PORTMAN RIDGE

2020 Q2 Earnings Presentation

August 10, 2020

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Important Information

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 qualify and 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 addition, there is no assurance that the Company will purchase additional shares of its common stock under its announced $10 million stock repurchase plan at any specific discount levels or in any specific amounts. There is no assurance that the market price of the Company's shares, either absolutely or relative to net asset value, will increase as a result of any share repurchases, or that any repurchase plan will enhance stockholder value over the long term. 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.

Earnings Summary

Earnings Highlights

- As of June 30, 2020, our NAV stood at $120.7 million or $2.71 per share
  - The NAV increase from March 31, 2020 was mainly attributable to unrealized gains, including $2.3 million on our debt securities portfolio and $2.3 million on our investment in the KCAP Freedom 3 Joint venture, which were partially offset by our CLO equity positions, which showed unrealized losses of approximately $2.9 million
- Net investment income for the quarter was $0.06 per share - in line with Portman Ridge's current quarterly distribution
- Consistent with the prior announcement of our board's approval of a $10 million stock repurchase plan on March 2, 2020, we repurchased 253,896 shares of stock at an average price of $1.12 per share over the course the quarter, and look to continue to buy stock back depending on market conditions and certain other limitations. Additionally, we anticipate putting in place a 10b5 plan during the quarter to execute purchases programmatically
  - In addition to our common equity, because of the deep market discount on our publicly traded bonds (KCAPL), we repurchased and retired approximately $109 thousand of our bonds at par value for a cost of $95 thousand
- On June 24, 2020, we entered into a merger agreement with Garrison Capital Inc. (NASDAQ: GARS), under which GARS stockholders will receive a combination of (i) $19.1 million in cash from the Company; (ii) newly issued Portman Ridge shares valued at 100% of its NAV per share; and (iii) an additional cash payment from Portman Ridge's adviser (Sierra Crest Investment Management LLC) of $5.0 million
  - We remain very excited about the transaction, and believe it will be accretive on an NII per share basis from day one. It continues to be on track and is expect to close during the fourth quarter of 2020

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Net Asset Value Rollforward

($ in '000s)	Q3 2019	Q4 2019	Q1 2020	Q2 2020
NAV, Beginning of Period	$139,178	$132,723	$152,199	$120,370
Realized Gains (Losses) from Investments	(1,176)	(1,326)[1]	(1,048)	(882)
Unrealized Gains (Losses)	(5,317)	(2,649)[1]	(30,924)	1,565
Net Investment Income	2,242	2,147	2,766	2, 600
Net Decrease in Assets Resulting from Distributions	(2,242)	(2,242)	(2,653)	(2,656)
Realized Gains (Losses) from Extinguishment of Debt	--	(1,076)	154	0
Impact of OHAI Transaction	--	25,824[2]	--	--
Share Repurchase	--	--	(123)	(284)
OHAI Transaction Expenses	--	(1,238)	--	--
Other Equity Changes	38	36	--	--
NAV, End of Period	**$132,723**	**$152,199**	**$120,370**	**$120,714**

1. Excluding gains from OHAI merger
2. Including gains from OHAI merger

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Portfolio Activity [1]

($ in '000s)	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Beginning Balance	$259,561	$264,211	$273,690	$269,859
Purchases / Draws	54,874	73,612	44,959	37,920
Exits / Repayments / Amortization	(43,731)	(60,155)	(16,818)	(29,807)
Gains / (Losses)	(6,493)	(3,977)	(31,973)	683
Ending Balance	**$264,211**	**$273,690**	**$269,859**	**$278,655**
Average Spread to LIBOR [2]	706 bps	700 bps	685 bps	681 bps
Senior Secured Assets (%) [3]	60%	48% [4]	57%	61%

1. Does not include activity in short-term investments.
2. Debt Securities only, excludes assets on non-accrual.
3. Based on Fair Market Value, for Debt Securities only.
4. The % of senior secured assets excluding assets acquired in the OHAI acquisition is 56%.

Credit Quality

As shown below, the percentage of non-accrual assets (both on a cost and fair value basis) as a percentage of total has been decreasing on a quarter over quarter basis

($ in '000s)	Q4 2019	Q1 2020	Q2 2020
Investments on Non-Accrual Status			
Non-Accrual Investments at Cost	$25,685	$27,387	$24,025
Non-Accrual Investments as a % of Total Cost	7.7%	7.6%	6.6%
Non-Accrual Investments at Fair Value	$19,326	$15,300	$12,507
Non-Accrual Investments as a % of Total Fair Value	7.0%	5.6%	4.5%

Investments on Non-Accrual Status as of June 30, 2020 ($ in '000s)	Industry	Cost	Fair Value
Advanced Lighting Second Lien Notes	Consumer Goods: Durable	$951	$3
ATP Oil & Gas Corporation	Energy: Oil & Gas	2,568	2,182
Digitran First Lien Term Loan	High Tech Industries	2,703	--
GI Advo Opco	Healthcare	165	--
Grupo HIMA Second Lien Term Loan	Healthcare	7,146	2,591
OCI Holdings	Healthcare	2,165	2,384
Ravn Air Group	Aerospace & Defense	950	950
Roscoe Medical Second Lien Term Loan	Healthcare	6,686	4,154
Tank Partners Equipment Holdings	Energy: Oil & Gas	620	243
TRSO II	Energy: Oil & Gas	71	--
Total		**$24,025**	**$12,507**

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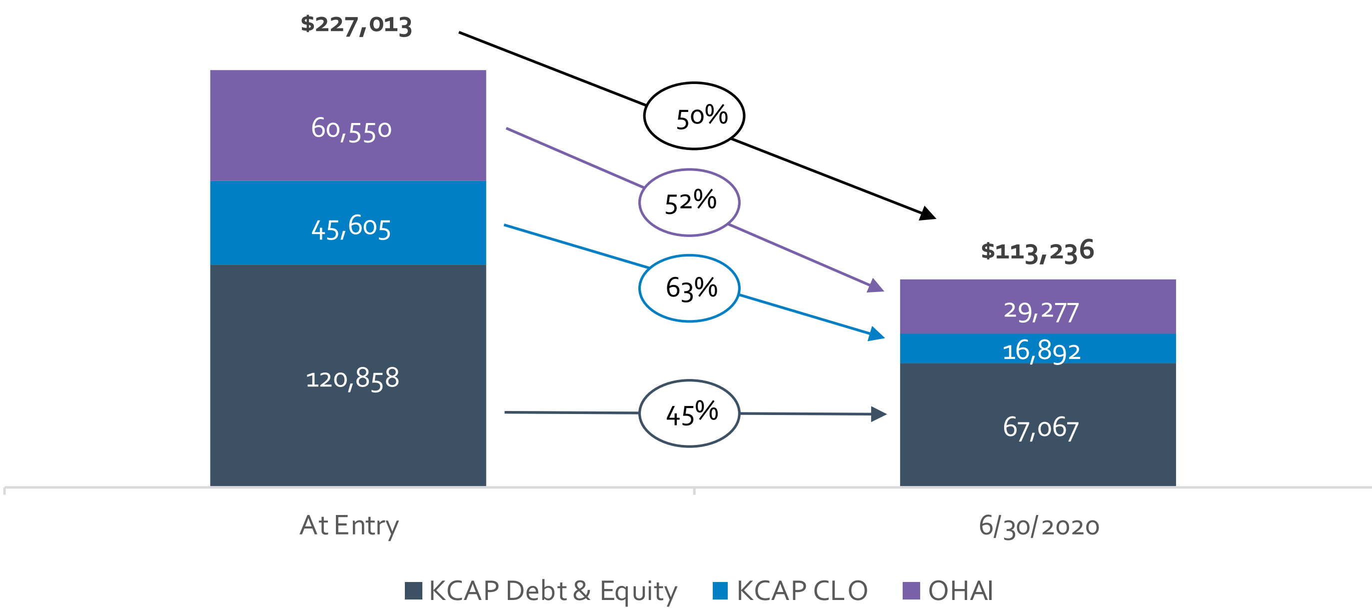
Reduction in Legacy Assets

Legacy Assets Reduction ($ in '000s)[1]



A full year after the externalization of PTMN, the legacy PTMN book represents only 30% of current investments at fair value

1. Investments shown on a fair market value basis

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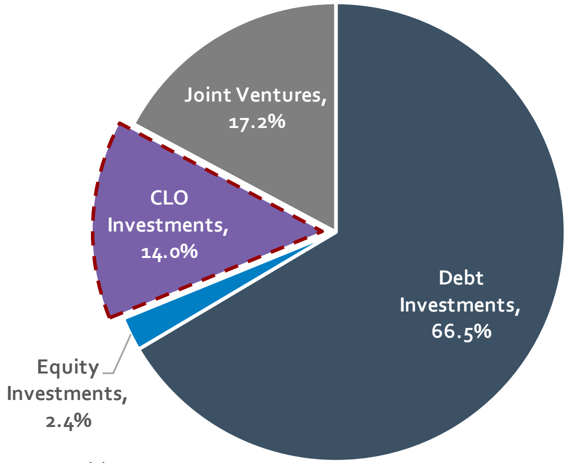
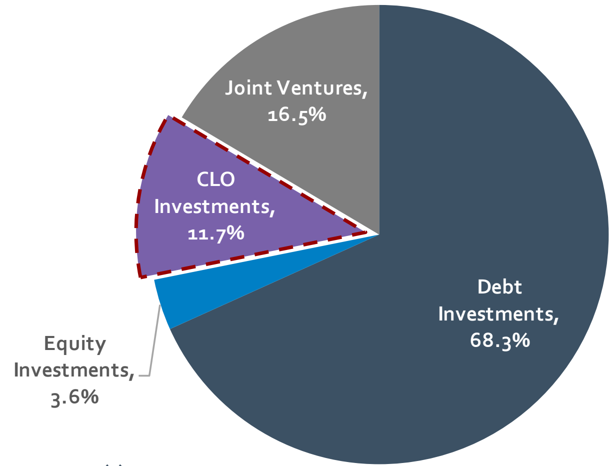
Asset Rotation Over the Last Four Quarters

BC Partners has been actively rotating the Portman Ridge portfolio out of its CLO investments into BC sourced and underwritten investments, both directly as a debt investment on balance sheet as well as through its managed JVs

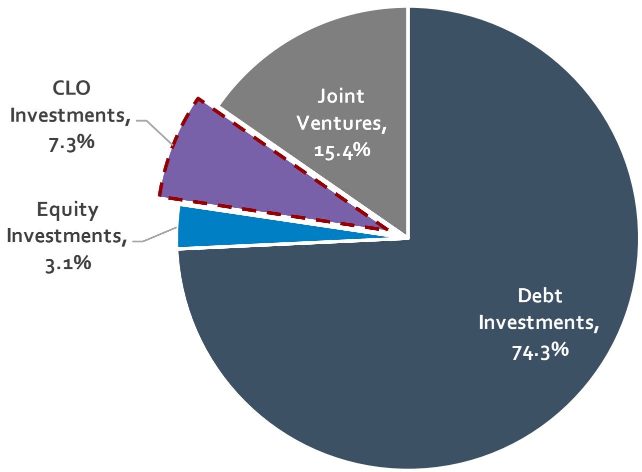
September 30, 2019[1]



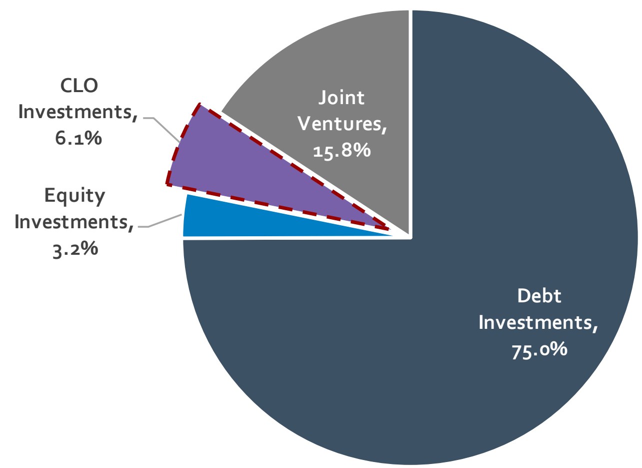
December 31, 2019[1]



March 31, 2020[1]



June 30, 2020[1]



1. Investments shown on a fair market value basis net of short-term investments for comparability purposes

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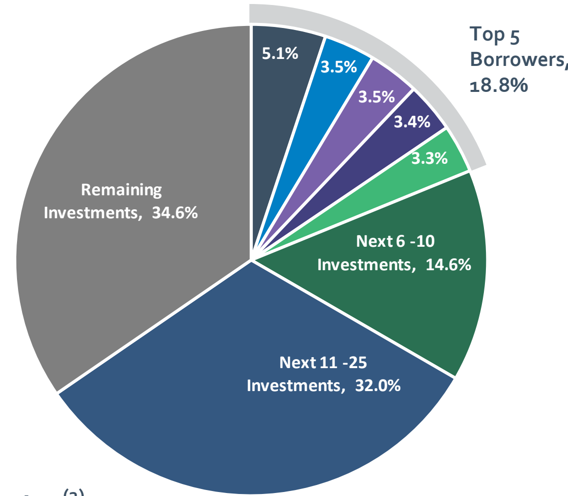
Portfolio Diversification[1]

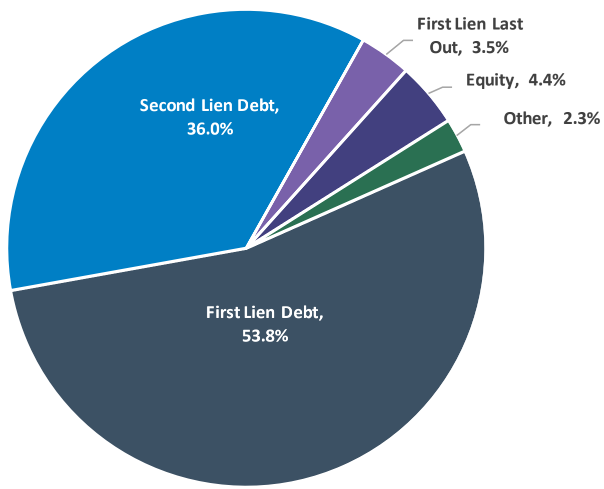
Diversified Portfolio of Assets

- 73 Portfolio Companies and 108 Separate Securities
- $2.0mm / 0.9% Average Position Size
- U.S Centric Investments: ~97% US Based Companies
- Focus on Non-Cyclical Industries with High FCF Generation
- Credit quality has been stable during the rotation period

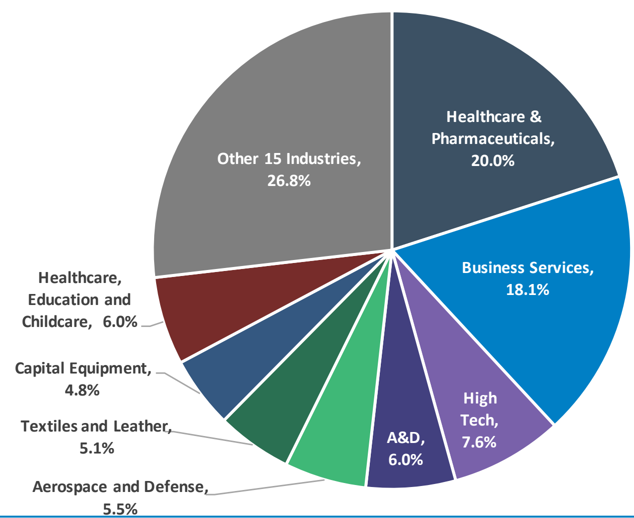
Diversification by Borrower[2]



Asset Mix[2]



Industry Diversification[2]



1. As of June 30, 2020. Figures shown do not include short term investments, CLO holdings, F3C JV portfolio companies or Great Lakes JV portfolio companies
2. Shown as % of debt, equity and derivatives investments at fair market value

Appendix

BC Partners Credit Platform

BC PARTNERS CREDIT: A FULL CREDIT CYCLE INVESTMENT PLATFORM

BC PARTNERS

2017	16	17	c. $4.1bn[1]
FOUNDED PLATFORM	INVESTMENT PROFESSIONALS	AVG. YEARS OF EXPERIENCE OF SENIOR INVESTMENT TEAM	IN AUM ACROSS CREDIT PLATFORM

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

Portman Ridge Finance Corporation | BC Partners Lending Corporation | Mount Logan Capital | Other (e.g. SMAs)

Opportunistic: $826m 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

SOF I | SOF II (Currently Fundraising) | Other (e.g. SMAs)

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