

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): August 8, 2024

Portman Ridge Finance Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

814-00735
(Commission
File Number)

20-5951150
(IRS Employer
Identification No.)

650 Madison Avenue, 23rd Floor
New York, New York
(Address of principal executive offices)

10022
(Zip Code)

(Registrant's telephone number, including area code): (212) 891-2880

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	PTMN	The NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On August 8, 2024, Portman Ridge Finance Corporation (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended June 30, 2024. A copy of the press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. Additionally, on August 9, 2024, the Company made available on its website, <http://www.portmanridge.com/home>, a supplemental investor presentation with respect to the earnings release. A copy of the investor presentation is being furnished as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

The information disclosed under this Item 2.02, including Exhibits 99.1 and 99.2 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated August 8, 2024
99.2	Investor Presentation, dated August 9, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL Document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PORTMAN RIDGE FINANCE CORPORATION

By: /s/ Brandon Satoren

Name: Brandon Satoren

Title: Chief Financial Officer

Date: August 12, 2024

PORTMAN RIDGE

FOR IMMEDIATE RELEASE

Portman Ridge Finance Corporation Announces Second Quarter 2024 Financial Results

Reports Net Investment Income of \$0.70 Per Share and Net Asset Value of \$21.21 Per Share

Amends and Extends Existing Senior Secured Revolving Credit Facility; Upsizes Commitments to \$200.0 Million from \$115.0 Million, Reduces Interest Rate Margin to 2.50% from 2.80%

Continued Share Repurchase Program: Total of 79,722 Shares for an Aggregate Cost of Approximately \$1.6 Million Repurchased During the Second Quarter; Accretive to NAV by \$0.03 Per Share

Announces Third Quarter 2024 Quarterly Distribution of \$0.69 Per Share

NEW YORK, August 8, 2024 – Portman Ridge Finance Corporation (Nasdaq: PTMN) (the “Company” or “Portman Ridge”) announced today its financial results for the second quarter ended June 30, 2024.

Second Quarter 2024 Highlights

- **Total investment income** for the second quarter of 2024 was \$16.3 million, as compared to \$16.5 million for the first quarter of 2024.
- **Core investment income**¹, excluding the impact of purchase price accounting, for the second quarter of 2024 was \$16.2 million, as compared to \$16.5 million for the first quarter of 2024.
- **Net investment income (“NII”)** for the second quarter of 2024 was \$6.5 million (\$0.70 per share) as compared to \$6.2 million (\$0.67 per share) in the first quarter of 2024.
- **Net asset value (“NAV”)**, as of June 30, 2024, was \$196.4 million (\$21.21 per share), as compared to NAV of \$210.6 million (\$22.57 per share) as of March 31, 2024.
- **Total shares repurchased** in open market transactions under the Renewed Stock Repurchase Program during the quarter ended June 30, 2024, were 79,722 shares at an aggregate cost of approximately \$1.6 million, which was accretive to NAV by \$0.03 per share.

¹ Core investment income represents reported total investment income as determined in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, less the impact of purchase discount accretion in connection with the Garrison Capital Inc. (“GARS”) and Harvest Capital Credit Corporation (“HCAP”) mergers. Portman Ridge believes presenting core investment income and the related per share amount is useful and appropriate supplemental disclosure for analyzing its financial performance due to the unique circumstance giving rise to the purchase accounting adjustment. However, core investment income is a non-U.S. GAAP measure and should not be considered as a replacement for total investment income and other earnings measures presented in accordance with U.S. GAAP. Instead, core investment income should be reviewed only in connection with such U.S. GAAP measures in analyzing Portman Ridge’s financial performance.

Subsequent Events

- On July 23, 2024, Great Lakes Portman Ridge Funding LLC, a wholly-owned subsidiary of the Company, entered into a second amendment of its senior secured revolving credit facility (“Revolving Credit Facility”) with JPMorgan Chase Bank, National Association (“JPM”) as administrative agent. The second amendment, among other things, (i) provided for a committed increase to the aggregate principal amount of the Revolving Credit Facility in an amount not to exceed \$85,000,000, subject to the satisfaction of certain conditions, (ii) provided for a committed seven-day bridge advance in an aggregate principal amount of \$18,250,000, subject to the satisfaction of certain conditions, (iii) reduced the applicable margin on the Revolving Credit Facility to 2.50% per annum, (iv) extended the period in which the Company may request advances under the Revolving Credit Facility to August 29, 2026, (v) extended the stated maturity of the Revolving Credit Facility to August 29, 2027, (vi) extended the non-call period under the Revolving Credit Facility to April 29, 2025, and (vii) provided for certain fees to be paid to the administrative agent and the lenders in connection therewith.
- On August 8, 2024, the Company declared a cash distribution of \$0.69 per share of common stock. The distribution is payable on August 30, 2024 to stockholders of record at the close of business on August 22, 2024.

Management Commentary

Ted Goldthorpe, Chief Executive Officer of Portman Ridge, stated, “We are pleased to report that Portman Ridge delivered net investment income of \$0.70 per share, which is an increase of 4.5% from the previous quarter and exceeded the Company’s quarterly distribution. Additionally, during the three months ended June 30, 2024, we repurchased 79,722 shares for an aggregate cost of approximately \$1.6 million, which was accretive to NAV by \$0.03. During the quarter, however, we experienced challenges at certain select inherited portfolio companies, resulting in a decline in NAV and an increase in non-accruals. Despite the challenging quarter, we remain confident in the quality of the portfolio and our ability to generate attractive and sustainable returns for shareholders over the long-term.

Subsequent to quarter end, we amended and extended our Credit Facility with JPM. The new attractive terms, which reduced the applicable margin from 2.80% per annum to 2.50% per annum, have reduced our overall cost of capital, providing us with further financial flexibility. The new revolving commitment from JPM, which increased by \$85.0 million to \$200.0 million, expands our ability to provide additional capital to our existing portfolio companies as well as provides us with greater flexibility to finance new attractive investment opportunities as they arise.

As we enter the back half of 2024, we want to reiterate our commitment to our shareholders. With our amended credit facility, robust pipeline, and strong balance sheet, we believe we are well positioned to continue executing our strategy and delivering positive returns to our shareholders.”

Selected Financial Highlights

- **Total investment income** for the quarter ended June 30, 2024, was \$16.3 million, of which \$13.9 million was attributable to interest income, inclusive of payment-in-kind income, from the Debt Securities Portfolio. This compares to total investment income of \$19.6 million for the quarter ended June 30, 2023, of which \$15.5 million was attributable to interest income, inclusive of payment-in-kind income, from the Debt Securities Portfolio.

- **Core investment income** for the second quarter of 2024, excluding the impact of purchase discount accretion, was \$16.2 million, a decrease of \$3.0 million as compared to core investment income of \$19.2 million for the second quarter of 2023.
- **Net investment income (“NII”)** for the second quarter of 2024 was \$6.5 million (\$0.70 per share) as compared to \$7.9 million (\$0.83 per share) for the same period the prior year.
- **Non-accruals on debt investments**, as of June 30, 2024, were nine debt investments representing 0.5% and 4.5% of the Company’s investment portfolio at fair value and amortized cost, respectively. This compares to seven debt investments representing 0.5% and 3.2% of the Company’s investment portfolio at fair value and amortized cost, respectively, as of March 31, 2024. Two non-accrual debt investments were sold subsequent to the quarter ended June 30, 2024.
- **Total investments at fair value** as of June 30, 2024, was \$444.4 million and consisted of investments in 92 portfolio companies. The debt investment portfolio at fair value as of June 30, 2024 was \$358.9 million, which excludes CLO Funds and Joint Ventures, and was comprised of 75 different portfolio companies across 28 different industries with an average par balance per entity of approximately \$2.6 million. This compares to total investments of \$471.3 million at fair value as of March 31, 2024 and consisted of investments in 94 portfolio companies. The debt investment portfolio at fair value as of March 31, 2024 was \$386.1 million, which excludes CLO Funds and Joint Ventures, and was comprised of 79 different portfolio companies across 27 different industries with an average par balance per entity of approximately \$3.1 million.
- **Weighted average contractual interest rate** on our interest earning Debt Securities Portfolio as of June 30, 2024 was approximately 12.4%.
- **Par value of outstanding borrowings**, as of June 30, 2024, was \$285.1 million compared to \$291.7 million as of March 31, 2024, with an asset coverage ratio of total assets to total borrowings of 169% and 171%, respectively. On a net basis, leverage as of June 30, 2024 was 1.3x² compared to net leverage of 1.2x² as of March 31, 2024.

² Net leverage is calculated as the ratio between (A) debt, excluding unamortized debt issuance costs, less available cash and cash equivalents, and restricted cash and (B) NAV. Portman Ridge believes presenting a net leverage ratio is useful and appropriate supplemental disclosure because it reflects the Company’s financial condition net of \$36.6 million and \$39.6 million of cash and cash equivalents and restricted cash as of June 30, 2024 and March 31, 2024, respectively. However, the net leverage ratio is a non-U.S. GAAP measure and should not be considered as a replacement for the regulatory asset coverage ratio and other similar information presented in accordance with U.S. GAAP. Instead, the net leverage ratio should be reviewed only in connection with such U.S. GAAP measures in analyzing Portman Ridge’s financial condition.

Results of Operations

Operating results for the three months ended June 30, 2024, and June 30, 2023, were as follows:

(\$ in thousands)	For the Three Months Ended June 30,	
	2024	2023
Total investment income	\$ 16,337	\$ 19,626
Total expenses	9,860	11,711
Net Investment Income	6,477	7,915
Net realized gain (loss) on investments	(6,922)	(6,471)
Net change in unrealized gain (loss) on investments	(5,966)	(4,176)
Tax (provision) benefit on realized and unrealized gains (losses) on investments	\$ 78	\$ (164)
Net realized and unrealized appreciation (depreciation) on investments, net of taxes	\$ (12,810)	\$ (10,811)
Net realized gain (loss) on extinguishment of debt	\$ (39)	\$ (218)
Net Increase (Decrease) in Net Assets Resulting from Operations	\$ (6,372)	\$ (3,114)
Net Increase (Decrease) In Net Assets Resulting from Operations per Common Share:		
Basic and Diluted:	\$ (0.69)	\$ (0.33)
Net Investment Income Per Common Share:		
Basic and Diluted:	\$ 0.70	\$ 0.83
Weighted Average Shares of Common Stock Outstanding — Basic and Diluted	9,293,687	9,541,722

Investment Income

The composition of our investment income for the three months ended June 30, 2024, and June 30, 2023, was as follows:

(\$ in thousands)	For the Three Months Ended June 30,	
	2024	2023
Interest income, excluding CLO income and purchase discount accretion	\$11,589	\$14,156
Purchase discount accretion	112	427
PIK Income	2,201	966
CLO Income	524	829
JV Income	1,800	2,329
Fees and other income	111	919
Investment Income	\$16,337	\$19,626
Less : Purchase discount accretion	\$ (112)	\$ (427)
Core Investment Income	\$16,225	\$19,199

Fair Value of Investments

The composition of our investment portfolio as of June 30, 2024 and December 31, 2023, at cost and fair value was as follows:

(\$ in thousands)	June 30, 2024 (Unaudited)			December 31, 2023		
	Cost/Amortized Cost	Fair Value	Fair Value Percentage of Total Portfolio	Cost/Amortized Cost	Fair Value	Fair Value Percentage of Total Portfolio
Security Type						
First Lien Debt	\$ 343,264	\$320,815	72.1%	\$ 351,858	\$336,599	71.9%
Second Lien Debt	48,750	36,386	8.2%	50,814	41,254	8.8%
Subordinated Debt	8,055	1,693	0.4%	7,990	1,224	0.3%
Collateralized Loan Obligations	8,423	7,354	1.7%	9,103	8,968	1.9%
Joint Ventures	65,775	54,292	12.2%	71,415	59,287	12.7%
Equity	30,594	23,830	5.4%	31,280	20,533	4.4%
Asset Manager Affiliates ⁽¹⁾	17,791	—	—	17,791	—	—
Derivatives	31	—	—	31	—	—
Total	\$ 522,683	\$444,370	100.0%	\$ 540,282	\$467,865	100.0%

¹ Represents the equity investment in the Asset Manager Affiliates.

Liquidity and Capital Resources

As of June 30, 2024, the Company had \$285.1 million (par value) of borrowings outstanding at a current weighted average interest rate of 6.9%, of which \$108.0 million par value had a fixed rate and \$177.1 million par value had a floating rate. This balance was comprised of \$92.0 million of outstanding borrowings under the Revolving Credit Facility, \$85.1 million of 2018-2 Secured Notes, and \$108.0 million of 4.875% Notes due 2026.

As of June 30, 2024, and December 31, 2023, the fair value of investments and cash were as follows:

(\$ in thousands) Security Type	June 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 9,813	\$ 26,912
Restricted Cash	26,826	44,652
First Lien Debt	320,815	336,599
Second Lien Debt	36,386	41,254
Subordinated Debt	1,693	1,224
Equity	23,830	20,533
Collateralized Loan Obligations	7,354	8,968
Asset Management Affiliates	—	—
Joint Ventures	54,292	59,287
Derivatives	—	—
Total	<u>\$ 481,009</u>	<u>\$ 539,429</u>

As of June 30, 2024, the Company had unrestricted cash of \$9.8 million and restricted cash of \$26.8 million. This compares to unrestricted cash of \$20.8 million and restricted cash of \$18.8 million as of March 31, 2024. As of June 30, 2024, the Company had \$23.0 million of available borrowing capacity under the Revolving Credit Facility, and no remaining borrowing capacity under the 2018-2 Secured Notes.

Interest Rate Risk

The Company's investment income is affected by fluctuations in various interest rates, including SOFR and prime rates.

As of June 30, 2024, approximately 88.1% of our Debt Securities Portfolio at par value were either floating rate with a spread to an interest rate index such as SOFR or the PRIME rate. 81.6% of these floating rate loans contain SOFR floors ranging between 0.50% and 3.25%. We generally expect that future portfolio investments will predominately be floating rate investments.

In periods of rising or lowering interest rates, the cost of the portion of debt associated with the 4.875% Notes Due 2026 would remain the same, given that this debt is at a fixed rate, while the interest rate on borrowings under the Revolving Credit Facility would fluctuate with changes in interest rates.

Generally, the Company would expect that an increase in the base rate index for floating rate investment assets would increase gross investment income and a decrease in the base rate index for such assets would decrease gross investment income (in either case, such increase/decrease may be limited by interest rate floors/minimums for certain investment assets).

(\$ in thousands)	Impact on net investment income from a change in interest rates at:		
	1%	2%	3%
Increase in interest rate	\$ 1,764	\$ 3,528	\$ 5,292
Decrease in interest rate	\$ (1,764)	\$ (3,528)	\$ (5,252)

Conference Call and Webcast

We will hold a conference call on Friday, August 9, 2024, at 10:00 am Eastern Time to discuss our second quarter 2024 financial results. To access the call, stockholders, prospective stockholders and analysts should dial (646) 307-1963 approximately 10 minutes prior to the start of the conference call and use the conference ID 9474953.

A live audio webcast of the conference call can be accessed via the Internet, on a listen-only basis on the Company's website www.portmanridge.com in the Investor Relations section under Events and Presentations. The webcast can also be accessed by clicking the following link: <https://edge.media-server.com/mmc/p/zgckbjgy>. The online archive of the webcast will be available on the Company's website shortly after the call.

About Portman Ridge Finance Corporation

Portman Ridge Finance Corporation (Nasdaq: PTMN) is a publicly traded, externally managed investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940. Portman Ridge's middle market investment business originates, structures, finances and manages a portfolio of term loans, mezzanine investments and selected equity securities in middle market companies. Portman Ridge's investment activities are managed by its investment adviser, Sierra Crest Investment Management LLC, an affiliate of BC Partners Advisors L.P.

Portman Ridge's filings with the Securities and Exchange Commission (the "SEC"), earnings releases, press releases and other financial, operational and governance information are available on the Company's website at www.portmanridge.com.

About BC Partners Advisors L.P. and BC Partners Credit

BC Partners is a leading international investment firm in private equity, private credit and real estate strategies. Established in 1986, BC Partners has played an active role in developing the European buyout market for three decades. Today, BC Partners executives operate across markets as an integrated team through the firm's offices in North America and Europe. For more information, please visit <https://www.bcpartners.com/>.

BC Partners Credit was launched in February 2017 and has pursued a strategy focused on identifying attractive credit opportunities in any market environment and across sectors, leveraging the deal sourcing and infrastructure made available from BC Partners.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements. The matters discussed in this press release, as well as in future oral and written statements by management of Portman Ridge Finance Corporation, 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 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.

Important assumptions include our ability to originate new investments, and achieve certain margins and levels of profitability, the availability of additional capital, and the ability to maintain certain debt to asset ratios. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this press release should not be regarded as a representation that such plans, estimates, expectations or objectives will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) uncertainty of the expected financial performance of the Company; (2) expected synergies and savings associated with merger transactions effectuated by the Company; (3) the ability of the Company and/or its adviser to implement its business strategy; (4) evolving legal, regulatory and tax regimes; (5) changes in general economic and/or industry specific conditions, including but not limited to the impact of inflation; (6) the impact of increased competition; (7) business prospects and the prospects of the Company’s portfolio companies; (8) contractual arrangements with third parties; (9) any future financings by the Company; (10) the ability of Sierra Crest Investment Management LLC to attract and retain highly talented professionals; (11) the Company’s ability to fund any unfunded commitments; (12) any future distributions by the Company; (13) changes in regional or national economic conditions and their impact on the industries in which we invest; and (14) other changes in the conditions of the industries in which we invest and other factors enumerated in our filings with the SEC. The forward-looking statements should be read in conjunction with the risks and uncertainties discussed in the Company’s filings with the SEC, including the Company’s most recent Form 10-K and other SEC filings. 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.

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PORTMAN RIDGE FINANCE CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	June 30, 2024 (Unaudited)	December 31, 2023
ASSETS		
Investments at fair value:		
Non-controlled/non-affiliated investments (amortized cost: 2024 - \$409,486; 2023 - \$426,630)	\$ 370,359	\$ 398,325
Non-controlled affiliated investments (amortized cost: 2024 - \$62,769; 2023 - \$55,611)	60,464	55,222
Controlled affiliated investments (cost: 2024 - \$50,428; 2023 - \$58,041)	13,547	14,318
Total Investments at Fair Value (cost: 2024 - \$522,683; 2023 - \$540,282)	\$ 444,370	\$ 467,865
Cash and cash equivalents	9,813	26,912
Restricted cash	26,826	44,652
Interest receivable	4,659	5,162
Receivable for unsettled trades	—	573
Due from affiliates	1,544	1,534
Other assets	1,599	2,541
Total Assets	\$ 488,811	\$ 549,239
LIABILITIES		
2018-2 Secured Notes (net of discount of: 2024 - \$414; 2023 - \$712)	\$ 84,656	\$ 124,971
4.875% Notes Due 2026 (net of discount of: 2024 - \$974; 2023 - \$1,225; net of deferred financing costs of: 2024 - \$430; 2023 - \$561)	106,596	106,214
Great Lakes Portman Ridge Funding LLC Revolving Credit Facility (net of deferred financing costs of: 2024 - \$609; 2023 - \$775)	91,391	91,225
Payable for unsettled trades	37	520
Accounts payable, accrued expenses and other liabilities	2,700	4,252
Accrued interest payable	3,537	3,928
Due to affiliates	411	458
Management and incentive fees payable	3,054	4,153
Total Liabilities	\$ 292,382	\$ 335,721
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Common stock, par value \$0.01 per share, 20,000,000 common shares authorized; 9,951,485 issued, and 9,260,495 outstanding at June 30, 2024, and 9,943,385 issued, and 9,383,132 outstanding at December 31, 2023	\$ 93	\$ 94
Capital in excess of par value	715,488	717,835
Total distributable (loss) earnings	(519,152)	(504,411)
Total Net Assets	\$ 196,429	\$ 213,518
Total Liabilities and Net Assets	\$ 488,811	\$ 549,239
Net Asset Value Per Common Share	\$ 21.21	\$ 22.76

PORTMAN RIDGE FINANCE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)

	For the Three Months Ended		For the Six Months Ended	
	2024	2023	2024	2023
INVESTMENT INCOME				
Interest income:				
Non-controlled/non-affiliated investments	\$ 11,913	\$ 14,786	\$ 24,534	\$ 29,632
Non-controlled affiliated investments	312	626	407	1,475
Total interest income	<u>\$ 12,225</u>	<u>\$ 15,412</u>	<u>\$ 24,941</u>	<u>\$ 31,107</u>
Payment-in-kind income:				
Non-controlled/non-affiliated investments ⁽¹⁾	\$ 2,018	\$ 859	\$ 3,912	\$ 2,386
Non-controlled affiliated investments	183	107	295	180
Total payment-in-kind income	<u>\$ 2,201</u>	<u>\$ 966</u>	<u>\$ 4,207</u>	<u>\$ 2,566</u>
Dividend income:				
Non-controlled affiliated investments	\$ 1,800	\$ 1,864	\$ 3,453	\$ 3,248
Controlled affiliated investments	—	465	—	1,540
Total dividend income	<u>\$ 1,800</u>	<u>\$ 2,329</u>	<u>\$ 3,453</u>	<u>\$ 4,788</u>
Fees and other income				
Non-controlled/non-affiliated investments	\$ 111	\$ 905	\$ 262	\$ 1,478
Non-controlled affiliated investments	—	14	—	14
Total fees and other income	<u>\$ 111</u>	<u>\$ 919</u>	<u>\$ 262</u>	<u>\$ 1,492</u>
Total investment income	<u>\$ 16,337</u>	<u>\$ 19,626</u>	<u>\$ 32,863</u>	<u>\$ 39,953</u>
EXPENSES				
Management fees	\$ 1,680	\$ 1,869	\$ 3,409	\$ 3,822
Performance-based incentive fees	1,374	1,680	2,608	3,488
Interest and amortization of debt issuance costs	5,365	6,372	11,091	12,704
Professional fees	631	699	1,397	1,302
Administrative services expense	361	659	717	1,330
Other general and administrative expenses	449	432	939	863
Total expenses	<u>\$ 9,860</u>	<u>\$ 11,711</u>	<u>\$ 20,161</u>	<u>\$ 23,509</u>
NET INVESTMENT INCOME	<u>\$ 6,477</u>	<u>\$ 7,915</u>	<u>\$ 12,702</u>	<u>\$ 16,444</u>
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS				
Net realized gains (losses) from investment transactions:				
Non-controlled/non-affiliated investments	\$ (694)	\$ (5,267)	\$ (2,335)	\$ (8,352)
Non-controlled affiliated investments	—	(1,124)	—	(1,124)
Controlled affiliated investments	(6,228)	(80)	(6,644)	(80)
Net realized gain (loss) on investments	<u>\$ (6,922)</u>	<u>\$ (6,471)</u>	<u>\$ (8,979)</u>	<u>\$ (9,556)</u>
Net change in unrealized appreciation (depreciation) on:				
Non-controlled/non-affiliated investments	\$ (10,163)	\$ (5,478)	\$ (10,822)	\$ (8,535)
Non-controlled affiliated investments	(2,055)	766	(1,915)	455
Controlled affiliated investments	6,252	536	6,842	(2,056)
Net change in unrealized gain (loss) on investments	<u>\$ (5,966)</u>	<u>\$ (4,176)</u>	<u>\$ (5,895)</u>	<u>\$ (10,136)</u>
Tax (provision) benefit on realized and unrealized gains (losses) on investments	<u>\$ 78</u>	<u>\$ (164)</u>	<u>\$ 537</u>	<u>\$ 407</u>
Net realized and unrealized appreciation (depreciation) on investments, net of taxes	<u>\$ (12,810)</u>	<u>\$ (10,811)</u>	<u>\$ (14,337)</u>	<u>\$ (19,285)</u>
Net realized gain (loss) on extinguishment of debt	<u>\$ (39)</u>	<u>\$ (218)</u>	<u>\$ (252)</u>	<u>\$ (218)</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ (6,372)</u>	<u>\$ (3,114)</u>	<u>\$ (1,887)</u>	<u>\$ (3,059)</u>
Net Increase (Decrease) In Net Assets Resulting from Operations per Common Share:				
Basic and Diluted:	\$ (0.69)	\$ (0.33)	\$ (0.20)	\$ (0.32)
Net Investment Income Per Common Share:				
Basic and Diluted:	\$ 0.70	\$ 0.83	\$ 1.36	\$ 1.72
Weighted Average Shares of Common Stock Outstanding—Basic and Diluted	9,293,687	9,541,722	9,319,272	9,548,424

- (1) During the six months ended June 30, 2024, the Company received \$0.1 million of non-recurring fee income that was paid in-kind and included in this financial statement line item. During the six months ended June 30, 2023, the Company received \$0.3 million of non-recurring fee income that was paid in-kind and included in this financial statement line item.



Q2 2024 Earnings Presentation

August 9, 2024

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.

Second Quarter 2024 Highlights

- **Total investment income** for the quarter ended June 30, 2024, was \$16.3 million, of which 13.9 million was attributable to interest income, inclusive of payment-in-kind income, from the Debt Securities Portfolio. This compares to total investment income of \$19.6 million for the quarter ended June 30, 2023, of which \$15.5 million was attributable to interest income, inclusive of payment-in-kind income, from the Debt Securities Portfolio.
- **Core investment income⁽¹⁾** for the second quarter, excluding the impact of purchase price accounting, was \$16.2 million, a decrease of \$3.0 million as compared to core investment income of \$19.2 million for the second quarter of 2023.
- **Net investment income ("NII")** for the second quarter of 2024 was \$6.5 million (\$0.70 per share) as compared to \$7.9 million (\$0.83 per share) for the same period the prior year, and \$6.2 million, or \$0.67 per share for the quarter ended March 31, 2024.
- **Net asset value ("NAV")** as of June 30, 2024, was \$196.4 million (\$21.21 per share) as compared to \$210.6 million (\$22.57 per share) as of March 31, 2024.
- **Total shares repurchased** in open market transactions under the Renewed Stock Repurchase Program during the quarter ended June 30, 2024, were 79,722 at an aggregate cost of approximately \$1.6 million, which was accretive to NAV by \$0.03 per share.
- **Total investments at fair value** as of June 30, 2024, was \$444.4 million; the debt investment portfolio at fair value as of June 30, 2024 was \$358.9 million, which excludes CLO Funds and Joint Ventures, and was comprised of 75 different portfolio companies across 28 different industries with an average par balance per entity of approximately \$2.6 million. This compares to total investments of \$471.3 million at fair value as of March 31, 2024 and consisted of investments in 94 portfolio companies. The debt investment portfolio at fair value as of March 31, 2024 was \$386.1 million, which excludes CLO Funds and Joint Ventures, and was comprised of 79 different portfolio companies across 27 different industries with an average par balance per entity of approximately \$3.1 million.
- **Weighted average contractual interest rate** on our interest earning Debt Securities Portfolio for the quarter ended June 30, 2024, was approximately 12.4%.
- **Non-accruals on debt investments**, as of June 30, 2024, were nine debt investments as compared to seven debt investments on non-accrual status as of March 31, 2024. As of June 30, 2024, debt investments on non-accrual status represented 0.5% and 4.5% of the Company's investment portfolio at fair value and amortized cost, respectively. This compares to debt investments on non-accrual status representing 0.5% and 3.2% of the Company's investment portfolio at fair value and amortized cost, respectively, as of March 31, 2024.
- **Par value of outstanding borrowings**, as of June 30, 2024, was \$285.1 million compared to \$291.7 million as of March 31, 2024, with an asset coverage ratio of total assets to total borrowings of 169% and 171% respectively. On a net basis, leverage as of June 30, 2024, was 1.3x⁽²⁾ compared to net leverage of 1.2x⁽²⁾ as of March 31, 2024.
- **Amended and extended Senior Secured Credit Facility** with JPMorgan Chase Bank, National Association ("JMP"). Under the terms of the amendment, commitments to the aggregate principal amount of the Credit Facility increased by \$85.0 million, to a total of \$200.0 million and the applicable margin was reduced from 2.80% per annum to 2.50% per annum. Additionally, the reinvestment period was extended from April 29, 2025, to August 29, 2026, and the maturity date was extended from April 29, 2026, to August 29, 2027. Furthermore, the Company's existing 2018-2 Secured Notes will be refinanced under the terms of this amendment.
- **Declared stockholder distribution of \$0.69 per share** for the third quarter of 2024, payable on August 30, 2024, to stockholders of record at the close of business on August 22, 2024.

(1) Core investment income represents reported total investment income as determined in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, less the impact of purchase price discount accounting in connection with the Garrison Capital Inc. ("GARIS") and Harvest Capital Credit Corporation ("HCCAP") mergers. Portman Ridge believes presenting core investment income and the related per share amount is useful and appropriate supplemental disclosure for analyzing its financial performance due to the unique circumstance giving rise to the purchase accounting adjustment. However, core investment income is a non-U.S. GAAP measure and should not be considered as a replacement for total investment income and other earnings measures presented in accordance with U.S. GAAP. Instead, core investment income should be reviewed only in connection with such U.S. GAAP measures in analyzing Portman Ridge's financial performance.

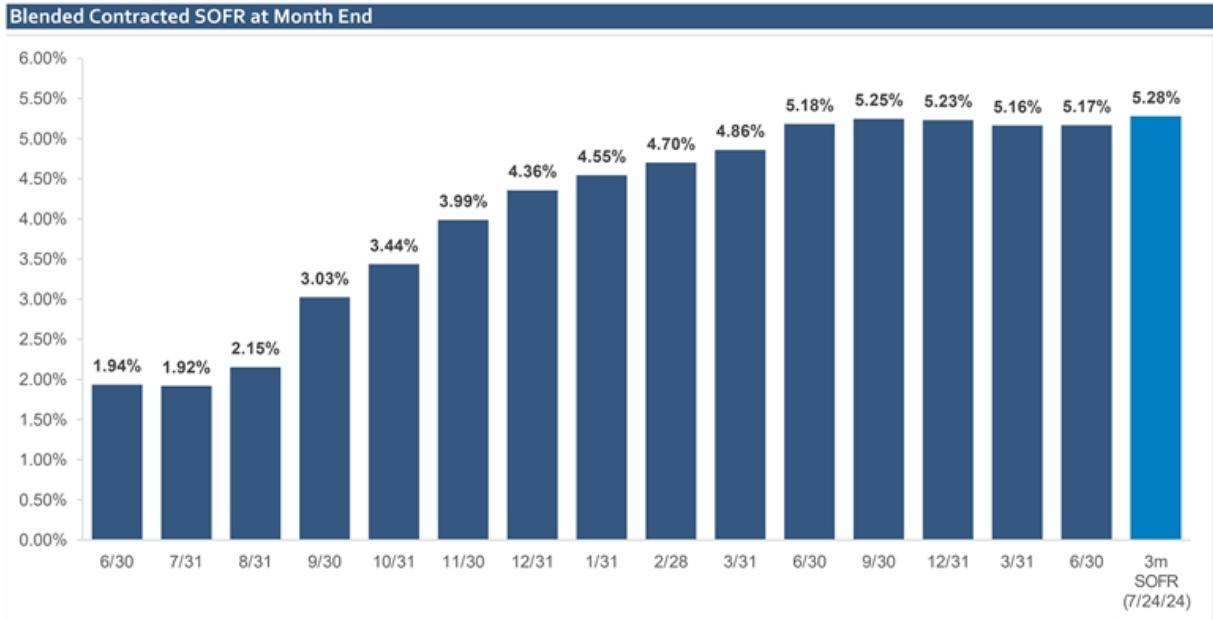
(2) Net leverage is calculated as the ratio between (A) debt, excluding unamortized debt issuance costs, less available cash and cash equivalents, and restricted cash and (B) NAV. Portman Ridge believes presenting a net leverage ratio is useful and appropriate supplemental disclosure because it reflects the Company's financial condition net of \$36.6 million and \$39.6 million of cash and cash equivalents and restricted cash as of June 30, 2024 and March 31, 2024, respectively. However, the net leverage ratio is a non-U.S. GAAP measure and should not be considered as a replacement for the regulatory asset coverage ratio and other similar information presented in accordance with U.S. GAAP. Instead, the net leverage ratio should be reviewed only in connection with such U.S. GAAP measures in analyzing Portman Ridge's financial condition.

(\$ in thousands)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Interest from investments in debt excluding accretion	\$14,156	\$13,174	\$13,196	\$12,088	\$11,589
Purchase discount accounting	427	238	67	73	112
PIK Investment Income	966	2,421	2,081	2,006	2,201
CLO Income	829	502	119	555	524
JV Income	2,329	2,073	2,087	1,653	1,800
Service Fees	919	166	238	151	111
Investment Income	\$19,626	\$18,574	\$17,788	\$16,526	\$16,337
Less: Purchase discount accounting	(\$427)	(\$238)	(\$67)	(\$73)	(\$112)
Core investment income⁽¹⁾	\$19,199	\$18,336	\$17,721	\$16,453	\$16,225
Expenses:					
Management fees	\$1,869	\$1,844	\$1,786	\$1,729	\$1,680
Performance-based incentive fees	1,680	1,519	2,367	1,234	1,374
Interest and amortization of debt issuance costs	6,372	6,343	6,259	5,725	5,365
Professional fees	699	640	687	766	631
Administrative services expense	659	617	430	356	361
Other general and administrative expenses	432	445	405	490	449
Total expenses	\$11,711	\$11,408	\$11,934	\$10,300	\$9,860
Less: Expense reimbursement	-	-	(5,309)	-	-
Net Expenses	\$11,711	\$11,408	\$6,625	\$10,300	\$9,860
Net investment income	\$7,915	\$7,166	\$11,163	\$6,226	\$6,477
Excluding impact of expense reimbursement	-	-	4,371	-	-
Core net investment income⁽²⁾	\$7,563	\$6,928	\$6,792	\$6,153	\$6,384
Net realized gain (loss) on investments	(6,471)	(1,636)	(15,574)	(2,057)	(6,922)
Net change in unrealized gain (loss) on investments	(4,176)	1,708	11,750	71	(5,966)
Tax (provision) benefit on realized and unrealized gains (losses) on investments	(164)	264	(257)	459	78
Net realized gain (loss) on extinguishment of debt	(218)	(57)	(87)	(213)	(39)
Net increase/(decrease) in Core net assets resulting from operations	(\$3,466)	\$7,207	\$2,611	\$4,413	(\$6,465)
Per Share	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Core Net Investment Income	\$0.79	\$0.73	\$0.72	\$0.66	\$0.69
Net Realized and Unrealized Gain / (Loss) on Investments	(\$1.12)	\$0.01	(\$0.41)	(\$0.21)	(\$1.39)
Net Core Earnings	(\$0.36)	\$0.76	\$0.28	\$0.47	(\$0.70)
Distributions Declared	\$0.69	\$0.69	\$0.69	\$0.69	\$0.69
Net Asset Value	\$22.54	\$22.65	\$22.76	\$22.57	\$21.21

(1) Core investment income represents reported total investment income as determined in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, less the impact of purchase price discount accounting in connection with the GARS and HCAP mergers. Portman Ridge believes presenting core investment income and the related per share amount is useful and appropriate supplemental disclosure for analyzing its financial performance due to the unique circumstance giving rise to the purchase accounting adjustment. However, core investment income is a non-U.S. GAAP measure and should not be considered as a replacement for total investment income and other earnings measures presented in accordance with U.S. GAAP. Instead, core investment income should be reviewed only in connection with such U.S. GAAP measures in analyzing Portman Ridge's financial performance.

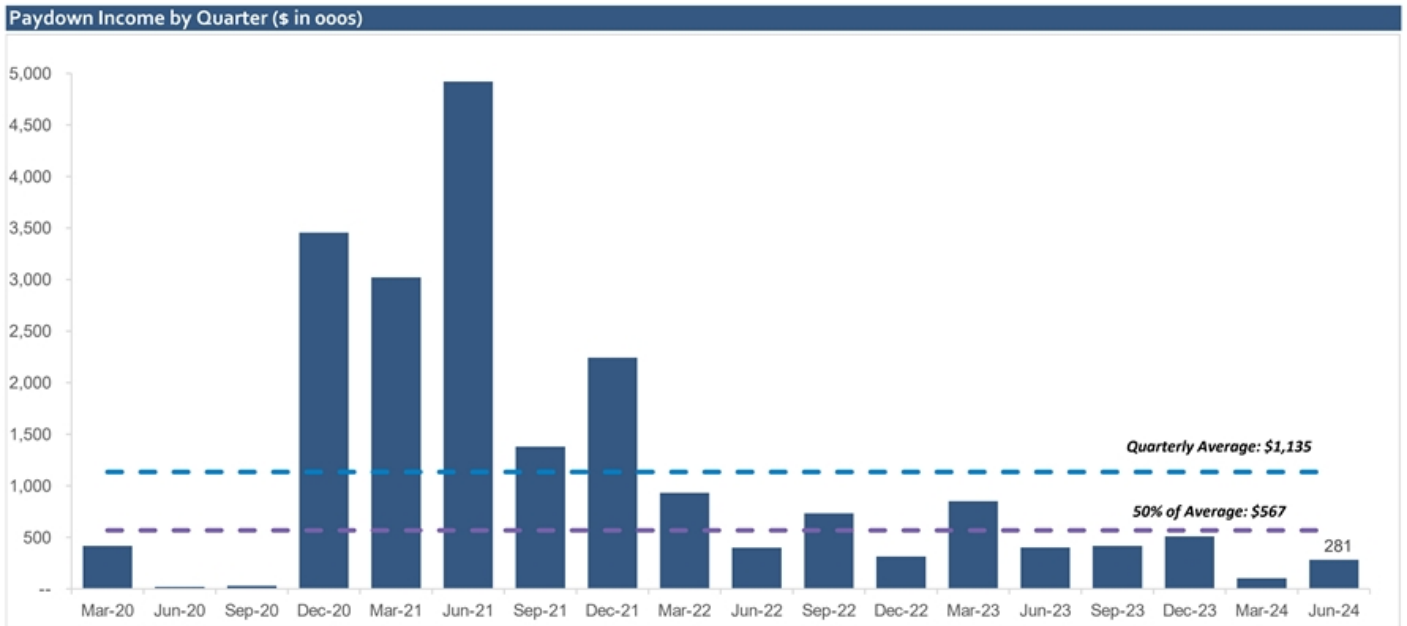
(2) Core net investment income represents reported total net investment income as determined in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, less the impact of purchase price discount accounting in connection with the GARS and HCAP mergers, while also considering the impact of accretion from these mergers on expenses, such as incentive fees. Portman Ridge believes presenting core net investment income and the related per share amount is useful and appropriate supplemental disclosure for analyzing its financial performance due to the unique circumstance giving rise to the purchase accounting adjustment and the reimbursement. However, core net investment income is a non-U.S. GAAP measure and should not be considered as a replacement for total net investment income and other earnings measures presented in accordance with U.S. GAAP. Instead, core net investment income should be reviewed only in connection with such U.S. GAAP measures in analyzing Portman Ridge's financial performance. See slide 7 for a presentation of Reported net investment income in comparison to Core net investment income and a reconciliation thereof.

- As of June 30, 2024, substantially all of our floating rate assets were on SOFR contract.
- If all floating rate assets as of 6/30/24 were reset to current 3-month benchmark rates (5.28%), we would expect to generate an incremental ~\$103k of quarterly income.



(1) 3-month SOFR per Bloomberg as of July 24, 2024.

- Over the last three years, Portman has experienced an average of \$1.1 million in income related to repayment / prepayment activity as compared to the current quarter of \$0.3 million.



(\$ in '000s except per share)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Interest Income:					
Non-controlled/non-affiliated investments	14,786	13,283	12,760	12,621	11,913
Non-controlled affiliated investments	626	631	622	95	312
Total Interest Income	15,412	13,914	13,382	12,716	12,225
Payment-in-kind income:					
Non-controlled/non-affiliated investments	859	2,308	1,968	1,894	2,018
Non-controlled affiliated investments	107	113	113	112	183
Controlled affiliated investments	-	-	-	-	-
Total payment-in-kind income	966	2,421	2,081	2,006	2,201
Dividend income:					
Non-controlled affiliated investments	1,864	1,429	2,087	1,653	1,800
Controlled affiliated investments	465	644	-	-	-
Total dividend income	2,329	2,073	2,087	1,653	1,800
Fees and other income:					
Non-controlled/non-affiliated investments	905	166	238	151	111
Non-controlled affiliated investments	14	-	-	-	-
Total fees and other income	919	166	238	151	111
Reported Investment Income	\$19,626	\$18,574	\$17,788	\$16,526	\$16,337
Less: Purchase discount accounting	(427)	(238)	(67)	(73)	(112)
Core Investment Income	\$19,199	\$18,336	\$17,721	\$16,453	\$16,225
Reported					
Net Investment Income	\$7,915	\$7,166	\$11,163	\$6,226	\$6,477
<i>NII Per Share</i>	<i>\$0.83</i>	<i>\$0.75</i>	<i>\$1.17</i>	<i>\$0.67</i>	<i>\$0.70</i>
Core					
Net Investment Income ⁽¹⁾	\$7,563	\$6,928	\$6,779	\$6,162	\$6,384
<i>NII Per Share</i>	<i>\$0.79</i>	<i>\$0.73</i>	<i>\$0.71</i>	<i>\$0.64</i>	<i>\$0.69</i>

(1) Core net investment income represents reported total net investment income as determined in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, less the impact of purchase price discount accounting in connection with the GARS and HCAP mergers, while also considering the impact of accretion from these mergers on expenses. Portman Ridge believes presenting core net investment income and the related per share amount is useful and appropriate supplemental disclosure for analyzing its financial performance due to the unique circumstance giving rise to the purchase accounting adjustment. However, core net investment income is a non-U.S. GAAP measure and should not be considered as a replacement for total net investment income and other earnings measures presented in accordance with U.S. GAAP. Instead, core net investment income should be reviewed only in connection with such U.S. GAAP measures in analyzing Portman Ridge's financial performance.

(\$ in '000s)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
NAV, Beginning of Period	\$225,106	\$215,013	\$214,755	\$213,518	\$210,607
Net realized gains (losses) from investment transactions ⁽¹⁾	(6,471)	(1,636)	(15,574)	(2,057)	(6,922)
Net change in unrealized appreciation (depreciation) on investments ⁽¹⁾	(4,176)	1,708	11,750	71	(5,966)
Net Investment Income	7,915	7,166	11,163	6,226	6,477
Net decrease in net assets resulting from stockholder distributions	(6,579)	(6,554)	(6,518)	(6,444)	(6,411)
Realized gains (losses) on extinguishments of debt	(218)	(57)	(87)	(213)	(39)
Tax (provision) benefit on realized and unrealized gains (losses) on investments	(164)	264	(257)	459	78
Stock repurchases	(553)	(1,222)	(1,789)	(953)	(1,553)
Distribution reinvestment plan	153	73	75	—	158
NAV, End of Period	\$215,013	\$214,755	\$213,518	\$210,607	\$196,429

Leverage and Asset Coverage	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Gross Leverage	1.6x	1.5x	1.5x	1.4x	1.5x
Net Leverage ⁽²⁾	1.4x	1.3x	1.2x	1.2x	1.3x
Asset Coverage	163%	166%	165%	171%	169%

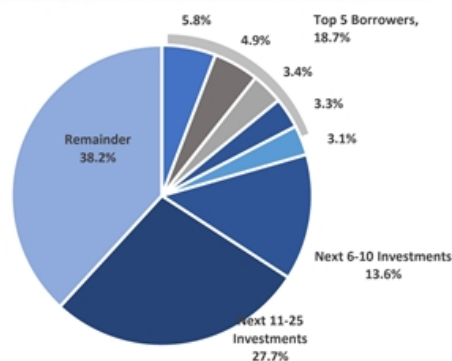
(1) Excluding gains from merger activity.

(2) Net leverage is calculated as the ratio between (A) debt, excluding unamortized debt issuance costs, less available cash and cash equivalents, and restricted cash and (B) NAV. Portman Ridge believes presenting a net leverage ratio is useful and appropriate supplemental disclosure because it reflects the Company's financial condition net of \$36.6 million, \$39.6 million, \$71.2 million \$33.7 million, and \$35.4 million, of cash and cash equivalents and restricted cash as of June 30, 2024, March 31, 2024, December 31, 2023, September 30, 2023, and June 30, 2023, respectively. However, the net leverage ratio is a non-U.S. GAAP measure and should not be considered as a replacement for the regulatory asset coverage ratio and other similar information presented in accordance with U.S. GAAP. Instead, the net leverage ratio should be reviewed only in connection with such U.S. GAAP measures in analyzing Portman Ridge's financial condition.

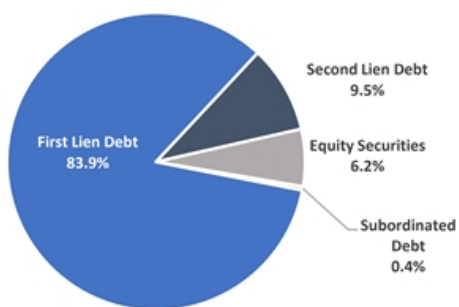
Diversified Portfolio of Assets

- 75 Debt + Equity Portfolio Investee Companies
- \$2.6mm / 1% Average Debt Position Size
- U.S. Centric Investments: Nearly 100% US-Based Companies
- Focus on Non-Cyclical Industries with High FCF Generation
- Credit quality has been stable to improving during the rotation period

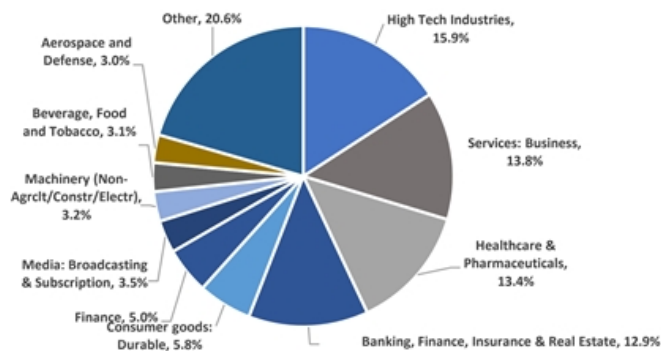
Diversification by Borrower⁽²⁾



Asset Mix⁽²⁾



Industry Diversification⁽²⁾



[1] As of June 30, 2024. Figures shown do not include, CLO Funds, F3C IV or Series A-Great Lakes Funding II LLC, and derivatives.
 [2] Shown as % of debt and equity investments at fair market value.

(\$ in '000s)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Portfolio Sourcing (at Fair Value):					
BC Partners	\$357,971	\$366,509	\$357,645	\$365,041	\$348,856
Legacy KCAP	\$30,718	\$24,719	\$26,274	\$23,865	\$23,333
Legacy OHAI	\$6,715	\$6,289	\$1,188	\$0	\$0
Legacy GARS	\$91,842	\$82,738	\$69,488	\$68,895	\$60,790
Legacy HCAP ⁽³⁾	\$22,854	\$20,166	\$13,271	\$13,454	\$11,391
Portfolio Summary:					
Total portfolio, at fair value	\$510,100	\$500,419	\$467,865	\$471,255	\$444,370
Total number of debt portfolio companies / Total number of investments ⁽⁴⁾	85 / 183	83 / 175	80 / 174	79 / 187	75/196
Weighted Avg EBITDA of debt portfolio companies	\$99,545	\$107,118	\$108,229	\$111,355	\$104,439
Average size of debt portfolio company investment, at fair value	\$2,879	\$3,294	\$3,165	\$2,818	\$2,602
Weighted avg first lien / total leverage ratio (net) of debt portfolio	4.9x / 5.5x	5.0x / 5.8x	5.0x/5.7x	5.0x/5.7x	5.0x/5.8x
Portfolio Yields and Spreads:					
Weighted average yield on debt investments at par value ⁽⁵⁾	11.3%	12.2%	12.3%	12.1%	12.4%
Average Spread to SOFR	675 bps	744 bps	750 bps	743 bps	752 bps
Portfolio Activity:					
Beginning balance	\$539,122	\$510,100	\$500,419	\$467,865	\$471,255
Purchases / draws	15,257	18,301	18,061	39,080	16,220
Exits / repayments / amortization	(36,296)	(29,912)	(48,148)	(35,440)	(32,096)
Gains / (losses) / accretion	(7,983)	1,930	(2,467)	(250)	(11,009)
Ending Balance	\$510,100	\$500,419	\$467,865	\$471,255	\$444,370

(1) For comparability purposes, portfolio trends metrics exclude short-term investments and derivatives.
(2) Excludes select investments where the metric is not applicable, appropriate, data is unavailable for the underlying statistic analyzed.
(3) Includes assets purchased from affiliate of HCAP's former manager in a separate transaction.
(4) CLO holdings and Joint Ventures are excluded from investment count.
(5) Excluding non-accrual and partial non-accrual investments and excluding CLO holdings and Joint Ventures.

- As of June 30, 2024, nine of the Company's debt investments were on non-accrual status and represented 0.5% and 4.5% of the Company's investment portfolio at fair value and amortized cost, respectively

(\$ in '000s)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Investments Credit Quality – Internal Rating ⁽¹⁾					
Performing	95.1%	93.5%	93.7%	93.7%	96.4%
Underperforming	4.9%	6.5%	6.3%	6.3%	3.6%
Investments on Non-Accrual Status					
Number of Non-Accrual Investments	7	8	7	7	9
Non-Accrual Investments at Cost	\$15,618	\$21,318	\$17,260	\$17,130	\$23,333
Non-Accrual Investments as a % of Total Cost	2.6%	3.6%	3.2%	3.2%	4.5%
Non-Accrual Investments at Fair Value	\$3,904	\$8,212	\$6,106	\$2,152	\$2,024
Non-Accrual Investments as a % of Total Fair Value	0.8%	1.6%	1.3%	0.5%	0.5%

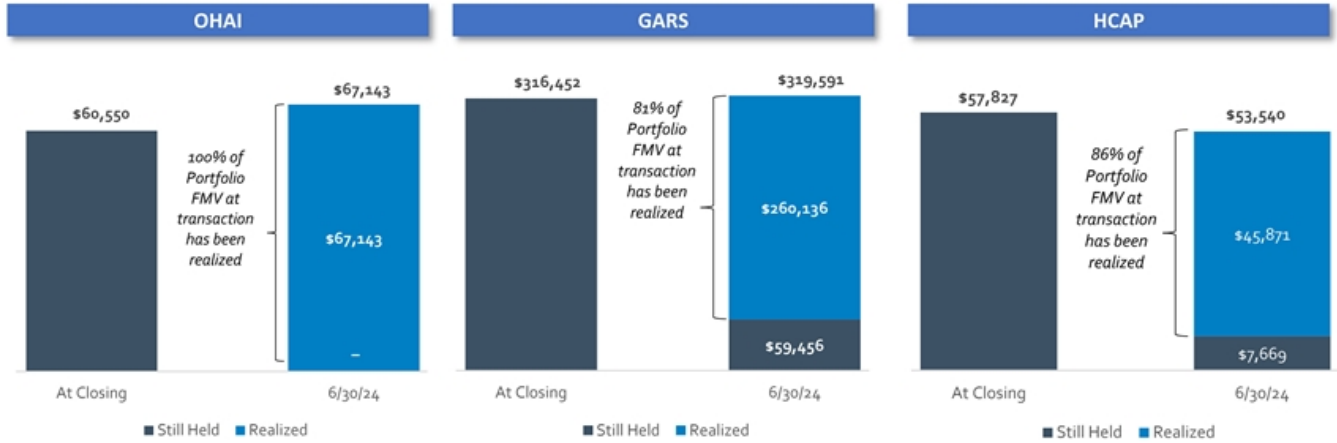
(1) Based on fair market value as of the end of the respective period.

Investment Portfolio (\$ in '000s)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
First Lien Debt	\$368,186	\$357,451	\$336,599	\$345,978	\$320,815
Second Lien Debt	44,863	49,825	41,254	38,925	36,386
Subordinated Debt	1,495	1,298	1,224	1,211	1,693
Equity Securities	20,013	19,189	20,533	23,428	23,830
Collateralized Loan Obligations	12,996	10,425	8,968	8,549	7,354
Joint Ventures	62,547	62,231	59,287	53,164	54,292
Ending Balance	\$510,100	\$500,419	\$467,865	\$471,255	\$444,370

Investment Portfolio (% of total)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
First Lien Debt	72.2%	71.4%	71.9%	73.3%	72.1%
Second Lien Debt	8.8%	10.0%	8.8%	8.3%	8.2%
Subordinated Debt	0.3%	0.3%	0.3%	0.3%	0.4%
Equity Securities	3.9%	3.8%	4.4%	5.0%	5.4%
Collateralized Loan Obligations	2.5%	2.1%	1.9%	1.8%	1.7%
Joint Ventures	12.3%	12.4%	12.7%	11.3%	12.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

(1) At Fair Value at the end of the respective period. Does not include activity in short-term investments and derivatives.

- BC Partners Advisors L.P. (“BCPAL”) is an affiliate of Portman’s investment advisor, Sierra Crest Investment Management (“Sierra Crest”), and employees of BCPAL operate Sierra Crest pursuant to a servicing agreement between the entities. Portman’s track record demonstrates BC Partners’ ability to efficiently realize the value of legacy portfolios acquired while rotating into BC Partners’ sourced assets.



Appendix

(in thousands, except share and per share amounts)

	June 30, 2024 (Unaudited)	December 31, 2023
ASSETS		
Investments at fair value:		
Non-controlled/non-affiliated investments (amortized cost: 2024 - \$409,486; 2023 - \$426,630)	\$ 370,359	\$ 398,325
Non-controlled affiliated investments (amortized cost: 2024 - \$62,769; 2023 - \$55,611)	60,464	55,222
Controlled affiliated investments (cost: 2024 - \$50,428; 2023 - \$58,041)	13,547	14,318
Total Investments at Fair Value (cost: 2024 - \$522,683; 2023 - \$540,282)	\$ 444,370	\$ 467,865
Cash and cash equivalents	9,813	26,912
Restricted cash	26,826	44,652
Interest receivable	4,659	5,162
Receivable for unsettled trades	—	573
Due from affiliates	1,544	1,534
Other assets	1,599	2,541
Total Assets	\$ 488,811	\$ 549,239
LIABILITIES		
2018-2 Secured Notes (net of discount of: 2024 - \$414; 2023 - \$712)	\$ 84,656	\$ 124,971
4.875% Notes Due 2026 (net of discount of: 2024 - \$974; 2023 - \$1,225; net of deferred financing costs of: 2024 - \$430; 2023 - \$561)	106,596	106,214
Great Lakes Portman Ridge Funding LLC Revolving Credit Facility (net of deferred financing costs of: 2024 - \$609; 2023 - \$775)	91,391	91,225
Payable for unsettled trades	37	520
Accounts payable, accrued expenses and other liabilities	2,700	4,252
Accrued interest payable	3,537	3,928
Due to affiliates	411	458
Management and incentive fees payable	3,054	4,153
Total Liabilities	\$ 292,382	\$ 335,721
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Common stock, par value \$0.01 per share, 20,000,000 common shares authorized; 9,951,485 issued, and 9,260,495 outstanding at June 30, 2024, and 9,943,385 issued, and 9,383,132 outstanding at December 31, 2023	\$ 93	\$ 94
Capital in excess of par value	715,488	717,835
Total distributable (loss) earnings	(519,152)	(504,411)
Total Net Assets	\$ 196,429	\$ 213,518
Total Liabilities and Net Assets	\$ 488,811	\$ 549,239
Net Asset Value Per Common Share	\$ 21.21	\$ 22.76

(in thousands, except share and per share amounts)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
INVESTMENT INCOME				
Interest income:				
Non-controlled/non-affiliated investments	\$ 11,913	\$ 14,786	\$ 24,534	\$ 29,632
Non-controlled affiliated investments	312	626	407	1,475
Total interest income	\$ 12,225	\$ 15,412	\$ 24,941	\$ 31,107
Payment-in-kind income:				
Non-controlled/non-affiliated investments ⁽¹⁾	\$ 2,018	\$ 859	\$ 3,912	\$ 2,386
Non-controlled affiliated investments	183	107	295	180
Total payment-in-kind income	\$ 2,201	\$ 966	\$ 4,207	\$ 2,566
Dividend income:				
Non-controlled affiliated investments	\$ 1,800	\$ 1,864	\$ 3,453	\$ 3,248
Controlled affiliated investments	—	465	—	1,540
Total dividend income	\$ 1,800	\$ 2,329	\$ 3,453	\$ 4,788
Fees and other income				
Non-controlled/non-affiliated investments	\$ 111	\$ 905	\$ 262	\$ 1,478
Non-controlled affiliated investments	—	14	—	14
Total fees and other income	\$ 111	\$ 919	\$ 262	\$ 1,492
Total investment income	\$ 16,337	\$ 19,626	\$ 32,863	\$ 39,953
EXPENSES				
Management fees	\$ 1,680	\$ 1,869	\$ 3,409	\$ 3,822
Performance-based incentive fees	1,374	1,680	2,608	3,488
Interest and amortization of debt issuance costs	5,365	6,372	11,091	12,704
Professional fees	631	699	1,397	1,302
Administrative services expense	361	659	717	1,330
Other general and administrative expenses	449	432	939	863
Total expenses	\$ 9,860	\$ 11,711	\$ 20,161	\$ 23,509
NET INVESTMENT INCOME	\$ 6,477	\$ 7,915	\$ 12,702	\$ 16,444
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS				
Net realized gains (losses) from investment transactions:				
Non-controlled/non-affiliated investments	\$ (694)	\$ (5,267)	\$ (2,335)	\$ (8,352)
Non-controlled affiliated investments	—	(1,124)	—	(1,124)
Controlled affiliated investments	(6,228)	(80)	(6,644)	(80)
Net realized gain (loss) on investments	\$ (6,922)	\$ (6,471)	\$ (8,979)	\$ (9,556)
Net change in unrealized appreciation (depreciation) on:				
Non-controlled/non-affiliated investments	\$ (10,163)	\$ (5,478)	\$ (10,822)	\$ (8,535)
Non-controlled affiliated investments	(2,055)	766	(1,915)	455
Controlled affiliated investments	6,252	536	6,842	(2,056)
Net change in unrealized gain (loss) on investments	\$ (5,966)	\$ (4,176)	\$ (5,895)	\$ (10,136)
Tax (provision) benefit on realized and unrealized gains (losses) on investments	\$ 78	\$ (164)	\$ 537	\$ 407
Net realized and unrealized appreciation (depreciation) on investments, net of taxes	\$ (12,810)	\$ (10,811)	\$ (14,337)	\$ (19,285)
Net realized gain (loss) on extinguishment of debt	\$ (39)	\$ (218)	\$ (252)	\$ (218)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ (6,372)	\$ (3,114)	\$ (1,887)	\$ (3,059)
Net Increase (Decrease) in Net Assets Resulting from Operations per Common Share:				
Basic and Diluted:	\$ (0.69)	\$ (0.33)	\$ (0.20)	\$ (0.32)
Net Investment Income Per Common Share:				
Basic and Diluted:	\$ 0.70	\$ 0.83	\$ 1.36	\$ 1.72
Weighted Average Shares of Common Stock Outstanding—Basic and Diluted	9,293,687	9,541,722	9,319,272	9,548,424

(1) During the six months ended June 30, 2024, the Company received \$0.1 million of non-recurring fee income that was paid-in-kind and included in this financial statement line item. During the six months ended June 30, 2023, the Company received \$0.3 million of non-recurring fee income that was paid-in-kind and included in this financial statement line item

Cash and Cash Equivalents

- Unrestricted cash and cash equivalents totaled \$9.8 million as of June 30, 2024
- Restricted cash of \$26.8 million as of June 30, 2024

Debt Summary

- As of June 30, 2024, par value of outstanding borrowings was \$285.1 million; there was \$23.0 million of available borrowing capacity under the Senior Secured Revolving Credit Facility and no available borrowing capacity under the 2018-2 Secured Notes.
- On July 23, 2024, Great Lakes Portman Ridge Funding LLC, a wholly-owned subsidiary of the Company, entered into a second amendment of its senior secured revolving credit facility ("Revolving Credit Facility") with JPMorgan Chase Bank, National Association ("JPM") as administrative agent. The second amendment, among other things, (i) provided for a committed increase to the aggregate principal amount of the Revolving Credit Facility in an amount not to exceed \$85,000,000, subject to the satisfaction of certain conditions, (ii) provided for a committed seven-day bridge advance in an aggregate principal amount of \$18,250,000, subject to the satisfaction of certain conditions, (iii) reduced the applicable margin on the Revolving Credit Facility to 2.50% per annum, (iv) extended the period in which the Company may request advances under the Revolving Credit Facility to August 29, 2026, (v) extended the stated maturity of the Revolving Credit Facility to August 29, 2027, (vi) extended the non-call period under the Revolving Credit Facility to April 29, 2025, and (vii) provided for certain fees to be paid to the administrative agent and the lenders in connection therewith.

Date Declared	Record Date	Payment Date	Distribution per Share
8/8/2024	8/22/2024	8/30/2024	\$0.69
5/8/2024	5/21/2024	5/31/2024	\$0.69
3/13/2024	3/25/2024	4/2/2024	\$0.69
11/8/2023	11/20/2023	11/30/2023	\$0.69
8/9/2023	8/22/2023	8/31/2023	\$0.69
5/10/2023	5/22/2023	5/31/2023	\$0.69
3/9/2023	3/20/2023	3/31/2023	\$0.68
11/8/2022	11/24/2022	12/13/2022	\$0.67
8/10/2022	8/16/2022	9/2/2022	\$0.63
5/10/2022	5/24/2022	6/7/2022	\$0.63
3/10/2022	3/21/2022	3/30/2022	\$0.63
11/3/2021	11/15/2021	11/30/2021	\$0.62
8/4/2021	1 for 10 Reverse Stock Split effective 8/26/21		
8/4/2021	8/17/2021	8/31/2021	\$0.60
5/6/2021	5/19/2021	6/1/2021	\$0.60
2/12/2021	2/22/2021	3/2/2021	\$0.60
10/16/2020	10/26/2020	11/27/2020	\$0.60
8/5/2020	8/17/2020	8/28/2020	\$0.60
3/17/2020	5/7/2020	5/27/2020	\$0.60
2/5/2020	2/18/2020	2/28/2020	\$0.60
11/5/2019	11/15/2019	11/29/2019	\$0.60
8/5/2019	8/12/2019	8/29/2019	\$0.60

(1) The Company completed a Reverse Stock Split of 10 to 1 effective August 26, 2021, the distribution per share amounts have been adjusted retroactively to reflect the split for all periods presented.