



# CION Investment Corporation

Third Quarter 2023  
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 November 9, 2023 as well as the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 that was filed with the Securities and Exchange Commission (the “SEC”) on November 9, 2023. 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.**

# Third Quarter and Other Highlights – Ended September 30, 2023

- Net investment income and earnings per share for the quarter ended September 30, 2023 were \$0.55 per share and \$0.87 per share, respectively;
- Net asset value per share was \$15.80 as of September 30, 2023 compared to \$15.31 as of June 30, 2023, an increase of \$0.49 per share, or 3.2%. The increase was primarily due to the Company out earning its distribution for the period and mark-to-market adjustments to the Company's portfolio;
- As of September 30, 2023, the Company had \$1,008 million of total principal amount of debt outstanding, of which 72% was comprised of senior secured bank debt and 28% was comprised of unsecured debt. The Company's net debt-to-equity ratio was 1.03x as of September 30, 2023 compared to 1.04x as of June 30, 2023;
- As of September 30, 2023, the Company had total investments at fair value of \$1,728 million in 109 portfolio companies across 24 industries. The investment portfolio was comprised of 87.8% senior secured loans, including 85.7% in first lien investments;<sup>1</sup>
- During the quarter, the Company funded new investment commitments of \$93 million, funded previously unfunded commitments of \$10 million, and had sales and repayments totaling \$96 million, resulting in a net increase to the Company's funded portfolio of \$7 million;
- As of September 30, 2023, investments on non-accrual status amounted to 1.0% and 3.8% of the total investment portfolio at fair value and amortized cost, respectively, which are down from 1.7% and 4.8%, respectively, as of June 30, 2023; and
- During the quarter, the Company repurchased 168,023 shares of its common stock under its 10b5-1 trading plan at an average price of \$10.71 per share for a total repurchase amount of \$1.8 million. Through September 30, 2023, the Company repurchased a total of 2,493,645 shares of its common stock under its 10b5-1 trading plan at an average price of \$9.65 per share for a total repurchase amount of \$24.1 million.

## DISTRIBUTIONS

- For the quarter ended September 30, 2023, the Company paid a regular quarterly distribution totaling \$18.6 million, or \$0.34 per share, and declared supplemental distributions of (a) \$2.7 million, or \$0.05 per share, which was paid on October 16, 2023 and (b) \$0.05 per share, payable on January 15, 2024 to shareholders of record as of December 29, 2023; and
- On November 6, 2023, the Company's co-chief executive officers declared a fourth quarter 2023 regular distribution of \$0.34 per share payable on December 15, 2023 to shareholders of record as of December 1, 2023.

## SUBSEQUENT EVENTS

- On October 10, 2023, the Company completed a private offering in Israel pursuant to which the Company issued approximately \$33.1 million of its additional unsecured Series A Notes due 2026, which bear interest at a floating rate equal to SOFR plus a credit spread of 3.82% per year payable quarterly; and
- On November 8, 2023, the Company completed a private offering pursuant to which the Company issued \$100 million of its unsecured notes due 2027, which bear interest at a floating rate equal to the three-month SOFR plus a credit spread of 4.75% per year and subject to a 2.00% SOFR floor payable quarterly.

# Selected Financial Highlights

(\$ in millions)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Investment portfolio, at fair value <sup>(1)</sup>	\$1,728	\$1,688	\$1,657	\$1,749	\$1,797
Total debt outstanding <sup>(2)</sup>	\$1,008	\$986	\$1,011	\$958	\$958
Net assets	\$861	\$836	\$830	\$884	\$915
Debt-to-equity	1.17x	1.18x	1.22x	1.08x	1.05x
Net debt-to-equity	1.03x	1.04x	1.02x	0.98x	0.99x
Total investment income	\$67.5	\$58.5	\$65.0	\$55.5	\$54.2
Net investment income	\$30.0	\$23.4	\$29.9	\$23.9	\$25.6
Net realized and unrealized gains (losses)	\$17.5	\$4.5	(\$60.9)	(\$14.4)	\$8.4
Net increase (decrease) in net assets resulting from operations	\$47.5	\$27.9	(\$31.0)	\$9.5	\$34.0
<b>Per Share Data</b>					
Net asset value per share	\$15.80	\$15.31	\$15.11	\$15.98	\$16.26
Net investment income per share	\$0.55	\$0.43	\$0.54	\$0.43	\$0.45
Net realized and unrealized gains (losses) per share	\$0.32	\$0.08	(\$1.10)	(\$0.26)	\$0.15
Earnings per share	\$0.87	\$0.51	(\$0.56)	\$0.17	\$0.60
Distributions declared per share <sup>(3)</sup>	\$0.39	\$0.34	\$0.34	\$0.58	\$0.31

(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 supplemental distribution of \$0.05 per share during the quarter ended September 30, 2023 and a special distribution of \$0.27 per share during the quarter ended December 31, 2022.

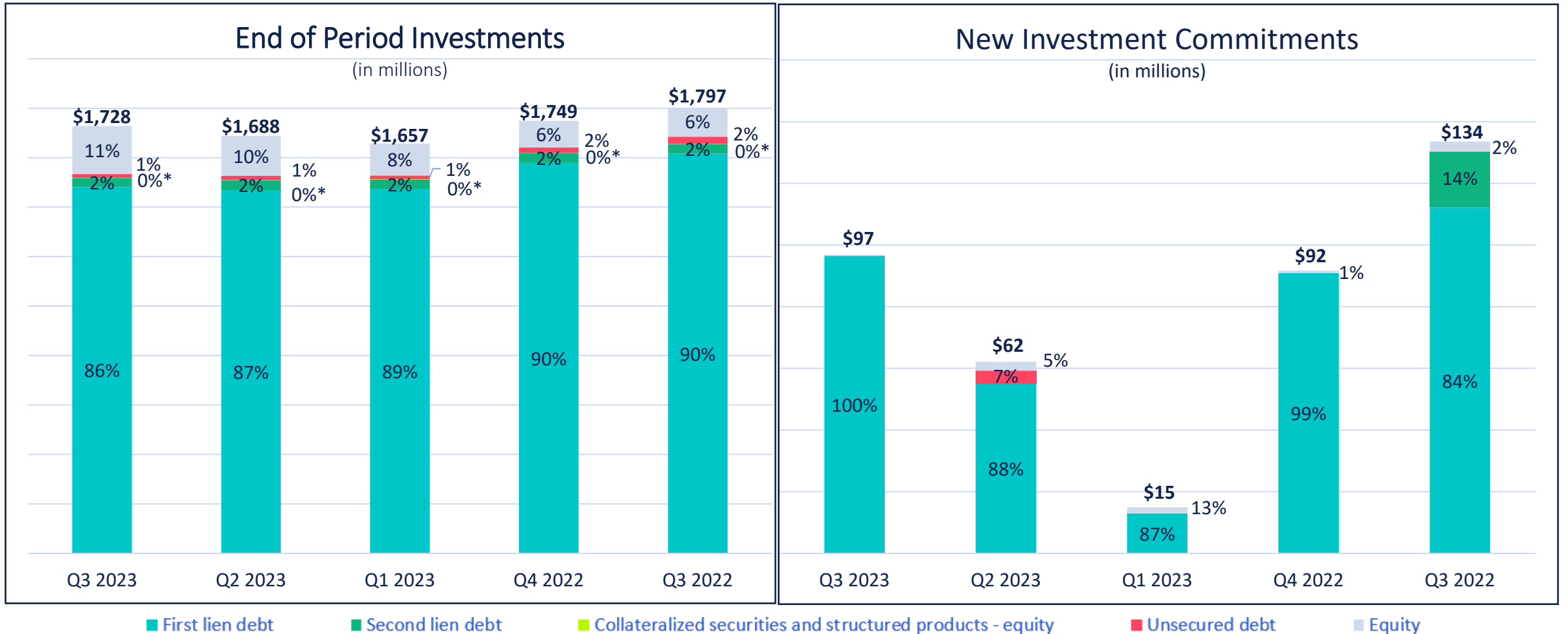
# Investment Activity

- New investment commitments for the quarter were \$97 million, of which \$93 million were funded and \$4 million were unfunded.
- New investment commitments were made across 3 new and 11 existing portfolio companies.
- Fundings of previously unfunded commitments for the quarter were \$10 million.
- Sales and repayments totaled \$96 million for the quarter, which included the full exit of investments in 6 portfolio companies.

(\$ in millions)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
New investment commitments	\$97	\$62	\$15	\$92	\$134
Funded	\$93	\$62	\$14	\$83	\$127
Unfunded	\$4	\$0	\$1	\$9	\$7
Fundings of previously unfunded commitments	\$10	\$8	\$9	\$16	\$14
Repayments	(\$94)	(\$53)	(\$57)	(\$102)	(\$143)
Sales	(\$2)	(\$2)	(\$9)	(\$42)	(\$12)
<b>Net funded investment activity</b>	<b>\$7</b>	<b>\$15</b>	<b>(\$43)</b>	<b>(\$46)</b>	<b>(\$14)</b>
<b>Total Portfolio Companies</b>	<b>109</b>	<b>112</b>	<b>109</b>	<b>113</b>	<b>119</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.

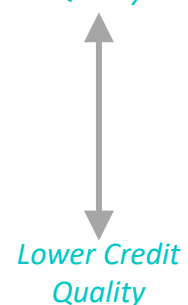


# Credit Quality of Investments

## INTERNAL INVESTMENT RISK RATINGS<sup>(1)</sup>

(% of Total Portfolio, Fair Value)

Higher Credit Quality

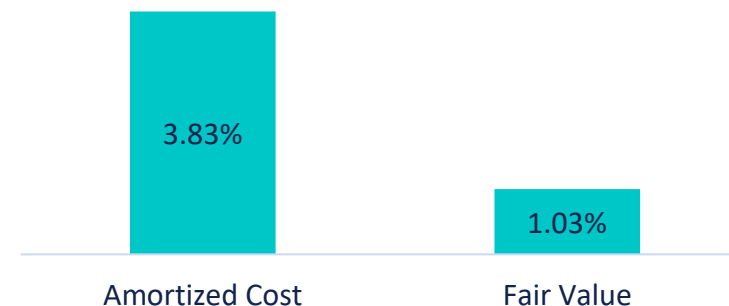


Lower Credit Quality

Rating	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
1	0.0%*	1.9%	0.1%	1.4%	3.5%
2	90.7%	86.6%	85.1%	81.5%	84.7%
3	8.2%	10.7%	11.3%	14.9%	11.4%
4	0.6%	0.5%	1.9%	2.2%	0.4%
5	0.5%	0.3%	1.6%	0.0%*	0.0%*
<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%.

## Q3 2023 NON-ACCRUAL %<sup>(1)</sup>



### Internal Investment Risk Rating Definitions

#### Rating Definition

- 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.
- 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.
- 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.**
- 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.
- 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 September 30, 2023)

### Investment Portfolio

Total investments and unfunded commitments	\$1,787.1 million
Unfunded commitments	\$59.2 million
Investments at fair value	\$1,727.9 million
Yield on debt and other income producing investments at amortized cost <sup>(1)</sup>	13.04%
Yield on performing loans at amortized cost <sup>(1)</sup>	13.55%
Yield on total investments at amortized cost	11.81%

### Portfolio Companies

Number of portfolio companies	109
Weighted average leverage (net debt/EBITDA) <sup>(2)</sup>	4.78x
Weighted average interest coverage <sup>(2)</sup>	1.93x
Median EBITDA <sup>(3)</sup>	\$33.7 million

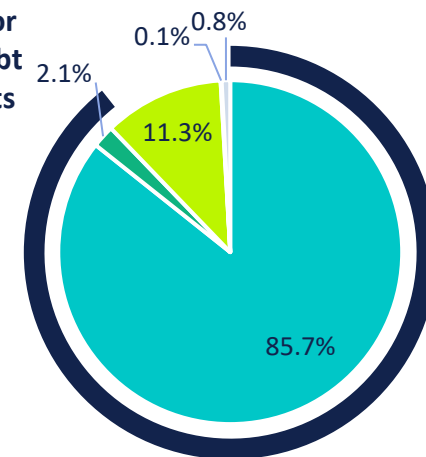
## Industry Diversification<sup>(4)</sup>

Industry	% of Investment Portfolio
Services: Business	16.8%
Healthcare & Pharmaceuticals	13.5%
Media: Diversified & Production	7.2%
Media: Advertising, Printing & Publishing	6.6%
Construction & Building	6.3%
Other (≤ 5.9% each)	49.6%

(1) See endnote 4 in our press release filed with the SEC on November 9, 2023. (2) See endnote 5 in our press release filed with the SEC on November 9, 2023. (3) See endnote 6 in our press release filed with the SEC on November 9, 2023. (4) The discussion of the investment portfolio excludes short term investments.

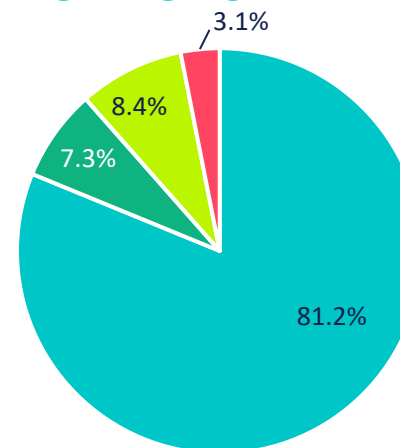
## PORTFOLIO BY SECURITY TYPE<sup>(4)</sup>

87.8% Senior Secured Debt Investments



- First Lien Debt (85.7%)
- Second Lien Debt (2.1%)
- Equity (11.3%)
- Collateralized Securities & Structured Products: Equity (0.1%)
- Unsecured Debt (0.8%)

## PORTFOLIO BY INTEREST RATE TYPE<sup>(4)</sup>



- Floating Interest Rate Investments (81.2%)
- Fixed Interest Rate Investments (7.3%)
- Non-Income Producing Investments (8.4%)
- Other Income Producing Investments (3.1%)



# Quarterly Operating Results

All figures in thousands, except share and per share data	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
<b>Investment income</b>					
Interest income <sup>(1)</sup>	\$ 63,913	\$ 56,813	\$ 53,781	\$ 53,238	\$ 49,532
Dividend income	95	52	8,131	1,288	70
Fee income	3,532	1,631	3,063	974	4,561
<b>Total investment income</b>	<b>\$ 67,540</b>	<b>\$ 58,496</b>	<b>\$ 64,975</b>	<b>\$ 55,500</b>	<b>\$ 54,163</b>
<b>Expenses</b>					
Management fees	\$ 6,741	\$ 6,546	\$ 6,676	\$ 6,925	\$ 6,942
Interest and other debt expenses	21,757	20,467	19,309	16,855	13,469
Incentive fees	6,362	4,965	6,335	5,065	5,421
Other operating expenses	2,927	2,984	2,792	2,431	2,760
<b>Total expenses before taxes</b>	<b>\$ 37,787</b>	<b>\$ 34,962</b>	<b>\$ 35,112</b>	<b>\$ 31,276</b>	<b>\$ 28,592</b>
Income tax (benefit) expense, including excise tax	(237)	118	5	347	14
<b>Net investment income after taxes</b>	<b>\$ 29,990</b>	<b>\$ 23,416</b>	<b>\$ 29,858</b>	<b>\$ 23,877</b>	<b>\$ 25,557</b>
<b>Net realized and unrealized gains (losses)</b>					
Net realized loss	\$ (8,123)	\$ (18,928)	\$ (4,525)	\$ (15,692)	\$ (17,169)
Net change in unrealized appreciation (depreciation)	25,606	23,406	(56,378)	1,350	25,595
<b>Net realized and unrealized gains (losses)</b>	<b>\$ 17,483</b>	<b>\$ 4,478</b>	<b>\$ (60,903)</b>	<b>\$ (14,342)</b>	<b>\$ 8,426</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ 47,473</b>	<b>\$ 27,894</b>	<b>\$ (31,045)</b>	<b>\$ 9,535</b>	<b>\$ 33,983</b>
<b>Per share data</b>					
Net investment income	\$ 0.55	\$ 0.43	\$ 0.54	\$ 0.43	\$ 0.45
Net realized gain (loss) and unrealized appreciation (depreciation) on investments	\$ 0.32	\$ 0.08	\$ (1.10)	\$ (0.26)	\$ 0.15
Earnings per share	\$ 0.87	\$ 0.51	\$ (0.56)	\$ 0.17	\$ 0.60
Distributions declared per share <sup>(2)</sup>	\$ 0.39	\$ 0.34	\$ 0.34	\$ 0.58	\$ 0.31
Weighted average shares outstanding	54,561,367	54,788,740	55,109,482	55,505,248	56,816,992
Shares outstanding, end of period	54,464,804	54,632,827	54,961,455	55,299,484	56,262,964

# Quarterly Balance Sheet

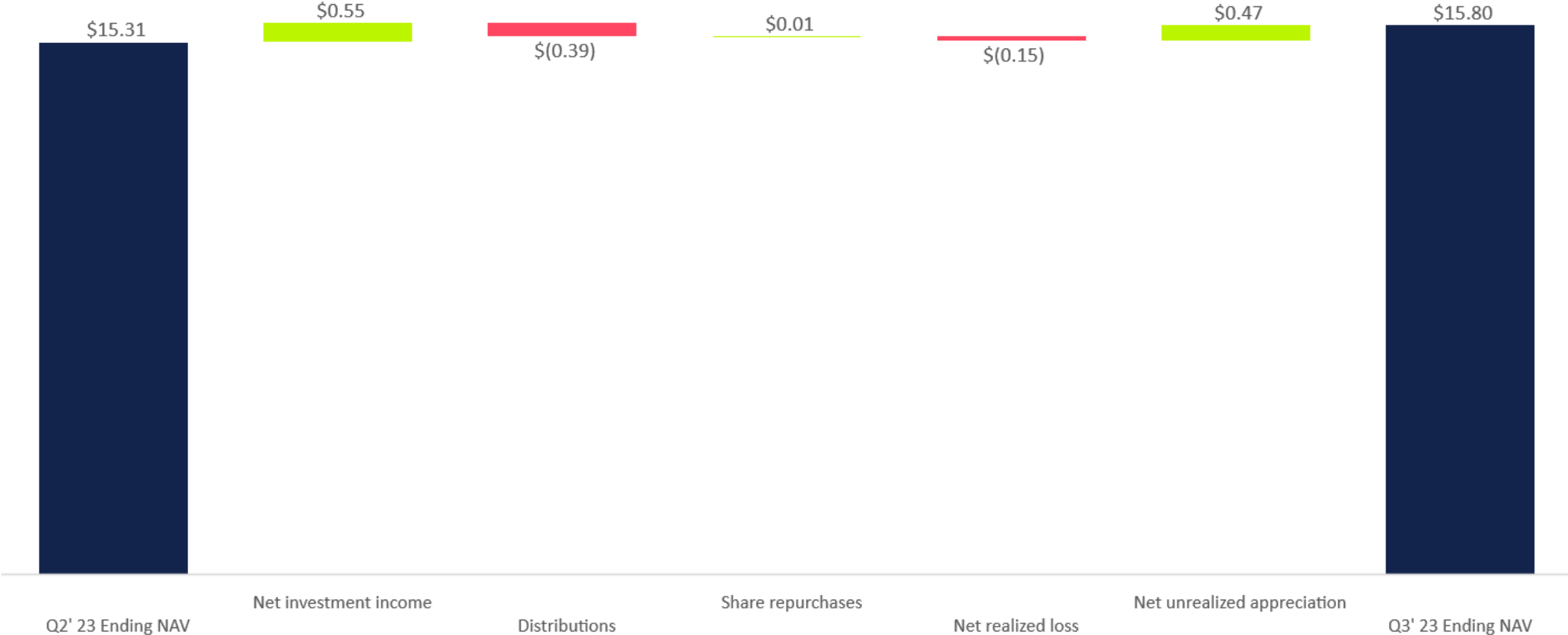
All figures in thousands, except per share data and asset coverage ratio	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
<b>Assets</b>					
Investments, at fair value	\$1,844,877	\$1,788,462	\$1,723,352	\$1,760,030	\$1,807,048
Cash	6,805	11,515	96,016	82,739	43,661
Interest receivable on investments	40,378	33,200	27,333	26,526	26,976
Receivable due on investments sold	2,646	997	3,239	1,016	7,146
Dividend receivable on investments	82	-	-	1,275	-
Prepaid expenses and other assets	1,552	608	4,552	825	841
<b>Total Assets</b>	<b>\$1,896,340</b>	<b>\$1,834,782</b>	<b>\$1,854,492</b>	<b>\$1,872,411</b>	<b>\$1,885,672</b>
<b>Liabilities &amp; Net Assets</b>					
Financing arrangements (net of debt issuance costs) <sup>(1)</sup>	\$1,000,211	\$976,737	\$1,002,396	\$951,322	\$950,486
Payable for investments purchased	9,663	-	-	-	-
Accounts payable and accrued expenses	1,510	1,344	1,075	1,012	1,853
Interest payable	7,238	8,183	7,007	7,820	5,143
Accrued management fees	6,741	6,546	6,676	6,924	6,943
Accrued subordinated incentive fee on income	6,362	4,967	6,334	5,065	5,421
Accrued administrative services expense	1,064	574	694	1,703	604
Share repurchase payable	67	67	-	-	316
Shareholder distribution payable	2,724	-	-	14,931	-
<b>Total Liabilities</b>	<b>\$1,035,580</b>	<b>\$998,418</b>	<b>\$1,024,182</b>	<b>\$988,777</b>	<b>\$970,766</b>
<b>Total Net Assets</b>	<b>\$860,760</b>	<b>\$836,364</b>	<b>\$830,310</b>	<b>\$883,634</b>	<b>\$914,906</b>
<b>Total Liabilities and Net Assets</b>	<b>\$1,896,340</b>	<b>\$1,834,782</b>	<b>\$1,854,492</b>	<b>\$1,872,411</b>	<b>\$1,885,672</b>
<b>Net Asset Value per share</b>	<b>\$15.80</b>	<b>\$15.31</b>	<b>\$15.11</b>	<b>\$15.98</b>	<b>\$16.26</b>
<b>Asset coverage ratio<sup>(2)</sup></b>	<b>1.85</b>	<b>1.85</b>	<b>1.82</b>	<b>1.92</b>	<b>1.96</b>

(1) The Company had debt issuance costs of \$8,001 as of September 30, 2023, \$8,976 as of June 30, 2023, \$8,316 as of March 31, 2023, \$6,178 as of December 31, 2022 and \$7,014 as of September 30, 2022.

(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.

# Q3 2023 Net Asset Value Bridge

## Per Share Data



# Debt Summary

\$103 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	S + 3.20% <sup>(2)</sup>	5/15/2025
UBS Facility	150	122	S + 3.53% <sup>(3)</sup>	11/19/2024
Unsecured Notes, 2026 <sup>(1)</sup>	125	125	4.50%	2/11/2026
Series A Unsecured Notes, 2026 <sup>(1)</sup>	81	81	S + 3.82%	8/31/2026
2022 Unsecured Term Loan <sup>(1)</sup>	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>\$1,111</b>	<b>\$1,008</b>	<b>8.3%</b>	

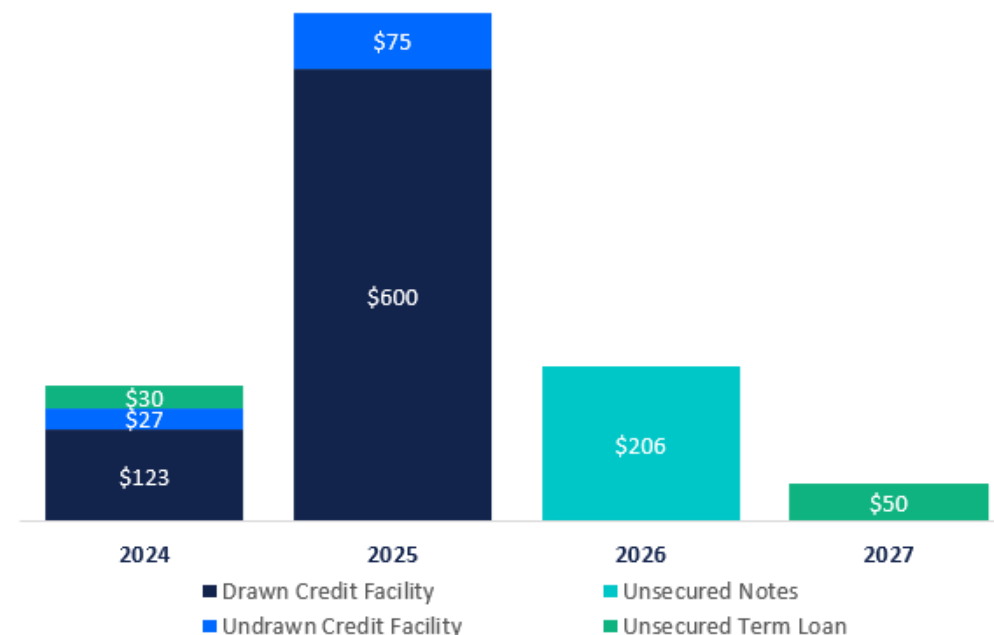
(1) Investment grade credit rating.

(2) Bears interest at a rate of SOFR + 3.05% and a LIBOR to SOFR credit spread adjustment of 0.15%.

(3) Will bear interest at a rate of SOFR + 3.20% commencing November 19, 2023.

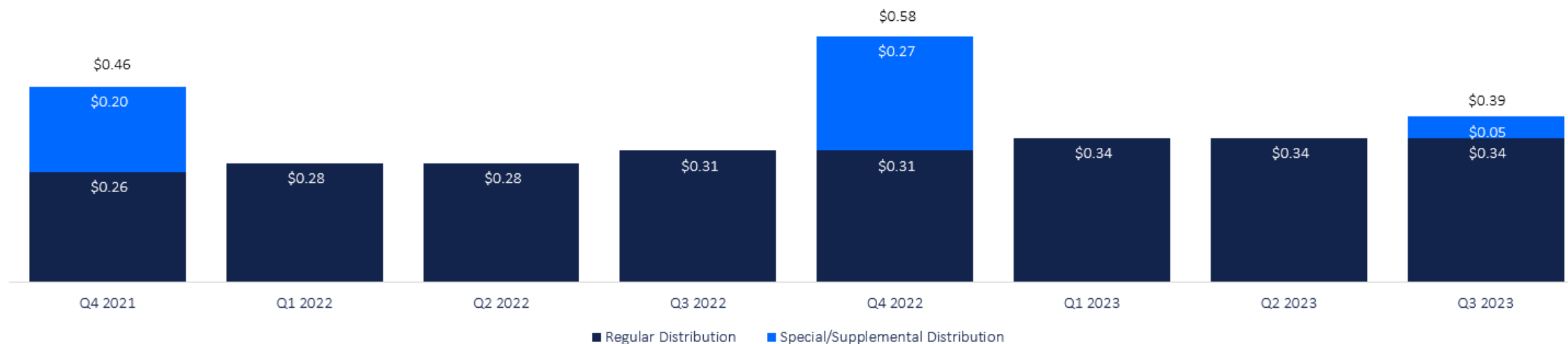
## DEBT MATURITIES

(\$ in millions)



# Distribution Per Share and Distribution Coverage

	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Fiscal Year	
	2021	2022			2021	2022			2021	2022
Net Investment Income (per share)	\$0.32	\$0.34	\$0.34	\$0.45	\$0.43	\$0.54	\$0.43	\$0.55	\$1.31	\$1.56
Distribution (per share)	\$0.46(1)	\$0.28	\$0.28	\$0.31	\$0.58(1)	\$0.34	\$0.34	\$0.39(1)	\$1.26	\$1.45
Distribution coverage	0.70x	1.21x	1.21x	1.45x	0.74x	1.59x	1.26x	1.41x	1.04x	1.08x



(1) Includes special/supplemental distributions of \$0.20, \$0.27 and \$0.05 per share during Q4 2021, Q4 2022 and Q3 2023, respectively.



CI