



2021 Q2 Earnings Presentation

August 6, 2021

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.

Quarter Ended June 30, 2021

- Earnings and net investment income per share for the quarter were \$0.14 and \$0.15, respectively.
- Net asset value ("NAV") per share increased to \$2.93 from \$2.92 quarter-to-quarter, reflecting continued favorable market conditions including ongoing tightening of credit spreads offset partially by approximately \$0.02 per share of one-time transaction costs relating to the Harvest Capital Credit Corporation ("HCAP") merger.
- The fair value of the Company's investments excluding derivatives totaled \$520 million, of which the Company's debt securities portfolio totaled \$420 million and was comprised of investments in 144 investee companies.
- During the second quarter, the Company acquired approximately \$62 million par value of investment portfolio assets. Also, during the quarter, the Company received approximately \$70 million in sale and repayment proceeds, which includes a \$1.5 million increase relative to the carrying value of those assets sold.
- Net leverage⁽¹⁾ was 1.0x as of June 30, 2021, down from 1.1x as of March 31, 2021, driven primarily by the HCAP transaction and timing of certain investments in the pipeline.
- The quarterly distribution for the first quarter was \$0.06 per share and was paid on June 1, 2021.
- The Company issued \$108.0 million in aggregate principal of unsecured 4.875% Notes due 2026 in two private placement offerings. The proceeds from the issuances of the notes were used to redeem in full the \$76.7 million of 6.125% Notes due 2022 on May 30 and the \$28.75 million of HCAP's 6.125% Notes due 2022 which was redeemed subsequent to quarter-end on July 23.
- During the quarter, several affiliates of the Company's investment adviser and an affiliate of LibreMax Intermediate Holdings, LP purchased 1,381,305 shares of the Company's common stock for total consideration of approximately \$4.0 million in a private placement. These purchases were made in accordance with the terms of the 2019 Externalization Agreement and represent the re-investment of incentive fees paid by the Company to its investment adviser prior to the second anniversary of the Externalization. The shares were purchased at the net asset value per share of the Company's common stock.

(1) Net leverage is calculated as the ratio between (A) debt, excluding unamortized debt issuance costs, less available cash and cash equivalents and restricted cash, and (B) net asset value.

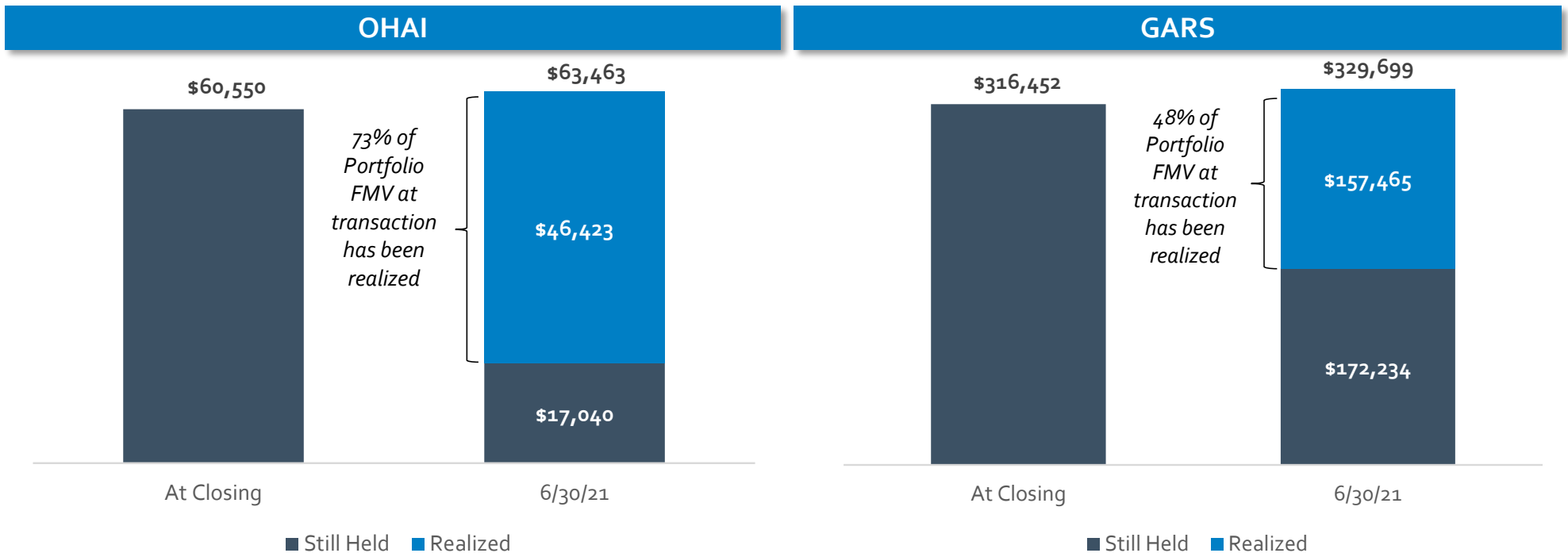
Quarter Ended June 30, 2021 (cont'd)

- Following the closing of the HCAP merger transaction on June 9, 2021, the Company has been actively repurchasing under its share buyback program. Through the end of the second quarter, the Company had repurchased \$380 thousand of its shares. Subsequent to quarter-end and to date, the Company has repurchased an additional \$1.2 million of its shares.
- The Company announced that its Board of Directors has approved a 1-for-10 reverse stock split of the Company's then outstanding common stock. The Company expects to complete the reverse stock split in the third quarter of 2021 and will announce additional details prior to the effective date of the reverse stock split.

CLOSING OF PREVIOUSLY ANNOUNCED MERGER

- On June 9, 2021, the Company completed its previously announced HCAP merger transaction. Stockholders voted overwhelmingly in favor of the proposed transaction as over 96% of stockholders who voted at the meeting voted in favor of the merger.
- In connection with the HCAP merger transaction, the Company assumed \$28.75 million of HCAP's 6.125% Notes due 2022. As previously mentioned, these notes were redeemed in full on July 23, 2021.

- Our track record demonstrates BC Partners' ability to efficiently realize the value of legacy portfolios acquired while rotating into BC Partners' sourced assets
- We plan to implement the same successful strategy with the acquired HCAP assets and will provide updates in the coming quarters



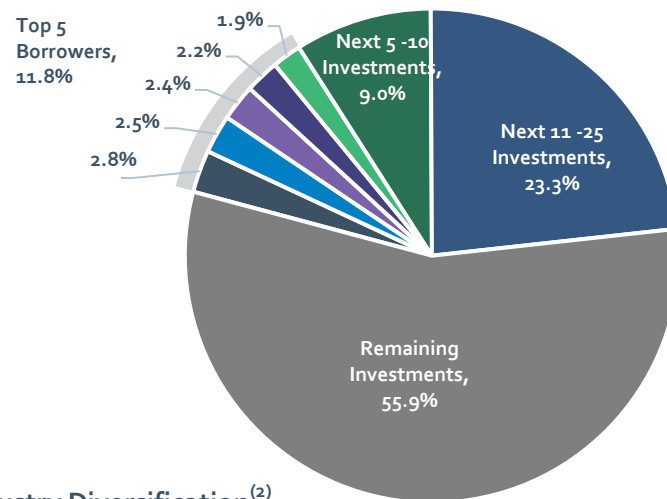
Within six quarters of close, we have realized over two thirds of the OHA portfolio FMV while generating incremental value out of the legacy assets

Despite the GARS transaction having closed in Q4 2020, we have already realized and rotated out of half of the portfolio's FMV – materially de-risking the transaction

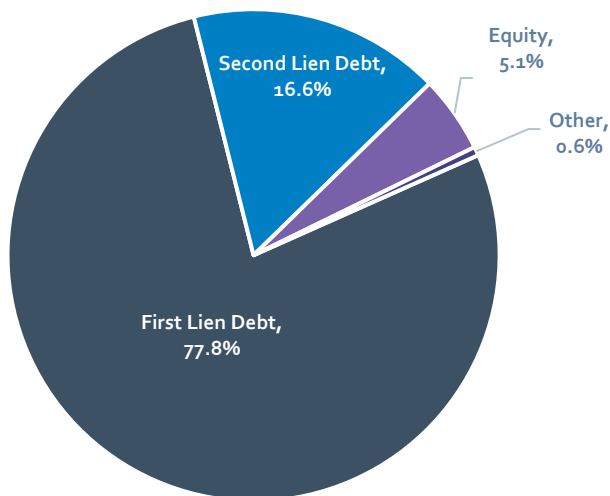
Diversified Portfolio of Assets

- 144 Debt Portfolio Investee Companies
- \$2.9mm / 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

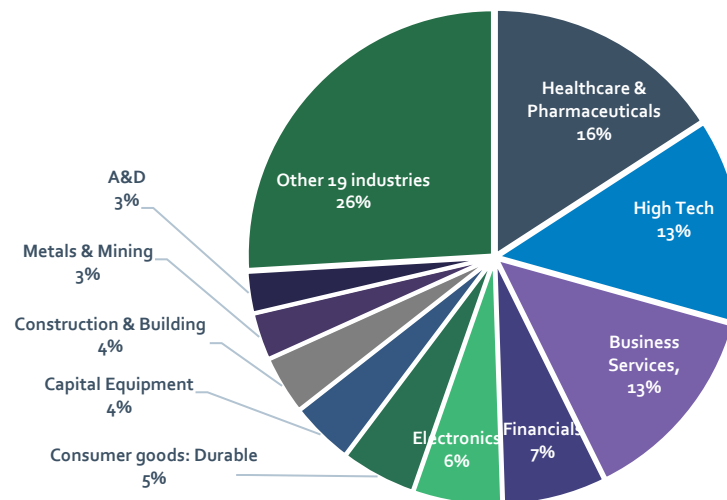
Diversification by Borrower⁽²⁾



Asset Mix⁽²⁾



Industry Diversification⁽²⁾



(1) As of June 30, 2021. Figures shown do not include short term investments, CLO holdings, F3C JV or Great Lakes JV portfolio companies, and derivatives.

(2) Shown as % of debt and equity investments at fair market value

(\$ in '000s)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Total investment income	\$7,314	\$7,787	\$19,909	\$18,305	\$21,545
Expenses:					
Management fees	1,008	1,044	1,515	1,793	1,914
Performance-based incentive fees ⁽¹⁾	455	572	3,729	2,094	2,300
Interest and amortization of debt issuance costs	2,395	2,240	3,299	3,380	3,527
Operating expenses	1,311	1,235	2,428	2,825	2,094
Total expenses	5,169	5,090	10,971	10,092	9,834
Management and performance-based incentive fees waived	(455)	--	--	--	--
Net expenses	4,714	5,090	10,971	10,092	9,834
Net investment income	\$2,600	\$2,696	\$8,938	\$8,213	\$11,711
Net realized gain/(loss) on investments	(882)	(1,890)	11,425	(5,086)	(2,356)
Net change in unrealized (loss)/gain on investments	1,565	7,512	28,661	6,745	1,489
Realized loss on debt extinguishment	0	-	-	-	-
Net (decrease)/increase in net assets resulting from operations	\$3,283	\$8,319	\$49,023	\$8,037	\$10,844
Per Share					
Net Investment Income	\$0.06	\$0.06	\$0.14	\$0.11	\$0.15
Net Realized and Unrealized Gain / (Loss)	\$0.02	\$0.13	\$0.61	\$0.02	\$(0.01)
Net Earnings	\$0.07	\$0.19	\$0.74	\$0.11	\$0.14
Distributions declared	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06
Net Asset Value	\$2.71	\$2.85	\$2.88	\$2.92	\$2.93

(1) Net of incentive fee waivers of \$102 thousand and \$455 thousand in Q1 and Q2 2020, respectively. All incentive fees earned through March 31, 2021 were re-invested in newly issued stock at NAV.

Net Asset Value Rollforward

(\$ in '000s)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
NAV, Beginning of Period	\$120,370	\$120,714	\$125,946	\$216,264	\$219,855
Realized Gains (Losses) from Investments	(882)	(1,890)	(131) ⁽¹⁾	(5,086)	(2,356)
Unrealized Gains (Losses)	1,565	7,512	(206) ⁽¹⁾	6,745	1,489
Net Investment Income	2,600	2,697	8,938	8,213	11,711
Net Decrease in Assets Resulting from Distributions	(2,656)	(2,631)	(2,610)	(4,446)	(4,430)
Realized Gains (Losses) from Extinguishment of Debt	0	--	--	(1,835)	--
Day One Impact of Mergers ⁽²⁾	--	--	83,754	--	38,695
Share Repurchase	(284)	(456)	--	--	(380)
Reinvestment of Incentive Fees	--	--	572	--	4,020
NAV, End of Period	\$120,714	\$125,946	\$216,264	\$219,855	\$268,604
Leverage and Asset Coverage					
Debt / Equity	1.3X	1.4X	1.7X	1.4X	1.4X
Asset Coverage	167%	172%	156%	170%	171%

(1) Excluding gains from merger activity.

(2) Impact includes merger transaction costs.

Investment Portfolio (\$ in '000s)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
First Lien Debt	\$124,884	\$121,605	\$328,845	\$322,363	\$351,699
Second Lien Debt	78,366	79,851	75,807	64,640	67,905
Equity Securities	9,538	9,703	13,945	14,651	22,387
CLO Fund Securities	16,892	18,792	19,583	16,021	17,064
Joint Ventures	43,926	46,832	49,349	56,731	61,070
Other	5,050	2,077	208	42	43
Ending Balance	\$278,655	\$278,860	\$487,737	\$474,447	\$520,168
Investment Portfolio (% of total)					
First Lien Debt	44.8%	43.6%	67.4%	67.9%	67.6%
Second Lien Debt	28.1%	28.6%	15.5%	13.6%	13.1%
Equity Securities	3.4%	3.5%	2.9%	3.1%	4.3%
CLO Fund Securities	6.1%	6.7%	4.0%	3.4%	3.3%
Joint Ventures	15.8%	16.8%	10.1%	12.0%	11.7%
Other	1.8%	0.7%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

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

(\$ in '000s)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Portfolio Sourcing (at Fair Value):					
BC Partners	\$149,246	\$148,289	\$151,522	\$160,533	\$184,525
Legacy KCAP	\$100,653	\$104,023	\$102,993	\$100,867	\$92,795
Legacy OHAI	\$28,757	\$26,547	\$23,513	\$21,889	\$17,040
Legacy GARS	n/a	n/a	\$209,710	\$191,159	\$172,234
Legacy HCAP	n/a	n/a	n/a	n/a	\$53,573
Portfolio Summary:					
Total portfolio, at fair value	\$278,655	\$278,860	\$487,737	\$474,447	\$520,168
Total number of debt portfolio companies / Total number of investments ²	68 / 108	65 / 102	109 / 171	103/166	105/182
Weighted Avg EBITDA of debt portfolio companies	\$132,350	\$92,500	\$78,150	\$84,250	\$69,300
Average size of debt portfolio company investment, at fair value	\$3,072	\$3,147	\$2,829	\$2,765	\$2,914
Average size of investment, at fair value	\$2,017	\$2,091	\$2,470	\$2,440	\$2,419
Weighted avg first lien / total leverage ratio (net) of debt portfolio	4.4x / 5.5x	4.4x / 5.5x	4.1x / 4.9x	4.1x / 4.9x	4.2x / 4.9x
Portfolio Yields and Spreads:					
Weighted average yield on debt investments at par value ³	7.7%	7.9%	7.6%	7.4%	7.8%
Average Spread to LIBOR	681 bps	715 bps	679 bps	658 bps	691 bps
Portfolio Activity:					
Beginning balance	\$269,859	\$278,655	\$278,860	\$487,737	\$474,447
Purchases / draws	37,920	5,852	311,070	57,470	115,828
Exits / repayments / amortization	(29,807)	(11,133)	(154,185)	(80,334)	(78,963)
Gains / (losses) / accretion	683	5,485	51,992	9,575	8,637
Ending Balance	\$278,655	\$278,860	\$487,737	\$474,447	\$520,168

(1) For comparability purposes, portfolio trends metrics exclude short-term investments and derivatives.

(2) CLO holdings and Joint Ventures are excluded from investment count.

(3) Excluding non-accrual and partial non-accrual investments and excluding CLO holdings and Joint Ventures.

- Investments on non-accrual status were 1.5% and 3.3% of the Company's investment portfolio at fair value and amortized cost, respectively. The increase was largely due to the addition of one investment on non-accrual status resulting from the HCAP merger transaction.

(\$ in '000s)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Investments Credit Quality – Internal Rating ⁽¹⁾					
Performing	91.8%	95.8%	94.5%	95.1%	95.0%
Underperforming	8.2%	4.2%	5.5%	4.9%	5.0%
Investments on Non-Accrual Status					
Number of Non-Accrual Investments	9	8	8	7	8
Non-Accrual Investments at Cost	\$21,458	\$11,764	\$12,860	\$11,918	\$17,015
Non-Accrual Investments as a % of Total Cost	5.9%	3.2%	2.4%	2.3%	3.3%
Non-Accrual Investments at Fair Value	\$10,325	\$3,788	\$3,843	\$3,263	\$7,601
Non-Accrual Investments as a % of Total Fair Value	3.7%	1.3%	0.8%	0.7%	1.5%

(1) Based on FMV.

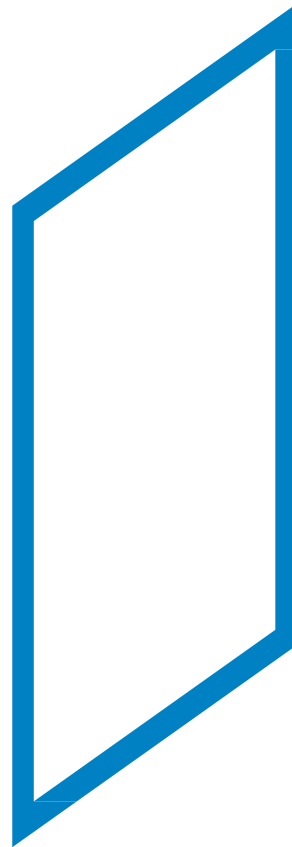
Cash and Cash Equivalents

- Unrestricted cash and cash equivalents totaled **\$65.7 million** at June 30, 2021
- Restricted cash of **\$47.6 million** at June 30, 2021

Debt Summary

- During the quarter, the Company issued \$108.0 million in aggregate principal of the unsecured 4.875% Notes due 2026 in two private placement offerings. On April 30, the Company issued \$80.0 million of the 4.875% Notes due 2026 and on June 24, the Company issued an additional \$28.0 million of the 4.875% Notes due 2026 under identical terms.
- The 6.125% Notes due 2022 were redeemed in full on May 30, and subsequent to quarter-end, the Company redeemed in full HCAP's 6.125% Notes due 2022 on July 23.

(\$ millions)	As of 3/31/21		As of 6/30/21		Maturity Date
	Principal Amount Outstanding	Total Committed Amount	Principal Amount Outstanding		
Corporate Secured Revolving Facility	\$69.1	\$115.0	\$69.1		Dec 2023
4.875% Unsecured Notes	n/a	n/a	\$108.0		April 2026
6.125% Unsecured Notes (KCAPL)	\$76.7	n/a	n/a		Sept 2022
6.125% Unsecured Notes (HCAPZ)	n/a	n/a	\$28.8		Sept 2022
2018-2 Secured Notes	\$163.9	\$188.9	\$163.9		Nov 2029
Total Debt	\$309.7		\$369.7		



Appendix

(\$ in '000s, except per share data)	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021
INVESTMENT INCOME					
Interest from investments in debt securities	4,814	4,517	14,300	14,086	17,259
Payment-in-kind investment income	382	434	2,092	1,132	745
Interest from short-term investments	-	-	-	-	-
Investment income on CLO Fund Securities managed by affiliates	833	587	728	-	-
Investment income on CLO Fund Securities managed by non-affiliates	88	42	72	617	845
Investment income - Joint Ventures	1,001	2,182	2,151	2,039	2,530
Capital structuring service fees	197	24	565	430	430
Total Investment Income	7,314	7,787	19,909	18,305	21,545
EXPENSES					
Management Fees	1,008	1,044	1,515	1,793	1,914
Performance-based incentive fees	455	572	3,729	2,094	2,300
Interest Expense	2,395	2,240	3,299	3,380	3,527
Other Operating Expenses	1,311	1,235	2,428	2,825	2,094
Total Expenses	5,169	5,090	10,971	10,092	9,834
Management and performance-based incentive fees waived	(455)	-	-	-	-
Net Expenses	4,714	5,090	10,971	10,092	9,834
Net Investment Income	2,600	2,697	8,938	8,213	11,711
REALIZED AND UNREALIZED GAIN ON INVESTMENTS					
Net realized (gain) loss on investment transactions	(882)	(1,890)	11,425	(5,086)	(2,356)
Unrealized gains (loss) on debt securities investments	2,280	4,553	23,757	(2,240)	(761)
Unrealized gains (loss) on equity securities investments	352	337	1,237	1,249	1,242
Unrealized gains (loss) on non-affiliate CLO equity investments	(284)	363	77	6,902	1,746
Unrealized gains (loss) on affiliate CLO equity investments	(2,579)	1,573	1,088	-	-
Unrealized gains (loss) on Joint Venture investment	2,308	1,146	2,578	1,208	(618)
Unrealized gains (loss) on Derivatives	(512)	(462)	(76)	(474)	(220)
Net Realized and Unrealized Gain on Investments	683	5,622	40,086	1,660	(866)
Net realized gain (loss) on extinguishment of debt	0	-	-	(1,835)	-
Net Increase in Stockholders' Equity from Ops	3,284	8,319	49,023	8,037	10,844
Basic and Diluted Shares - Weighted Average	44,611	44,418	65,984	75,175	77,472
Net Investment Income	2,600	2,697	8,938	8,213	11,711
Basic and Diluted Shares	\$ 0.06	\$ 0.06	\$ 0.14	\$ 0.11	\$ 0.15

(\$ in '000s, except per share data)	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021
ASSETS					
Total Investments at Fair Value	\$281,295	\$290,113	\$487,737	\$474,447	\$520,168
Cash	414	677	6,990	30,844	65,655
Restricted Cash	11,398	4,907	75,913	28,452	47,618
Interest Receivable	1,909	1,927	2,973	2,888	3,964
Receivable for Unsettled Trades	9,503	1,847	25,108	14,143	7,863
Due from Affiliates	170	187	357	853	483
Other Assets	1,641	1,509	1,100	1,202	3,761
Total Assets	\$306,331	\$301,167	\$600,178	\$552,830	\$649,513
LIABILITIES					
6.125% Notes Due 2022 (KCAP)	\$75,372	\$75,518	\$75,668	\$76,725	\$-
6.125% Notes Due 2022 (HCAPZ)	-	-	-	-	28,750
4.875% Notes Due 2026	-	-	-	-	104,680
2018-2 Secured Notes	-	-	249,418	162,327	162,371
Great Lakes Portman Ridge Funding LLC Revolving Credit Facility	97,040	93,132	48,223	68,065	68,156
Derivatives	571	1,033	1,109	1,583	1,803
Payable for Open Trades	7,366	-	-	13,881	1,370
Accounts Payable & Accrued Expenses	2,919	2,327	2,878	3,557	5,836
Due to Affiliates	1,342	1,596	1,375	2,372	1,926
Management and incentive fees payable	1,008	1,615	5,244	4,465	6,017
Total Liabilities	185,617	175,221	383,915	332,975	380,909
Total Net Assets	120,714	125,946	216,264	219,855	268,604
Total Liabilities and Net Assets	\$306,331	\$301,167	\$ 600,178	\$552,830	\$649,513
Shares Outstanding	44,495	44,169	75,164	75,175	91,471
Net Asset Value per Share	\$ 2.71	\$ 2.85	\$ 2.88	\$ 2.92	\$ 2.93

Regular Distribution Information

Date Declared	Record Date	Payment Date	Distribution per Share
8/4/2021	8/17/2021	8/31/2021	\$0.06
5/6/2021	5/19/2021	6/1/2021	\$0.06
2/12/2021	2/22/2021	3/2/2021	\$0.06
10/16/2020	10/26/2020	11/27/2020	\$0.06
8/5/2020	8/17/2020	8/28/2020	\$0.06
3/17/2020	5/7/2020	5/27/2020	\$0.06
2/5/2020	2/18/2020	2/28/2020	\$0.06
11/5/2019	11/15/2019	11/29/2019	\$0.06
8/5/2019	8/12/2019	8/29/2019	\$0.06

BC PARTNERS CREDIT: A FULL CREDIT CYCLE INVESTMENT PLATFORM

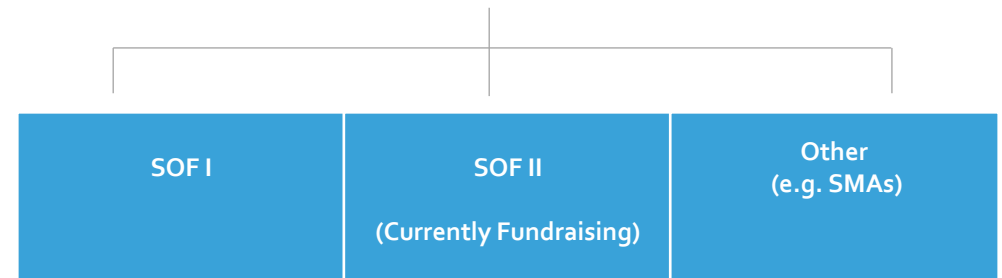
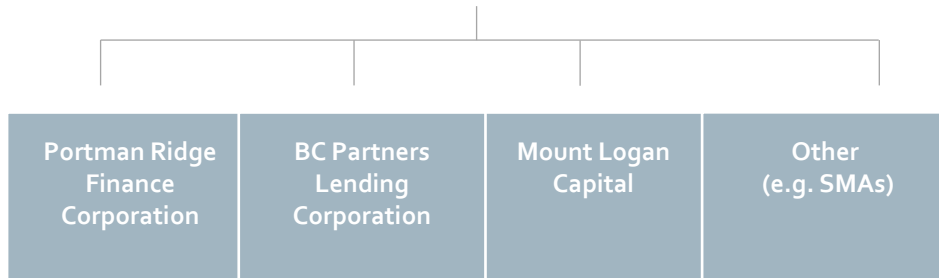
	<p>2017 FOUNDED PLATFORM</p>	<p>18 INVESTMENT PROFESSIONALS</p>	<p>17 AVG. YEARS OF EXPERIENCE OF SENIOR INVESTMENT TEAM</p>	<p>c. \$4.2bn¹ IN AUM ACROSS CREDIT PLATFORM</p>
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Yield: \$3.3bn in AUM

- Direct lending focused on less competitive segments of the U.S. middle-market
- Balanced portfolio of sponsor-backed and non-sponsor companies
- Proprietary sourcing channels
- High current income generation

Opportunistic: \$950m in AUM

- Mandate to invest where other capital is retrenching due to limited duration and regulatory restrictions
- Ability to invest across the capital structure
- Price opportunities with adequate compensation for risk and illiquidity
- Mix of current income and price appreciation



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