
CM Finance Inc

CM Investment Partners LLC

As of March 31, 2018

www.cmfnc-inc.com

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Executive Summary

CYRUS AND STIFEL PARTNERSHIPS

- CM Investment Partners LLC's ("CMIP") and CMFN's strategic partnerships with Cyrus Capital Partners, L.P. ("Cyrus") and Stifel Venture Corp. ("Stifel"), a wholly owned subsidiary of Stifel Financial Corp., provide differentiated sourcing and execution capabilities
- We believe our extensive sourcing network and deal flow allow for greater selectivity and better terms
- Creative structuring and underwriting capabilities complemented by restructuring skillsets

EXPERIENCED MANAGEMENT TEAM

- Co-CIOs of CMIP each have 20+ years of experience in structuring, underwriting, and managing loans across cycles
- Since inception, CMIP total investments of \$1 billion across 64 portfolio companies and 99 investments
- Stable, consistent investment team experienced in navigating distressed/workout situations

CM FINANCE INC

- Business development company focused on U.S. middle market companies
- Invests primarily in senior secured debt with select investments in mezzanine, unsecured debt, and equity
- Managed by CMIP, led by Co-CIOs Michael Mauer and Christopher Jansen

Experienced Credit Platform with Strategic Partnerships

STRATEGIC PARTNERSHIPS

Cyrus Capital Partners

- Multi-billion dollar distressed/special situations hedge fund firm with 17+ year track record
- Invests across the capital structure through publicly traded instruments and directly structured capital solutions
- Deep value-focused with significant experience in legal and event-driven opportunities
- Funds managed by Cyrus Capital maintain 38% economic interest of CMIP



Synergies between direct lending and distressed platforms through structuring and restructuring expertise across the capital structure

Stifel Financial Corp.

- Leading brokerage and investment banking firm principally focused on the U.S. middle market
- 2,200+ financial advisors, 400+ investment banking professionals and U.S. equity research platform with dedicated coverage of 1,200 U.S. stocks
- Over 3,100 public offerings, 900 M&A transactions, and 400 private placements completed since 2000
- Stifel Venture Corp., a wholly owned subsidiary, maintains 20% interest of CMIP

The logo for Stifel, consisting of the word 'STIFEL' in a blue, serif font.

Commitment to small/mid cap companies and coordinated leveraged finance expertise enhance proprietary deal flow across core industry groups

A central diagram featuring a blue downward-pointing triangle with the text 'DYNAMIC CREDIT PLATFORM' inside. Two large, curved orange arrows form a circle around the triangle, pointing from the top towards the bottom box.

DYNAMIC CREDIT PLATFORM

CM Investment Partners LLC

- Founded in 2012, led by co-CIOs Michael Mauer and Christopher Jansen who combine for 42% ownership of CMIP
- External investment advisor to CM Finance Inc (Nasdaq: CMFN), a specialty finance company focused on secured middle market lending
- Currently manage approximately \$300MM in middle market credit investments
- Supported by team of 5 experienced investment professionals with access to an additional 10 investment professionals of Cyrus Capital Partners on an as needed basis

CMIP Investment Team

DEDICATED FIRM LEADERSHIP

Michael Mauer

Managing Partner, Co-Founder and Co-CIO

- **Cyrus Capital Partners** – Senior Managing Director, Head of Leveraged Loans
- **Icahn Capital** – Senior Managing Director, Head of Marketing and Investor Relations, Investment Team Member
- **Citicorp** – Global Co-Head of Leverage Finance, Global Co-Head of Fixed Income Currency & Commodity Distribution
- **J.P. Morgan** – Head of North America Investment Grade & Leverage Loan Syndicate, Sales & Trading

Christopher Jansen

Co-Founder and Co-CIO

- **Cyrus Capital Partners** – Senior Managing Director
- **Sound Harbor Partners** – Senior Advisor
- **Stanfield Capital** – Co-Founder, Senior Portfolio Manager
- **Chancellor Senior Secured Management** – Managing Director, Portfolio Manager
- **Manufacturers Hanover Trust Company** – Vice President of Acquisition Finance Group, LBO Management Group

Rocco DelGuercio

Chief Financial Officer, Chief Compliance Officer

Matt Bannon

Associate - Finance

EXPERIENCED INVESTMENT PROFESSIONALS

Zach Alpern*
Director

John Dibble*
Director

Bill Eisenreich*
Analyst

Andrew Muns*
Managing Director

Michael Nitka**
Managing Director

Dan Bordessa***
Partner

Sam Edelson***
Analyst

Lucien Farrell***
Partner

Sumaer Grewal***
Analyst

Robert Jackson***
Analyst

Joseph Kronsberg***
Principal

Robert Lentini***
Partner

Svetoslav Nikov***
Partner

John Rapaport***
Partner

Peter Scott***
Analyst

*Dual employees of both CMIP and Stifel, Nicolaus & Company, Incorporated.

**Stifel representative on the Investment Committee. Employed by Stifel, Nicolaus & Company, Incorporated.

***Individuals listed above that are partners or employees of Cyrus Capital Partners, L.P. provide their services to CMIP from time to time on an as needed basis pursuant to a services arrangement.

CM Finance Inc – Investment Criteria

Use of Proceeds

- Organic Growth
- Acquisitions
- Market / Product Expansion
- Refinancings and Recapitalizations

General Investment Parameters

- Revenues: \$50MM+(¹)
- EBITDA: \$15MM+(¹)
- Investment Size: \$5MM -- \$25MM

Borrower Focus

- Established companies with a history of positive operating cash flow
- Defensible and sustainable business
- Seasoned management team with meaningful equity ownership
- Significant Invested Capital
- Investment Partnerships
- Ability to exert meaningful influence
- Exit strategy

Investment Structures

- First and Second Lien Debt
- Unitranche Loans
- Mezzanine Loans/Structured Equity
- Unsecured Debt
- Equity Components

(1) CMFN may invest in smaller or larger companies if there is an attractive opportunity, especially when there are dislocations in the capital markets, including the high yield and large syndicated loan markets.

CM Finance Inc – Overview

Issuer	CM Finance Inc (NASDAQ: CMFN)
Investment Manager	CM Investment Partners LLC (“CMIP”)
Formation	Formed as CM Finance LLC in 2012; IPO in February 2014
Market Capitalization (as of March 31, 2018)	\$111.9 million
Investment Portfolio⁽¹⁾ (as of March 31, 2018)	\$ 297.2 million
Leverage (as of March 31, 2018)	<input type="checkbox"/> Debt-Equity of 0.71x (BDC regulations limit leverage to a maximum of 2.0x)
Distribution Yield⁽²⁾	<input type="checkbox"/> 12.50% annualized distribution yield (based on quarterly distribution of \$0.25 per share and price of \$8.00 per share as of May 7, 2018)

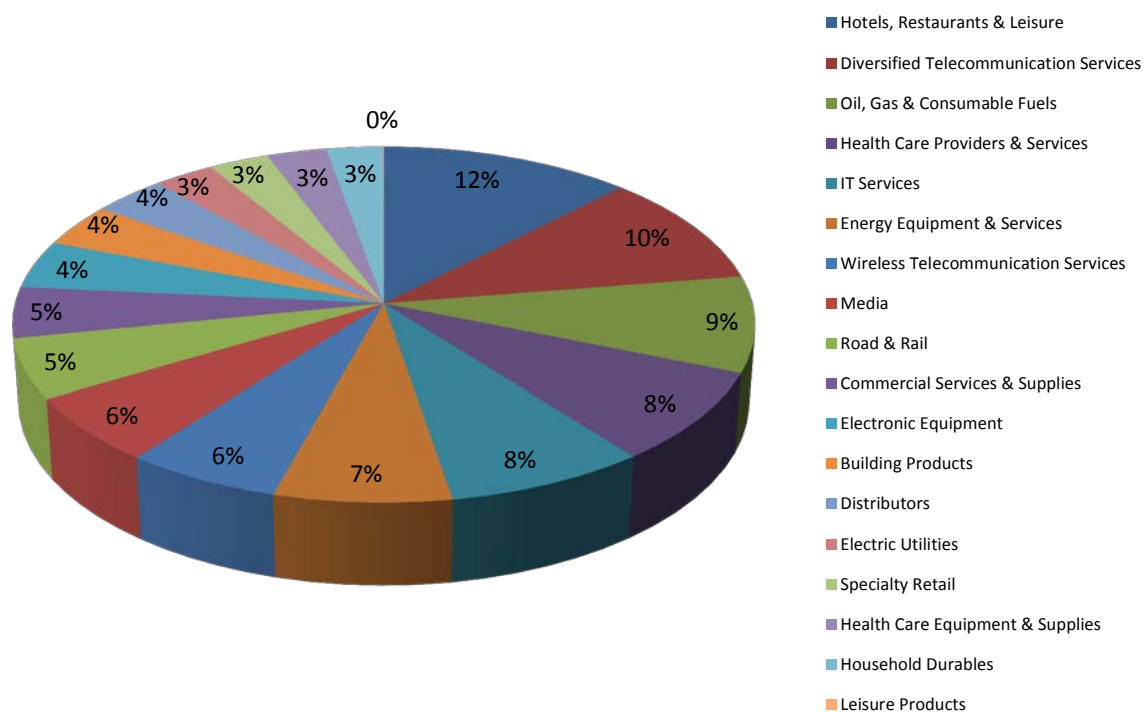
(1) At Fair Value. Please see form 10-Q filed with the SEC for details.

(2) Not a guarantee of future distribution amounts or yield.

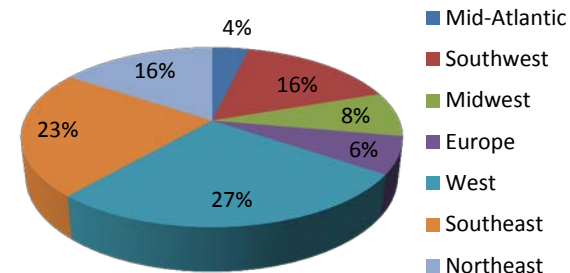
CM Finance Inc – Portfolio as of March 31, 2018 (at fair value)

- ❑ Senior secured investments are central to the portfolio composition
 - ❑ 1st lien and 2nd lien were 48.3% and 42.4%, respectively, of the portfolio at fair value
- ❑ Geographical diversification across every region of the United States
 - ❑ Across seven different regions with no region greater than 27.1%
- ❑ Industry diversification present across 16 different industries in the portfolio
 - ❑ Largest concentration in Business Services at 12.7% of portfolio across six investments

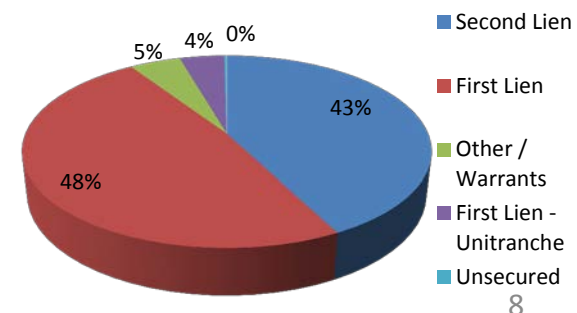
Diversified Across Industries



Geographically Diverse



Well Secured



CM Finance Inc – Portfolio as of March 31, 2018

Quarterly Highlights

- ❑ The weighted average yield on debt investments, at cost, increased to 11.12% from 10.25% as of December 31, 2017
- ❑ CMFN made investments in one new portfolio companies and three existing portfolio companies during the quarter with a total cost of \$50.6mm and a weighted average yield of 9.68%
- ❑ Three investments were fully realized during the quarter with a weighted average IRR of 9.12%
- ❑ Net asset value (“NAV”) per share increased by 0.4% to \$12.55, compared to \$12.50 as of December 31, 2017

Portfolio Results (1/1/2018-3/31/2018)

❑ Total assets	\$322.1mm
❑ Investment portfolio, at fair value	\$297.2mm
❑ Net assets	\$171.8mm

Portfolio Activity (1/1/2018-3/31/2018)

❑ Number of new investments	4
❑ Total capital invested	\$50.6mm
❑ Proceeds from repayments, sales, and amortization	\$43.6mm
❑ Number of portfolio companies, end of period	24

Selected Financial Highlights

	Quarter Ended June 30, 2017	Quarter Ended September 30, 2017	Quarter Ended December 31, 2017	Quarter Ended March 31, 2018
Investment Portfolio at Fair Value	\$ 254,907,171	\$ 271,862,946	\$ 286,531,168	297,201,236
Debt at Cost	\$ 102,000,000	\$ 129,260,000	\$ 119,830,000	125,380,000
Net Assets	\$ 169,948,112	\$ 169,673,211	\$ 171,109,737	171,785,661
Ending Debt to Equity Ratio	0.60	0.75	0.69	0.71

Per Share Data				
Net Asset Value per Share	\$ 12.41	\$ 12.39	\$ 12.50	\$ 12.55
Net Investment Income per Share	\$ 0.25	\$ 0.22	\$ 0.27	\$ 0.27
Net Increase in Net Assets Resulting from Operations per Share	\$ 0.35	\$ 0.23	\$ 0.35	\$ 0.30
Dividends Declared per Share	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25