HIMALAYA SHIPPING

Taking the next step on shipping's path to zero emissions, with high profitability

Company Presentation

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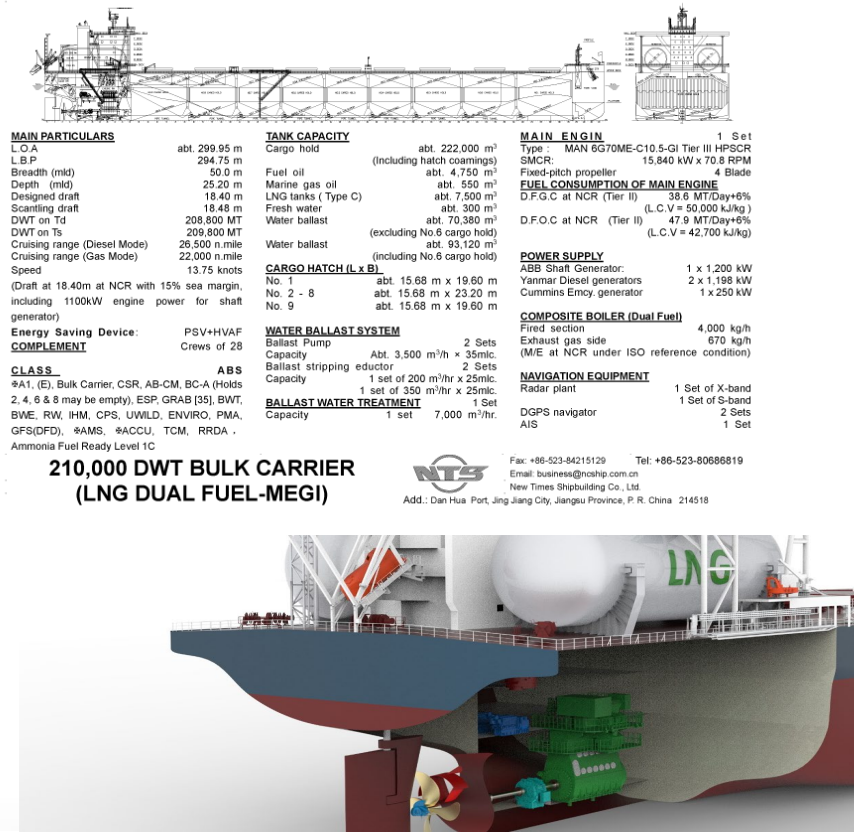
Himalaya Shipping - project overview

Ship	Price[1] (USDm)	Yard	Size (DWTk)	Ship type	Target delivery date
Mount Kilimanjaro	**67.8**	NTS	208	Dual fuel Newcastlemax	Mar-23
Mount Ita	**67.8**	NTS	208	Dual fuel Newcastlemax	Mar-23
Mount Etna	**67.8**	NTS	208	Dual fuel Newcastlemax	Apr-23
Mount Blanc	**67.8**	NTS	208	Dual fuel Newcastlemax	Jul-23
Mount Matterhorn	**69.6**	NTS	208	Dual fuel Newcastlemax	Sep-23
Mount Neblina	**69.6**	NTS	208	Dual fuel Newcastlemax	Oct-23
Mount Bandeira	**69.6**	NTS	208	Dual fuel Newcastlemax	Feb-24
Mount Hua	**69.6**	NTS	208	Dual fuel Newcastlemax	Feb-24
Mount Elbrus	**70.1**	NTS	208	Dual fuel Newcastlemax	Apr-24
Mount Emai	**70.1**	NTS	208	Dual fuel Newcastlemax	Jul-24
Mount Denali	**70.1**	NTS	208	Dual fuel Newcastlemax	Aug-24
Mount Aconcagua	**70.1**	NTS	208	Dual fuel Newcastlemax	Sep-24
Total / avg	**830 / 69.2**				

1) Price include extra cost for upgraded specifications and net address commission to be received

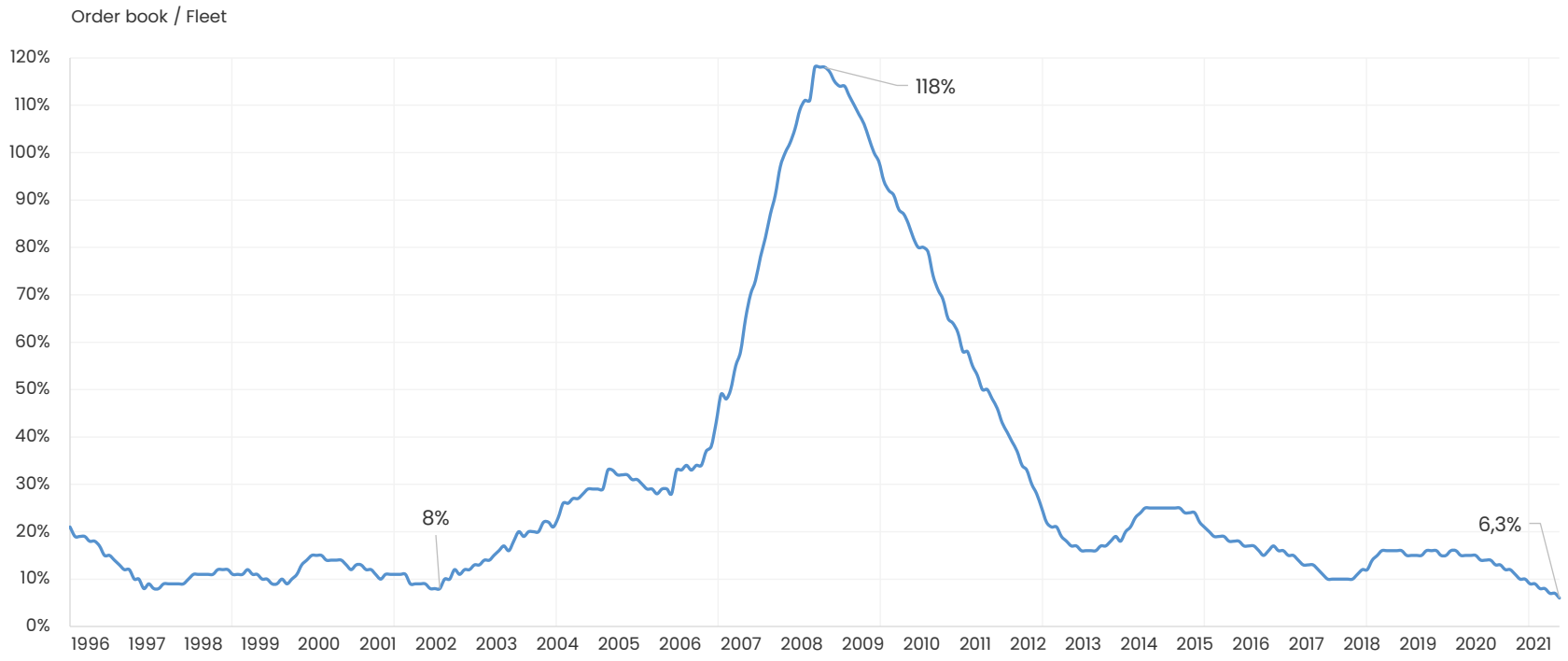
Strong technical and yard Technical supervision Olav Eikrem
- 35 years experience, CTO at 2020 Bulkers
Yard supervision by SeaQuest Marine Project Management which successfully supervised the 2020 Bulkers newbuilding program in addition to another > 300 vessels in its history



- Ships can run on LNG or LSFO giving full optionality/endurance for C3 round voyage
- Equipped with shaft generator – reducing methane slip and fuel consumption
- Ammonia Ready Level 1C - reduced cost for u/g to future potential fuels
- Preliminary A+ GHG rating – top 1 % emissions rating for large bulk carriers

Why are we ordering bulkers? (I/IV)

Capesize orderbook as % of fleet

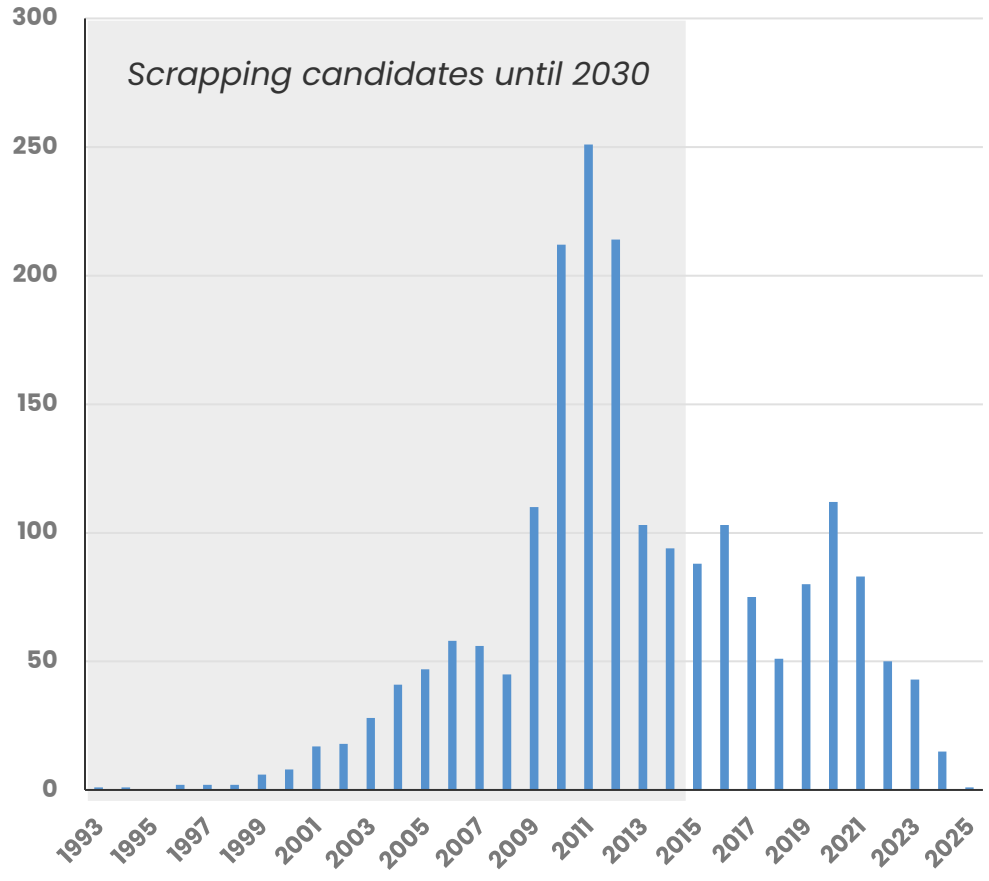


Orderbook at 30 years low – limited new supply

Source: Fearnleys

This cycle might last longer than you think

A lot of ships meeting age limit



Source: Clarksons, Company data

Significant fleet replacement needed

Year	# ships scrapped pr year (if scrapped @ 20 years)	# ships scrapped pr year (if scrapped @ 15 years)
2022	57	287
2023	28	45
2024	41	110
2025	47	212
2026	58	251
2027	56	214
2028	45	103
2029	110	94
2030	212	88

When the last cycle started there was ~600 Capesize vessels, today its 1900 –

Replacements need significantly higher yard capacity

Why are we ordering bulkers? (IIII/IIII)

Shipyard capacity down - 166 shipyards closed in China

Anhui Hengshun Fangzhou
Anhui Ma'anshan
Bohai (as above now just block fabrication but could reappear)
China Merchants - Shenzhen
Chongqing Dongfeng
COSCO Guangdong
COSCO Nantong
COSCO Qidong
COSCO Shipping (Qidong)
CSSC Offshore & Marine Eng.
Damen Yichan
Dayang Offshore - Taixing
Fujian Baima
Fujian Crown Ocean
Fujian Funing
Fujian Honggang
Fujian Huadong
Fujian Southeast
Guangdong Qingyuan
Guangxi Wuzhou
Haidong
Hangzhou Dongfeng
Huarun Dadong Dockyard
Huatai
Hubei Huahai
Huizhou Tonghu Zhifa Industrial
Huludao Bohai Shipyard
Jiangdong Shipyard
Jiangdu Shenzhou Shipyard - Yangzhou JS
Jiangdu Yahai Shipbuilding
Jiangdu Yuehai Shipbuilding
Jiangsu Eastern Heavy Industry
Jiangsu Haifeng Shipbuilding
Jiangsu Haitong Offshore
Jiangsu Haizhongzhou
Jiangsu Hongming
Jiangsu Huatai
Jiangsu Jiangyang Shipyard
Jiangsu Jiuzhou
Jiangsu Longli HI
Jiangsu Mingyang
Jiangsu Qidong Fengshu
Jiangsu Qinfeng
Jiangsu Runyang Shipyard
Jiangsu Shenghua
Jiangsu Sugang
Jiangsu Yangzi Changbo
Jiangsu Ya'ou
Jiangsu Zhenjiang Shipyard
Jingjiang Nanyang Shipbuilding
Jinhaiwan Shipyard
Jiujiang Xiangsheng
Kouan Shipbuilding
Lianyungang Helitong
Lianyungang Wuzhou
Liaoning Hongguan
Nantong Jinghua
Nantong Lianxinggang Shipbuilding Co Ltd - Qidong
Nantong Nikka
Nantong Rainbow Offshore
Nantong Tongmao
Nantong Yahua
Ningbo Beilun Kangda
Ningbo Beilun Lantian
Ningbo Boda
Ningbo Bohai Shipbuilding Co Ltd - Xiangshan Count
Ningbo Dongfang
Ningbo Dongsheng Shiprepair
Ningbo Zhenhe
Ningbo Zhongyang
No 4807 Shipyard of PLA
Offshore Oil Engineering (Qingdao)
PaxOcean (Zhoushan)
Penglai Bohai
Qidong Daoda Marine
Qingdao Wuchuan
Qingdao Yangfan
Qingshan Shipyard
Rongcheng Shenfei
Sainty Yangzhou
Samjin
Shandong Baibuting
Shandong Huahai
Shandong Weihai
Shanghai Zhenhua H.I. Qidong Marine
Shanghai Zhenhua Industries
Shengli Petroleum Admin Bureau No 1 Oilfield Const
STX Dalian
Taizhou CATIC
Taizhou Changxin
Taizhou Haibin Sb. & Repairing
Taizhou Hengzhou Shipbuilding Co Ltd - Sanmen Coun
Taizhou Huaji Ship
Taizhou Huangyan Jixiang
Taizhou Wanchang
Taizhou Wuzhou
Taizhou Yanhai
Taizhou Yuansheng
Linhai Jianghai
Longhai Zini Xiongxing Shiprepair
Ma'anshan Jiangnan
Marine Expert (Zhaoqing)
Nanjing Dongze
Nanjing Jinda Shipbuilding Co Ltd - Nanjing JS
Nanjing Ningjiang
Nanjing Wujiazui
Nantong Changqingsha
Nantong Dongxin
Nantong Gangzha
Nantong Huigang
Liaoning Marine & Offshore
Tianjin Xingang Shipyard
Universe Shipbuilding (Yangzhou)
Wanlong Shipbuilding Heavy
Wenling Kaili Shiprepair
Wenling Yongli Shiprepair & Building
Wenzhou Zhongou
Wison (Nantong) Heavy
Wudi Jinbin
Yangzhou Guoyu
Yangzhou Haichuan
Yangzhou Kejin
Yangzhou Nakanishi
Yangzhou Ryuwa
Yangzhou Wanlong
Yantai Raffles
Yizheng Kangping Shipbuilding & Repair
ZCHI Shipbuilding
Zhejiang Aoli
Zhejiang Changhong
Zhejiang Chengzhou
Zhejiang Chenye
Zhejiang Donghong
Zhejiang Fangyuan Ship
Zhejiang Friendship
Zhejiang Haicheng
Zhejiang Hexing
Zhejiang Hongguan
Zhejiang Jiantiao
Zhejiang Jingang
Zhejiang Jiuzhou
Zhejiang Judger
Zhejiang Kaihang
Zhejiang Mingfa
Zhejiang Pacific
Zhejiang Peninsula Ship
Zhejiang Qinfeng Shipbuilding Co Ltd - Sanmen Xian
Zhejiang Shengong Shipbuilding Co Ltd - Yueqing ZJ
Zhejiang Shipbuilding - Fenghua
Zhejiang Shipbuilding - Ningbo
Zhejiang Shipyard - Ningbo ZJ
Zhejiang Taitong
Zhejiang Tenglong
Zhejiang Tianshi
Zhejiang Xifeng
Zhejiang Xintian Ship
Zhejiang Yueqing Changhong
Zhejiang Zhenghe
Zhejiang Zhenxing Shiprepair
Zhejiang Zhenyu
Zhongche Group Taizhou No 7816
Zhoushan Haitian
Zhoushan Wuzhou Ship Repairing
Zijinshan Shipyard of Nanjing
Linhai Changshun Shiprepair
Linhai Huajie

Source: Affinity, Reuters, TradeWinds

Banks exiting

DVB quits shipping finance
German bank plans to wind down portfolio and shut down international network by end-2020

Royal Bank of Scotland Accelerates Exit from Shipping

Lloyds Bank Accelerates Exit from Ship Financing

Top 40 shipping banks have reduced lending exposure to **~$290bn** from **~$360bn** despite a 25% increase in fleet size over the last 5 years

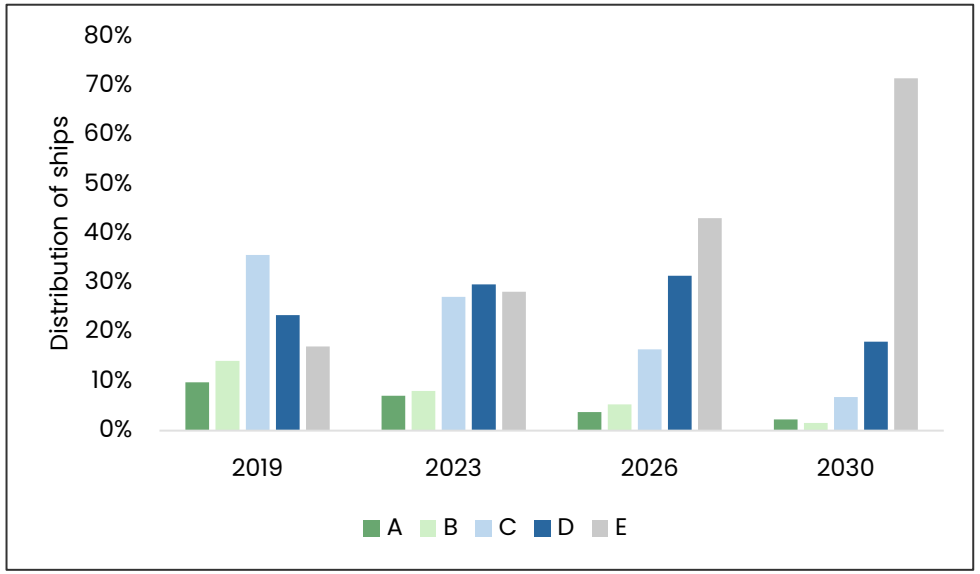
Yard and bank capacity has been significantly reduced – will limit ordering

Why are we ordering bulkers? (II/IV)

Upcoming regulations will have large impact

- IMO greenhouse gas strategy is to reduce carbon intensity by 40% in 2030 vs 2008.
- The strategy is operationalized through the EEXI and CII policy measures, coming into effect 1 January 2023 at latest.
- CII is an operational measure, consequently of importance for charterers, that describes the CO2 emissions per capacity transport work (dwt-mile), yielding an annual rating of A to E.
- There is a mandated 11% improvement requirement in carbon intensity between 2019 and 2026.
- A 21.5% improvement between 2019 and 2030 is needed in order to reach the goal of 40% reduction in carbon intensity by 2030 and should be expected to be enforced[1].
- For ships that achieve a D rating for three consecutive years, or an E rating in a single year, a corrective action plan must be developed and authorized/approved by flag state or RO (Classification Society)

Current Capesize fleet will struggle with CII towards 2030



An estimated 58% of existing Capes will have a non-compliant CII-rating (D or E) in 2023, growing to 74% in 2026 and 89% in 2030[1], based on 2019 performance.

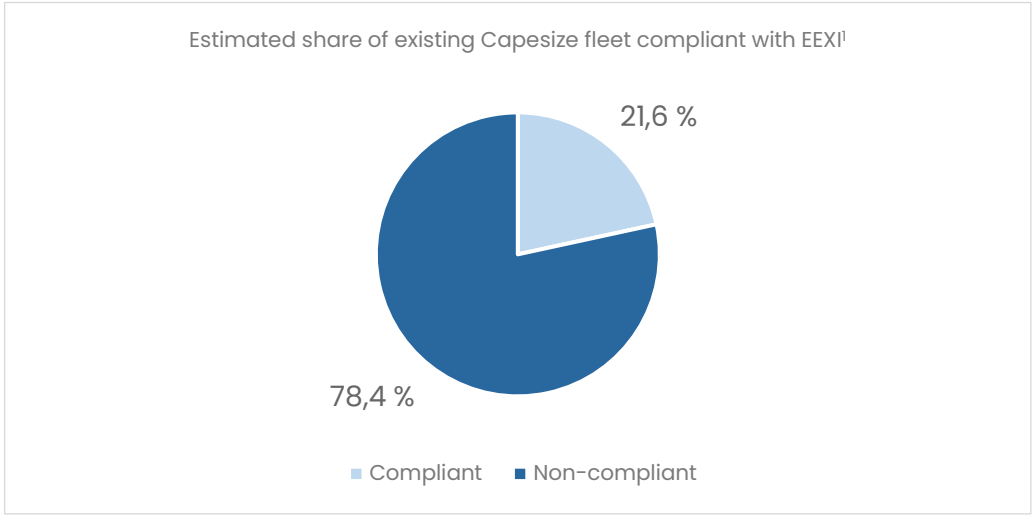
Environmental policy measures will heavily impact the existing fleet, threatening existence of a significant fraction

Source: 1) Clarksons Green Transition Group

Why are we ordering bulkers? (III/IV)

Large part of the fleet non-compliant with new regulation

- Ships >5000 tdw **MUST** comply with relevant EEXI standards at first class survey due in 2023 i.e. annual, intermediate or renewal survey to maintain a valid statutory **IAPP** (air pollution prevention) certificate. In short a 'ticket to trade'.
- EEXI is an energy efficiency design criteria for existing ships determining maximum admissible CO2 emission per ton cargo-nautical mile.
- Majority of ships built prior EEDI regulation, the predecessor to EEXI, effective on January 1st 2013 may need to significantly reduce speeds to meet requirement.
- Introduction of CII enhance compliance threshold for older ships. Regulations gets tougher every year



Even 2014 built bulkers face EEXI compliance issues[2]

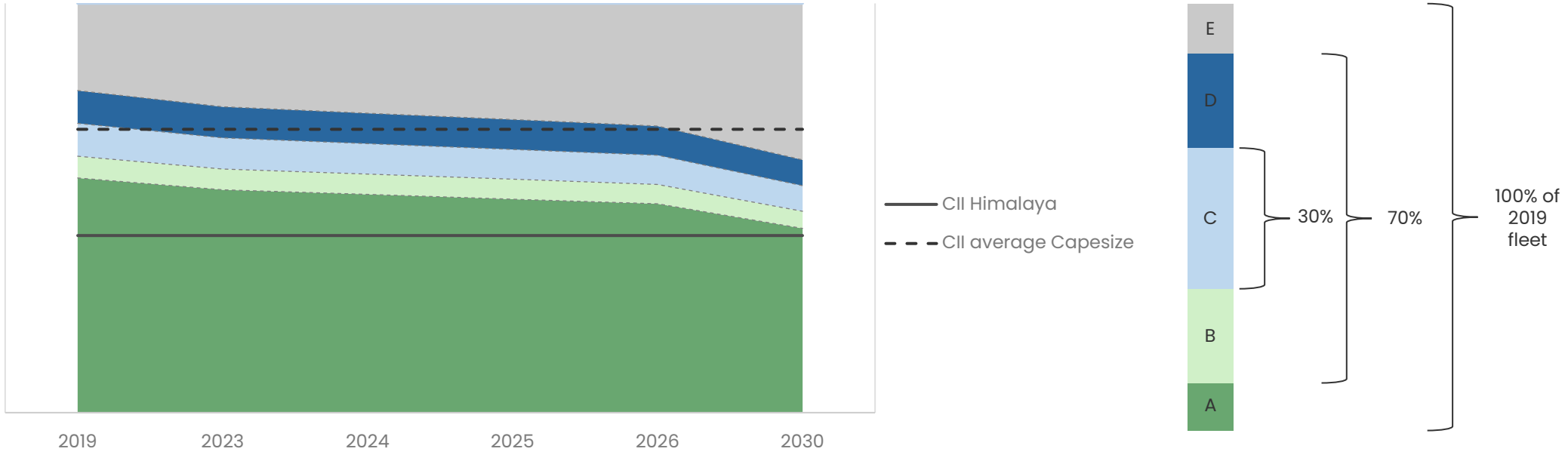
Ship	Build year	Build country	kDWT	EEXI rating		
				Required	Calculated	Compliance
Capesize X	2009	Korea	169	2.47	3.17	**No**
Capesize Y	2014	China	180	2.40	2.43	**No**
Newcastlemax X	2019	China	208	2.37	2.11	**Yes**
Himalaya Shipping	2023	China	208	2.37	1.51	**Yes**

Himalaya Shipping's fleet will comply with EEXI by a clear margin, while a large share of the Capesize fleet is likely to install energy power limitations to achieve compliance

Source: 1)VesselsValue, 2)Company data,

Why are we ordering bulkers? (IV/IV)

Superior environmental performance compared to existing fleet – top CII rating will give significant competitive advantage



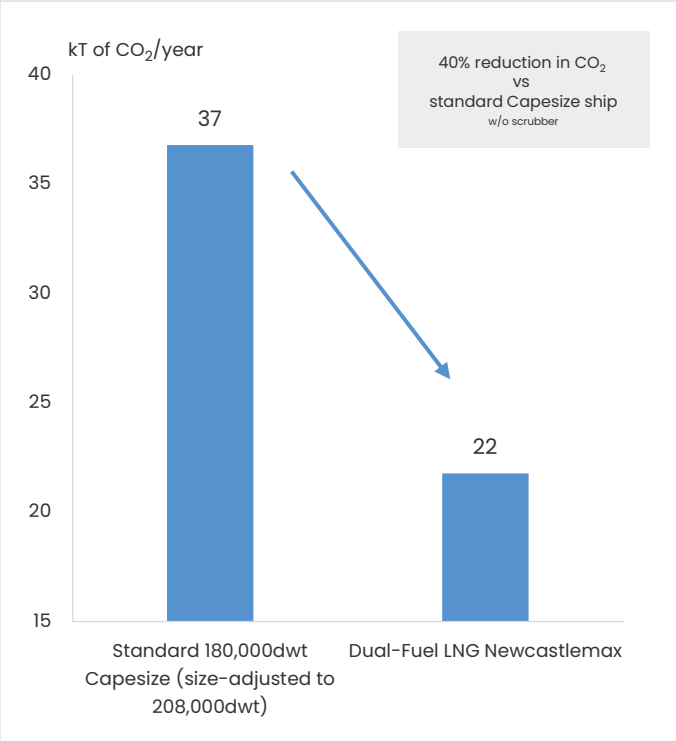
- Himalaya Shipping's fleet is estimated to maintain A-rating throughout 2030 without technical improvements or speed reductions[1].
- The average Capesize in operation will be D-rated from 2023, and E-rated in 2030, based on 2019 performance[2].
- Speed reductions are inevitable for non-compliant vessels, resulting in strengthened market fundamentals.

- In addition to the regulations enforced by the IMO, social pressure on decarbonization is expected to be a strong driving force going forward.
- Cargo owners will seek to reduce their emissions throughout their value chains, resulting in a chase for top-rated vessels and a tiered market where A- and B-rated vessels are paid a premium on the charter rates.

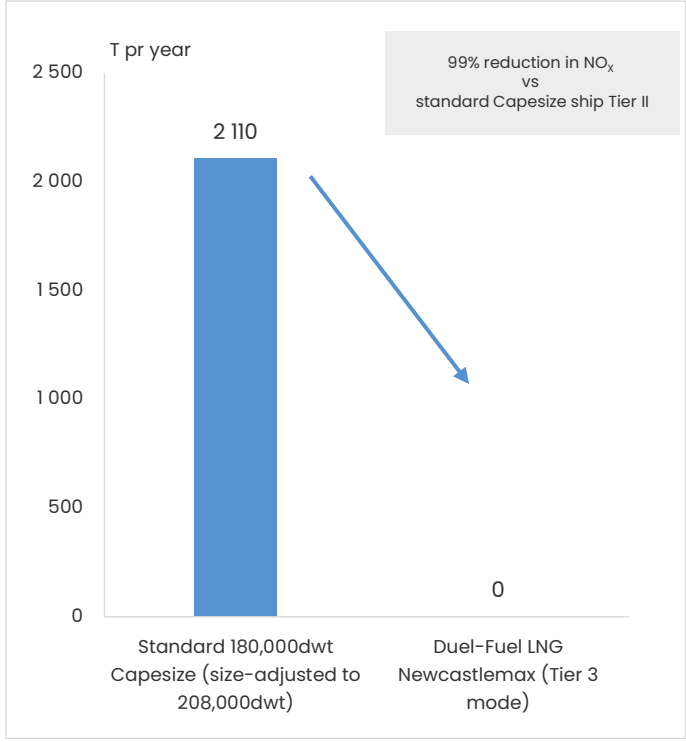
Source: 1) American Bureau of Shipping, Clarksons Green Transition Group
2) Clarksons Green Transition Group

The green twist – the 12 ships save CO_2 equal to 40,000 cars - Around half of Norway's EV sales pr year

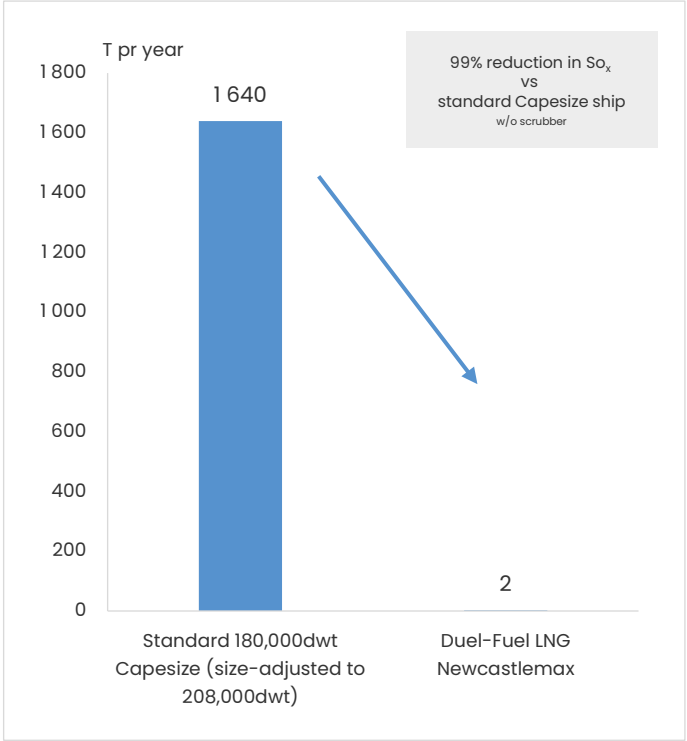
Significantly lower CO_2 emissions



Significantly lower NO_x emissions



Significantly lower SO_x emissions



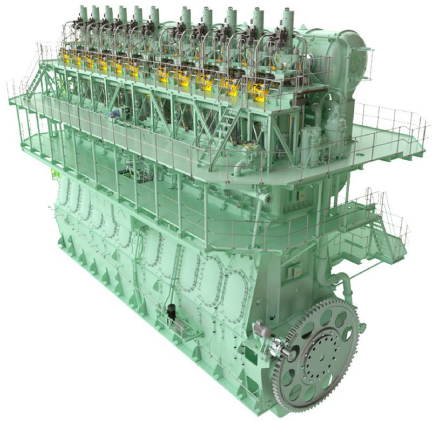
Himalaya will have the option to run on LSFO if LNG saving or CO_2 saving is not economical

Source: Company data

Greenhouse Gas emission reduction from burning LNG

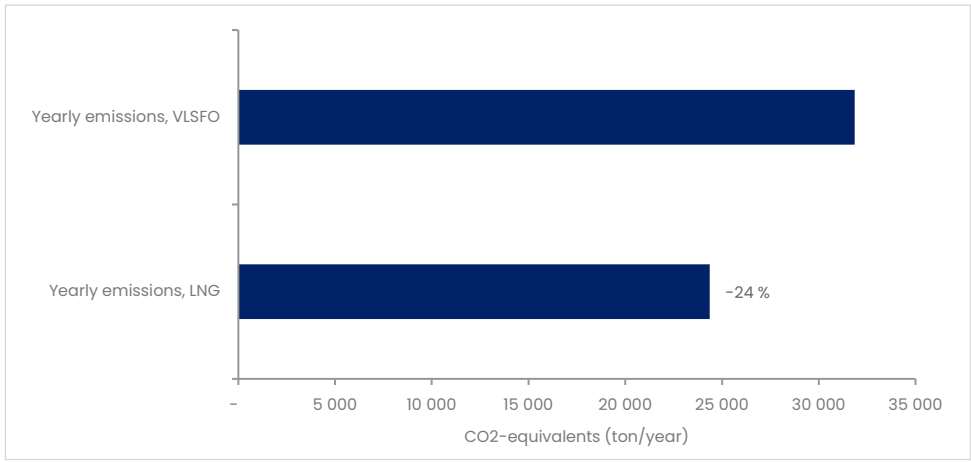
Methane slip a diminishing issue

- Methane slip, i.e., unburned methane from the engines, has been a hot topic due to methane's high global warming potential.
- Himalaya Shipping's fleet is fitted with MAN ME-GI high-pressure LNG dual-fuel engine. In combination with in-line shaft generator the concept offer exceptionally low methane slip.
- Factoring in the methane slip, the 100-year and 20-year global warming potential (GWP) of LNG only increases with 5% and 13%, respectively[1].



Realizing the reduction potential of LNG

- Record-low methane slip makes it possible to realize significant GHG savings from burning LNG.
- Running on LNG reduces the CO2-equivalent emissions in the range between 18% and 24% compared to VLSFO, depending on if GWP potential is reflected on a 20-year or 100-year basis[2].
- Each ship can save the environment from more than 7,500 tons CO_2 equivalents a year, the same effect as replacing 1600 cars with EVs[2], only from switching to LNG.



LNG can make Himalaya's fleet reduce GHG emissions equivalent to replacing 20 000 cars with EVs

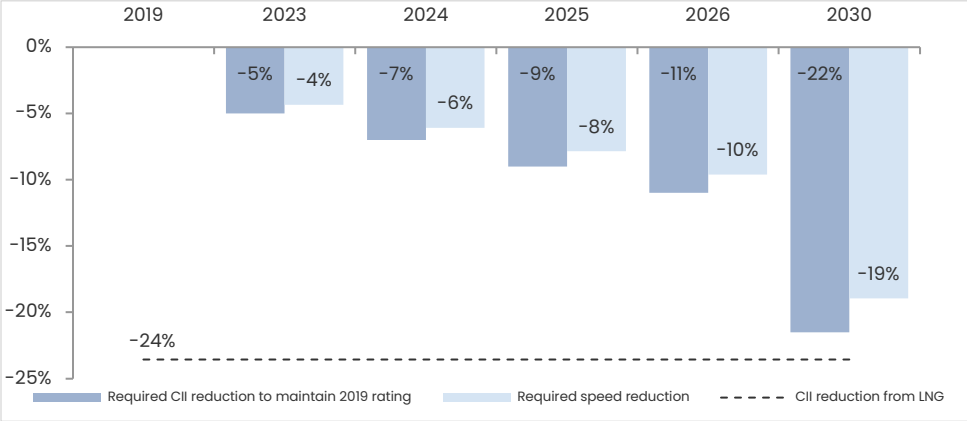
Source: 1) MAN, 2) Clarksons Green Transition Group

Why are we ordering bulkers with LNG DF?

LNG fuel is a viable alternative to speed reduction...

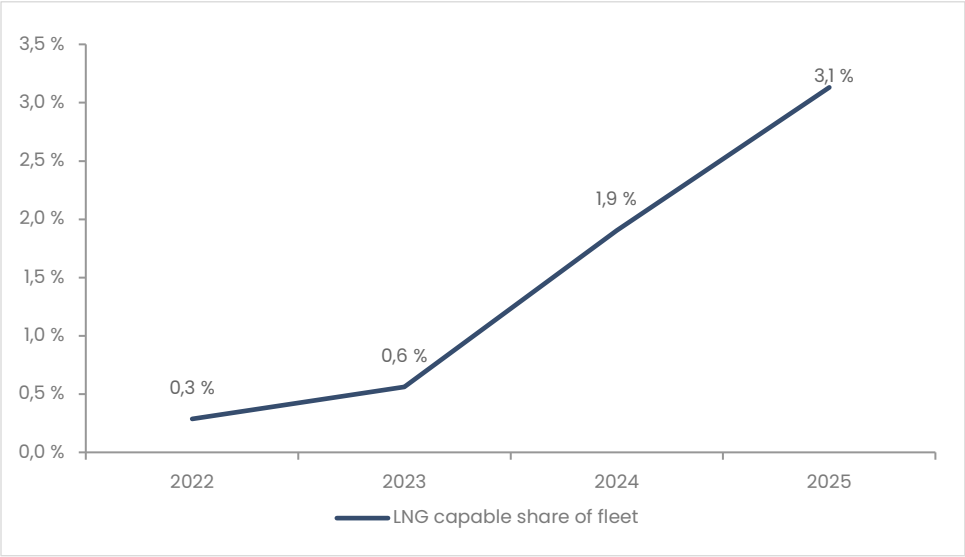
- The CII-threshold values will tighten gradually to an expected required CII-improvement of **21.5%** in 2030 compared to 2019 values.
- Options to improve CII are limited, with reduced sailing speed seemingly being the only viable alternative for mass adoption.
- The estimated speed reduction for a modern Capesize (built after 2015) to maintain its 2019 rating in 2030 is **19%**[1].

Even when factoring in the methane slip, a MEGI LNG dual-fuel engine can improve CII by approximately **24**%, without speed reductions[1].



... but supply of LNG fueled ships will remain limited[2]

- The number of LNG capable Capesize vessels in operation stands at a negligible 0.3% of the total.
- LNG dual fuel has gained solid traction in the Capesize segment, and accounts for 39% of the current orderbook.
- With a limited orderbook, however, the supply of LNG ships will remain small in the foreseeable future, **topping out at 3.1% going in to 2025.**

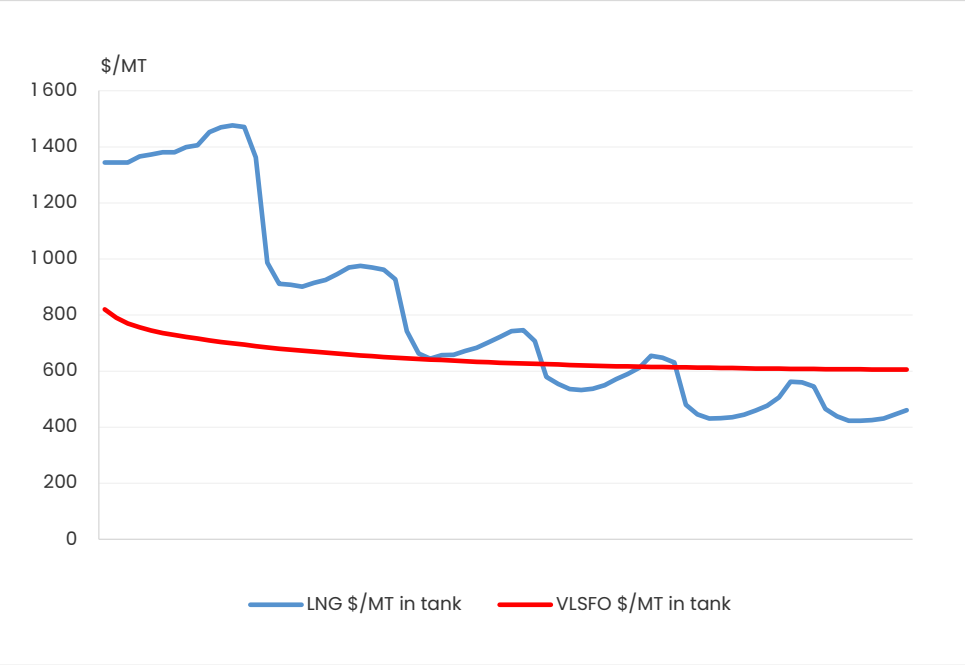


LNG DF ships can stay clear of a ~ 20% speed reduction required to maintain CII rating

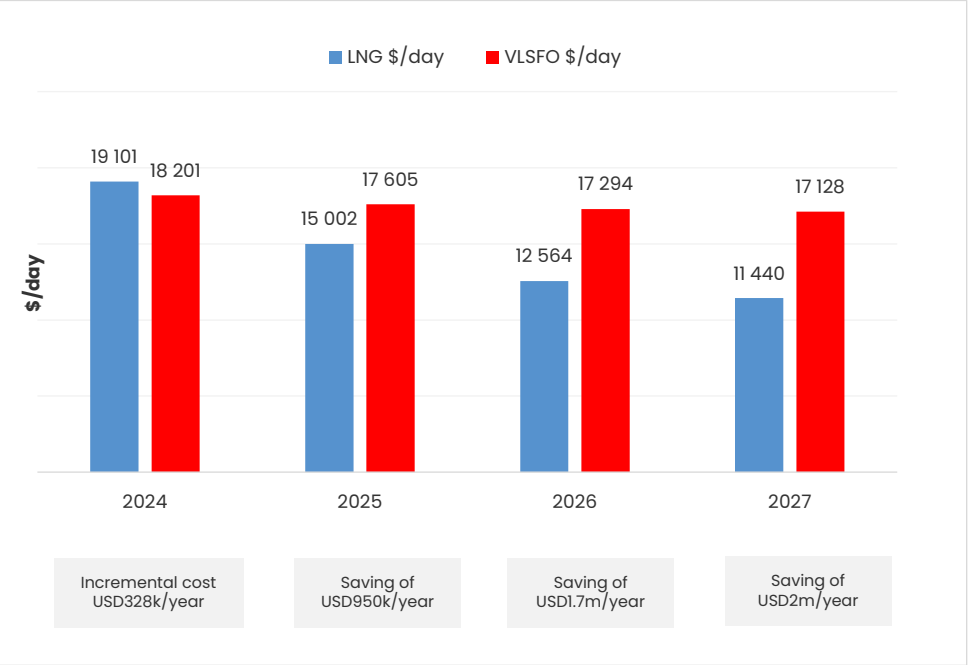
Source: 1) Clarksons Green Transition Group, 2) Clarksons World Fleet Register

Long-term prices support fuel benefit

Long-term LNG prices are lower than Oil



Consumption is lower - significant savings[1]



In addition comes potential CO_2 benefit of ~USD2k/day[2]

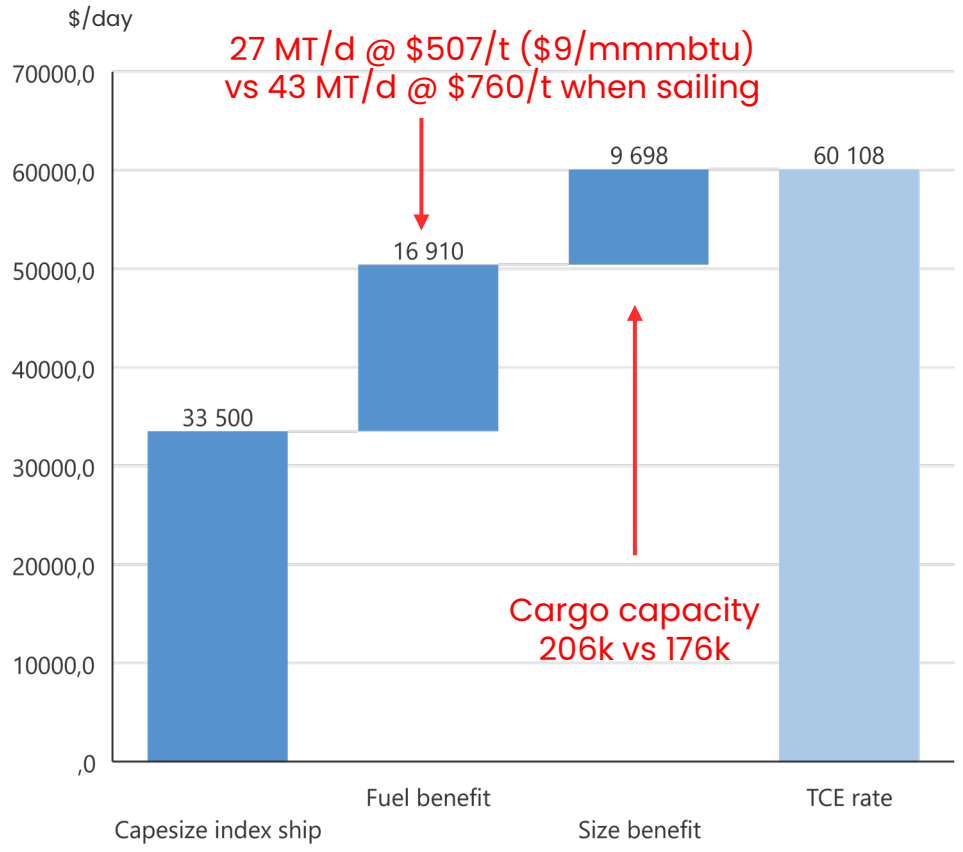
1) VLSFO trading at 20% of Brent forward prices. $0.75/mmbtu LNG logistics cost. $30/MT MGO logistics cost. Consumption; LNG round voyage 24.1 MT/d. VLSFO round voyage 28.2 MT/d

2) Based on USD100/t for CO_2 and 50% of tax applicable. Savings of 15k tonnes pr year vs a standard cape

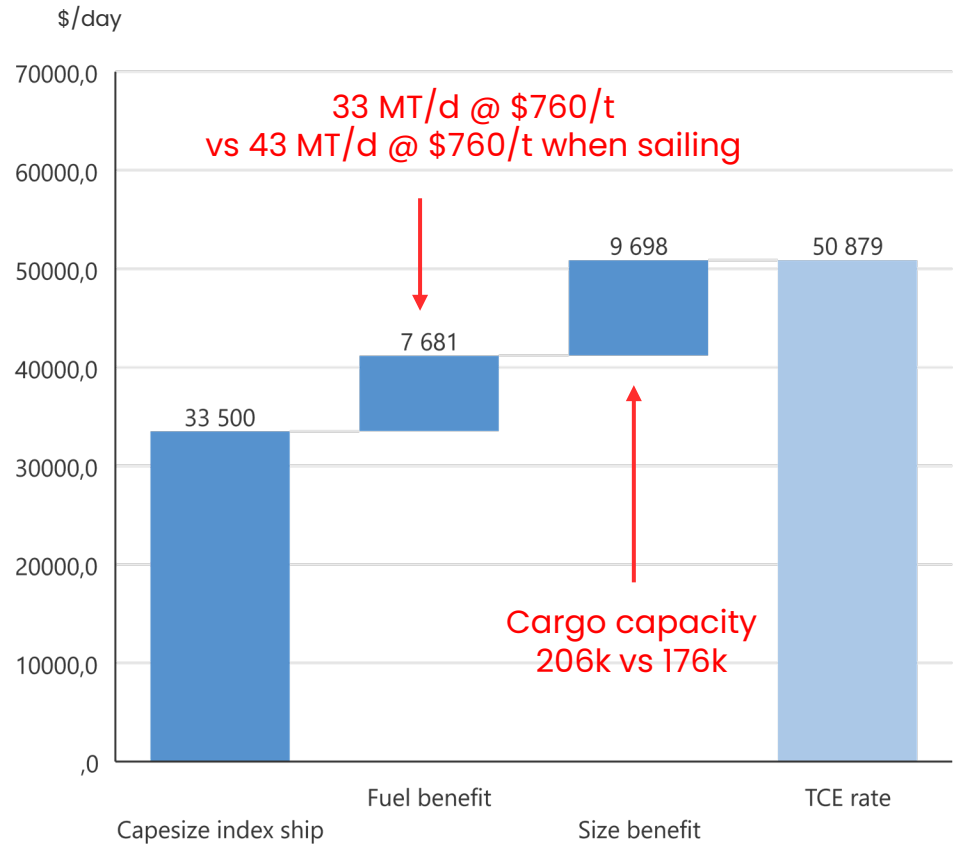
Source: Bloomberg, Company data

Why the Himalaya ships deserve a premium

Running on LNG @ $9/mmbtu – 80% premium to BCI index (Ballast)



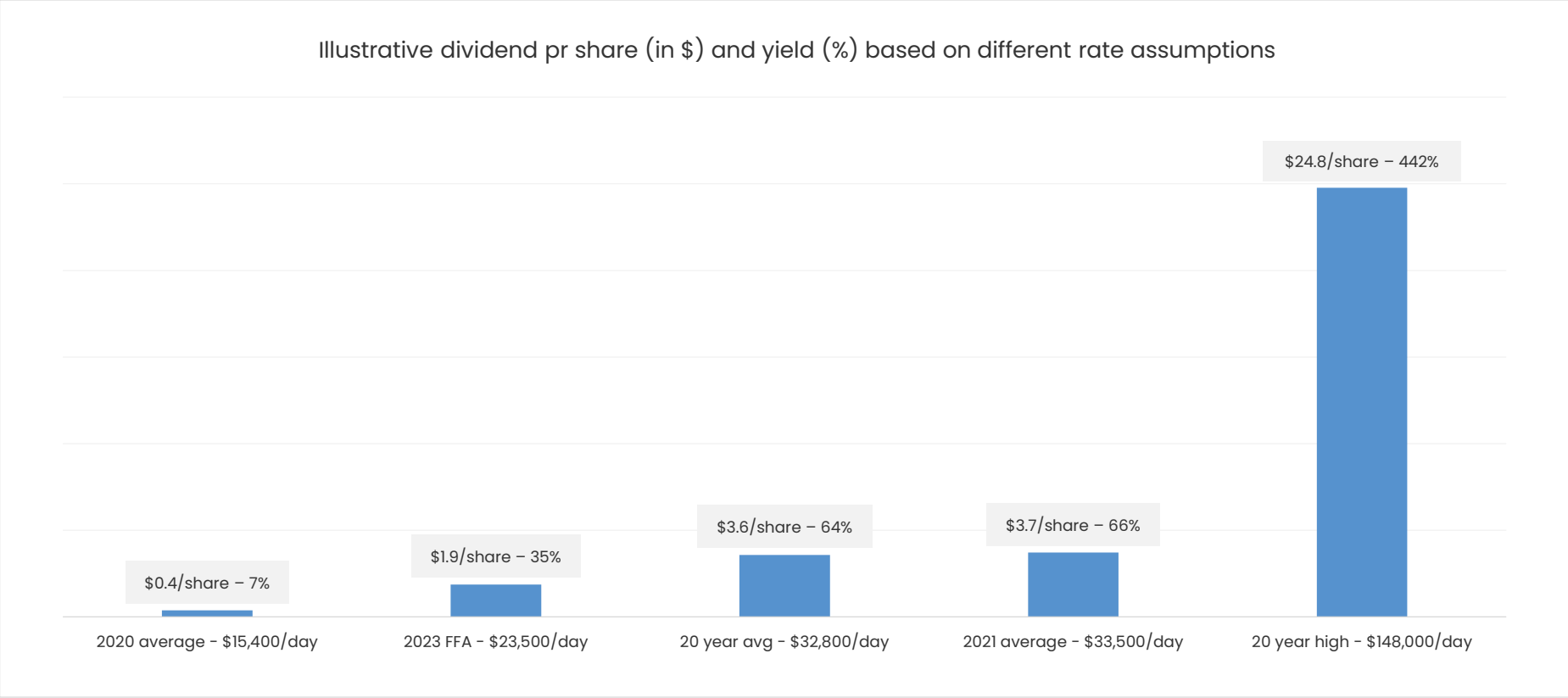
Running on LSFO – 52% premium to BCI index (Ballast)



Source: Company data

Significant cash-flow

High sensitivity to an improving market



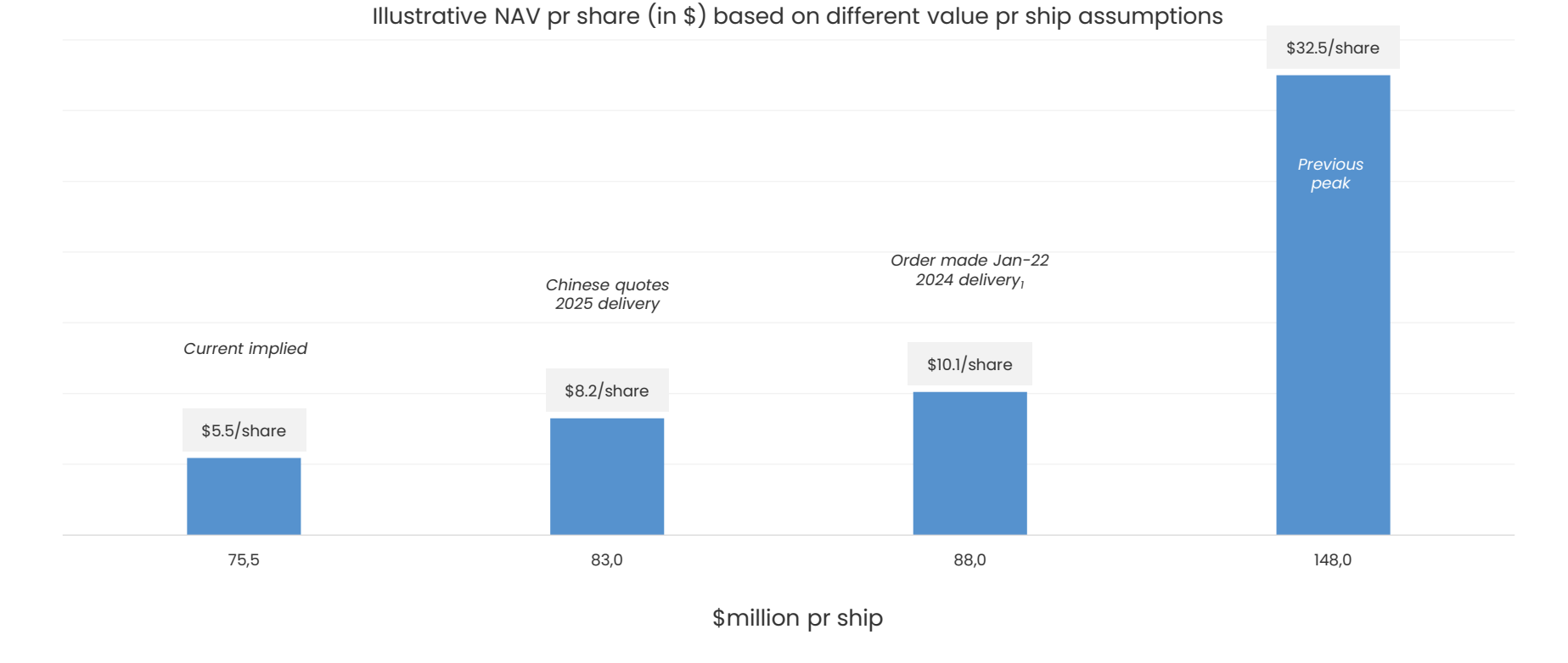
Himalaya achieved rates based on 35% premium to Capesize index, $5k/day in LNG/CO2 benefit. Cash breakeven of $23k/day

Share price NOK49 – No shares outstanding 32.1m

Source: Company data

Significant value upside

High sensitivity to increasing asset prices



1) Order placed at USD82m for a Capesize DF LNG. Upgrade for Himalaya spec estimated at USD4-6m

Source: Company data