

**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): November 14, 2023 (November 8, 2023)

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 7.01 Regulation FD Disclosure.

On November 8, 2023, Portman Ridge Finance Corporation (the "Company") issued a press release announcing its financial results for the fiscal quarter ended September 30, 2023. 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 November 9, 2023, the Company made available on its website, <http://www.portmanridge.com/home>, a supplemental investor presentation with respect to the third quarter 2023 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 7.01, 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 November 8, 2023
99.2	Investor Presentation, dated November 9, 2023
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/ Jason T. Roos

Name: Jason T. Roos

Title: Chief Financial Officer

Date: November 14, 2023

PORTMAN RIDGE

FOR IMMEDIATE RELEASE

Portman Ridge Finance Corporation Announces Third Quarter 2023 Financial Results

Reports Strong Performance with Increases in Net Asset Value Per Share Quarter-over-Quarter, Core Investment Income and Net Investment Income Year-over-Year, While Also Continuing Share Repurchase Program in the Third Quarter of 2023

Announces Quarterly Distribution of \$0.69 Per Share in the Fourth Quarter of 2023, Marking a \$0.19 per Share Increase in the Total Distribution for the Full Year 2023, a 7.4% Increase as Compared to the Full Year 2022

NEW YORK, November 8, 2023 – Portman Ridge Finance Corporation (Nasdaq: PTMN) (the “Company” or “Portman Ridge”) announced today its financial results for the third quarter ended September 30, 2023.

Third Quarter 2023 Highlights

- **Total investment income** for the third quarter of 2023 was \$18.6 million, a decrease of \$0.4 million as compared to \$19.0 million for the third quarter of 2022 and a decrease of \$1.0 million as compared to \$19.6 million for the second quarter of 2023.
- **Core investment income**¹, excluding the impact of purchase price accounting, for the third quarter of 2023 was \$18.3 million, an increase of \$0.7 million as compared to \$17.6 million for the third quarter of 2022 and a decrease of \$0.9 million as compared to \$19.2 million for the second quarter of 2023.
- **Net investment income (“NII”)** for the third quarter of 2023 was \$7.2 million (\$0.75 per share), a decrease of \$1.2 million as compared to \$8.4 million (\$0.87 per share) for the third quarter of 2022 and a decrease of \$0.7 million as compared to \$7.9 million (\$0.83 per share) for the second quarter of 2023.
- **Total shares repurchased** in open market transactions under the Renewed Stock Repurchase Program during the quarter ended September 30, 2023 were 60,559 shares at an aggregate cost of approximately \$1.2 million.

Subsequent Events

- **Declared stockholder distribution of \$0.69 per share** for the fourth quarter of 2023, payable on November 30, 2023 to stockholders of record at the close of business on November 20, 2023. This is a \$0.02 per share distribution increase as compared to the fourth quarter of 2022. Including the distribution subsequent to the announcement of full year 2022 earnings results, total stockholder distributions for 2023 amount to \$2.75 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 price discount accounting 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.

Management Commentary

Ted Goldthorpe, Chief Executive Officer of Portman Ridge, stated, “I am pleased to announce another solid quarter of financial performance for Portman Ridge, as total investment income, net investment income and core investment income increased substantially compared to the same nine month period of the prior year, despite operating in a challenging market environment. We believe that our stock remains undervalued and thus, during the quarter we continued to repurchase shares for an aggregate of \$1.2 million through the share repurchase program, positively affecting the company’s net asset value per share. As a result of our strong financial performance during the quarter, the board of directors was able to approve a dividend of \$0.69 per share, an increase of \$0.02 per share as compared to the fourth quarter of 2022. As we enter the final quarter of the year, we continue our strategy of being highly selective in our investment and capital deployment process and believe that we are well positioned to take advantage of new investment opportunities to utilize our available cash and borrowings capacity.”

Selected Financial Highlights

- **Total investments at fair value** as of September 30, 2023 was \$500.4 million; when excluding CLO funds, Joint Ventures, and short-term investments, these investments are spread across 26 different industries and 101 different entities with an average par balance per entity of approximately \$3.3 million.
- **Weighted average contractual interest rate** on our interest earning Debt Securities Portfolio as of September 30, 2023 was approximately 12.3%.
- **Non-accruals on debt investments**, as of September 30, 2023, were eight debt investments representing 1.6% and 3.6% of the Company’s investment portfolio at fair value and amortized cost, respectively.
- **Net asset value (“NAV”)** for the third quarter of 2023 was \$214.8 million (\$22.65 per share), an increase of \$0.11 per share as compared to \$215.0 million (\$22.54 per share) for the second quarter of 2023. The increase in NAV per share, despite total NAV decreasing slightly, was predominately driven by the repurchase of 60,559 shares during the third quarter.
- **Par value of outstanding borrowings**, as of September 30, 2023, was \$321.5 million with an asset coverage ratio of total assets to total borrowings of 166%. On a net basis, leverage as of September 30, 2023 was 1.34x² compared to net leverage of 1.39x³ as of June 30, 2023.

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 \$33.7 million and \$35.4 million of cash and cash equivalents and restricted cash for the quarters ended 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.

Results of Operations

Operating results for the three months and nine ended September 30, 2023 and September 30, 2022 were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
Total investment income	\$ 18,574	\$ 19,009	\$ 58,527	\$ 50,997
Total expenses	11,408	10,617	34,917	29,175
Net Investment Income	7,166	8,392	23,610	21,822
Net realized gain (loss) on investments	(1,636)	(9,087)	(11,192)	(28,631)
Net unrealized gain (loss) on investments	1,708	(2,968)	(8,428)	(712)
Tax (provision) benefit on realized and unrealized gains (losses) on investments	\$ 264	\$ (542)	\$ 671	\$ (1,059)
Net realized and unrealized appreciation (depreciation) on investments, net of taxes	\$ 336	\$ (12,597)	\$ (18,949)	\$ (30,402)
Realized gains (losses) on extinguishments of debt	(57)	\$ —	\$ (275)	\$ —
Net Increase (Decrease) in Net Assets Resulting from Operations	\$ 7,445	\$ (4,205)	\$ 4,386	\$ (8,580)
Net Increase (Decrease) In Net Assets Resulting from Operations per Common Share:				
Basic and Diluted:	\$ 0.78	\$ (0.44)	\$ 0.46	\$ (0.89)
Net Investment Income Per Common Share:				
Basic and Diluted:	\$ 0.75	\$ 0.87	\$ 2.48	\$ 2.26
Weighted Average Shares of Common Stock Outstanding—				
Basic and Diluted	9,505,172	9,602,712	9,533,835	9,644,870

Investment Income

The composition of our investment income for the three and nine months ended September 30, 2023, and September 30, 2022 was as follows:

(\$ in thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
Interest from investments in debt excluding accretion	\$ 13,174	\$ 12,232	\$ 41,436	\$ 31,320
Purchase discount accounting	238	1,404	1,706	4,518
PIK Investment Income	2,421	1,740	4,987	4,414
CLO Income	502	914	1,879	3,476
JV Income	2,073	2,182	6,861	6,361
Service Fees	166	537	1,658	908
Investment Income	\$ 18,574	19,009	\$ 58,527	\$ 50,997
Less : Purchase discount accounting	\$ (238)	\$ (1,404)	\$ (1,706)	\$ (4,518)
Core Investment Income	\$ 18,336	\$ 17,605	\$ 56,821	\$ 46,479

Fair Value of Investments

The composition of our investment portfolio as of September 30, 2023 and December 31, 2022 at cost and fair value was as follows:

(\$ in thousands)	September 30, 2023 (Unaudited)			December 31, 2022		
	Cost/Amortized Cost	Fair Value	% ⁽³⁾	Cost/Amortized Cost	Fair Value	% ⁽³⁾
Senior Secured Loan	\$ 378,284	\$360,994	72	\$ 435,856	\$418,722	73
Junior Secured Loan	61,016	47,537	10	65,776	56,400	10
Senior Unsecured Bond	416	43	0	416	43	0
Equity Securities	29,667	19,189	4	28,848	21,905	4
CLO Fund Securities	21,868	10,425	2	34,649	20,453	3
Asset Manager Affiliates ⁽⁴⁾	17,791	—	—	17,791	—	—
Joint Ventures	75,513	62,231	12	68,850	58,955	10
Derivatives	31	—	—	31	—	—
Total	\$ 584,586	\$500,419	100%	\$ 652,217	\$576,478	100%

³ Represents percentage of total portfolio at fair value

⁴ Represents the equity investment in the Asset Manager Affiliates

Liquidity and Capital Resources

As of September 30, 2023, the Company had \$321.5 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 \$213.5 million par value had a floating rate. This balance was comprised of \$74.0 million of outstanding borrowings under the Senior Secured Revolving Credit Facility, \$139.5 million of 2018-2 Secured Notes due 2029, and \$108.0 million of 4.875% Notes due 2026.

As of September 30, 2023 and December 31, 2022, the fair value of investments and cash were as follows:

(\$ in thousands) Security Type	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 14,896	\$ 5,148
Restricted Cash	18,813	27,983
Senior Secured Loan	360,994	418,722
Junior Secured Loan	47,537	56,400
Senior Unsecured Bond	43	43
Equity Securities	19,189	21,905
CLO Fund Securities	10,425	20,453
Asset Manager Affiliates	—	—
Joint Ventures	62,231	58,955
Derivatives	—	—
Total	\$ 534,128	\$ 609,609

As of September 30, 2023, the Company had unrestricted cash of \$14.9 million and restricted cash of \$18.8 million. This compares to unrestricted cash of \$20.3 million and restricted cash of \$15.2 million as of June 30, 2023. As of September 30, 2023, the Company had \$41 million of available borrowing capacity under the Senior Secured 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 LIBOR, SOFR and prime rates.

As of September 30, 2023, approximately 90.5% of our Debt Securities Portfolio at par value were either floating rate with a spread to an interest rate index such as LIBOR, SOFR or the prime rate. 77.5% of these floating rate loans contain floors ranging between 0.50% and 2.50%. 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	\$ 1,693	\$ 3,386	\$ 5,079
Decrease in interest rate	\$ (1,693)	\$ (3,386)	\$ (5,079)

Conference Call and Webcast

We will hold a conference call on November 9, 2023, at 4:00 pm Eastern Time to discuss our third quarter 2023 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 9970193.

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/zkkarccy>. 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, LP.

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 with over €40 billion of assets under management 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. Since inception, BC Partners has completed 117 private equity investments in companies with a total enterprise value of €149 billion and is currently investing its eleventh private equity fund. 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, including but not limited to the impact of the COVID-19 pandemic, 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.

Contacts:

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

	September 30, 2023 <u>(Unaudited)</u>	<u>December 31, 2022</u>
ASSETS		
Investments at fair value:		
Non-controlled/non-affiliated investments (amortized cost: 2023 - \$454,095; 2022 - \$518,699)	\$ 414,778	\$ 483,698
Non-controlled affiliated investments (amortized cost: 2023 - \$72,449; 2022 - \$75,196)	70,418	73,827
Controlled affiliated investments (cost: 2023 - \$58,042; 2022 - \$58,322)	15,223	18,953
Total Investments at Fair Value (cost: 2023 - \$584,586; 2022 - \$652,217)	\$ 500,419	\$ 576,478
Cash and cash equivalents	14,896	5,148
Restricted cash	18,813	27,983
Interest receivable	6,066	4,828
Receivable for unsettled trades	1,361	1,395
Due from affiliates	1,460	930
Other assets	2,696	2,724
Total Assets	\$ 545,711	\$ 619,486
LIABILITIES		
2018-2 Secured Notes (net of discount of: 2023 - \$855; 2022 - \$1,226)	\$ 138,638	\$ 176,937
4.875% Notes Due 2026 (net of discount of: 2023 - \$1,346; 2022 - \$1,704; net of deferred financing costs of: 2023 - \$628; 2022 - \$818)	106,026	105,478
Great Lakes Portman Ridge Funding LLC Revolving Credit Facility (net of deferred financing costs of: 2023 - \$858; 2022 - \$1,107)	73,142	90,893
Payable for unsettled trades	—	1,276
Accounts payable, accrued expenses and other liabilities	3,817	4,614
Accrued interest payable	4,949	3,722
Due to affiliates	1,021	900
Management and incentive fees payable	3,363	3,543
Total Liabilities	\$ 330,956	\$ 387,363
COMMITMENTS AND CONTINGENCIES (NOTE 8)		
NET ASSETS		
Common stock, par value \$0.01 per share, 20,000,000 common shares authorized; 9,938,935 issued, and 9,480,362 outstanding at September 30, 2023, and 9,916,856 issued, and 9,581,536 outstanding at December 31, 2022	\$ 95	\$ 96
Capital in excess of par value	734,659	736,784
Total distributable (loss) earnings	(519,999)	(504,757)
Total Net Assets	\$ 214,755	\$ 232,123
Total Liabilities and Net Assets	\$ 545,711	\$ 619,486
Net Asset Value Per Common Share	<u>\$ 22.65</u>	<u>\$ 24.23</u>

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

	For the Three Months Ended		For the Nine Months Ended	
	September 30,	2022	September 30,	2022
	2023		2023	2022
INVESTMENT INCOME				
Interest income:				
Non-controlled/non-affiliated investments	\$ 13,283	\$ 13,727	\$ 42,915	\$ 37,043
Non-controlled affiliated investments	631	823	2,106	2,271
Total interest income	<u>\$ 13,914</u>	<u>\$ 14,550</u>	<u>\$ 45,021</u>	<u>\$ 39,314</u>
Payment-in-kind income:				
Non-controlled/non-affiliated investments ⁽¹⁾	\$ 2,308	\$ 1,505	\$ 4,694	\$ 3,830
Non-controlled affiliated investments	113	74	293	403
Controlled affiliated investments	—	161	—	181
Total payment-in-kind income	<u>\$ 2,421</u>	<u>\$ 1,740</u>	<u>\$ 4,987</u>	<u>\$ 4,414</u>
Dividend income:				
Non-controlled affiliated investments	\$ 1,429	\$ 1,149	\$ 4,677	\$ 3,099
Controlled affiliated investments	644	1,033	2,184	3,262
Total dividend income	<u>\$ 2,073</u>	<u>\$ 2,182</u>	<u>\$ 6,861</u>	<u>\$ 6,361</u>
Fees and other income				
Non-controlled/non-affiliated investments	\$ 166	\$ 537	\$ 1,644	\$ 908
Non-controlled affiliated investments	—	—	14	—
Total fees and other income	<u>\$ 166</u>	<u>\$ 537</u>	<u>\$ 1,658</u>	<u>\$ 908</u>
Total investment income	<u>\$ 18,574</u>	<u>\$ 19,009</u>	<u>\$ 58,527</u>	<u>\$ 50,997</u>
EXPENSES				
Management fees	\$ 1,844	\$ 2,082	\$ 5,666	\$ 6,305
Performance-based incentive fees	1,519	1,780	5,007	4,627
Interest and amortization of debt issuance costs	6,343	4,673	19,047	11,906
Professional fees	640	759	1,942	2,483
Administrative services expense	617	862	1,947	2,531
Other general and administrative expenses	445	461	1,308	1,323
Total expenses	<u>\$ 11,408</u>	<u>\$ 10,617</u>	<u>\$ 34,917</u>	<u>\$ 29,175</u>
NET INVESTMENT INCOME	<u>\$ 7,166</u>	<u>\$ 8,392</u>	<u>\$ 23,610</u>	<u>\$ 21,822</u>
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS				
Net realized gains (losses) from investment transactions:				
Non-controlled/non-affiliated investments	\$ (2,361)	\$ (8,560)	\$ (10,713)	\$ (26,339)
Non-controlled affiliated investments	725	(527)	(399)	(197)
Controlled affiliated investments	—	—	(80)	—
Derivatives	—	—	—	(2,095)
Net realized gain (loss) on investments	<u>\$ (1,636)</u>	<u>\$ (9,087)</u>	<u>\$ (11,192)</u>	<u>\$ (28,631)</u>
Net change in unrealized appreciation (depreciation) on:				
Non-controlled/non-affiliated investments	\$ 4,219	\$ (318)	\$ (4,316)	\$ 5,381
Non-controlled affiliated investments	(1,117)	338	(662)	(874)
Controlled affiliated investments	(1,394)	(2,988)	(3,450)	(7,661)
Derivatives	—	—	—	2,442
Net unrealized gain (loss) on investments	<u>\$ 1,708</u>	<u>\$ (2,968)</u>	<u>\$ (8,428)</u>	<u>\$ (712)</u>
Tax (provision) benefit on realized and unrealized gains (losses) on investments	\$ 264	\$ (542)	\$ 671	\$ (1,059)
Net realized and unrealized appreciation (depreciation) on investments, net of taxes	<u>\$ 336</u>	<u>\$ (12,597)</u>	<u>\$ (18,949)</u>	<u>\$ (30,402)</u>
Realized gains (losses) on extinguishments of debt	<u>\$ (57)</u>	<u>\$ —</u>	<u>\$ (275)</u>	<u>\$ —</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 7,445</u>	<u>\$ (4,205)</u>	<u>\$ 4,386</u>	<u>\$ (8,580)</u>
Net Increase (Decrease) In Net Assets Resulting from Operations per Common Share:				
Basic and Diluted:	\$ 0.78	\$ (0.44)	\$ 0.46	\$ (0.89)
Net Investment Income Per Common Share:				
Basic and Diluted:	\$ 0.75	\$ 0.87	\$ 2.48	\$ 2.26
Weighted Average Shares of Common Stock Outstanding—Basic and Diluted	9,505,172	9,602,712	9,533,835	9,644,870

⁽¹⁾ During the three and nine months ended September 30, 2023, the Company received \$117.8 thousand and \$610.2 thousand, respectively of non-recurring fee income that was paid in-kind and included in this financial statement line item.



2023 Q3 Earnings Presentation

November 9, 2023

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.

Third Quarter 2023 Highlights

- **Total investment income** for the third quarter of 2023 was \$18.6 million, a decrease of \$0.4 million as compared to \$19.0 million for the third quarter of 2022 and a decrease of \$1.0 million as compared to \$19.6 million for the second quarter of 2023.
- **Core investment income⁽¹⁾**, excluding the impact of purchase price accounting, for the third quarter of 2023 was \$18.3 million, an increase of \$0.7 million as compared to \$17.6 million for the third quarter of 2022 and a decrease of \$0.9 million as compared to \$19.2 million for the second quarter of 2023.
- **Net investment income ("NII")** for the third quarter of 2023 was \$7.2 million (\$0.75 per share), a decrease of \$1.2 million as compared to \$8.4 million (\$0.87 per share) for the third quarter of 2022 and a decrease of \$0.7 million as compared to \$7.9 million (\$0.83 per share) for the second quarter of 2023.
- **Total shares repurchased** in open market transactions under the Renewed Stock Repurchase Program during the quarter ended September 30, 2023 were 60,559 shares at an aggregate cost of approximately \$1.2 million.
- **Total investments at fair value** as of September 30, 2023 was \$500.4 million; when excluding CLO funds, Joint Ventures, and short-term investments, these investments are spread across 26 different industries and 101 different entities with an average par balance per entity of approximately \$3.3 million.
- **Weighted average contractual interest rate** on our interest earning Debt Securities Portfolio as of September 30, 2023 was approximately 12.3%.
- **Non-accruals on debt investments**, as of September 30, 2023, were eight debt investments representing 1.6% and 3.6% of the Company's investment portfolio at fair value and amortized cost, respectively.
- **Net asset value ("NAV")** for the third quarter of 2023 was \$214.8 million (\$22.65 per share), an increase of \$0.11 per share as compared to \$215.0 million (\$22.54 per share) for the second quarter of 2023. The increase in NAV per share, despite net asset value decreasing slightly, was predominately driven by the repurchase of 60,559 shares during the third quarter.
- **Par value of outstanding borrowings**, as of September 30, 2023, was \$321.5 million with an asset coverage ratio of total assets to total borrowings of 166%. On a net basis, leverage as of September 30, 2023 was 1.34x⁽²⁾ compared to net leverage of 1.39x⁽²⁾ as of June 30, 2023.
- **Increased Stockholder distribution** from \$0.67 in the fourth quarter of 2022 to \$0.69 in the fourth quarter of 2023. Including the distribution subsequent to the announcement of full year 2022 earnings results, total stockholder distributions for 2023 amount to \$2.75 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 price discount accounting in connection with the Garrison Capital Inc. ("GARS") and Harvest Capital Credit Corporation ("HICAP") 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.

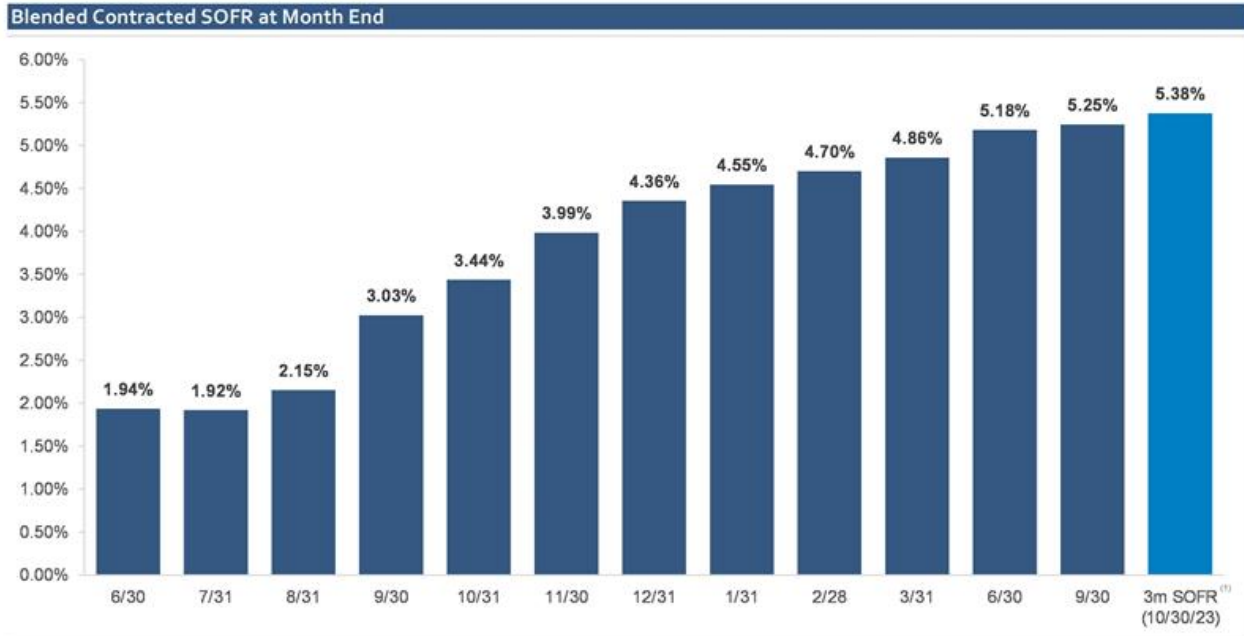
(2) Net leverage is calculated as the ratio between (A) debt, excluding unamortized debt issuance costs, less available cash and cash equivalents, and restricted cash and (B) NAV. Portman Ridge believes presenting a net leverage ratio is useful and appropriate supplemental disclosure because it reflects the Company's financial condition net of \$33.7 million and \$35.4 million of cash and cash equivalents and restricted cash for the quarters ended 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.

(\$ in thousands)	Q1 2023	Q2 2023	Q3 2023
Interest from investments in debt excluding accretion	\$14,105	\$14,156	\$13,174
Purchase discount accounting	1042	427	238
PIK Investment Income	1,600	966	2,421
CLO Income	548	829	502
JV Income	2,459	2,329	2,073
Service Fees	573	919	166
Investment Income	\$ 20,327	\$ 19,626	\$ 18,574
Less: Purchase discount accounting	(\$1,042)	(\$427)	(\$238)
Core investment income⁽¹⁾	\$19,285	\$ 19,199	\$18,336
Expenses:			
Management fees	1,953	1,869	1,844
Performance-based incentive fees	1,808	1,680	1,519
Interest and amortization of debt issuance costs	6,332	6,372	6,343
Professional fees	603	699	640
Administrative services expense	671	659	617
Other general and administrative expenses	431	432	445
Total expenses	\$11,798	\$11,711	\$11,408
Core net investment income⁽²⁾	\$7,669	\$ 7,563	\$6,928
Net realized gain (loss) on investments	(3,085)	(6,471)	(1,636)
Net unrealized gain (loss) on investments	(5,960)	(4,176)	1,708
Tax (provision) benefit on realized and unrealized gains (losses) on investments	571	(164)	264
Realized gains (losses) on extinguishment of debt	-	(218)	(57)
Net increase/(decrease) in Core net assets resulting from operations	(\$805)	\$ (3,466)	\$7,207
Per Share	Q1 2023	Q2 2023	Q3 2023
Core Net Investment Income	\$0.80	\$0.79	\$0.73
Net Realized and Unrealized Gain / (Loss)	(\$0.95)	(\$1.12)	\$0.01
Net Core Earnings	(\$0.08)	(\$0.36)	\$0.76
Distributions declared	\$0.69	\$0.69	\$0.69
Net Asset Value	\$23.56	\$22.54	\$22.65

(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.

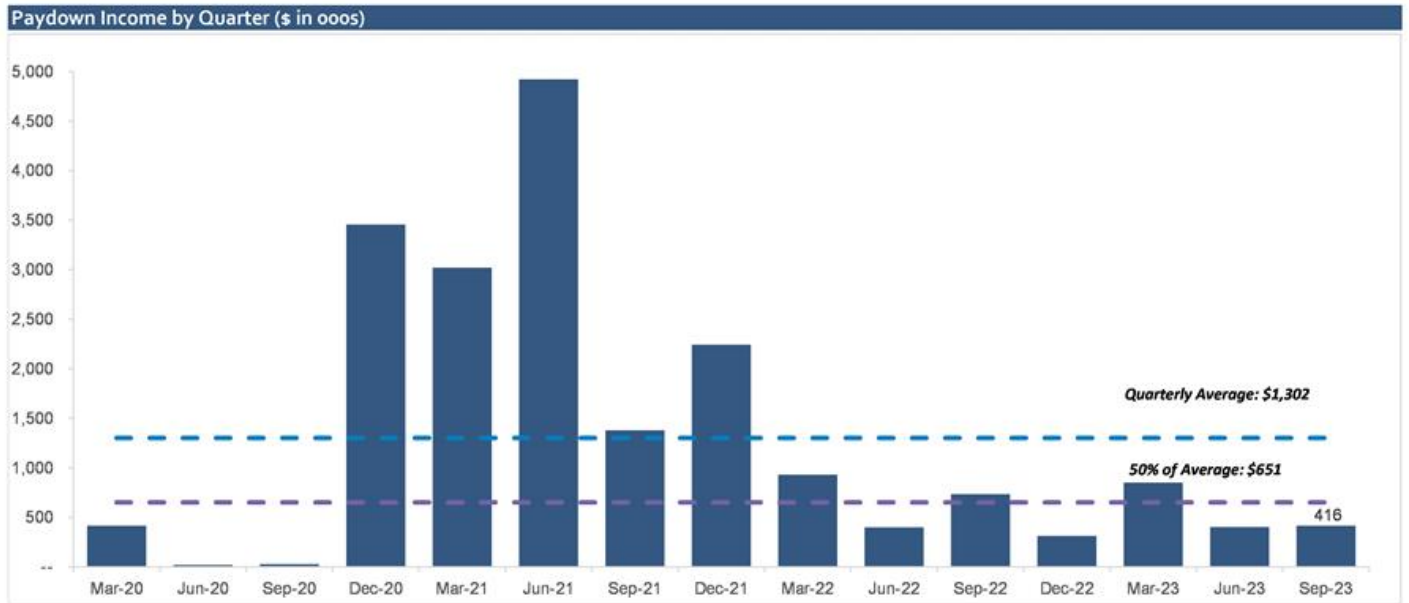
(2) Core net investment income represents reported total net investment income as determined in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, less the impact of purchase price discount accounting in connection with the GARS and HCAP mergers, while also considering the impact 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. 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 B for a presentation of Reported net investment income in comparison to Core net investment income and a reconciliation thereof.

- As of September 30, 2023, approximately 98% of our floating rate assets were on SOFR contract.
- If all floating rate assets as of 9/30 were reset to current 3 month benchmark rates (5.64% for LIBOR and 5.38% for SOFR), we would expect to generate an incremental ~\$75k of quarterly income.

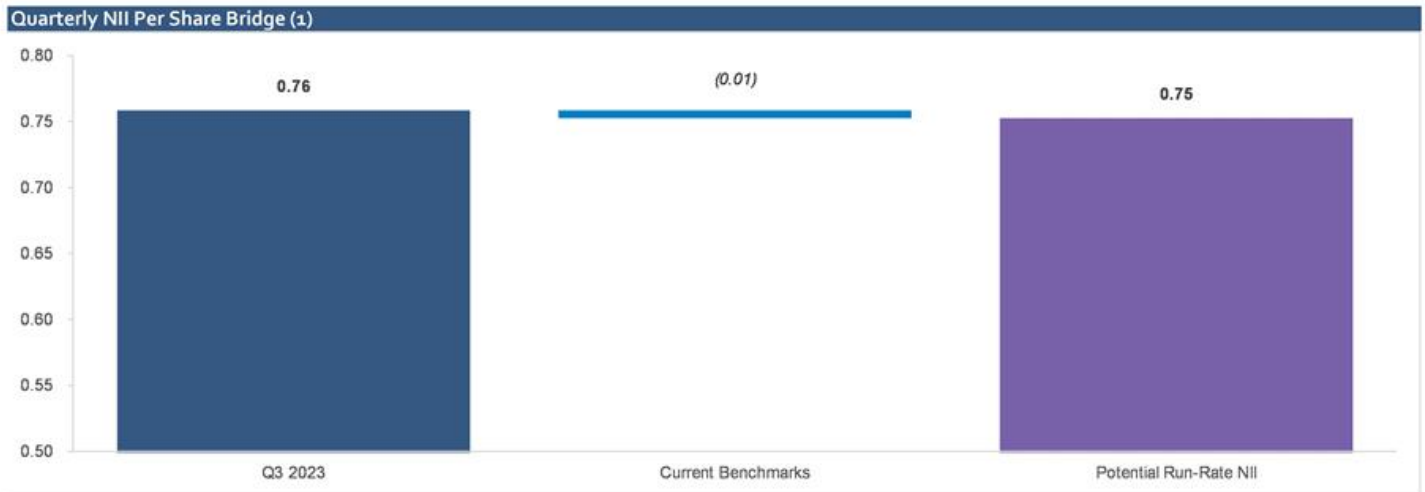


(1) 3 month SOFR per Bloomberg as of October 30, 2023.

- Over the last three years, Portman has experienced an average of \$1.3 million in income related to repayment / prepayment activity as compared to the current quarter of \$0.4 million.



- The below analysis begins with Q3 2023 net investment income and assumes no other changes to the portfolio (including accrual status of each portfolio company), investment income, professional expenses or administrative expenses other than the following:
 - Current benchmarks assumes that all assets and liabilities that have LIBOR based contracts are reset at 5.64% plus applicable spreads and all assets and liabilities that have SOFR based contracts are reset at 5.38% plus applicable spreads beginning on October 1, 2023.



(1) All per share information assumes the ending 9/30/2023 share count, including Q3 2023.

(\$ in '000s except per share)	Q1 2023	Q2 2023	Q3 2023
Interest Income:			
Non-controlled/non-affiliated investments	14,846	14,786	13,283
Non-controlled affiliated investments	849	626	631
Total interest income	15,695	15,412	13,914
Payment-in-kind income:			
Non-controlled/non-affiliated investments	1,527	859	2,308
Non-controlled affiliated investments	73	107	113
Total payment-in-kind income	1,600	966	2,421
Dividend income:			
Non-controlled affiliated investments	1,384	1,864	1,429
Controlled affiliated investments	1,075	465	644
Total dividend income	2,459	2,329	2,073
Fees and other income:			
Non-controlled/non-affiliated investments	573	905	166
Non-controlled affiliated investments	-	14	-
Total fees and other income	573	919	166
Reported Investment Income	\$19,754	\$19,626	\$18,574
Less: Purchase discount accounting	(1,042)	(427)	(238)
Core Investment Income	\$19,285	\$19,199	\$18,336
Reported			
Net Investment Income	\$8,529	\$7,915	\$7,166
<i>NII Per Share</i>	<i>\$0.89</i>	<i>\$0.83</i>	<i>\$0.75</i>
Core			
Net Investment Income ⁽¹⁾	\$7,669	\$7,563	\$6,928
<i>NII Per Share</i>	<i>\$0.80</i>	<i>\$0.79</i>	<i>\$0.73</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 GAR5 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)	Q1 2023	Q2 2023	Q3 2023
NAV, Beginning of Period	\$232,123	\$225,106	\$215,013
Net Investment Income	8,529	7,915	7,166
Net realized gains (losses) from investment transactions	(3,085)	(6,471)	(1,636)
Net change in unrealized appreciation (depreciation) on investments	(5,960)	(4,176)	1,708
Tax (provision) benefit on realized and unrealized gains (losses) on investments	571	(164)	264
Realized gains (losses) from extinguishments of debt	-	(218)	(57)
Net decrease in net assets resulting from stockholder distributions	(6,495)	(6,579)	(6,554)
Stock repurchases	(792)	(553)	(1,222)
Distribution reinvestment plan	215	153	73
NAV, End of Period	\$225,106	\$215,013	\$214,755

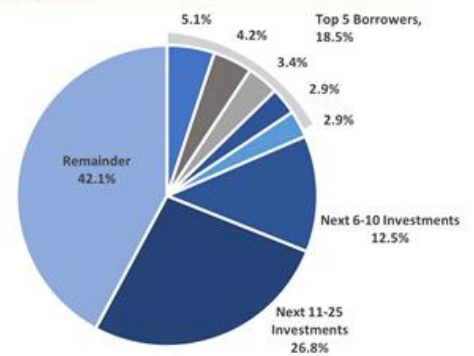
Leverage and Asset Coverage	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Gross Leverage	1.5x	1.6x	1.6x	1.6x	1.5x
Net Leverage ⁽¹⁾	1.3x	1.5x	1.4x	1.4x	1.3x
Asset Coverage	167%	160%	162%	163%	166%

(1) 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 \$33.7 million, \$35.4 million, and \$46.1 million of cash and cash equivalents and restricted cash for the quarters ended September 30, 2023, June 30, 2023, and March 31, 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.

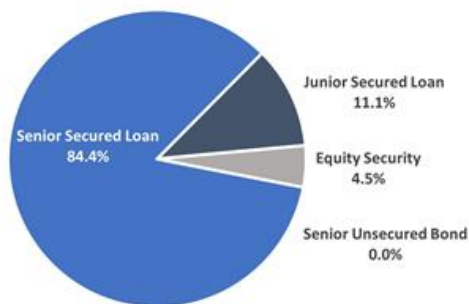
Diversified Portfolio of Assets

- 101 Debt + Equity Portfolio Investee Companies
- \$3.3mm / 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

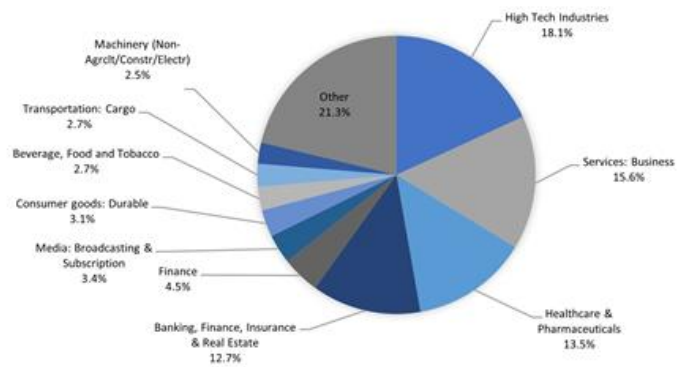
Diversification by Borrower⁽²⁾



Asset Mix⁽²⁾



Industry Diversification⁽²⁾



⁽¹⁾ As of September 30, 2023. Figures shown do not include short term investments, CLO holdings, F3C JV or Series A-Great Lakes Funding II LLC, and derivatives.
⁽²⁾ Shown as % of debt and equity investments at fair market value.

(\$ in '000s)	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Portfolio Sourcing (at Fair Value):					
BC Partners	\$35,940	\$367,771	\$360,061	\$357,971	\$366,509
Legacy KCAP	\$53,566	\$52,847	\$44,061	\$30,788	\$24,719
Legacy OHAI	\$9,447	\$9,079	\$6,943	\$6,765	\$6,289
Legacy GARS	\$10,194	\$106,494	\$95,343	\$91,842	\$82,738
Legacy HCAP ⁽³⁾	\$55,557	\$40,877	\$32,714	\$22,854	\$20,166
Portfolio Summary:					
Total portfolio, at fair value	\$571,648	\$576,478	\$539,122	\$510,100	\$500,419
Total number of debt portfolio companies / Total number of investments ⁽⁴⁾	93 / 197	96 / 198	87 / 184	85 / 183	83 / 175
Weighted Avg EBITDA of debt portfolio companies	\$85,460	\$98,260	\$98,349	\$99,545	\$107,118
Average size of debt portfolio company investment, at fair value	\$3,204	\$3,046	\$3,033	\$2,879	\$3,294
Weighted avg first lien / total leverage ratio (net) of debt portfolio	5.3x / 5.9x	4.9x / 5.4x	5.0x / 5.5x	4.9x / 5.5x	5.0x / 5.8x
Portfolio Yields and Spreads:					
Weighted average yield on debt investments at par value ⁽⁵⁾	10.0%	11.1%	11.9%	11.3%	12.2%
Average Spread	725 bps	708 bps	759 bps	675 bps	744 bps
Portfolio Activity:					
Beginning balance	\$581,459	\$571,648	\$576,478	\$539,122	\$510,100
Purchases / draws	54,622	43,094	11,878	15,257	18,301
Exits / repayments / amortization	(56,495)	(21,052)	(46,158)	(36,296)	(29,912)
Gains / (losses) / accretion	(7,938)	(17,212)	(6,076)	(7,983)	1,930
Ending Balance	\$571,648	\$576,478	\$539,122	\$510,100	\$500,419

- (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 September 30, 2023, eight of the Company's debt investments were on non-accrual status and represented 1.6% and 3.6% of the Company's investment portfolio at fair value and amortized cost, respectively

(\$ in '000s)	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Investments Credit Quality – Internal Rating ⁽¹⁾					
Performing	95.7%	94.3%	95.1%	95.1%	93.5%
Underperforming	4.3%	5.7%	4.9%	4.9%	6.5%
Investments on Non-Accrual Status					
Number of Non-Accrual Investments	3	4	5	7	8
Non-Accrual Investments at Cost	\$1,735	\$3,708	\$9,317	\$15,618	\$21,318
Non-Accrual Investments as a % of Total Cost	0.3%	0.6%	1.5%	2.6%	3.6%
Non-Accrual Investments at Fair Value	\$238	\$236	\$1,682	\$3,904	\$8,212
Non-Accrual Investments as a % of Total Fair Value	0.0%	0.0%	0.3%	0.8%	1.6%

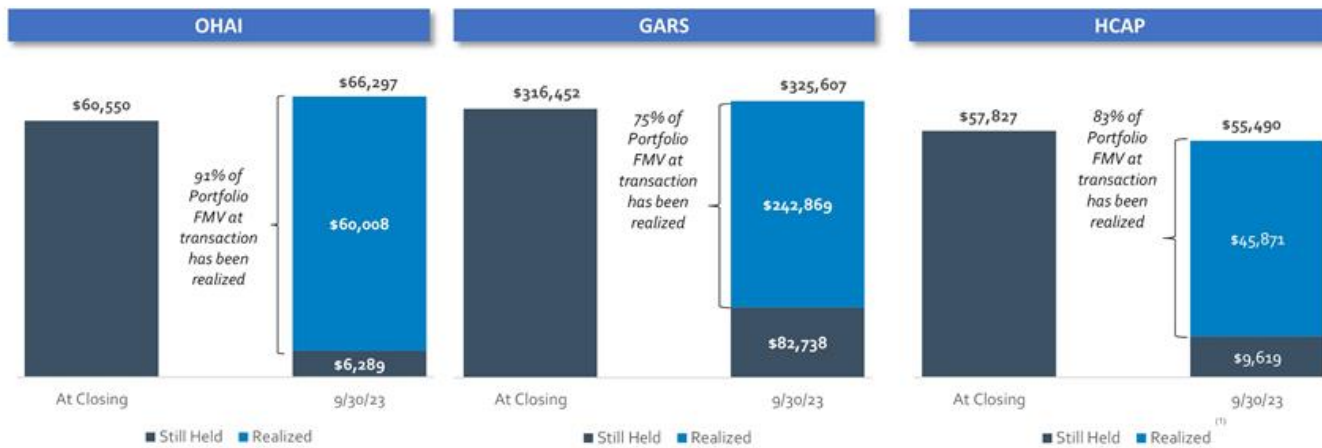
(1) Based on FMV.

Investment Portfolio (\$ in '000s)	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Senior Secured Loan	\$415,819	\$418,722	\$392,022	\$376,539	\$360,994
Junior Secured Loan	61,535	56,400	50,795	37,962	47,537
Senior Unsecured Bond	43	43	43	43	43
Equity Securities	24,487	21,905	15,320	20,013	19,189
CLO Fund Securities	24,623	20,453	19,241	12,996	10,425
Joint Ventures	45,141	58,955	61,701	62,547	62,231
Ending Balance	\$571,648	\$576,478	\$539,122	\$510,100	\$500,419

Investment Portfolio (% of total)	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Senior Secured Loan	72.7%	72.6%	72.7%	73.8%	72.1%
Junior Secured Loan	10.8%	9.8%	9.4%	7.4%	9.5%
Senior Secured Bond	0.0%	0.0%	0.0%	0.0%	0.0%
Equity Securities	4.3%	3.8%	2.8%	3.9%	3.8%
CLO Fund Securities	4.3%	3.5%	3.6%	2.5%	2.1%
Joint Ventures	7.9%	10.2%	11.4%	12.3%	12.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

(1) At Fair Value. Does not include activity in short-term investments and derivatives.

- Our track record demonstrates BC Partners' ability to efficiently realize the value of legacy portfolios acquired while rotating into BC Partners' sourced assets



1. Includes the full realization of Surge Hippodrome on October 4, 2023.

Appendix

(in thousands, except share and per share amounts)	September 30, 2023 (Unaudited)	December 31, 2022
ASSETS		
Investments at fair value:		
Non-controlled/non-affiliated investments (amortized cost: 2023 - \$454,095; 2022 - \$518,699)	\$ 414,778	\$ 483,698
Non-controlled affiliated investments (amortized cost: 2023 - \$72,449; 2022 - \$75,196)	70,418	73,827
Controlled affiliated investments (cost: 2023 - \$58,042; 2022 - \$58,322)	15,223	18,953
Total Investments at Fair Value (cost: 2023 - \$584,586; 2022 - \$652,217)	500,419	576,478
Cash and cash equivalents	14,896	5,148
Restricted cash	18,813	27,983
Interest receivable	6,066	4,828
Receivable for unsettled trades	1,361	1,395
Due from affiliates	1,460	930
Other assets	2,696	2,724
Total Assets	\$ 545,711	\$ 619,486
LIABILITIES		
2018-2 Secured Notes (net of discount of: 2023 - \$855; 2022 - \$1,226)	138,638	176,937
4.875% Notes Due 2026 (net of discount of: 2023 - \$1,346; 2022 - \$1,704; net of deferred financing costs of: 2023 - \$628; 2022 - \$818)	106,026	105,478
Great Lakes Portman Ridge Funding LLC Revolving Credit Facility (net of deferred financing costs of: 2023 - \$858; 2022 - \$1,107)	73,142	90,893
Payable for unsettled trades	-	1,276
Accounts payable, accrued expenses and other liabilities	3,817	4,614
Accrued interest payable	4,949	3,722
Due to affiliates	1,021	900
Management and incentive fees payable	3,363	3,543
Total Liabilities	330,956	387,363
NET ASSETS		
Common stock, par value \$0.01 per share, 20,000,000 common shares authorized; 9,938,935 issued, and 9,480,362 outstanding at September 30, 2023, and 9,916,856 issued, and 9,581,536 outstanding at December 31, 2022	\$ 95	\$ 96
Capital in excess of par value	734,659	736,784
Total distributable (loss) earnings	(519,999)	(504,757)
Total Net Assets	214,755	232,123
Total Liabilities and Net Assets	\$ 545,711	\$ 619,486
Net Asset Value Per Common Share	\$ 22.65	\$ 24.23

(in thousands, except share and per share amounts)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
INVESTMENT INCOME				
Interest income:				
Non-controlled/non-affiliated investments	\$ 13,283	\$ 13,727	\$ 42,915	\$ 37,043
Non-controlled affiliated investments	631	823	2,106	2,271
Total interest income	\$ 13,914	\$ 14,550	\$ 45,021	\$ 39,314
Payment-in-kind income:				
Non-controlled/non-affiliated investments(1)	\$ 2,308	\$ 1,505	\$ 4,694	\$ 3,830
Non-controlled affiliated investments	133	74	293	403
Controlled affiliated investments	-	161	-	181
Total payment-in-kind income	\$ 2,421	\$ 1,740	\$ 4,987	\$ 4,414
Dividend income:				
Non-controlled affiliated investments	\$ 1,429	\$ 1,149	\$ 4,677	\$ 3,099
Controlled affiliated investments	644	1,033	2,184	3,362
Total dividend income	\$ 2,073	\$ 2,182	\$ 6,861	\$ 6,461
Fees and other income				
Non-controlled/non-affiliated investments	\$ 166	\$ 537	\$ 1,644	\$ 908
Non-controlled affiliated investments	-	-	14	-
Total fees and other income	\$ 166	\$ 537	\$ 1,658	\$ 908
Total investment income	\$ 18,574	\$ 19,009	\$ 58,527	\$ 50,997
EXPENSES				
Management fees	\$ 1,844	\$ 2,082	\$ 5,666	\$ 6,305
Performance-based incentive fees	1,519	1,780	5,007	4,627
Interest and amortization of debt issuance costs	6,343	4,673	19,047	11,906
Professional fees	640	759	1,942	2,483
Administrative services expense	617	862	1,947	2,531
Other general and administrative expenses	445	461	1,308	1,323
Total expenses	\$ 11,408	\$ 10,617	\$ 34,917	\$ 29,175
NET INVESTMENT INCOME	\$ 7,166	\$ 8,392	\$ 23,610	\$ 21,822
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS				
Net realized gains (losses) from investment transactions:				
Non-controlled/non-affiliated investments	\$ (2,361)	\$ (8,540)	\$ (10,713)	\$ (26,339)
Non-controlled affiliated investments	725	(527)	(399)	(197)
Controlled affiliated investments	-	-	(80)	-
Derivatives	-	-	-	(2,095)
Net realized gain (loss) on investments	\$ (1,636)	\$ (9,067)	\$ (11,192)	\$ (28,631)
Net change in unrealized appreciation (depreciation) on:				
Non-controlled/non-affiliated investments	\$ 4,219	\$ (318)	\$ (4,314)	\$ 5,381
Non-controlled affiliated investments	(1,117)	338	(662)	(874)
Controlled affiliated investments	(1,394)	(2,988)	(3,450)	(7,661)
Derivatives	-	-	-	2,442
Net unrealized gain (loss) on investments	\$ 1,708	\$ (2,968)	\$ (8,428)	\$ (712)
Tax (provision) benefit on realized and unrealized gains (losses) on investments	\$ 264	\$ (542)	\$ 671	\$ (1,059)
Net realized and unrealized appreciation (depreciation) on investments, net of taxes	\$ 336	\$ (12,597)	\$ (18,949)	\$ (30,402)
Realized gains (losses) on extinguishments of debt	\$ (57)	-	\$ (275)	-
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ 7,445	\$ (4,205)	\$ 4,386	\$ (8,580)
Net Increase (Decrease) in Net Assets Resulting from Operations per Common Share:				
Basic and Diluted:	\$ 0.78	\$ (0.44)	\$ 0.46	\$ (0.89)
Net Investment Income Per Common Share:				
Basic and Diluted:	\$ 0.75	\$ 0.87	\$ 2.48	\$ 2.26
Weighted Average Shares of Common Stock Outstanding—Basic and Diluted	9,505,172	9,602,712	9,533,835	9,644,870

(1) During the three and nine months ended September 30, 2023, the Company received \$117.8 thousand and \$610.2 thousand, respectively 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 \$14.9 million as of September 30, 2023
- Restricted cash of \$18.8 million as of September 30, 2023

Debt Summary

- As of September 30, 2023, par value of outstanding borrowings was \$321.5 million; there was \$41 million of available borrowing capacity under the Senior Secured Revolving Credit Facility and no available borrowing capacity under the 2018-2 Secured Notes.

Date Declared	Record Date	Payment Date	Distribution per Share
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.