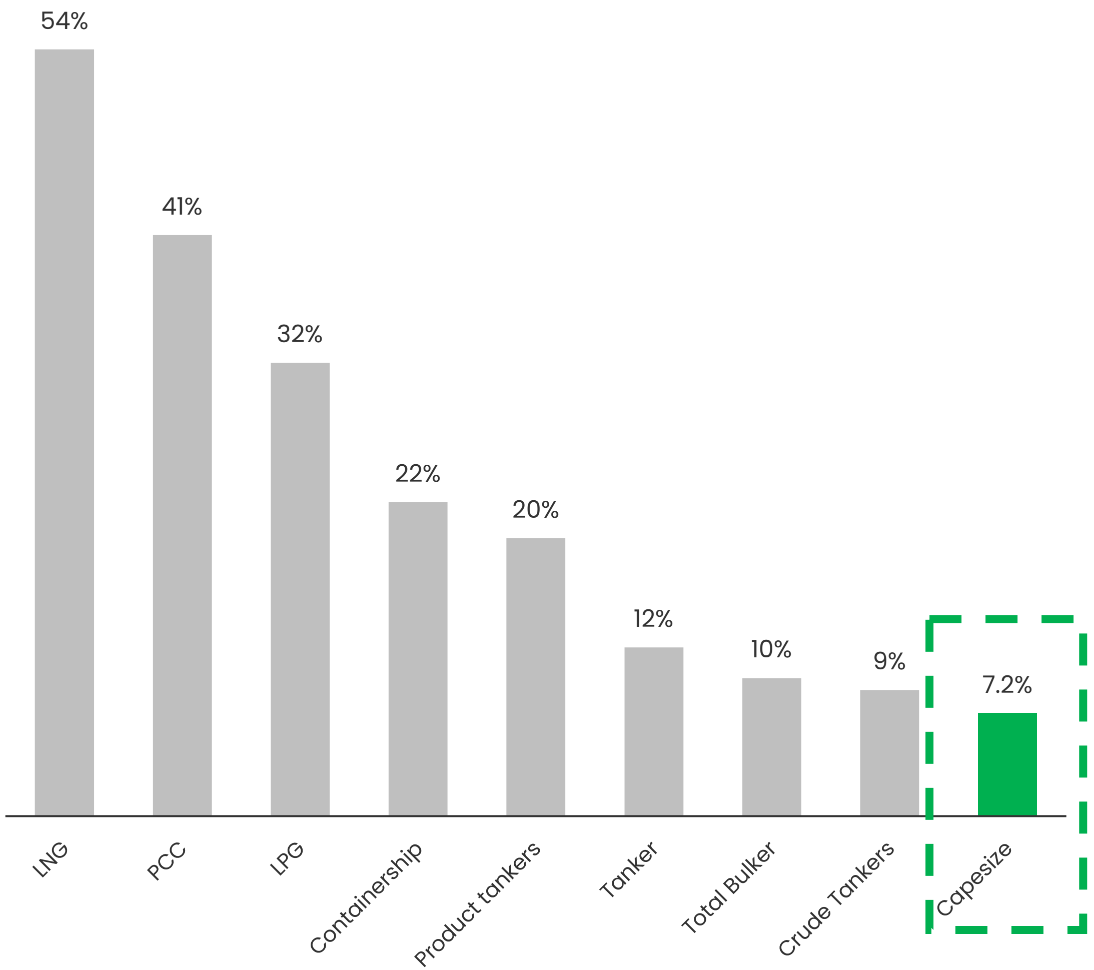
Source: Clarksons, Rio Tinto, Vale, Himalaya Shipping. 1) Assumed 170MT pr year carried on 210k DWT Newcastlemaxes (95% fully loaded). Each ship able to do 3.65 round voyages pr year

Limited supply of new ships

25-year low orderbook



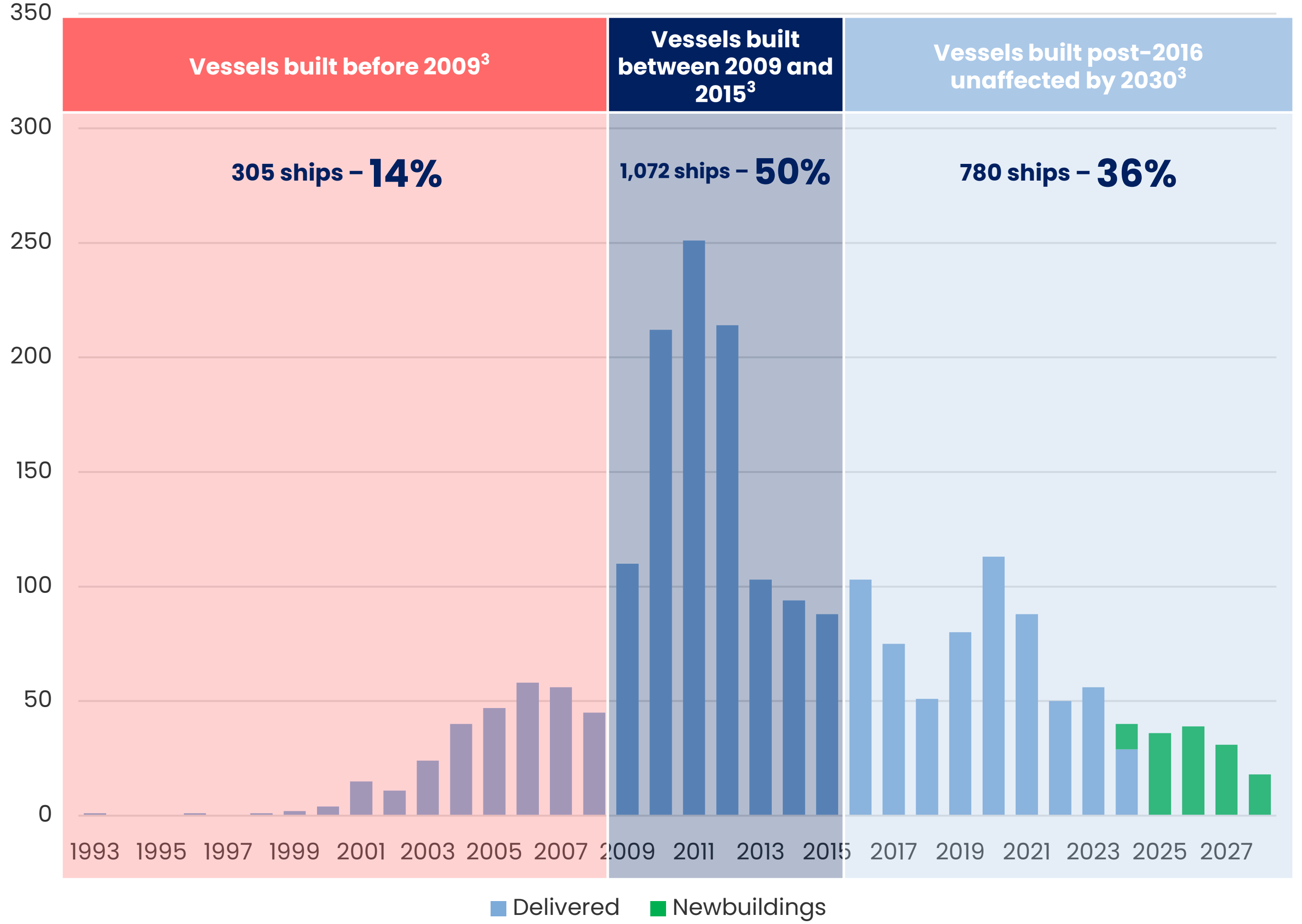
Highly supportive OB/Fleet Ratio



Source: Clarksons Shipping Intelligence Network (https://sin.clarksons.net/)

Significant replacement needs

Capesize+ fleet by delivery year in # ships



60% of the fleet >20 years by 2033

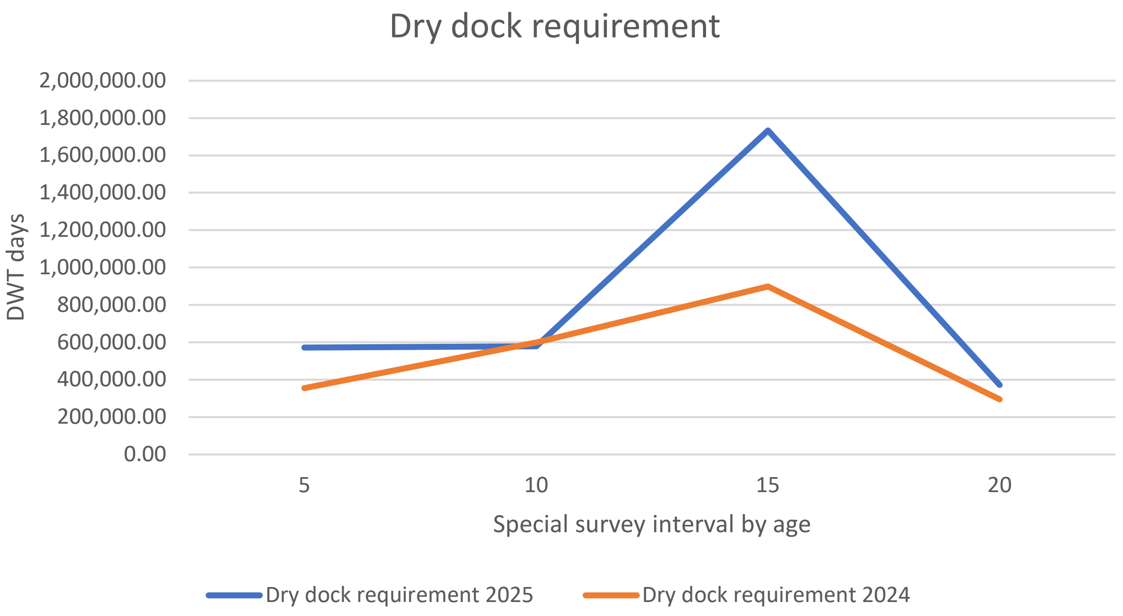
Year	# ships turning 20 years	% of fleet >20 years
2024	99	5%
2025	47	7%
2026	58	10%
2027	56	13%
2028	45	15%
2029	110	21%
2030	212	31%
2031	251	44%
2032	214	55%
2033	103	60%

Unlikely to be able to build significant capacity before 2028

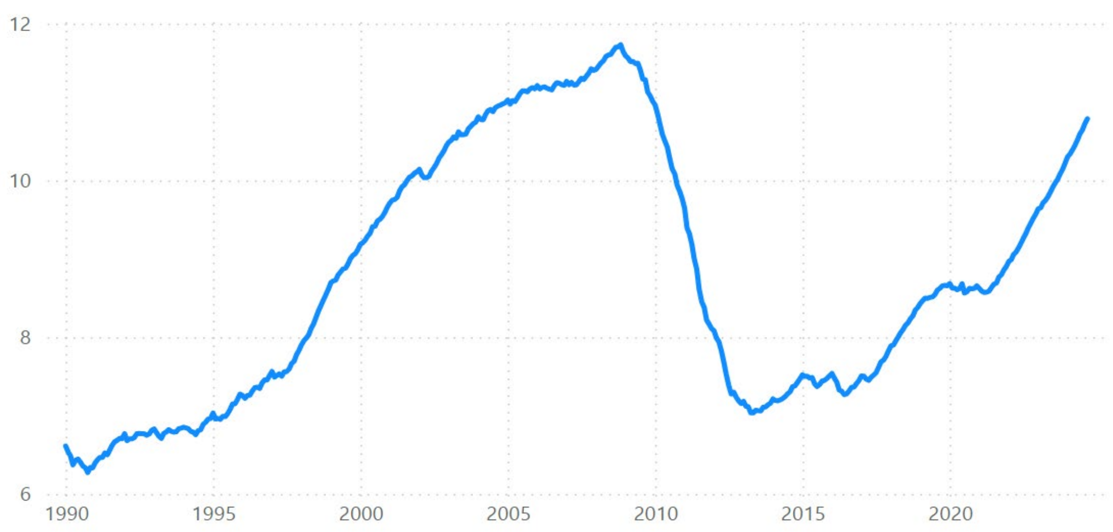
Source: Clarksons Shipping Intelligence Network (https://sin.clarksons.net/)

Mandatory dry docking to increase in 2025

Drydock data implies up to 2-3% further supply restrictions fleet-wide over the next 3 years



Average capesize fleet age:



- *52% increase in estimatated supply outtake due to DD '24->'25*
- *2010 was a big delivery year - hence over 10% of the fleet will engage in 15 year SS in 2025 (23% of the cape fleet will need dry dock in total)*

- *With an aging fleet forced to drydock or be scrapped, this will be an additional positive impact on cape/newc freight rates*
- *The large number of dry dockings in 2025 may lead to yard congestion*

Source: Clarksons Shipping Intelligence Network (https://sin.clarksons.net/)

Thank you