

# PHENIXFIN



## Investor Presentation

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March 31, 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, March 31, 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 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 \$62.5 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 ~26% 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

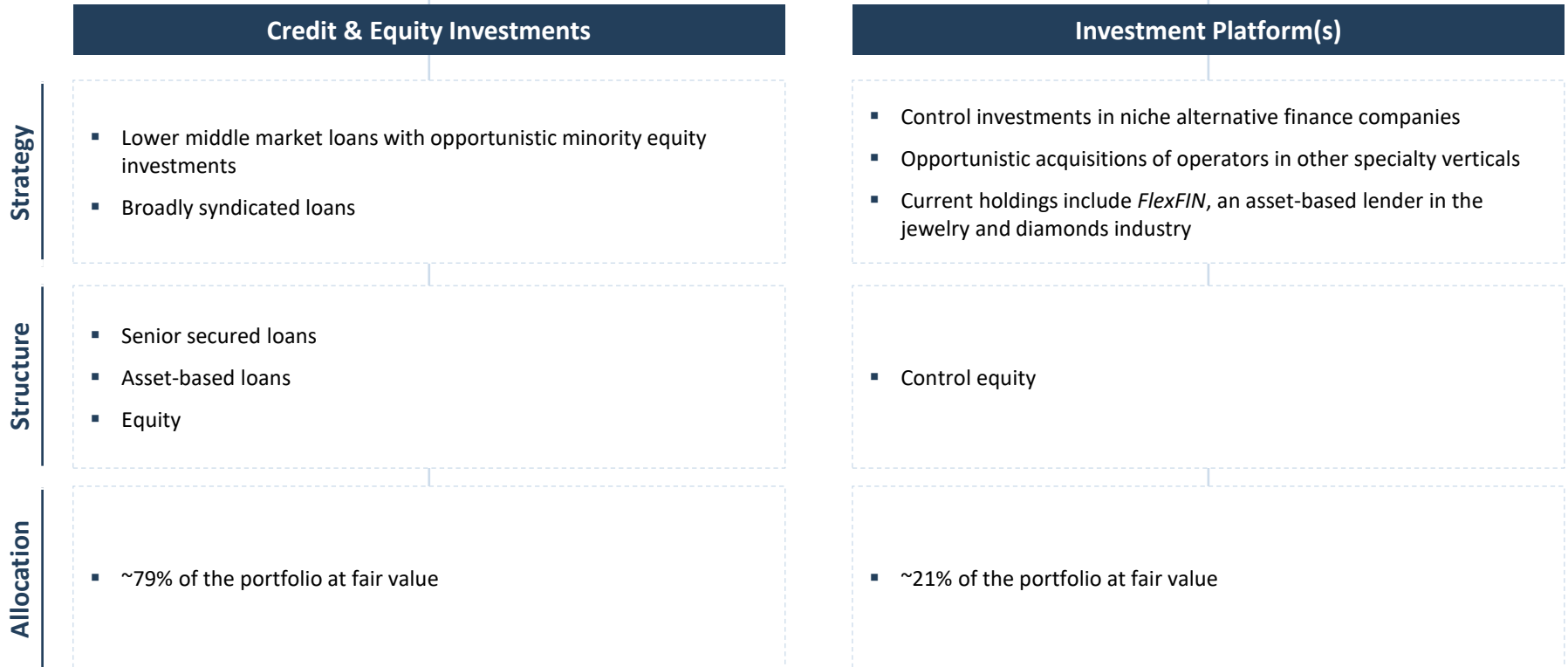
## Investment Focus

- 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 \$220 million at fair value
- Focus on optimizing NII and NAV/share growth
- Weighted Average Yield to Maturity – 13.6% 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"> <li>▪ Directly originated senior secured, floating rate loans</li> <li>▪ Broadly syndicated first lien loans with underlying liquidity</li> <li>▪ Senior secured &amp; high yield bonds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Co-investments through directly originated credits</li> <li>▪ Investments in directly originated minority or majority equity opportunities</li> <li>▪ Publicly-traded investment opportunities</li> </ul>
Focus	<ul style="list-style-type: none"> <li>▪ ABL</li> <li>▪ First lien</li> <li>▪ Opportunistic Term B or Second lien</li> <li>▪ Convertible debt</li> </ul>	<ul style="list-style-type: none"> <li>▪ Convertible equity</li> <li>▪ Preferred equity</li> <li>▪ Common equity</li> <li>▪ Warrants</li> </ul>
Due Diligence & Risk Management	<p><b><u>Robust, private equity-style due diligence process:</u></b></p> <ul style="list-style-type: none"> <li>▪ Quality of cash flows (focus on adjusted numbers)</li> <li>▪ Financial and negative covenants</li> <li>▪ Governance and alignment</li> <li>▪ Risk management</li> <li>▪ Iterative ongoing diligence process</li> <li>▪ Investment team is in regular dialogue with management teams, sponsors and third parties monitoring credit performance, earnings, and macro/micro market events</li> </ul>	

## 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 March 31, 2024, the FlexFIN portfolio was comprised ~\$35 million of financing.



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

Key Objectives	Description	Current Status
<p><b>Reposition Investment Portfolio</b></p>	<ul style="list-style-type: none"> <li>▪ Grow net investment income through enhancing current yield within the portfolio</li> <li>▪ Invest across the capital structure in private and public investment opportunities</li> <li>▪ Grow net asset value per share</li> </ul>	<ul style="list-style-type: none"> <li>▪ 44% NAV growth since internalization on January 1, 2021</li> </ul>
<p><b>Shareholder Support</b></p>	<ul style="list-style-type: none"> <li>▪ Provide shareholder support in the secondary market through repurchase program</li> <li>▪ Better alignment of interest across all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>▪ Purchased ~26% of outstanding shares since implementation in 2021</li> </ul>
<p><b>Platform Acquisitions</b></p>	<ul style="list-style-type: none"> <li>▪ Launch and / or acquire accretive platform operators in specialty finance or other niche, complementary verticals</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to remain inquisitive across a strong pipeline of platform investment opportunities</li> </ul>
<p><b>Balance Sheet Strength/Optimization of taxes</b></p>	<ul style="list-style-type: none"> <li>▪ Continued Optimization of tax-attributes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong Balance Sheet and liquidity</li> </ul>

## Stable Financial Position with Strong Portfolio and NAV Growth

### Summary Capitalization Table

	<u>3/31/2024</u>	<u>9/30/2023</u>
<b>Assets</b>		
1 Cash	\$ 19,124	\$ 5,988
2 Portfolio at Fair Value	220,049	226,460
<b>Debt</b>		
3 2028 Notes (1)	\$ 57,500	\$ 57,500
Credit Facility	<u>28,441</u>	<u>28,441</u>
Total Debt	\$ 85,941	\$ 85,941
<b>Equity</b>		
4 Net Assets	\$ 154,272	\$ 146,705
NAV per Share	\$ 76.35	\$ 70.75
<b>Debt/Equity</b>		
Unfunded Commitments	\$ 0.56x	0.59x
	\$ 3,113	\$ 3,375

### Commentary

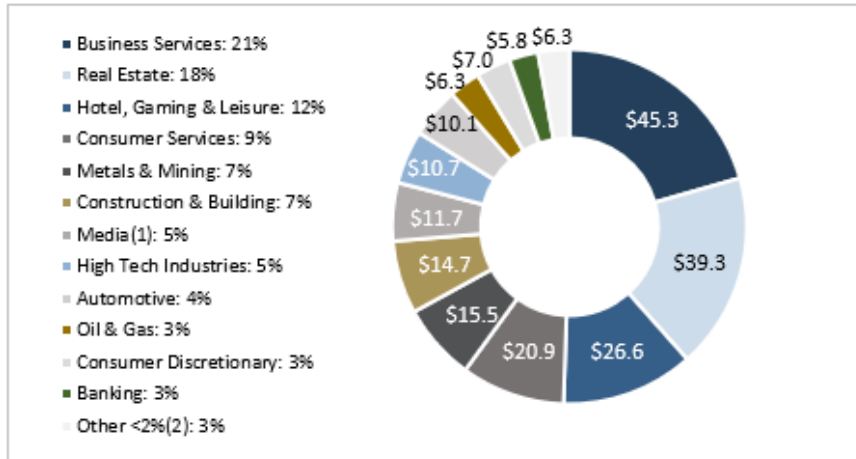
- 1 **Meaningful liquidity position provides balance sheet flexibility**
  - Ability to quickly deploy into new investment opportunities
  - Strong coverage relative to unfunded commitments of \$3.1 million
  - Opportunistically repurchase shares
- 2 **Portions of portfolio migrated to liquid Level 1 assets and current, cash yielding debt and equity investments**
- 3 **Conservative leverage profile with debt to equity of 0.56x 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
  - \$62.5mm 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

(1) Gross principal amount outstanding

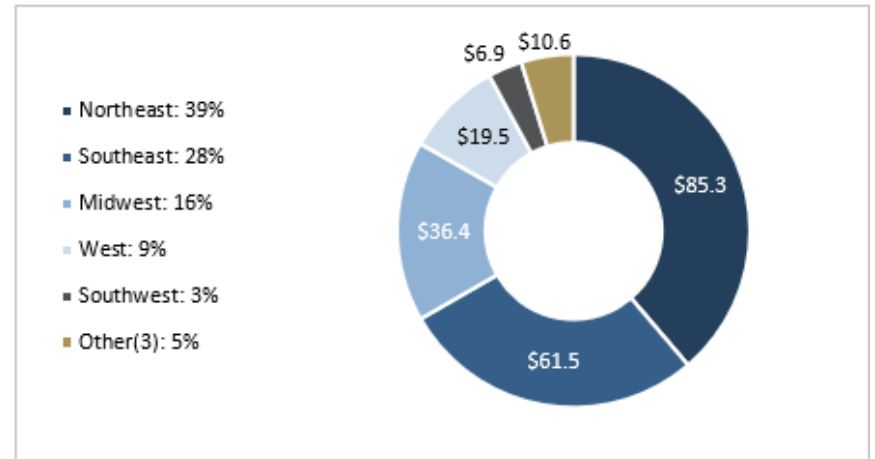


## Current Portfolio of \$220.0 Million at Fair Market Value

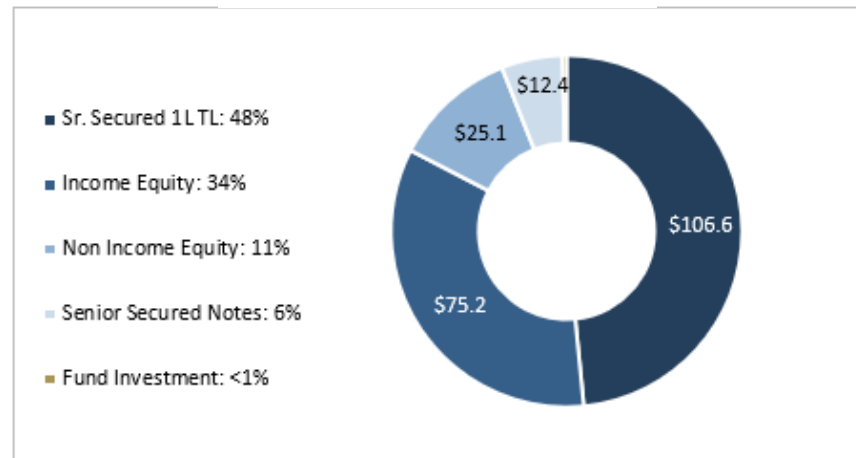
### Type of Industries



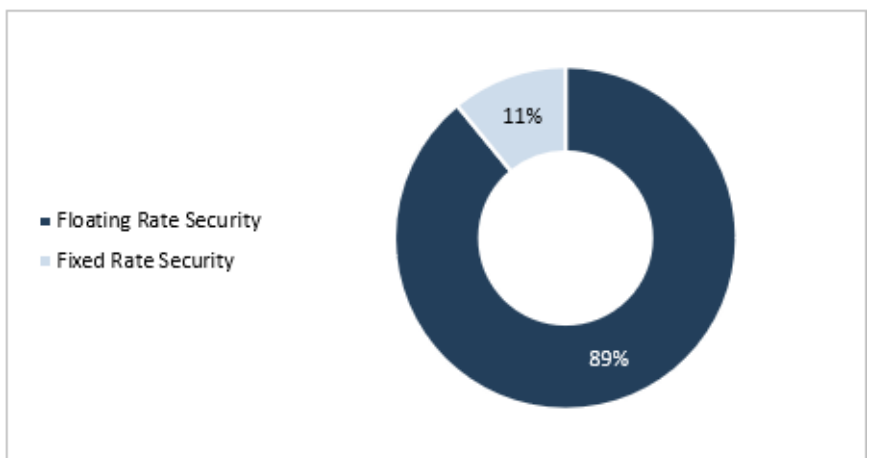
### Geographic Breakdown



### Type of Investments



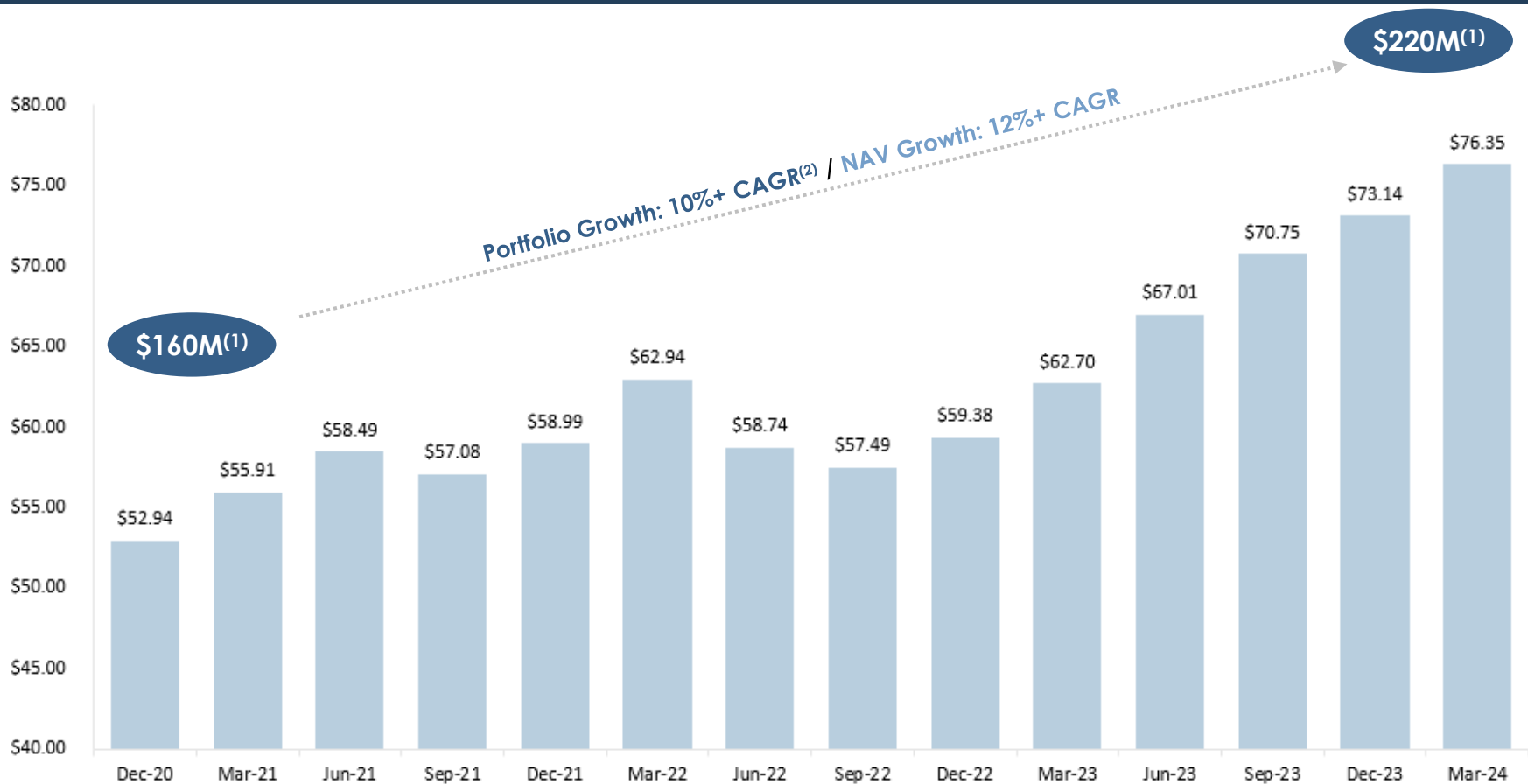
### Floating vs Fixed Rate Investments



(1) Includes Broadcasting and Subscriptions (2) Includes Packaging (1.6%), Aerospace & Defense (1.2%), and Insurance (0.1%)  
 (3) Includes International (4.6%) 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: \$247.7 million
  - Cash Balance: \$19.1 million
  - Total Liabilities: \$93.4 million
  - NAV: \$154.3 million
  - NAV per common share: \$76.35
  - Asset Coverage: 279.5%
- 

### Income Statement

- Total Investment Income: \$4.7 million
  - Total Expenses: \$4.1 million
  - Net Investment Income: \$0.6 million
  - Weighted Average Shares outstanding: 2,048,622
- 

### Investment Portfolio

- Total FMV: \$220.0 million
- Weighted average yield to maturity on debt investments – 13.6%
- \$13.3 million deployed this quarter, including investments in new portfolio companies
- Diversified investment portfolio consisting of 41 positions

# Balance Sheet

PHENIXFIN

	Mar 31, 2024	Sep 30, 2023
<i>(\$ as stated)</i>		
<b>Assets:</b>		
Investments at fair value		
Non-controlled, non-affiliated investments (amortized cost of \$138,055,022 and \$134,339,121, respectively)	\$ 132,407,942	\$ 125,531,031
Affiliated investments (amortized cost of \$20,564,242 and \$48,233,910, respectively)	14,333,867	37,289,617
Controlled investments (amortized cost of \$90,793,284 and \$82,437,692, respectively)	73,307,525	63,640,043
Total Investments at fair value	220,049,334	226,460,691
Cash and cash equivalents	19,123,796	5,988,223
Receivables:		
Interest receivable	920,769	971,115
Dividends receivable	243,302	161,479
Other receivable	-	31,425
Prepaid share repurchase	132,295	199,019
Due from affiliate	5,326,933	409,214
Other assets	1,173,608	833,000
Deferred financing costs	724,568	699,124
Receivable for investments sold	-	3,940,175
<b>Total Assets</b>	<b>\$ 247,694,605</b>	<b>\$ 239,693,465</b>
<b>Liabilities:</b>		
Credit facility and note payable (net of debt issuance costs of \$1,522,586 and \$1,688,835, respectively)	\$ 84,419,355	\$ 84,253,106
Payable for investments purchased	5,036,284	4,123,059
Accounts payable and accrued expenses	2,707,303	3,066,984
Interest and fees payable	724,564	690,398
Other liabilities	360,477	432,698
Due to Affiliate	99,725	-
Administrator expenses payable	75,000	-
Deferred revenue	-	421,685
Total Liabilities	93,422,708	92,987,930
<b>Net Assets:</b>		
Common Shares, \$0.001 par value; 5,000,000 shares authorized; 2,723,709 shares issued; 2,020,490 and 2,073,713 common shares outstanding, respectively	2,021	2,074
Capital in excess of par value	692,472,513	694,812,239
Total distributable earnings (loss)	(538,202,637)	(548,108,778)
Total Net Assets	154,271,897	146,705,535
<b>Total Liabilities and Net Assets</b>	<b>\$ 247,694,605</b>	<b>\$ 239,693,465</b>
<b>Net Asset Value Per Common Share</b>	<b>\$ 76.35</b>	<b>\$ 70.75</b>

# Income Statement

PHENIXFIN

(\$ in total)

## 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

### General and administrative expenses

### Professional fees, net

### 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 Mar,		For the Six Months Ended Mar 31,	
	2024	2023	2024	2023
Interest from investments				
Non-controlled, non-affiliated investments:				
Cash	\$ 1,950,898	\$ 2,116,741	\$ 4,633,041	\$ 4,032,782
Payment in-kind	90,530	119,593	181,204	225,780
Affiliated investments:				
Cash	276,484	261,028	732,176	459,481
Payment in-kind	-	-	-	-
Controlled investments:				
Cash	294,028	57,188	580,266	251,815
Payment in-kind	118,864	155,994	268,831	245,737
Total interest income	2,730,804	2,710,544	6,395,518	5,215,595
Dividend income	1,652,262	1,503,375	3,665,988	3,535,733
Interest from cash and cash equivalents	199,266	125,471	240,374	217,697
Fee income	76,517	171,055	78,625	244,654
Other income	-	401,986	22	401,986
<b>Total Investment Income</b>	<b>4,658,849</b>	<b>4,912,431</b>	<b>10,380,527</b>	<b>9,615,665</b>
<b>Expenses:</b>				
Interest and financing expenses	1,567,352	1,381,596	3,109,413	2,614,772
Salaries and benefits	1,524,508	802,090	2,949,500	1,659,623
General and administrative expenses	310,776	201,181	635,837	421,158
Professional fees, net	343,150	377,229	700,704	725,146
Directors fees	187,500	176,500	375,000	370,500
Insurance expenses	96,694	121,387	194,450	245,471
Administrator expenses	57,550	77,937	135,402	155,821
Total expenses	4,087,530	3,137,920	8,100,306	6,192,491
<b>Net Investment Income</b>	<b>571,319</b>	<b>1,774,511</b>	<b>2,280,221</b>	<b>3,423,174</b>
<b>Realized and unrealized gains (losses) on investments</b>				
Net realized gains (losses):				
Non-controlled, non-affiliated investments	200,754	(838,070)	430,558	(824,622)
Affiliated investments	(1,991,456)	-	(1,991,456)	-
Controlled investments	-	23,273	-	23,273
Total net realized gains (losses)	(1,790,702)	(814,797)	(1,560,898)	(801,349)
Net change in unrealized gains (losses):				
Non-controlled, non-affiliated investments	1,796,767	803,513	3,161,010	2,326,612
Affiliated investments	2,282,655	274,063	4,713,918	989,600
Controlled investments	2,512,263	4,670,928	1,311,890	4,722,097
Total net change in unrealized gains (losses)	6,591,685	5,748,504	9,186,818	8,038,309
Total realized and unrealized gains (losses)	4,800,983	4,933,707	7,625,920	7,236,960
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>\$ 5,372,302</b>	<b>\$ 6,708,218</b>	<b>\$ 9,906,141</b>	<b>\$ 10,660,134</b>
Weighted average basic and diluted earnings per common share	\$ 2.62	\$ 3.20	\$ 4.81	\$ 5.08
Weighted average common shares outstanding - basic and diluted	2,048,622	2,095,193	2,060,723	2,098,041

## Senior Management

**David Lorber**  
Chairman & CEO  
**Ellida McMillan**  
CFO

## Research Coverage

**Oppenheimer & Co.**  
Mitchel Penn

## Website

**PhenixFIN Corporation**  
[www.phenixfc.com](http://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**  
P: (212) 859-0390  
E: [info@phenixfc.com](mailto:info@phenixfc.com)

## Corporate Headquarters

445 Park Avenue, 10<sup>th</sup> 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