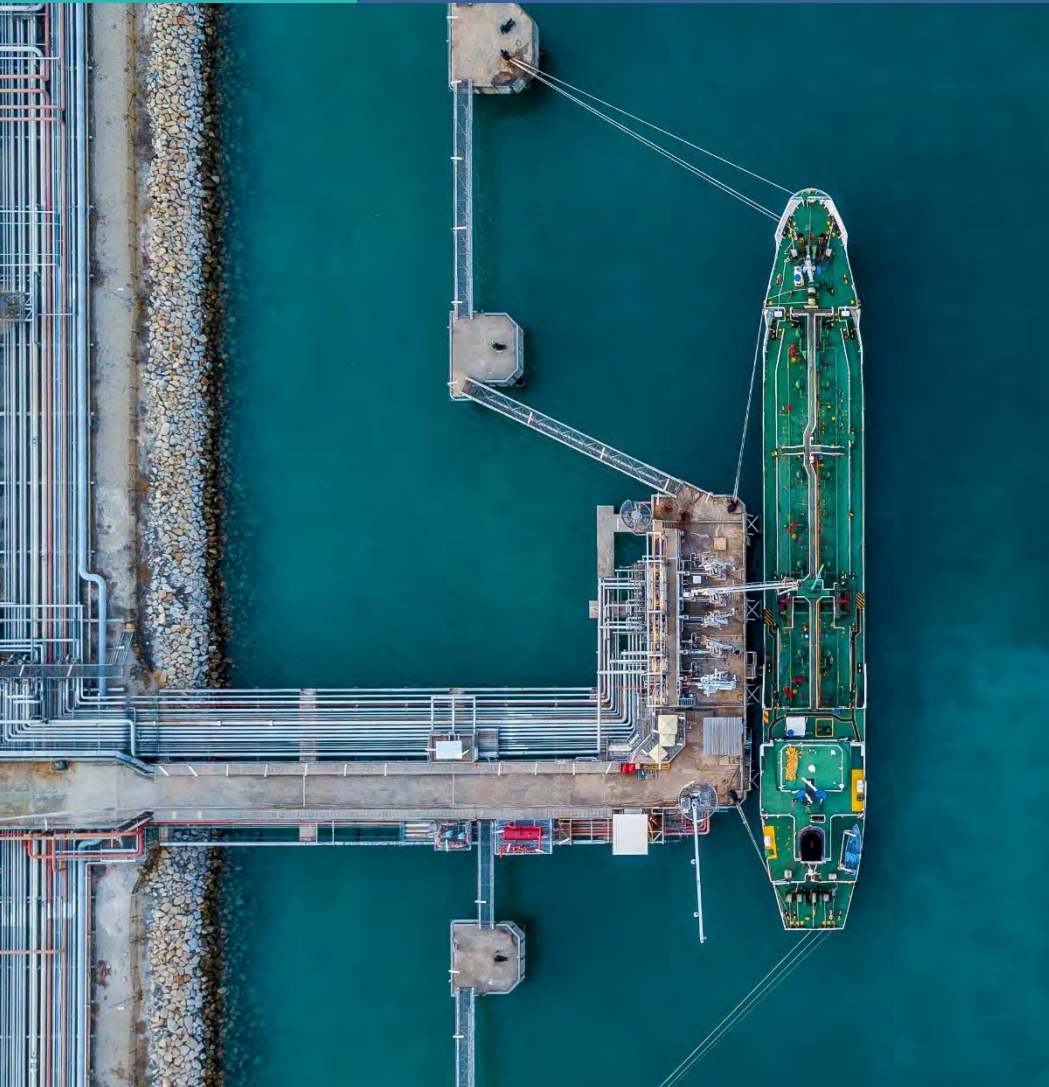


August 2023



# 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.

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 the strength of world economies, fluctuations in currencies and interest rates, general market conditions, including fluctuations in charter hire rates and vessel values, changes in demand for our vessels, 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, dry-docking and insurance costs, our future operating or financial results, availability of financing and refinancing, 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 the ongoing outbreak of the novel coronavirus (COVID-19) and its 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, potential liability from pending or future litigation, general domestic and international political conditions or events, including "trade wars", 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 U.S. 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

8

Aframax Tankers

\$61 million

Revenue in 1H 2023

LTV 14%

Net Loan to Value ratio

Established Commercial



Relationships

\$52.3 million

Remaining Secured Revenue Backlog



Management &  
Shareholders

Aligned Interests



Valuation

Trading at low valuation



Management

Commercial Technical in House



ESG

Driven

\$38.4 million

Face Value of Preferred Stock




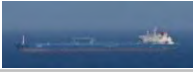




# Experienced Senior Management



Name / Title	Biography
<p data-bbox="614 351 937 415"><b>Aliki Paliou</b> <i>Chairperson of the Board</i></p> 	<ul data-bbox="996 339 2288 636" style="list-style-type: none"><li>▪ Director Performance Shipping Inc. since February 2020</li><li>▪ Director, Vice-President and Treasurer of Unitized Ocean Transport Limited since January 2020</li><li>▪ Previously Director and Treasurer of Alpha Sigma Shipping Corp. (2010-2015)</li><li>▪ B.A. in Fine Arts, Athens School of Fine Arts</li><li>▪ M.A. in Theatre Design, Central Saint Martins School of Art and Design, London</li></ul>
<p data-bbox="588 665 937 729"><b>Andreas Michalopoulos</b> <i>CEO, Director and Secretary</i></p> 	<ul data-bbox="996 665 2244 893" style="list-style-type: none"><li>▪ Ex-CFO Performance Shipping Inc. (2010-2020)</li><li>▪ Ex-CFO Diana Shipping Inc. (2006-2020)</li><li>▪ Previous experience: Merrill Lynch, Nestle S.A. and McKinsey and Company</li><li>▪ MSc in Economics, MBA &amp; Master's degree in Management Sciences specialized in Finance</li></ul>
<p data-bbox="621 972 919 1036"><b>Anthony Argyropoulos</b> <i>CFO</i></p> 	<ul data-bbox="996 961 2206 1189" style="list-style-type: none"><li>▪ Managing Director, Seaborne Capital Advisors</li><li>▪ 20+ years investment banking &amp; corporate finance experience</li><li>▪ Previously with Cantor Fitzgerald &amp; Co and Jefferies &amp; Company, Inc. in the United States</li><li>▪ MBA in Finance, Bentley College, Waltham Massachusetts</li></ul>

# 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
<b>Blue Moon</b> 	2011	Sumitomo, Japan	104,623	Aframax	Delivered	Q3 2026	TC
<b>Briolette</b> 	2011	Sumitomo, Japan	104,588	Aframax	Delivered	Q2 2026	TC
<b>P. Yanbu</b> 	2011	Sumitomo, Japan	105,391	Aframax	Delivered	Q1 2026	TC
<b>P. Kikuma<sup>(1)</sup></b> 	2007	Samsung, S. Korea	115,915	Aframax	Delivered	Q2 2025	Pool
<b>P. Sophia</b> 	2009	Hyundai, S. Korea	105,071	Aframax	Delivered	Q3 2024	Pool
<b>P. Alik</b> 	2010	Hyundai, S. Korea	105,304	LR2 Aframax	Delivered	Q2 2025	TC
<b>P. Monterey</b> 	2011	Hyundai, S. Korea	105,525	Aframax	Delivered	Q3 2026	TC
<b>P. Long Beach</b> 	2013	Hyundai, S. Korea	105,408	LR2 Aframax	Delivered	Q4 2023	Pool

(1) P. Kikuma vessel passed its special survey and drydock and had its ballast water treatment system installed during Q1 2023. The vessel is expected to further pass a special survey in 2025 based on regulations

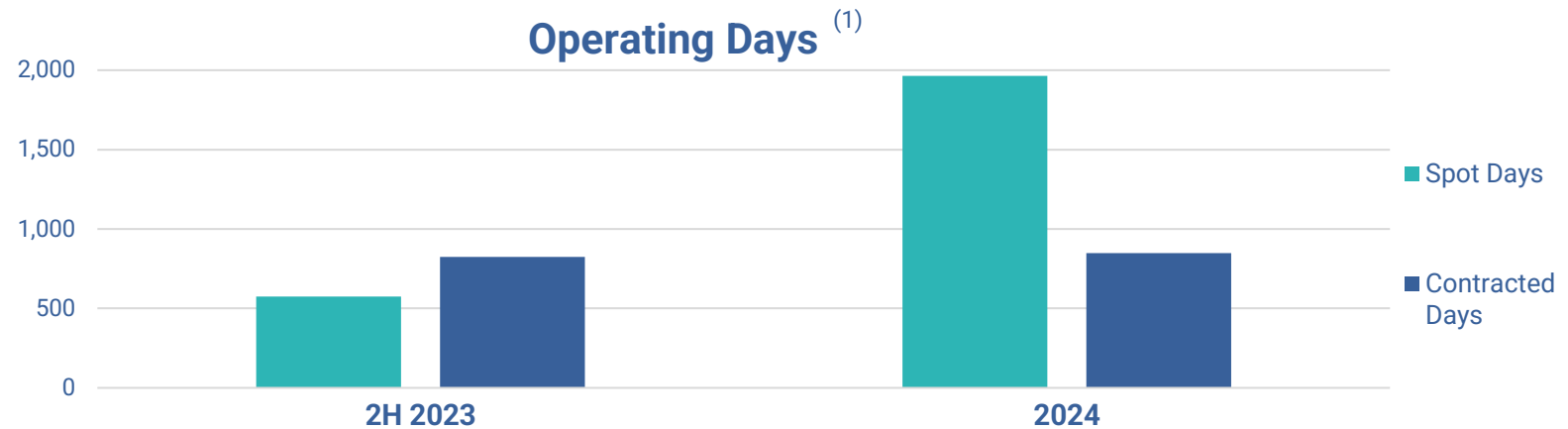
Source: Company

# Employment Profile

5 Aframax tankers under time charters generating secured revenues of approximately \$52.3 million for the remainder of their charter periods

Estimated average contracted rate of approximately \$31,500 and \$29,600 per day in 2H 2023 and 2024 respectively

Vessel	Employment Status	2023						2024											
		Q3 2023			Q4 2023			Q1 2024			Q2 2024			Q3 2024			Q4 2024		
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
P. YANBU	TC	\$30,000																	
P. MONTEREY	TC	\$32,000																	
BLUE MOON	TC	\$23,000																	
BRIOLETTE	TC	\$32,500																	
P. ALIKI	TC	\$45,000																	
P. KIKUMA	Pool																		
P. SOPHIA	Pool																		
P. LONG BEACH	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.



# 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 14% of market asset values
- Equity capital markets reliance for disciplined growth
- Reserves for fleet replacement & maintenance
- Secured revenue backlog of \$52.3 million for the remainder of the charter periods

## 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



# 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



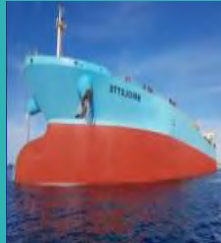
## Key Professionals

- 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 quarter and the six-month period ended on June 30, 2023, as well as the full fiscal year ended on December 31, 2022

	Q2 2023	1H 2023	YE 2022
<b>Statement of Operations</b>			
<i>(Expressed in millions of U.S. Dollars)</i>			
Voyage and Time Charter Revenues	31.456	60.984	75.173
Voyage Expenses	(0.976)	(2.515)	(14.861)
Vessel Operating Expenses	(5.189)	(10.332)	(13.828)
Depreciation and Amortization of Deferred Charges	(3.776)	(7.465)	(9.281)
General & Administrative Expenses	(1.752)	(3.415)	(6.751)
Other	0.032	0.018	9.530
<b>Operating Income / (Loss)</b>	<b>19.795</b>	<b>37.275</b>	<b>39.982</b>
Total other income / (expenses), net	(1.407)	(3.192)	(3.682)
<b>Net income/ (loss)</b>	<b>18.388</b>	<b>34.083</b>	<b>36.300</b>
Dividends on preferred stock	(0.478)	(0.951)	(1.030)
Deemed dividends	-	(10.598)	(23.261)
Income allocated to participating securities	(0.001)	(0.001)	(0.006)
<b>Net income / (loss) attributable to common stockholders</b>	<b>17.909</b>	<b>22.533</b>	<b>12.003</b>
Earnings / (Loss) per Common Share , basic	1.53	2.43	6.49
Earnings / (Loss) per Common Share , diluted	0.46	1.00	3.02
Weighted Average Number of Common Shares, basic	11,725,556	9,284,254	1,850,072
Weighted Average Number of Common Shares, diluted	40,008,139	32,366,729	6,447,710
<b>Fleet Data</b>			
Average Number of Vessels	8.0	8.0	5.7
Number of Vessels	8.0	8.0	8.0
Ownership Days	728	1,448	2,069
Available Days	728	1,408	2,039
Operating Days <sup>(1)</sup>	713	1,390	1,974
Fleet Utilization	98.0%	99.0%	96.8%
<b>Average Daily Results (\$ actuals)</b>			
Time Charter Equivalent (TCE) rate	41,868	41,526	29,579
Daily Vessel Operating Expenses	7,128	7,135	6,683

(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, 2023)	New Annual Repayment (\$m)	Interest Rate	Maturity	Credit Facility
Blue Moon	10.0	9.5	1.69	SOFR + 2.50%	Aug 2028	Nordea Bank Abp
Briolette	10.0	9.3	1.74	SOFR + 2.50%	Aug 2028	Nordea Bank Abp
P. Kikuma	7.8	7.2	1.05	SOFR + 2.45%	Dec 2027	Piraeus Bank S.A.
P. Monterey	28.7	26.3	3.81	SOFR + 2.45%	Dec 2027	Piraeus Bank S.A.
P. Yanbu	7.3	6.8	0.74	SOFR + 2.70%	Jul 2027	Piraeus Bank S.A.
P. Sophia	24.6	22.7	2.46	SOFR + 2.70%	Jul 2027	Piraeus Bank S.A.
P. Aliko	18.3	17.3	2.00	SOFR + 2.60%	Nov 2027	Alpha Bank S.A.
P. Long Beach	22.0	20.9	2.20	SOFR + 2.35%	Dec 2027	Alpha Bank S.A.
<b>TOTAL</b>	<b>128.7</b>	<b>120.0</b>	<b>15.7</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Bank Relationships

Nordea

ABN-AMRO



DNB



ALPHA BANK

# Solid Balance Sheet

	December 2022	June 2023
	Actual	Pro-forma recent developments
<b># of Tankers</b>	8	9
<b>Asset Value <sup>(1)</sup></b>	\$358.1m	\$419.1 <sup>(2)</sup>
<b>AV / Ship</b>	\$44.8m	\$46.6m
<b>Bank Debt <sup>(3)</sup></b>	\$128.5m	\$121.2m
<b>Cash</b>	\$39.7m	\$71.5m <sup>(4)</sup>
<b>Net Bank Debt</b>	\$88.8m	\$49.7m
<b>LTV</b>	35.9%	28.9%
<b>Net LTV</b>	24.8%	11.9%
<b>Preferred Stock Value</b>	\$36.3m	\$38.4m
<b>New Building Vessel Remaining Expenditures</b>	\$0.0m	\$53.8m
<b>Net Asset Value</b>	\$233.0m	\$277.3m

(1) Company's estimates

(2) Company's estimate as adjusted for new building vessel's acquisition price

(3) Principal balance outstanding as of June 30, 2023, secured and guaranteed, and as further adjusted for the Nordea Bank Refinancing

(4) Cash balance as adjusted for the share repurchase program and the Nordea Bank Refinancing

# 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	11,326,339
Indicative Share Price	\$1.20
Indicative Market Capitalization	\$13.6m
Enterprise Value	\$155.5m
EV / Ship	\$17.3m

Average Daily Trading Volume (last 30 trading days)	
# Common Shares	197,693
\$ Value	\$195,153



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	1,485,862
\$ Value	\$1.3m	\$37.1m
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 <sup>th</sup> , 2023	Since April 17 <sup>th</sup> , 2023, at the option of the holder, conversion to Common Shares at a conversion price equal to \$1.3576 per Common Share <sup>(1)</sup>
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 <sup>th</sup> , 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.

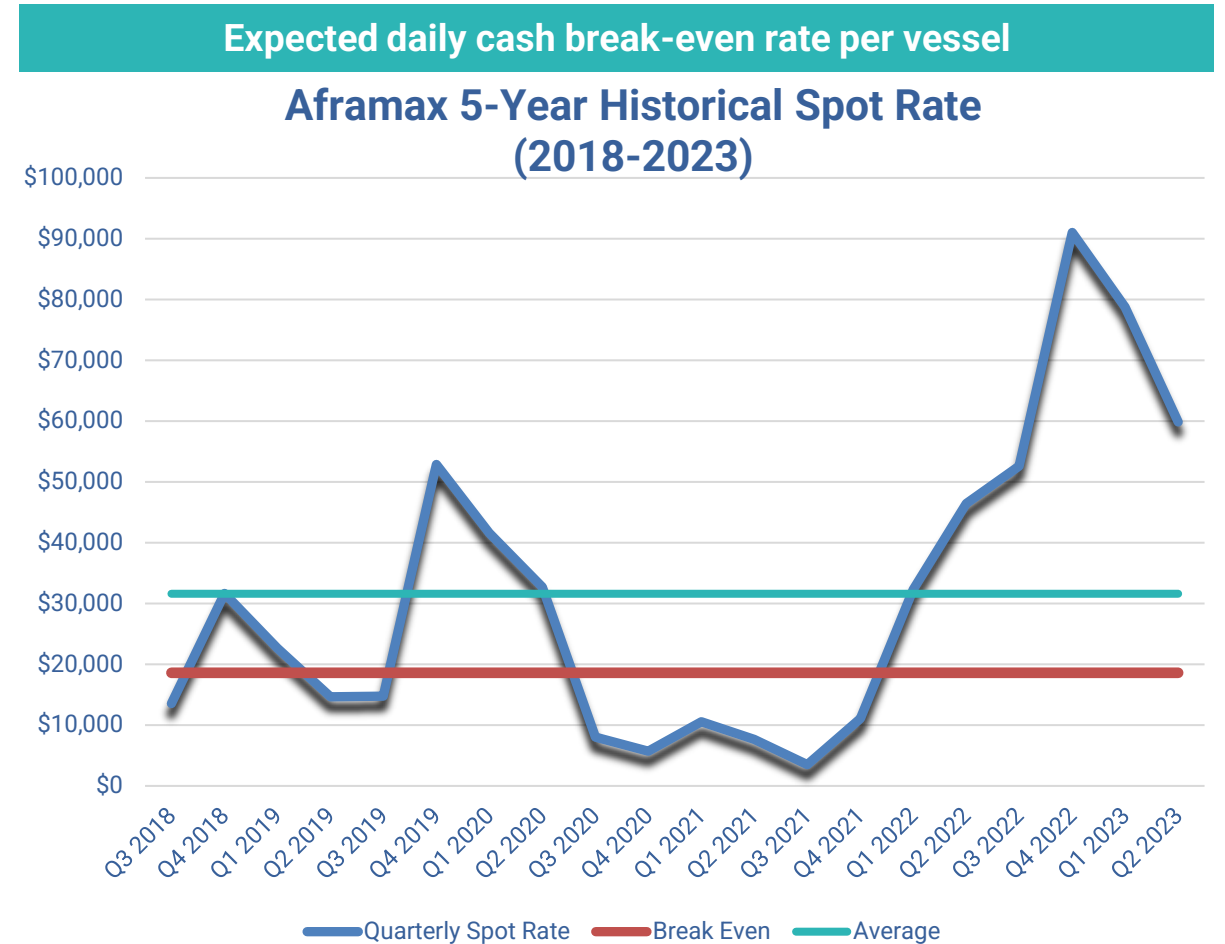
# Historical Rates vs Cash Break-even

Indicative Run Rate Cash Break-even assuming 8 tankers fleet operations for a full fiscal year

Indicative Run Rate Cash Break-even	
<i>Amounts in millions except daily figures</i>	8 Ships
DAILY OPEX	\$7,000
OWNERSHIP DAYS	2,920
<hr/>	
FLEET OPEX	\$20.4
G&A EXPENSES	\$6.5
DEBT REPAYMENT	\$15.7
INTEREST EXPENSE <sup>(1)</sup>	\$8.8
MAINTENANCE RESERVE	\$2.8
<b>TOTAL OUTFLOWS</b>	<b>\$54.2</b>
<b>DAILY CASH BREAK-EVEN RATE</b>	<b>\$18,562</b>

The above figures do not include non-cash items which will result in differences with actual reported results

(1) Based on debt outstanding balance as of 06/30/2023, SOFR at 5.2%; as adjusted for Nordea Bank Refinancing



# 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 8 high-quality Aframaxes / LR2 Tankers & 1 newbuilding LR2 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

