

PHENIXFIN



Investor Presentation

September 30, 2024

Forward-looking statements and other information

This presentation contains forward-looking statements about the Company. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “might,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “project,” “projection,” “forecast,” “goal,” “target,” “would,” “aim” and “outlook,” or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry and management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. The inclusion of these forward-looking statements should not be regarded as a representation by us, the underwriters for any offering of our securities or any other person that such expectations, estimates and projections will be achieved. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

All information contained herein speaks only as of the date of this presentation, except where information is stated to be presented as of a specific date and unless otherwise noted, all financial and other statistics are as of the most recent quarter, September 30, 2024. The information presented or contained in this presentation is subject to change without notice. The Company undertakes no duty to update or revise the information contained herein, publicly or otherwise, including any forward-looking statements, except as required by law. Neither the delivery of this presentation nor any further discussions of the Company, any of its affiliates, shareholders, directors, employees, agents, advisors, representatives or the underwriters with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since that date.

There can be no assurance that PhenixFIN will achieve its investment objective. Past performance does not guarantee future results. Our share value and the value of our other securities may fluctuate. Investors should consider the investment objectives, risks and expenses of PhenixFIN carefully before investing. The latest form 10-K and subsequent quarterly reports filed on Form 10-Q contain more detailed information about PhenixFIN. There is no guarantee that any of the estimates, targets or projections illustrated in these materials and any presentation of which they may form a part will be achieved. There can also be no assurance that our strategies employed will be successful. Also, there can be no assurance that we will be able to utilize any or all of our tax assets. Any references herein to any of PhenixFIN’s past or present investments or its past or present performance have been provided for illustrative purposes only. It should not be assumed that these investments were or will be profitable or that any future investments by PhenixFIN will be profitable or will equal the performance of these investments. Our portfolio composition and allocations to investment types and asset classes may change anytime. The information contained herein has been derived from financial statements and other documents provided by portfolio companies unless otherwise stated.

PhenixFIN is subject to certain significant risks relating to our business and our investment objective, including, for example, the potential volatility of our common stock price, the illiquidity of our investments in portfolio companies, the significant concentration of our assets in our asset-based lending, insurance and certain other controlled businesses and significant credit risk associated with our debt/loan investments in portfolio companies such that these portfolio companies may not pay interest and/or principal and the entire investment may be lost. For a detailed description of the risk factors impacting the Company, please read the “Risk Factors” sections of our recent SEC filings. This presentation should be read in conjunction with the Company’s recent SEC filings.

Publicly Traded Business Development Company

- Nasdaq symbol “PFX”
- 5.25% Notes due 2028 listed on NASDAQ under the symbol “PFXNZ”
- 3-year credit facility with Woodforest as lead arranger (SOFR + 2.90%), upsized to \$87.5 million on August 5, 2024
- Management professionals with 80+ years of collective industry experience

Strong Shareholder Alignment

- Internalized management structure aligns interests and eliminates ongoing management and incentive fees which will positively impact NAV over time
- Management and Board own or control 20%+ of the Company’s stock
- Share repurchase – since announcement repurchased ~26% of our shares outstanding
- Special dividend of \$1.31 per share paid on June 10, 2024 to stockholders of record as of May 27, 2024

Tax Advantaged Characteristics

- Significant potential value to be unlocked through the optimization of a ~\$512 million long-term capital loss carryforward in addition to existing NOLs
- Ability to retain earnings and grow net asset value per share over time

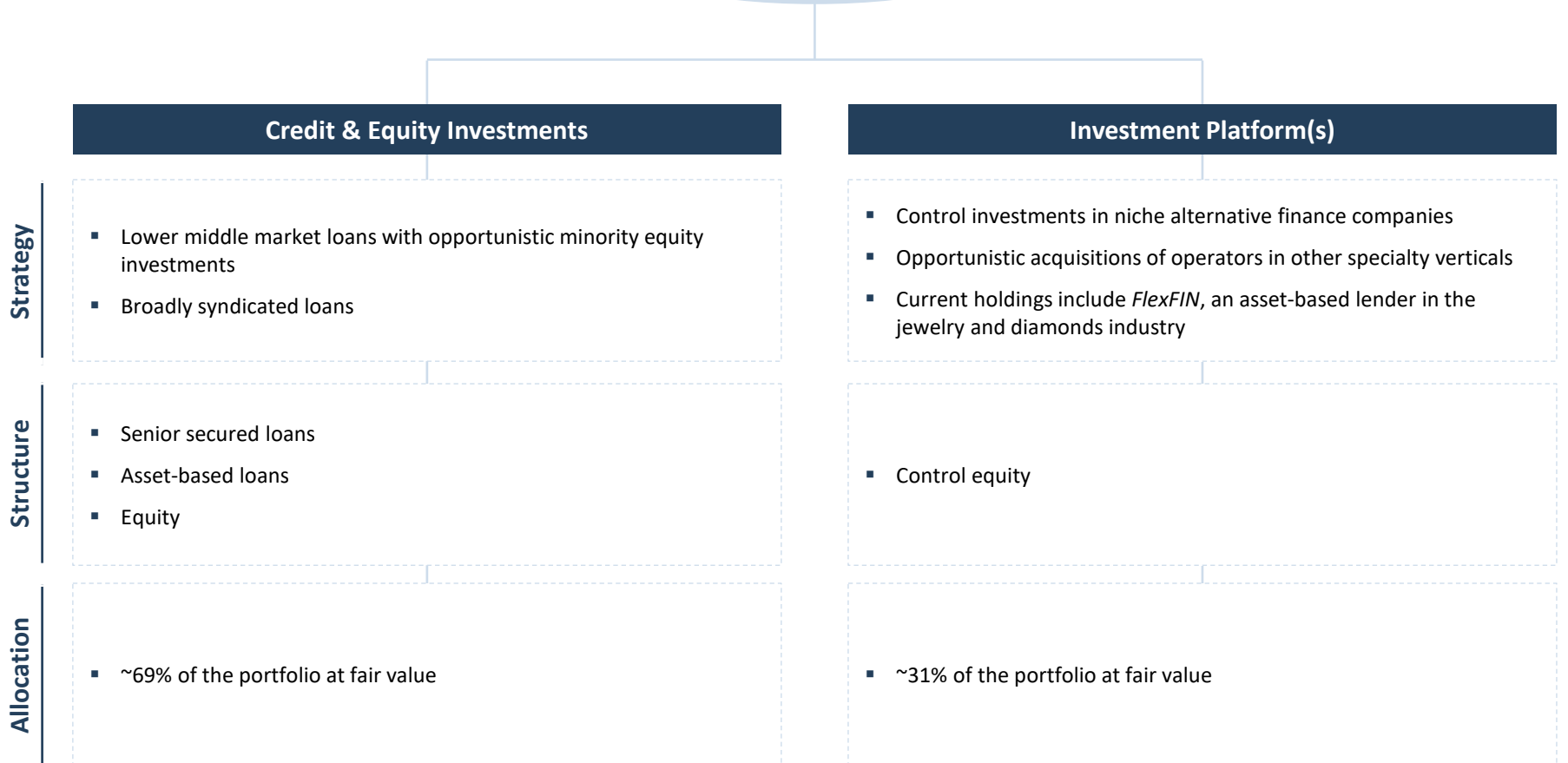
Investment Focus

- Our investments span both the liquid and private credit/equity markets. We range from investing in broadly syndicated issuers to providing lower middle market companies with highly customized/structured capital solutions, positioning us to maximize potential in various market conditions
- In the private markets we can provide capital to companies in connection with leveraged buyouts, acquisitions, recapitalizations and growth financings

Portfolio Overview

- Portfolio of \$227.9 million at fair value
- Focus on optimizing NII and NAV/share growth
- Weighted Average Yield to Maturity – 12.3% on debt and other incoming producing Investments
- Drive value through opportunistic investments which may utilize tax attributes

Dual-Vertical Investment Strategy Driving Shareholder Value



Flexible Mandate for Credit and Equity Investing

	Credit Investing	Equity Investing
Portfolio Compositions	<ul style="list-style-type: none"> ▪ Directly originated senior secured, floating rate loans ▪ Broadly syndicated first lien loans with underlying liquidity ▪ Senior secured & high yield bonds 	<ul style="list-style-type: none"> ▪ Co-investments through directly originated credits ▪ Investments in directly originated minority or majority equity opportunities ▪ Publicly-traded investment opportunities
Focus	<ul style="list-style-type: none"> ▪ ABL ▪ First lien ▪ Opportunistic Term B or Second lien ▪ Convertible debt 	<ul style="list-style-type: none"> ▪ Convertible equity ▪ Preferred equity ▪ Common equity ▪ Warrants
Due Diligence & Risk Management	<p><u>Robust, private equity-style due diligence process:</u></p> <ul style="list-style-type: none"> ▪ Quality of cash flows (focus on adjusted numbers) ▪ Financial and negative covenants ▪ Governance and alignment ▪ Risk management ▪ Iterative ongoing diligence process ▪ Investment team is in regular dialogue with management teams, sponsors and third parties monitoring credit performance, earnings, and macro/micro market events 	

Launch or Acquire Complementary Investment Platforms Over Time

FlexFIN, LLC – launched August 2021

FlexFIN is an alternative finance platform which operates an asset-based lending business to the diamond and jewelry industry. FlexFIN enters secured loans and secured financing structures with borrowers. FlexFIN is a partnership between Kwiat Enterprises and PhenixFIN Corporation.

- FlexFIN currently provides quick and reliable financing to the gem and jewelry trade, providing capital on higher value jewelry and gemstones.
- Partnership with strong industry operator – Kwiat is a 116-year-old diamond and jewelry house with global relationships and knowledge of the industry. Extensive and secure infrastructure to effectively operate the business.
- Revenue generator for PhenixFIN – FlexFIN provides a favorable income stream to PhenixFIN with significant collateral protection.
- As of September 30, 2024, the FlexFIN portfolio comprised ~\$37 million of financing.



Ongoing Strategic Initiatives to Drive Shareholder Value Over the Long-Term

Key Objectives	Description	Current Status
<p>Reposition Investment Portfolio</p>	<ul style="list-style-type: none"> ▪ Grow net investment income through enhancing current yield within the portfolio ▪ Invest across the capital structure in private and public investment opportunities ▪ Grow net asset value per share 	<ul style="list-style-type: none"> ▪ 50% NAV growth since internalization on January 1, 2021
<p>Shareholder Support</p>	<ul style="list-style-type: none"> ▪ Provide shareholder support in the secondary market through repurchase program ▪ Better alignment of interest across all stakeholders 	<ul style="list-style-type: none"> ▪ Purchased ~26% of outstanding shares since implementation in 2021
<p>Platform Acquisitions</p>	<ul style="list-style-type: none"> ▪ Launch and / or acquire accretive platform operators in specialty finance or other niche, complementary verticals 	<ul style="list-style-type: none"> ▪ Continue to remain inquisitive across a strong pipeline of platform investment opportunities
<p>Balance Sheet Strength/Optimization of taxes</p>	<ul style="list-style-type: none"> ▪ Continued Optimization of tax-attributes 	<ul style="list-style-type: none"> ▪ Strong Balance Sheet and liquidity

Stable Financial Position with Strong Portfolio and NAV Growth

Summary Capitalization Table

	<u>9/30/2024</u>	<u>9/30/2023</u>
<i>(\$ in thousands)</i>		
Assets		
1 Cash	\$ 67,572	\$ 5,988
2 Portfolio at Fair Value	227,916	226,461
Debt		
3 2028 Notes(1)	\$ 57,500	\$ 57,500
2028 Promissory Note(1)	1,661	-
Credit Facility	78,073	28,442
Total Debt	\$ 137,234	\$ 85,942
Equity		
Net Assets	\$ 160,308	\$ 146,706
NAV per Share	\$ 79.37	\$ 70.75
Debt / Equity		
	0.86x	0.59x
4 Unfunded Commitments	\$ 1,616	\$ 3,375

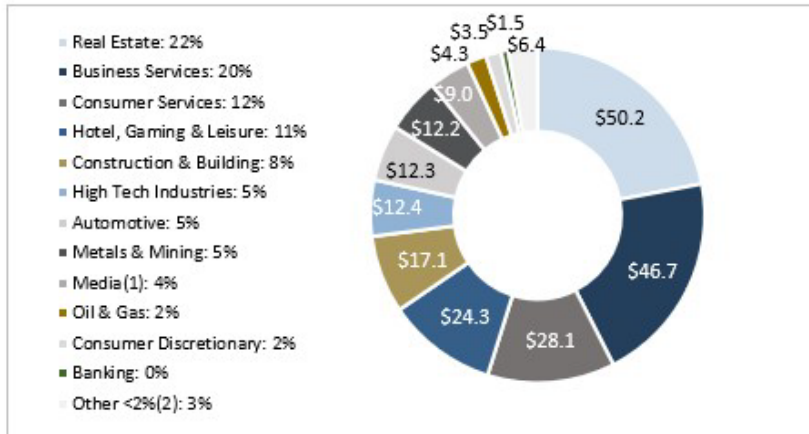
Commentary

- 1 **Meaningful liquidity position provides balance sheet flexibility**
 - Ability to quickly deploy into new investment opportunities
 - Strong coverage relative to unfunded commitments of \$1.6 million
 - Opportunistically repurchase shares
- 2 **Portions of portfolio migrated to liquid Level 1 assets and current, cash yielding debt and equity investments**
- 3 **Conservative leverage profile with debt to equity of 0.86x relative to industry average of ~1.20x**
 - 2028 Notes carry an attractive rate at 5.25% and do not mature until November 2028
 - Credit Facility (SOFR + 2.90), upsized to \$87.5mm on August 5, 2024
- Strong and growing equity base**
- 4 **Share repurchase program drives NAV accretion and overall value to shareholders**
 - Ability to retain earnings due to significant ~\$512 million long-term capital loss carryforward and existing NOLs

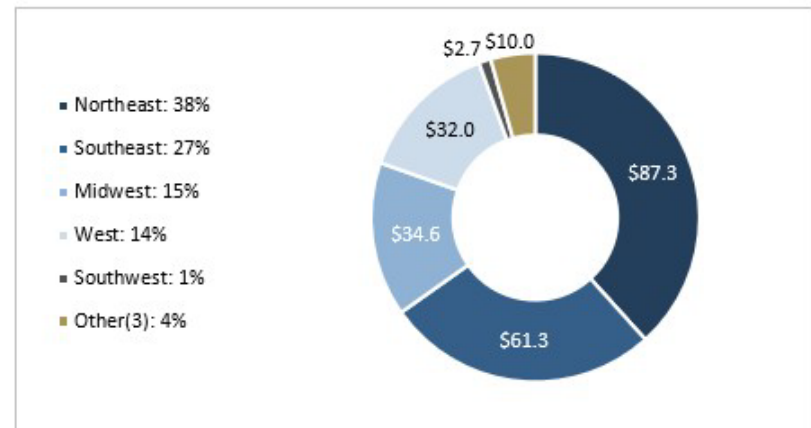
(1) Gross principal amount outstanding

Current Portfolio of \$227.9 Million at Fair Market Value

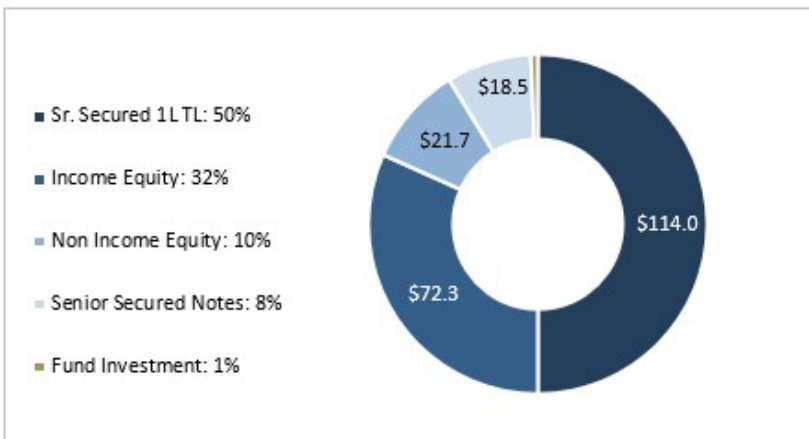
Type of Industries



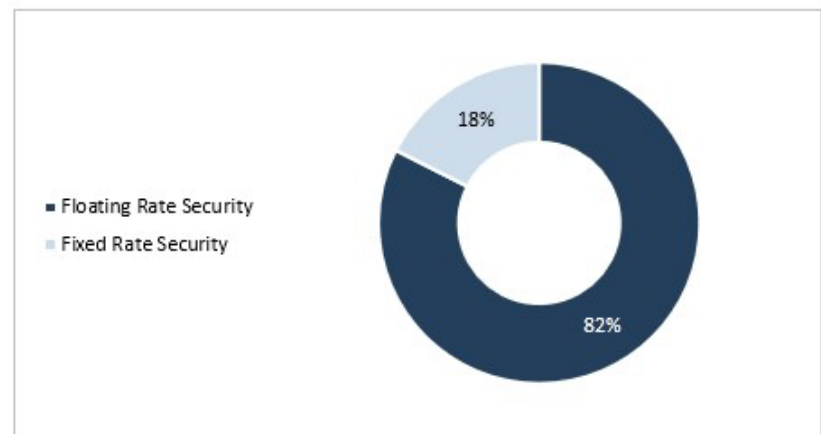
Geographic Breakdown



Type of Investments



Floating vs Fixed Rate Investments



(1) Includes Broadcasting and Subscriptions (2) Includes Packaging (1.6%), Aerospace & Defense (1.2%), and Insurance (0.1%)
 (3) Includes International (4.2%) and Mid-Atlantic (0.2%)

Our Primary Focus is Earnings Retention and Reinvestment, Driving NAV and Portfolio Growth

Quarterly Net Asset Value per Share



(1) Portfolio at fair market value
 (2) Compound Annual Growth Rate



Financial Overview

PHENIXFIN

Balance Sheet

- Total Assets: \$302.8 million
 - Cash Balance: \$67.6 million
 - Total Liabilities: \$142.4 million
 - NAV: \$160.3 million
 - NAV per common share: \$79.37
 - Asset Coverage: 216.8%
-

Income Statement

- Total Investment Income: \$22.2 million
 - Total Expenses: \$17.4 million
 - Net Investment Income: \$4.7 million
 - Weighted Average Shares outstanding: 2,019,778
-

Investment Portfolio

- Total FMV: \$227.9 million
- Weighted average yield to maturity on debt investments – 12.3%
- \$13.1 million deployed this quarter, including investments in new portfolio companies
- Diversified investment portfolio consisting of 41 positions

Balance Sheet

PHENIXFIN

(\$ as stated)

Assets:

Investments at fair value

Non-controlled, non-affiliated investments (amortized cost of \$143,179,354 and \$134,339,121, respectively)

Affiliated investments (amortized cost of \$20,564,242 and \$48,233,910, respectively)

Controlled investments (amortized cost of \$97,016,429 and \$82,437,692, respectively)

Total Investments at fair value

Cash and cash equivalents

Receivables:

Other receivable

Interest receivable

Dividends receivable

Receivable for investments sold

Other assets

Deferred tax asset

Deferred financing costs

Prepaid share repurchase

Due from affiliate

Total Assets

Liabilities:

Credit facility and note payable (net of debt issuance costs of \$1,510,815 and \$1,688,835, respectively)

Accounts payable and accrued expenses

Interest and fees payable

Other liabilities

Due to Affiliate

Payable for investments purchased

Deferred revenue

Total Liabilities

Net Assets:

Common Shares, \$0.001 par value; 5,000,000 shares authorized; 2,723,709 shares issued; 2,019,778 and 2,073,713 common shares outstanding, respectively

Capital in excess of par value

Total distributable earnings (loss)

Total Net Assets

Total Liabilities and Net Assets

Net Asset Value Per Common Share

	Sep 30, 2024	Sep 30, 2023
Investments at fair value		
Non-controlled, non-affiliated investments (amortized cost of \$143,179,354 and \$134,339,121, respectively)	\$ 142,233,426	\$ 125,531,031
Affiliated investments (amortized cost of \$20,564,242 and \$48,233,910, respectively)	14,750,785	37,289,617
Controlled investments (amortized cost of \$97,016,429 and \$82,437,692, respectively)	70,931,647	63,640,043
Total Investments at fair value	227,915,858	226,460,691
Cash and cash equivalents	67,571,559	5,988,223
Receivables:		
Other receivable	65,838	31,425
Interest receivable	1,313,598	971,115
Dividends receivable	23,468	161,479
Receivable for investments sold	2,955,775	3,940,175
Other assets	1,066,323	833,000
Deferred tax asset	887,099	-
Deferred financing costs	760,680	699,124
Prepaid share repurchase	101,115	199,019
Due from affiliate	90,500	409,214
Total Assets	\$ 302,751,813	\$ 239,693,465
Liabilities:		
Credit facility and note payable (net of debt issuance costs of \$1,510,815 and \$1,688,835, respectively)	\$ 135,723,636	\$ 84,253,106
Accounts payable and accrued expenses	5,570,150	3,066,984
Interest and fees payable	768,043	690,398
Other liabilities	294,063	432,698
Due to Affiliate	88,148	-
Payable for investments purchased	-	4,123,059
Deferred revenue	-	421,685
Total Liabilities	142,444,040	92,987,930
Net Assets:		
Common Shares, \$0.001 par value; 5,000,000 shares authorized; 2,723,709 shares issued; 2,019,778 and 2,073,713 common shares outstanding, respectively	2,020	2,074
Capital in excess of par value	704,909,588	694,812,239
Total distributable earnings (loss)	(544,603,835)	(548,108,778)
Total Net Assets	160,307,773	146,705,535
Total Liabilities and Net Assets	\$ 302,751,813	\$ 239,693,465
Net Asset Value Per Common Share	\$ 79.37	\$ 70.75

Income Statement

PHENIXFIN

	For the Years Ended Sep 30,		
	2024	2023	2022
<i>(\$ as stated)</i>			
Interest Income:			
Interest from investments			
Non-controlled, non-affiliated investments:			
Cash	\$ 10,231,111	\$ 8,031,539	\$ 5,207,850
Payment in-kind	938,879	506,555	444,741
Affiliated investments:			
Cash	742,881	1,925,293	639,733
Payment in-kind	-	460,856	374,981
Controlled investments:			
Cash	2,121,713	667,312	2,489,381
Payment in-kind	268,831	557,981	-
Total interest income	14,303,415	12,149,536	9,156,686
Dividend income			
Non-controlled, non-affiliated investments:			
	2,691,393	3,139,592	1,996,374
Affiliated investments:			
	199,388	-	-
Controlled investments:			
	3,972,352	3,716,676	3,507,051
Total dividend income	6,863,133	6,856,268	5,503,425
Interest from cash and cash equivalents			
	500,079	400,031	139,942
Fee income	514,949	324,290	420,279
Other income	22	402,138	323,828
Total Investment Income	22,181,598	20,132,263	15,544,160
Expenses:			
Interest and financing expenses	6,609,473	5,531,833	5,113,105
Salaries and benefits	6,850,792	4,186,852	2,952,106
Professional fees, net	1,462,766	1,404,676	1,340,828
General and administrative expenses	1,093,922	983,274	1,103,125
Directors fees	750,000	728,833	712,000
Insurance expenses	378,854	466,319	590,178
Administrator expenses	301,931	320,310	301,281
Total expenses	17,447,738	13,622,097	12,112,623
Net Investment Income	4,733,860	6,510,166	3,431,537
Realized and unrealized gains (losses) on investments			
Net realized gains (losses):			
Non-controlled, non-affiliated investments			
	740,924	(10,538,228)	810,240
Affiliated investments			
	(1,991,456)	(1,018,267)	4,408,961
Controlled investments			
	8,542,831	23,456	1,850
Total net realized gains (losses)	7,292,299	(11,533,039)	5,221,051
Net change in unrealized gains (losses):			
Non-controlled, non-affiliated investments			
	7,862,162	15,954,552	(16,701,153)
Affiliated investments			
	5,130,836	7,327,399	96,490
Controlled investments			
	(7,287,134)	8,659,262	2,141,326
Total net change in unrealized gains (losses)	5,705,864	31,941,213	(14,463,337)
Loss on extinguishment of debt	-	-	(296,197)
Deferred tax benefit (expense)	887,099	-	-
Total realized and unrealized gains (losses)	13,885,262	20,408,174	(9,538,483)
Net Increase (Decrease) in Net Assets Resulting from Operations	\$ 18,619,122	\$ 26,918,340	\$ (6,106,946)
Weighted average basic and diluted earnings per common share	\$ 9.13	\$ 12.87	\$ (2.63)
Weighted average common shares outstanding - basic and diluted	2,040,253	2,092,326	2,323,601

Senior Management

David Lorber
Chairman & CEO
Ellida McMillan
CFO

Research Coverage

Oppenheimer & Co.
Mitchel Penn

Website

PhenixFIN Corporation
www.phenixfc.com

Credit Facility Bank Provider

Woodforest National Bank

Independent Directors

Arthur Ainsberg
(Lead Director)
Karin Hirtler-Garvey
Lowell W. Robinson
Howard Amster

PHENIXFIN

Advisors

Corporate Counsel
Kramer Levin Naftalis & Frankel LLP

Auditors
KPMG LLP

Transfer Agent
Equiniti Trust Company, LLC (fka American
Stock Transfer & Trust Company)

Nasdaq Listings

Common: PFX
2028 Notes: PFXNZ

Investor Relations

Investor Relations
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E: info@phenixfc.com

Corporate Headquarters

445 Park Avenue, 10th Floor
New York, NY 10022



David Lorber

Chairman, Chief Executive Officer

Leadership Experience:



- Chairman and Chief Executive Officer of PhenixFIN Corporation
- Co-Founder of FrontFour Capital Group LLC, an investment adviser, and has served as a Portfolio Manager since January 2007
- Co-Founder of FrontFour Capital Corp., an investment adviser, and has been a Principal since January 2011
- Prior experience includes Pirate Capital LLC, Vantis Capital Management and Cushman & Wakefield, Inc.
- Served as a lead director of Ferro Corporation, director of Aerojet Rocketdyne Holdings, Inc., director of Huntingdon Capital Corp and as director of Fisher Communications Inc.
- Mr. Lorber earned his BS from Skidmore College



Ellida McMillan

Chief Financial Officer

Leadership Experience:



- Chief Financial Officer of PhenixFIN
- Served as Chief Financial Officer and Chief Operating Officer of Alcentra Capital Corporation, a NASDAQ-traded BDC, from April 2017 through February 2020
- Previously served as Chief Accounting Officer of Alcentra Capital, Treasurer and Secretary of Alcentra Capital from November 2013 through April 2017
- At Alcentra, Ms. McMillan built the company's financial and operating infrastructure, oversaw the IPO and initial NASDAQ listing, as well as assisted in all corporate M&A and strategic processes involving the BDC
- Ms. McMillan earned her BS from Fairfield University