



PhenixFIN Corporation Announces Fiscal First Quarter 2022 Financial Results

February 10, 2022

Board Expands Share Repurchase Program to \$25 million

NEW YORK, Feb. 10, 2022 (GLOBE NEWSWIRE) -- PhenixFIN Corporation (NASDAQ: PFX) (the "Company"), a publicly traded business development company, today announced its financial results for the fiscal first quarter of 2022.

Highlights

- During the first quarter, total investment income of \$3.1 million; net investment income of \$0.2 million
- Net asset value (NAV) of \$148.5 million, or \$58.99 per share as of December 31, 2021 vs. \$57.08 per share as of September 30, 2021
- NAV per share has increased 11.4% over the twelve month period ended December 31, 2021 (since internalization)
- For the full calendar year, operating expenses declined 44% compared to the preceding twelve months
- Weighted average yield to maturity of 8.78% on debt investments
- Issued \$57.5 million in aggregate principal amount of 5.25% unsecured notes due 2028 (NASDAQ: PFXNZ)

Subsequent Events:

- On February 9, 2022, the Board approved the expansion of the current repurchase program from \$15 million to \$25 million. Since announcing the plan on January 11, 2021 through February 8, 2022, the Company has repurchased 219,964 shares at an aggregate price of \$8.7 million (8.08% of shares outstanding as of plan inception).

David Lorber, Chief Executive Officer of the Company, stated:

"After our first year as an internally managed BDC we have successfully repositioned a significant portion of the portfolio and reduced our cost structure. For the first twelve months of being an internally managed BDC, our operating expenses decreased by 44% as compared to the preceding twelve month period, from \$12.5 million to \$6.9 million. In addition, we launched FlexFIN, an operating company owned in partnership with Kwiat/Fred Leighton, generating attractive returns."

Since our internalization on January 1, 2021, we have monetized 15 positions totaling \$116.2 million and deployed capital into 21 new investments and 6 add on investments, aggregating \$135.6 million.

Selected First Quarter 2022 Financial Results

For the quarter ended December 31, 2021, investment income totaled \$3.1 million, of which \$2.6 million was attributable to portfolio interest and dividend income and \$0.5 million was attributable to fee and other income

For the quarter ended December 31, 2021, total net expenses were \$2.9 million and total net investment income was \$0.2 million

For the quarter ended December 31, 2021, the Company recorded a net realized gain of \$15.2 million and net change in unrealized depreciation of \$10.3 million.

Portfolio and Investment Activities

As of December 31, 2021, the fair value of the Company's investment portfolio totaled \$175.4 million and consisted of 42 portfolio companies.

As of December 31, 2021, the Company had 6 portfolio company investments on non-accrual status with a fair market value of \$10.4 million.

Liquidity and Capital Resources

At December 31, 2021, the Company had \$59.4 million in cash and \$55.2 million and \$22.4 million outstanding in aggregate principal amount of its 5.25% unsecured notes due 2028 and 6.125% unsecured notes due 2023, respectively.

ABOUT PHENIXFIN CORPORATION

PhenixFIN Corporation is a non-diversified, internally managed closed-end management investment company incorporated in Delaware that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended. We completed our initial public offering and commenced operations on January 20, 2011. The Company has elected, and intends to qualify annually, to be treated, for U.S. federal income tax purposes, as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended. Effective January 1, 2021, the Company operates under an internalized management structure.

SAFE HARBOR STATEMENT AND OTHER DISCLOSURES

This press release contains "forward-looking" statements. Such forward-looking statements reflect current views with respect to future events and financial performance, and the Company may make related oral forward-looking statements on or following the date hereof. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results and

conditions to differ materially from those projected in these forward-looking statements, including among other things, PhenixFIN's ability to deliver value to shareholders, reduce operating expenses for a sustainable period of time, implement its investment objective, capitalize on investment opportunities, execute successfully its share repurchase program and perform well and operate effectively under an internalized management structure, FlexFIN's ability to perform effectively and generate attractive returns and other factors that are enumerated in the Company's periodic filings with the Securities and Exchange Commission. PhenixFIN Corporation disclaims and does not undertake any obligation to update or revise any forward-looking statement in this press release.

Past performance is not a guarantee of future results. The press release contains unaudited financial results. For ease of review, we have excluded the word "approximately" when rounding the results. This press release is for informational purposes only and is not an offer to purchase or a solicitation of an offer to sell shares of PhenixFIN Corporation's common stock. There can be no assurance that PhenixFIN Corporation will achieve its investment objective.

For PhenixFIN investor relations, please call 212-859-0390. For media inquiries, please contact info@phenixfc.com.

PHENIXFIN CORPORATION
Consolidated Statements of Assets and Liabilities

| | December 31, 2021 (Unaudited) | September 30, 2021 |
|---|-------------------------------------|-----------------------|
| Assets: | | |
| Investments at fair value | | |
| Non-controlled, non-affiliated investments (amortized cost of \$128,348,470 and \$92,214,167, respectively) | \$ 120,418,943 | \$ 84,152,678 |
| Affiliated investments (amortized cost of \$46,411,711 and \$75,963,427, respectively) | 17,569,686 | 57,595,245 |
| Controlled investments (amortized cost of \$66,991,021 and \$39,490,097, respectively) | <u>37,410,426</u> | <u>9,891,860</u> |
| Total Investments at fair value | 175,399,055 | 151,639,783 |
| Cash and cash equivalents | 59,380,000 | 69,433,256 |
| Receivables: | | |
| Paydown receivable | 3,885,645 | 292,015 |
| Interest receivable | 533,347 | 371,576 |
| Dividends receivable | 220,459 | 81,211 |
| Due from Affiliate | 137 | - |
| Fees receivable | - | 1,872,700 |
| Other receivable | 1,293 | - |
| Other assets | <u>1,242,845</u> | <u>1,401,746</u> |
| Total Assets | <u>\$ 240,662,781</u> | <u>\$ 225,092,287</u> |
| Liabilities: | | |
| Notes payable (net of debt issuance costs of \$2,380,843 and \$412,795, respectively) | \$ 77,640,957 | \$ 77,434,005 |
| Interest and fees payable | 385,729 | - |
| Deferred revenue | 386,156 | - |
| Due to broker | 12,089,033 | 1,586,000 |
| Due to affiliates | - | 280,323 |
| Administrator expenses payable | 127,965 | 67,920 |
| Accounts payable and accrued expenses | 922,416 | 1,416,524 |
| Other liabilities | <u>613,534</u> | <u>613,534</u> |
| Total Liabilities | <u>92,165,790</u> | <u>81,398,306</u> |
| Commitments and Contingencies | | |
| Net Assets: | | |
| Common Shares, \$0.001 par value; 5,000,000 shares authorized; 2,723,709 shares issued; 2,517,221 common shares outstanding | 2,517 | 2,517 |
| Capital in excess of par value | 688,866,642 | 688,866,642 |
| Total distributable earnings (loss) | <u>(540,372,168)</u> | <u>(545,175,178)</u> |
| Total Net Assets | <u>\$ 148,496,991</u> | <u>\$ 143,693,981</u> |
| Total Liabilities and Net Assets | <u>\$ 240,662,781</u> | <u>\$ 225,092,287</u> |
| Net Asset Value Per Common Share | <u>\$ 58.99</u> | <u>\$ 57.08</u> |

PHENIXFIN CORPORATION
Consolidated Statements of Operations
(Unaudited)

For the
Three Months Ended

| | December 31 | |
|--|---------------------|-----------------------|
| | 2021 | 2020 |
| Interest Income: | | |
| Interest from investments | | |
| Non-controlled, non-affiliated investments: | | |
| Cash | \$ 1,015,692 | \$ 1,671,813 |
| Payment in-kind | 138,511 | 170,029 |
| Affiliated investments: | | |
| Cash | 122,147 | 352,291 |
| Payment in-kind | 97,028 | - |
| Controlled investments: | | |
| Cash | 553,638 | 1,190 |
| Total interest income | 1,927,016 | 2,195,323 |
| Dividend income | 702,930 | 10,263,501 |
| Interest from cash and cash equivalents | 2,739 | 940 |
| Fee income | 270,122 | 341,464 |
| Other income | 230,434 | - |
| Total Investment Income | 3,133,241 | 12,801,228 |
| Expenses: | | |
| Base management fees | - | 1,146,403 |
| Interest and financing expenses | 1,487,675 | 2,017,641 |
| General and administrative expenses | 196,559 | 377,934 |
| Salaries and Benefits | 505,875 | - |
| Administrator expenses | 68,866 | 484,412 |
| Insurance expenses | 158,904 | 485,012 |
| Directors fees | 208,500 | 475,717 |
| Professional fees, net | 306,751 | (515,622) |
| Total expenses | 2,933,130 | 4,471,497 |
| Net Investment Income | 200,111 | 8,329,731 |
| Realized and unrealized gains (losses) on investments | | |
| Net realized gains (losses): | | |
| Non-controlled, non-affiliated investments | 484,513 | 3,893,722 |
| Affiliated investments | 14,737,897 | (10,452,928) |
| Controlled investments | 925 | (40,147,570) |
| Total net realized gains (losses) | 15,223,335 | (46,706,776) |
| Net change in unrealized gains (losses): | | |
| Non-controlled, non-affiliated investments | 131,963 | (4,057,063) |
| Affiliated investments | (10,473,843) | (2,118,324) |
| Controlled investments | 17,641 | 38,236,935 |
| Total net change in unrealized gains (losses) | (10,324,239) | 32,061,548 |
| Loss on extinguishment of debt | (296,197) | (122,354) |
| Total realized and unrealized gains (losses) | 4,602,899 | (14,767,582) |
| Net Increase (Decrease) in Net Assets Resulting from Operations | \$ 4,803,010 | \$ (6,437,851) |
| Weighted Average Basic and diluted earnings per common share | \$ 1.91 | \$ (2.36) |
| Weighted Average Basic and diluted net investment income (loss) per common share | \$ 0.08 | \$ 3.06 |
| Weighted Average Common Shares Outstanding - Basic and Diluted | 2,517,221 | 2,723,709 |