

PHENIXFIN



Investor Presentation

December 31, 2023

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, December 31, 2023. 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 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 \$50 million credit facility with Woodforest as lead arranger (SOFR + 2.90%)
- 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 ~24% of our shares outstanding

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

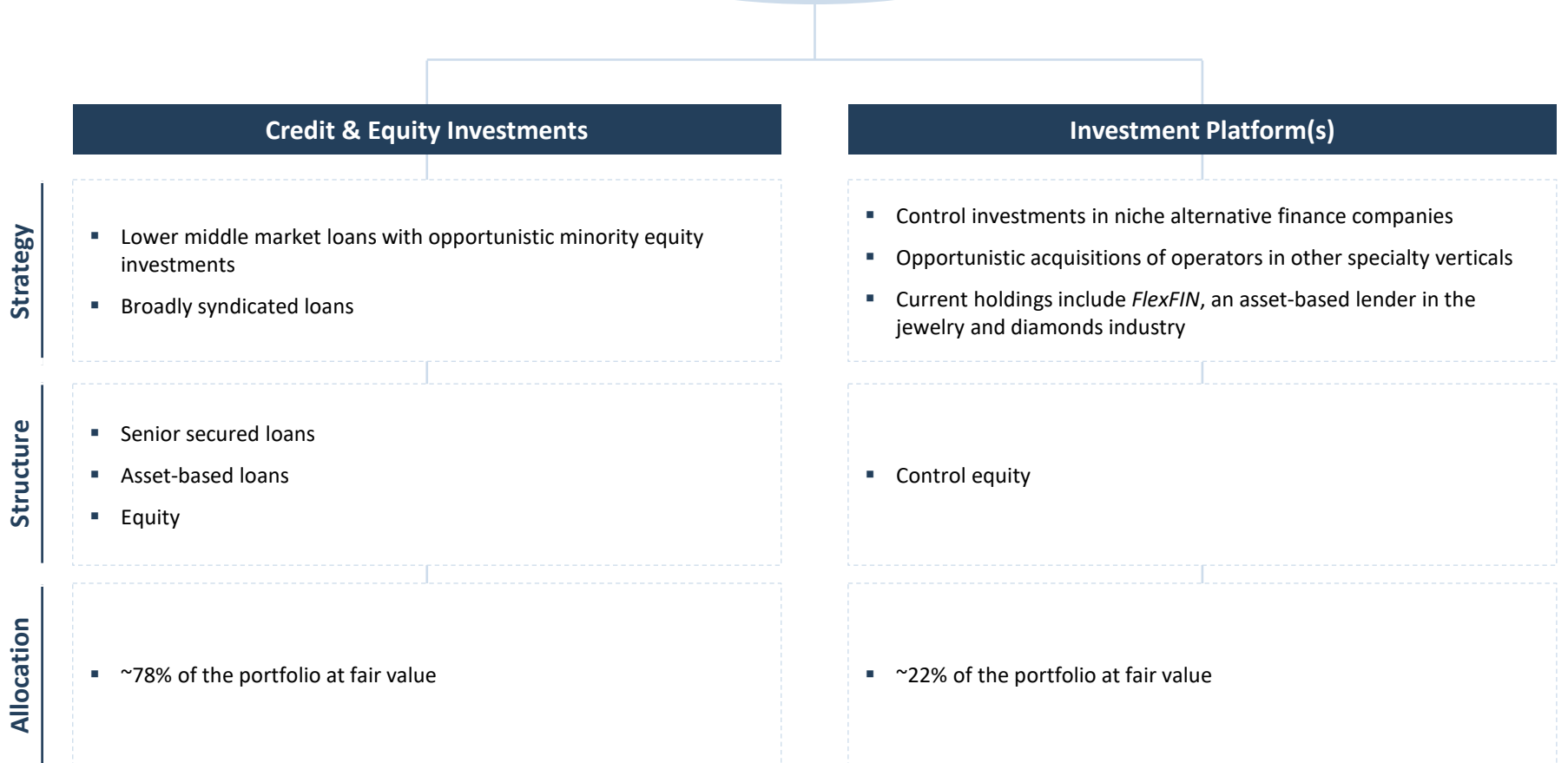
Investment Focus

- 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 \$222 million at fair value
- Focus on optimizing NII and NAV/share growth
- Weighted Average Yield to Maturity – 13.0% 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 December 31, 2023, the FlexFIN portfolio was comprised ~\$36 million of financing.



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

Key Objectives	Description	Current Status
Reposition Investment Portfolio	<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"> 38% NAV growth since internalization on January 1, 2021
Shareholder Support	<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 ~24% of outstanding shares since implementation in 2021
Platform Acquisitions	<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
Balance Sheet Strength/Optimization of taxes	<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>12/31/2023</u>	<u>9/30/2023</u>
Assets		
1 Cash	\$ 12,173	\$ 5,977
2 Portfolio at Fair Value	222,221	226,460
Debt		
3 2023 Notes	\$ 57,500	\$ 57,500
Credit Facility	<u>28,441</u>	<u>28,441</u>
Total Debt	\$ 85,941	\$ 85,941
Equity		
4 Net Assets	\$ 150,700	\$ 146,705
NAV per Share	\$ 73.14	\$ 70.75
Debt/Equity	0.57x	0.59x
<i>Unfunded Commitments</i>	\$ 2,638	\$ 3,375

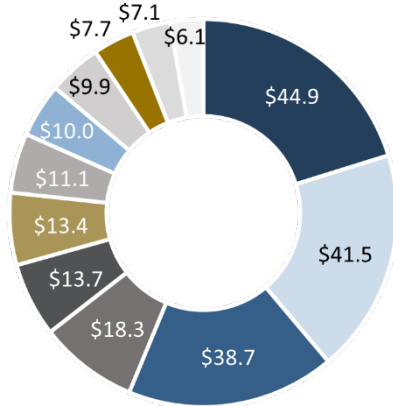
Commentary

- 1 **Meaningful liquidity position provides balance sheet flexibility**
 - Ability to quickly deploy into new investment opportunities
 - Strong coverage relative to unfunded commitments of \$3.4 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 0.57x relative to industry average of ~1.20x**
 - Refinanced remaining portion of 6.125% 2023 Notes in January 2023
 - 2028 Notes carry an attractive rate at 5.25% and do not mature until November 2028
 - \$50mm Credit Facility (SOFR + 2.90)
- 4 **Strong and growing equity base**
 - 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

Current Portfolio of \$222.2 Million at Fair Market Value

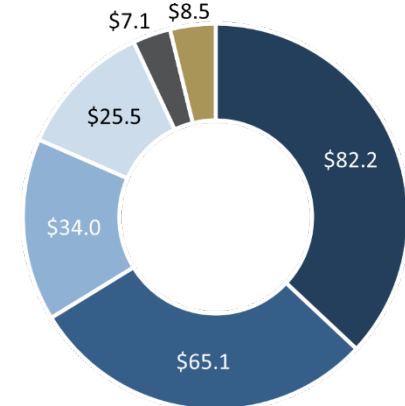
Type of Industries

- Business Services: 20%
- Financials(1): 19%
- Hotel, Gaming & Leisure: 18%
- Consumer Services: 8%
- Construction & Building: 6%
- Metals & Mining: 6%
- Media(2): 5%
- High Tech Industries: 5%
- Automotive: 4%
- Oil & Gas: 3%
- Consumer Discretionary: 3%
- Other <2%(3): 3%



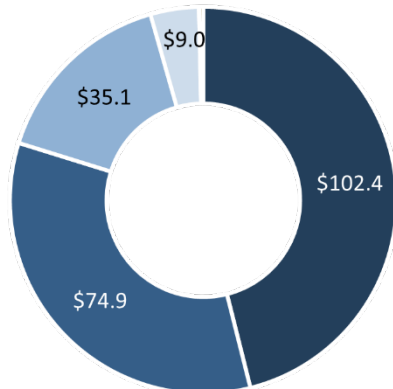
Geographic Breakdown

- Northeast: 37%
- Southeast: 29%
- Midwest: 15%
- West: 12%
- Southwest: 3%
- Other(4): 4%



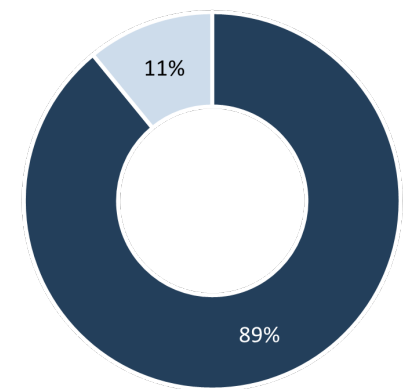
Type of Investments

- Sr. Secured 1L TL: 46%
- Income Equity: 34%
- Non Income Equity: 16%
- Senior Secured Notes: 4%
- Fund Investment: <1%



Floating vs Fixed Rate Investments

- Floating Rate Security
- Fixed Rate Security



(1) Includes Banking, Finance, Insurance and Real Estate (2) Includes Broadcasting and Subscriptions
 (3) Includes Packaging (1.5%) and Aerospace & Defense (1.2%) (4) Includes International (3.6%) 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: \$237.8 million
 - Cash Balance: \$12.2 million
 - Total Liabilities: \$87.1 million
 - NAV: \$150.7 million
 - NAV per common share: \$73.14
 - Asset Coverage: 275.4%
-

Income Statement

- Total Investment Income: \$5.7 million
 - Total Expenses: \$4.0 million
 - Net Investment Income: \$1.7 million
 - Weighted Average Shares outstanding: 2,072,694
-

Investment Portfolio

- Total FMV: \$222.2 million
- Weighted average yield to maturity on debt investments – 13.0%
- \$15.0 million deployed this quarter, including investments in new portfolio companies
- Diversified investment portfolio consisting of 39 positions

Balance Sheet

PHENIXFIN

(\$ as stated)

Assets:

Investments at fair value

Non-controlled, non-affiliated investments (amortized cost of \$123,544,114 and \$134,339,121, respectively)

Affiliated investments (amortized cost of \$49,381,900 and \$48,233,910, respectively)

Controlled investments (amortized cost of \$85,250,537 and \$82,437,692, respectively)

Total Investments at fair value

Cash and cash equivalents

Receivables:

Interest receivable

Dividends receivable

Other receivable

Prepaid share repurchase

Due from affiliate

Other assets

Deferred financing costs

Receivable for investments sold

Total Assets

Liabilities:

Credit facility and note payable (net of debt issuance costs of \$1,605,256 and \$1,688,835, respectively)

Accounts payable and accrued expenses

Interest and fees payable

Other liabilities

Administrator expenses payable

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; 2,060,490 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

	Dec 31, 2023	Sep 30, 2023
Non-controlled, non-affiliated investments (amortized cost of \$123,544,114 and \$134,339,121, respectively)	\$ 116,100,267	\$ 125,531,031
Affiliated investments (amortized cost of \$49,381,900 and \$48,233,910, respectively)	40,868,870	37,289,617
Controlled investments (amortized cost of \$85,250,537 and \$82,437,692, respectively)	65,252,515	63,640,043
Total Investments at fair value	222,221,652	226,460,691
Cash and cash equivalents	12,173,975	5,988,223
Receivables:		
Interest receivable	1,400,137	971,115
Dividends receivable	243,302	161,479
Other receivable	-	31,425
Prepaid share repurchase	132,295	199,019
Due from affiliate	417,014	409,214
Other assets	615,571	833,000
Deferred financing costs	637,276	699,124
Receivable for investments sold	-	3,940,175
Total Assets	\$ 237,841,222	\$ 239,693,465
Liabilities:		
Credit facility and note payable (net of debt issuance costs of \$1,605,256 and \$1,688,835, respectively)	\$ 84,336,685	\$ 84,253,106
Accounts payable and accrued expenses	1,615,180	3,066,984
Interest and fees payable	721,341	690,398
Other liabilities	394,364	432,698
Administrator expenses payable	72,852	-
Payable for investments purchased	-	4,123,059
Deferred revenue	-	421,685
Total Liabilities	87,140,422	92,987,930
Net Assets:		
Common Shares, \$0.001 par value; 5,000,000 shares authorized; 2,723,709 shares issued; 2,060,490 and 2,073,713 common shares outstanding, respectively	2,061	2,074
Capital in excess of par value	694,273,678	694,812,239
Total distributable earnings (loss)	(543,574,939)	(548,108,778)
Total Net Assets	150,700,800	146,705,535
Total Liabilities and Net Assets	\$ 237,841,222	\$ 239,693,465
Net Asset Value Per Common Share	\$ 73.14	\$ 70.75

Income Statement

PHENIXFIN

(\$ in thousands)

Interest Income:

Interest from investments

Non-controlled, non-affiliated investments:

Cash

Payment in-kind

Affiliated investments:

Cash

Payment in-kind

Controlled investments:

Cash

Payment in-kind

Total interest income

Dividend income

Interest from cash and cash equivalents

Fee income

Other income

Total Investment Income

Expenses:

Interest and financing expenses

Salaries and benefits

Professional fees, net

General and administrative expenses

Directors fees

Insurance expenses

Administrator expenses

Total expenses

Net Investment Income

Realized and unrealized gains (losses) on investments

Net realized gains (losses):

Non-controlled, non-affiliated investments

Affiliated investments

Controlled investments

Total net realized gains (losses)

Net change in unrealized gains (losses):

Non-controlled, non-affiliated investments

Affiliated investments

Controlled investments

Total net change in unrealized gains (losses)

Total realized and unrealized gains (losses)

Net Increase (Decrease) in Net Assets Resulting from Operations

Weighted average basic and diluted earnings per common share

Weighted average common shares outstanding - basic and diluted

For the Three Months Ended Dec 31,	
2023	2022
\$	\$
2,682,143	1,916,041
90,674	106,187
455,692	198,453
-	89,743
286,238	194,627
149,967	-
3,664,714	2,505,051
2,013,726	2,032,358
41,108	92,226
2,108	73,599
22	-
5,721,678	4,703,234
1,542,061	1,233,176
1,424,992	857,533
357,554	347,917
325,061	219,977
187,500	194,000
97,756	124,084
77,852	77,884
4,012,776	3,054,571
1,708,902	1,648,663
229,804	13,448
-	-
-	-
229,804	13,448
1,364,243	1,523,099
2,431,263	715,537
(1,200,373)	51,169
2,595,133	2,289,805
2,824,937	2,303,253
\$ 4,533,839	\$ 3,951,916
\$	\$
2.19	1.88
2,072,694	2,100,876

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