

September 2024



PERFORMANCE
Shipping Inc.

A Pure - Play Tanker Company

Disclosure

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, but are not limited to, statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts, including with respect to future market conditions, the conduct of our share repurchase program and the delivery of the vessels we have agreed to acquire.

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," "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending," and similar expressions, terms, or phrases may 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, our management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe 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 our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to: the strength of world economies, fluctuations in currencies and interest rates, general market conditions, including fluctuations in charter rates and vessel values, changes in demand in the tanker shipping industry, changes in the supply of vessels, changes in worldwide oil production and consumption and storage, changes in our operating expenses, including bunker prices, crew costs, drydocking and insurance costs, our future operating or financial results, availability of financing and refinancing including with respect to vessels we agree to acquire, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, the length and severity of epidemics and pandemics, including COVID-19, and their impact on the demand for seaborne transportation of petroleum and other types of products, changes in governmental rules and regulations or actions taken by regulatory authorities, general domestic and international political conditions or events, including "trade wars", armed conflicts including the war in Ukraine and the war between Israel and Hamas, the imposition of new international sanctions, acts by terrorists or acts of piracy on ocean-going vessels, potential disruption of shipping routes due to accidents, labor disputes or political events, vessel breakdowns and instances of off-hires and other important factors. Please see our filings with the US Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties.

Agenda

Section 1: Company Overview

Section 2: Financial Presentation



Company Profile

Transitioned to pure tanker fleet, new management, simple corporate structure, new strategy implementation



Nasdaq: PSHG

Publicly Listed since 2011



Pure Tanker
Company

Since August 2020

7

Aframax Tankers

\$42.9 million

Revenue in 1H 2024

Net LTV -3%

Net Loan to Value ratio

Established Commercial



Relationships

\$230.9 million

Remaining Secured Revenue Backlog



Management &
Shareholders

Aligned Interests



Valuation

Trading at low valuation



Management

Commercial Technical in House



ESG

Driven

\$36.9 million








Face Value of Preferred Stock

Experienced Senior Management

Name / Title	Biography
<p data-bbox="619 351 932 415">Aliki Paliou <i>Chairperson of the Board</i></p> 	<ul data-bbox="996 339 2295 634" style="list-style-type: none">▪ Director Performance Shipping Inc. since February 2020▪ Director, Vice-President and Treasurer of Unitized Ocean Transport Limited since January 2020▪ Previously Director and Treasurer of Alpha Sigma Shipping Corp. (2010-2015)▪ B.A. in Fine Arts, Athens School of Fine Arts▪ M.A. in Theatre Design, Central Saint Martins School of Art and Design, London
<p data-bbox="593 665 940 729">Andreas Michalopoulos <i>CEO, Director and Secretary</i></p> 	<ul data-bbox="996 679 2257 911" style="list-style-type: none">▪ Ex-CFO Performance Shipping Inc. (2010-2020)▪ Ex-CFO Diana Shipping Inc. (2006-2020)▪ Previous experience: Merrill Lynch, Nestle S.A. and McKinsey and Company▪ MSc in Economics, MBA & Master's degree in Management Sciences specialized in Finance
<p data-bbox="621 975 922 1039">Anthony Argyropoulos <i>CFO</i></p> 	<ul data-bbox="996 989 2219 1220" style="list-style-type: none">▪ Managing Director, Seaborne Capital Advisors▪ 20+ years investment banking & corporate finance experience▪ Previously with Cantor Fitzgerald & Co and Jefferies & Company, Inc. in the United States▪ MBA in Finance, Bentley College, Waltham Massachusetts

Fleet Profile

Mid-point age, high specifications & quality assets under time charter contracts and pool arrangements

Vessel	Built	Shipyard	Size (DWT)	Type	Status	Next Special Survey	Employment
 <p>Blue Moon</p>	2011	Sumitomo, Japan	104,623	Aframax	Delivered	Q3 2026	Pool
 <p>Briolette</p>	2011	Sumitomo, Japan	104,588	Aframax	Delivered	Q2 2026	TC
 <p>P. Yanbu</p>	2011	Sumitomo, Japan	105,391	Aframax	Delivered	Q1 2026	TC
 <p>P. Sophia</p>	2009	Hyundai, S. Korea	105,071	Aframax	Delivered	Q3 2024	Pool
 <p>P. Alik</p>	2010	Hyundai, S. Korea	105,304	LR2 Aframax	Delivered	Q2 2025	TC
 <p>P. Monterey</p>	2011	Hyundai, S. Korea	105,525	Aframax	Delivered	Q3 2026	TC
 <p>P. Long Beach</p>	2013	Hyundai, S. Korea	105,408	LR2 Aframax	Delivered	Q4 2028	TC

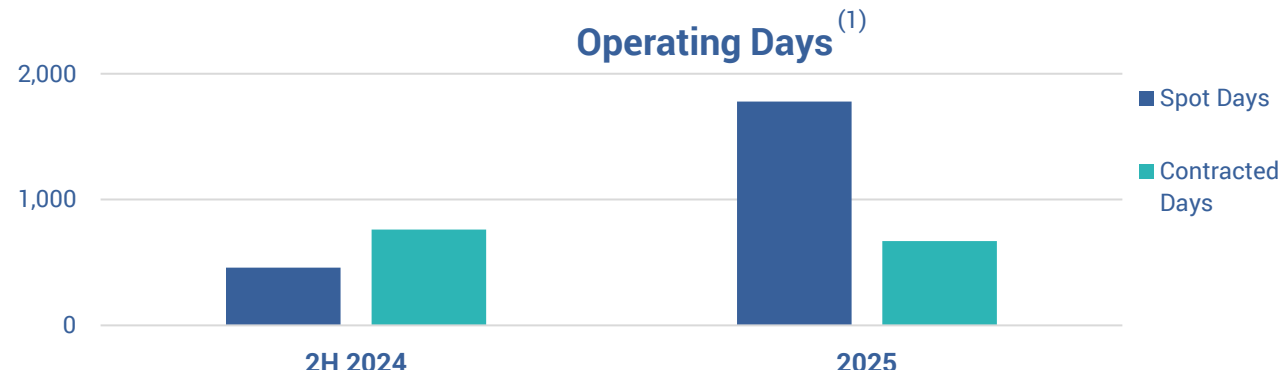
Employment Profile

5 Aframax tankers are currently operating under time charters

Secured revenues of approximately **\$230.9 million**, as of the beginning of the third quarter of 2024, including the 5-year time charter employment contracts for the 3 LR2 Aframax newbuilding tankers

Estimated average contracted rate of approximately \$37,200 and \$39,200 per day for the second half of 2024 and 2025 respectively

Vessel	Current Employment Status	2024						2025											
		Q3 2024			Q4 2024			Q1 2025			Q2 2025			Q3 2025			Q4 2025		
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
BRIOLETTE	TC	\$41,000																	
P. LONG BEACH	TC	\$37,200																	
P. ALIKI	TC	\$47,000																	
P. YANBU	TC	\$30,000																	
P. MONTEREY	TC	\$32,000																	
BLUE MOON	Pool	\$23,000																	
P. SOPHIA	Pool																		



(1) Operating Days are the number of available days in a period less the aggregate number of days that the vessels are off-hire. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues. The graph depicts the operating days of the current operating fleet and excludes the operations of the newbuilding tankers.

Focused Business Strategy

Transparent company provides investors with low leverage, significant exposure to the tanker sector

Fleet Composition

- Growing sector presence
- High specifications & quality, reputable yards
- Mid-point age profile acquisitions \approx 12 years
- Continued fleet renewal at specific intervals

Commercial Deployment

- Short to medium term charters
- Established commercial relationships
- Presence in all major markets
- East and west of Suez Canal

Financial Parameters

- Net leverage at approximately -3% of market asset values
- Equity capital markets reliance for disciplined growth
- Reserves for fleet replacement & maintenance
- Secured revenue backlog of \$230.9 million

Management Transparency

- Expert in-house technical and commercial manager
- Majority independent & diverse board of directors
- Transparent & lean corporate structure
- ESG efforts, strive towards sustainable development goals

Recent Developments

Remarkable milestones towards the Company's fleet expansion and renewal strategy



Sale of the oldest Aframax tanker of the fleet

Sale of the 2007-built Aframax tanker, M/T P. Kikuma, in the fourth quarter of 2023, for **\$39.3 million**

- Gain of \$15.7 million



Debt Prepayment

Full Prepayment of Piraeus Bank S.A. Loans – Decrease indebtedness by 44%

- Debt Outstanding at the end of the second quarter of 2024 stands at **\$51.5 million**
- 3 out of 7 vessels unencumbered
- Net leverage at approximately -3% of market asset values



Four New Shipbuilding Contracts

Construction of three LNG-ready LR2 oil tankers and one LR1 chemical/product oil tanker

- Deliveries in late 2025 through early 2027
- Total Construction Cost of **\$249.5 million**
 - Equipped with the latest high-specification engines, fitted with scrubbers and water ballast treatment systems



Newbuilding Long-Term Time Charter Employment

Five-year time charter contracts for three newbuilding LNG-ready LR2 oil tankers at **\$31,000 per vessel per day**

- Estimated gross revenue of \$169.8 million
- Fleet-wide Revenue Backlog stands at **\$230.9 million** representing **109%** of all remaining newbuilding capital expenditures



New Sale & Leaseback Agreement

Entry into a sale and leaseback agreement for the newbuilding LR2 Aframax tanker with expected delivery in the fourth quarter of 2025

- Financing amount of **\$44.25 million** secured at attractive terms
- Estimated daily cashflow breakeven of \$25,000, compared favorably with the secured daily charter rate of \$31,000

Technical & Commercial Management

Technical & Commercial Manager, Unitized Ocean Transport Limited (UOT) our Wholly-Owned Subsidiary

Established efficient operations with low vessel operating expenses

We fully fund all commercial and technical services provided by UOT

Full-Service Platform Services

- Chartering
- Operations
- Insurance/Claims
- Technical
- Purchasing
- Crewing
- Quality Assurance
- Finance
- Accounting/Reporting
- Legal
- S&P

Access to Top-Tier Charterers



Key Professionals

- Captain Nikolaos Gavalas – Operations Director
- Captain Panos Chatzikyriakos – HSQE Director
- Mr. Argyris L. Chachalis – Technical Director

Agenda

Section 1: Company Overview

Section 2: Financial Presentation



Summary Selected Financial & Other Data

The table below illustrates our statement of operations and other data for the three and the six months ended on June 30, 2024

	3M ended June 30, 2024	6M ended June 30, 2024
Statement of Operations		
<i>(Expressed in millions of U.S. Dollars)</i>		
Voyage and Time Charter Revenues	20,508	42,879
Voyage Expenses	(0.780)	(1.584)
Vessel Operating Expenses	(5.049)	(9.924)
Depreciation and Amortization of Deferred Charges	(3.300)	(6.600)
General & Administrative Expenses	(1.579)	(3.703)
Gain on vessels' sale	-	-
Other	0.007	(0.003)
Operating Income / (Loss)	9.807	21.065
Total other income / (expenses), net	0.378	0.551
Net income/ (loss)	10.185	21.616
Dividends on preferred stock	(0.458)	(0.917)
Deemed dividends	-	-
Income allocated to participating securities	-	-
Net income / (loss) attributable to common stockholders	9.727	20.699
Earnings / (Loss) per Common Share, basic	0.79	1.68
Earnings / (Loss) per Common Share, diluted	0.26	0.55
Weighted Average Number of Common Shares, basic	12,316,214	12,297,945
Weighted Average Number of Common Shares, diluted	39,362,532	39,215,897
Fleet Data		
Average Number of Vessels	7.0	7.0
Number of Vessels	7.0	7.0
Ownership Days	637	1,274
Available Days	637	1,274
Operating Days ⁽¹⁾	634	1,258
Fleet Utilization	99.5%	98.7%
Average Daily Results (\$ actuals)		
Time Charter Equivalent (TCE) rate	30,970	32,414
Daily Vessel Operating Expenses	7,926	7,790

(1) Operating days include ballast leg

Source: Company

Debt Description

Indebtedness exclusively comprising of efficient secured amortizing loan from relationship banks, with annual repayment and no debt maturities prior to mid-2027

Vessel	Debt Drawdown (\$m)	Debt Outstanding (June 30, 2024)	Annual Repayment (\$m)	Interest Rate	Maturity	Credit Facility
Blue Moon	10.0	8.8	1.67	SOFR + 2.50%	Aug 2028	Nordea Bank Abp
Briolette	10.0	8.8	1.67	SOFR + 2.50%	Aug 2028	Nordea Bank Abp
P. Monterey	-	-	-	-	-	-
P. Yanbu	-	-	-	-	-	-
P. Sophia	-	-	-	-	-	-
P. Aliko	18.3	15.3	2.00	SOFR + 2.60%	Nov 2027	Alpha Bank S.A.
P. Long Beach	22.0	18.7	2.20	SOFR + 2.35%	Dec 2027	Alpha Bank S.A.
TOTAL	60.3	51.5	7.5	-	-	-

Bank Relationships

Nordea



Solid Balance Sheet



	June 2024
	Pro-forma four newbuilding vessels
# of Tankers	11
Asset Value ⁽¹⁾	\$594.7m ⁽²⁾
AV / Ship	\$54.1m
Bank Debt ⁽³⁾	\$51.5m
Cash	\$62.7m
Net Bank Debt	-\$11.3m
LTV	8.7%
Net LTV	-1.9%
Preferred Stock Value	\$36.9m
Newbuilding Vessel Remaining Expenditures	\$212.1m
Net Asset Value	\$357.1m

(1) Company's estimates

(2) Company's estimate as adjusted for the four new building vessels' acquisition prices

(3) Principal balance outstanding, secured and guaranteed

Equity Capital Markets

Company has one class of Common Shares (Nasdaq: PSHG) trading below cash, much below replacement cost and at very deep discount to net asset value

Capital Markets	
Exchange	Nasdaq
Category	Capital Market
Ticker	PSHG
Outstanding Common Shares	12,432,158
Indicative Share Price	\$1.91
Indicative Market Capitalization	\$23.7m
Enterprise Value	\$261.3m
EV / Ship	\$23.8m

Average Daily Trading Volume (last 30 trading days)	
# Common Shares	39,301
\$ Value	\$76,076



Our Series B Preferred Shares and our Series C Preferred Shares are not listed on any nationally recognized stock exchange, and we do not intend to seek a listing for them

Preferred Stock

In January 2022, the Company issued Series B Preferred Shares

Subsequently, several Series B Preferred Shares were exchanged for two Series C Preferred Shares and for a cash consideration of \$7.50 per Series B Preferred Share, and the Company received a total cash consideration of approximately \$5.6 million

	Series B Cumulative Perpetual Preferred Stock	Series C Convertible Cumulative Redeemable Perpetual Preferred Stock
# Shares Outstanding	50,726	1,423,912
\$ Value	\$1.3m	\$35.6m
Liquidation Preference	\$25.0	\$25.0
Dividend (payable quarterly, cumulative)	4.0% per annum of the \$25.0 liquidation preference (in cash or common shares at Company's option)	5.0% per annum of the \$25.0 liquidation preference (in cash or common shares at Company's option)
Voting Rights	No Vote	Number of votes equal to the number of shares of Common Stock into which the share is convertible multiplied by 10
Conversion Rights	For cash consideration of \$7.5 per share, each Series B Preferred Share could be exchanged for two Series C Preferred Shares during the conversion period ended on March 15 th , 2023	Since April 17 th , 2023, at the option of the holder, conversion to Common Shares at a conversion price equal to \$1.3576 per Common Share ⁽¹⁾
Redemption Rights	At any time, on or after the 15-month anniversary of their Original Issue Date; by cash payment	At any time, on or after 15 months from October 17 th , 2022 If 25% or less of Series C Preferred Shares remain outstanding in Shares (preceding 10-trading days VWAP) Or in cash irrespectively of the number of shares then outstanding

(1) Adjusted for any stock splits, reverse stock splits or stock dividends in each case, occurring on or after the date of original issuance of the Series B Preferred Shares. The conversion price shall be adjusted to the lowest price of issuance of Common Stock by the Company for any registered offering following the original issuance of Series B Preferred Shares, provided that, such adjusted conversion price shall not be less than \$0.50.

Historical Rates vs Cash Break-even

Indicative Run Rate Cash Break-even assuming 7 tanker fleet operations for a full fiscal year

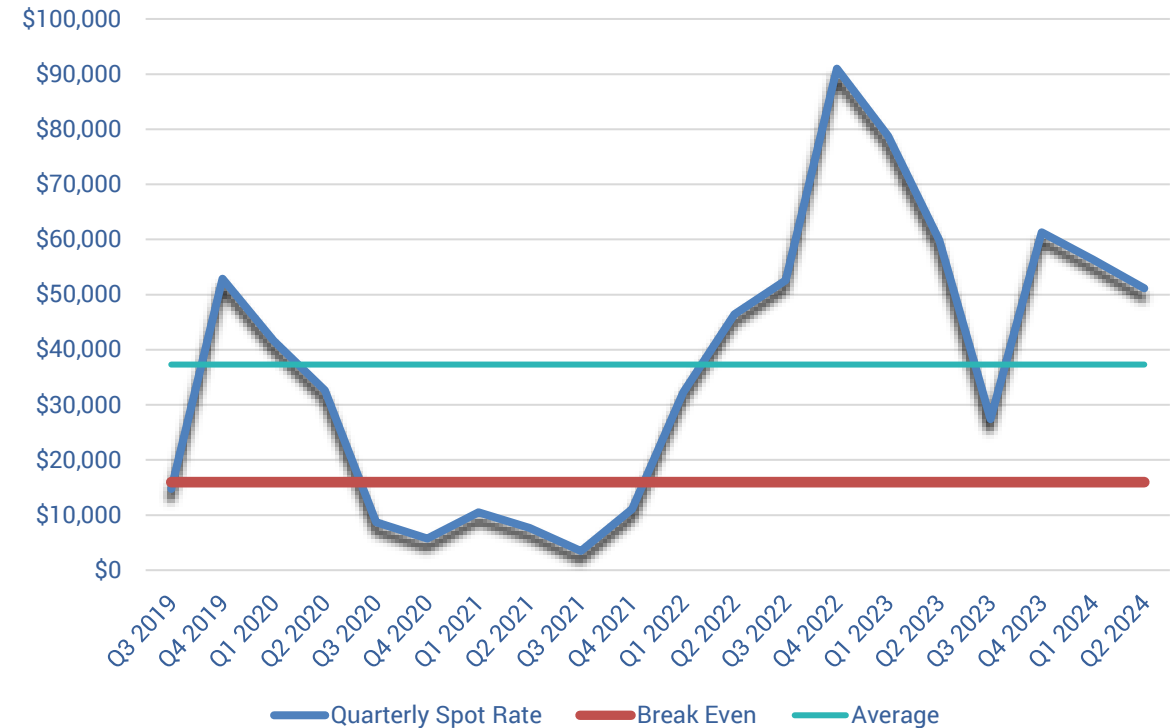
Indicative Run Rate Cash Break-even	
<i>Amounts in millions except daily figures</i>	7 Ships
DAILY OPEX	\$7,800
OWNERSHIP DAYS	2,555
<hr/>	
FLEET OPEX	\$19.9
G&A EXPENSES	\$8.0
DEBT REPAYMENT ⁽¹⁾	\$7.5
INTEREST EXPENSE ⁽¹⁾	\$2.9
MAINTENANCE RESERVE	\$2.5
TOTAL OUTFLOWS	\$40.8
DAILY CASH BREAK-EVEN RATE	\$15,972

The above figures do not include any preferred dividend payment or non-cash items which will result in differences with actual reported results

(1) Based on debt outstanding balance as of 06/30/2024; SOFR at 3.6%

Expected daily cash break-even rate per vessel

Aframax 5-Year Historical Spot Rate (Q3 2019 -Q2 2024)



Attractive Equity Story

Performance Shipping is a compelling play on a tanker vessel recovery

1

The only listed pure-play Aframax tanker company → greatest operational trading flexibility among crude oil segments

2

Attractive fleet of 7 high-quality Aframax / LR2 Tankers
3 newbuilding LR2 tankers & 1 newbuilding LR1 tanker built at Tier-1 shipyards

3

Highly skilled senior management team with strong industry and capital markets expertise

4

Conservative financial leverage → prudent financial policies

5

Transparent & lean corporate structure, trading at significant discount to NAV

