



PhenixFIN Corporation Announces Fiscal Third Quarter 2023 Financial Results

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NEW YORK, Aug. 10, 2023 (GLOBE NEWSWIRE) -- PhenixFIN Corporation (NASDAQ: PFX) (the "Company"), a publicly traded business development company, today announced its financial results for the fiscal third quarter of 2023.

Highlights

- Total investment income of \$14.5 million and net investment income of \$4.6 million for the nine months ended June 30, 2023
- Net asset value (NAV) of \$140.0 million, or \$67.01 per share as of June 30, 2023
- Redeemed the \$22.5 million 6.125% unsecured notes on January 17, 2023
- On February 8, 2023, the Board approved the expansion of the current repurchase program from \$25 million to \$35 million
- Weighted average yield of 12.2% on debt and other income producing investments

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

"We reported another strong quarter driven by NII, strong performance from our equity investments, and increased investment activity all of which contributed to our increase in NAV/share. Our relationships and sourcing capabilities have us well positioned to capitalize on the growing demand for flexible capital and our bespoke solutions in the market."

Selected Third Quarter 2023 Financial Results

For the three and nine months ended June 30, 2023, total investment income was \$4.8 million and \$14.5 million, of which \$4.7 million and \$13.8 million, respectively, was attributable to portfolio interest and dividend income and \$0.1 million and \$0.7 million, respectively, was attributable to fee and other income.

For the three and nine months ended June 30, 2023, total net expenses were \$3.6 million and \$9.8 million and total net investment income was \$1.2 million and \$4.6 million.

For the three and nine months ended June 30, 2023, the Company recorded a net realized loss of \$1.3 million and \$2.1 million and net unrealized gain of \$9.0 million and \$17.1 million, due largely to market volatility in various investments.

Portfolio and Investment Activities

As of June 30, 2023, the fair value of the Company's investment portfolio totaled \$218.7 million and consisted of 46 portfolio companies.

As of June 30, 2023, the Company had 6 portfolio company investments on non-accrual status with a fair market value of \$6.8 million.

Liquidity and Capital Resources

At June 30, 2023, the Company had \$10.9 million in cash and cash equivalents and \$57.5 million and \$28.2 million outstanding in aggregate principal amount of its 5.25% unsecured notes due 2028 and the Credit Facility, 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, increase investment activity, grow the Company, increase net investment income, reduce operating expenses, implement its investment objective, source and capitalize on investment opportunities, grow its net asset value and perform well in the prevailing market environment, the ability of our portfolio companies to perform well and generate income 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

| | June 30, 2023 (Unaudited) | September 30, 2022 |
|---|--|-------------------------------|
| Assets: | | |
| Investments at fair value | | |
| Non-controlled, non-affiliated investments (amortized cost of \$142,762,992 and \$147,378,917, respectively) | \$ 124,234,092 | \$ 122,616,275 |
| Affiliated investments (amortized cost of \$50,295,960 and \$30,585,884, respectively) | 35,336,778 | 12,314,192 |
| Controlled investments (amortized cost of \$79,039,463 and \$85,483,093, respectively) | 59,115,748 | 58,026,182 |
| Total Investments at fair value | 218,686,618 | 192,956,649 |
| Cash and cash equivalents | 10,876,185 | 22,768,066 |
| Receivables: | | |
| Interest receivable | 865,458 | 727,576 |
| Paydown receivable | - | 112,500 |
| Dividends receivable | 220,636 | 269,330 |
| Other receivable | 6,835 | 36,992 |
| Prepaid share repurchase | 11,443 | 489,156 |
| Deferred financing costs | 763,744 | 50,000 |
| Due from Affiliate | 396,419 | 271,962 |
| Other assets | 615,438 | 1,192,677 |
| Total Assets | \$ 232,442,776 | \$ 218,874,908 |
| Liabilities: | | |
| Credit facility and note payable (net of debt issuance costs of \$1,782,166 and \$2,059,164, respectively) | \$ 83,959,776 | \$ 77,962,636 |
| Investments purchased payable | 5,118,912 | - |
| Accounts payable and accrued expenses | 2,018,046 | 2,040,277 |
| Interest and fees payable | 669,577 | 503,125 |
| Other liabilities | 466,500 | 572,949 |
| Deferred revenue | 255,301 | 325,602 |
| Administrator expenses payable (see Note 6) | - | 74,911 |
| Due to broker | - | 16,550,000 |
| Total Liabilities | 92,488,112 | 98,029,500 |
| Commitments and Contingencies (see Note 8) | | |
| Net Assets: | | |
| Common Shares, \$0.001 par value; 5,000,000 shares authorized; 2,723,709 shares issued; 2,088,589 and 2,102,129 common shares outstanding, respectively | 2,089 | 2,102 |
| Capital in excess of par value | 674,934,277 | 675,401,802 |
| Total distributable earnings (loss) | (534,981,702) | (554,558,496) |
| Total Net Assets | 139,954,664 | 120,845,408 |
| Total Liabilities and Net Assets | \$ 232,442,776 | \$ 218,874,908 |
| Net Asset Value Per Common Share | \$ 67.01 | \$ 57.49 |

PHENIXFIN CORPORATION
Consolidated Statements of Operations
(Unaudited)

| For the Three Months Ended June 30, | | For the Nine Months Ended June 30, | |
|--|-------------|---|-------------|
| 2023 | 2022 | 2023 | 2022 |

Interest Income:

Interest from investments

Non-controlled, non-affiliated investments:

| | | | | |
|-----------------|--------------|--------------|--------------|--------------|
| Cash | \$ 1,794,974 | \$ 1,468,171 | \$ 5,827,756 | \$ 3,748,190 |
| Payment in-kind | 110,477 | 102,063 | 336,257 | 340,636 |

Affiliated investments:

| | | | | |
|-----------------|---------|----------|-----------|---------|
| Cash | 652,304 | (23,496) | 1,111,785 | 486,569 |
| Payment in-kind | - | 93,275 | - | 283,036 |

Controlled investments:

| | | | | |
|-----------------|---------|-------|---------|-----------|
| Cash | 30,610 | 4,375 | 282,425 | 1,365,035 |
| Payment in-kind | 134,550 | - | 380,287 | - |

| | | | | |
|-----------------------|-----------|-----------|-----------|-----------|
| Total interest income | 2,722,915 | 1,644,388 | 7,938,510 | 6,223,466 |
|-----------------------|-----------|-----------|-----------|-----------|

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|-----------------|-----------|-----------|-----------|-----------|
| Dividend income | 1,926,049 | 1,846,507 | 5,461,782 | 3,463,386 |
|-----------------|-----------|-----------|-----------|-----------|

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|---|--------|-------|---------|--------|
| Interest from cash and cash equivalents | 95,356 | 9,255 | 313,053 | 18,025 |
|---|--------|-------|---------|--------|

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|-------------------------|--------|--------|---------|---------|
| Fee income (see Note 9) | 94,482 | 65,014 | 339,136 | 420,279 |
|-------------------------|--------|--------|---------|---------|

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|--------------|---|--------|---------|---------|
| Other income | - | 93,394 | 401,986 | 323,828 |
|--------------|---|--------|---------|---------|

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|--------------------------------|------------------|------------------|-------------------|-------------------|
| Total Investment Income | 4,838,802 | 3,658,558 | 14,454,467 | 10,448,984 |
|--------------------------------|------------------|------------------|-------------------|-------------------|

Expenses:

| | | | | |
|---------------------------------|-----------|-----------|-----------|-----------|
| Interest and financing expenses | 1,415,102 | 1,201,623 | 4,029,874 | 3,910,361 |
|---------------------------------|-----------|-----------|-----------|-----------|

| | | | | |
|-----------------------|-----------|-----------|-----------|-----------|
| Salaries and benefits | 1,277,797 | 1,037,602 | 2,937,420 | 1,973,770 |
|-----------------------|-----------|-----------|-----------|-----------|

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|------------------------|---------|---------|-----------|---------|
| Professional fees, net | 310,878 | 469,550 | 1,036,024 | 936,895 |
|------------------------|---------|---------|-----------|---------|

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|-------------------------------------|---------|---------|---------|---------|
| General and administrative expenses | 253,298 | 362,989 | 674,456 | 849,684 |
|-------------------------------------|---------|---------|---------|---------|

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|----------------|---------|---------|---------|---------|
| Directors fees | 170,833 | 164,500 | 541,333 | 540,000 |
|----------------|---------|---------|---------|---------|

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|--------------------|---------|---------|---------|---------|
| Insurance expenses | 115,654 | 155,449 | 361,125 | 469,803 |
|--------------------|---------|---------|---------|---------|

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|-------------------------------------|--------|--------|---------|---------|
| Administrator expenses (see Note 6) | 76,351 | 58,881 | 232,172 | 210,162 |
|-------------------------------------|--------|--------|---------|---------|

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|----------------|-----------|-----------|-----------|-----------|
| Total expenses | 3,619,913 | 3,450,594 | 9,812,404 | 8,890,675 |
|----------------|-----------|-----------|-----------|-----------|

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|------------------------------|------------------|----------------|------------------|------------------|
| Net Investment Income | 1,218,889 | 207,964 | 4,642,063 | 1,558,309 |
|------------------------------|------------------|----------------|------------------|------------------|

Realized and unrealized gains (losses) on investments

Net realized gains (losses):

| | | | | |
|--|-------------|-----------|-------------|---------|
| Non-controlled, non-affiliated investments | (1,374,437) | (188,638) | (2,199,059) | 749,791 |
|--|-------------|-----------|-------------|---------|

| | | | | |
|------------------------|--------|---|--------|------------|
| Affiliated investments | 30,211 | - | 30,211 | 14,737,897 |
|------------------------|--------|---|--------|------------|

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|------------------------|-----|-----|--------|-------|
| Controlled investments | 858 | 925 | 24,131 | 1,850 |
|------------------------|-----|-----|--------|-------|

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|--|--------------------|------------------|--------------------|-------------------|
| Total net realized gains (losses) | (1,343,368) | (187,713) | (2,144,717) | 15,489,538 |
|--|--------------------|------------------|--------------------|-------------------|

Net change in unrealized gains (losses):

| | | | | |
|--|-----------|-------------|-----------|--------------|
| Non-controlled, non-affiliated investments | 3,907,130 | (9,623,302) | 6,233,742 | (11,630,618) |
|--|-----------|-------------|-----------|--------------|

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|------------------------|-----------|---------|-----------|-------------|
| Affiliated investments | 2,322,910 | 405,381 | 3,312,510 | (8,529,483) |
|------------------------|-----------|---------|-----------|-------------|

| | | | | |
|------------------------|-----------|----------|-----------|-----------|
| Controlled investments | 2,811,099 | (31,533) | 7,533,196 | 1,954,912 |
|------------------------|-----------|----------|-----------|-----------|

| | | | | |
|--|------------------|--------------------|-------------------|---------------------|
| Total net change in unrealized gains (losses) | 9,041,139 | (9,249,454) | 17,079,448 | (18,205,189) |
|--|------------------|--------------------|-------------------|---------------------|

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|---|---|---|---|-----------|
| Loss on extinguishment of debt (see Note 5) | - | - | - | (296,197) |
|---|---|---|---|-----------|

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|---|------------------|--------------------|-------------------|--------------------|
| Total realized and unrealized gains (losses) | 7,697,771 | (9,437,167) | 14,934,731 | (3,011,848) |
|---|------------------|--------------------|-------------------|--------------------|

Net Increase (Decrease) in Net Assets Resulting from Operations

| | | | |
|--------------|----------------|---------------|----------------|
| \$ 8,916,660 | \$ (9,229,203) | \$ 19,576,794 | \$ (1,453,539) |
|--------------|----------------|---------------|----------------|

| | | | | |
|--|---------|-----------|---------|-----------|
| Weighted average basic and diluted earnings per common share | \$ 4.26 | \$ (4.19) | \$ 9.34 | \$ (0.61) |
|--|---------|-----------|---------|-----------|

| | | | | |
|--|-----------|-----------|-----------|-----------|
| Weighted average common shares outstanding - basic and diluted (see Note 11) | 2,090,691 | 2,202,115 | 2,095,591 | 2,372,849 |
|--|-----------|-----------|-----------|-----------|