

**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): May 11, 2022 (May 10, 2022)**

**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))

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.

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

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

**Item 2.02 Results of Operations and Financial Condition.**

On May 10, 2022, Portman Ridge Finance Corporation (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended March 31, 2022. 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 May 11, 2022, the Company has made available on its website, <http://www.portmanridge.com/home>, a supplemental investor presentation with respect to the first quarter 2022 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                  | <a href="#">Press Release, dated May 10, 2022</a>         |
| 99.2                  | <a href="#">Investor Presentation, dated May 11, 2022</a> |

**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: May 11, 2022

# PORTMAN RIDGE

## Portman Ridge Finance Corporation Announces First Quarter 2022 Financial Results

May 10, 2022

*Well Positioned to Further Improve Portfolio Performance and Increase Investment Income in 2022;  
Refinances JPMorgan Chase Bank (“JPM”) Credit Facility and Reduces Cost of Capital*

*Declares Quarterly Distribution of \$0.63 Per Share*

NEW YORK, May 10, 2022 (GLOBE NEWSWIRE) — Portman Ridge Finance Corporation (Nasdaq: PTMN) (the “Company” or “Portman Ridge”) announced today its financial results for the first quarter ended March 31, 2022.

### First Quarter 2022 Highlights

- Net asset value (“NAV”) for the first quarter of 2022 remained relatively flat at \$278.3 million (\$28.76 per share<sup>1</sup>) as compared to \$280.1 million (\$28.88 per share) in the fourth quarter of 2021, despite pervasive market volatility and other macro-economic and political factors.
- Total investment income the first quarter of 2022 was \$16.9 million, of which \$13.0 million was attributable to interest income from the debt securities portfolio.
- Excluding the impact of purchase price accounting, core investment income<sup>2</sup> for the first quarter of 2022 was \$15.1 million.
- Net investment income (“NII”) for the first quarter of 2022 was \$7.9 million (\$0.82 per share).
- Total investments at fair value as of March 31, 2022 was \$568.0 million; when excluding CLO Funds, Joint Ventures and short-term investments, these investments are spread across 30 different industries and 116 entities with an average par balance per entity of approximately \$3.3 million.
- As of March 31, 2022, six of the Company’s debt investments were on non-accrual status compared to seven as of December 31, 2021.
- As of March 31, 2022, par value of outstanding borrowings was \$352.4 million with an asset coverage ratio of total assets to total borrowings of 180%. On a net basis, leverage as of March 31, 2022 was 0.97x.<sup>3</sup>
- During the quarter, the Company restructured its stock buybacks and repurchased 22,990 of shares under its Renewed Stock Repurchase program at an aggregate cost of approximately \$545 thousand.

<sup>1</sup> NAV per share as determined in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, was decreased 5 cents per share due to the impact of a one-time quarterly tax provision.

<sup>2</sup> 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.

<sup>3</sup> 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 \$83.6 million of cash and cash equivalents. 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.

### Subsequent Events

- Declared a stockholder distribution of \$0.63 per share for the second quarter of 2022, payable on June 7, 2022 to stockholders of record at the close of business on May 24, 2022.
- On April 29, 2022, the Company refinanced its Revolving Credit Facility with JPMorgan Chase Bank as administrative agent. The amended agreement places three-month SOFR as the benchmark interest rate and reduces the applicable margin to 2.80% per annum from 2.85% per annum. Other amendments include the extension of the reinvestment period and scheduled termination date to April 29, 2025 and April 29, 2026, respectively.

## Management Commentary

Ted Goldthorpe, Chief Executive Officer of Portman Ridge, stated, “Despite operating in an environment with rising interest rates, market volatility, and the war in the Ukraine, we reported a relatively unchanged NAV per share for the first quarter, reduced our non-accruals, and maintained our dividend of \$0.63 per share. While many of our peers have seen raised interest rates on their lines of credit and outstanding debt, we have been able to restructure our agreement with JPMorgan Chase and lower the interest rate, shift from LIBOR to SOFR, and extend the maturity date by 2 ½ years. Although investment activity and originations were lower in the first quarter of 2022 as compared to the second half of 2021, a sector-wide trend, subsequent to quarter end we have deployed approximately \$35 million of our available cash in new investments and have a pipeline of an additional \$20 million to \$30 million we expect to deploy before the end of the second quarter. We are also pleased to announce that we have added two new seasoned members to our board. Overall, we believe that we are well-positioned to further improve our portfolio performance and increase investment income in 2022.”

## Select Financial Highlights

|   | For the Three Months Ended March 31, |                 |
|---|--------------------------------------|-----------------|
|   | 2022                                 | 2021            |
| Total Investment Income   | 16,944                               | 18,305          |
| Total Expenses  | 9,036                                | 10,092          |
| <b>Net Investment Income</b>  | <b>7,908</b>                         | <b>8,213</b>    |
| Net realized gain (loss) on investments   | (5,553)                              | (5,086)         |
| Net unrealized gain (loss) on investments   | 2,143                                | 6,745           |
| Tax (provision) benefit on realized and unrealized gains (losses) on investments                | (440)                                | —               |
| Net realized and unrealized appreciation (depreciation) on investments, net of taxes            | (3,850)                              | 1,659           |
| Realized gains (losses) on extinguishments of debt  | —                                    | (1,835)         |
| <b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>                          | <b>\$ 4,058</b>                      | <b>\$ 8,037</b> |
| Net Increase (Decrease) In Stockholders' Equity Resulting from Operations per Common Share (4): |                                      |                 |
| Basic and Diluted:  | \$ 0.42                              | \$ 1.07         |
| Net Investment Income Per Common Share (4):   |                                      |                 |
| Basic and Diluted:  | \$ 0.82                              | \$ 1.09         |
| Weighted Average Shares of Common Stock Outstanding—  |                                      |                 |
| Basic and Diluted(4)  | 9,698,099                            | 7,517,453       |

- 4 The Company completed a Reverse Stock Split of 10 to 1 effective August 26, 2021. As a result, the share and per share amounts have been adjusted retroactively to reflect the split for all periods prior to August 26, 2021.

| (\$ in thousands)                                     | For the Three Months Ended<br>March 31, 2022 |
|---|--|
| Interest from investments in debt excluding accretion | \$ 9,812                                     |
| Purchase discount accounting                          | 1,812  |
| PIK Investment Income                                 | 1,382  |
| CLO Income  | 1,634  |
| JV Income   | 2,108  |
| Service Fees  | 196  |
| <b>Total Investment Income</b>                        | <b>16,944</b>                                |
| Less: Purchase discount accounting                    | (1,812)                                      |
| <b>Core Investment Income</b>                         | <b>15,132</b>                                |

Total investment income for the three months ended March 31, 2022 and March 31, 2021 was \$16.9 million and \$18.3 million, respectively. Total expenses for the three months ended March 31, 2022 and March 31, 2021 were \$9.0 million and \$10.1 million, respectively.

At both March 31, 2022 and December 31, 2021, the weighted average contractual interest rate on our interest earning debt securities portfolio was approximately 8.1%.

## Investment Portfolio Activity

The composition of our investment portfolio as of March 31, 2022 and December 31, 2021 at cost and fair value was as follows:

| Security Type                           | March 31, 2022<br>(unaudited) |                  |                  | December 31, 2021      |                  |                  |
|---|-------------------------------|------------------|------------------|------------------------|------------------|------------------|
|   | Cost/Amortized<br>Cost        | Fair Value       | % <sup>(5)</sup> | Cost/Amortized<br>Cost | Fair Value       | % <sup>(6)</sup> |
| Senior Secured Loan                     | \$ 394,552                    | \$395,062        | 69               | \$ 361,556             | \$364,701        | 66               |
| Junior Secured Loan                     | 69,795                        | 60,976           | 11               | 82,996                 | 70,549           | 13               |
| Senior Unsecured Bond                   | 416                           | 43               | 0                | 416                    | 43               | 0                |
| Equity Securities                       | 24,637                        | 22,633           | 4                | 26,680                 | 22,586           | 4                |
| CLO Fund Securities                     | 51,163                        | 29,057           | 5                | 51,561                 | 31,632           | 6                |
| Asset Manager Affiliates <sup>(6)</sup> | 17,791                        | —                | —                | 17,791                 | —                | —                |
| Joint Ventures                          | 65,305                        | 60,217           | 11               | 64,365                 | 60,474           | 11               |
| Derivatives                             | 31                            | 23               | —                | 31                     | (2,412)          | —                |
| <b>Total</b>                            | <b>\$ 623,690</b>             | <b>\$568,011</b> | <b>100%</b>      | <b>\$ 605,396</b>      | <b>\$547,573</b> | <b>100%</b>      |

5 Represents percentage of total portfolio at fair value.

6 Represents the equity investment in the Asset Manager Affiliates.

As of March 31, 2022, six of the Company's debt investments were on non-accrual status compared to seven investments on a non-accrual status as of December 31, 2021. Investments on non-accrual status as of March 31, 2022 decreased to 0.2% and 1.9% of the Company's investment portfolio at fair value and amortized cost, respectively, compared to 0.5% and 2.8% as of December 31, 2021.

### Liquidity and Capital Resources

As of March 31, 2022, we had \$352.4 million (par value) of borrowings outstanding with a weighted average interest rate of 3.2%, of which \$108.0 million par value had a fixed rate and \$244.4 million par value had a floating rate. Portman Ridge expects future portfolio investments to predominately be floating rate investments.

As of March 31, 2022, the Company had unrestricted cash of \$20.5 million and restricted cash of \$63.1 million. This compares to unrestricted cash of \$28.9 million and restricted cash of \$39.4 million as of December 31, 2021. As of March 31, 2022, we had \$34.4 million of available borrowing capacity under the Senior Secured Revolving Credit Facility, and \$25.0 million of borrowing capacity under the 2018-2 Revolving Credit Facility.

Total assets and shareholder's equity as of March 31, 2022 were \$660.9 million and \$278.3 million respectively, as compared to \$648.3 million and \$280.1 million, respectively as of December 31, 2021.

As of March 31, 2022 and December 31, 2021, the fair value of investments and cash were as follows:

| <i>(\$ in thousands)</i>  |                       |                          |
|---------------------------|-----------------------|--------------------------|
| Security Type             | <u>March 31, 2022</u> | <u>December 31, 2021</u> |
| Cash and cash equivalents | \$ 20,524             | \$ 28,919                |
| Restricted Cash           | 63,094                | 39,421                   |
| Senior Secured Loan       | 395,062               | 364,701                  |
| Junior Secured Loan       | 60,976                | 70,549                   |
| Senior Unsecured Bond     | 43                    | 43                       |
| Equity Securities         | 22,633                | 22,586                   |
| CLO Fund Securities       | 29,057                | 31,632                   |
| Joint Ventures            | 60,217                | 60,474                   |
| Derivatives               | 23                    | (2,412)                  |
| Total                     | <u>\$ 651,629</u>     | <u>\$ 615,913</u>        |

### Interest Rate Volatility

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

As of March 31, 2022, approximately 87% of the Company's debt securities portfolio were either floating rate with a spread to an interest rate index such as LIBOR or the prime rate. 76.6% of these floating rate loans contain LIBOR floors ranging between 0.50% and 2.00%.

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, 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).

|                           | Impact on net investment income from<br>a change in interest rates at: |          |          |
|---------------------------|--|----------|----------|
|                           | <i>(\$ in thousands)</i>   |          |          |
|                           | 1%   | 2%       | 3%       |
| Increase in interest rate | \$ 1,523   | \$ 3,167 | \$ 4,814 |
| Decrease in interest rate | \$ 746   | \$ 746   | \$ 746   |

Net investment income assuming a 1% increase in interest rates would increase by approximately \$1.5 million on an annualized basis. If the increase in rates was more significant, such as 2% or 3%, the net effect on net investment income would be an increase of approximately \$3.2 million and \$4.8 million, respectively.

On an annualized basis, a decrease in interest rates of 1%, 2% or 3% would result in an increase in net investment income of approximately \$746 thousand. The effect on net investment income from declines in interest rates is impacted by interest rate floors on certain of our floating rate investments, as there is no floor on our floating rate debt facility and the 2018-2 Secured Notes.

## Conference Call and Webcast

We will hold a conference call on Wednesday, May 11, 2022 at 9:00 am Eastern Time to discuss our first quarter 2022 financial results. To access the call, stockholders, prospective stockholders and analysts should dial (866) 757-5630 approximately 10 minutes prior to the start of the conference call and use the conference ID 5981065.

A replay of this conference call will be available from approximately 12:00 p.m. ET on May 11 through May 18. The dial in number for the replay is (855) 859-2056 and the conference ID is 5981065.

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](http://www.portmanridge.com) in the Investor Relations section under Events and Presentations. The webcast can also be accessed by clicking the following link: [Portman Ridge First Quarter 2022 Conference Call](#). 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](http://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 [www.bcpartners.com](http://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; (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)

|  | <u>March 31, 2022</u><br>(Unaudited) | <u>December 31, 2021</u> |
|--|--------------------------------------|--------------------------|
| <b>ASSETS</b>  |                                      |                          |
| Investments at fair value:   |                                      |                          |
| Non-controlled/non-affiliated investments (amortized cost: 2022 - \$490,597; 2021 - \$479,153)   | \$ 464,754                           | \$ 452,482               |
| Non-controlled affiliated investments (amortized cost: 2022 - \$74,951; 2021 - \$74,082)   | 75,129                               | 74,142                   |
| Controlled affiliated investments (cost: 2022 - \$58,142; 2021 - \$52,130)   | 28,128                               | 23,361                   |
| Total Investments at Fair Value (cost: 2022 - \$623,690; 2021 - \$605,365)   | 568,011                              | 549,985                  |
| Cash and cash equivalents  | 20,524                               | 28,919                   |
| Restricted cash  | 63,094                               | 39,421                   |
| Interest receivable  | 3,119                                | 5,514                    |
| Receivable for unsettled trades  | 2,153                                | 20,193                   |
| Due from affiliates  | 592                                  | 507                      |
| Other assets   | 3,365                                | 3,762                    |
| <b>Total Assets</b>  | <b>\$ 660,858</b>                    | <b>\$ 648,301</b>        |
| <b>LIABILITIES</b>   |                                      |                          |
| 2018-2 Secured Notes (net of discount of: 2022 - \$1,358; 2021 - \$1,403)  | 162,504                              | 162,460                  |
| 4.875% Notes Due 2026 (net of discount of: 2022 - \$2,046; 2021 - \$2,157; net of deferred financing costs of: 2022 - \$977; 2021 - \$951)   | 104,977                              | 104,892                  |
| Great Lakes Portman Ridge Funding LLC Revolving Credit Facility (net of deferred financing costs of: 2022 - \$640; 2021 - \$732)   | 79,930                               | 79,839                   |
| Derivative liabilities (cost: 2021 - \$31)   | —                                    | 2,412                    |
| Payable for unsettled trades   | 21,622                               | 5,397                    |
| Accounts payable, accrued expenses and other liabilities   | 5,101                                | 4,819                    |
| Accrued interest payable   | 3,325                                | 2,020                    |
| Due to affiliates  | 1,286                                | 1,799                    |
| Management and incentive fees payable  | 3,812                                | 4,541                    |
| <b>Total Liabilities</b>   | 382,557                              | 368,179                  |
| <b>COMMITMENTS AND CONTINGENCIES</b>   |                                      |                          |
| <b>NET ASSETS</b>  |                                      |                          |
| Common stock, par value \$0.01 per share, 20,000,000 common shares authorized; 9,867,998 issued, and 9,676,705 outstanding at March 31, 2022, and 9,867,998 issued, and 9,699,695 outstanding at December 31, 2021 | 97                                   | 97                       |
| Capital in excess of par value   | 733,327                              | 733,095                  |
| Total distributable (loss) earnings  | (455,123)                            | (453,070)                |
| <b>Total Net Assets</b>  | 278,301                              | 280,122                  |
| <b>Total Liabilities and Stockholders' Equity</b>  | <b>\$ 660,858</b>                    | <b>\$ 648,301</b>        |
| NET ASSET VALUE PER COMMON SHARE (4)   | \$ 28.76                             | \$ 28.88                 |

(4) The Company completed a Reverse Stock Split of 10 to 1 effective August 26, 2021, the common shares and net asset value per common share have been adjusted retroactively to reflect the split for all periods presented.

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

|   | For the Three Months Ended<br>March 31, |                 |
|---|---|-----------------|
|   | 2022                                    | 2021            |
| <b>INVESTMENT INCOME</b>  |   |                 |
| Interest income:  |   |                 |
| Non-controlled/non-affiliated investments   | \$ 12,667                               | \$ 14,470       |
| Non-controlled affiliated investments   | 591                                     | 233             |
| Total interest income   | 13,258                                  | 14,703          |
| Payment-in-kind income:   |   |                 |
| Non-controlled/non-affiliated investments   | 1,126                                   | 1,132           |
| Non-controlled affiliated investments   | 256                                     | —               |
| Total payment-in-kind income  | 1,382                                   | 1,132           |
| Dividend income:  |   |                 |
| Non-controlled affiliated investments   | 945                                     | 814             |
| Controlled affiliated investments   | 1,163                                   | 1,226           |
| Total dividend income   | 2,108                                   | 2,040           |
| Fees and other income   | 196                                     | 430             |
| Total investment income   | 16,944                                  | 18,305          |
| <b>EXPENSES</b>   |   |                 |
| Management fees   | 2,135                                   | 1,793           |
| Performance-based incentive fees  | 1,678                                   | 2,094           |
| Interest and amortization of debt issuance costs  | 3,344                                   | 3,380           |
| Professional fees   | 845                                     | 1,494           |
| Administrative services expense   | 847                                     | 613             |
| Other general and administrative expenses   | 187                                     | 718             |
| Total expenses  | 9,036                                   | 10,092          |
| <b>NET INVESTMENT INCOME</b>  | <b>7,908</b>                            | <b>8,213</b>    |
| <b>REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS</b>                                    |   |                 |
| Net realized gains (losses) from investment transactions:                                       |   |                 |
| Non-controlled/non-affiliated investments   | (3,670)                                 | (5,195)         |
| Non-controlled affiliated investments   | 212                                     | 109             |
| Derivatives   | (2,095)                                 | —               |
| Net realized gain (loss) on investments   | (5,553)                                 | (5,086)         |
| Net change in unrealized appreciation (depreciation) on:  |   |                 |
| Non-controlled/non-affiliated investments   | 829                                     | 6,263           |
| Non-controlled affiliated investments   | 117                                     | 331             |
| Controlled affiliated investments   | (1,245)                                 | 625             |
| Derivatives   | 2,442                                   | (474)           |
| Net unrealized gain (loss) on investments   | 2,143                                   | 6,745           |
| Tax (provision) benefit on realized and unrealized gains (losses) on investments                | (440)                                   | —               |
| Net realized and unrealized appreciation (depreciation) on investments, net of taxes            | (3,850)                                 | 1,659           |
| Realized gains (losses) on extinguishments of debt  | —                                       | (1,835)         |
| <b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b>                          | <b>\$ 4,058</b>                         | <b>\$ 8,037</b> |
| Net Increase (Decrease) In Stockholders' Equity Resulting from Operations per Common Share (4): |   |                 |
| Basic and Diluted:  | \$ 0.42                                 | \$ 1.07         |
| Net Investment Income Per Common Share (4):   |   |                 |
| Basic and Diluted:  | \$ 0.82                                 | \$ 1.09         |
| Weighted Average Shares of Common Stock Outstanding—Basic and Diluted(1)                        | 9,698,099                               | 7,517,453       |

(4) The Company completed a Reverse Stock Split of 10 to 1 effective August 26, 2021, the common shares and net asset value per common share have been adjusted retroactively to reflect the split for all periods presented.



Source: Portman Ridge Finance Corporation



# 2022 Q1 Earnings Presentation

May 11, 2022

**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.

Q1 2022 Highlights

- **Net asset value ("NAV")** for the first quarter of 2022 remained relatively flat at \$278.3 million (\$28.76 per share<sup>(1)</sup>) as compared to \$280.1 million (\$28.88 per share) in the fourth quarter of 2021, despite pervasive market volatility and other macro-economic and political factors.
- **Total investment income** the first quarter of 2022 was \$16.9 million, of which \$13.0 million was attributable to interest income from the debt securities portfolio.
- **Core investment income<sup>(2)</sup>** for the first quarter of 2022, excluding the impact of purchase price accounting, was \$15.1 million.
- **Net investment income ("NII")** for the first quarter of 2022 was \$7.9 million (\$0.82 per share).
- **Fair value of investments** totaled \$568.0 million as of March 31, 2022; when excluding CLO Funds, Joint Ventures and short-term investments, these investments are spread across 30 different industries and 116 entities with an average par balance per entity of approximately \$3.3 million.
- **Non-accruals on debt investments** as of March 31, 2022, were reduced to six from seven investments as of December 31, 2021.
- **Par value of outstanding borrowings** as of March 31, 2022 was \$352.4 million with an asset coverage ratio of total assets to total borrowings of 180%. On a net basis, leverage as of March 31, 2022 was 0.97x.<sup>(3)</sup>
- **Shares repurchased** under the Company's Renewed Stock Repurchase program during the quarter were 22,990 for an aggregate cost of approximately \$545 thousand.

(1) NAV per share as determined in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, was decreased 5 cents per share due to the impact of a one-time quarterly tax provision.

(2) 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 ("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.

(3) 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 \$83.6 million of cash and cash equivalents. 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.

| <b>(\$ in thousands)</b>  | <b>Q1 2022</b>  |
|---|-----------------|
| <b>Core investment income</b>   | <b>\$15,132</b> |
| <b>Expenses:</b>  |                 |
| Management fees   | 2,135           |
| Performance-based incentive fees  | 1,678           |
| Interest and amortization of debt issuance costs                              | 3,344           |
| Professional fees   | 845             |
| Administrative services expense   | 847             |
| Other general and administrative expenses                                     | 187             |
| <b>Total expenses</b>   | <b>\$9,036</b>  |
| <b>Core net investment income</b>   | <b>\$6,096</b>  |
| Net realized gain (loss) on investments                                       | (5,553)         |
| Net unrealized gain (loss) on investments                                     | 2,143           |
| Tax (provision) benefit on realized and unrealized gains (losses) on investme | (440)           |
| <b>Net increase/(decrease) in Core net assets resulting from operations</b>   | <b>\$2,246</b>  |
| <b>Per Share</b>  | <b>Q1 2022</b>  |
| Core Net Investment Income  | \$0.63          |
| Net Realized and Unrealized Gain / (Loss)                                     | (\$0.35)        |
| Net Core Earnings   | \$0.23          |
| Distributions declared  | \$0.63          |
| Net Asset Value   | \$28.76         |

| (\$ in '000s except per share)            | Q1 2022         |
|---|-----------------|
| <b>Interest income:</b>                   |                 |
| Non-controlled/non-affiliated investments | 12,667          |
| Non-controlled affiliated investments     | 591             |
| <b>Total interest income</b>              | <b>13,258</b>   |
| <b>Payment-in-kind income:</b>            |                 |
| Non-controlled/non-affiliated investments | 1,126           |
| Non-controlled affiliated investments     | 256             |
| <b>Total payment-in-kind income</b>       | <b>1,382</b>    |
| <b>Dividend income:</b>                   |                 |
| Non-controlled affiliated investments     | 945             |
| Controlled affiliated investments         | 1,163           |
| <b>Total dividend income</b>              | <b>2,108</b>    |
| <b>Fees and other income</b>              | <b>196</b>      |
| <b>Reported Investment Income</b>         | <b>\$16,944</b> |
| Less: Purchase discount accounting        | (1,812)         |
| <b>Core Investment Income</b>             | <b>\$15,132</b> |
| <b>Reported</b>                           |                 |
| Net Investment Income                     | \$7,908         |
| <i>NII Per Share</i>                      | <i>\$0.82</i>   |
| <b>Core</b>                               |                 |
| Net Investment Income                     | \$6,096         |
| <i>NII Per Share</i>                      | <i>\$0.63</i>   |

| (\$ in '000s)  | Q1 2022          |
|--|------------------|
| NAV, Beginning of Period   | \$280,122        |
| Realized Gains (Losses) from Investments   | (5,553)          |
| Unrealized Gains (Losses)  | 2,143            |
| Net Investment Income  | 7,908            |
| Net Decrease in Assets Resulting from Distributions                              | (6,111)          |
| Tax (provision) benefit on realized and unrealized (gains) losses on investments | (440)            |
| Private Placement and other  | 439              |
| Share Repurchase   | (545)            |
| Distribution Reinvestment Plan   | 338              |
| <b>NAV, End of Period</b>  | <b>\$278,301</b> |

| Leverage and Asset Coverage | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 |
|-----------------------------|---------|---------|---------|---------|---------|
| Debt / Equity               | 1.4x    | 1.4x    | 1.3x    | 1.3x    | 1.3x    |
| Asset Coverage              | 170%    | 171%    | 178%    | 178%    | 180%    |



**Cash and Cash Equivalents**

- Unrestricted cash and cash equivalents totaled **\$20.5 million** at March 31, 2022
- Restricted cash of **\$63.1 million** at March 31, 2022

**Debt Summary**

- As of March 31, 2022, par value of outstanding borrowings was \$352.4 million; there was \$34.4 million of available borrowing capacity under the Senior Secured Revolving Credit Facility and \$25.0 million of borrowing capacity under the 2018-2 Revolving Credit Facility.
- On April 29, 2022, the Company refinanced its Revolving Credit Facility with JP Morgan Chase as administrative agent. The amended agreement places three-month SOFR as the benchmark interest rate and reduces the applicable margin to 2.80% per annum from 2.85% per annum. Other amendments include the extension of the reinvestment period and scheduled termination date to April 29, 2025 and April 29, 2026, respectively.

| (\$ in '000s)   | Q1 2021           | Q2 2021           | Q3 2021           | Q4 2021           | Q1 2022           |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Portfolio Sourcing (at Fair Value):</b>  |                   |                   |                   |                   |                   |
| BC Partners   | \$ 60,533         | \$ 84,525         | \$ 245,112        | \$ 264,642        | \$ 303,378        |
| Legacy KCAP   | \$ 100,867        | \$ 92,795         | \$ 92,746         | \$ 78,221         | \$ 68,378         |
| Legacy OHAI   | \$ 21,889         | \$ 17,040         | \$ 6,980          | \$ 6,163          | \$ 9,894          |
| Legacy GARS   | \$ 11,169         | \$ 172,234        | \$ 169,699        | \$ 131,897        | \$ 124,048        |
| Legacy HCAP <sup>(3)</sup>  | n/a               | \$ 53,573         | \$ 47,644         | \$ 59,062         | \$ 62,289         |
| <b>Portfolio Summary:</b>   |                   |                   |                   |                   |                   |
| Total portfolio, at fair value  | \$ 474,447        | \$ 520,168        | \$ 562,181        | \$ 549,985        | \$ 567,988        |
| Total number of debt portfolio companies / Total number of investments <sup>(4)</sup> | 103 / 166         | 105 / 182         | 111 / 184         | 92 / 161          | 95 / 166          |
| Weighted Avg EBITDA of debt portfolio companies                                       | \$ 84,247         | \$ 69,291         | \$ 92,565         | \$ 77,003         | \$ 95,546         |
| Average size of debt portfolio company investment, at fair value                      | \$ 2,765          | \$ 2,914          | \$ 3,138          | \$ 3,065          | \$ 3,082          |
| Weighted avg first lien / total leverage ratio (net) of debt portfolio                | 4.1x / 4.9x       | 4.2x / 4.9x       | 4.5x / 5.3x       | 4.7x / 5.4x       | 4.8x / 5.3x       |
| <b>Portfolio Yields and Spreads:</b>  |                   |                   |                   |                   |                   |
| Weighted average yield on debt investments at par value <sup>(5)</sup>                | 7.4%              | 8.2%              | 8.1%              | 8.3%              | 8.0%              |
| Average Spread to LIBOR   | 658 bps           | 744 bps           | 725 bps           | 748 bps           | 727 bps           |
| <b>Portfolio Activity:</b>  |                   |                   |                   |                   |                   |
| Beginning balance   | \$ 487,737        | \$ 474,447        | \$ 520,188        | \$ 562,181        | \$ 549,985        |
| Purchases / draws   | 57,470            | 16,828            | 98,362            | 99,111            | 63,964            |
| Exits / repayments / amortization   | (80,334)          | (78,963)          | (64,793)          | (109,351)         | (47,346)          |
| Gains / (losses) / accretion  | 9,575             | 8,637             | 8,444             | 1,986             | 1,385             |
| <b>Ending Balance</b>   | <b>\$ 474,447</b> | <b>\$ 520,168</b> | <b>\$ 562,181</b> | <b>\$ 549,985</b> | <b>\$ 567,988</b> |

- (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 March 31, 2022, 6 of the Company's debt investments were on non-accrual status and represented 0.2% and 1.9% of the Company's investment portfolio at fair value and amortized cost, respectively

| (\$ in '000s)  | Q1 2021  | Q2 2021  | Q3 2021  | Q4 2021  | Q1 2022  |
|--|----------|----------|----------|----------|----------|
| <b>Investments Credit Quality – Internal Rating <sup>(1)</sup></b> |          |          |          |          |          |
| Performing   | 95.1%    | 95.0%    | 94.2%    | 93.6%    | 94.5%    |
| Underperforming  | 4.9%     | 5.0%     | 5.8%     | 6.4%     | 5.5%     |
| <b>Investments on Non-Accrual Status</b>                           |          |          |          |          |          |
| Number of Non-Accrual Investments                                  | 7        | 8        | 6        | 7        | 6        |
| Non-Accrual Investments at Cost                                    | \$11,918 | \$17,015 | \$15,284 | \$16,730 | \$11,730 |
| Non-Accrual Investments as a % of Total Cost                       | 2.3%     | 3.3%     | 2.5%     | 2.8%     | 1.9%     |
| Non-Accrual Investments at Fair Value                              | \$3,263  | \$7,601  | \$4,980  | \$2,900  | \$1,039  |
| Non-Accrual Investments as a % of Total Fair Value                 | 0.7%     | 1.5%     | 0.9%     | 0.5%     | 0.2%     |

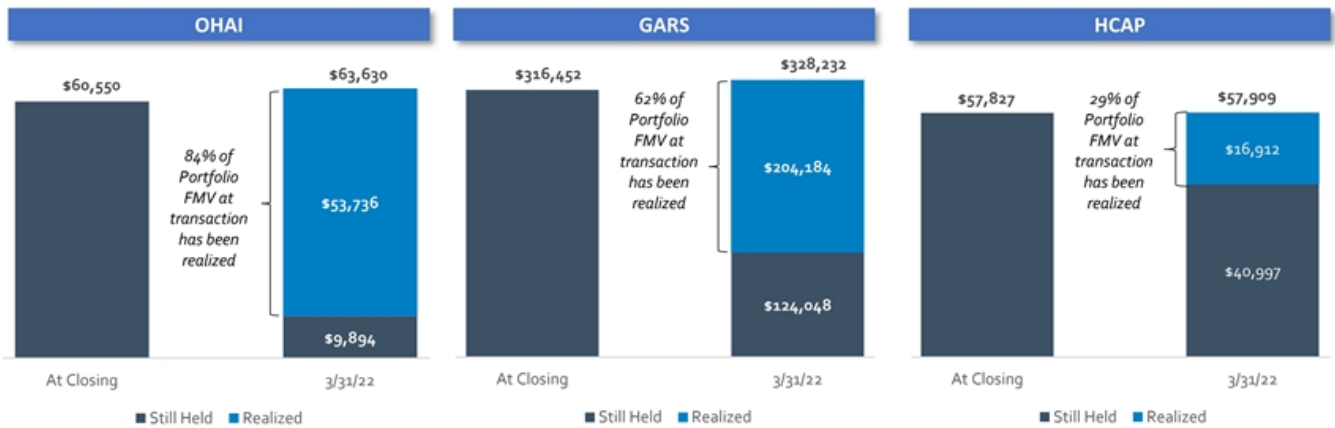
(1) Based on FMV.

| Investment Portfolio (\$ in '000s) | Q1 2021          | Q2 2021          | Q3 2021          | Q4 2021          | Q1 2022          |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Senior Secured Loan                | \$322,363        | \$351,699        | \$380,961        | \$364,701        | \$395,062        |
| Junior Secured Loan                | 64,640           | 67,905           | 74,076           | 70,549           | 60,976           |
| Senior Unsecured Bond              | 42               | 43               | 43               | 43               | 43               |
| Equity Securities                  | 14,651           | 22,387           | 22,299           | 22,586           | 22,633           |
| CLO Fund Securities                | 16,021           | 17,064           | 17,174           | 31,632           | 29,057           |
| Joint Ventures                     | 56,731           | 61,070           | 67,629           | 60,474           | 60,217           |
| <b>Ending Balance</b>              | <b>\$474,447</b> | <b>\$520,168</b> | <b>\$562,181</b> | <b>\$549,985</b> | <b>\$567,988</b> |

| Investment Portfolio (% of total) | Q1 2021       | Q2 2021       | Q3 2021       | Q4 2021       | Q1 2022       |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Senior Secured Loan               | 67.9%         | 67.6%         | 67.8%         | 66.0%         | 69.6%         |
| Junior Secured Loan               | 13.6%         | 13.1%         | 13.2%         | 13.0%         | 10.7%         |
| Senior Secured Bond               | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| Equity Securities                 | 3.1%          | 4.3%          | 4.0%          | 4.0%          | 4.0%          |
| CLO Fund Securities               | 3.4%          | 3.3%          | 3.1%          | 6.0%          | 5.1%          |
| Joint Ventures                    | 12.0%         | 11.7%         | 12.0%         | 11.0%         | 10.6%         |
| <b>Total</b>                      | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

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

- Our track record demonstrates BC Partners' ability to efficiently realize the value of legacy portfolios acquired while rotating into BC Partners' sourced assets
- We are in the early stages of implementing the same strategy with the acquired and fully redeemed HCAP assets but were successful in several monetizations during the quarter

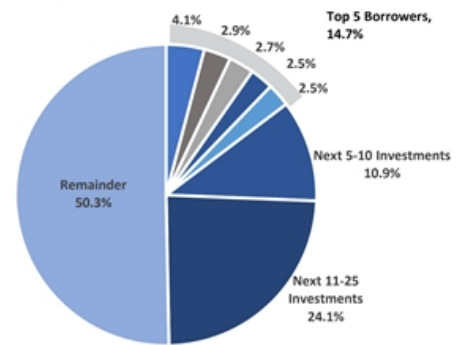


# Appendix

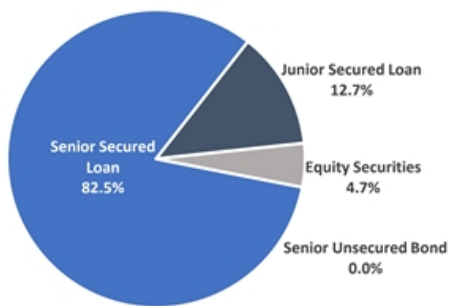
**Diversified Portfolio of Assets**

- 116 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

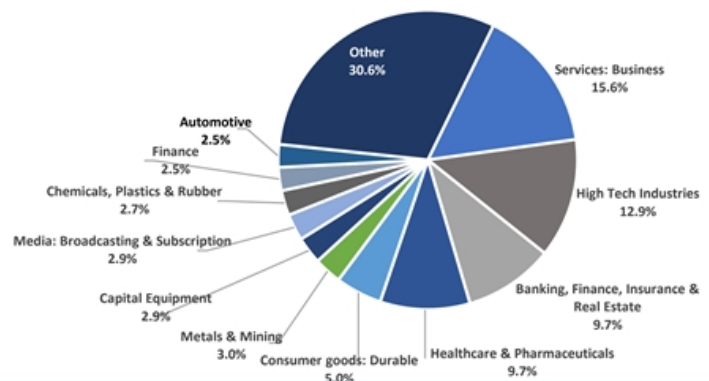
**Diversification by Borrower<sup>(2)</sup>**



**Asset Mix<sup>(2)</sup>**



**Industry Diversification<sup>(2)</sup>**



[1] As of March 31, 2022. Figures shown do not include short term investments, CLO holdings, F3C JV or Great Lakes JV portfolio companies, and derivatives.  
 [2] Shown as % of debt and equity investments at fair market value.

| (in thousands, except share and per share amounts)   | March 31, 2022<br>(Unaudited) | December 31,<br>2021 |
|--|-------------------------------|----------------------|
| <b>ASSETS</b>  |                               |                      |
| Investments at fair value:   |                               |                      |
| Non-controlled/non-affiliated investments (amortized cost: 2022 - \$490,597; 2021 - \$479,153)   | \$ 464,754                    | \$ 452,482           |
| Non-controlled affiliated investments (amortized cost: 2022 - \$74,951; 2021 - \$74,082)   | 75,129                        | 74,142               |
| Controlled affiliated investments (cost: 2022 - \$58,142; 2021 - \$52,130)   | 28,128                        | 23,361               |
| <b>Total Investments at Fair Value (cost: 2022 - \$623,690; 2021 - \$605,365)</b>  | <b>568,011</b>                | <b>549,985</b>       |
| Cash and cash equivalents  | 20,524                        | 28,919               |
| Restricted cash  | 63,094                        | 39,421               |
| Interest receivable  | 3,119                         | 5,514                |
| Receivable for unsettled trades  | 2,153                         | 20,193               |
| Due from affiliates  | 592                           | 507                  |
| Other assets   | 3,365                         | 3,762                |
| <b>Total Assets</b>  | <b>\$ 660,858</b>             | <b>\$ 648,301</b>    |
| <b>LIABILITIES</b>   |                               |                      |
| 2018-2 Secured Notes (net of discount of: 2022 - \$1,358; 2021 - \$1,403)  | 162,504                       | 162,460              |
| 4.875% Notes Due 2026 (net of discount of: 2022 - \$2,046; 2021 - \$2,157; net of deferred financing costs of: 2022 - \$977; 2021 - \$951)   | 104,977                       | 104,892              |
| Great Lakes Portman Ridge Funding LLC Revolving Credit Facility (net of deferred financing costs of: 2022 - \$640; 2021 - \$732)   | 79,930                        | 79,839               |
| Derivative liabilities (cost: 2021 - \$31)   | -                             | 2,412                |
| Payable for unsettled trades   | 21,622                        | 5,397                |
| Accounts payable, accrued expenses and other liabilities   | 5,101                         | 4,819                |
| Accrued interest payable   | 3,325                         | 2,020                |
| Due to affiliates  | 1,286                         | 1,799                |
| Management and incentive fees payable  | 3,812                         | 4,541                |
| <b>Total Liabilities</b>   | <b>382,557</b>                | <b>368,179</b>       |
| <b>COMMITMENTS AND CONTINGENCIES</b>   |                               |                      |
| <b>NET ASSETS</b>  |                               |                      |
| Common stock, par value \$0.01 per share, 20,000,000 common shares authorized; 9,867,998 issued, and 9,676,705 outstanding at March 31, 2022, and 9,867,998 issued, and 9,699,695 outstanding at December 31, 2021 | 97                            | 97                   |
| Capital in excess of par value   | 733,327                       | 733,095              |
| Total distributable (loss) earnings  | (455,123)                     | (453,070)            |
| <b>Total Net Assets</b>  | <b>278,301</b>                | <b>280,122</b>       |
| <b>Total Liabilities and Stockholders' Equity</b>  | <b>\$ 660,858</b>             | <b>\$ 648,301</b>    |
| NET ASSET VALUE PER COMMON SHARE <sup>(1)</sup>  | \$ 28.76                      | \$ 28.88             |

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



| (in thousands, except share and per share amounts)                                   | For the Three Months Ended March 31, |           |
|--|--------------------------------------|-----------|
|  | 2022                                 | 2021      |
| <b>INVESTMENT INCOME</b>   |                                      |           |
| Interest income:   |                                      |           |
| Non-controlled/non-affiliated investments  | \$ 12,667                            | \$ 14,470 |
| Non-controlled affiliated investments  | 591                                  | 233       |
| Total interest income  | 13,258                               | 14,703    |
| Payment-in-kind income:  |                                      |           |
| Non-controlled/non-affiliated investments  | 1,126                                | 1,132     |
| Non-controlled affiliated investments  | 256                                  | -         |
| Total payment-in-kind income   | 1,382                                | 1,132     |
| Dividend income:   |                                      |           |
| Non-controlled affiliated investments  | 945                                  | 814       |
| Controlled affiliated investments  | 1,163                                | 1,226     |
| Total dividend income  | 2,108                                | 2,040     |
| Fees and other income  | 196                                  | 430       |
| Total investment income  | 16,944                               | 18,305    |
| <b>EXPENSES</b>  |                                      |           |
| Management fees  | 2,135                                | 1,793     |
| Performance-based incentive fees   | 1,678                                | 2,094     |
| Interest and amortization of debt issuance costs                                     | 3,344                                | 3,380     |
| Professional fees  | 845                                  | 1,494     |
| Administrative services expense  | 847                                  | 613       |
| Other general and administrative expenses  | 187                                  | 718       |
| Total expenses   | 9,036                                | 10,092    |
| <b>NET INVESTMENT INCOME</b>   | 7,908                                | 8,213     |
| <b>REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS</b>                         |                                      |           |
| Net realized gains (losses) from investment transactions:                            |                                      |           |
| Non-controlled/non-affiliated investments  | (3,670)                              | (5,195)   |
| Non-controlled affiliated investments  | 212                                  | 109       |
| Derivatives  | (2,095)                              | -         |
| Net realized gain (loss) on investments  | (5,553)                              | (5,086)   |
| Net change in unrealized appreciation (depreciation) on:                             |                                      |           |
| Non-controlled/non-affiliated investments  | 829                                  | 6,263     |
| Non-controlled affiliated investments  | 117                                  | 331       |
| Controlled affiliated investments  | (1,245)                              | 625       |
| Derivatives  | 2,442                                | (474)     |
| Net unrealized gain (loss) on investments  | 2,143                                | 6,745     |
| Tax (provision) benefit on realized and unrealized gains (losses) on investments     | (440)                                | -         |
| Net realized and unrealized appreciation (depreciation) on investments, net of taxes | (3,850)                              | 1,659     |
| Realized gains (losses) on extinguishments of debt                                   | -                                    | (1,835)   |
| <b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b>               | \$ 4,058                             | \$ 8,037  |
| Net Increase (Decrease) In Stockholders' Equity Resulting from Operations per Common |                                      |           |
| Basic and Diluted:   | \$ 0.42                              | \$ 1.07   |
| Net Investment Income Per Common Share <sup>(1)</sup> :                              |                                      |           |
| Basic and Diluted:   | \$ 0.82                              | \$ 1.09   |
| Weighted Average Shares of Common Stock Outstanding—Basic and Diluted <sup>(1)</sup> | 9,698,099                            | 7,517,453 |

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

| Date Declared | Record Date                                    | Payment Date | Distribution per Share |
|---------------|--|--------------|------------------------|
| 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.