



2020 Q4 Earnings Presentation

March 12, 2021

Cautionary Statement Regarding Forward-Looking Statements

This presentation contains forward-looking statements. The matters discussed in this presentation, as well as in future oral and written statements by management of Portman Ridge Finance Corporation ("PTMN", "Portman Ridge" or the "Company"), that are forward-looking statements are based on current management expectations that involve substantial risks and uncertainties which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements.

Forward-looking statements relate to future events or our future financial performance and include, but are not limited to, projected financial performance, expected development of the business, plans and expectations about future investments, our contractual arrangements and relationships with third parties, the ability of our portfolio companies to achieve their objectives, the ability of the Company's investment adviser to attract and retain highly talented professionals, our ability to maintain our qualification as a regulated investment company and as a business development company, our compliance with covenants under our borrowing arrangements, and the future liquidity of the Company. We generally identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "outlook", "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar words. Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove to be incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements.

Forward-looking statements are subject to change at any time based upon economic, market or other conditions, including with respect to the impact of the COVID-19 pandemic and its effects on the Company and its portfolio companies' results of operations and financial condition. More information on these risks and other potential factors that could affect the Company's financial results, including important factors that could cause actual results to differ materially from plans, estimates or expectations included herein, is included in the Company's filings with the Securities and Exchange Commission (the "SEC"), including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's most recently filed quarterly report on Form 10-Q and annual report on Form 10-K, as well as in subsequent filings. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this presentation should not be regarded as a representation by us that our plans and objectives will be achieved. We do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required to be reported under the rules and regulations of the SEC.

Quarter Ended December 31, 2020

M&A

- On October 28, we closed the previously announced merger with Garrison Capital Inc. ("GARS" or "Garrison"). Through 12/31/2020, we sold \$92.4 million of assets acquired via Garrison (inclusive of a \$0.6 million increase relative to fair value at acquisition) to reduce leverage and to opportunistically rotate the portfolio to higher yielding direct senior debt investments.
- On December 23, the Company entered into an Agreement and Plan of Merger (the "HCAP Merger Agreement") with Harvest Capital Credit Corporation, a publicly traded business development company ("HCAP"). The transaction is currently on track to close in the second quarter of 2021.

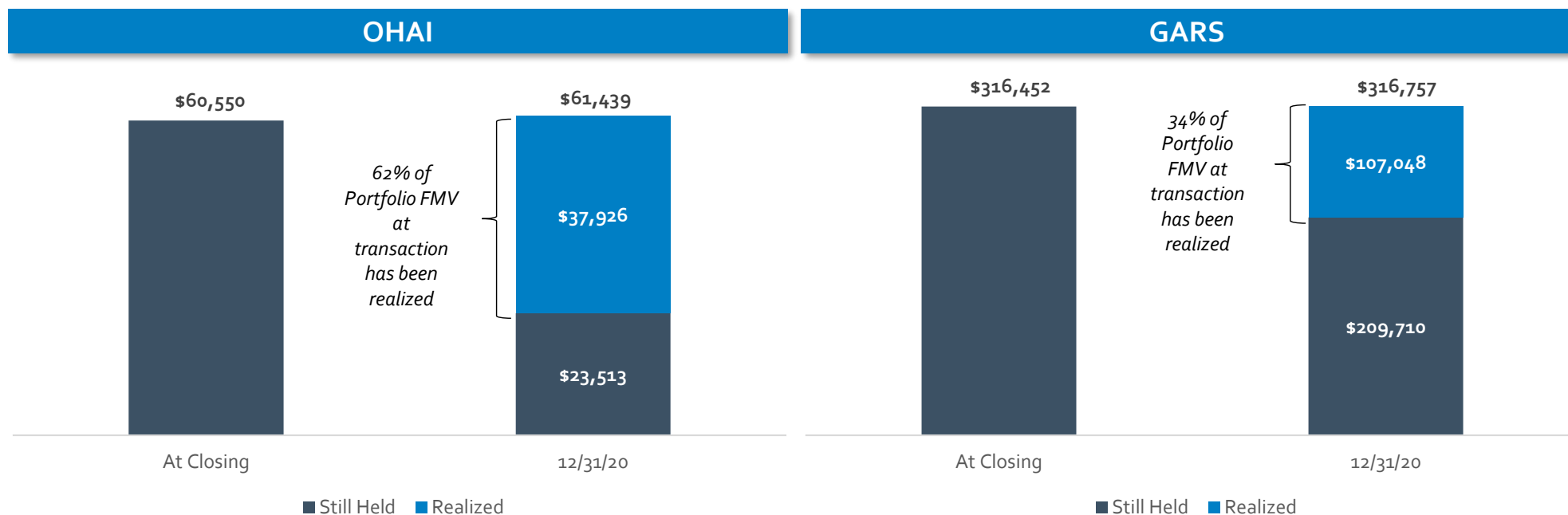
Operations

- Net investment income for the fourth quarter of 2020 was \$8.9 million, or \$0.14 per share. Excluding the impact of purchase accounting in connection with the Garrison merger, adjusted net investment income for the fourth quarter of 2020 was \$5.2 million, or \$0.08 per share ⁽¹⁾.
- Net asset value per share at December 31, 2020 was \$2.88, compared to net asset value per share of \$2.85 at September 30, 2020. Excluding \$1.6 million, or \$0.04 per share, in transaction expenses associated with the Garrison merger, this represents a 2.5% increase relative to the prior quarter⁽¹⁾.
- At December 31, 2020, the fair value of the Company's investments totaled \$488 million, of which the Company's debt securities portfolio totaled \$405 million and was comprised of investments in 109 portfolio companies. At September 30, 2020, the fair value of the Company's investments totaled \$279 million, of which the Company's debt securities portfolio totaled \$205 million and was comprised of investments in 65 portfolio companies.
- As part of the Garrison merger, we assumed the 2018-2 Secured Notes due 2029 and reported a principal balance outstanding of \$252 million of these notes at December 31, 2020. Subsequent to quarter-end, on February 22, we repaid \$88 million of the 2018-2 Secured Notes.
- As of December 31, 2020, investments on non-accrual status were 0.8% and 2.4% of the Company's investment portfolio at fair value and amortized cost, respectively, compared to 1.3% and 3.2% as of September 30, 2020 and there were no additions to the non-accrual list during the quarter.
- Subsequent to quarter-end, on March 11, 2021, the Board approved a \$10 million stock repurchase program with substantially the same terms as the prior program, which expired on March 5, 2021.

(1) See reconciliation of this non-GAAP measure to most comparable GAAP measure on page 8.

- On December 23, 2020, the Company entered into a merger agreement with Harvest Credit Capital Corporation (“Harvest” or “HCAP”)(NASDAQ: HCAP) for a cash and stock transaction (the “HCAP Merger Agreement”).
- Consideration will be paid on a NAV-for-NAV basis. Harvest stockholders will receive aggregate consideration equal to HCAP’s NAV at closing, consisting of:
 - (i) newly issued PTMN shares valued at 100% of PTMN’s NAV per share and (ii) if the number of PTMN shares required to be issued would exceed 19.9% of PTMN’s pre-transaction shares, cash in an amount of such excess (estimated to be \$15.4mm of cash based on December 31, 2020 net asset value for Portman and September 30, 2020 net asset value for Harvest as they have yet to report their year-end financials).
 - Additionally, Sierra Crest, PTMN’s investment manager and BC Partners affiliate, has agreed to pay \$2.15mm of cash directly to HCAP stockholders.
- Post-closing, PTMN expects to target a long-term leverage range of 1.25x – 1.40x through repayment of investments originated by HCAP and the proactive sale of certain assets.
- The transaction remains on track and is expected to close during the second quarter of 2021.

Our track record demonstrates BC Partners' ability to efficiently realize its value while rotating into BC Partners' sourced assets



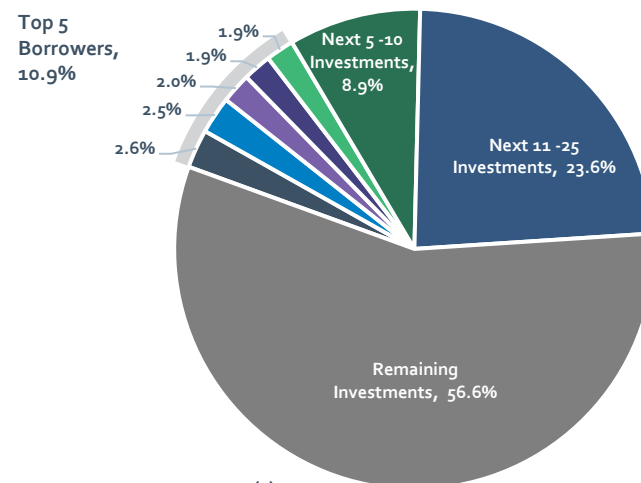
A full year after the merger with OHA, we have realized over 60% of its portfolio's FMV, decreasing exposure to legacy assets while preserving value

Despite the GARS transaction having closed less than a quarter ago, we have already realized and rotated out of 34% of the portfolio's FMV – materially de-risking the transaction

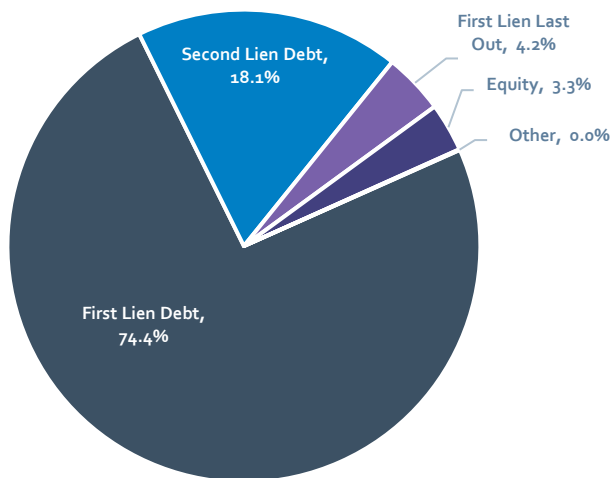
Diversified Portfolio of Assets

- 109 Debt Portfolio Companies and 143 Separate Securities
- \$2.8mm / 1.0% Average Debt Position Size
- U.S Centric Investments: ~95% US-Based Companies
- Focus on Non-Cyclical Industries with High FCF Generation
- Credit quality has been stable during the rotation period

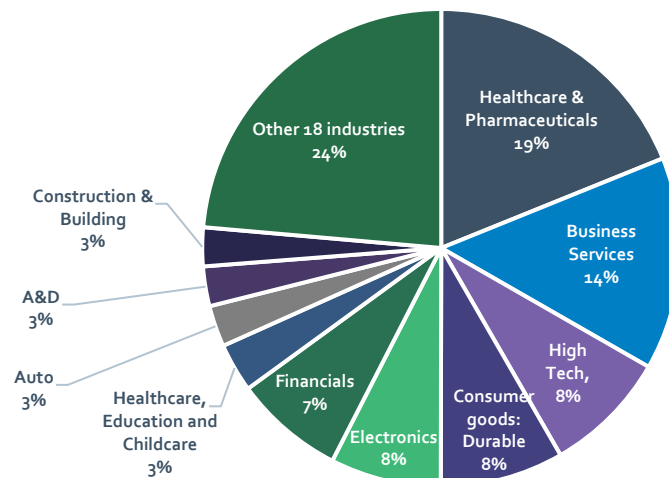
Diversification by Borrower⁽²⁾



Asset Mix⁽²⁾



Industry Diversification⁽²⁾



1. As of December 31, 2020. Figures shown do not include short term investments, CLO holdings, F3C JV or Great Lakes JV portfolio companies
 2. Shown as % of debt, equity and derivatives investments at fair market value

(\$ in '000s)	Q4 2019*	Q1 2020	Q2 2020	Q3 2020	Q4 2020*
Total investment income	\$6,705	\$7,754	\$7,314	\$7,787	\$19,909
Expenses:					
Management fees	1,077	1,012	1,008	1,044	1,515
Performance-based incentive fees ⁽¹⁾	--	102	455	572	3,729
Interest and amortization of debt issuance costs	2,197	2,350	2,395	2,240	3,299
Operating expenses	1,284	1,627	1,311	1,235	2,428
Total expenses	4,559	5,090	5,169	5,090	10,971
Management and performance-based incentive fees waived	--	(102)	(455)	--	--
Net expenses	4,559	4,988	4,714	5,090	10,971
Net investment income	2,147	2,766	2,600	2,696	8,938
Less: GARS purchase accounting impact	--	--	--	--	(3,657)
Adjusted net investment income ⁽²⁾	\$2,147	\$2,766	\$2,600	\$2,697	\$5,280
Net investment income	\$2,147	\$2,766	\$2,600	\$2,697	\$8,938
Net realized gain/(loss) on investments	1,177	(1,048)	(882)	(1,890)	11,425
Net change in unrealized (loss)/gain on investments	1,269	(30,925)	1,565	7,512	28,661
Realized loss on debt extinguishment	(1,055)	-	-	-	-
Net (decrease)/increase in net assets resulting from operations	\$3,517	\$(29,059)	\$3,283	\$8,319	\$49,023

*Year over year comparisons with Q4 2019 may not be directly comparable. The GARS merger was completed on October 28, 2020.

1. Net of incentive fee waivers of \$102 thousand and \$455 thousand in Q1 and Q2 2020, respectively. All incentive fees earned through March 31, 2021 will be re-invested in newly issued stock at NAV.

2. This is a non-GAAP figure and the most directly comparable GAAP figure is net investment income.

Financial Highlights (cont'd)

Per Share	Q4 2019*	Q1 2020	Q2 2020	Q3 2020	Q4 2020*
Net Investment Income	\$0.06	\$0.06	\$0.06	\$0.06	\$0.14
Less: GARS purchase accounting impact	--	--	--	--	\$(0.06)
Adjusted net investment income ⁽¹⁾	\$0.06	\$0.06	\$0.06	\$0.06	\$0.08
Net Realized and Unrealized Gain / (Loss)	\$0.06	(\$0.71)	\$0.02	\$0.13	\$0.61
Net Earnings	\$0.09	(\$0.65)	\$0.07	\$0.19	\$0.74
Distributions declared	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06
Net Asset Value	\$3.40	\$2.69	\$2.71	\$2.85	\$2.88

*Year over year comparisons with Q4 2019 may not be directly comparable. The GARS merger was completed on October 28, 2020.

(1) This is a non-GAAP figure and the most directly comparable GAAP figure is net investment income.

Net Asset Value Rollforward

(\$ in '000s)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
NAV, Beginning of Period	\$132,723	\$152,199	\$120,370	\$120,714	\$125,946
Realized Gains (Losses) from Investments	(1,326) ⁽¹⁾	(1,048)	(882)	(1,890)	(131) ⁽¹⁾
Unrealized Gains (Losses)	(2,649) ⁽¹⁾	(30,924)	1,565	7,512	(206) ⁽¹⁾
Net Investment Income	2,147	2,766	2,600	2,697	8,938
Net Decrease in Assets Resulting from Distributions	(2,206)	(2,653)	(2,656)	(2,631)	(2,610)
Realized Gains (Losses) from Extinguishment of Debt	(1,076)	154	0	--	--
Day One Impact of Mergers	24,586 ⁽²⁾	--	--	--	83,754 ⁽²⁾
Share Repurchase	--	(123)	(284)	(456)	--
Reinvestment of Incentive Fees	--	--	--	--	572
NAV, End of Period	\$152,199	\$120,370	\$120,714	\$125,946	\$216,264
Leverage and Asset Coverage					
Debt / Equity	1.0X	1.0X	1.3X	1.4X	1.7X
Asset Coverage	195%	188%	167%	172%	156%

1. Excluding gains from merger activity.
2. Impact includes merger transaction costs.

Investment Portfolio (\$ in '000s)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
First Lien Debt	\$87,522	\$105,379	\$117,265	\$114,022	\$311,445
Second Lien Debt	95,188	83,926	78,366	79,851	75,807
First Lien Last Out	500	8,050	7,619	7,583	17,401
Equity Securities	9,864	8,046	9,538	9,703	13,945
CLO Fund Securities	31,968	19,671	16,892	18,792	19,583
Joint Ventures	45,088	41,475	43,926	46,832	49,349
Other	3,559	3,313	5,050	2,077	208
Ending Balance	\$273,690	\$269,859	\$278,655	\$278,860	\$487,737
Investment Portfolio (% of total)					
First Lien Debt	32.0%	39.0%	42.1%	40.9%	62.7%
Second Lien Debt	34.8%	31.1%	28.1%	28.6%	16.7%
First Lien Last Out	0.2%	3.0%	2.7%	2.7%	3.6%
Equity Securities	3.6%	3.0%	3.4%	3.5%	2.9%
CLO Fund Securities	11.7%	7.3%	6.1%	6.7%	4.0%
Joint Ventures	16.5%	15.4%	15.8%	16.8%	10.1%
Other	1.3%	1.2%	1.8%	0.7%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

1. At Fair Value. Does not include activity in short-term investments.

(\$ in '000s)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Portfolio Sourcing (at Fair Value):					
Sierra Crest Investment Management	104,223	133,315	149,246	148,289	151,522
Legacy GARS	n/a	n/a	n/a	n/a	209,710
Legacy KCAP	133,686	106,241	100,653	104,023	102,993
Legacy OHAI	35,781	30,303	28,757	26,547	23,513
Portfolio Summary:					
Total portfolio, at fair value	\$273,690	\$269,859	\$278,655	\$278,860	\$487,737
Total number of debt portfolio companies / Total number of investments ²	60 / 88	65 / 102	68 / 108	65 / 102	109 / 184
Weighted Avg EBITDA of debt portfolio companies	\$76,800	\$122,900	\$132,350	\$92,500	\$78,150
Average size of debt portfolio company investment, at fair value	\$3,133	\$3,088	\$3,072	\$3,147	\$2,829
Average size of investment, at fair value	\$2,234	\$2,046	\$2,017	\$2,091	\$2,470
Weighted Avg First Lien Net Leverage Ratio	4.3X	4.3X	4.4X	4.4X	4.1X
Weighted Avg Total Net Leverage Ratio	5.9X	5.4X	5.5X	5.5X	4.9X
Portfolio Yields and Spreads:					
Weighted average yield on debt investments at par value ³	9.0%	8.2%	7.7%	7.9%	7.6%
Average Spread to LIBOR	700 bps	685 bps	681 bps	715 bps	679 bps
Portfolio Activity:					
Beginning Balance	\$264,211	\$273,690	\$269,859	\$278,655	\$278,860
Purchases / Draws	73,612	44,959	37,920	5,852	311,070
Exits / Repayments / Amortization / Other	(60,155)	(16,818)	(29,807)	(11,133)	(154,185)
Gains / (Losses)	(3,977)	(31,973)	683	5,485	51,992
Ending Balance	\$273,690	\$269,859	\$278,655	\$278,860	\$487,737

1. For comparability purposes, portfolio trends metrics exclude short-term investments

2. CLO holdings and Joint Ventures are excluded from investment count.

3. Excluding non-accrual and partial non-accrual investments and excluding CLO holdings and Joint Ventures.

(\$ in '000s)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Investments Credit Quality – Internal Rating ⁽¹⁾					
Performing	91.8%	91.6%	91.8%	95.8%	94.5%
Underperforming	8.2%	8.4%	8.2%	4.2%	5.5%
Investments on Non-Accrual Status					
Number of Non-Accrual Investments	7	9	9	8	8
Non-Accrual Investments at Cost	\$22,691	\$24,674	\$21,458	\$11,764	\$12,860
Non-Accrual Investments as a % of Total Cost	6.8%	6.9%	5.9%	3.2%	2.4%
Non-Accrual Investments at Fair Value	\$15,880	\$13,816	\$10,325	\$3,788	\$3,843
Non-Accrual Investments as a % of Total Fair Value	5.7%	4.8%	3.7%	1.3%	0.8%

1. Based on FMV.

Cash and Cash Equivalents

- Unrestricted cash and cash equivalents totaled **\$7.0 million** at December 31, 2020
- Restricted cash of **\$75.9 million** at December 31, 2020 represents cash held to repay borrowings.

Debt Summary

- Assumed 2018-2 Secured Notes due 2029 as part of Garrison merger
- On February 22, the Company repaid \$88.0 million of the 2018-2 Secured Notes due 2029
- On March 8, the Company received a corporate investment grade rating of BBB- with a stable outlook from Egan-Jones

<i>(\$ millions)</i>	Total Committed Amount	Principal Amount Outstanding (At 12/31/20)	Maturity Date
Corporate Secured Revolving Facility	\$115	\$49.3	12/18/23
6.125% Unsecured Notes (publicly traded: KCAPL)	n/a	\$76.7	9/30/22
2018-2 Secured Notes	\$276.9	\$251.9	11/20/29
Total Debt		\$377.9	

Joint Venture with Freedom 3 Capital (“KCAP Freedom 3 JV”)

Primarily invests in senior loans of middle-market companies

Equity ownership: 60% PTMN

Board/Voting: 50% PTMN

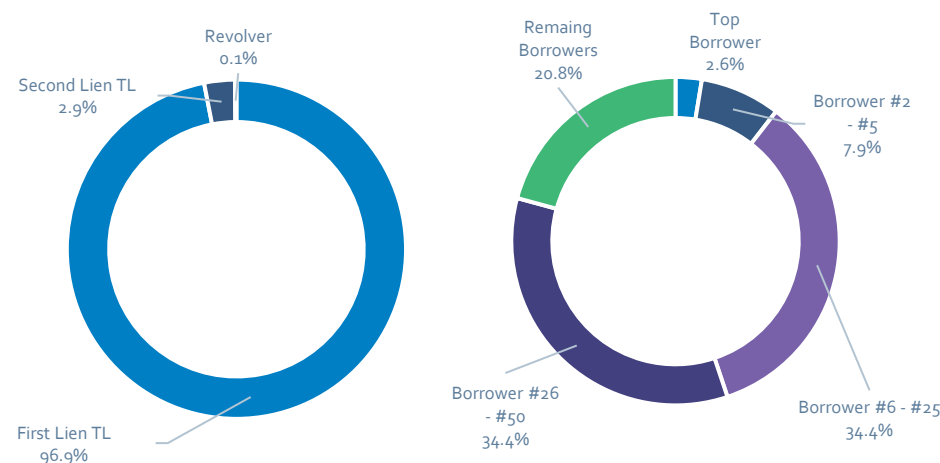
PTMN provides day-to-day administrative oversight

JV Portfolio Characteristics

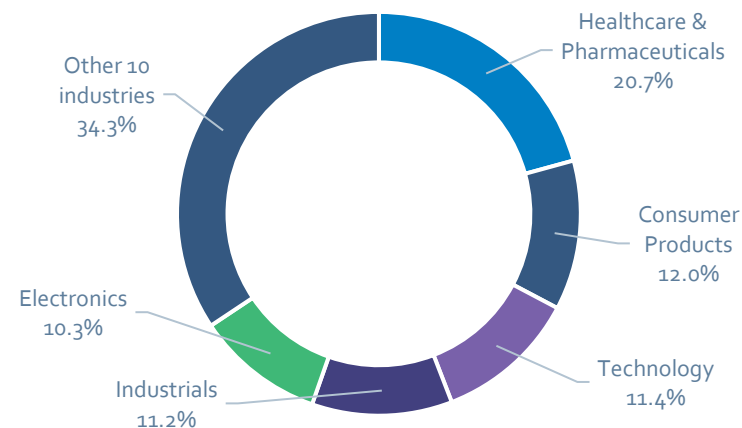
	Q4 2019 ⁽²⁾	Q4 2020 ⁽¹⁾
Total Investments and Commitments	\$299.2m	\$297.0m
Unfunded Commitments	\$6.4m	\$9.6m
Weighted Average Investment Spread	L+485	L+552
Number of Portfolio Companies	82	79
Floating / Fixed (%)	100% / 0%	100% / 0%
Defaulted Assets ⁽³⁾	\$0.5m	\$1.9m
Junior OC Test	Passed	Passed

1. Shown as % of principal balance and as of 1/5/21.
2. Shown as % of principal balance and as of 1/3/20.
3. Defaulted assets shown at recovery value, per the JV agreement

Asset Mix and Diversification ⁽¹⁾



Industry ⁽¹⁾



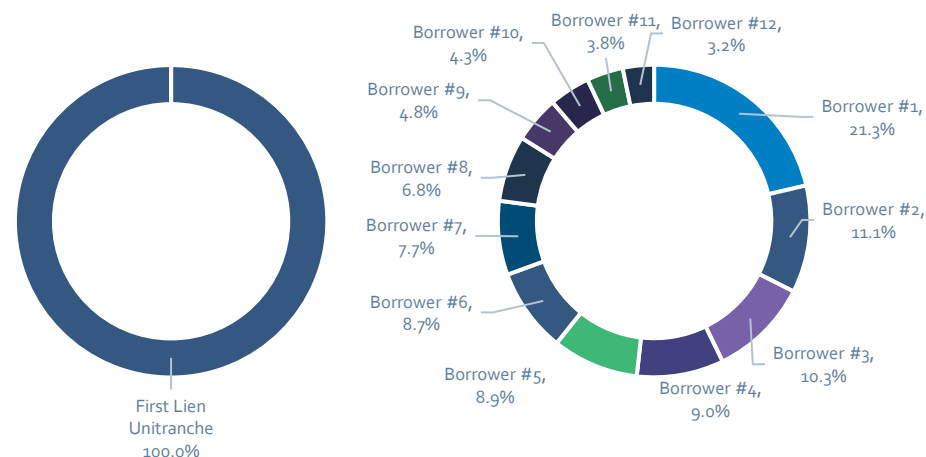
BCP Great Lakes Holdings LP Joint Venture ("Great Lakes JV")

Co-investment vehicle that primarily invests in first lien unitranche loans
Equity ownership: 26.6% PTMN
Board/Voting: 50% BC Partners

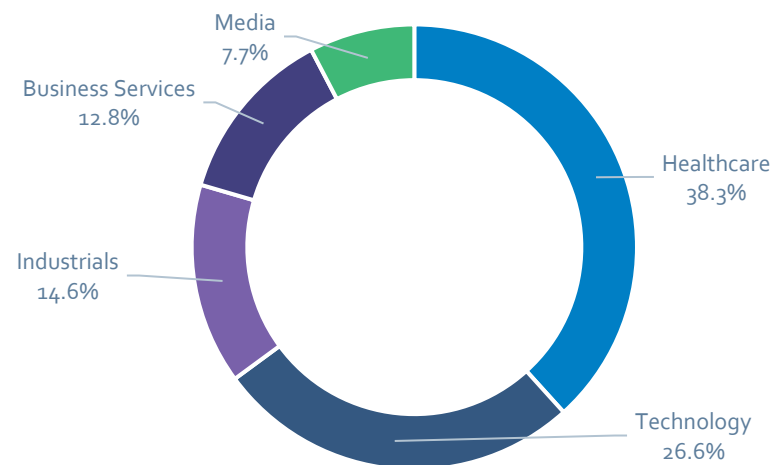
JV Portfolio Characteristics

	Q4 2019 ⁽²⁾	Q4 2020 ⁽¹⁾
Total Investments and Commitments	\$298.8m	\$493.6m
Unfunded Commitments	\$54.8m	\$33.3m
Weighted Average Investment Spread	L+559	L+598
Number of Portfolio Companies	10	12
Floating / Fixed (%)	100% / 0%	100% / 0%
Non-accruals	0%	0%

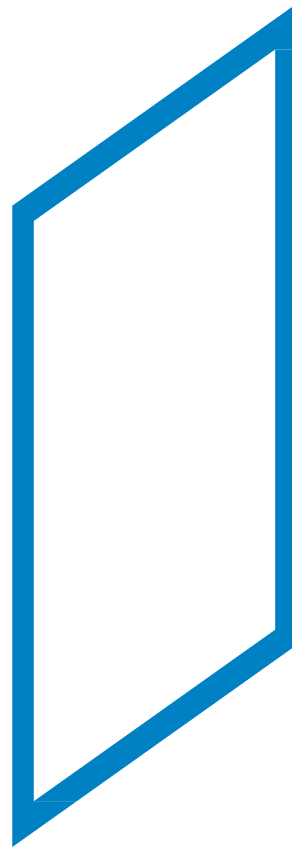
Asset Mix and Diversification ⁽¹⁾



Industry ⁽¹⁾



1. Shown as % of funded par value and as of 12/31/20.
 2. Shown as % of funded par value and as of 12/31/20.



Appendix

(\$ in '000s, except per share data)	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020
INVESTMENT INCOME					
Interest from investments in debt securities	3,727	4,580	4,814	4,517	14,300
Payment-in-kind investment income	281	309	382	434	2,092
Interest from short-term investments	13	15	-	-	-
Investment income on CLO Fund Securities managed by affiliates	1,234	1,073	833	587	728
Investment income on CLO Fund Securities managed by non-affiliates	113	117	88	42	72
Investment income - Joint Ventures	1,318	1,577	1,001	2,182	2,151
Capital structuring service fees	20	82	197	24	565
Total Investment Income	6,795	7,754	7,314	7,787	19,909
EXPENSES					
Management Fees	1,077	1,012	1,008	1,044	1,515
Performance-based incentive fees	-	102	455	572	3,729
Interest Expense	2,197	2,350	2,395	2,240	3,299
Other Operating Expenses	1,284	1,627	1,311	1,235	2,428
Total Expenses	4,559	5,090	5,169	5,090	10,971
Management and performance-based incentive fees waived	-	(102)	(455)	-	-
Net Expenses	4,559	4,988	4,714	5,090	10,971
Net Investment Income	2,147	2,766	2,600	2,697	8,938
REALIZED AND UNREALIZED GAIN ON INVESTMENTS					
Net realized (gain) loss on investment transactions	1,177	(1,048)	(882)	(1,890)	11,425
Unrealized gains (loss) on debt securities investments	2,935	(10,778)	2,280	4,553	23,757
Unrealized gains (loss) on equity securities investments	953	(278)	352	337	1,237
Unrealized gains (loss) on non-affiliate CLO equity investments	848	(571)	(284)	363	77
Unrealized gains (loss) on affiliate CLO equity investments	(3,544)	(11,162)	(2,579)	1,573	1,088
Unrealized gains (loss) on Joint Venture investment	120	(8,109)	2,308	1,146	2,578
Unrealized gains (loss) on Derivatives	(43)	(26)	(512)	(462)	(76)
Net Realized and Unrealized Gain on Investments	2,446	(31,973)	683	5,622	40,986
Net realized gain (loss) on extinguishment of debt	(1,076)	154	0	-	-
Net Increase in Stockholders' Equity from Ops	3,517	(29,053)	3,284	8,319	49,023
Basic and Diluted Shares - Weighted Average	38,511	44,823	44,611	44,418	65,984
Net Investment Income	2,147	2,766	2,600	2,697	8,938
Basic and Diluted Shares	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.14

(\$ in '000s, except per share data)	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020
ASSETS					
Total Investments at Fair Value	277,931	272,484	281,295	290,113	487,737
Cash	137	403	414	677	6,990
Restricted Cash	4,967	4,728	11,398	4,907	75,913
Interest Receivable	1,367	921	1,909	1,927	2,973
Receivable for Unsettled Trades	24,420	3,344	9,503	1,847	25,108
Due from Affiliates	473	288	170	187	357
Other Assets	1,112	1,201	1,641	1,509	1,100
Total Assets	310,408	283,370	306,331	301,167	600,178
LIABILITIES					
6.125% Notes Due 2022	75,755	75,326	75,372	75,518	75,668
2018-2 Secured Notes	-	-	-	-	249,418
Great Lakes Portman Ridge Funding LLC Revolving Credit Facility	78,109	55,699	97,040	93,132	48,223
Derivatives	33	59	571	1,033	1,109
Payable for Open Trades	-	26,572	7,366	-	-
Accounts Payable & Accrued Expenses	1,523	2,303	2,919	2,327	2,878
Due to Affiliates	1,712	2,031	1,342	1,596	1,375
Management and incentive fees payable	1,077	1,011	1,008	1,615	5,244
Total Liabilities	158,209	163,000	185,617	175,221	383,915
Total Net Assets	152,199	120,370	120,714	125,946	216,264
Total Liabilities and Net Assets	310,408	283,370	306,331	301,167	600,178
Shares Outstanding	44,830	44,726	44,495	44,169	75,164
Net Asset Value per Share	\$ 3.40	\$ 2.69	\$ 2.71	\$ 2.85	\$ 2.88

Regular Distribution Information

Date Declared	Record Date	Payment Date	Distribution per Share
2/12/2021	2/22/2021	3/2/2021	\$0.06
10/16/2020	10/26/2020	11/27/2020	\$0.06
8/5/2020	8/17/2020	8/28/2020	\$0.06
3/17/2020	5/7/2020	5/27/2020	\$0.06
2/5/2020	2/18/2020	2/28/2020	\$0.06
11/5/2019	11/15/2019	11/29/2019	\$0.06
8/5/2019	8/12/2019	8/29/2019	\$0.06
3/20/2019	4/5/2019	4/26/2019	\$0.10
12/12/2018	1/7/2019	1/31/2019	\$0.10
9/18/2018	10/9/2018	10/29/2018	\$0.10
6/19/2018	7/6/2018	7/27/2018	\$0.10
3/20/2018	4/6/2018	4/27/2018	\$0.10
12/13/2017	1/5/2018	1/25/2018	\$0.10

BC PARTNERS CREDIT: A FULL CREDIT CYCLE INVESTMENT PLATFORM

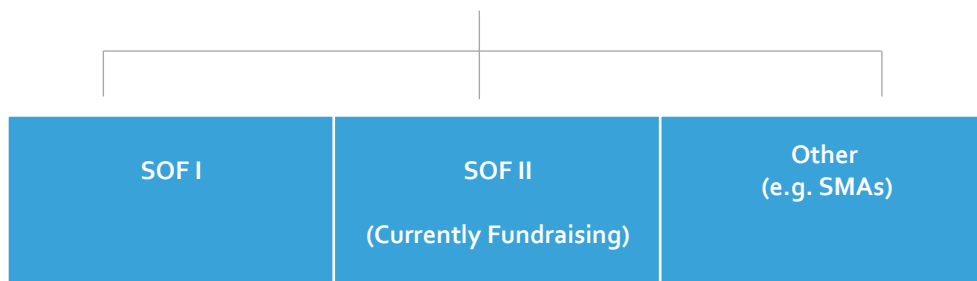
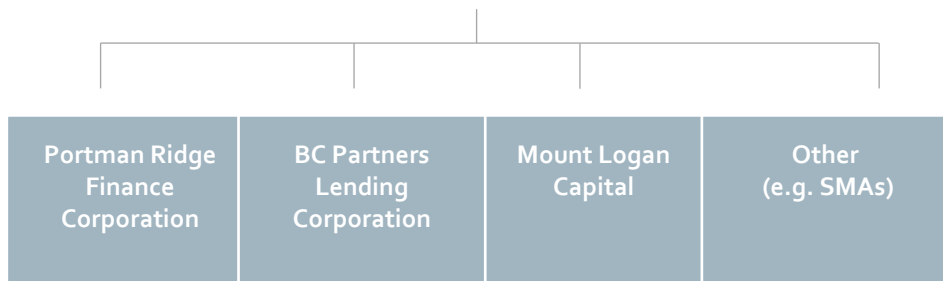
	<p>2017 FOUNDED PLATFORM</p>	<p>18 INVESTMENT PROFESSIONALS</p>	<p>17 AVG. YEARS OF EXPERIENCE OF SENIOR INVESTMENT TEAM</p>	<p>c. \$4.2bn¹ IN AUM ACROSS CREDIT PLATFORM</p>
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Yield: \$3.3bn in AUM

- Direct lending focused on less competitive segments of the U.S. middle-market
- Balanced portfolio of sponsor-backed and non-sponsor companies
- Proprietary sourcing channels
- High current income generation

Opportunistic: \$950m in AUM

- Mandate to invest where other capital is retrenching due to limited duration and regulatory restrictions
- Ability to invest across the capital structure
- Price opportunities with adequate compensation for risk and illiquidity
- Mix of current income and price appreciation



1. Reflects commitments to commingled funds, IMAs, signed term sheets. Figures are subject to completion of certain agreements