

**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 7, 2024

Portman Ridge Finance Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

814-00735
(Commission
File Number)

20-5951150
(IRS Employer
Identification No.)

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

10022
(Zip Code)

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

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

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

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

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

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

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On November 7, 2024, Portman Ridge Finance Corporation (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended September 30, 2024. A copy of the press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. Additionally, on November 12, 2024, the Company made available on its website, <http://www.portmanridge.com/home>, a supplemental investor presentation with respect to the earnings release. A copy of the investor presentation is being furnished as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated November 7, 2024
99.2	Investor Presentation, dated November 12, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL Document).

SIGNATURES

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

PORTMAN RIDGE FINANCE CORPORATION

By: /s/ Brandon Satoren

Name: Brandon Satoren

Title: Chief Financial Officer

Date: November 12, 2024

PORTMAN RIDGE

FOR IMMEDIATE RELEASE

Portman Ridge Finance Corporation Announces Third Quarter 2024 Financial Results

Reports Net Investment Income of \$0.63 Per Share and Net Asset Value of \$20.36 Per Share

Recurring PIK Income as a Percentage of Total Investment Income Declines by Over 200 Basis Points

Continued Share Repurchase Program: Total of 33,429 Shares for an Aggregate Cost of Approximately \$0.6 Million Repurchased During the Third Quarter; Accretive to NAV by \$0.01 Per Share

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

NEW YORK, November 7, 2024 – Portman Ridge Finance Corporation (Nasdaq: PTMN) (the “Company” or “Portman Ridge”) announced today its financial results for the third quarter ended September 30, 2024.

Third Quarter 2024 Highlights

- **Total investment income** for the third quarter of 2024 was \$15.2 million, as compared to \$16.3 million for the second quarter of 2024, and \$18.6 million for the third quarter of 2023.
- **Core investment income**¹, excluding the impact of purchase price accounting, for the third quarter of 2024 was \$15.2 million, as compared to \$16.2 million for the second quarter of 2024, and \$18.3 million for the third quarter of 2023.
- **Net investment income (“NII”)** for the third quarter of 2024 was \$5.8 million (\$0.63 per share) as compared to \$6.5 million (\$0.70 per share) in the second quarter of 2024, and \$7.2 million (\$0.75 per share) for the third quarter of 2023.
- **Net asset value (“NAV”)**, as of September 30, 2024, was \$188.0 million (\$20.36 per share), as compared to NAV of \$196.4 million (\$21.21 per share) as of June 30, 2024.
- **Total shares repurchased** in open market transactions under the Renewed Stock Repurchase Program during the quarter ended September 30, 2024, were 33,429 shares at an aggregate cost of approximately \$0.6 million, which was accretive to NAV by \$0.01 per share.

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

- In July, the Company amended the terms of the senior secured revolving credit facility (“JPM Credit Facility”) with JPMorgan Chase Bank, National Association (“JPM”) by increasing the aggregate principal amount by \$85.0 million, for a total of \$200.0 million, and reduced the applicable margin from 2.80% per annum to 2.50% per annum. Additionally, the reinvestment period was extended from April 29, 2025 to August 29, 2026, and the maturity date was extended from April 29, 2026 to August 29, 2027. Finally, using the amended JPM Credit Facility, the Company refinanced the remaining \$85.0 million of the Senior Secured Notes, due November 20, 2029 and issued by Portman Ridge Funding 2018-2 LLC (the “2018-2 Secured Notes”), on August 20, 2024.

Subsequent Events

- On November 7, 2024, the Company declared a cash distribution of \$0.69 per share of common stock. The distribution is payable on November 29, 2024 to stockholders of record at the close of business on November 19, 2024.

Management Commentary

Ted Goldthorpe, Chief Executive Officer of Portman Ridge, stated, “Following the strong earnings we saw in the first half of 2024, the Company’s third quarter earnings were temporarily impacted by prudent cash and portfolio management initiatives prior to successfully refinancing the 2018-2 Secured Notes. However, I am very pleased with the work we did on the right-side of the balance sheet and the substantial improvements we made to the Company’s debt capital structure. Specifically, the Company upsized and termed out the JPM Credit Facility, while also reducing the spread by a full 30 basis points. Further, using the upsized and lower cost JPM Credit Facility, the Company refinanced the remaining \$85.0 million of 2018-2 Secured Notes at the end of August, which resulted in further net spread savings of approximately 28 basis points. These savings are significant, and the Company’s new lower cost of financing positions the Company well for the future.

With that in mind, we continue to believe our stock remains undervalued and thus we continued repurchasing shares during the third quarter of 2024 under our Rule 10b-5 stock repurchase program. Specifically, during the quarter ended September 30, 2024, the Company repurchased 33,429 shares in the open market for an aggregate cost of approximately \$0.6 million, which was accretive to NAV by \$0.01 per share and reinforces our commitment to increasing shareholder value.

Looking ahead to the final quarter of 2024 and the beginning of 2025, with the Company’s balance sheet fortified by the amended lower cost JPM Credit Facility, we expect to be active in the market and net deployers of the Company’s capital which we believe will restore net investment income back in line with more normalized levels. Above all, despite the current economic uncertainty and a dynamic interest rate environment, we remain confident in our prudent investment strategy, strong pipeline, and experienced management team, and believe the Company remains well positioned with strong spillover earnings to continue to deliver positive returns to our shareholders.”

Selected Financial Highlights

- **Total investment income** for the quarter ended September 30, 2024, was \$15.2 million, of which \$12.7 million was attributable to interest income, inclusive of payment-in-kind income, from the Debt Securities Portfolio. This compares to total investment income of \$18.6 million for the quarter ended September 30, 2023, of which \$15.8 million was attributable to interest income, inclusive of payment-in-kind income, from the Debt Securities Portfolio.

- **Core investment income** for the third quarter of 2024, excluding the impact of purchase discount accretion, was \$15.2 million, a decrease of \$3.1 million as compared to core investment income of \$18.3 million for the third quarter of 2023.
- **Net investment income (“NII”)** for the third quarter of 2024 was \$5.8 million (\$0.63 per share) as compared to \$7.2 million (\$0.75 per share) for the third quarter of 2023.
- **Non-accruals on debt investments**, as of September 30, 2024, were nine debt investments representing 1.6% and 4.5% of the Company’s investment portfolio at fair value and amortized cost, respectively. This compares to nine debt investments representing 0.5% and 4.5% of the Company’s investment portfolio at fair value and amortized cost, respectively, as of June 30, 2024.
- **Total investments at fair value** as of September 30, 2024, were \$429.0 million and consisted of investments in 95 portfolio companies. The debt investment portfolio at fair value as of September 30, 2024 was \$347.0 million, which excludes CLO Funds and Joint Ventures, and was comprised of 72 different portfolio companies across 28 different industries with an average par balance per entity of approximately \$2.7 million. This compares to total investments of \$444.4 million at fair value as of June 30, 2024 and consisted of investments in 92 portfolio companies. The debt investment portfolio at fair value as of June 30, 2024 was \$358.9 million, which excludes CLO Funds and Joint Ventures, and was comprised of 75 different portfolio companies across 28 different industries with an average par balance per entity of approximately \$2.6 million.
- **Weighted average contractual interest rate** on our interest earning Debt Securities Portfolio as of September 30, 2024 was approximately 11.9%.
- **Par value of outstanding borrowings**, as of September 30, 2024, was \$267.5 million compared to \$285.1 million as of June 30, 2024, with an asset coverage ratio of total assets to total borrowings of 170% and 169%, respectively. On a net basis, leverage as of September 30, 2024 was 1.3x² compared to net leverage of 1.3x² as of June 30, 2024.

² Net leverage is calculated as the ratio between (A) debt, excluding unamortized debt issuance costs, less available cash and cash equivalents, and restricted cash and (B) NAV. Portman Ridge believes presenting a net leverage ratio is useful and appropriate supplemental disclosure because it reflects the Company’s financial condition net of \$26.8 million and \$36.6 million of cash and cash equivalents and restricted cash as of September 30, 2024 and June 30, 2024, respectively. However, the net leverage ratio is a non-U.S. GAAP measure and should not be considered as a replacement for the regulatory asset coverage ratio and other similar information presented in accordance with U.S. GAAP. Instead, the net leverage ratio should be reviewed only in connection with such U.S. GAAP measures in analyzing Portman Ridge’s financial condition.

Results of Operations

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

(\$ in thousands, except share and per share amounts)	For the Three Months Ended September 30,	
	2024	2023
Total investment income	\$ 15,177	\$ 18,574
Total expenses	9,375	11,408
Net Investment Income	5,802	7,166
Net realized gain (loss) on investments	(11,419)	(1,636)
Net change in unrealized gain (loss) on investments	4,511	1,708
Tax (provision) benefit on realized and unrealized gains (losses) on investments	—	264
Net realized and unrealized appreciation (depreciation) on investments, net of taxes	(6,908)	336
Net realized gain (loss) on extinguishment of debt	(403)	(57)
Net Increase (Decrease) in Net Assets Resulting from Operations	\$ (1,509)	\$ 7,445
Net Increase (Decrease) In Net Assets Resulting from Operations per Common Share:		
Basic and Diluted:	\$ (0.16)	\$ 0.78
Net Investment Income Per Common Share:		
Basic and Diluted:	\$ 0.63	\$ 0.75
Weighted Average Shares of Common Stock Outstanding — Basic and Diluted	9,244,033	9,505,172

Investment Income

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

(\$ in thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Interest income, excluding CLO income and purchase discount accretion	\$ 11,434	\$ 13,174	\$ 35,109	\$ 41,436
Purchase discount accretion	25	238	210	1,706
PIK income	1,552	2,421	5,759	4,987
CLO income	254	502	1,335	1,879
JV income	1,669	2,073	5,122	6,861
Fees and other income	243	166	505	1,658
Investment Income	\$ 15,177	\$ 18,574	\$ 48,040	\$ 58,527
Less: Purchase discount accretion	\$ (25)	\$ (238)	\$ (210)	\$ (1,706)
Core Investment Income	\$ 15,152	\$ 18,336	\$ 47,830	\$ 56,821

Fair Value of Investments

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

(\$ in thousands)	September 30, 2024			December 31, 2023		
	Cost/Amortized Cost	Fair Value	Fair Value Percentage of Total Portfolio	Cost/Amortized Cost	Fair Value	Fair Value Percentage of Total Portfolio
Security Type						
First Lien Debt	\$ 338,616	\$316,444	73.8%	\$ 351,858	\$336,599	71.9%
Second Lien Debt	36,758	28,885	6.7%	50,814	41,254	8.8%
Subordinated Debt	8,056	1,696	0.4%	7,990	1,224	0.3%
Collateralized Loan Obligations	7,881	6,786	1.6%	9,103	8,968	1.9%
Joint Ventures	64,153	52,288	12.2%	71,415	59,287	12.7%
Equity	29,493	22,879	5.3%	31,280	20,533	4.4%
Asset Manager Affiliates ⁽¹⁾	17,791	—	—	17,791	—	—
Derivatives	31	—	—	31	—	—
Total	\$ 502,779	\$428,978	100.0%	\$ 540,282	\$467,865	100.0%

(1) Represents the equity investment in the Asset Manager Affiliates.

Liquidity and Capital Resources

As of September 30, 2024, the Company had \$267.5 million (par value) of borrowings outstanding at a current weighted average interest rate of 6.7%, of which \$108.0 million par value had a fixed rate and \$159.5 million par value had a floating rate. This balance was comprised of \$159.5 million of outstanding borrowings under the JPM Credit Facility, and \$108.0 million of 4.875% Notes due 2026. On August 20, 2024, an optional redemption of the CLO occurred, and all rated notes were repaid in full. As of September 30, 2024, no 2018-2 Secured Notes were outstanding.

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

(\$ in thousands)	September 30, 2024	December 31, 2023
Security Type		
Cash and cash equivalents	\$ 13,736	\$ 26,912
Restricted Cash	13,039	44,652
First Lien Debt	316,444	336,599
Second Lien Debt	28,885	41,254
Subordinated Debt	1,696	1,224
Equity	22,879	20,533
Collateralized Loan Obligations	6,786	8,968
Asset Manager Affiliates	—	—
Joint Ventures	52,288	59,287
Derivatives	—	—
Total	\$ 455,753	\$ 539,429

As of September 30, 2024, the Company had unrestricted cash of \$13.7 million and restricted cash of \$13.0 million. This compares to unrestricted cash of \$9.8 million and restricted cash of \$26.8 million as of June 30, 2024. As of September 30, 2024, the Company had \$40.5 million of available borrowing capacity under the JPM Credit Facility.

Interest Rate Risk

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

As of September 30, 2024, approximately 91.2% of our Debt Securities Portfolio at par value were either floating rate with a spread to an interest rate index such as SOFR or the PRIME rate. 88.5% of these floating rate loans contain floors ranging between 0.50% and 5.25%. We generally expect that future portfolio investments will predominately be floating rate investments.

In periods of rising or lowering interest rates, the cost of the portion of debt associated with the 4.875% Notes Due 2026 would remain the same, given that this debt is at a fixed rate, while the interest rate on borrowings under the JPM 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	\$ 1,732	\$ 3,501	\$ 5,270
Decrease in interest rate	\$ (1,712)	\$ (3,425)	\$ (5,072)

Conference Call and Webcast

We will hold a conference call on Tuesday, November 12, 2024, at 10:00 am Eastern Time to discuss our third quarter 2024 financial results. To access the call, stockholders, prospective stockholders and analysts should dial (646) 307-1963 approximately 10 minutes prior to the start of the conference call and use the conference ID 6715408.

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/ma5zjqpa>. The online archive of the webcast will be available on the Company's website shortly after the call.

About Portman Ridge Finance Corporation

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

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

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

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

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

Cautionary Statement Regarding Forward-Looking Statements

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

Forward-looking statements relate to future events or our future financial performance and include, but are not limited to, projected financial performance, expected development of the business, plans and expectations about future investments and the future liquidity of the Company. We generally identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “outlook,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar words. Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove to be incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements.

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

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

	September 30, 2024 (Unaudited)	December 31, 2023
ASSETS		
Investments at fair value:		
Non-controlled/non-affiliated investments (amortized cost of \$391,156 and \$426,630, respectively)	\$ 357,459	\$ 398,325
Non-controlled affiliated investments (amortized cost of \$61,805 and \$55,611, respectively)	58,507	55,222
Controlled affiliated investments (amortized cost of \$49,818 and \$58,041, respectively)	13,012	14,318
Total Investments at fair value (amortized cost of \$502,779 and \$540,282, respectively)	\$ 428,978	\$ 467,865
Cash and cash equivalents	13,736	26,912
Restricted cash	13,039	44,652
Interest receivable	5,544	5,162
Receivable for unsettled trades	—	573
Due from affiliates	1,518	1,534
Other assets	857	2,541
Total Assets	\$ 463,672	\$ 549,239
LIABILITIES		
2018-2 Secured Notes (net of original issue discount of \$— and \$712, respectively)	\$ —	\$ 124,971
4.875% Notes Due 2026 (net of deferred financing costs and original issue discount of \$1,208 and \$1,786, respectively)	106,792	106,214
Great Lakes Portman Ridge Funding LLC Revolving Credit Facility (net of deferred financing costs of \$1,352 and \$775, respectively)	158,126	91,225
Payable for unsettled trades	—	520
Accounts payable, accrued expenses and other liabilities	2,242	4,252
Accrued interest payable	4,659	3,928
Due to affiliates	1,029	458
Management and incentive fees payable	2,842	4,153
Total Liabilities	\$ 275,690	\$ 335,721
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Common stock, par value \$0.01 per share, 20,000,000 common shares authorized; 9,955,873 issued, and 9,231,454 outstanding at September 30, 2024, and 9,943,385 issued, and 9,383,132 outstanding at December 31, 2023	\$ 92	\$ 94
Capital in excess of par value	714,933	717,835
Total distributable (loss) earnings	(527,043)	(504,411)
Total Net Assets	\$ 187,982	\$ 213,518
Total Liabilities and Net Assets	\$ 463,672	\$ 549,239
Net Asset Value Per Common Share	\$ 20.36	\$ 22.76

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
INVESTMENT INCOME				
Interest income:				
Non-controlled/non-affiliated investments	\$ 11,357	\$ 13,283	\$ 35,891	\$ 42,915
Non-controlled affiliated investments	356	631	763	2,106
Total interest income	11,713	13,914	36,654	45,021
Payment-in-kind income:				
Non-controlled/non-affiliated investments ⁽¹⁾	1,343	2,308	5,255	4,694
Non-controlled affiliated investments	209	113	504	293
Total payment-in-kind income	1,552	2,421	5,759	4,987
Dividend income:				
Non-controlled affiliated investments	1,669	1,429	5,122	4,677
Controlled affiliated investments	—	644	—	2,184
Total dividend income	1,669	2,073	5,122	6,861
Fees and other income:				
Non-controlled/non-affiliated investments	243	166	505	1,644
Non-controlled affiliated investments	—	—	—	14
Total fees and other income	243	166	505	1,658
Total investment income	15,177	18,574	48,040	58,527
EXPENSES				
Management fees	1,611	1,844	5,020	5,666
Performance-based incentive fees	1,230	1,519	3,838	5,007
Interest and amortization of debt issuance costs	5,120	6,343	16,210	19,047
Professional fees	283	502	1,357	1,473
Administrative services expense	596	617	1,313	1,947
Directors' expense	143	138	466	469
Other general and administrative expenses	392	445	1,331	1,308
Total expenses	9,375	11,408	29,535	34,917
NET INVESTMENT INCOME	5,802	7,166	18,505	23,610
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS				
Net realized gains (losses) from investment transactions:				
Non-controlled/non-affiliated investments	(11,419)	(2,361)	(13,754)	(10,713)
Non-controlled affiliated investments	—	725	—	(399)
Controlled affiliated investments	—	—	(6,644)	(80)
Net realized gain (loss) on investments	(11,419)	(1,636)	(20,398)	(11,192)
Net change in unrealized appreciation (depreciation) on:				
Non-controlled/non-affiliated investments	5,430	4,219	(5,392)	(4,316)
Non-controlled affiliated investments	(994)	(1,117)	(2,909)	(662)
Controlled affiliated investments	75	(1,394)	6,917	(3,450)
Net change in unrealized gain (loss) on investments	4,511	1,708	(1,384)	(8,428)
Tax (provision) benefit on realized and unrealized gains (losses) on investments				
Net realized and unrealized appreciation (depreciation) on investments, net of taxes	(6,908)	336	(21,245)	(18,949)
Net realized gain (loss) on extinguishment of debt	(403)	(57)	(655)	(275)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ (1,509)	\$ 7,445	\$ (3,395)	\$ 4,386
Net Increase (Decrease) In Net Assets Resulting from Operations per Common Share:				
Basic and Diluted:	\$ (0.16)	\$ 0.78	\$ (0.37)	\$ 0.46
Net Investment Income Per Common Share:				
Basic and Diluted:	\$ 0.63	\$ 0.75	\$ 1.99	\$ 2.48
Weighted Average Shares of Common Stock Outstanding — Basic and Diluted	9,244,033	9,505,172	9,295,008	9,533,835

- (1) During the three months ended September 30, 2024 and 2023, the Company received \$— and \$0.1 million, respectively, of non-recurring fee income that was paid in-kind and included in this financial statement line item. During the nine months ended September 30, 2024 and 2023, the Company received \$0.1 million and \$0.6 million, respectively, of non-recurring fee income that was paid in-kind and included in this financial statement line item.



Q3 2024 Earnings Presentation

November 12, 2024

Cautionary Statement Regarding Forward-Looking Statements

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

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

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

Third Quarter 2024 Highlights

- **Total investment income** for the quarter ended September 30, 2024, was \$15.2 million, of which \$12.7 million was attributable to interest income, inclusive of payment-in-kind income, from the Debt Securities Portfolio. This compares to total investment income of \$18.6 million for the quarter ended September 30, 2023, of which \$15.8 million was attributable to interest income, inclusive of payment-in-kind income, from the Debt Securities Portfolio.
- **Core investment income⁽¹⁾** for the third quarter, excluding the impact of purchase price accounting, was \$15.2 million, as compared to core investment income of \$18.3 million for the third quarter of 2023.
- **Net investment income ("NII")** for the third quarter of 2024 was \$5.8 million (\$0.63 per share) as compared to \$7.2 million (\$0.75 per share) for the same period the prior year, and \$6.5 million, or \$0.70 per share for the quarter ended June 30, 2024.
- **Net asset value ("NAV")** as of September 30, 2024, was \$188.0 million (\$20.36 per share) as compared to \$196.4 million (\$21.21 per share) as of June 30, 2024.
- **Total shares repurchased** in open market transactions under the Renewed Stock Repurchase Program during the quarter ended September 30, 2024, were 33,429 at an aggregate cost of approximately \$0.6 million, which was accretive to NAV by \$0.01 per share.
- **Total investments at fair value** as of September 30, 2024, was \$429.0 million; the debt investment portfolio at fair value as of September 30, 2024 was \$347.0 million, which excludes CLO Funds and Joint Ventures, and was comprised of 72 different portfolio companies across 28 different industries with an average par balance per entity of approximately \$2.7 million. This compares to total investments of \$444.4 million at fair value as of June 30, 2024. The debt investment portfolio at fair value as of June 30, 2024 was \$358.9 million, which excludes CLO Funds and Joint Ventures, and was comprised of 75 different portfolio companies across 28 different industries with an average par balance per entity of approximately \$2.6 million.
- **Weighted average contractual interest rate** on our interest earning Debt Securities Portfolio for the quarter ended September 30, 2024, was approximately 11.9%.
- **Non-accruals on debt investments**, as of September 30, 2024, were nine debt investments as compared to nine debt investments on non-accrual status as of June 30, 2024. As of September 30, 2024, debt investments on non-accrual status represented 1.6% and 4.5% of the Company's investment portfolio at fair value and amortized cost, respectively. This compares to nine debt investments on non-accrual status representing 0.5% and 4.5% of the Company's investment portfolio at fair value and amortized cost, respectively, as of June 30, 2024.
- **Par value of outstanding borrowings**, as of September 30, 2024, was \$267.5 million compared to \$285.1 million as of June 30, 2024, with an asset coverage ratio of total assets to total borrowings of 170% and 169% respectively. On a net basis, leverage as of September 30, 2024, was 1.3x⁽²⁾ compared to net leverage of 1.3x⁽²⁾ as of June 30, 2024.
- **Declared stockholder distribution of \$0.69 per share** for the fourth quarter of 2024, payable on November 29, 2024, to stockholders of record at the close of business on November 19, 2024.

(1) Core investment income represents reported total investment income as determined in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, less the impact of purchase price discount accounting in connection with the Garrison Capital Inc. ("GARS") and Harvest Capital Credit Corporation ("HCC") 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 \$26.8 million and \$36.6 million of cash and cash equivalents and restricted cash as of September 30, 2024 and June 30, 2024, respectively. However, the net leverage ratio is a non-U.S. GAAP measure and should not be considered as a replacement for the regulatory asset coverage ratio and other similar information presented in accordance with U.S. GAAP. Instead, the net leverage ratio should be reviewed only in connection with such U.S. GAAP measures in analyzing Portman Ridge's financial condition.

(\$ in thousands, except per share amounts)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Interest from investments in debt excluding accretion	\$13,174	\$13,196	\$12,088	\$11,589	\$11,434
Purchase discount accounting	238	67	73	112	25
PIK Investment Income	2,421	2,081	2,006	2,201	1,552
CLO Income	502	119	555	524	254
JV Income	2,073	2,087	1,653	1,800	1,669
Service Fees	166	238	151	111	243
Investment Income	\$ 18,574	\$ 17,788	\$ 16,526	\$ 16,337	\$ 15,177
Less: Purchase discount accounting	(\$238)	(\$67)	(\$73)	(\$112)	(\$25)
Core investment income⁽¹⁾	\$ 18,336	\$ 17,721	\$ 16,453	\$ 16,225	\$ 15,152
Expenses:					
Management fees	1,844	1,786	1,729	1,680	1,611
Performance-based incentive fees	1,519	2,367	1,234	1,374	1,230
Interest and amortization of debt issuance costs	6,343	6,259	5,725	5,365	5,120
Professional fees	640	687	766	631	283
Administrative services expense	479	268	194	230	596
Directors' expense	138	162	162	131	143
Other general and administrative expenses	445	405	490	449	392
Total expenses	\$11,408	\$11,934	\$10,300	\$9,860	\$9,375
Less: Expense Reimbursement	—	(\$5,309)	—	—	—
Net Expenses	\$11,408	\$6,625	\$10,300	\$9,860	\$9,375
Net Investment Income	\$ 7,166	\$ 11,163	\$ 6,226	\$ 6,477	\$ 5,802
Excluding impact of expense reimbursement	—	\$4,371	—	—	—
Core net investment income⁽²⁾	\$ 6,928	\$ 6,792	\$ 6,153	\$ 6,384	\$ 5,781
Net realized gain (loss) on investments	(1,636)	(15,574)	(2,057)	(6,922)	(11,419)
Net change in unrealized gain (loss) on investments	1,708	11,750	71	(5,966)	4,511
Tax (provision) benefit on realized and unrealized gains (losses) on investments	264	(257)	459	78	—
Net realized gain (loss) on extinguishment of debt	(57)	(87)	(213)	(39)	(403)
Net increase/(decrease) in Core net assets resulting from operations	\$ 7,207	\$2,611	\$4,413	\$ (6,465)	\$ (1,530)
Per Share	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Core Net Investment Income	\$0.73	\$0.72	\$0.66	\$0.69	\$0.63
Net Realized and Unrealized Gain / (Loss) on Investments	\$0.01	(\$0.41)	(\$0.21)	(\$1.39)	(\$0.75)
Net Core Earnings	\$0.76	\$0.28	\$0.47	(\$0.70)	(\$0.17)
Distributions declared	\$0.69	\$0.69	\$0.69	\$0.69	\$0.69
Net Asset Value	\$22.65	\$22.76	\$22.57	\$21.21	\$20.36

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

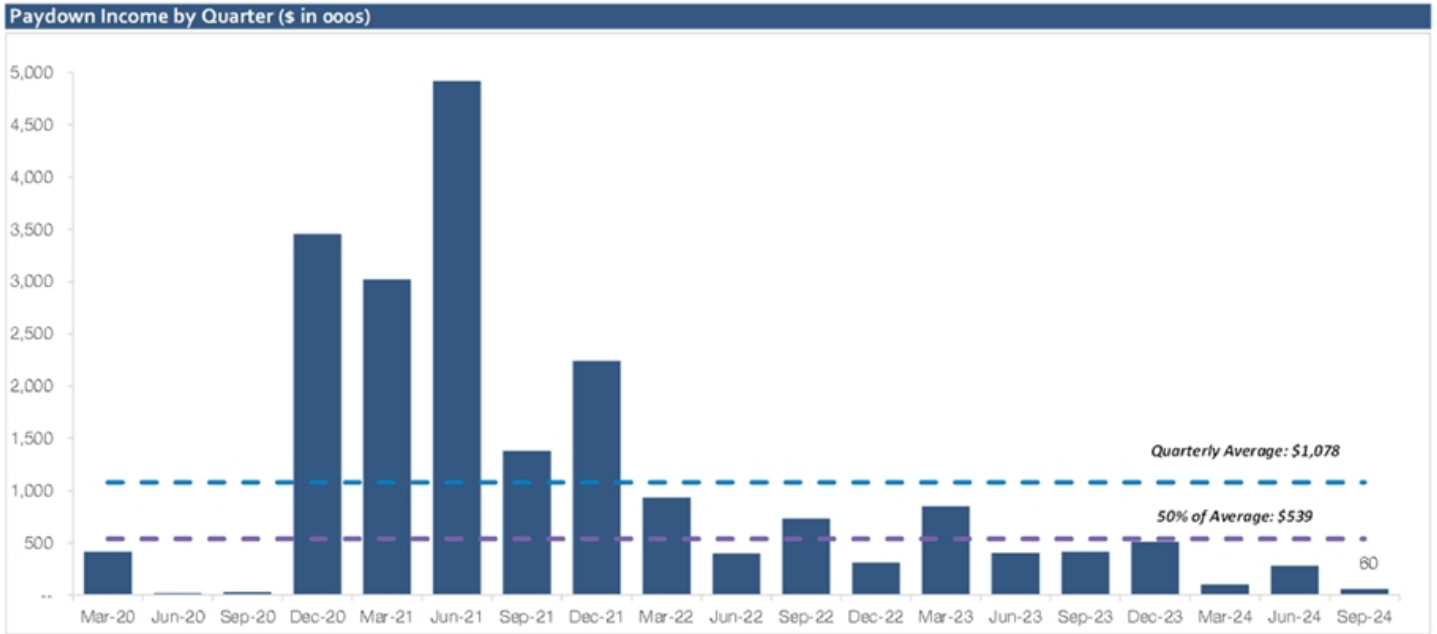
(2) Core net investment income represents reported total net investment income as determined in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, less the impact of purchase price discount accounting in connection with the GARS and HCAP mergers, while also considering the impact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

- As of September 30, 2024, substantially all of our floating rate assets were on SOFR contract.
- If all floating rate assets as of 9/30/24 were reset to current 3-month benchmark rates 4.55%, we would expect to experience an incremental reduction in quarterly income of ~\$164k.



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

- Over the last three years, Portman has experienced an average of ~\$1.1 million in income related to repayment / prepayment activity as compared to the current quarter of \$0.1 million.



(\$ in '000s except per share)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Interest Income:					
Non-controlled/non-affiliated investments	13,283	12,760	12,621	11,913	11,357
Non-controlled affiliated investments	631	622	95	312	356
Total interest income	13,914	13,382	12,716	12,225	11,713
Payment-in-kind income:					
Non-controlled/non-affiliated investments	2,308	1,968	1,894	2,018	1,343
Non-controlled affiliated investments	113	113	112	183	209
Total payment-in-kind income	2,421	2,081	2,006	2,201	1,552
Dividend income:					
Non-controlled affiliated investments	1,429	2,087	1,653	1,800	1,669
Controlled affiliated investments	644	-	-	-	-
Total dividend income	2,073	2,087	1,653	1,800	1,669
Fees and other income:					
Non-controlled/non-affiliated investments	166	238	151	111	243
Total fees and other income	166	238	151	111	243
Reported Investment Income	\$18,574	\$17,788	\$16,526	\$16,337	\$15,177
Less: Purchase discount accounting	(238)	(67)	(73)	(112)	(25)
Core Investment Income	\$18,336	\$17,721	\$16,453	\$16,225	\$15,152
Reported					
Net Investment Income	\$7,166	\$11,163	\$6,226	\$6,477	\$5,802
<i>NII Per Share</i>	<i>\$0.75</i>	<i>\$1.17</i>	<i>\$0.67</i>	<i>\$0.70</i>	<i>\$0.63</i>
Core					
Net Investment Income ⁽¹⁾	\$6,928	\$6,779	\$6,162	\$6,384	\$5,781
<i>NII Per Share</i>	<i>\$0.73</i>	<i>\$0.71</i>	<i>\$0.64</i>	<i>\$0.69</i>	<i>\$0.63</i>

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

(\$ in '000s)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
NAV, Beginning of Period	\$215,013	\$214,755	\$213,518	\$210,607	\$196,429
Net realized gains (losses) from investment transactions ⁽¹⁾	(1,636)	(15,574)	(2,057)	(6,922)	(11,419)
Net change in unrealized appreciation (depreciation) on investments ⁽¹⁾	1,708	11,750	71	(5,966)	4,511
Net Investment Income	7,166	11,163	6,226	6,477	5,802
Net decrease in net assets resulting from stockholder distributions	(6,554)	(6,518)	(6,444)	(6,411)	(6,382)
Realized gains (losses) on extinguishments of debt	(57)	(87)	(213)	(39)	(403)
Tax (provision) benefit on realized and unrealized gains (losses) on investments	264	(257)	459	78	-
Stock repurchases	(1,222)	(1,789)	(953)	(1,553)	(638)
Distribution reinvestment plan	73	75	—	158	82
NAV, End of Period	\$214,755	\$213,518	\$210,607	\$196,429	\$187,982

Leverage and Asset Coverage	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Gross Leverage	1.5x	1.5x	1.4x	1.5x	1.4x
Net Leverage ⁽²⁾	1.3x	1.2x	1.2x	1.3x	1.3x
Asset Coverage	166%	165%	171%	169%	170%

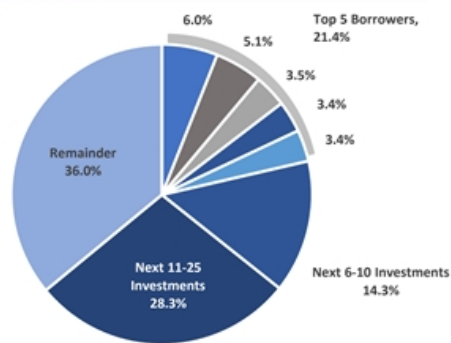
(1) Excluding gains from merger activity.

(2) Net leverage is calculated as the ratio between (A) debt, excluding unamortized debt issuance costs, less available cash and cash equivalents, and restricted cash and (B) NAV. Portman Ridge believes presenting a net leverage ratio is useful and appropriate supplemental disclosure because it reflects the Company's financial condition net of \$26.8 million, \$36.6 million, \$39.6 million, \$71.2 million, and \$33.7 million, of cash and cash equivalents and restricted cash as of September 30, 2024, June 30, 2024, March 31, 2024, December 31, 2023, and September 30, 2023, respectively. However, the net leverage ratio is a non-U.S. GAAP measure and should not be considered as a replacement for the regulatory asset coverage ratio and other similar information presented in accordance with U.S. GAAP. Instead, the net leverage ratio should be reviewed only in connection with such U.S. GAAP measures in analyzing Portman Ridge's financial condition.

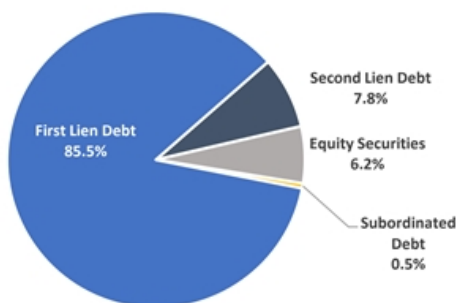
Diversified Portfolio of Assets

- 85 Debt + Equity Portfolio Investee Companies
- \$2.7mm / 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 during the rotation period

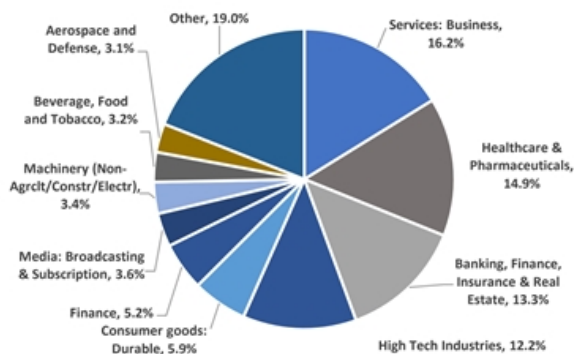
Diversification by Borrower⁽²⁾



Asset Mix⁽²⁾



Industry Diversification⁽²⁾



(1) As of September 30, 2024. Figures shown do not include, CLO Funds, 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 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Portfolio Sourcing (at Fair Value):					
BC Partners	\$366,509	\$357,645	\$365,041	\$348,856	\$339,747
Legacy KCAP	\$24,719	\$26,274	\$23,865	\$23,333	\$20,788
Legacy OHAI	\$6,289	\$1,188	\$0	\$0	\$0
Legacy GARS	\$82,738	\$69,488	\$68,895	\$60,790	\$57,683
Legacy HCAP ⁽³⁾	\$20,166	\$13,271	\$16,454	\$11,391	\$10,760
Portfolio Summary:					
Total portfolio, at fair value	\$500,419	\$467,865	\$471,255	\$444,370	\$428,978
Total number of debt portfolio companies / Total number of investments ⁽⁴⁾	83 / 175	80 / 174	79 / 187	75 / 196	72 / 194
Weighted Avg EBITDA of debt portfolio companies	\$107,118	\$108,229	\$111,355	\$104,439	\$111,503
Average size of debt portfolio company investment, at fair value	\$3,294	\$3,165	\$2,818	\$2,602	\$2,662
Weighted avg first lien / total leverage ratio (net) of debt portfolio	5.0x / 5.8x	5.0x / 5.8x	5.0x / 5.7x	5.0x / 5.8x	5.0x / 5.8x
Portfolio Yields and Spreads:					
Weighted average yield on debt investments at par value ⁽⁵⁾	12.2%	12.3%	12.1%	12.4%	11.9%
Average Spread to LIBOR	744 bps	750 bps	743 bps	752 bps	718 bps
Portfolio Activity:					
Beginning balance	\$510,100	\$500,419	\$467,865	\$471,255	\$444,370
Purchases / draws / PIK	18,301	18,061	39,080	16,220	4,543
Exits / repayments / amortization	(29,912)	(48,148)	(35,440)	(32,096)	(14,670)
Gains / (losses) / accretion	1,930	(2,467)	(250)	(11,009)	(5,265)
Ending Balance	\$500,419	\$467,865	\$471,255	\$444,370	\$428,978

- (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 investments, CLO holdings and Joint Ventures.

- As of September 30, 2024, nine of the Company's debt investments were on non-accrual status and represented 1.6% and 4.5% of the Company's investment portfolio at fair value and amortized cost, respectively

(\$ in '000s)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Investments Credit Quality – Internal Rating ⁽¹⁾					
Performing	93.5%	93.7%	93.7%	96.4%	92.3%
Underperforming	6.5%	6.3%	6.3%	3.6%	7.7%
Investments on Non-Accrual Status					
Number of Non-Accrual Investments	8	7	7	9	9
Non-Accrual Investments at Cost	\$21,318	\$17,260	\$17,130	\$23,333	\$22,532
Non-Accrual Investments as a % of Total Cost	3.6%	3.2%	3.2%	4.5%	4.5%
Non-Accrual Investments at Fair Value	\$8,212	\$6,106	\$2,152	\$2,024	\$6,921
Non-Accrual Investments as a % of Total Fair Value	1.6%	1.3%	0.5%	0.5%	1.6%

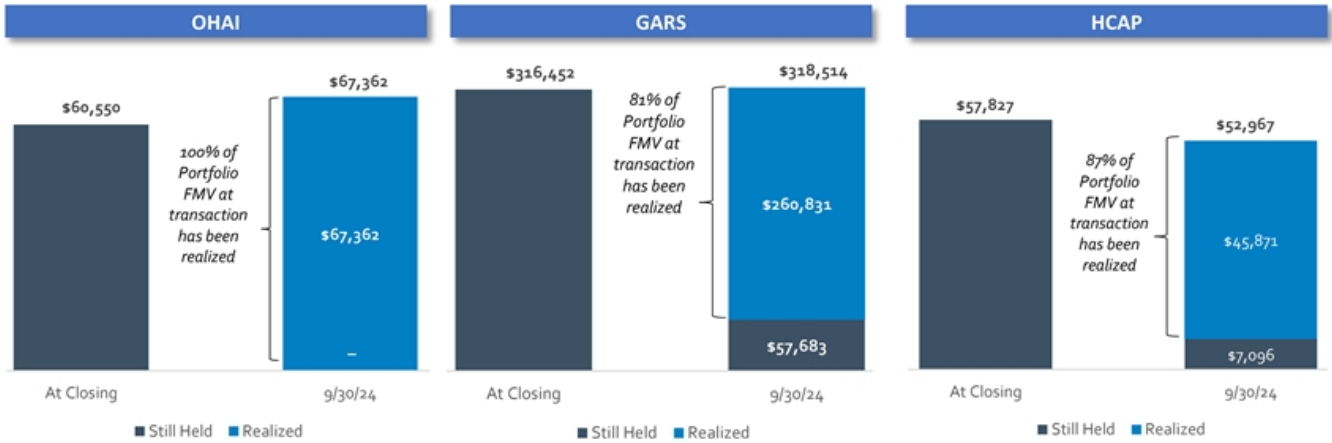
(1) Based on fair market value as of the end of the respective period.

Investment Portfolio (\$ in '000s)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
First Lien Debt	\$357,451	\$336,599	\$345,978	\$320,815	\$316,444
Second Lien Debt	49,825	41,254	38,925	36,386	28,885
Subordinated Debt	1298	1,224	1211	1,693	1,696
Equity Securities	19,189	20,533	23,428	23,830	22,879
Collateralized Loan Obligations	10,425	8,968	8,549	7,354	6,786
Joint Ventures	62,231	59,287	53,164	54,292	52,288
Ending Balance	\$500,419	\$467,865	\$471,255	\$444,370	\$428,978

Investment Portfolio (% of total)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
First Lien Debt	71.4%	71.9%	73.4%	72.1%	73.8%
Second Lien Debt	10.0%	8.8%	8.3%	8.2%	6.7%
Subordinated Debt	0.3%	0.3%	0.3%	0.4%	0.4%
Equity Securities	3.8%	4.4%	5.0%	5.4%	5.3%
Collateralized Loan Obligations	2.1%	1.9%	1.8%	1.7%	1.6%
Joint Ventures	12.4%	12.7%	11.3%	12.2%	12.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

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

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



Appendix

(in thousands, except share and per share amounts)	September 30, 2024 (Unaudited)	December 31, 2023
ASSETS		
Investments at fair value:		
Non-controlled/non-affiliated investments (amortized cost of \$391,156 and \$426,630, respectively)	\$ 357,459	\$ 398,325
Non-controlled affiliated investments (amortized cost of \$61,805 and \$55,611, respectively)	58,507	55,222
Controlled affiliated investments (amortized cost of \$49,818 and \$58,041, respectively)	13,012	14,318
Total Investments at fair value (amortized cost of \$502,779 and \$540,282, respectively)	428,978	467,865
Cash and cash equivalents	13,736	26,912
Restricted cash	13,039	44,652
Interest receivable	5,544	5,162
Receivable for unsettled trades	—	573
Due from affiliates	1,518	1,534
Other assets	857	2,541
Total Assets	\$ 463,672	\$ 549,239
LIABILITIES		
2018-2 Secured Notes (net of original issue discount of \$— and \$712, respectively)	—	124,971
4.875% Notes Due 2026 (net of deferred financing costs and original issue discount of \$1,208 and \$1,786, respectively)	106,792	106,214
Great Lakes Portman Ridge Funding LLC Revolving Credit Facility (net of deferred financing costs of \$1,352 and \$775, respectively)	158,126	91,225
Payable for unsettled trades	—	520
Accounts payable, accrued expenses and other liabilities	2,242	4,252
Accrued interest payable	4,659	3,928
Due to affiliates	1,029	458
Management and incentive fees payable	2,842	4,153
Total Liabilities	275,690	335,721
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Common stock, par value \$0.01 per share, 20,000,000 common shares authorized; 9,955,873 issued, and 9,231,454 outstanding at September 30, 2024, and 9,943,385 issued, and 9,383,132 outstanding at December 31, 2023	\$ 92	\$ 94
Capital in excess of par value	714,933	717,835
Total distributable (loss) earnings	(527,043)	(504,411)
Total Net Assets	187,982	213,518
Total Liabilities and Stockholders' Equity	\$ 463,672	\$ 549,239
Net Asset Value Per Common Share	\$ 20.36	\$ 22.76

(in thousands, except share and per share amounts)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
INVESTMENT INCOME				
Interest income:				
Non-controlled/non-affiliated investments	\$ 11,357	\$ 13,283	\$ 35,891	\$ 42,915
Non-controlled affiliated investments	356	631	763	2,106
Total interest income	\$ 11,713	\$ 13,914	\$ 36,654	\$ 45,021
Payment-in-kind income:				
Non-controlled/non-affiliated investments ⁽¹⁾	\$ 1,343	\$ 2,308	\$ 5,255	\$ 4,694
Non-controlled affiliated investments	209	113	504	293
Total payment-in-kind income	\$ 1,552	\$ 2,421	\$ 5,759	\$ 4,987
Dividend income:				
Non-controlled affiliated investments	\$ 1,669	\$ 1,429	\$ 5,122	\$ 4,677
Controlled affiliated investments	-	644	-	2,184
Total dividend income	\$ 1,669	\$ 2,073	\$ 5,122	\$ 6,861
Fees and other income:				
Non-controlled/non-affiliated investments	243	166	505	1,644
Non-controlled affiliated investments	-	-	-	14
Total fees and other income	243	166	505	1,658
Total investment income	\$ 15,177	\$ 18,574	\$ 48,040	\$ 58,527
EXPENSES				
Management fees	\$ 1,611	\$ 1,844	\$ 5,020	\$ 5,666
Performance-based incentive fees	1,230	1,519	3,838	5,007
Interest and amortization of debt issuance costs	5,120	6,343	16,210	19,047
Professional fees	283	502	1,357	1,473
Administrative services expense	596	617	1,313	1,947
Directors' expense	143	138	466	469
Other general and administrative expenses	392	445	1,331	1,308
Total expenses	\$ 9,375	\$ 11,408	\$ 29,535	\$ 34,917
NET INVESTMENT INCOME	\$ 5,802	\$ 7,166	\$ 18,505	\$ 23,610
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS				
Net realized gains (losses) from investment transactions:				
Non-controlled/non-affiliated investments	\$ (11,419)	\$ (2,361)	\$ (13,754)	\$ (10,713)
Non-controlled affiliated investments	-	725	-	(399)
Controlled affiliated investments	-	-	(6,644)	(80)
Net realized gain (loss) on investments	\$ (11,419)	\$ (1,636)	\$ (20,398)	\$ (11,192)
Net change in unrealized appreciation (depreciation) on:				
Non-controlled/non-affiliated investments	\$ 5,430	\$ 4,219	\$ (5,392)	\$ (4,316)
Non-controlled affiliated investments	(994)	(1,117)	(2,909)	(662)
Controlled affiliated investments	75	(1,394)	6,917	(3,450)
Net change in unrealized gain (loss) on investments	\$ 4,511	\$ 1,708	\$ (1,384)	\$ (8,428)
Tax (provision) benefit on realized and unrealized gains (losses) on investments	-	264	537	671
Net realized and unrealized appreciation (depreciation) on investments, net of taxes	\$ (6,908)	\$ 336	\$ (21,245)	\$ (18,949)
Net realized gains (losses) on extinguishments of debt	\$ (403)	\$ (57)	\$ (655)	\$ (275)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ (1,509)	\$ 7,445	\$ (3,395)	\$ 4,386
Net Increase (Decrease) in Stockholders' Equity Resulting from Operations per Common Share:				
Basic and Diluted	\$ (0.16)	\$ 0.78	\$ (0.37)	\$ 0.46
Net Investment Income Per Common Share:				
Basic and Diluted	\$ 0.63	\$ 0.75	\$ 1.99	\$ 2.48
Weighted Average Shares of Common Stock Outstanding—Basic and Diluted				
	9,244,033	9,505,172	9,295,008	9,533,835

(1) During the three months ended September 30, 2024 and 2023, the Company received \$— and \$0.1 million, respectively, of non-recurring fee income that was paid in-kind and included in this financial statement line item. During the nine months ended September 30, 2024 and 2023, the Company received \$0.1 million and \$0.6 million, 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 \$13.7 million as of September 30, 2024
- Restricted cash of \$13.0 million as of September 30, 2024

Debt Summary

- As of September 30, 2024, par value of outstanding borrowings was \$267.5 million; there was \$40.5 million of available borrowing capacity under the Senior Secured Revolving Credit Facility.
- On July 23, 2024, Great Lakes Portman Ridge Funding LLC, a wholly-owned subsidiary of the Company, entered into a second amendment of its senior secured revolving credit facility (“Revolving Credit Facility”) with JPMorgan Chase Bank, National Association (“JPM”) as administrative agent. The second amendment, among other things, (i) provided for a committed increase to the aggregate principal amount of the Revolving Credit Facility in an amount not to exceed \$85,000,000, subject to the satisfaction of certain conditions, (ii) provided for a committed seven-day bridge advance in an aggregate principal amount of \$18,250,000, subject to the satisfaction of certain conditions, (iii) reduced the applicable margin on the Revolving Credit Facility to 2.50% per annum, (iv) extended the period in which the Company may request advances under the Revolving Credit Facility to August 29, 2026, (v) extended the stated maturity of the Revolving Credit Facility to August 29, 2027, (vi) extended the non-call period under the Revolving Credit Facility to April 29, 2025, and (vii) provided for certain fees to be paid to the administrative agent and the lenders in connection therewith.
- Additionally, approximately \$18.3 million of the existing Senior Secured Notes were eliminated through the use of a seven-day bridge advance secured as part of the amended Credit Facility, and \$85.0 million of the Senior Secured Notes were refinanced.

Date Declared	Record Date	Payment Date	Distribution per Share
11/7/2024	11/19/2024	11/29/2024	\$0.69
8/8/2024	8/22/2024	8/30/2024	\$0.69
5/8/2024	5/21/2024	5/31/2024	\$0.69
3/11/2024	3/20/2024	3/31/2024	\$0.69
11/9/2023	11/22/2023	11/31/2023	\$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.