

PORTMAN  
—RIDGE

# Investor Presentation

June 2022

NASDAQ: PTMN

## 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 addition, there is no assurance that the Company will purchase additional shares of its common stock under its announced \$10 million stock repurchase plan at any specific discount levels or in any specific amounts. There is no assurance that the market price of the Company's shares, either absolutely or relative to net asset value, will increase as a result of any share repurchases, or that any repurchase plan will enhance stockholder value over the long term. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this presentation should not be regarded as a representation by us that our plans and objectives will be achieved. We do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required to be reported under the rules and regulations of the SEC.

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## Portman Ridge Finance Corporation

Exchange:	NASDAQ
Ticker:	PTMN
Investment Manager:	Sierra Crest Investment Management LLC
Affiliation:	BC Partners / BCP Credit

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## As of June 2, 2022

Market Cap	\$218.1m
Share Price	\$22.39
52-week Range	\$21.66 - \$25.97
Common Shares Outstanding	9.7m
Total Dividend Payout TTM	\$2.52
Latest Quarterly Dividend	\$0.63
Analyst Coverage	KBW Ladenburg Thalmann

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## Portman Ridge (NASDAQ: PTMN)

- Focus on direct origination of senior secured debt investments to the middle market
- Experienced, strategic management team centered on execution and delivering NII growth
- Three strategic transactions closed since 2019 with portfolio repositioning continuing successfully
- Strong shareholder alignment with top priority being to generate shareholder value

## Affiliation with BC Partners and BCP Credit

- Externally managed by Sierra Crest Investment Management LLC, an affiliate of BC Partners Advisors L.P. ("BC Partners") and its Credit Platform ("BCP Credit")
- Part of BC Partners' \$40bn platform in private equity, private credit and real estate strategies
- Exemptive relief allows for co-investments across the BC Partners platform

## Investment Portfolio (at 3/31/22)

- \$660.9 million of total assets and \$278.3 million of net asset value
- 80% of debt securities portfolio in first lien investments; weighted average yield on debt investments at par value of 8.1%<sup>2</sup>
- 116 debt + equity portfolio investee companies<sup>3</sup>
- Investments on non-accrual status were 0.2% and 1.9% of the investment portfolio at fair value and amortized cost, respectively

1. Reflects commitments to commingled funds, IMAs, and commercially approved commitments. Figures are subject to completion of certain agreements.

2. Excluding non-accrual and partial non-accrual investments and CLO holdings and Joint Ventures.

3. CLO holdings and Joint Ventures are excluded from investment count.

## Portman Ridge Executive Management

### **TED GOLDTHORPE**

Chief Executive Officer

- Joined BCP Credit in New York in 2017 to lead BCP Credit and is Head of BC Partners Credit.
- Previously, Ted was President at Apollo Investment Corporation and the Chief Investment Officer of Apollo Investment Management where he was the head of its US Opportunistic Platform and also oversaw the Private Origination business, serving as a member of the Senior Management Committee.
- Prior to Apollo, Ted worked at Goldman Sachs for 13 years where he most recently ran the bank loan distressed investing desk. He was previously the head of Principal Capital Investing for the Special Situations Group.

### **JASON ROOS**

Chief Financial Officer

- Joined BC Partners in New York in 2020.
- Previously, Jason was at Wells Fargo within Controllershship in financial roles focused on technical accounting, controls, and data implementation.
- Prior to that, provided audit and advisory services to financial institutions at PricewaterhouseCoopers LLP.

### **PATRICK SCHAFFER**

Chief Investment Officer

- Joined in May 2018 and is Managing Director, Credit.
- Previously Patrick worked at Apollo Global Management in the Opportunistic Credit group, most recently as a Managing Director in Direct Originations.
- Prior to Apollo, worked at Deutsche Bank Securities in the Investment Banking Division.

**BCP Credit Investment team consists of 20 investment professionals supported by BC Partners' operational teams**

# Investment Objectives and Strategy

## Investment Objectives

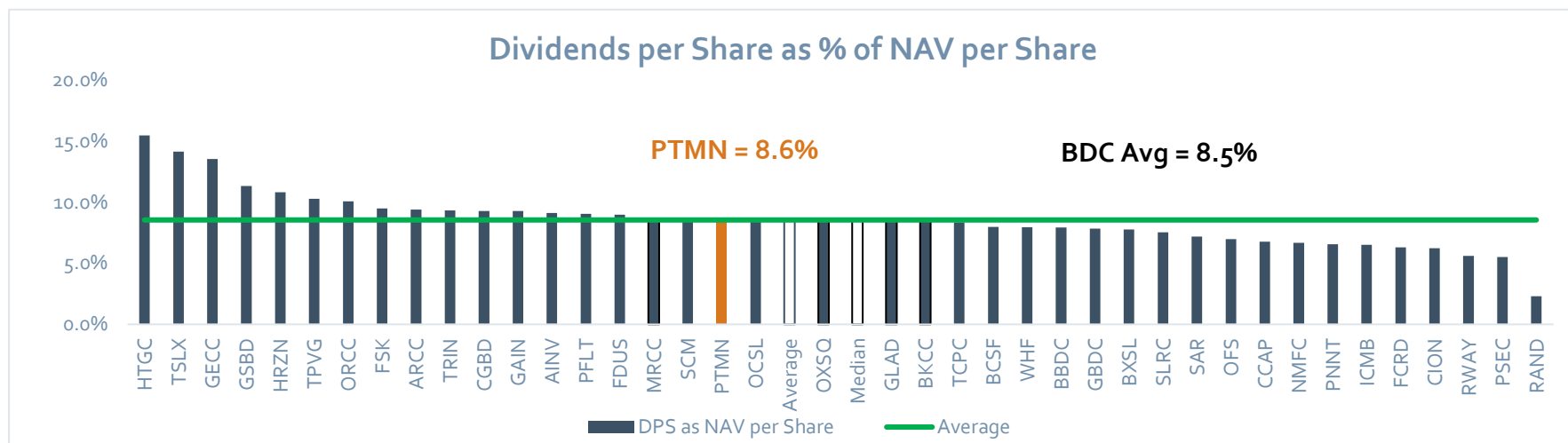
- ❑ Focus on direct origination of senior secured debt investments to the middle market; target portfolio company EBITDA between \$10-50 million
- ❑ Deliver strong and sustainable risk-adjusted returns to stockholders
- ❑ Reduce CLO exposure over time and opportunistically

## Investment Strategy and Philosophy

- ❑ Utilize entire BC Partners platform to directly originate loans and investments which allows for greater sourcing capabilities, ability to invest across the liquidity spectrum and participation in larger deals
- ❑ Seek to generate alpha through market dislocations, structural documentation, relationship advantages and regional expertise; target opportunities where other capital is retrenching due to limited duration and regulatory restrictions
- ❑ Focus on capital preservation; maximize margin of safety through financial and structural protection
- ❑ Leverage sector expertise and knowledge base across consumer & retail, business & financial services, healthcare, industrials, and TMT
- ❑ Apply the same private equity style investment process employed for over 30 years at BC Partners with a long-term focused investment philosophy

- ❑ **Small-cap BDC backed by BC Partners, a global multi-asset investment manager**
  - Benefits from being part of a larger platform compared to other standalone, similar-sized BDCs
- ❑ **Experienced, strategic management team with a track record of execution and focused on delivering EPS growth**
  - Announced and closed 4 M&A transactions in two years
- ❑ **Solid recent investment performance and steady dividend history**
  - Recently increased dividend per share to \$0.63 per share (from \$0.62 and \$0.60 in 2021)
  - Dividend as a percentage of NAV is well within peers and supported by strong dividend coverage, among the leaders in the industry
- ❑ **Strong stockholder alignment and stockholder friendly actions**
  - Incentive fee waivers and use of incentive fees to repurchase shares at NAV under certain circumstances
- ❑ **At an inflection point following recent transactions – scale achieved, portfolio repositioning, and combined company synergies continuing to drive value to stockholders**
  - Scale has resulted in public market enhancements including increased share liquidity, improved float and greater institutional awareness
  - Spreading of public company and other fixed costs across a larger asset base
  - Ability to speak for larger deals and increased capacity for higher yielding, non-eligible assets

While PTMN's distributions relative to NAV per share represents an attractive investment, the company's discount to NAV is significantly greater than the BDC average



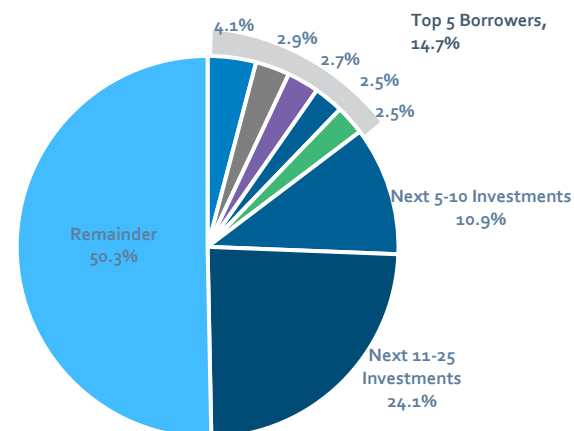


# Current Portfolio Profile<sup>(1)</sup>

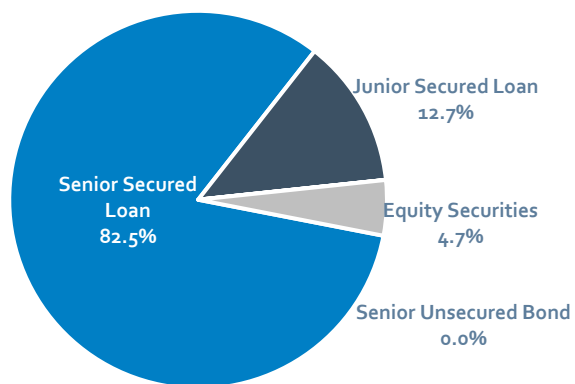
## Diversified Portfolio of Assets

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

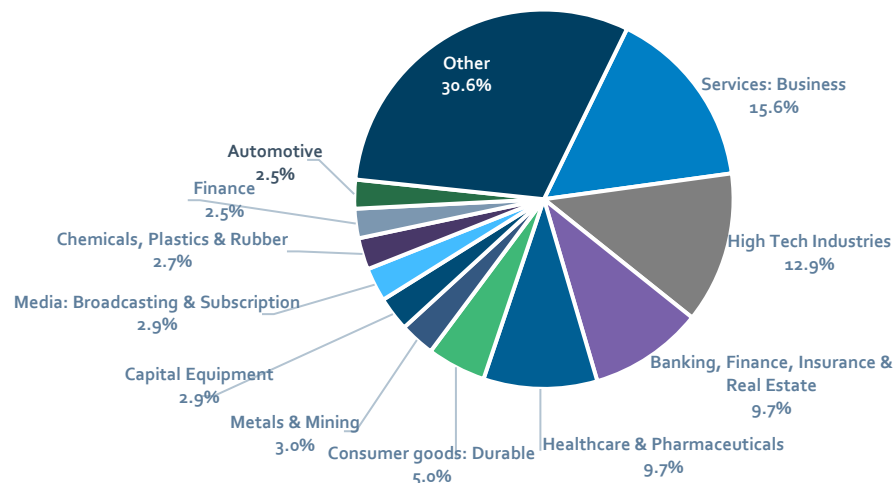
## Diversification by Borrower<sup>(2)</sup>



## 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.

# Joint Venture – F3C JV

## Joint Venture with Freedom 3 Capital ("KCAP Freedom 3 JV")

Primarily invests in senior loans of middle-market companies

Equity ownership: 62.83% PTMN

Board/Voting: 50% PTMN

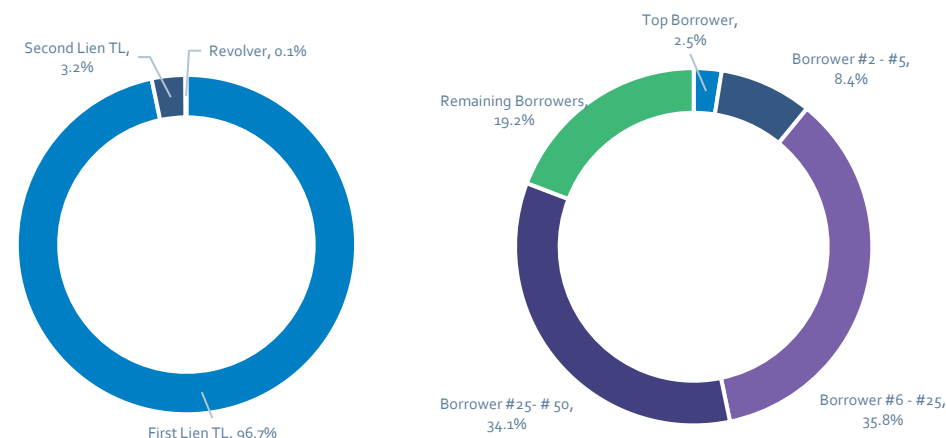
PTMN provides day-to-day administrative oversight

## JV Portfolio Characteristics

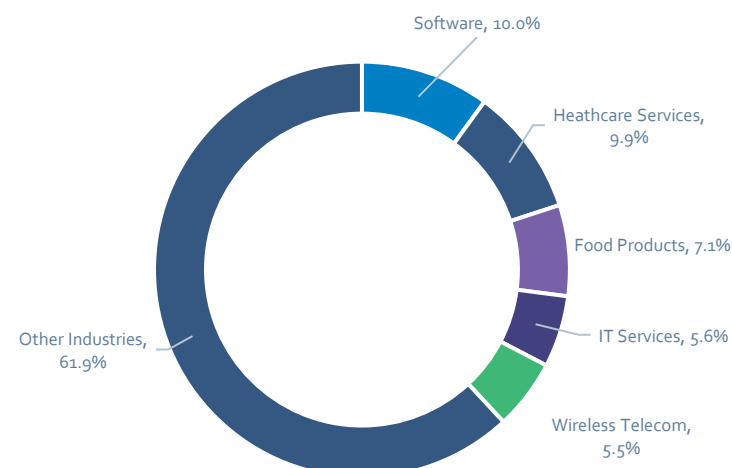
	Q4 2020 <sup>(1)</sup>	Q4 2021 <sup>(2)</sup>
Total Investments and Commitments	\$297.0m	\$299.2m
Unfunded Commitments	\$9.6m	\$9.8m
Weighted Average Investment Spread	L+552	L+558
Number of Portfolio Companies	79	68
Floating / Fixed (%)	100% / 0%	100% / 0%
Defaulted Assets <sup>(3)</sup>	\$1.9m	\$3.2m
Junior OC Test	Passed	Passed

1. Shown as % of principal balance and as of 1/5/21.
2. Shown as % of principal balance and as of 1/4/22.
3. Defaulted assets shown at recovery value, per the JV agreement

## Asset Mix and Diversification <sup>(2)</sup>



## Industry <sup>(2)</sup>



# Joint Venture – Great Lakes

## BCP Great Lakes Holdings LP Joint Venture ("Great Lakes JV")

Co-investment vehicle that primarily invests in first lien unitranche loans

Equity ownership: 17.2% PTMN

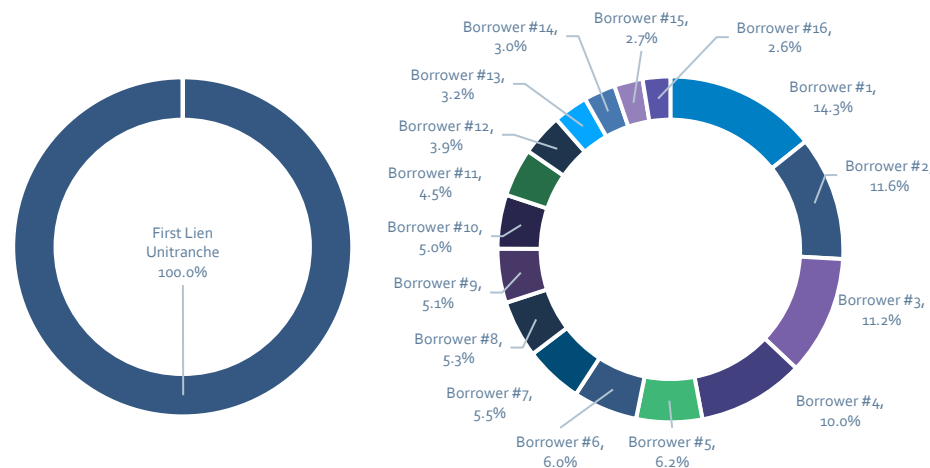
Board/Voting: 50% BC Partners

## JV Portfolio Characteristics

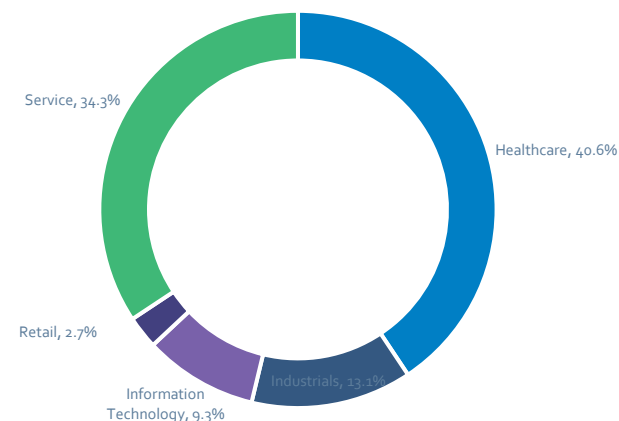
	Q4 2020 <sup>(1)</sup>	Q4 2021 <sup>(2)</sup>
Total Investments and Commitments	\$493.6m	\$750.2m
Unfunded Commitments	\$33.3m	\$116.6m
Weighted Average Investment Spread	L+598	L+597
Number of Portfolio Companies	12	16
Floating / Fixed (%)	100% / 0%	100% / 0%
Non-accruals	0%	0%

1. Shown as % of funded par value and as of 12/31/20.  
2. Shown as % of funded par value and as of 12/31/21.

## Asset Mix and Diversification <sup>(2)</sup>



## Industry <sup>(2)</sup>



## BC Partners' Broad and Deep Sourcing Capabilities

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- 87 deal professionals across BC's offices in New York, London, Paris and Hamburg provide ongoing source of deal flow for Credit team
- PE deal team evaluates close to 200 deals annually
- Greatly augments the opportunity set to which the Credit team has access

## Sector Team Expertise

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- PE deal team and operating partners concentrate on four core sectors
- Provides advantaged insights and technical know-how



### BC Partners PE and Credit Synergy

## Portfolio Operations Team

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- Eight operating partners with expertise across industries and functions
- Operating value-add creates origination and deal execution advantage with middle market borrowers
- Downside protection in recovery situations

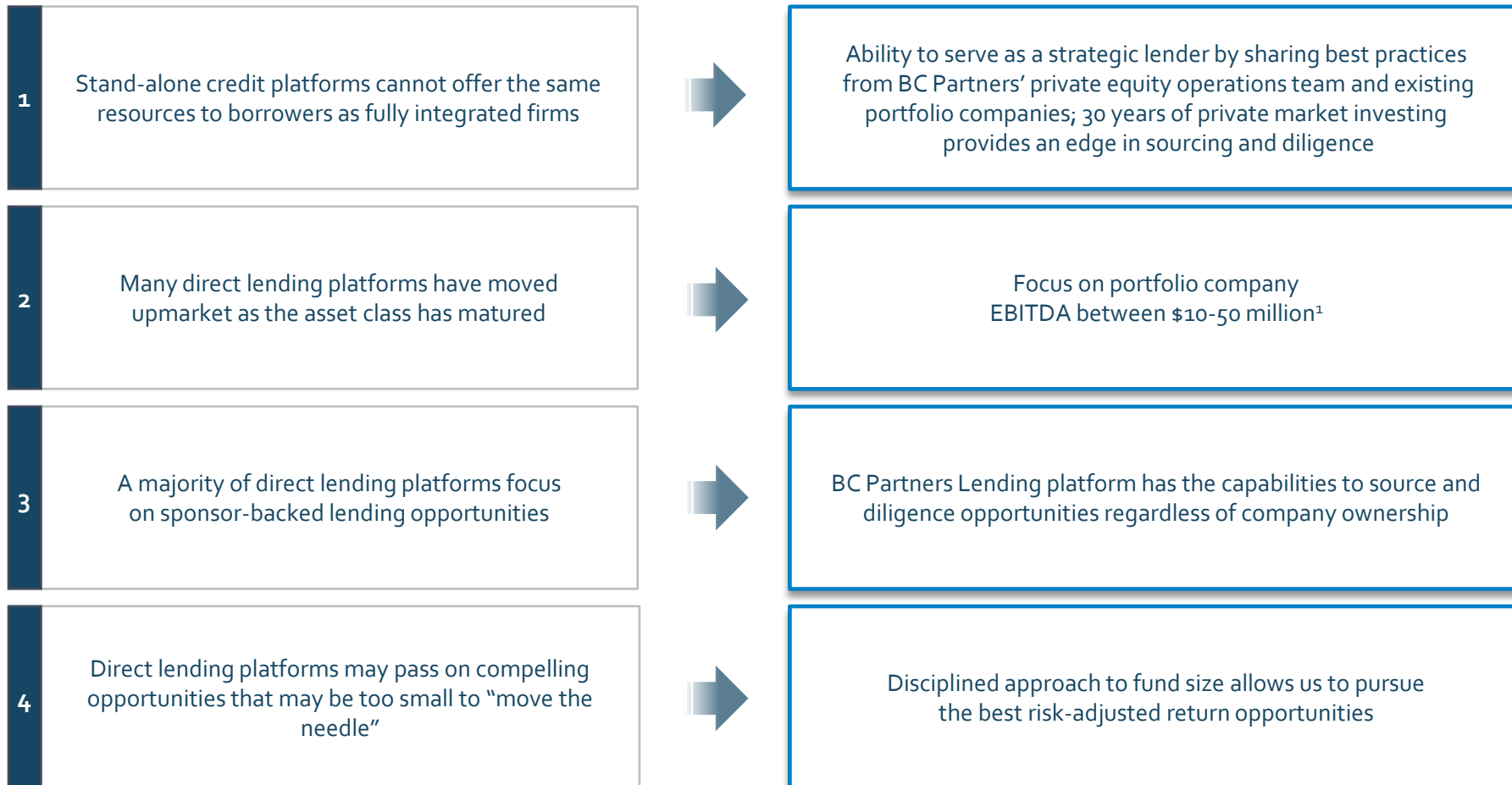
## BC Partners' Broader Institutional Platform

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- Legal & Compliance
- Capital Markets
- Central Functions (HR, IT, Finance, Admin, etc.)
- Investor Relations

# BC Partners Differentiators

While the increasing popularity of direct lending has gathered many headlines as of late, we believe the BC Partners Credit platform is differentiated on four key aspects



Views expressed are those of BCP Credit.

1. Anticipated portfolio construction provided for illustrative purposes only.

**2006**

Founded as  
Kohlberg Capital  
Corp ("KCAP"); IPO  
in December 2006

**Apr 2019**

Acquired KCAP  
management  
contract

**Dec 2019**

Acquired OHA  
Investment Corp  
("OHA")

**Oct 2020**

Acquired Garrison  
Capital ("GARS")

**Jun 2021**

Acquired Harvest  
Capital ("HCAP")

**March 2022**

Continue to Grow  
Total Assets

**Pro Forma  
Total Assets at Close**

**\$293m**

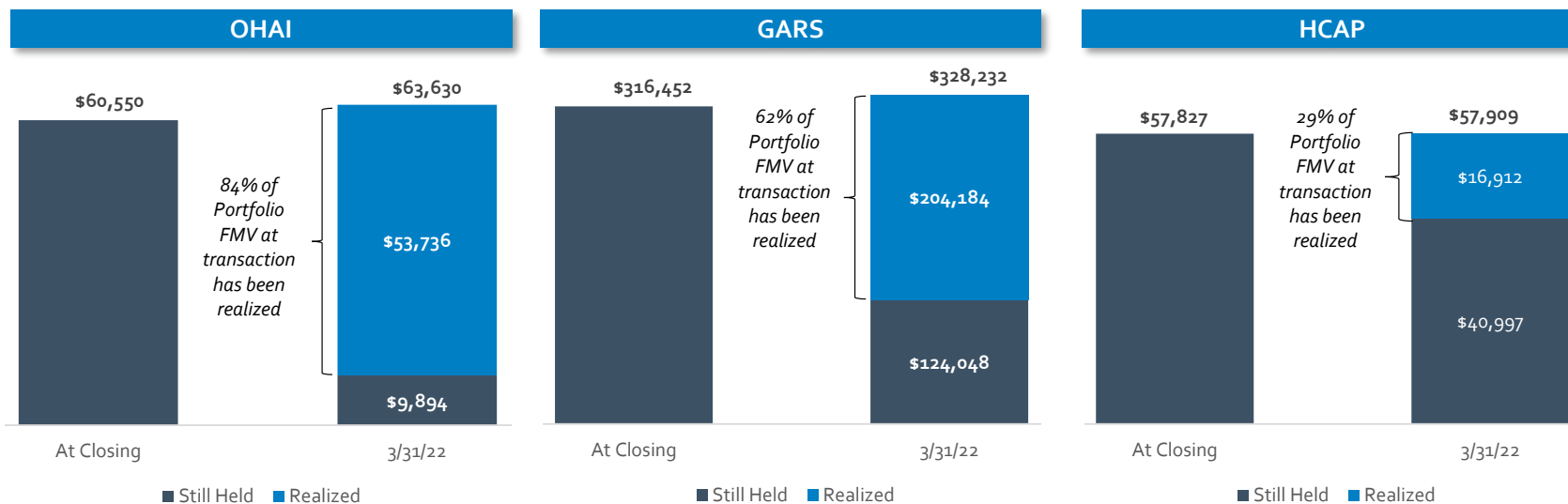
**\$316m**

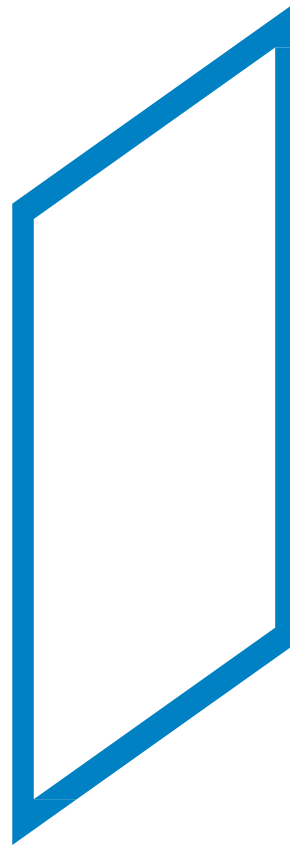
**\$638m**

**\$614m**

**\$661m**

- 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





# First Quarter 2022



## 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.

<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 ("HCCP") 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.

# Financial Highlights

(\$ in thousands)	Q1 2022
<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>
Per Share	Q1 2022
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

# Core Earning Analysis

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

# Net Asset Value Rollforward

(\$ 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%

# Portfolio Composition <sup>(1)</sup>

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.

# Portfolio Trends<sup>(1)(2)</sup>

(\$ in '000s)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
<b>Portfolio Sourcing (at Fair Value):</b>					
BC Partners	\$ 160,533	\$ 184,525	\$ 245,112	\$ 264,642	\$ 303,378
Legacy KCAP	\$ 100,867	\$ 92,795	\$ 92,746	\$ 78,221	\$ 68,378
Legacy OHA I	\$ 21,889	\$ 17,040	\$ 16,980	\$ 16,163	\$ 9,894
Legacy GARS	\$ 191,159	\$ 172,234	\$ 159,699	\$ 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	101/ 184	92 / 181	95 / 186
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 / 5.4 x	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	\$ 520,168	\$ 562,181	\$ 549,985
Purchases / draws	57,470	115,828	98,362	99,141	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%

<sup>(1)</sup> Based on FMV.

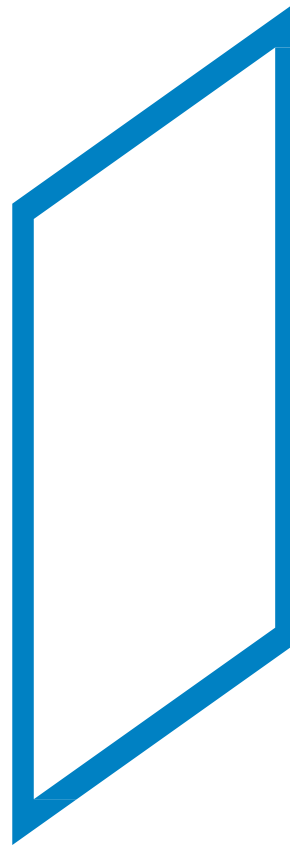
## Cash and Cash Equivalents

- 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.





# Appendix

# Balance Sheet

	March 31, 2022 (Unaudited)	December 31, 2021
(in thousands, except share and per share amounts)		
<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>	<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.

# Income Statement (Unaudited)

(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.

# Regular Distribution Information <sup>(1)</sup>

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

<sup>(1)</sup> 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.

**Board of Directors**

Ted Goldthorpe  
Chairman of the Board

Robert Warshauer  
Independent Director

Alex Duka  
Independent Director

George Grunebaum  
Independent Director

Christopher Lacovara  
Independent Director

Dean Kehler  
Independent Director

Matthew Westwood  
Independent Director

Joseph Morea  
Independent Director

Tricia Hazelwood  
Independent Director

Jennifer Kwon Chou  
Independent Director

**Senior Management**

Ted Goldthorpe  
Chief Executive Officer

Jason Roos  
Chief Financial Officer

Patrick Schafer  
Chief Investment Officer

David Held  
Chief Compliance Officer

Common Stock  
Nasdaq: PTMN

**Corporate Headquarters**

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Chris Nolan  
Ladenburg Thalmann

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LLC

**Independent Audit Firm**

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