
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): June 9, 2021

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)

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

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 Instruction 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 Act:

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.01 per share	PTMN	The NASDAQ Global Select Market
6.125% Notes due 2022	HCAPZ	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 1.01 Entry Into A Material Definitive Agreement

The information in this Current Report on Form 8-K set forth under Item 2.03 is incorporated herein by reference into this Item 1.01.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On June 9, 2021, Portman Ridge Finance Corporation, a Delaware corporation (the “Company”), completed its previously announced acquisition of Harvest Capital Credit Corporation, a Delaware corporation (“HCAP”), pursuant to that certain Agreement and Plan of Merger (the “Merger Agreement”), dated as of December 23, 2020, by and among the Company, HCAP, Rye Acquisition Sub Inc., a Delaware corporation and a direct wholly owned subsidiary of the Company (“Acquisition Sub”), and Sierra Crest Investment Management LLC, a Delaware limited liability company and the external investment adviser to the Company (“Sierra Crest”). Pursuant to the Merger Agreement, Acquisition Sub was merged with and into HCAP, with HCAP continuing as the surviving corporation and a direct wholly owned subsidiary of the Company (the “First Merger”). Immediately following the First Merger, HCAP was merged with and into the Company, with the Company continuing as the surviving corporation (the “Second Merger” and, together with the First Merger, the “Mergers”). As a result of, and as of the effective time of, the Second Merger, HCAP’s separate corporate existence ceased.

In accordance with the terms of the Merger Agreement, at the effective time of the First Merger (the “Effective Time”), holders of shares of HCAP’s common stock, par value \$0.001 per share (the “HCAP Common Stock”), issued and outstanding immediately prior to the Effective Time (other than shares held by a subsidiary of HCAP or held, directly or indirectly, by the Company or Acquisition Sub and all treasury shares (collectively, “Cancelled Shares”)) had their shares of HCAP Common Stock converted to the right to receive, in the aggregate, (1) \$18,537,512.65 in cash payable by Company (the “Company Cash Consideration”), (2) 15,252,453 validly issued, fully paid and non-assessable shares of the Company’s common stock, par value \$0.01 per share (the “Company Stock Consideration” and, together with the Company Cash Consideration, the “Company Consideration”) and (3) \$2.15 million in cash payable by Sierra Crest.

With respect to the Company Consideration, record holders of shares of HCAP Common Stock were entitled, with respect to all or any portion of the shares of HCAP Common Stock held as of the Effective Time, to make an election to receive payment for their shares of HCAP Common Stock in cash (an “Election”), subject to the conditions of and certain adjustment mechanisms set forth in the Merger Agreement. Any record holder of shares of HCAP Common Stock who did not validly make an Election was deemed to have elected to receive shares of the Company’s common stock with respect to the Company Consideration as payment for their shares of HCAP Common Stock. Each share of HCAP Common Stock (other than a Cancelled Share) with respect to which an Election was made was treated as an “Electing Share” and each share of HCAP Common Stock (other than a Cancelled Share) with respect to which an Election was not made or that was transferred after the election deadline on June 2, 2021 was treated as a “Non-Electing Share.”

Pursuant to the conditions of and adjustment mechanisms in the Merger Agreement, 475,806 Electing Shares were converted to Non-Electing Shares for purposes of calculating the total mix of consideration to be paid to each Electing Share in order to ensure that the value of the aggregate Company Cash Consideration paid to holders of the Electing Shares equaled the aggregate cash consideration that HCAP received from the Company under the terms of the Merger Agreement. Applying such adjustment among all stockholders who hold Electing Shares, pro rata based on the aggregate number of Electing Shares held by each such stockholder, each Electing Share was converted into the right to receive \$7.43 in cash and 0.74 shares of the Company’s common stock (with cash payable in lieu of fractional shares). Each Non-Electing Share was converted into the right to receive 3.86 shares of the Company’s common stock.

The foregoing description of the Mergers and the Merger Agreement is a summary only and is qualified in its entirety by reference to the full text of the Merger Agreement, a copy of which was filed by the Company as Exhibit 2.1 to its Current Report on Form 8-K filed on December 28, 2020, and is incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On June 9, 2021, the Company entered into a third supplemental indenture (the “Third Supplemental Indenture”) by and between the Company and U.S. Bank National Association, as trustee (the “Trustee”), effective as of the closing of the Mergers. The Third Supplemental Indenture relates to the Company’s assumption of \$28.75 million in aggregate principal amount of HCAP’s 6.125% Notes due September 15, 2022 (the “Notes”).

Pursuant to the Third Supplemental Indenture, the Company expressly assumed the due and punctual payment of the principal of (and premium, if any) and interest, if any, on the Notes and the performance of HCAP’s covenants under the base indenture, dated as of January 27, 2015 (the “Base Indenture”), by and between HCAP and the Trustee, as supplemented by the second supplemental indenture, dated as of August 24, 2017 (the “Second Supplemental Indenture”), by and between HCAP and the Trustee. The Notes may be redeemed by the Company at any time at par value plus accrued and unpaid interest. No change of control offer was required to be made in respect of the Notes in connection with the consummation of the Mergers.

The foregoing description of the Notes does not purport to be complete and is qualified in its entirety by reference to the form of Base Indenture, the Second Supplemental Indenture, providing for the issuance of the Notes, and the Third Supplemental Indenture, relating to the Company’s assumption of the Notes, copies of which, including the form of Notes related thereto, are attached or incorporated by reference as Exhibits 4.1 through 4.3 to this Current Report on Form 8-K, respectively, and are incorporated herein by reference.¹

Item 7.01. Regulation FD Disclosure.

On June 9, 2021, the Company issued a press release announcing the completion of the transactions contemplated by the Merger Agreement. A copy of the press release is furnished herewith as Exhibit 99.1. The information contained in this Item 7.01 of this Current Report on Form 8-K (including Exhibit 99.1) is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed “filed” for the 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, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or under the Exchange Act, whether made before or after the date hereof, except as may be expressly set forth by specific reference in such filing to this Item 7.01 of this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Fund Acquired.

The information required by Item 9.01(a) of Form 8-K, including the financial statements required pursuant to Rule 6-11 of Regulation S-X, was previously included or incorporated by reference in the Company’s prospectus dated April 20, 2021 (the “Prospectus”), as filed under the Securities Act with the Securities and Exchange Commission (the “SEC”) on April 20, 2021, and in Supplement No. 1 to the Prospectus, as filed with the SEC on May 27, 2021 and, pursuant to General Instruction B.3 of Form 8-K, is not included herein.

(d) Exhibits

Filed with this report:

- 2.1* [Agreement and Plan of Merger, dated as of December 23, 2020, by and among Portman Ridge Finance Corporation, Rye Acquisition Sub Inc., Harvest Capital Credit Corporation and Sierra Crest Investment Management LLC. \(Incorporated by reference to Exhibit 2.1 to the Company’s Current Report on Form 8-K filed on December 28, 2020\).](#)
- 4.1 [Form of Base Indenture between Harvest Capital Credit Corporation and U.S. Bank National Association \(incorporated by reference to Exhibit \(d\)\(2\) to Pre-Effective Amendment No. 1 to Harvest Capital Credit Corporation’s Registration Statement on Form N-2, File No. 333-198362, filed on November 7, 2014\).](#)

4.2 [Second Supplemental Indenture between Harvest Capital Credit Corporation and U.S. Bank National Association, as trustee \(incorporated by reference to Exhibit 4.2 filed with Harvest Capital Credit Corporation's Form 8-A filed on August 24, 2017\).](#)

4.3 [Third Supplemental Indenture by and between the Company and U.S. National Bank Association, as trustee \(incorporated by reference to Exhibit 4.4 filed with the Company's Form 8-A on June 9, 2021\).](#)

* Exhibits and schedules to this Exhibit have been omitted in accordance with Item 601(b)(2) of Regulation S-K. The registrant agrees to furnish supplementally a copy of all omitted exhibits and schedules to the SEC upon its request.

Furnished with this report:

99.1 [Press Release, dated June 9, 2021.](#)

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

Date: June 9, 2021

By: /s/ Jason Roos

Name: Jason Roos

Title: Chief Financial Officer



FOR IMMEDIATE RELEASE

Portman Ridge Finance Corporation Completes Merger with Harvest Capital Credit Corporation

- **Combined company estimated to have total assets of approximately \$614 million**
- **Fourth strategic transaction closed by Portman Ridge in three years**

NEW YORK, June 9, 2021 – Portman Ridge Finance Corporation (NASDAQ: PTMN) (the “Company” or “PTMN”) announced today the closing of the previously announced merger with Harvest Capital Credit Corporation (formerly NASDAQ: HCAP) (“HCAP”). The combined company, which will remain externally managed by Sierra Crest Investment Management LLC (“Sierra Crest”), an affiliate of BC Partners Advisors L.P. (“BC Partners”), is expected to have total assets of approximately \$614 million and net asset value of approximately \$268 million after closing.

As a result of the merger, HCAP stockholders will receive, in the aggregate:

- a cash payment from Sierra Crest of \$2.15 million, or approximately \$0.36 per share of HCAP common stock, *plus*
- aggregate merger consideration from PTMN composed of (i) approximately \$18.5 million in cash and (ii) approximately 15.3 million shares of PTMN common stock.

With respect to the merger consideration from PTMN, HCAP stockholders were entitled, with respect to all or any portion of the shares of HCAP common stock they held as of the effective time of the merger, to elect to receive the merger consideration in the form of cash (an “Election”) or PTMN common stock, subject to certain conditions and limitations in the merger agreement. Accordingly, as a result of the Elections received from HCAP stockholders and any resulting adjustment under the terms of the merger agreement, each share of HCAP common stock with respect to which an Election was validly submitted (an “Electing Share”) will receive, in aggregate, approximately \$7.43 in cash and 0.74 shares of PTMN common stock, while each non-Electing Share of HCAP common stock will receive, in aggregate, approximately 3.86 shares of PTMN common stock. Pursuant to the terms of the merger agreement, 475,806 Electing Shares were converted to non-Electing Shares in order to ensure that the value of the aggregate cash consideration paid by PTMN to holders of the Electing Shares equaled the aggregate cash consideration that HCAP received from PTMN.

The merger received solid support from the HCAP stockholder base, with over 96% of the voting stockholders approving the transaction. As of closing, PTMN and HCAP stockholders owned approximately 83.4% and 16.6%, respectively, of the combined company. In connection with the merger, Joseph Jolson, Chairman and CEO of HCAP and HCAP's largest non-institutional stockholder, accepted merger consideration comprised solely of PTMN common stock and agreed not to transfer his PTMN shares received in the merger for 90 days post-closing to facilitate liquidity for other stockholders.

Ted Goldthorpe, President and CEO of PTMN and Head of BC Partners Credit commented, "We are very pleased to close the merger with Harvest Capital highlighting the continued execution of our strategy in targeting attractive consolidation opportunities that result in earnings accretion to stockholders. As in past transactions, we expect that stockholders will benefit from the operational and cost synergies driven by lower financing costs, a lower blended fee structure, a reduction in public company costs per share and an increased trading liquidity in the equity. The addition of the Harvest Capital assets is in line with our long-term objective of building a diversified portfolio of high-quality directly originated senior secured debt investments and we look forward to continuing to execute on this strategy."

Simpson Thacher & Bartlett LLP served as counsel to PTMN. Keefe, Bruyette & Woods, *A Stifel Company* served as financial advisor to the Special Committee of HCAP's Board of Directors. Dechert LLP served as counsel to HCAP and to the Special Committee of HCAP's Board of Directors.

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 Finance Corporation'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. The Company's investment activities are managed by its investment adviser, Sierra Crest Investment Management LLC, an affiliate of BC Partners Advisors L.P.

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

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

BC Partners is a leading international investment firm with over \$40 billion of assets under management in private equity, private credit and real estate strategies. Established in 1986, BC Partners has played an active role in developing the European buyout market for three decades. Today, BC Partners executives operate across markets as an integrated team through the firm's offices in North America and Europe. Since inception, BC Partners has completed 117 private equity investments in companies with a total enterprise value of €149 billion and is currently investing its eleventh private equity fund. For more information, please visit 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 within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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 the transaction in which Harvest Capital Credit Corporation merged with and into the Company; (3) the ability of the Company and/or BC Partners to implement its business strategy; (4) evolving legal, regulatory and tax regimes; (5) changes in general economic and/or industry specific conditions; (6) the impact of increased competition; (7) business prospects and the prospects of the Company’s portfolio companies; (8) contractual arrangements with third parties; (9) any future financings by the Company; (10) the ability of Sierra Crest Investment Management LLC to attract and retain highly talented professionals; (11) the Company’s ability to fund any unfunded commitments; (12) any future distributions by the Company; (13) changes in regional or national economic conditions, including but not limited to the impact of the COVID-19 pandemic, and their impact on the industries in which we invest; and (14) other changes in the conditions of the industries in which we invest and other factors enumerated in our filings with the SEC. The forward-looking statements should be read in conjunction with the risks and uncertainties discussed in the Company’s filings with the SEC, including the Company’s most recent Form 10-K, Form 10-Q 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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