

PHENIXFIN

Investor Presentation

February 2022

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.

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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. 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 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” with market capitalization of \$101 million⁽¹⁾
- 5.25% Notes due 2028 listed on NASDAQ under the symbol “PFXNZ”
- 6.125% Notes due 2023 listed on NASDAQ under the symbol “PFXNL”

Internalized Management Structure

- Internalization transaction completed January 1, 2021, aligning interests and eliminating ongoing management and incentive fees which can positively impact NAV over time
- New management includes professionals with 80+ years of collective industry experience
- Management and Board own or control 14.6% of the Company’s stock as of January 21, 2022

Driving Value for Shareholders

- Strong market receptivity with share price increase of 42.2%⁽¹⁾ since January 1, 2021
- Operating expenses reduced 34.4%⁽²⁾; refinanced a significant portion of fixed rate notes from 6.125% to 5.25%
- 11.4% increase in book value to \$58.99 per share⁽²⁾
- Continued management support through repurchase of ~220,000 shares⁽³⁾

Senior Secured 1st Lien Focus

- Target lower middle-market companies with investment size of \$5 to \$20 million
- Opportunistically invest in traded senior secured / 1st lien debt

Portfolio in Transition

- Since internalization on January 1, 2021, 15 positions have been monetized totaling \$116.2 million and \$135.6 million of capital has been deployed into 21 new investments and 6 add on investments
- Weighted Average Yield to Maturity – 8.78% on Debt Investment
- Portfolio of \$175 million at fair value⁽²⁾
- Drive value through opportunistic investments which may utilize tax attributes

October 2020

Independent members of the Board of Medley Capital Corporation approved the sale of the JV Portfolio in order to significantly deleverage the balance sheet

January 2021

Effective January 1, 2021, the name of the Company was changed to PhenixFIN Corporation ("PFX")

Simultaneously, transfers the listing from the NYSE to the NASDAQ Global market

The Board of Directors approves a \$15 million share repurchase program

August 2021

PFX share price reaches 52-week high of \$44.00⁽¹⁾

November 2021

Completed baby bond offering to refinance existing 6.125% Notes due 2023

February 2022

Board approves expansion of share repurchase program from \$15 million to \$25 million

Pre-Internalization

The Board of Directors approves adoption of an internalized management structure effective January 1, 2021

The new management structure to replace the Investment Management and Administration Agreements with MCC Advisors LLC

Board appoints David Lorber, as Chief Executive Officer and Ellida McMillan as Chief Financial Officer of the Company effective January 1, 2021

November 2020

Post-Internalization

PFX management's vision is to optimize the balance sheet, stabilize the portfolio and align interests of all stakeholders in order to grow NII and NAV over time

Management working on strategic opportunities to optimize NOLs

Launched asset-based gemstone and jewelry finance lending business, FlexFIN, LLC

Continued focus on lowering the Company's cost of capital

Implementing a modified Investment strategy and process

Focus the investment portfolio, strategically and methodically in order to most efficiently create value for shareholders

Ongoing...

⁽¹⁾ Past performance is no guarantee of future results

1

Reorganization of Management Structure and Alignment of Interests

Internalization of management function drives shareholder value through reduced expenses, enhanced operating leverage with scale and alignment of interest through ownership of 14.6% of the Company's common stock as of January 21, 2022 ⁽¹⁾

2

Revaluing of Existing Investments and Repositioning of Portfolio

Management has re-underwritten the existing portfolio, resulting in updated fair value marks. New capital deployment focused on low beta, senior secured / 1st lien investments, coupled with more liquid opportunistic yield and / or capital appreciation-oriented investments

3

Focus on Strategies to Optimize Tax Attributes

Optimize tax attributes through investments and opportunistic strategies

4

Strong Market Receptivity Around Recent Initiatives

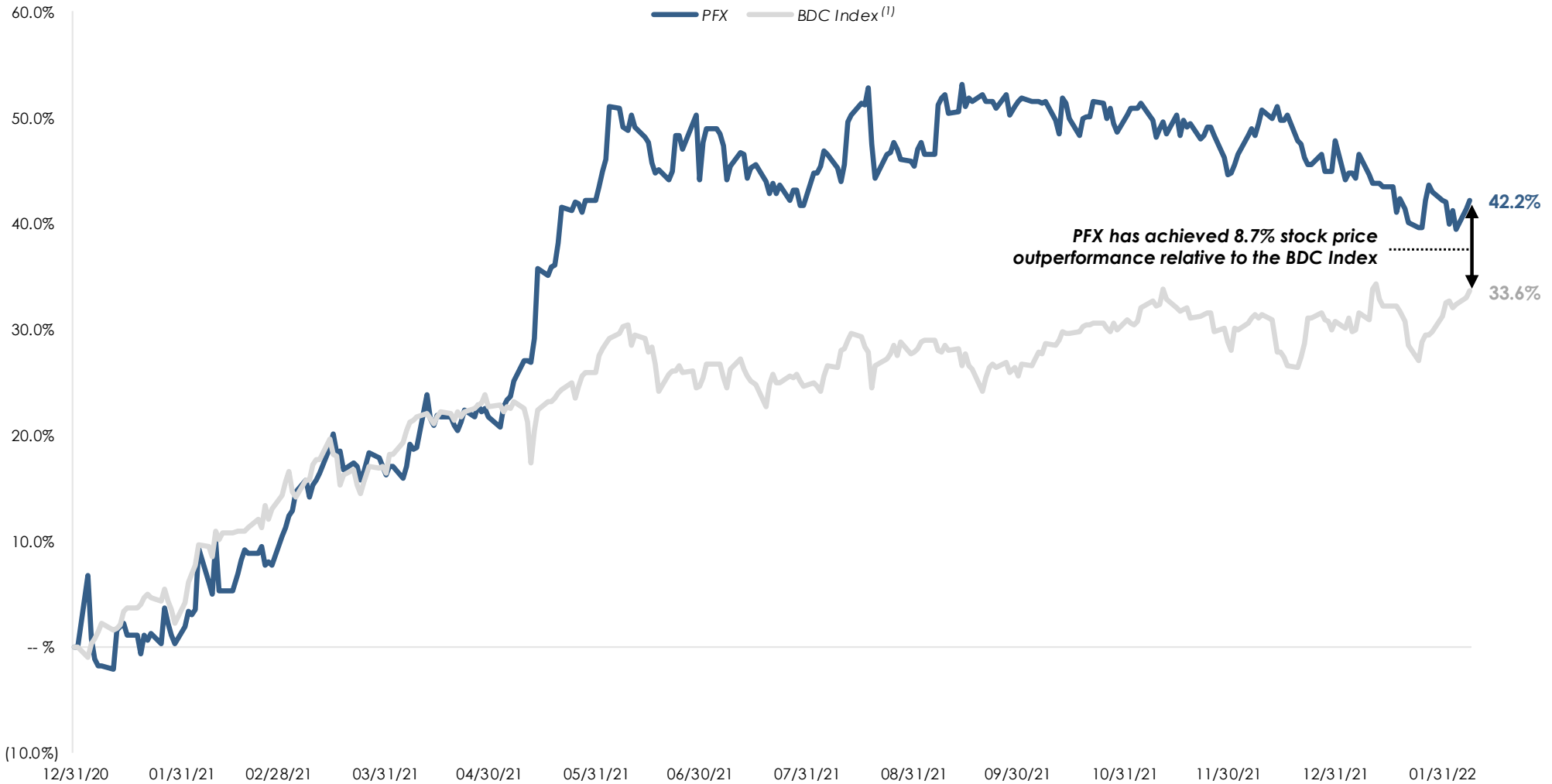
Share price has increased 42.2%⁽²⁾ following completion of the internalization transaction. Further Company support through ongoing share repurchase program

5

Attractive Liquidity Position

Cash and cash equivalents of \$59.4 million provides strong coverage on \$8.2 million of unfunded commitments with ability to quickly react to new capital deployment opportunities⁽³⁾

Relative Price Change Since December 31, 2020



Note: Past performance is no guarantee of future results ⁽¹⁾ BDC Index includes: AINV, ARCC, BBDC, BCSF, BKCC, BXSL, CCAP, CGBD, CSWC, FCRD, FDUS, FSK, GAIN, GBDC, GECC, GLAD, GSBD, HRZN, HTGC, ICMB, LRFC, MAIN, MRCC, NEWT, NMFC, OCSL, OFS, ORCC, OXSQ, PFLT, PFX, PNNT, PSEC, PTMN, RWAY, SAR, SCM, SLRC, SUNS, TCPC, TPVG, TRIN, TSLX, WHF
 Source: FactSet; as of 2/8/2022

Focus On Driving Shareholder Value

Manage Existing Portfolio

- Optimize the value of existing portfolio positions

Investment Strategy

- Focus generally on strategies to drive NII and NAV:
 - 1st lien term loans
 - Sr. secured bonds
 - Equity / preferred equity – yield oriented & capital appreciation
 - \$5 to \$20 million target investment size

Optimize Tax Assets

- Significant potential value to be unlocked through the optimization of a ~\$490 million long-term capital loss carryforward⁽¹⁾ in addition to existing NOLs
- Pursuit of strategies to utilize the tax assets and drive NAV

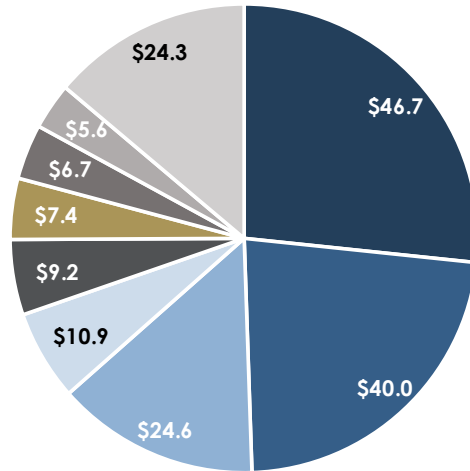
Stock Buyback

- Increase NAV through opportunistic repurchases at attractive discount

⁽¹⁾ As of 9/30/2021

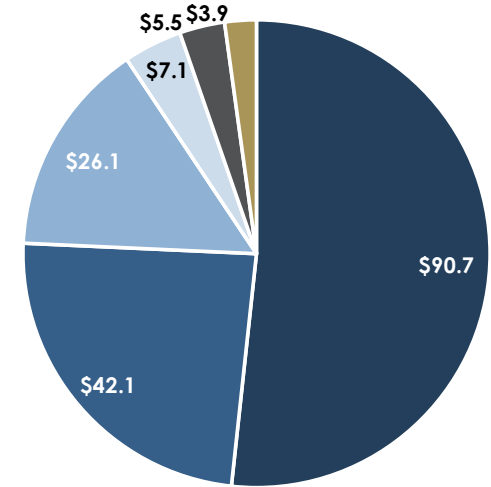
Type of Industries (\$MM)⁽¹⁾

- Banking, Finance, Insurance & Real Estate: 27%
- Business Services: 23%
- Construction & Building: 14%
- Hotel, Gaming & Leisure: 6%
- Manufacturing: 5%
- Consumer Discretionary: 4%
- Consumer Services: 4%
- High Tech Industrials: 3%
- Other <3%: 14%



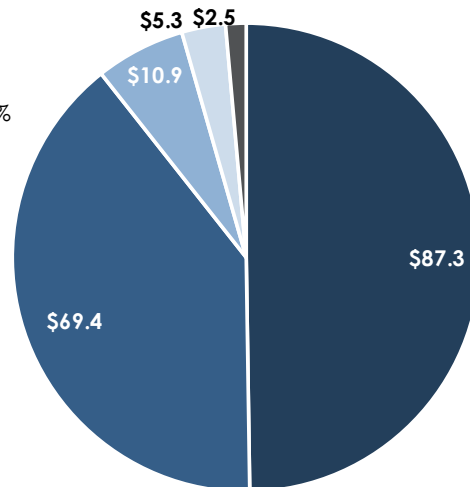
Geography (\$MM)⁽¹⁾

- Northeast: 52%
- Southeast: 24%
- West: 15%
- Midwest: 4%
- Southwest: 3%
- Foreign: 2%



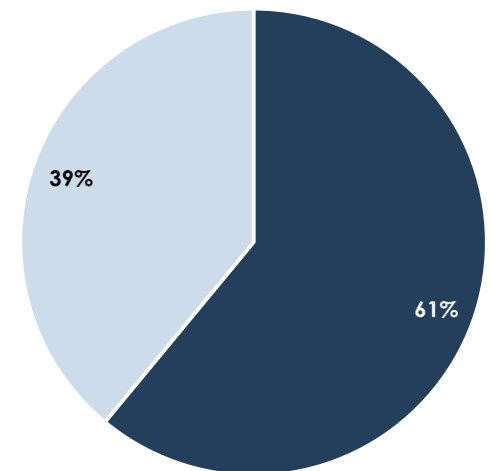
Type of Investments (\$MM)⁽¹⁾

- Income Producing Equity: 50%
- Senior Secured First Lien Term Loans: 40%
- Senior Secured Notes: 6%
- Non-Income Producing Equity: 3%
- Senior Secured Second Lien Term Loans: 1%



Floating vs Fixed Rate Investments⁽¹⁾

- Floating Rate Security
- Fixed Rate Security



⁽¹⁾ Based on the fair market value of the portfolio

Internalized Management Structure

- Management and shareholders' interests inherently aligned due to ownership of Company shares
- Efficient internalized management structure
- New Management team, including investment professionals and finance team, with 80+ years of combined industry experience that have participated in raising, investing, and managing capital

Additional Positive Attributes of Internalization

- Low-cost structure – Elimination of management and incentive fees as of January 1, 2021
- Reduced operating costs vs many externally managed BDCs
- Fully transparent model and governance
- New businesses to be launched inside the Company for the benefit of shareholders

Other Key Changes

- Adopted \$15 million share repurchase program, reduced debt and right-sized balance sheet; subsequently expanded to \$25 million on February 9, 2022
- Disclosure Committee formed
- Utilization of third-party firms for services including fund accounting & administration, valuation, and compliance
- Reconfigured the structure of the Board of Directors to be a more independent group
 - 5-person Board with 4 Independent Directors

Balance Sheet

- Total Assets: \$240.7 million
 - Cash Balance: \$59.4 million
 - Total Liabilities: \$92.2 million
 - NAV: \$148.5 million
 - NAV per common share: \$58.99
 - Asset Coverage: 291.3%
-

Income Statement

- Total Investment Income: \$3.1 million
 - Total Expenses: \$2.9 million
 - Net Investment Income: \$0.2 million
 - Shares outstanding: 2,517,222
-

Portfolio

- Total FMV: \$175.4 million
- Weighted average yield to maturity on debt investments – 8.78%
- \$96.2 million deployed, including investments in nine new portfolio companies
- \$15.2 million realized gain from investment restructurings
- Diversified investment portfolio consisting of more than 35 positions

Senior Management

David Lorber
Chairman & CEO

Ellida McMillan
CFO

Research Coverage

Oppenheimer & Co.

Mitchel Penn

Website

PhenixFIN Corporation

www.phenixfc.com

Independent Directors

Arthur Ainsberg

Lead Director

Karin Hirtler-Garvey

Lowell W. Robinson

Howard Amster

PHENIXFIN

Advisors

Corporate Counsel

Kramer Levin Naftalis & Frankel LLP

Auditors

Ernst & Young

Transfer Agent

American Stock Transfer & Trust
Company

Nasdaq Listings

Common: PFX

2028 Notes: PFXNZ

2023 Notes: PFXNL

Investor Relations

Investor Relations

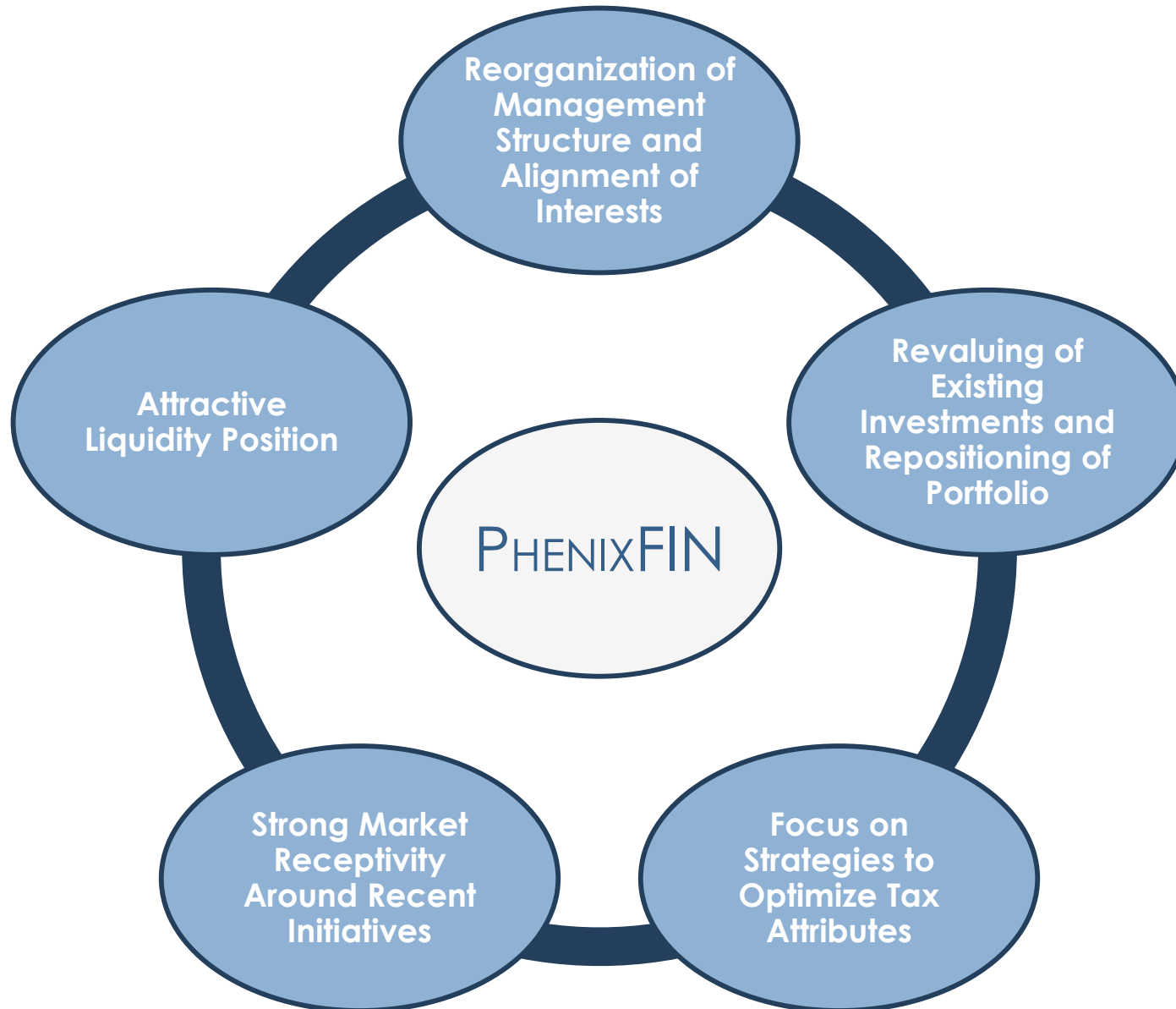
P: (212) 859-0390

E: info@phenixfc.com

Corporate Headquarters

445 Park Avenue, 10th Floor

New York, NY 10022



PHENIXFIN

Financial Overview

	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)	37,410,426	9,891,860
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	1,242,845	1,401,746
Total Assets	\$ 240,662,781	\$ 225,092,287
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 (see Note 6)	127,965	67,920
Accounts payable and accrued expenses	922,416	1,416,524
Other liabilities	613,534	613,534
Total Liabilities	92,165,790	81,398,306
Commitments and Contingencies (see Note 8)		
Net Assets:		
Common Shares, \$0.001 par value; 5,000,000 shares authorized; 2,723,709 shares issued; 2,517,221 common shares outstanding	2,517	2,517
Capital in excess of par value	688,866,642	688,866,642
Total distributable earnings (loss)	(540,372,168)	(545,175,178)
Total Net Assets	\$ 148,496,991	\$ 143,693,981
Total Liabilities and Net Assets	\$ 240,662,781	\$ 225,092,287
Net Asset Value Per Common Share	\$ 58.99	\$ 57.08

PhenixFIN Financial Performance – Income Statement

PHENIXFIN

	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 (see Note 9)	270,122	341,464
Other income	230,434	-
Total Investment Income	3,133,241	12,801,228
Expenses:		
Base management fees (see Note 6)	-	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 (see Note 6)	68,866	484,412
Insurance expenses	158,904	485,012
Directors fees	208,500	475,717
Professional fees, net (see Note 8)	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 (see Note 5)	(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 (see Note 11)	2,517,221	2,723,709