



# CION Investment Corporation

Second Quarter 2022  
Earnings Presentation



# Disclosures and Forward-Looking Statements

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The information contained in this earnings presentation should be viewed in conjunction with the earnings conference call of CION Investment Corporation (NYSE: CION) (“CION” or the “Company”) held on August 11, 2022 as well as the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 that was filed with the Securities and Exchange Commission (the “SEC”) on August 11, 2022. The information contained herein may not be used, reproduced or distributed to others, in whole or in part, for any other purpose without the prior written consent of the Company.

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**Past performance does not guarantee future results, which may vary. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of principal may occur.**

# Second Quarter and Other Highlights – Ended June 30, 2022

*The Company completed a 2-to-1 reverse stock split effective September 21, 2021. Accordingly, share and per share amounts in this presentation have been retroactively adjusted to reflect the 2-to-1 reverse stock split.*

- Net investment income and earnings per share for the quarter ended June 30, 2022 were \$0.34 per share and \$(0.02) per share, respectively;
- Net asset value per share was \$15.89 as of June 30, 2022 compared to \$16.20 as of March 31, 2022. The decrease was primarily due to mark-to-market adjustments caused by wider credit spreads and price declines on our portfolio during the quarter;
- As of June 30, 2022, the Company had \$947.5 million of total principal amount of debt outstanding, of which 78% was comprised of senior secured bank debt and 22% was comprised of unsecured debt. The Company's debt-to-equity ratio was 1.05x as of June 30, 2022 compared to 0.95x as of March 31, 2022;
- As of June 30, 2022, the Company had total investments at fair value of \$1,791 million in 121 portfolio companies across 22 industries. The investment portfolio was comprised of 94.2% senior secured loans, including 92.7% in first lien investments;<sup>1</sup>
- During the quarter, the Company had new investment commitments of \$184 million, funded new investment commitments of \$165 million, funded previously unfunded commitments of \$8 million, and had sales and repayments totaling \$110 million, resulting in a net funded portfolio change of \$63 million;
- As of June 30, 2022, investments on non-accrual status amounted to 1.5% and 3.6% of the total investment portfolio at fair value and amortized cost, respectively;
- On April 27, 2022, the Company entered into a 5-year floating rate unsecured term loan agreement with More Provident Funds and Pension Ltd. under which the Company borrowed \$50 million; and
- On June 24, 2022, the Company's board of directors, including the independent directors, increased the amount of shares of the Company's common stock that may be repurchased under the Company's share repurchase policy by \$10 million to up to an aggregate of \$60 million.

## **DISTRIBUTIONS**

- For the quarter ended June 30, 2022, the Company paid a regular quarterly distribution totaling \$15.9 million, or \$0.28 per share; and
- On August 9, 2022, the Company's co-chief executive officers declared a third quarter 2022 regular distribution of \$0.31 per share payable on September 8, 2022 to shareholders of record as of September 1, 2022, which is an increase of \$0.03 per share, or 10.7%, from the regular distribution of \$0.28 per share paid for the quarter ended June 30, 2022.

# Selected Financial Highlights

(\$ in millions)	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Investment portfolio, at fair value(1)	\$1,791	\$1,740	\$1,666	\$1,630	\$1,676
Total debt outstanding(2)	\$948	\$875	\$830	\$805	\$805
Net assets	\$905	\$922	\$931	\$941	\$926
Ending debt-to-equity	1.05x	0.95x	0.89x	0.86x	0.87x
<b>Total Investment Income</b>					
Total investment income	\$43.6	\$41.7	\$40.4	\$42.6	\$38.0
Net investment income	\$19.3	\$19.5	\$18.4	\$19.6	\$18.7
Net realized and unrealized (losses) gains	(\$20.6)	(\$11.6)	(\$2.4)	\$5.5	\$9.3
Net (decrease) increase in net assets resulting from operations	(\$1.3)	\$7.9	\$16.0	\$25.1	\$28.0
<b>Per Share Data</b>					
Net asset value per share	\$15.89	\$16.20	\$16.34	\$16.52	\$16.34
Net investment income per share	\$0.34	\$0.34	\$0.32	\$0.35	\$0.33
Net realized and unrealized (losses) gains per share	(\$0.36)	(\$0.20)	(\$0.04)	\$0.09	\$0.16
Earnings per share	(\$0.02)	\$0.14	\$0.28	\$0.44	\$0.49
Distributions declared per share(3)	\$0.28	\$0.28	\$0.46	\$0.26	\$0.26

(1) The discussion of the investment portfolio excludes short term investments.

(2) Total debt outstanding excludes netting of debt issuance costs. Please refer to page 10 for debt net of issuance costs.

(3) Includes a special distribution of \$0.20 per share during the quarter ended December 31, 2021.

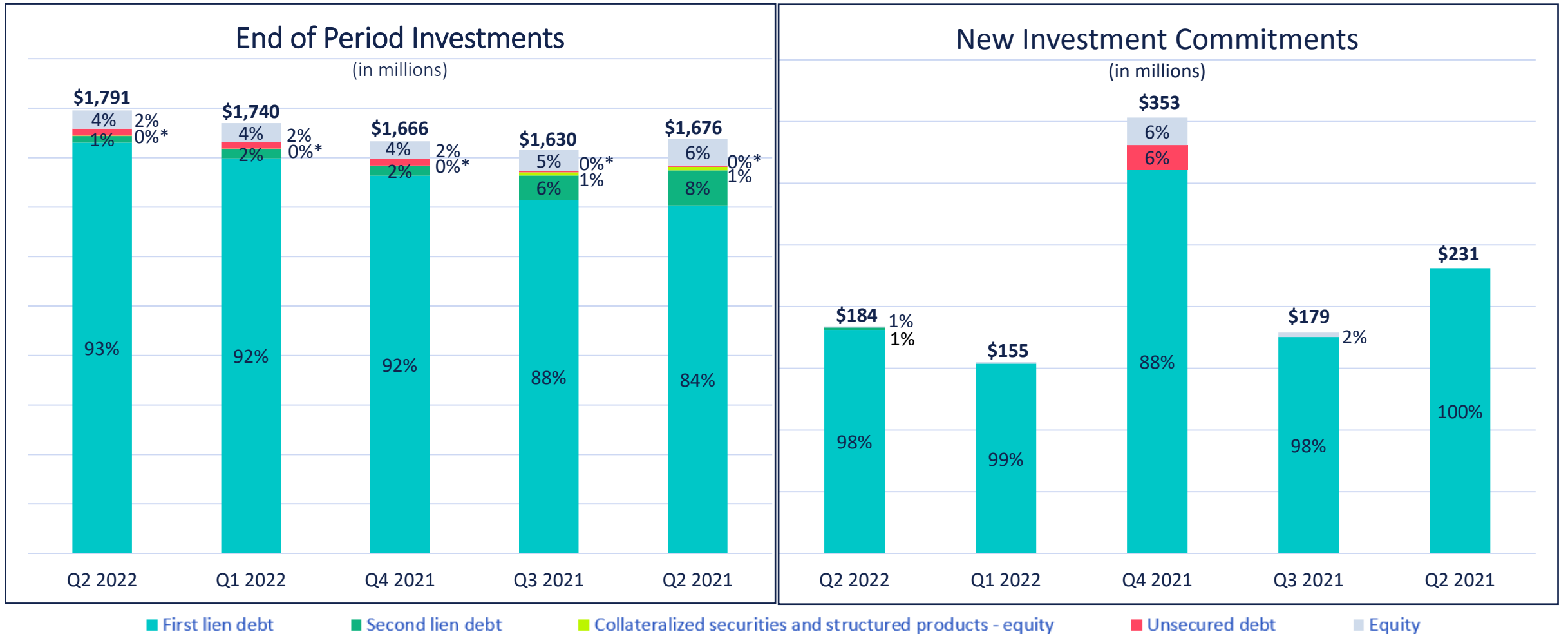
# Investment Activity

- New investment commitments for the quarter were \$184 million, of which \$165 million were funded and \$19 million were unfunded.
- New investment commitments were made across 10 new portfolio companies and 9 existing portfolio companies.
- Fundings of previously unfunded commitments for the quarter were \$8 million.
- Sales and repayments totaled \$110 million for the quarter primarily driven by the full sale or repayment of investments in 4 portfolio companies.

(\$ in millions)	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
New investment commitments	\$184	\$155	\$353	\$179	\$231
Funded	\$165	\$123	\$339	\$157	\$220
Unfunded	\$19	\$32	\$14	\$22	\$11
Fundings of previously unfunded commitments	\$8	\$15	\$10	\$8	\$2
Repayments	(\$103)	(\$59)	(\$107)	(\$197)	(\$92)
Sales	(\$7)	(\$2)	(\$212)	(\$27)	(\$5)
<b>Net funded investment activity</b>	<b>\$63</b>	<b>\$77</b>	<b>\$30</b>	<b>(\$58)</b>	<b>\$125</b>

The discussion of the investment portfolio excludes short term investments. Unfunded commitments are generally subject to borrowers meeting certain criteria such as compliance with covenants and certain operational metrics. These amounts may remain outstanding until the commitment period of an applicable loan expires, which may be shorter than the loan's maturity date.

# Portfolio Asset Composition



\* Less than 1%.

The discussion of the investment portfolio is at fair value and excludes short term investments.

# Credit Quality of Investments

## INTERNAL INVESTMENT RISK RATINGS(1)

(% of Total Portfolio, Fair Value)

Higher Credit Quality

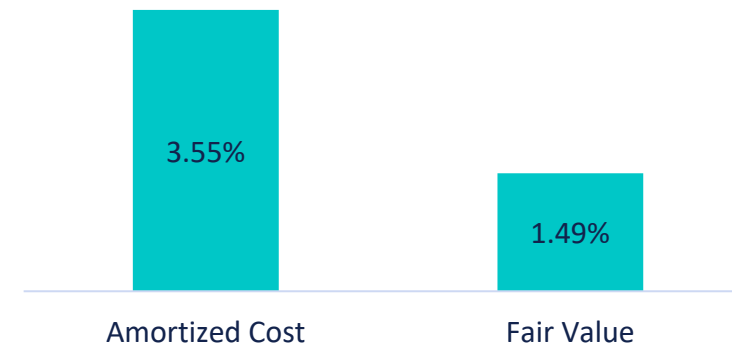


Lower Credit Quality

Rating	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
1	7.3%	2.6%	2.8%	5.3%	7.3%
2	82.8%	86.2%	82.5%	79.7%	75.5%
3	8.4%	10.6%	14.0%	14.1%	16.7%
4	1.5%	0.4%	0.5%	0.9%	0.4%
5	0.0%*	0.2%	0.2%	0.0%*	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\* - Less than 1%.

## Q2 2022 NON-ACCRUAL %(1)



### Internal Investment Risk Rating Definitions

#### Rating Definition

- 1 Indicates the least amount of risk to our initial cost basis.  
The trends and risk factors for this investment since origination or acquisition are generally favorable, which may include the performance of the portfolio company or a potential exit.
- 2 Indicates a level of risk to our initial cost basis that is similar to the risk to our initial cost basis at the time of origination or acquisition.  
This portfolio company is generally performing in accordance with our analysis of its business and the full return of principal and interest or dividend is expected.
- 3 **Indicates that the risk to our ability to recoup the cost of such investment has increased since origination or acquisition, but full return of principal and interest or dividend is expected. A portfolio company with an investment rating of 3 requires closer monitoring.**
- 4 Indicates that the risk to our ability to recoup the cost of such investment has increased significantly since origination or acquisition, including as a result of factors such as declining performance and noncompliance with debt covenants.  
We expect some loss of interest, dividend or capital appreciation, but still expect an overall positive internal rate of return on the investment.
- 5 Indicates that the risk to our ability to recoup the cost of such investment has increased materially since origination or acquisition and the portfolio company likely has materially declining performance.  
Loss of interest or dividend and some loss of principal investment is expected, which would result in an overall negative internal rate of return on the investment.

(1) The discussion of the investment portfolio excludes short term investments.

# Portfolio Summary

## Portfolio Characteristics (as of June 30, 2022)

### Investment Portfolio

Total investments and unfunded commitments	\$1,892.1 million
Unfunded commitments	\$101.1 million
Investments at fair value	\$1,791.0 million
Yield on debt and other income producing investments at amortized cost(1)	9.14%
Yield on performing loans at amortized cost(1)	9.51%
Yield on total investments at amortized cost(1)	8.90%

### Portfolio Companies

Number of portfolio companies	121
Weighted average leverage (net debt/EBITDA)(2)	4.67x
Weighted average interest coverage(2)	3.29x
Median EBITDA(3)	\$33.7 million

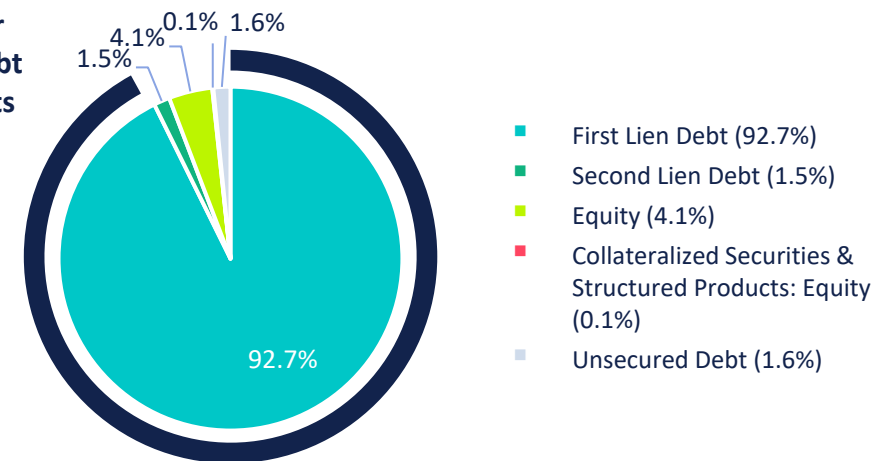
## Industry Diversification(4)

Industry	% of Investment Portfolio
Services: Business	19.9%
Healthcare & Pharmaceuticals	12.8%
Media: Diversified & Production	8.2%
Services: Consumer	7.6%
Diversified Financials	5.6%
Other (≤ 4.9% each)	45.9%

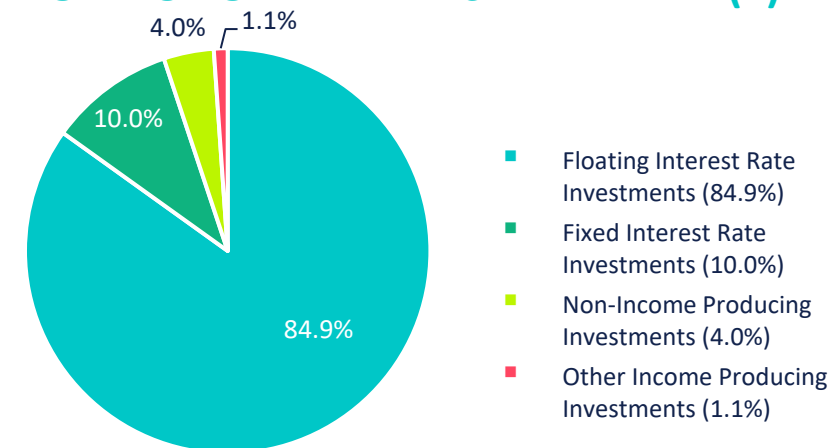
(1) See endnote 4 in our press release filed with the SEC on August 11, 2022. (2) See endnote 5 in our press release filed with the SEC on August 11, 2022. (3) See endnote 6 in our press release filed with the SEC on August 11, 2022. (4) The discussion of the investment portfolio excludes short term investments.

## PORTFOLIO BY SECURITY TYPE(4)

94% Senior Secured Debt Investments



## PORTFOLIO BY INTEREST RATE TYPE(4)





# Quarterly Operating Results

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
<b>Investment income</b>					
Interest income(1)	\$ 40,932	\$ 40,195	\$ 37,695	\$ 37,206	\$ 36,117
Dividend income	53	46	138	3,871	1,024
Fee income	2,567	1,442	2,571	1,543	880
<b>Total investment income</b>	<b>\$ 43,552</b>	<b>\$ 41,683</b>	<b>\$ 40,404</b>	<b>\$ 42,620</b>	<b>\$ 38,021</b>
<b>Expenses</b>					
Management fees	\$ 6,839	\$ 6,655	\$ 6,674	\$ 8,443	\$ 8,243
Interest and other debt expenses	10,841	8,459	8,256	8,175	7,828
Incentive fees	4,091	4,133	3,942	2,933	-
Other operating expenses	2,493	2,942	2,821	3,431	3,260
<b>Total expenses before taxes</b>	<b>\$ 24,264</b>	<b>\$ 22,189</b>	<b>\$ 21,693</b>	<b>\$ 22,982</b>	<b>\$ 19,331</b>
Income tax expense, including excise tax	-	11	301	26	4
<b>Net investment income after taxes</b>	<b>\$ 19,288</b>	<b>\$ 19,483</b>	<b>\$ 18,410</b>	<b>\$ 19,612</b>	<b>\$ 18,686</b>
<b>Net realized and unrealized (losses) gains</b>					
Net realized gain (loss)	\$ 180	\$ (69)	\$ (15,209)	\$ 19,736	\$ 441
Net change in unrealized (depreciation) appreciation	(20,734)	(11,525)	12,772	(14,240)	8,842
<b>Net realized and unrealized (losses) gains</b>	<b>\$ (20,554)</b>	<b>\$ (11,594)</b>	<b>\$ (2,437)</b>	<b>\$ 5,496</b>	<b>\$ 9,283</b>
<b>Net (decrease) increase in net assets resulting from operations</b>	<b>\$ (1,266)</b>	<b>\$ 7,889</b>	<b>\$ 15,973</b>	<b>\$ 25,108</b>	<b>\$ 27,969</b>
<b>Per share data</b>					
Net investment income	\$ 0.34	\$ 0.34	\$ 0.32	\$ 0.35	\$ 0.33
Net realized (loss) gain and unrealized (depreciation) appreciation on investments	\$ (0.36)	\$ (0.20)	\$ (0.04)	\$ 0.10	\$ 0.16
Earnings per share	\$ (0.02)	\$ 0.14	\$ 0.28	\$ 0.44	\$ 0.49
Distributions declared per share(2)	\$ 0.28	\$ 0.28	\$ 0.46	\$ 0.26	\$ 0.26
Weighted average shares outstanding	56,958,440	56,958,440	56,958,440	56,774,323	56,747,687
Shares outstanding, end of period	56,958,440	56,958,440	56,958,440	56,958,440	56,648,478

# Quarterly Balance Sheet

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
<b>Assets</b>					
Investments, at fair value	\$1,805,452	\$1,755,297	\$1,754,039	\$1,746,298	\$1,724,038
Cash	42,542	17,500	3,774	2,159	1,496
Interest receivable on investments	21,962	21,298	21,549	21,283	20,279
Receivable due on investments sold	2,713	7,303	2,854	19,559	8,888
Dividend receivable on investments	-	-	-	135	187
Prepaid expenses and other assets	2,112	3,618	466	474	426
<b>Total Assets</b>	<b>\$1,874,781</b>	<b>\$1,805,016</b>	<b>\$1,782,682</b>	<b>\$1,789,908</b>	<b>\$1,755,314</b>
<b>Liabilities &amp; Net Assets</b>					
Financing arrangements (net of debt issuance costs)(1)	\$939,651	\$867,364	\$822,372	\$796,673	\$796,003
Payable for investments purchased	11,635	-	11,327	33,360	17,938
Accounts payable and accrued expenses	1,194	862	1,922	3,509	2,160
Interest payable	5,603	3,173	4,339	2,838	4,185
Accrued management fees	6,839	6,655	6,673	8,443	8,243
Accrued subordinated incentive fee on income	4,091	4,133	3,942	2,933	-
Accrued administrative services expense	530	376	1,595	1,139	905
<b>Total Liabilities</b>	<b>\$969,543</b>	<b>\$882,563</b>	<b>\$852,170</b>	<b>\$848,895</b>	<b>\$829,434</b>
<b>Total Net Assets</b>	<b>\$905,238</b>	<b>\$922,453</b>	<b>\$930,512</b>	<b>\$941,013</b>	<b>\$925,880</b>
<b>Total Liabilities and Net Assets</b>	<b>\$1,874,781</b>	<b>\$1,805,016</b>	<b>\$1,782,682</b>	<b>\$1,789,908</b>	<b>\$1,755,314</b>
<b>Net Asset Value per share</b>	<b>\$15.89</b>	<b>\$16.20</b>	<b>\$16.34</b>	<b>\$16.52</b>	<b>\$16.34</b>
<b>Asset coverage ratio(2)</b>	<b>1.96</b>	<b>2.05</b>	<b>2.12</b>	<b>2.17</b>	<b>2.15</b>

All figures in thousands, except per share data.

(1) The Company had debt issuance costs of \$7,849 as of June 30, 2022, \$7,636 as of March 31, 2022, \$7,628 as of December 31, 2021, \$8,327 as of September 30, 2021 and \$8,997 as of June 30, 2021.

(2) Asset coverage ratio is equal to (i) the sum of (a) net assets at the end of the period and (b) total senior securities outstanding at the end of the period (excluding unfunded commitments), divided by (ii) total senior securities outstanding at the end of the period.

# Q2 2022 Net Asset Value Bridge

## Per Share Data



\* - Less than \$0.01 per share.

# Debt Summary

\$82 million in available capacity within existing senior secured facilities

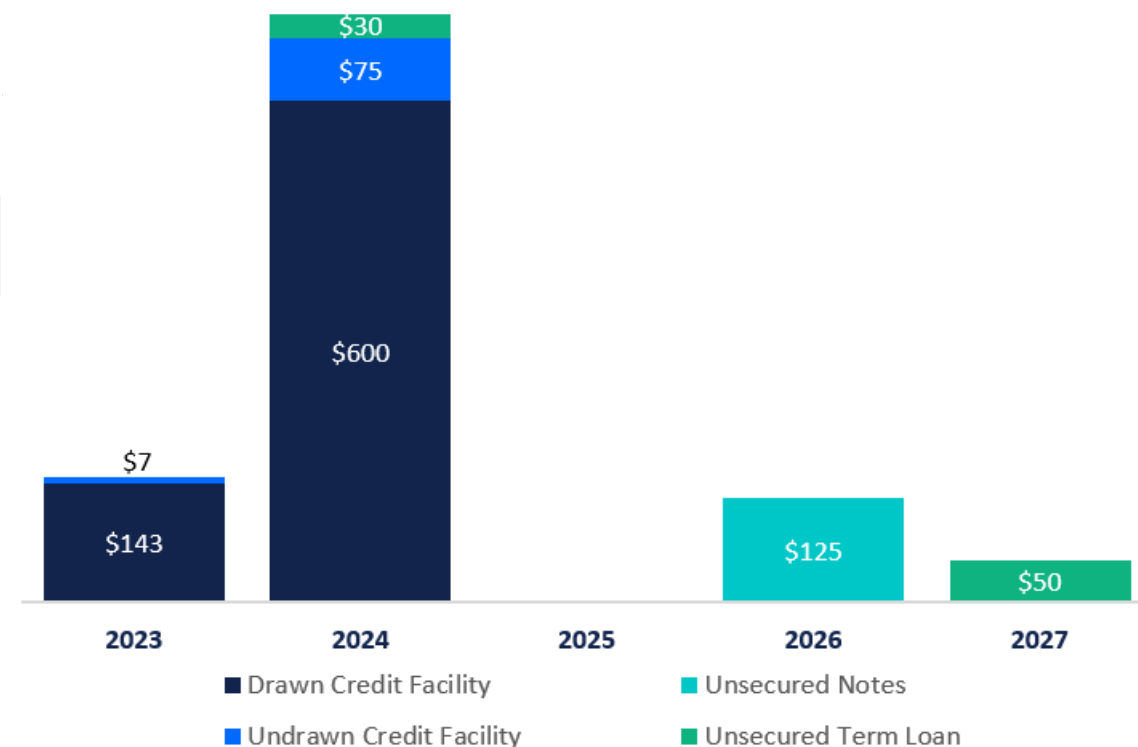
## DEBT SCHEDULE

(\$ in millions)

	Total Commitment Amount	Principal Amount Outstanding	Interest Rate	Maturity Date
JPM Credit Facility	\$675	\$600	L + 3.10% <sup>(2)</sup>	5/15/2024
UBS Facility	150	143	L + 3.375%	11/19/2023
Unsecured Notes, 2026 <sup>(1)</sup>	125	125	4.50%	2/11/2026
2022 Unsecured Term Loan	50	50	S + 3.50%	4/27/2027
2021 Unsecured Term Loan <sup>(1)</sup>	30	30	5.20%	9/30/2024
<b>Total Debt</b>	<b>\$1,030</b>	<b>\$948</b>	<b>4.3%</b>	

## DEBT MATURITIES

(\$ in millions)

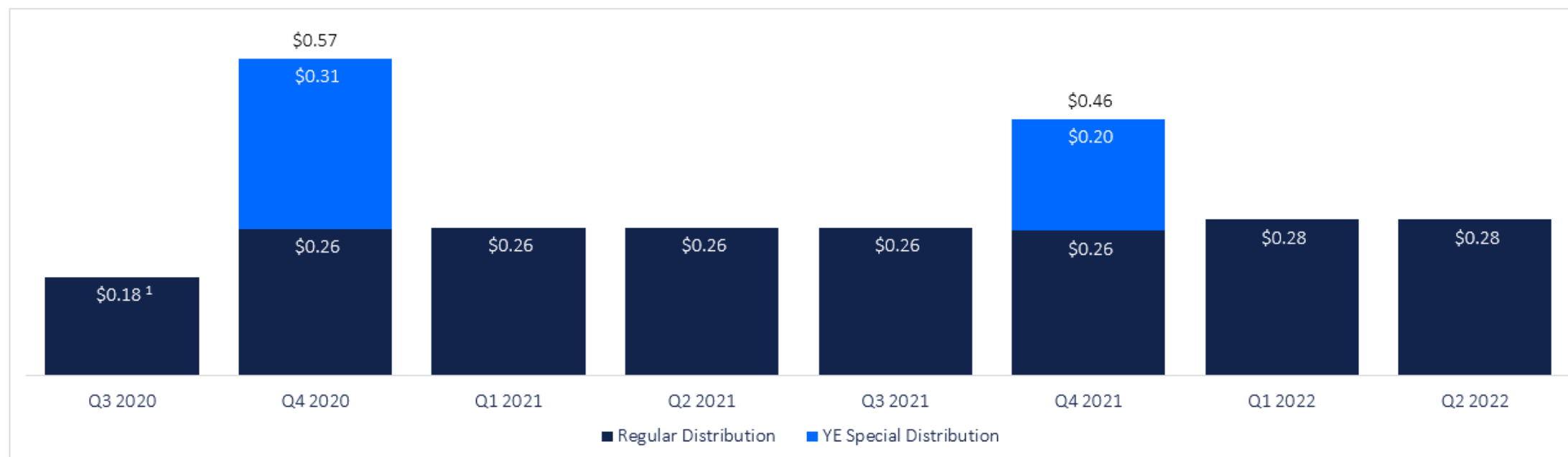


(1) Investment grade credit rating.

(2) \$100 million bears interest at a rate of SOFR + 3.10% and a LIBOR to SOFR credit spread adjustment of 0.15%.

# Distribution Per Share and Distribution Coverage

	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Net Investment Income (per share)	\$0.38	\$0.38	\$0.31	\$0.33	\$0.35	\$0.32	\$0.34	\$0.34
Distribution (per share)	\$0.18 <sup>1</sup>	\$0.57	\$0.26	\$0.26	\$0.26	\$0.46	\$0.28	\$0.28
Distribution coverage	2.14x	0.67x	1.17x	1.24x	1.32x	0.70x	1.21x	1.21x





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