
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File No. 814-00735

Portman Ridge Finance Corporation

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
Incorporation or organization)

20-5951150
(I.R.S. Employer
Identification Number)

650 Madison Avenue, 3rd Floor
New York, New York 10022
(Address of principal executive offices)

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

Securities registered pursuant to Section 12(b) of the 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: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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 7(a)(2)(B) of the Securities Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The number of outstanding shares of common stock of the registrant as of August 1, 2025 was 13,191,929.

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NOTE ABOUT REFERENCES TO PORTMAN RIDGE FINANCE CORPORATION

In this Quarterly Report on Form 10-Q, the “Company”, “Portman Ridge”, “we”, “us” and “our” refer to Portman Ridge Finance Corporation and its wholly-owned subsidiaries, unless the context otherwise requires.

NOTE ABOUT FORWARD-LOOKING STATEMENTS

The information contained in this item should be read in conjunction with our consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report and in conjunction with the financial statements and notes thereto in the Company’s Form 10-K for the year ended December 31, 2024, as filed with the U.S. Securities and Exchange Commission (the “Commission” or the “SEC”). In addition, some of the statements in this report constitute forward-looking statements. The matters discussed in this Quarterly Report, 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. We generally identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “outlook,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar words. Important assumptions include our ability to originate new investments, 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 Quarterly Report should not be regarded as a representation by us that our plans or objectives will be achieved. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including without limitation:

- our future operating results;
- our business prospects and the prospects of our existing and prospective portfolio companies;
- the return or impact of current and future investments;
- our contractual arrangements and other relationships with third parties;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the financial condition and ability of our existing and prospective portfolio companies to achieve their objectives;
- our expected financings and investments;
- our ability to operate as a business development company (“BDC”) under the Investment Company Act of 1940 and a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, including the impact of changes in laws or regulations governing our operations or the operations of our portfolio companies;
- the adequacy of our available liquidity, cash resources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the ability of Sierra Crest Investment Management LLC (the “Adviser”) to locate suitable investments for us to monitor and administer our investments;
- the ability of the Adviser to attract and retain highly talented professionals;
- actual and potential conflicts of interest with the Adviser and its affiliates;
- the effect of legal, tax, and regulatory changes on us and our portfolio companies;
- the impact of a protracted decline in the liquidity of credit markets on our business;
- the impact of fluctuations in interest rates on our business;
- the valuation of our investments in portfolio companies, particularly those having no liquid trading market;
- our ability to recover unrealized losses;
- market conditions and our ability to access additional capital;
- an economic downturn could have a material adverse effect on our portfolio companies’ results of operations and financial condition, which could lead to a loss on some or all of our investments in such portfolio companies and have a material adverse effect on our results of operations and financial condition;
- the timing, form and amount of any dividend distributions; and
- risks related to certain mergers diverting management’s attention from ongoing business operations.

For a more detailed discussion of factors that could cause our actual results to differ from forward-looking statements contained in this Quarterly Report, please see the discussion in Part II, “Item 1A. Risk Factors” of this Quarterly Report, and in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024. You should not place undue reliance on these forward-looking statements. The forward-looking statements made in this Quarterly Report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances occurring after the date this Quarterly Report is filed with the SEC.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

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

	June 30, 2025	December 31, 2024
	(Unaudited)	
ASSETS		
Investments at fair value:		
Non-controlled/non-affiliated investments (amortized cost of \$358,576 and \$358,153, respectively)	\$ 329,911	\$ 327,622
Non-controlled affiliated investments (amortized cost of \$62,544 and \$68,858, respectively)		64,384
Controlled affiliated investments (amortized cost of \$42,675 and \$49,421, respectively)	11,282	13,015
Total Investments at fair value (amortized cost of \$463,795 and \$476,432, respectively)	\$ 395,109	\$ 405,021
Cash and cash equivalents	11,222	17,532
Restricted cash	13,357	22,421
Interest receivable	4,429	6,088
Dividend receivable	895	1,367
Other assets	2,983	1,205
Total Assets	\$ 427,995	\$ 453,634
LIABILITIES		
4.875% Notes Due 2026 (net of deferred financing costs and original issue discount of \$644 and \$1,017, respectively)	\$ 107,356	\$ 106,983
Great Lakes Portman Ridge Funding LLC Revolving Credit Facility (net of deferred financing costs of \$1,073 and \$1,322, respectively)	146,306	158,157
Accounts payable, accrued expenses and other liabilities	3,871	3,007
Accrued interest payable	3,321	3,646
Due to affiliates	—	635
Management and incentive fees payable	2,412	2,713
Total Liabilities	\$ 263,266	\$ 275,141
COMMITMENTS AND CONTINGENCIES (NOTE 8)		
NET ASSETS		
Common stock, par value \$0.01 per share, 20,000,000 common shares authorized; 9,970,461 issued, and 9,207,851 outstanding at June 30, 2025, and 9,960,785 issued, and 9,198,175 outstanding at December 31, 2024	\$ 92	\$ 92
Capital in excess of par value	714,459	714,331
Total distributable (loss) earnings	(549,822)	(535,930)
Total Net Assets	\$ 164,729	\$ 178,493
Total Liabilities and Net Assets	\$ 427,995	\$ 453,634
Net Asset Value Per Common Share	<u>17.89</u>	<u>19.41</u>

See accompanying notes to unaudited consolidated financial statements.

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

For the Three Months Ended June 30, For the Six Months Ended June 30,
2025 2024 2025 2024

INVESTMENT INCOME				
Interest income:				
Non-controlled/non-affiliated investments	\$	8,463	\$	11,913
Non-controlled affiliated investments		324		312
Total interest income		8,787		12,225
Payment-in-kind income:				
Non-controlled/non-affiliated investments ⁽¹⁾		2,354		2,018
Non-controlled affiliated investments		95		183
Total payment-in-kind income		2,449		2,201
Dividend income:				
Non-controlled affiliated investments		1,213		1,800
Total dividend income		1,213		1,800
Fees and other income:				
Non-controlled/non-affiliated investments		98		111
Non-controlled affiliated investments		83		—
Total fees and other income		181		111
Total investment income		12,630		16,337
EXPENSES				
Management fees		1,445		1,680
Performance-based incentive fees		967		1,374
Interest and amortization of debt issuance costs		4,230		5,365
Professional fees		403		469
Administrative services expense		450		361
Directors' expense		142		162
Other general and administrative expenses		436		449
Total expenses		8,073		9,860
NET INVESTMENT INCOME		4,557		6,477
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS				
Net realized gains (losses) from investment transactions:				
Non-controlled/non-affiliated investments		(9,648)		(694)
Non-controlled affiliated investments		—		(92)
Controlled affiliated investments		(6,192)		(6,228)
Net realized gain (loss) on investments		(15,840)		(6,922)
Net change in unrealized appreciation (depreciation) on:				
Non-controlled/non-affiliated investments		3,390		(10,163)
Non-controlled affiliated investments		(3,014)		(2,055)
Controlled affiliated investments		6,287		6,252
Derivatives		(35)		—
Net change in unrealized appreciation (depreciation) on investments		6,628		(5,966)
Tax (provision) benefit on realized and unrealized gains (losses) on investments		137		78
Net realized and unrealized appreciation (depreciation) on investments, net of taxes		(9,075)		(12,810)
Net realized gain (loss) on extinguishment of debt		—		(39)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS		<u>(4,518)</u>		<u>(6,372)</u>
Net Increase (Decrease) In Net Assets Resulting from Operations per Common Share:				
Basic and Diluted:	\$	(0.49)	\$	(0.69)
Net Investment Income Per Common Share:				
Basic and Diluted:	\$	0.50	\$	0.70
Weighted Average Shares of Common Stock Outstanding — Basic and Diluted		9,204,657		9,293,687
				9,201,451
				9,319,272

(1) During the three months ended June 30, 2025 and 2024, the Company received \$0.1 million 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 six months ended June 30, 2025 and 2024, the Company received \$0.3 million and \$0.1 million, respectively, of non-recurring fee income that was paid in-kind and included in this financial statement line item.

See accompanying notes to unaudited consolidated financial statements.

PORTMAN RIDGE FINANCE CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS⁽¹⁾
(in thousands, except share and per share amounts)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Operations:				
Net investment income	\$ 4,557	\$ 6,477	\$ 8,897	\$ 12,702
Net realized gain (loss) on investments	(15,840)	(6,922)	(16,013)	(8,979)
Net realized gain (loss) from extinguishment of debt	—	(39)	—	(252)
Net change in unrealized appreciation (depreciation) on investments	6,628	(5,966)	2,725	(5,895)
Tax (provision) benefit on realized and unrealized gains (losses) on investments	137	78	(209)	537
Net increase (decrease) in net assets resulting from operations	\$ (4,518)	\$ (6,372)	\$ (4,600)	\$ (1,887)
Stockholder distributions:				
Distributions declared	\$ (4,325)	\$ (6,411)	\$ (9,292)	\$ (12,854)
Net decrease in net assets resulting from stockholder distributions	\$ (4,325)	\$ (6,411)	\$ (9,292)	\$ (12,854)
Capital share transactions:				
Issuance of common stock for:				
Stock issued under dividend reinvestment plan	\$ 61	\$ 158	\$ 128	\$ 158
Stock repurchases	—	(1,553)	—	(2,506)
Net increase (decrease) in net assets resulting from capital share transactions	\$ 61	\$ (1,395)	\$ 128	\$ (2,348)
Net assets at beginning of period	\$ 173,511	\$ 210,607	\$ 178,493	\$ 213,518
Net assets at end of period	\$ 164,729	\$ 196,429	\$ 164,729	\$ 196,429
Net asset value per common share	\$ 17.89	\$ 21.21	\$ 17.89	\$ 21.21
Common shares outstanding at end of period	9,207,851	9,260,495	9,207,851	9,260,495

(1) Refer to Note 9 "Stockholders' Equity" for additional information on changes in components of Stockholders' Equity.

See accompanying notes to unaudited consolidated financial statements.

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

	For the Six Months Ended June 30,	
	2025	2024
OPERATING ACTIVITIES:		
Net increase (decrease) in net assets resulting from operations	\$ (4,600)	\$ (1,887)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operations:		
Net realized (gain) loss on investments	16,013	8,979
Net change in unrealized (appreciation) depreciation on investments	(2,725)	5,895
Tax provision (benefit) on realized and unrealized gains (losses) on investments	209	(537)
Purchases of investments	(28,432)	(51,093)
Proceeds from sales and redemptions of investments	32,709	67,576
Net accretion of investments	(1,600)	(2,657)
Amortization of debt issuance costs	621	595
Net realized (gain) loss on extinguishment of debt	—	252
Payment-in-kind income	(5,577)	(4,207)
Change in operating assets and liabilities:		
(Increase) decrease in receivable for unsettled trades	—	573
(Increase) decrease in interest receivable	1,184	503
(Increase) decrease in dividend receivable	472	(10)
(Increase) decrease in other assets	(1,778)	(268)
Increase (decrease) in payable for unsettled trades	—	(483)
Increase (decrease) in accrued interest payable	(325)	(391)
Increase (decrease) in management and incentive fees payable	(301)	(1,099)
Increase (decrease) in due to affiliates	(635)	(47)
Increase (decrease) in accounts payable and accrued expenses	655	(805)
Net cash provided by (used in) operating activities	\$ 5,890	\$ 20,889
FINANCING ACTIVITIES:		
Stock repurchase program	\$ —	(2,506)
Distributions to stockholders	(9,164)	(12,696)
Repayment of 2018-2 Secured Notes	—	(40,612)
Repayment of Revolving Credit Facilities	(12,100)	—
Net cash provided by (used in) financing activities	\$ (21,264)	\$ (55,814)
CHANGE IN CASH AND RESTRICTED CASH	\$ (15,374)	\$ (34,925)
CASH AND RESTRICTED CASH, BEGINNING OF PERIOD	39,953	71,564
CASH AND RESTRICTED CASH, END OF PERIOD	\$ 24,579	\$ 36,639
Amounts per consolidated statements of assets and liabilities:		
Cash and cash equivalents	\$ 11,222	\$ 9,813
Restricted cash	13,357	26,826
Total Cash and Restricted cash	\$ 24,579	\$ 36,639
Supplemental Information and non-cash activities:		
Cash paid for interest during the period	\$ 8,234	\$ 10,887
Reinvestment of distributions	\$ 128	\$ 158

See accompanying notes to unaudited consolidated financial statements.

PORTMAN RIDGE FINANCE CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of June 30, 2025
(in thousands, except share and per share amounts)
(Unaudited)

Investment (2), (4), (12), (14), (23), (24)	Industry	Interest Rate (1)	Reference Rate and Spread (1)	Floor (1)	Maturity	Par/Shares (++)	Cost	Fair Value	Footnotes
Investments in Non-Control, Non-Affiliate Portfolio Companies - 200.4%									
First Lien/Senior Secured Debt - 172.2%									
Accordian Partners LLC	Finance	9.55%	SOFR + 5.25%	0.75%	11/17/31	4,599	\$ 4,574	\$ 4,581	(13)(20)
Accordian Partners LLC (Revolver)	Finance	—	SOFR + 5.25%	0.75%	11/17/31	—	(8)	(5)	(15)(20)
Accurate Background, LLC	Services: Business	10.56%	SOFR + 6.00%	1.00%	03/26/29	4,345	4,177	4,345	(13)
Advantage Capital Holdings LLC	Banking, Finance, Insurance & Real Estate	13.00%	13.00%, 5.00% PIK	—	04/14/27	15,127	15,126	14,427	(13)
AIDC IntermediateCo 2, LLC (Peak Technologies)	Services: Business	9.83%	SOFR + 5.50%	1.00%	07/22/27	975	968	966	(13)
AMCP Pet Holdings, Inc.	Beverage, Food and Tobacco	11.43%	SOFR + 4.00%, 3.00% PIK	1.00%	10/06/26	4,705	4,680	4,643	(13)
AMCP Pet Holdings, Inc. (Revolver)	Beverage, Food and Tobacco	11.43%	SOFR + 4.00%, 3.00% PIK	1.00%	10/06/26	1,025	1,021	1,011	
American Academy Holdings, LLC	Healthcare & Pharmaceuticals	14.19%	SOFR + 9.75%, 5.25% PIK	3.25%	06/30/27	3,996	3,991	4,226	(13)
Ancile Solutions, Inc.	High Tech Industries	14.57%	SOFR + 10.00%	1.00%	06/11/26	5,804	5,773	5,804	(13)
Anthem Sports & Entertainment Inc. (2025 Delayed Draw Term Loan)	Media: Broadcasting & Subscription	10.06%	SOFR + 5.50%, 10.06% PIK	1.00%	11/15/27	975	975	975	(20)
Anthem Sports & Entertainment Inc. (Hollywood Suits Delayed Draw Term Loan)	Media: Broadcasting & Subscription	10.06%	SOFR + 5.50%, 10.06% PIK	1.00%	11/15/27	4,147	4,147	4,147	
Anthem Sports & Entertainment Inc. (Term Loan B)	Media: Broadcasting & Subscription	10.00%	10.00% PIK	1.00%	11/15/27	8,729	8,729	8,729	
Anthem Sports & Entertainment Inc. (Term Loan C)	Media: Broadcasting & Subscription	9.30%	SOFR + 5.00%	1.00%	03/09/28	5,802	5,798	5,798	(13)
Appfire Technologies, LLC	High Tech Industries	10.05%	SOFR + 5.75%	—	07/01/29	12,417	11,954	11,961	(13)
BetaNXT, Inc.	Banking, Finance, Insurance & Real Estate	8.80%	SOFR + 4.50%	—	07/01/27	966	966	878	(20)
BetaNXT, Inc. (Revolver)	Banking, Finance, Insurance & Real Estate	—	—	—	—	—	—	—	
Bradshaw International Parent Corp.	Consumer goods: Durable	10.18%	SOFR + 5.75%	1.00%	10/21/27	488	483	485	(13)
Bradshaw International Parent Corp. (Revolver)	Consumer goods: Durable	—	SOFR + 5.75%	1.00%	10/21/26	—	(23)	(7)	(15)(20)
C.P. Converters, Inc.	Chemicals, Plastics and Rubber	12.08%	SOFR + 7.75%, 12.08% PIK	—	12/13/25	11,426	11,426	10,855	(13)
CB MIDCO, LLC	Consumer goods: Durable	10.18%	SOFR + 5.75%	1.00%	09/27/27	3,816	3,801	3,715	(13)
CCMG Buyer, LLC (Care Connectors Medical Group)	Healthcare & Pharmaceuticals	9.83%	SOFR + 5.50%	1.00%	05/08/30	3,135	3,103	3,135	(13)
CCMG Buyer, LLC (Care Connectors Medical Group) (Revolver)	Healthcare & Pharmaceuticals	—	—	—	—	—	(5)	(15)(20)	
Centric Brands Inc.	Machinery (Non-Agrcrl/Constr/Electr)	9.76%	SOFR + 5.50%	1.00%	08/06/29	3,689	3,689	3,689	(13)
Centric Brands Inc. (Term Loan A1)	Machinery (Non-Agrcrl/Constr/Electr)	10.76%	SOFR + 6.50%	1.00%	02/06/31	3,115	3,115	3,115	(13)
Centric Brands Inc. (Term Loan A2)	Machinery (Non-Agrcrl/Constr/Electr)	12.26%	SOFR + 8.00%, 12.26% PIK	1.00%	02/06/31	3,683	3,683	3,683	
Colonnade Intermediate, LLC	Services: Business	—	—	—	09/30/26	8,382	7,708	5,816	(5)
Colonnade Intermediate, LLC (Revolver)	Services: Business	—	—	—	09/30/26	685	685	476	(5)
Datalink, LLC	Healthcare & Pharmaceuticals	13.68%	SOFR + 9.25%	1.00%	11/23/26	2,640	2,623	1,868	(13)
Dentive, LLC	Healthcare & Pharmaceuticals	11.05%	SOFR + 6.75%	0.75%	12/26/28	2,726	2,687	2,647	(13)(20)
Dentive, LLC (Revolver)	Healthcare & Pharmaceuticals	11.04%	SOFR + 6.75%	0.75%	12/26/28	206	202	200	(20)
Dodge Data & Analytics LLC	Construction & Building	10.71%	SOFR + 6.25%	0.50%	01/31/29	656	649	655	(13)
Dodge Data & Analytics LLC (Second Out)	Construction & Building	9.21%	SOFR + 4.75%	0.50%	02/28/29	910	793	754	(13)
Florida Food Products, LLC	Beverage, Food and Tobacco	9.48%	SOFR + 5.00%	0.75%	10/18/28	6,788	6,697	4,616	(13)
Fulcrum US Holdings, Inc. (Revolver)	IT Consulting & Other Services	13.50%	P + 6.00%	—	07/15/25	2,000	2,000	2,000	
Fusion Buyer, LLC (Ira Franchise Group Inc.)	Consumer Services	12.40%	SOFR + 8.00%	—	06/06/30	1,384	1,383	1,383	(13)
Global Integrated Flooring Systems Inc.	Consumer goods: Durable	13.66%	SOFR + 8.36%, 1.00% PIK	—	12/31/26	6,317	5,617	3,487	
Global Integrated Flooring Systems Inc. (Revolver)	Consumer goods: Durable	7.47%	SOFR + 3.00%, 6.25% PIK	—	12/31/26	51	45	29	
H.W. Lochner, Inc.	Services: Business	10.68%	SOFR + 6.25%	1.00%	07/02/27	17,430	17,284	17,429	(13)
HDC/HW Intermediate Holdings, LLC - Term Loan A	High Tech Industries	13.56%	SOFR + 9.00%	5.25%	06/21/26	5,798	5,375	4,608	(20)
HDC/HW Intermediate Holdings, LLC - Term Loan B	High Tech Industries	—	—	—	06/21/26	3,950	940	—	(5)
Help Systems Holdings, Inc.	High Tech Industries	8.38%	SOFR + 4.00%	0.75%	11/19/26	1,944	1,884	1,857	(13)
IDC Infusion Services LLC	Healthcare & Pharmaceuticals	10.80%	SOFR + 6.50%	1.00%	07/07/28	3,814	3,765	3,831	(13)(20)
Ivanti Software, Inc.	High Tech Industries	9.02%	SOFR + 4.75%	0.75%	06/01/29	999	890	833	(13)
Ivanti Software, Inc. - NewCo	High Tech Industries	10.02%	SOFR + 5.75%	2.00%	06/01/29	516	491	532	(13)
Keg Logistics LLC	Services: Business	11.23%	SOFR + 6.75%	1.00%	11/23/27	11,845	11,774	11,637	(13)
Keg Logistics LLC (Revolver)	Services: Business	11.21%	SOFR + 6.75%	1.00%	11/23/27	872	859	857	
Lifescan Global Corporation	Healthcare & Pharmaceuticals	10.92%	SOFR + 6.50%	1.00%	12/31/26	2,001	1,950	1,325	(13)
Live Comfortably Inc.	Consumer goods: Durable	7.44%	SOFR + 3.00%	2.00%	09/20/27	6,239	6,053	5,750	(13)
MAG DS Corp.	Aerospace and Defense	9.90%	SOFR + 5.50%	1.00%	04/01/27	3,604	3,435	3,486	(13)
Middle West Spirits, LLC	Beverage, Food and Tobacco	10.53%	SOFR + 6.25%	2.00%	04/23/30	3,072	3,012	3,010	(13)
Middle West Spirits, LLC (Revolver)	Beverage, Food and Tobacco	—	SOFR + 6.25%	2.00%	04/23/30	—	(17)	(18)	(15)(20)
Money Transfer Acquisition Inc.	Finance	12.68%	SOFR + 8.25%	1.00%	12/14/27	8,466	8,376	8,293	
Morae Global Corporation (Term Loan A)	IT Consulting & Other Services	12.43%	SOFR + 8.00%	2.00%	10/31/28	2,099	1,989	2,044	(13)
Morae Global Corporation (Term Loan B)	IT Consulting & Other Services	12.45%	SOFR + 8.00%	2.00%	10/31/28	1,133	1,072	1,111	(13)
Morae Global Corporation (Revolver)	IT Consulting & Other Services	12.42%	SOFR + 8.00%	2.00%	10/31/28	167	161	163	(20)
MSM Acquisitions, Inc.	Services: Business	10.33%	SOFR + 3.50%, 2.50% PIK	1.00%	12/09/26	9,989	9,970	9,104	(13)
Neptune Bideo US Inc.	Media: Broadcasting & Subscription	9.33%	SOFR + 5.00%	0.50%	04/11/29	4,445	4,093	4,216	(13)
Neptune Bideo US Inc. (Term Loan A)	Media: Broadcasting & Subscription	9.08%	SOFR + 4.75%	0.50%	10/11/28	2,992	2,699	2,826	(13)
Netwrix Corporation	High Tech Industries	9.08%	SOFR + 4.75%	0.75%	06/09/29	4,227	4,213	4,193	(13)
Netwrix Corporation (Revolver)	High Tech Industries	—	SOFR + 5.00%	0.75%	06/09/29	—	(6)	(9)	(15)(20)
Newbury Franklin Industrials, LLC	Consumer goods: Durable	11.18%	SOFR + 7.00%	2.00%	12/11/29	3,993	3,892	3,892	(13)(20)
One Stop Mailing LLC	Transportation: Consumer	10.69%	SOFR + 6.25%	1.00%	04/29/27	7,415	7,368	7,415	(13)
PMA Parent Holdings LLC	Finance	9.80%	SOFR + 5.50%	0.75%	01/31/31	1,398	1,378	1,380	(13)
PMA Parent Holdings LLC (Revolver)	Finance	—	SOFR + 5.50%	0.75%	01/31/31	—	(1)	(1)	(15)(20)
PhyNet Dermatology LLC	Healthcare & Pharmaceuticals	10.77%	SOFR + 6.50%	1.00%	10/20/29	1,287	1,264	1,268	(13)(20)
Pomero Technologies, LLC (Super Senior A)	High Tech Industries	6.00% PIK	—	—	11/30/27	1,409	1,409	1,409	

See accompanying notes to unaudited consolidated financial statements.

PORTMAN RIDGE FINANCE CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS - CONTINUED
As of June 30, 2025
(in thousands, except share and per share amounts)
(Unaudited)

Investment (2), (4), (12), (14), (23), (24)	Industry	Interest Rate (1)	Reference Rate and Spread (1)	Floor (1)	Maturity	Par/Shares (++)	Cost	Fair Value	Footnotes
Premier Imaging, LLC	Healthcare & Pharmaceuticals	10.56%	SOFR + 6.00%	1.00%	03/31/26	2,943	\$ 2,943	\$ 2,583	
Project Castle, Inc.	Transportation: Cargo	9.72%	SOFR + 5.50%	0.50%	06/08/29	3,004	2,825	2,383	(13)
Project Leopard Holdings, Inc.	High Tech Industries	9.63%	SOFR + 5.25%	0.50%	07/20/29	5,666	5,437	5,163	(13)
PVHC Holding Corp	Containers, Packaging and Glass	10.70%	SOFR + 5.50%, 0.75% PIK	2.50%	02/17/27	2,726	2,725	2,705	(13)
Radius Aerospace, Inc.	Aerospace and Defense	10.45%	SOFR + 6.00%, 0.25% PIK	1.00%	03/29/27	5,496	5,489	5,465	(13)
STG Distribution, LLC (STG Logistics) (Second Out)	Transportation: Cargo	11.92%	SOFR + 7.60%, 6.50% PIK	1.50%	10/03/29	1,837	1,159	620	(13)
STG Distribution, LLC (STG Logistics) (Third Out)	Transportation: Cargo	11.42%	SOFR + 7.10%, 6.00% PIK	1.50%	10/03/29	1,373	521	170	
Riskonnet Parent LLC	Application Software	9.22%	SOFR + 5.00%	0.75%	12/07/28	1,210	1,165	1,163	(13)(20)
Red Range Intermediate Inc.	Capital Equipment	12.42%	SOFR + 8.00%	1.00%	10/01/29	324	324	324	
South Street Securities Holdings, Inc	Banking, Finance, Insurance & Real Estate	9.00%	—	—	09/20/27	3,150	2,917	2,811	
Sundance Holdings Group, LLC	Retail	—	—	—	06/30/25	6,561	6,511	—	(5)
Sundance Holdings Group, LLC (Priority PIK Term Loan)	Retail	9.50% PIK	SOFR + 9.50%, 9.50% PIK	—	06/30/25	162	162	162	
Symplr Software, Inc.	Healthcare & Pharmaceuticals	8.88%	SOFR + 4.50%	0.75%	12/22/27	1,644	1,643	1,504	(13)
Synamedia Americas Holdings, Inc.	Interactive Media & Services	10.80%	SOFR + 6.50%	1.00%	12/05/28	7,110	7,092	7,089	(13)
TA/WEG Holdings, LLC	Banking, Finance, Insurance & Real Estate	9.29%	SOFR + 5.00%	1.00%	10/02/28	5,006	5,001	5,006	(13)
TA/WEG Holdings, LLC (Revolver)	Banking, Finance, Insurance & Real Estate	—	SOFR + 5.00%	1.00%	10/02/28	—	(2)	—	(15)(20)
Tactical Air Support, Inc.	Aerospace and Defense	12.91%	SOFR + 8.50%	1.00%	12/22/28	1,925	1,896	1,912	(13)
Taoglas USA Holdings Inc.	High Tech Industries	11.55%	SOFR + 7.25%	1.00%	02/28/29	1,639	1,616	1,616	(13)
TLE Holdings, LLC	Healthcare, Education and Childcare	9.93%	SOFR + 5.50%	1.00%	06/29/26	6,082	6,081	6,082	(13)
VBC Spine Opco LLC (DxTx Pain and Spine LLC)	Healthcare & Pharmaceuticals	12.46%	SOFR + 8.00%	2.00%	06/14/28	4,007	3,959	4,007	(13)
VBC Spine Opco LLC (DxTx Pain and Spine LLC) (Revolver)	Healthcare & Pharmaceuticals	12.46%	SOFR + 8.00%	2.00%	06/14/28	258	253	258	(15)(20)
VTX Intermediate Holdings, Inc.	High Tech Industries	11.58%	SOFR + 7.00%, 1.00% PIK	2.00%	12/12/29	5,148	5,106	5,110	(13)
Total First Lien/Senior Secured Debt							304,562	283,587	
Second Lien/Senior Secured Debt - 16.0%									
American Academy Holdings, LLC	Healthcare & Pharmaceuticals	14.50% PIK	14.50%, 14.50% PIK	—	03/01/28	7,312	7,252	7,202	
Confluence Technologies, Inc.	Services: Business	10.97%	SOFR + 6.50%, 6.50% PIK	0.50%	07/23/29	4,064	4,048	3,494	(13)
Dcert Buyer, Inc.	High Tech Industries	11.32%	SOFR + 7.00%	—	02/16/29	5,400	5,394	4,745	(13)
Idera, Inc.	High Tech Industries	11.19%	SOFR + 6.75%	0.75%	02/04/29	2,024	2,015	1,986	(13)
Ivanti Software, Inc.	High Tech Industries	11.82%	SOFR + 7.25%	0.50%	06/01/29	6,060	6,036	3,490	(13)
Project Leopard Holdings, Inc.	High Tech Industries	12.04%	SOFR + 7.75%	0.50%	07/20/30	5,000	4,935	4,525	(13)
VTX Intermediate Holdings, Inc.	High Tech Industries	12.50% PIK	—	—	12/12/30	912	896	888	
Total Second Lien/Senior Secured Debt							30,576	26,330	
Subordinated Debt - 1.1%									
DeltaDx Limited, LP (Money Transfer Acquisition Inc.)	Finance	15.00% PIK	—	—	06/14/28	538	538	538	
Lucky Bucks Holdings LLC	Hotel, Gaming & Leisure	—	—	—	05/29/28	6,258	5,565	1,212	(5)
Total Subordinated Debt							6,103	1,750	
Collateralized Loan Obligations - 1.1%									
Catamaran CLO 2014-1 Ltd.	CLO Fund Securities	—	—	—	04/20/30	15,161	—	—	(3)(7)(10)
Catamaran CLO 2018-1 Ltd	CLO Fund Securities	17.26%	—	—	10/27/31	10,000	1,807	1,807	(3)(7)(10)
Dryden 30 Senior Loan Fund	CLO Fund Securities	—	—	—	11/01/28	3,250	—	—	(3)(7)(10)
Total Collateralized Loan Obligations							1,807	1,807	
Preferred Stock and Units - 3.6%									
4L Ultimate Topco Corporation	Services: Business	—	—	—	—	321	29	—	
AAPC Holdings, LLC	Healthcare & Pharmaceuticals	18.00% PIK	—	—	—	146,214	4	263	(22)(25)
Aperture Dodge 18 LLC	Banking, Finance, Insurance & Real Estate	—	—	—	—	3,082,035	3,082	2,486	
Epilog Partners SPV III, LLC (Care Connectors Medical Group)	Healthcare & Pharmaceuticals	—	—	—	—	1,179,466	1,179	1,476	(20)(22)
Middle West Spirits, LLC	Beverage, Food and Tobacco	10.00% PIK	—	—	—	350,000	344	344	
Phoenix Aviation Capital, LLC	Aerospace and Defense	7.00% PIK	—	—	—	1,220,390	1,025	1,025	(22)(25)
Prosper Marketplace	Consumer goods: Durable	—	—	—	—	912,865	279	324	(6)
Total Preferred Stock and Units							5,942	5,918	
Common Stock and Membership Units - 6.3%									
AAPC Holdings, LLC	Healthcare & Pharmaceuticals	—	—	—	—	0.07	—	429	(22)
Advantage Capital Holdings LLC - Class A Units	Banking, Finance, Insurance & Real Estate	—	—	—	—	822	500	1,238	(22)
AIP Capital, LLC	Diversified Financial Services	—	—	—	—	85	35	35	(22)
Anthem Sports & Entertainment Inc. - Class A Warrant	Media: Broadcasting & Subscription	—	—	—	—	510	46	—	
Anthem Sports & Entertainment Inc. - Class B Warrant	Media: Broadcasting & Subscription	—	—	—	—	88	—	—	
Anthem Sports & Entertainment Inc. - Warrant for CS	Media: Broadcasting & Subscription	—	—	—	—	1,644	—	—	
ATP Oil & Gas Corporation	Energy: Oil & Gas	—	—	—	—	0.1	—	—	(11)
Carestream Health Holdings, Inc.	Healthcare & Pharmaceuticals	—	—	—	—	4,099	53	130	
Centric Brands, L.P.	Machinery (Non-Agri/Const/Elect)	—	—	—	—	81,770	746	3,224	
DxTx Pain and Spine LLC	Healthcare & Pharmaceuticals	—	—	—	—	158,166	258	371	(22)
Everyware Global, Inc.	Consumer goods: Durable	—	—	—	—	1,085,565	346	553	(16)
FP WRCA Coinvestment Fund VII, Ltd. - Class A	Capital Equipment	—	—	—	—	100	1,500	509	(3)(7)
Fusion Connect, Inc.	Telecommunications	—	—	—	—	14	866	—	(13)
Fusion Connect, Inc. - Warrant	Telecommunications	—	—	—	—	811,572	—	—	
Fusion Parent, LLC (fka Franchise Group Inc.)	Consumer Services	—	—	—	—	31,189	1,550	1,550	
HDC/HW Holdings, LLC	High Tech Industries	—	—	—	—	148,826	—	—	
LB NewHoldCo LLC	Hotel, Gaming & Leisure	—	—	—	—	96,523	1,441	621	(13)
Live Comfortably Inc.	Consumer goods: Durable	—	—	—	—	2,846	—	—	(13)
Middle West Spirits, LLC	Beverage, Food and Tobacco	—	—	—	—	34	5	5	
Morae Global Holdings Inc. - Warrant	IT Consulting & Other Services	—	—	—	—	669	139	189	
Ohene Holdings B.V. - Warrant	High Tech Industries	—	—	—	—	4	—	—	(3)(7)
Phoenix Aviation Capital, LLC	Aerospace and Defense	—	—	—	—	4	387	387	(22)

See accompanying notes to unaudited consolidated financial statements.

PORTMAN RIDGE FINANCE CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS - CONTINUED
As of June 30, 2025
(in thousands, except share and per share amounts)
(Unaudited)

Investment (2), (4), (12), (14), (23), (24)	Industry	Interest Rate (1)	Reference Rate and Spread (1)	Floor (1)	Maturity	Par/Shares (++)	Cost	Fair Value	Footnotes
Roscoe Investors, LLC - Class A	Healthcare & Pharmaceuticals	—	—	—	—	10,000	\$ 1,000	\$ 381	
South Street Securities Holdings, Inc - Warrant	Banking, Finance, Insurance & Real Estate	—	—	—	—	3,966	455	466	
Sundance Holdings Group, LLC	Retail	—	—	—	—	14,603	—	—	
VTX Holdings LLC - Series C	High Tech Industries	—	—	—	—	441,252	—	11	
Workplace Holdings LLC (Pomeroy Technologies, LLC)	High Tech Industries	—	—	—	—	950	228	224	
World Business Lenders, LLC	Banking, Finance, Insurance & Real Estate	—	—	—	—	49,209	—	—	(7)
Total Common Stock and Membership Units							9,555	10,323	
Derivatives - 0.1%⁽¹⁹⁾									
Advantage Capital Holdings LLC	Banking, Finance, Insurance & Real Estate	—	—	—	—	164	—	196	(7)(22)
Epilog Partners LP (Care Connectors Medical Group)	Healthcare & Pharmaceuticals	—	—	—	—	1,166.66	—	—	(7)(22)
HDNet Holdco LLC (Anthem)	Media: Broadcasting & Subscription	—	—	—	—	0.2	31	—	(7)
Total Derivatives							31	196	
Total Investments in Non-Control, Non-Affiliate Portfolio Companies							358,576	329,911	
Investments in Affiliate Portfolio Companies - 32.7%⁽¹⁷⁾									
First Lien/Senior Secured Debt - 4.5%									
PMP OPCO, LLC (Princeton Medspa Partners, LLC)	Services: Consumer	12.83%	SOFR + 8.50%	2.00%	05/31/29	1,671	1,633	1,517	(13)(20)
PMP OPCO, LLC (Princeton Medspa Partners, LLC) (Revolver)	Services: Consumer	—	SOFR + 8.50%	2.00%	05/31/29	—	(3)	(10)	(15)(20)
Riddell, Inc.	Consumer goods: Durable	10.31%	SOFR + 6.00%	1.00%	03/29/29	6,002	5,922	5,977	(13)(20)
Total First Lien/Senior Secured Debt							7,552	7,484	
Second Lien/Senior Secured Debt - 2.4%									
Northeast Metal Works LLC	Metals & Mining	8.00%	8.00%	—	04/05/28	4,500	4,500	3,446	
Northeast Metal Works LLC	Metals & Mining	8.00%	8.00%	—	01/01/25	500	500	500	
Total Second Lien/Senior Secured Debt							5,000	3,946	
Collateralized Loan Obligations - 0.9%									
JMP Credit Advisors CLO IV LTD	CLO Fund Securities	—	—	—	07/17/29	18,407	1	607	(3)(7)(10)
JMP Credit Advisors CLO V LTD	CLO Fund Securities	—	—	—	07/17/30	17,074	719	849	(3)(7)(10)
Total Collateralized Loan Obligations							720	1,456	
Joint Ventures - 20.2%									
Series A-Great Lakes Funding II LLC	Joint Venture	—	—	—	—	35,824	35,825	33,352	(7)(20)(26)
Total Joint Ventures							35,825	33,352	
Preferred Stock and Units - 3.2%									
BMP Slappey Holdco, LLC	Telecommunications	—	—	—	—	200,000	467	576	(21)
BMP Slappey Investment II	Telecommunications	—	—	—	—	88,946	208	256	(21)
EBSC Holdings LLC (Riddell, Inc.)	Consumer goods: Durable	10.00% PIK	10.00% PIK	—	—	2,262	2,236	2,584	(25)
GreenPark Infrastructure, LLC - Series A	Energy: Electricity	—	—	—	—	1,000	500	500	(22)
Northeast Metal Works LLC - Preferred	Metals & Mining	—	—	—	—	2,368	—	—	(21)
Northeast Metal Works LLC - Class O Preferred	Metals & Mining	—	—	—	—	5,445	5,445	491	
Princeton Medspa Partners, LLC	Services: Consumer	12.50% PIK	12.50% PIK	—	—	1,131	1,131	807	(22)(25)
Total Preferred Stock and Units							9,987	5,214	
Common Stock and Membership Units - 1.5%									
GreenPark Infrastructure, LLC - Series M-1	Energy: Electricity	—	—	—	—	6,412	2,196	2,196	(22)
Kleen-Tech Acquisition, LLC	Services: Business	—	—	—	—	250,000	1,264	250	(21)
Princeton Medspa Partners, LLC - Warrant	Services: Consumer	—	—	—	—	0.03	—	18	(22)
Total Common Stock and Membership Units							3,460	2,464	
Derivatives - 0.0%⁽¹⁹⁾									
Princeton Medspa Partners, LLC	Services: Consumer	—	—	—	—	1,000.00	—	—	(7)(22)
Total Derivatives							0	—	
Total Investments in Affiliate Portfolio Companies							62,544	53,916	
Investments in Controlled Affiliated Portfolio Companies - 6.8%⁽⁸⁾									
Joint Ventures - 6.8%									
KCAP Freedom 3 LLC	Joint Venture	—	—	—	—	27,220	24,884	11,282	(7)
Total Joint Ventures							24,884	11,282	
Asset Manager Affiliates - 0.0%									
Asset Management Company	Asset Management Company	—	—	—	—	—	17,791	—	(7)
Total Asset Manager Affiliates							17,791	—	
Total Investments in Controlled Affiliated Portfolio Companies							42,675	11,282	
Total Investments - 239.9%							\$ 463,795	\$ 395,109	

See accompanying notes to unaudited consolidated financial statements.

PORTMAN RIDGE FINANCE CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS - CONTINUED
As of June 30, 2025
(in thousands, except share and per share amounts)
(Unaudited)

(1) A majority of the variable rate loans in the Company's investment portfolio bear interest at a rate that may be determined by reference to either the Secured Overnight Financing Rate ("SOFR") or an alternate Base Rate (commonly based on the Federal Funds Rate or the Prime Rate ("P")), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The Borrower may also elect to have multiple interest reset periods for each June 30, 2025 loan. SOFR loans are typically indexed to 12 month, 6 month, 3 month, 2 month or 1 month SOFR rates. For each such loan, the Company has provided the weighted average annual stated interest rate in effect at June 30, 2025. As noted in the table above, 86.5% (based on par) of debt securities with floating rates contain floors which range between 0.50% and 5.25%.

(2) Reflects the fair market value of all investments as of June 30, 2025 as determined in good faith using significant unobservable inputs by the Adviser in its role as "valuation designee" in accordance with Rule 2a-5 under the 1940 Act, pursuant to valuation policies and procedures that have been approved by the Company's board of directors (the "Board").

(3) Non-U.S. company or principal place of business outside the U.S.

(4) The aggregate cost of investments for federal income tax purposes is approximately \$446.3 million. The aggregate gross unrealized appreciation is approximately \$51.6 million, the aggregate gross unrealized depreciation is approximately \$102.8 million, and the net unrealized depreciation is approximately \$51.2 million.

(5) Loan or debt security is on non-accrual status and therefore is considered non-income producing. Beginning during the quarter ended June 30, 2025, the Company recognized interest income to the extent that it is received in cash on its loans to Colonnade Intermediate, LLC (cash basis income recognition).

(6) Held through Garrison Capital Equity Holdings II LLC and net of non-controlling member's interest of 17.5% pursuant to the Amended and Restated Limited Liability Company Agreement of Garrison Capital Equity Holdings II LLC.

(7) The investment is treated as a non-qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of our total assets. As of June 30, 2025, qualifying assets represent 88.6% of the Company's total assets and non-qualifying assets represent 11.4% of the Company's total assets.

(8) As defined in the 1940 Act, the Company is deemed to be both an "Affiliated Person" and has "Control" of this portfolio company as the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company.

(9) Not used.

(10) CLO Subordinated Investments are entitled to periodic distributions which are generally equal to the remaining cash flow of the payments made by the underlying fund's investments less contractual payments to debt holders and fund expenses. The estimated annualized effective yield indicated is based upon a current projection of the amount and timing of these distributions. Such projections are updated on a quarterly basis and the estimated effective yield is adjusted prospectively.

(11) This investment receives a 5% royalty interest on oil being produced on certain fields. All production payments received are being applied to the cost basis and are considered return of capital.

(12) All investments valued using unobservable inputs (Level III), unless otherwise noted.

(13) As of June 30, 2025, this investment is pledged to secure the Company's debt obligations.

(14) The Company's investments are generally acquired in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act") and, therefore, are generally subject to limitations on resale, and may be deemed to be "restricted securities" under the Securities Act of 1933.

(15) The negative cost is the result of the capitalized discount being greater than the principal amount outstanding on the loan.

(16) This investment is held by the Company's wholly-owned subsidiary Garrison Capital Equity Holdings XI LLC.

(17) Under the 1940 Act, the Company is deemed to be an "Affiliated Person" of, as defined in the 1940 Act, this portfolio company as the Company owns at least 5% of the portfolio company's outstanding voting securities or is under common control with such portfolio company.

(18) Not used.

(19) Information related to the Company's derivatives is presented below as of June 30, 2025:

(\$ in thousands)

Description	Counterparty	Number of shares	Notional amount	Exercise price	Expiration date	Value
Call option	HDNet Holdco LLC	0.2	\$ 8	0.01	N/A	\$ —
Description	Counterparty	Number of shares	Notional amount	Exercise price	Expiration date	Value
Put option	Advantage Capital Holdings LLC	164	\$ 563	20	N/A	\$ 196
Put option	Epilog Partners LP (Care Connectors Medical Group)	1,166,667	\$ —	—	N/A	—
Put option	Princeton Medspa Partners, LLC	1,000,000	\$ 1,000	2	N/A	—

(20) Debt security has an unfunded commitment in addition to the amounts shown in the Consolidated Schedule of Investments. See Note 8 for additional information on the Company's commitments and contingencies.

(21) This investment is owned by HCAP Equity Holdings, LLC, one of the Company's taxable blocker subsidiaries.

(22) This investment is held by PTMN Sub Holdings LLC, one of the Company's taxable blocker subsidiaries.

(23) All debt investments are income producing, unless otherwise noted. Equity and warrant investments are non-income producing, unless otherwise noted.

(24) Percentages are based on net assets as of June 30, 2025.

(25) The equity investment is income producing.

(26) The investment is valued at the NAV of the underlying fund.

(++) Par amount is presented for debt investments, while the number of shares or units owned is presented for equity investments.

See accompanying notes to unaudited consolidated financial statements.

PORTMAN RIDGE FINANCE CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of December 31, 2024
(in thousands, except share and per share amounts)

Investment (2), (4), (12), (14), (23), (24)	Industry	Interest Rate (1)	Reference Rate and Spread (1)	Floor (1)	Maturity	Par/Shares (++)	Cost	Fair Value	Footnotes
Investments in Non-Control, Non-Affiliate Portfolio Companies - 183.5%									
First Lien/Senior Secured Debt - 158.1%									
Accordion Partners LLC	Finance	9.58%	SOFR + 5.25%	0.75%	11/17/31	4,464	\$ 4,437	\$ 4,436	(13)(20)
Accordion Partners LLC (Revolver)	Finance	—	SOFR + 5.25%	0.75%	11/17/31	—	(8)	(8)	(15)(20)
Accurate Background, LLC	Services: Business	10.59%	SOFR + 6.00%	1.00%	03/26/29	4,367	4,177	4,329	(13)
Advantage Capital Holdings LLC	Banking, Finance, Insurance & Real Estate	13.00%	13.00%, 5.00% PIK	—	04/14/27	14,754	14,752	13,649	(13)
AIDC IntermediateCo 2, LLC (Peak Technologies)	Services: Business	9.59%	SOFR + 5.25%	1.00%	07/22/27	980	971	979	(13)
AMCP Pet Holdings, Inc.	Beverage, Food and Tobacco	11.74%	SOFR + 7.00%, 3.00% PIK	1.00%	10/06/26	4,875	4,838	4,785	(13)
AMCP Pet Holdings, Inc. (Revolver)	Beverage, Food and Tobacco	11.80%	SOFR + 7.00%, 3.00% PIK	1.00%	10/06/26	1,012	1,006	994	
American Academy Holdings, LLC	Healthcare & Pharmaceuticals	14.22%	SOFR + 9.75%, 5.25% PIK	1.00%	06/30/27	3,934	3,928	3,954	(13)
Ancile Solutions, Inc.	High Tech Industries	14.62%	SOFR + 10.00% PIK	1.00%	06/11/26	6,034	5,985	6,035	(13)
Anthem Sports & Entertainment Inc.	Media: Broadcasting & Subscription	13.99%	SOFR + 9.40%, 13.99% PIK	1.00%	11/15/26	15,070	14,966	9,668	(13)(20)
Anthem Sports & Entertainment Inc. (Revolver)	Media: Broadcasting & Subscription	14.09%	SOFR + 9.50%, 3.00% PIK	1.00%	11/15/26	1,222	1,212	734	(20)
Anthem Sports & Entertainment Inc. (Revolver 2022)	Media: Broadcasting & Subscription	14.09%	SOFR + 9.50%, 3.00% PIK	1.00%	06/30/24	563	563	353	
Appfire Technologies, LLC	High Tech Industries	9.33%	SOFR + 5.00%	1.00%	03/09/28	5,832	5,827	5,817	(13)
BetaNXT, Inc.	Banking, Finance, Insurance & Real Estate	10.08%	SOFR + 5.75%	—	07/01/29	12,480	11,958	11,997	(13)
BetaNXT, Inc. (Revolver)	Banking, Finance, Insurance & Real Estate	8.86%	SOFR + 4.50%	—	07/01/27	1,014	1,014	963	(20)
Bradshaw International Parent Corp.	Consumer goods: Durable	10.21%	SOFR + 5.75%	1.00%	10/21/27	491	485	487	(13)
Bradshaw International Parent Corp. (Revolver)	Consumer goods: Durable	—	SOFR + 5.75%	1.00%	10/21/26	—	(23)	(8)	(15)(20)
C.P. Converters, Inc.	Chemicals, Plastics and Rubber	13.16%	SOFR + 8.49%, 1.00% PIK	1.00%	12/13/25	10,135	10,135	9,628	(13)
CB MIDCO, LLC	Consumer goods: Durable	10.21%	SOFR + 5.75%	1.00%	09/27/27	3,762	3,745	3,414	(13)
CCMG Buyer, LLC (Care Connectors Medical Group)	Healthcare & Pharmaceuticals	9.90%	SOFR + 5.50%	1.00%	05/08/30	3,151	3,116	3,151	(13)
CCMG Buyer, LLC (Care Connectors Medical Group) (Revolver)	Healthcare & Pharmaceuticals	—	SOFR + 5.50%	1.00%	05/08/30	—	(6)	—	(15)(20)
Cenexel Clinical Research, Inc.	Healthcare & Pharmaceuticals	10.47%	SOFR + 5.75%	1.00%	11/08/28	5,773	5,758	5,765	(13)
Centric Brands Inc.	Machinery (Non-Agri/Constr/Electr)	10.03%	SOFR + 5.50%	1.00%	08/06/29	3,689	3,689	3,689	(13)
Centric Brands Inc. (Term Loan A1)	Machinery (Non-Agri/Constr/Electr)	11.03%	SOFR + 6.50%	1.00%	02/06/31	3,807	3,807	3,807	
Centric Brands Inc. (Term Loan A2)	Machinery (Non-Agri/Constr/Electr)	12.53%	SOFR + 8.00%, 12.53% PIK	1.00%	02/06/31	3,463	3,463	3,463	
Colonnade Intermediate, LLC	Services: Business	—	—	1.00%	04/27/24	7,167	7,167	5,164	(5)
Colonnade Intermediate, LLC (Revolver)	Services: Business	—	—	1.00%	04/27/24	685	685	494	(5)
Datalink, LLC	Healthcare & Pharmaceuticals	11.49%	SOFR + 6.75%	1.00%	11/23/26	2,640	2,617	2,218	(13)
Dentive, LLC	Healthcare & Pharmaceuticals	11.08%	SOFR + 6.75%	0.75%	12/26/28	2,740	2,695	2,696	(13)(20)
Dentive, LLC (Revolver)	Healthcare & Pharmaceuticals	11.08%	SOFR + 6.75%	0.75%	12/23/28	117	112	114	
Dodge Data & Analytics LLC	Construction & Building	10.92%	SOFR + 6.25%	0.50%	01/31/29	657	649	651	(13)
Dodge Data & Analytics LLC (Second Out)	Construction & Building	9.42%	SOFR + 4.75%	0.50%	02/28/29	917	783	779	
Florida Food Products, LLC	Beverage, Food and Tobacco	9.52%	SOFR + 5.00%	0.75%	10/18/28	6,823	6,719	5,833	(13)
Fortis Payment Systems, LLC	Diversified Financial Services	9.68%	SOFR + 5.25%	1.00%	02/13/26	3,092	3,058	3,074	(13)(20)
Franchise Group, Inc.	Retail	10.39%	SOFR + 5.45%	0.75%	03/10/26	3,003	2,998	1,783	(13)
Franchise Group, Inc. (DIP)	Retail	13.55%	SOFR + 9.00%	1.00%	05/06/25	594	582	582	(13)
Global Integrated Flooring Systems Inc.	Consumer goods: Durable	13.96%	SOFR + 9.36%, 1.00% PIK	—	06/30/25	6,284	5,588	3,479	
Global Integrated Flooring Systems Inc. (Revolver)	Consumer goods: Durable	13.72%	SOFR + 9.36%, 1.00% PIK	—	06/30/25	51	45	28	
H.W. Lochner, Inc.	Services: Business	10.99%	SOFR + 6.25%	1.00%	07/02/27	14,513	14,391	14,513	(13)
H-CA II, LLC	Banking, Finance, Insurance & Real Estate	16.00%	—	—	09/01/25	1,724	1,724	1,560	
HDC/HW Intermediate Holdings, LLC - Term Loan A	High Tech Industries	8.75%	SOFR + 3.50%, 2.50% PIK	5.25%	06/21/26	5,597	4,958	4,527	
HDC/HW Intermediate Holdings, LLC - Term Loan B	High Tech Industries	—	—	—	06/21/26	3,876	940	—	(5)
Help Systems Holdings, Inc.	High Tech Industries	8.69%	SOFR + 4.00%	0.75%	11/19/26	1,954	1,873	1,728	(13)
Hollander Intermediate LLC	Consumer goods: Durable	13.22%	SOFR + 8.75%, 10.58% PIK	2.00%	09/19/26	6,330	5,852	6,235	(13)
IDC Infusion Services LLC	Healthcare & Pharmaceuticals	10.83%	SOFR + 6.50%	1.00%	07/07/28	3,833	3,776	3,853	(13)(20)
Ivanti Software, Inc.	High Tech Industries	9.12%	SOFR + 4.25%	0.75%	12/01/27	977	848	678	(13)
Keg Logistics LLC	Services: Business	10.67%	SOFR + 6.00%	1.00%	11/23/27	11,877	11,791	11,817	(13)
Keg Logistics LLC (Revolver)	Services: Business	10.68%	SOFR + 6.00%	1.00%	11/23/27	872	859	868	
Lifescan Global Corporation	Healthcare & Pharmaceuticals	11.12%	SOFR + 6.50%	1.00%	12/31/26	2,165	2,090	758	(13)
Lumini LLC	Construction & Building	11.94%	SOFR + 7.35%	1.00%	04/11/25	5,873	5,873	5,827	(13)
Lumini LLC (Revolver)	Construction & Building	11.94%	SOFR + 7.35%	1.00%	04/11/25	343	343	339	(13)(20)
MAG DS Corp.	Aerospace and Defense	9.93%	SOFR + 5.50%	1.00%	04/01/27	3,624	3,406	3,406	(13)
Money Transfer Acquisition Inc.	Finance	12.71%	SOFR + 8.25%	1.00%	12/14/27	8,574	8,470	8,392	(13)
Morae Global Corporation	IT Consulting & Other Services	12.77%	SOFR + 8.00%	2.00%	10/26/26	2,163	2,077	2,129	(13)
Morae Global Corporation (Revolver)	IT Consulting & Other Services	—	SOFR + 8.00%	2.00%	10/26/26	—	(7)	(3)	(15)(20)
MSM Acquisitions, Inc.	Services: Business	10.51%	SOFR + 6.00%	1.00%	12/09/26	9,852	9,826	8,891	(13)
Neptune Bideo US Inc.	Media: Broadcasting & Subscription	9.76%	SOFR + 5.00%	0.50%	04/11/29	2,463	2,277	2,217	(13)
Netwrix Corporation	High Tech Industries	9.26%	SOFR + 4.75%	0.75%	06/09/29	4,248	4,233	4,212	(13)
Netwrix Corporation (Revolver)	High Tech Industries	—	SOFR + 5.00%	0.75%	06/09/29	—	(7)	(10)	(15)(20)
Newbury Franklin Industrials, LLC	Consumer goods: Durable	11.40%	SOFR + 7.00%	2.00%	12/11/29	4,013	3,899	3,898	(20)
One Stop Mailing LLC	Transportation: Consumer	10.72%	SOFR + 6.25%	1.00%	04/29/27	7,470	7,410	7,470	(13)
PMA Parent Holdings LLC (Revolver)	Finance	—	SOFR + 5.25%	0.75%	01/31/31	—	(2)	(2)	(15)
PMA Parent Holdings LLC	Finance	9.58%	SOFR + 5.25%	0.75%	01/31/31	1,401	1,380	1,379	(20)
PhyNet Dermatology LLC	Healthcare & Pharmaceuticals	11.12%	SOFR + 6.50%	1.00%	10/20/29	1,294	1,267	1,279	(20)
Pomeroy Technologies, LLC (Super Senior A)	High Tech Industries	6.00% PIK	—	—	11/30/27	1,367	1,367	1,367	

See accompanying notes to unaudited consolidated financial statements.

PORTMAN RIDGE FINANCE CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS - CONTINUED
As of December 31, 2024
(in thousands, except share and per share amounts)

Investment (2), (4), (12), (14), (23), (24)	Industry	Interest Rate (1)	Reference Rate and Spread (1)	Floor (1)	Maturity	Par/Shares (++)	Cost	Fair Value	Footnotes
Premier Imaging, LLC	Healthcare & Pharmaceuticals	10.59%	SOFR + 6.00%, 10.59%	1.00%	03/31/26	2,869	\$ 2,869	\$ 2,524	(13)
			PIK						
Project Castle, Inc.	Transportation: Cargo	9.76%	SOFR + 5.50%	0.50%	06/08/29	3,020	2,817	2,649	(13)
Project Leopard Holdings, Inc.	High Tech Industries	9.94%	SOFR + 5.25%	0.50%	07/20/29	5,695	5,436	5,126	(13)
PVHC Holding Corp	Containers, Packaging and Glass	11.18%	SOFR + 6.75%, 0.75%	2.50%	02/17/27	2,729	2,728	2,702	(13)
			PIK						
Radius Aerospace, Inc.	Aerospace and Defense	10.48%	SOFR + 6.00%, 10.48%	1.00%	03/29/27	6,066	6,056	6,026	(13)
			PIK						
STG Distribution, LLC (STG Logistics) (Second Out)	Transportation: Cargo	12.12%	SOFR + 7.10%, 6.50%	1.50%	10/03/29	1,777	1,020	997	(13)
			PIK						
STG Distribution, LLC (STG Logistics) (Third Out)	Transportation: Cargo	11.62%	SOFR + 7.10%, 6.00%	1.50%	10/03/29	1,332	386	136	(13)
			PIK						
Riskconnect Parent LLC	Application Software	9.48%	SOFR + 5.00%	—	12/07/28	1,216	1,165	1,166	(20)
Red Range Intermediate Inc.	Capital Equipment	12.69%	SOFR + 8.00%	1.00%	10/01/29	324	324	324	(13)(20)
South Street Securities Holdings, Inc	Banking, Finance, Insurance & Real Estate	9.00%	—	—	09/20/27	3,150	2,865	2,685	
Sundance Holdings Group, LLC	Retail	14.23%	SOFR + 9.50%, 1.50%	—	06/30/25	6,667	6,666	4,488	
			PIK						
Symplr Software, Inc.	Healthcare & Pharmaceuticals	9.19%	SOFR + 4.50%	0.75%	12/22/27	1,653	1,651	1,517	(13)
Synamedia Americas Holdings, Inc.	Interactive Media & Services	12.11%	SOFR + 7.50%	1.00%	12/05/28	2,610	2,539	2,559	(13)
TA/WEG Holdings, LLC	Banking, Finance, Insurance & Real Estate	9.55%	SOFR + 5.00%	1.00%	10/02/28	5,032	5,053	5,032	(13)
TA/WEG Holdings, LLC (Revolver)	Banking, Finance, Insurance & Real Estate	—	SOFR + 5.00%	1.00%	10/02/28	—	(2)	—	(15)(20)
Tactical Air Support, Inc.	Aerospace and Defense	13.25%	SOFR + 8.50%	1.00%	12/22/28	1,975	1,941	1,958	(13)(20)
TLE Holdings, LLC	Healthcare, Education and Childcare	9.96%	SOFR + 5.50%	1.00%	06/29/26	6,115	6,114	6,115	(13)
VBC Spine Opco LLC (DxTx Pain and Spine LLC)	Healthcare & Pharmaceuticals	12.79%	SOFR + 8.00%	2.00%	06/14/28	4,600	4,526	4,558	(20)
VBC Spine Opco LLC (DxTx Pain and Spine LLC) (Revolver)	Healthcare & Pharmaceuticals	12.69%	SOFR + 8.00%	2.00%	06/14/28	258	253	255	(20)
VTX Intermediate Holdings, Inc.	High Tech Industries	11.65%	SOFR + 7.00%, 1.00%	2.00%	12/12/29	5,122	5,075	5,074	
			PIK						
Total First Lien/Senior Secured Debt								303,889	282,195
Second Lien/Senior Secured Debt - 14.0%									
American Academy Holdings, LLC	Healthcare & Pharmaceuticals	14.50% PIK	—	—	03/01/28	6,813	6,742	6,396	
Confluence Technologies, Inc.	Services: Business	10.98%	SOFR + 6.50%	0.50%	07/23/29	4,000	3,981	3,301	(13)
Deert Buyer, Inc.	High Tech Industries	11.36%	SOFR + 7.00%	—	02/16/29	5,400	5,393	4,558	(13)
Idera, Inc.	High Tech Industries	11.47%	SOFR + 6.75%	0.75%	02/04/29	2,024	2,014	1,992	(13)
Ivanti Software, Inc.	High Tech Industries	12.12%	SOFR + 7.25%	0.50%	12/01/28	6,000	5,972	3,458	(13)
Project Leopard Holdings, Inc.	High Tech Industries	12.34%	SOFR + 7.75%	0.50%	07/20/30	5,000	4,929	4,488	
VTX Intermediate Holdings, Inc.	High Tech Industries	12.50% PIK	—	2.00%	12/12/30	878	861	860	
Total Second Lien/Senior Secured Debt								29,892	25,053
Subordinated Debt - 1.0%									
DeltaDx Limited, LP (Money Transfer Acquisition Inc.)	Finance	15.00% PIK	—	—	06/30/28	538	538	528	
Lucky Bucks Holdings LLC	Hotel, Gaming & Leisure	—	—	—	05/29/28	6,258	5,565	1,212	(5)
TRSO II, Inc.	Energy: Oil & Gas	—	—	—	01/24/25	26	25	—	(5)
Total Subordinated Debt								6,128	1,740
Collateralized Loan Obligations - 1.7%									
Catamaran CLO 2014-1 Ltd.	CLO Fund Securities	136.55%	—	—	04/20/30	15,161	126	261	(3)(7)(10)
Catamaran CLO 2018-1 Ltd	CLO Fund Securities	3.86%	—	—	10/27/31	10,000	3,063	2,600	(3)(7)(10)
Dryden 30 Senior Loan Fund	CLO Fund Securities	17.98%	—	—	11/01/28	3,250	141	140	(3)(7)(10)
Total Collateralized Loan Obligations								3,330	3,001
Preferred Stock and Units - 4.1%									
4L Ultimate Topco Corporation	Services: Business	—	—	—	—	321	29	—	
AAPC Holdings, LLC	Healthcare & Pharmaceuticals	18.00% PIK	—	—	—	146,214	4	243	(22)(25)
Advantage Capital Holdings LLC	Banking, Finance, Insurance & Real Estate	12.50% PIK	—	—	—	2,794,692	2,795	2,795	(22)(25)
Aperture Dodge 18 LLC	Banking, Finance, Insurance & Real Estate	—	—	—	—	3,077,360	3,077	2,662	
Epilog Partners SPV III, LLC (Care Connectors Medical Group)	Healthcare & Pharmaceuticals	—	—	—	—	1,173,118	1,173	1,283	(20)(22)
Prosper Marketplace	Consumer goods: Durable	—	—	—	—	912,865	279	324	(6)
Total Preferred Stock and Units								7,357	7,307
Common Stock and Membership Units - 4.5%									
AAPC Holdings, LLC	Healthcare & Pharmaceuticals	—	—	—	—	0.07	—	444	(22)
Advantage Capital Holdings LLC - Class A Units	Banking, Finance, Insurance & Real Estate	—	—	—	—	822	500	842	(22)
Anthem Sports & Entertainment Inc. - Class A Warrant	Media: Broadcasting & Subscription	—	—	—	—	510	46	—	
Anthem Sports & Entertainment Inc. - Class B Warrant	Media: Broadcasting & Subscription	—	—	—	—	88	—	—	
Anthem Sports & Entertainment Inc. - Warrant for CS	Media: Broadcasting & Subscription	—	—	—	—	1,644	—	—	
ATP Oil & Gas Corporation	Energy: Oil & Gas	—	—	—	—	0.1	—	—	(11)
Carestream Health Holdings, Inc.	Healthcare & Pharmaceuticals	—	—	—	—	4,099	53	130	
Centric Brands, L.P.	Machinery (Non-Agreit/Constr/Electr)	—	—	—	—	81,770	746	2,649	(13)
DxTx Pain and Spine LLC	Healthcare & Pharmaceuticals	—	—	—	—	158,166	258	258	(22)
Everyware Global, Inc.	Consumer goods: Durable	—	—	—	—	1,085,565	346	553	(16)
FP WRCA Coinvestment Fund VII, Ltd. - Class A	Capital Equipment	—	—	—	—	100	1,500	967	(3)(7)
Fusion Connect, Inc.	Telecommunications	—	—	—	—	14	866	—	(13)
Fusion Connect, Inc. - Warrant	Telecommunications	—	—	—	—	811,572	—	—	
HDC/HW Holdings, LLC	High Tech Industries	—	—	—	—	148,826	—	—	
LB NewHoldCo LLC	Hotel, Gaming & Leisure	—	—	—	—	96,523	1,441	993	(13)
Morae Global Holdings Inc. - Warrant	IT Consulting & Other Services	—	—	—	—	1	87	117	
Obene Holdings B.V. - Warrant	High Tech Industries	—	—	—	—	4	—	—	(3)(7)

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PORTMAN RIDGE FINANCE CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS - CONTINUED
As of December 31, 2024
(in thousands, except share and per share amounts)

	Industry	Interest Rate (1)	Reference Rate and Spread (1)	Floor (1)	Maturity	Par/Shares (++)	Cost	Fair Value	Footnotes
Investment (2), (4), (12), (14), (23), (24)									
Roscoe Investors, LLC - Class A	Healthcare & Pharmaceuticals	—	—	—	—	10,000	\$ 1,000	\$ 476	
South Street Securities Holdings, Inc - Warrant	Banking, Finance, Insurance & Real Estate	—	—	—	—	3,966	455	449	
Sundance Holdings Group, LLC	Retail	—	—	—	—	14,603	—	—	
VTX Holdings LLC - Series C	High Tech Industries	—	—	—	—	441,252	—	—	
Workplace Holdings LLC (Pomeroy Technologies, LLC)	High Tech Industries	—	—	—	—	950	228	228	
World Business Lenders, LLC	Banking, Finance, Insurance & Real Estate	—	—	—	—	49,209	—	—	(7)
Total Common Stock and Membership Units							7,526	8,106	
Derivatives - 0.0%⁽¹⁹⁾									
Advantage Capital Holdings LLC	Banking, Finance, Insurance & Real Estate	—	—	—	—	164	—	220	(7)(22)
Epilog Partners LP (Care Connectors Medical Group)	Healthcare & Pharmaceuticals	—	—	—	—	1,166,667	—	—	(7)(22)
HDNet Holdco LLC (Anthem)	Media: Broadcasting & Subscription	—	—	—	—	0.2	31	—	(7)
Total Derivatives							31	220	
Total Investments in Non-Control, Non-Affiliate Portfolio Companies							358,153	327,622	
Investments in Affiliate Portfolio Companies - 36.1%⁽¹⁷⁾									
First Lien/Senior Secured Debt - 4.3%									
PMP OPCO, LLC (Princeton Medspa Partners, LLC)	Services: Consumer	12.86%	SOFR + 8.50%	2.00%	05/31/29	1,679	1,638	1,529	(13)(20)
PMP OPCO, LLC (Princeton Medspa Partners, LLC) (Revolver)	Services: Consumer	—	SOFR + 8.50%	2.00%	05/31/29	—	(3)	(10)	(15)(20)
Riddell, Inc.	Consumer goods: Durable	10.48%	SOFR + 6.00%	1.00%	03/29/29	6,244	6,149	6,243	(13)(20)
Total First Lien/Senior Secured Debt							7,784	7,762	
Second Lien/Senior Secured Debt - 2.2%									
Northeast Metal Works LLC	Metals & Mining	8.00%	—	—	04/05/28	4,500	4,500	3,443	
Northeast Metal Works LLC	Metals & Mining	8.00%	—	—	01/01/25	500	500	500	
Total Second Lien/Senior Secured Debt							5,000	3,943	
Collateralized Loan Obligations - 1.2%									
JMP Credit Advisors CLO IV LTD	CLO Fund Securities	—	—	—	07/17/29	18,407	521	725	(3)(7)(10)
JMP Credit Advisors CLO V LTD	CLO Fund Securities	—	—	—	07/17/30	17,074	1,467	1,467	(3)(7)(10)
Total Collateralized Loan Obligations							1,988	2,192	
Joint Ventures - 23.0%									
Series A-Great Lakes Funding II LLC	Joint Venture	—	—	—	—	41,309	41,309	41,138	(7)(20)(26)
Total Joint Ventures							41,309	41,138	
Preferred Stock and Units - 3.2%									
BMP Slappye Holdco, LLC	Telecommunications	—	—	—	—	200,000	467	557	(21)
BMP Slappye Investment II	Telecommunications	—	—	—	—	88,946	208	248	(21)
EBSC Holdings LLC (Riddell, Inc.)	Consumer goods: Durable	10.00% PIK	—	—	—	2,154	2,128	2,375	(22)
GreenPark Infrastructure, LLC - Series A	Energy: Electricity	—	—	—	—	1,000	500	500	(22)
Northeast Metal Works LLC - Preferred	Metals & Mining	—	—	—	—	2,368	—	—	(21)
Northeast Metal Works LLC - Class O Preferred	Metals & Mining	10.00% PIK	—	—	—	4,950,000	4,950	1,160	(21)(25)
Princeton Medspa Partners, LLC	Services: Consumer	12.50% PIK	—	—	—	1,064	1,064	859	(22)(25)
Total Preferred Stock and Units							9,317	5,699	
Common Stock and Membership Units - 2.0%									
GreenPark Infrastructure, LLC - Series M-1	Energy: Electricity	—	—	—	—	6,412	2,196	2,202	(20)(22)
Kleen-Tech Acquisition, LLC	Services: Business	—	—	—	—	250,000	1,264	1,420	(21)
Princeton Medspa Partners, LLC - Warrant	Services: Consumer	—	—	—	—	0.03	—	28	(22)
Total Common Stock and Membership Units							3,460	3,650	
Derivatives - 0.0%⁽¹⁹⁾									
Princeton Medspa Partners, LLC	Services: Consumer	—	—	—	—	1,000,000	—	—	(7)(22)
Total Derivatives							—	—	
Total Investments in Affiliate Portfolio Companies							68,858	64,384	
Investments in Controlled Affiliated Portfolio Companies - 7.3%⁽⁸⁾									
Subordinated Debt - 0.0%									
ProAir, LLC	Capital Equipment	—	—	—	01/31/23	2,020	1,931	—	(5)
Total Subordinated Debt							1,931	—	
Common Stock and Membership Units - 0.0%									
ProAir HoldCo, LLC	Capital Equipment	—	—	—	—	2,749,997	4,261	—	
Total Common Stock and Membership Units							4,261	—	
Joint Ventures - 7.3%									
KCAP Freedom 3 LLC	Joint Venture	—	—	—	—	27,220	25,438	13,015	(7)
Total Joint Ventures							25,438	13,015	
Asset Manager Affiliates - 0.0%									
Asset Management Company	Asset Management Company	—	—	—	—	—	17,791	—	(7)
Total Asset Manager Affiliates							17,791	—	
Total Investments in Controlled Affiliated Portfolio Companies							49,421	13,015	
Total Investments - 226.9%							\$ 476,432	\$ 405,021	

See accompanying notes to unaudited consolidated financial statements.

PORTMAN RIDGE FINANCE CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS - CONTINUED
As of December 31, 2024
(in thousands, except share and per share amounts)

- (1) A majority of the variable rate loans in the Company's investment portfolio bear interest at a rate that may be determined by reference to either SOFR or an alternate Base Rate (commonly based on the Federal Funds Rate or the Prime Rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The Borrower may also elect to have multiple interest reset periods for each December 31, 2024 loan. SOFR loans are typically indexed to 12 month, 6 month, 3 month, 2 month or 1 month SOFR rates. For each such loan, the Company has provided the weighted average annual stated interest rate in effect at December 31, 2024. As noted in the table above, 89.8% (based on par) of debt securities contain floors which range between 0.50% and 5.25%.
- (2) Reflects the fair market value of all investments as of December 31, 2024 as determined in good faith using significant unobservable inputs by the Adviser in its role as "valuation designee" in accordance with Rule 2a-5 under the 1940 Act, pursuant to valuation policies and procedures that have been approved by the Company's board of directors (the "Board").
- (3) Non-U.S. company or principal place of business outside the U.S.
- (4) The aggregate cost of investments for federal income tax purposes is approximately \$458.4 million. The aggregate gross unrealized appreciation is approximately \$50.0 million, the aggregate gross unrealized depreciation is approximately \$103.3 million, and the net unrealized depreciation is approximately \$53.3 million.
- (5) Loan or debt security is on non-accrual status and therefore is considered non-income producing.
- (6) Held through Garrison Capital Equity Holdings II LLC and net of non-controlling member's interest of 17.5% pursuant to the Amended and Restated Limited Liability Company Agreement of Garrison Capital Equity Holdings II LLC.
- (7) The investment is treated as a non-qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of our total assets. As of December 31, 2024, qualifying assets represent 86.6% of the Company's total assets and non-qualifying assets represent 13.4% of the Company's total assets.
- (8) As defined in the 1940 Act, the Company is deemed to be both an "Affiliated Person" and has "Control" of this portfolio company as the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company.
- (9) Not used.
- (10) CLO Fund Securities are entitled to periodic distributions which are generally equal to the remaining cash flow of the payments made by the underlying fund's investments less contractual payments to debt holders and fund expenses. The estimated annualized effective yield indicated is based upon a current projection of the amount and timing of these distributions. Such projections are updated on a quarterly basis and the estimated effective yield is adjusted prospectively.
- (11) This investment receives a 5% royalty interest on oil being produced on certain fields. All production payments received are being applied to the cost basis and are considered return of capital.
- (12) All investments valued using unobservable inputs (Level III), unless otherwise noted.
- (13) As of December 31, 2024, this investment is pledged to secure the Company's debt obligations.
- (14) The Company's investments are generally acquired in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act") and, therefore, are generally subject to limitations on resale, and may be deemed to be "restricted securities" under the Securities Act of 1933.
- (15) The negative cost is the result of the capitalized discount being greater than the principal amount outstanding on the loan.
- (16) This investment is held by the Company's wholly-owned subsidiary Garrison Capital Equity Holdings XI LLC.
- (17) Under the 1940 Act, the Company is deemed to be an "Affiliated Person" of, as defined in the 1940 Act, this portfolio company as the Company owns at least 5% of the portfolio company's outstanding voting securities or is under common control with such portfolio company.
- (18) Not used.
- (19) Information related to the Company's derivatives is presented below as of December 31, 2024:

(\$ in thousands)

Description	Counterparty	Number of shares	Notional amount	Exercise price	Expiration date	Value
Call option	HDNet Holdco LLC	0.2	\$ 8	0.01	N/A	\$ —

Description	Counterparty	Number of shares	Notional amount	Exercise price	Expiration date	Value
Put option	Advantage Capital Holdings LLC	164	\$ 563	20	N/A	\$ 220
Put option	Epilog Partners LP (Care Connectors Medical Group)	1,166,667	\$ —	—	N/A	—
Put option	Princeton Medspa Partners, LLC	1,000,000	\$ 1,000	2	N/A	—

- (20) Security has an unfunded commitment in addition to the amounts shown in the Consolidated Schedule of Investments. See Note 8 for additional information on the Company's commitments and contingencies.
- (21) This investment is owned by HCAP Equity Holdings, LLC, one of the Company's taxable blocker subsidiaries.
- (22) This investment is owned by PTMN Sub Holdings LLC, one of the Company's taxable blocker subsidiaries.
- (23) All debt investments are income producing, unless otherwise noted. Equity and warrant investments are non-income producing, unless otherwise noted.
- (24) Percentages are based on net assets as of December 31, 2024.
- (25) The equity investment is income producing, based on rate disclosed.
- (26) The investment is held at the NAV of the underlying fund.
- (++) Par amount is presented for debt investments, while the number of shares or units owned is presented for equity investments.

See accompanying notes to unaudited consolidated financial statements.

PORTMAN RIDGE FINANCE CORPORATION
CONSOLIDATED FINANCIAL HIGHLIGHTS
(in thousands, except share and per share amounts)
(Unaudited)

	For the Six Months Ended June 30,			
	2025		2024	
Per Share Data:				
Net asset value, at beginning of period	\$	19.41	\$	22.76
Net investment income ⁽¹⁾		0.97		1.36
Net realized gain (loss) from investments ⁽¹⁾		(1.75)		(0.96)
Net change in unrealized appreciation (depreciation) on investments ⁽¹⁾		0.30		(0.63)
Tax (provision) benefit on realized and unrealized gains (losses) on investments ⁽¹⁾		(0.02)		0.06
Realized gain (loss) from extinguishment of debt ⁽¹⁾		—		(0.03)
Net increase (decrease) in net assets resulting from operations	\$	(0.50)	\$	(0.20)
Net decrease in net assets resulting from distributions		(1.01)		(1.38)
Accretive effect of common stock repurchases ⁽¹⁾		—		0.05
Net increase (decrease) in net assets relating to stock-based transactions ⁽⁶⁾		(0.01)		(0.02)
Net asset value, end of period	\$	17.89	\$	21.21
Total net asset value return ⁽²⁾		(0.64)%		(0.11)%
Total market return ⁽³⁾		(17.40)%		15.61%
Ratio/Supplemental Data:				
Per share market value at beginning of period	\$	16.34	\$	18.19
Per share market value at end of period	\$	12.52	\$	19.62
Shares outstanding at end of period		9,207,851		9,260,495
Net assets at end of period	\$	164,729	\$	196,429
Portfolio turnover rate ⁽⁵⁾		7.09%		11.08%
Asset coverage ratio		164.50%		168.91%
Ratio of net investment income to average net assets (annualized)		10.42%		12.35%
Ratio of total expenses to average net assets (annualized)		18.56%		19.60%
Ratio of interest expense to average net assets (annualized)		9.98%		10.78%
Ratio of non-interest expenses to average net assets (annualized)		8.58%		8.82%

(1)Based on weighted average number of common shares outstanding-basic for the period.

(2)Total net asset value return (not annualized) equals the change in the net asset value per share over the period plus distributions (including any return of capital), divided by the beginning net asset value per share.

(3)Total market return (not annualized) equals the change in market price, per share during the period plus distributions, divided by the beginning market price per share.

(4)Not used.

(5)Portfolio turnover rate equals the lesser of year-to-date sales and paydowns over the average of the invested assets at fair value.

(6)Includes the accretive (dilutive) effects of the share issuance (at net asset value or in accordance with the DRIP).

See accompanying notes to unaudited consolidated financial statements.

PORTMAN RIDGE FINANCE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2025
(Unaudited)

1. ORGANIZATION

Portman Ridge Finance Corporation (“Portman Ridge” or the “Company”), formerly known as KCAP Financial, Inc., is an externally managed, non-diversified closed-end investment company that has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). The Company was formed as a Delaware limited liability company on August 8, 2006 and, prior to the issuance of shares of the Company’s common stock in its initial public offering (“IPO”), converted to a corporation incorporated in Delaware on December 11, 2006.

The Company originates, structures, and invests in secured term loans, bonds or notes and mezzanine debt primarily in privately-held middle market companies but may also invest in other investments such as loans to publicly-traded companies, high-yield bonds, and distressed debt securities (collectively the “Debt Securities Portfolio”). The Company also invests in debt and subordinated securities issued by collateralized loan obligation funds (“CLO Fund Securities”). In addition, from time to time the Company may invest in the equity securities of privately held middle market companies and may also receive warrants or options to purchase common stock in connection with its debt investments.

The Company has elected to be treated and intends to continue to qualify as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). To qualify as a RIC, the Company must, among other things, meet certain source-of-income, asset diversification and annual distribution requirements. As a RIC, the Company generally will not have to pay corporate-level U.S. federal income taxes on any income that it distributes in a timely manner to its stockholders.

On March 29, 2018, the Company’s Board of Directors (the “Board”), including a “required majority” (as such term is defined in Section 57(o) of the 1940 Act) of the Board, approved the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act, as amended by the Small Business Credit Availability Act (“SBCA”). As a result, the Company’s asset coverage requirement for senior securities changed from 200% to 150%, effective as of March 29, 2019.

During the third quarter of 2017, the Company formed a joint venture with Freedom 3 Opportunities LLC (“Freedom 3 Opportunities”), an affiliate of Freedom 3 Capital LLC, to create KCAP Freedom 3 LLC (the “F3C Joint Venture”). The F3C Joint Venture may originate loans from time to time and sell them to the fund capitalized by the F3C Joint Venture.

On November 8, 2018, the Company entered into an agreement with LibreMax Intermediate Holdings, LP (“LibreMax”) under which a wholly-owned subsidiary of the Company sold the Company’s wholly-owned asset manager subsidiaries Katonah Debt Advisors, LLC (“Katonah Debt Advisors”), Trimaran Advisors, L.L.C. (“Trimaran Advisors”), and Trimaran Advisors Management, L.L.C. (“Trimaran Advisors Management” and, together with Katonah Debt Advisors and Trimaran Advisors, the “Disposed Manager Affiliates”), for a cash purchase price of approximately \$37.9 million (the “LibreMax Transaction”). The LibreMax Transaction closed on December 31, 2018. As of June 30, 2025, the Company’s remaining wholly-owned asset management subsidiaries (the “Asset Manager Affiliates”) were comprised of Katonah Management Holdings, LLC, and KCAP Management, LLC. Prior to their sale in the LibreMax Transaction, the Disposed Manager Affiliates represented substantially all of the Company’s investment in the Asset Manager Affiliates.

The Externalization Agreement

On December 14, 2018, the Company entered into a stock purchase and transaction agreement (the “Externalization Agreement”) with BC Partners Advisors L.P. (“BCP”), an affiliate of BC Partners LLP, (“BC Partners”), through which Sierra Crest Investment Management LLC (the “Adviser”), an affiliate of BC Partners, became the Company’s investment adviser pursuant to an investment advisory Agreement (the “Advisory Agreement”) with the Company. At a special meeting of the Company’s stockholders (the “Special Meeting”) held on February 19, 2019, the Company’s stockholders approved the Advisory Agreement. The transactions contemplated by the Externalization Agreement closed on April 1, 2019 (the “Closing”), and the Company commenced operations as an externally managed BDC managed by the Adviser on that date.

On the date of the Closing, the Company changed its name from KCAP Financial, Inc. to Portman Ridge Finance Corporation and on April 2, 2019, began trading on the NASDAQ Global Select Market under the symbol “PTMN.”

About the Adviser

The Adviser is an affiliate of BC Partners. Subject to the overall supervision of the Board, the Adviser is responsible for managing the Company’s business and activities, including sourcing investment opportunities, conducting research, performing diligence on potential investments, structuring the Company’s investments, and monitoring the Company’s portfolio companies on an ongoing basis through a team of investment professionals.

The Adviser seeks to invest on behalf of the Company in performing, well-established middle market businesses that operate across a wide range of industries (i.e., no concentration in any one industry). The Adviser employs fundamental credit analysis, targeting investments in businesses with relatively low levels of cyclicality and operating risk. The holding size of each position will generally be dependent upon a number of factors including total facility size, pricing and structure, and the number of other lenders in the facility. The Adviser has experience managing levered vehicles, both public and private, and seeks to enhance the Company’s returns through the use of leverage with a prudent approach that prioritizes capital preservation. The Adviser believes this strategy and approach offers attractive risk/return with lower volatility given the potential for fewer defaults and greater resilience through market cycles.

During the fourth quarter of 2020, LibreMax Intermediate Holdings, LP (“LibreMax”) sold its minority stake in the Adviser to a wholly-owned subsidiary of Mount Logan Capital Inc. (“Mount Logan”). An affiliate of BC Partners serves as administrator to Mount Logan.

OHA Transaction

On December 18, 2019, we completed our acquisition of OHA Investment Corporation (“OHA”). In accordance with the terms of the merger agreement, each share of common stock, par value \$0.001 per share, of OHA (the “OHA Common Stock”) issued and outstanding was converted into the right to receive (i) an amount in cash, without interest, equal to approximately \$0.42, and (ii) 0.3688 shares of common stock, par value \$0.01 per share, of the Company (plus any applicable cash in lieu of fractional shares). Each share of OHA Common Stock issued and outstanding received, as additional consideration funded by the Adviser, an amount in cash, without interest, equal to approximately \$0.15.

GARS Transaction

PORTMAN RIDGE FINANCE CORPORATION
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(Unaudited)

On October 28, 2020, the Company completed its acquisition of Garrison Capital Inc., a publicly traded BDC (“GARS”, and such transaction, the “GARS Acquisition”). To effect the acquisition, our wholly owned merger subsidiary merged with and into GARS, with GARS surviving the merger as our wholly owned subsidiary. Immediately thereafter and as a single integrated transaction, GARS consummated a second merger, whereby GARS merged with and into us, with the Company surviving the merger.

In accordance with the terms of the merger agreement for the GARS Acquisition, dated June 24, 2020 (the “GARS Merger Agreement”), each share of common stock, par value \$0.001 per share, of GARS (the “GARS Common Stock”) issued and outstanding was converted into the right to receive (i) an amount in cash, without interest, equal to approximately \$1.19 and (ii) approximately 1.917 shares of common stock, par value \$0.01 per share, of the Company (plus any applicable cash in lieu of fractional shares). Each share of GARS Common Stock issued and outstanding received, as additional consideration funded by the Adviser, an amount in cash, without interest, equal to approximately \$0.31.

HCAP Transaction

On June 9, 2021, we completed our acquisition of Harvest Capital Credit Corporation, a publicly traded BDC (“HCAP”, and such transaction the “HCAP Acquisition”). To effect the acquisition, our wholly owned merger subsidiary (“Acquisition Sub”) merged with and into HCAP, with HCAP surviving the merger as the Company’s wholly owned subsidiary. Immediately thereafter and as a single integrated transaction, HCAP consummated a second merger, whereby HCAP merged with and into the Company, with the Company surviving the merger. As a result of, and as of the effective time of, the second merger, HCAP’s separate corporate existence ceased.

Under the terms of the merger agreement for the HCAP Acquisition, dated December 23, 2020 (the “HCAP Merger Agreement”), HCAP stockholders as of immediately prior to the effective time of the first merger (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”)) received a combination of (i) \$18.54 million in cash paid by the Company, (ii) 15,252,453 validly issued, fully paid and non-assessable shares of the Company’s common stock, par value \$0.01 per share, and (iii) an additional cash payment from the Adviser of \$2.15 million in the aggregate.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information. Accordingly, they do not include all of the information and footnotes required for annual consolidated financial statements. The unaudited interim consolidated financial statements (“consolidated financial statements”) and notes thereto should be read in conjunction with the financial statements and notes thereto in the Company’s Form 10-K for the year ended December 31, 2024, as filed with the U.S. Securities and Exchange Commission (the “Commission” or the “SEC”). The Company is an investment company and follows accounting and reporting guidance in Accounting Standards Codification (“ASC”) topic 946 – Financial Services – Investment Companies. Certain prior year investment related disclosures have been reclassified to conform to the current period presentation.

The consolidated financial statements reflect all adjustments, both normal and recurring which, in the opinion of management, are necessary for the fair presentation of the Company’s results of operations and financial condition for the periods presented. Furthermore, the preparation of the consolidated financial statements requires the Company to make significant estimates and assumptions including with respect to the fair value of investments that do not have a readily available market value. Actual results could differ from those estimates, and the differences could be material. The results of operations for the interim periods presented are not necessarily indicative of the operating results to be expected for the full year.

The Company consolidates the financial statements of its wholly-owned special purpose financing subsidiaries Portman Ridge Funding 2018-2 Ltd. (“PRF CLO 2018-2”) (formerly known as Garrison Funding 2018-2 Ltd.), Great Lakes KCAP Funding I, LLC, Kohlberg Capital Funding LLC I, KCAP Senior Funding I, LLC, KCAP Senior Funding I Holdings, LLC, Great Lakes Portman Ridge Funding, LLC, Garrison Capital Equity Holdings VIII LLC, Garrison Capital Equity Holdings XI LLC, and GIG Rooster Holdings I LLC, in its consolidated financial statements as they are operated solely for investment activities of the Company. The creditors of Great Lakes Portman Ridge Funding, LLC received security interests in the assets which are owned by them and such assets are not intended to be available to the creditors of Portman Ridge Finance Corporation., or any other affiliate. The Company also consolidates various subsidiaries (PTMN Sub Holdings LLC, Garrison Capital Equity Holdings II, LLC, and HCAP Equity Holdings, LLC) created primarily to provide specific tax treatment for the equity and other investments held by these entities.

In accordance with Article 6 of Regulation S-X under the Securities Act of 1933, as amended (the “Securities Act”), and the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Company does not consolidate portfolio company investments, including those in which it has a controlling interest.

The determination of the tax character of distributions is made on an annual (full calendar year) basis at the end of the year based upon our taxable income for the full year and the distributions paid during the full year. Therefore, an estimate of tax attributes made on a quarterly basis may not be representative of the actual tax attributes of distributions for a full year.

It is the Company’s primary investment objective to generate current income and capital appreciation by lending directly to privately-held middle market companies.

During the three months ended June 30, 2025, the Company made approximately \$10.9 million of investments and had approximately \$17.0 million in repayments and sales, resulting in net repayments and sales of approximately \$6.1 million for the period. During the three months ended June 30, 2024, the Company made approximately \$13.9 million of investments and had approximately \$32.1 million in repayments and sales, resulting in net repayments and sales of approximately \$18.2 million for the period.

During the six months ended June 30, 2025, the Company made approximately \$28.4 million of investments and had approximately \$32.7 million in repayments and sales, resulting in net repayments and sales of approximately \$4.3 million for the period. During the six months ended June 30, 2024, the Company made approximately \$51.1 million of investments and had approximately \$67.6 million in repayments and sales, resulting in net repayments and sales of approximately \$16.5 million for the period.

As of June 30, 2025, our portfolio consisted of investments in 96 portfolio companies with a fair value of approximately \$395.1 million. As of December 31, 2024, our portfolio consisted of investments in 93 portfolio companies with a fair value of approximately \$405.0 million.

As of June 30, 2025, the debt investment portfolio (excluding our investments in the CLO Funds, equities and Joint Ventures) was spread across 25 different industries and 69 different portfolio companies with a fair value of approximately \$323.1 million and average par balance per entity of approximately \$2.6 million. As of December 31, 2024, the debt investment portfolio (excluding our investments in the CLO Funds, equities and Joint Ventures) was spread across 26 different industries and 71 different portfolio companies with a fair value of approximately \$320.7 million and average par balance per entity of approximately \$2.5 million.

Recent Accounting Pronouncements

PORTMAN RIDGE FINANCE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2025
(Unaudited)

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (“ASU 2024-03”), which requires disaggregated disclosure of certain costs and expenses, including purchases of inventory, employee compensation, depreciation, amortization and depletion, within relevant income statement captions. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods beginning in the first quarter ended March 31, 2028. Early adoption and retrospective application is permitted. The Company is currently assessing the impact of this guidance, however, the Company does not expect a material impact on its consolidated financial statements.

Investments

Investment transactions are recorded on the applicable trade date. Realized gains or losses are determined using the specific identification method.

Valuation of Portfolio Investments. The Board has designated the Adviser as its “valuation designee” pursuant to Rule 2a-5 under the 1940 Act, and in that role the Adviser is responsible for performing fair value determinations relating to all of the Company’s investments, including periodically assessing and managing any material valuation risks and establishing and applying fair value methodologies, in accordance with valuation policies and procedures that have been approved by the Board. The Board remains ultimately responsible for making fair value determinations under the 1940 Act and satisfies its responsibility through oversight of the valuation designee in accordance with Rule 2a-5. Debt and equity securities for which market quotations are readily available are generally valued at such market quotations. Debt and equity securities that are not publicly traded or whose market price is not readily available are valued by the Adviser based on detailed analyses prepared by management and, in certain circumstances, third parties with valuation expertise. Valuations are conducted by management on 100% of the investment portfolio at the end of each quarter. The Company follows the provisions of ASC 820: Fair Value Measurements and Disclosures (“ASC 820: Fair Value”). This standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about assets and liabilities measured at fair value. ASC 820: Fair Value defines “fair value” as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Adviser utilizes one or more independent valuation firms to provide third party valuation consulting services. Each quarter the independent valuation firms perform third party valuations of the Company’s investments in material illiquid securities such that they are reviewed at least once during a trailing 12-month period. These third-party valuation estimates are considered as one of the relevant data points in the Adviser’s determination of fair value.

The Adviser may consider other methods of valuation than those set forth below to determine the fair value of Level III investments as appropriate in conformity with U.S. GAAP. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company’s investments may differ materially from the values that would have been used had a readily available market existed for such investments. Further, such investments may be generally subject to legal and other restrictions on resale or otherwise be less liquid than publicly traded securities. In addition, changes in the market environment and other events may occur over the life of the investments that may cause the value realized on such investments to be different from the currently assigned valuations.

The majority of the Company’s investment portfolio is composed of debt and equity securities with unique contract terms and conditions and/or complexity that requires a valuation of each individual investment that considers multiple levels of market and asset specific inputs, which may include historical and forecasted financial and operational performance of the individual investment, projected cash flows, market multiples, comparable market transactions, the priority of the security compared with those of other securities for such issuers, credit risk, interest rates, and independent valuations and reviews.

Debt Securities. To the extent that the Company’s investments are liquid and are priced or have sufficient price indications from normal course trading at or around the valuation date (financial reporting date), such pricing will be used to determine the fair value of the investments. Valuations from third party pricing services may be used as an indication of fair value, depending on the volume and reliability of the valuation, sufficient and reasonable correlation of bid and ask quotes, and, most importantly, the level of actual trading activity. However, if the Company has been unable to identify directly comparable market indices or other market guidance that correlate directly to the types of investments the Company owns, the Company will determine fair value using alternative methodologies such as available market data, as adjusted, to reflect the types of assets the Company owns, their structure, qualitative and credit attributes and other asset-specific characteristics.

The Company derives fair value for its illiquid investments that do not have indicative fair values based upon active trades primarily by using a present value technique that discounts the estimated contractual cash flows for the subject assets with discount rates imputed by broad market indices, bond spreads and yields for comparable issuers relative to the subject assets (the “Income Approach”). The Company also considers, among other things, recent loan amendments or other activity specific to the subject asset. Discount rates applied to estimated contractual cash flows for an underlying asset vary by specific investment, industry, priority and nature of the debt security (such as the seniority or security interest of the debt security) and are assessed relative to leveraged loan and high-yield bond indices, at the valuation date. The Company has identified these indices as benchmarks for broad market information related to its loan and debt securities. Because the Company has not identified any market index that directly correlates to the loan and debt securities held by the Company and therefore uses these benchmark indices, these market indices may require significant adjustment to better correlate such market data for the calculation of fair value of the investment under the Income Approach. Such adjustments require judgment and may be material to the calculation of fair value. Further adjustments to the discount rate may be applied to reflect other market conditions or the perceived credit risk of the borrower. When broad market indices are used as part of the valuation methodology, their use is subject to adjustment for many factors, including priority, collateral used as security, structure, performance and other quantitative and qualitative attributes of the asset being valued. The resulting present value determination is then weighted along with any quotes from observable transactions and broker/pricing quotes. If such quotes are indicative of actual transactions with reasonable trading volume at or near the valuation date that are not liquidation or distressed sales, relatively more reliance will be put on such quotes to determine fair value. If such quotes are not indicative of market transactions or are insufficient as to volume, reliability, consistency or other relevant factors, such quotes will be compared with other fair value indications and given relatively less weight based on their relevancy. Other significant assumptions, such as coupon and maturity, are asset-specific and are noted for each investment in the Consolidated Schedules of Investments included herein.

Equity Securities. The Company’s equity securities in portfolio companies for which there is no liquid public market are carried at fair value based on the enterprise value of the portfolio company, which is determined using various factors, including EBITDA (earnings before interest, taxes, depreciation and amortization) and discounted cash flows from operations, less capital expenditures and other pertinent factors, such as recent offers to purchase a portfolio company’s securities or other liquidation events. The determined fair values are generally discounted to account for restrictions on resale and minority ownership positions. In the event market quotations are readily available for the Company’s equity securities in public companies, those investments may be valued using the Market Approach (as defined below). In cases where the Company receives warrants to purchase equity securities, a market standard Black-Scholes model is utilized.

The significant inputs used to determine the fair value of equity securities include prices, EBITDA and cash flows after capital expenditures for similar peer comparables and the investment entity itself. Equity securities are classified as Level III, when there is limited activity or less transparency around inputs to the valuation given the lack of information related to such equity investments held in nonpublic companies. Significant assumptions observed for comparable companies are applied to relevant financial data for the specific investment. Such assumptions, such as model discount rates or price/earnings multiples, vary by the specific investment, equity position and industry and incorporate adjustments for risk premiums, liquidity and company specific attributes. Such adjustments require judgment and may be material to the calculation of fair value.

Derivatives. The Company recognizes all derivative instruments as assets or liabilities at fair value in its financial statements. Derivative contracts entered into by the Company are not designated as hedging instruments, and as a result the Company presents changes in fair value and realized gains or losses through current period earnings.

PORTMAN RIDGE FINANCE CORPORATION
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(Unaudited)

Derivative instruments are measured in terms of the notional contract amount and derive their value based upon one or more underlying instruments. Derivative instruments are subject to various risks similar to non-derivative instruments including market, credit, liquidity, and operational risks. The Company manages these risks on an aggregate basis as part of its risk management process. The derivatives may require the Company to pay or receive an upfront fee or premium. These upfront fees or premiums are carried forward as cost or proceeds to the derivatives. The Company generally records a realized gain or loss on the expiration, termination, or settlement of a derivative contract. The periodic payments for the securities Swap and Option Agreement (excluding collateral) are included as a realized gain or loss.

The Company values derivative contracts using various pricing models that take into account the terms of the contract (including notional amount and contract maturity) and observable and unobservable inputs such as interest rates and changes in fair value of the reference asset.

Asset Manager Affiliates. The Company sold all of its investment in the Disposed Manager Affiliates on December 31, 2018. Previously, the Company's investments in its wholly-owned Asset Manager Affiliates, were carried at fair value, which was primarily determined utilizing the discounted cash flow approach, which incorporated different levels of discount rates depending on the hierarchy of fees earned (including the likelihood of realization of senior, subordinate and incentive fees) and prospective modeled performance. Such valuation took into consideration an analysis of comparable asset management companies and the amount of assets under management. The Asset Manager Affiliates were classified as a Level III investment. Any change in value from period to period was recognized as net change in unrealized appreciation or depreciation.

CLO Fund Securities. The Company typically makes a non-controlling investment in the most junior class of securities of CLO Funds. The investments held by CLO Funds generally relate to non-investment grade credit instruments issued by corporations.

The Company's investments in CLO Fund Securities are carried at fair value, which is based either on (i) the present value of the net expected cash inflows for interest income and principal repayments from underlying assets and cash outflows for interest expense, debt pay-down and other fund costs for the CLO Funds that are approaching or past the end of their reinvestment period and therefore are selling assets and/or using principal repayments to pay down CLO Fund debt (or will begin to do so shortly), and for which there continue to be net cash distributions to the class of securities owned by the Company, a Discounted Cash Flow approach, (ii) a discounted cash flow model that utilizes prepayment and loss assumptions based on historical experience and projected performance, economic factors, the characteristics of the underlying cash flow and comparable yields for similar securities or preferred shares to those in which the Company has invested, or (iii) indicative prices provided by the underwriters or brokers who arrange CLO Funds, a Market Approach. The Company recognizes unrealized appreciation or depreciation on the Company's investments in CLO Fund Securities as comparable yields in the market change and/or based on changes in net asset values or estimated cash flows resulting from changes in prepayment or loss assumptions in the underlying collateral pool. As each investment in CLO Fund Securities ages, the expected amount of losses and the expected timing of recognition of such losses in the underlying collateral pool are updated and the revised cash flows are used in determining the fair value of the CLO Fund investment. The Company determines the fair value of its investments in CLO Fund Securities on a security-by-security basis.

Due to the individual attributes of each CLO Fund Security, they are classified as a Level III investment unless specific trading activity can be identified at or near the valuation date. When available, observable market information will be identified, evaluated and weighted accordingly in the application of such data to the present value models and fair value determination. Significant assumptions to the present value calculations include default rates, recovery rates, prepayment rates, investment/reinvestment rates and spreads and the discount rate by which to value the resulting underlying cash flows. Such assumptions can vary significantly, depending on market data sources which often vary in depth and level of analysis, understanding of the CLO market, detailed or broad characterization of the CLO market and the application of such data to an appropriate framework for analysis. The application of data points are based on the specific attributes of each individual CLO Fund Security's underlying assets, historic, current and prospective performance, vintage, and other quantitative and qualitative factors that would be evaluated by market participants. The Company evaluates the source of market data for reliability as an indicative market input, consistency amongst other inputs and results and also the context in which such data is presented.

For rated note tranches of CLO Fund Securities (those above the junior class) without transactions to support a fair value for the specific CLO Fund and tranche, fair value is based on discounting estimated bond payments at current market yields, which may reflect the adjusted yield on the leveraged loan index for similarly rated tranches, as well as prices for similar tranches for other CLO Funds and also other factors such as indicative prices provided by underwriters or brokers who arrange CLO Funds, and the default and recovery rates of underlying assets in the CLO Fund, as may be applicable. Such model assumptions may vary and incorporate adjustments for risk premiums and CLO Fund specific attributes.

Short-term investments. Short-term investments are generally comprised of money market accounts, time deposits, and U.S. treasury bills.

Joint Ventures. The Company carries investments in joint ventures ("Joint Ventures") at fair value based upon the fair value of the investments held by the joint venture, or the net asset value as a practical expedient. See Note 4 below, for more information regarding the Joint Ventures.

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments, readily convertible to known amounts of cash, with an original maturity of three months or less in accounts such as demand deposit accounts and certain overnight investment sweep accounts. The company records cash and cash equivalents at cost, which approximates fair value.

Restricted Cash

Restricted cash and cash equivalents generally consists of cash held for interest and principal payments on the Company's borrowings.

Foreign Currency Translations

The accounting records of the Company are maintained in U.S. dollars. All assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the foreign exchange rate on the date of valuation. The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. The Company's investments in foreign securities may involve certain risks, including without limitation: foreign exchange restrictions, expropriation, taxation or other political, social or economic risks, all of which could affect the market and/or credit risk of the investment. In addition, changes in the relationship of foreign currencies to the U.S. dollar can significantly affect the value of these investments and therefore the earnings of the Company.

Investment Income

Interest Income. Interest income, including the amortization of premium and accretion of discount and accrual of payment-in-kind ("PIK") interest, is recorded on the accrual basis to the extent that such amounts are expected to be collected. The Company generally places a loan or security on non-accrual status and ceases recognizing interest income on such loan or security when a loan or security becomes 90 days or more past due or if the Company otherwise does not expect the debtor to be able to service its debt obligations. For investments with PIK interest, which represents contractual interest accrued and added to the principal balance that generally becomes due at maturity, we will not accrue PIK interest if the portfolio company valuation indicates that the PIK interest is not collectible (i.e. via a partial or full non-accrual). Loans which are on partial or full non-accrual

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remain in such status until the borrower has demonstrated the ability and intent to pay contractual amounts due or such loans become current. As of June 30, 2025, six of our debt investments were on non-accrual status with an aggregate amortized cost of \$22.3 million and an aggregate fair value of \$8.4 million, which represented 4.8% and 2.1% of the investment portfolio, respectively. However, for a subset of the non-accrual population, the Company continues to recognize interest income on a cash basis, i.e., only when cash payments are actually received. Refer to the Consolidated Schedule of Investments for further details. As of December 31, 2024, six of our debt investments were on non-accrual status with an aggregate amortized cost of \$16.3 million and an aggregate fair value of \$6.9 million, which represented 3.4% and 1.7% of the investment portfolio, respectively.

Investment Income on CLO Fund Securities. The Company generates investment income from its investments in the most junior class of securities issued by CLO Funds (typically preferred shares or subordinated securities). The Company's CLO Fund junior class securities are subordinated to senior note holders who typically receive a stated interest rate of return based on a floating rate index, such as the Secured Overnight Financing Rate ("SOFR") on their investment. The CLO Funds are leveraged funds and any excess cash flow or "excess spread" (interest earned by the underlying securities in the fund less payments made to senior note holders and less fund expenses and management fees) is paid to the holders of the CLO Fund's subordinated securities or preferred shares.

U.S. GAAP-basis investment income on CLO equity investments is recorded using the effective interest method in accordance with the provisions of ASC 325-40, based on the anticipated yield and the estimated cash flows over the projected life of the investment. Yields are revised when there are changes in actual or estimated projected future cash flows due to changes in prepayments and/or re-investments, credit losses or asset pricing. Changes in estimated yield are recognized as an adjustment to the estimated yield prospectively over the remaining life of the investment from the date the estimated yield was changed. Accordingly, investment income recognized on CLO equity securities in the U.S. GAAP statement of operations differs from both the tax-basis investment income and from the cash distributions actually received by the Company during the period.

For non-junior class CLO Fund Securities, interest is earned at a fixed spread relative to the SOFR index.

Investment Income on Joint Ventures. The Company recognizes investment income on its investment in the Joint Ventures based upon its share of the estimated earnings and profits of the Joint Venture on the ex-dividend or ex-distribution date. The final determination of the tax attributes of distributions from the Joint Ventures is made on an annual (full calendar year) basis at the end of the year based upon taxable income and distributions for the full year. Therefore, any estimate of tax attributes of distributions made on an interim basis may not be representative of the actual tax attributes of distributions for the full year.

Fees and other income. Origination fees (to the extent services are performed to earn such income upon closing), amendment fees, consent fees, and other fees associated with investments in portfolio companies are recognized as income when they are earned. Prepayment penalties received by the Company for debt instruments repaid prior to maturity date are recorded as income upon receipt.

Debt Issuance Costs

Debt issuance costs represent fees and other direct costs incurred in connection with the Company's borrowings. These amounts are capitalized, presented as a reduction of debt, and amortized using the effective interest method over the expected term of the borrowing.

Extinguishment of Debt

The Company derecognizes a liability if and only if it has been extinguished through delivery of cash, delivery of other financial assets, delivery of goods or services, or reacquisition by the Company of its outstanding debt securities whether the securities are cancelled or held. If the debt contains a cash conversion option, the Company allocates the consideration transferred and transaction costs incurred to the extinguishment of the liability component and the reacquisition of the equity component and recognize a gain or loss in the statement of operations.

Expenses

The Company is externally managed and in connection with the Advisory Agreement, pays the Adviser certain investment advisory fees and reimburses the Adviser and Administrator for certain expenses incurred in connection with the services they provide. See Note 5 "Related Party Transactions - Payment of Expenses under the Advisory and Administration Agreements."

Shareholder Distributions

Distributions to common stockholders are recorded on the ex-dividend date. The amount of distributions, if any, is determined by the Board each quarter. The Company has adopted a dividend reinvestment plan (the "DRIP") that provides for reinvestment of its distributions on behalf of its stockholders, unless a stockholder "opts out" of the DRIP to receive cash in lieu of having their cash distributions automatically reinvested in additional shares of the Company's common stock.

Segment Reporting

In accordance with ASC Topic 280 - Segment Reporting ("ASC 280"), the Company has determined that it has a single operating and reporting segment, the "Investment Management Segment". As a result, the Company's segment accounting policies are the same as described herein and the Company does not have any intra-segment sales and transfers of assets.

3. EARNINGS (LOSSES) PER SHARE

In accordance with the provisions of ASC 260, "Earnings per Share" ("ASC 260"), basic earnings per share is computed by dividing earnings available to common shareholders by the weighted average number of shares outstanding during the period. Other potentially dilutive common shares, and the related impact to earnings, are considered when calculating earnings per share on a diluted basis.

The following information sets forth the computation of basic and diluted net increase (decrease) in net assets per share for the three and six months ended June 30, 2025 and 2024:

(\$ in thousands, except share and per share amounts)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Net decrease in net assets resulting from operations – basic and diluted	\$ (4,518)	\$ (6,372)	\$ (4,600)	\$ (1,887)
Weighted average common stock outstanding – basic and diluted	9,204,657	9,293,687	9,201,451	9,319,272
Net decrease in net assets per share from operations – basic and diluted	\$ (0.49)	\$ (0.69)	\$ (0.50)	\$ (0.20)

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4. INVESTMENTS

The following table shows the Company's portfolio by security type as of June 30, 2025 and December 31, 2024:

Security Type	June 30, 2025			December 31, 2024		
	Cost/Amortized		Fair Value Percentage of Total Portfolio	Cost/Amortized		Fair Value Percentage of Total Portfolio
	Cost	Fair Value		Cost	Fair Value	
First Lien Debt	\$ 312,114	\$ 291,071	73.7%	\$ 311,673	\$ 289,957	71.6%
Second Lien Debt	35,576	30,276	7.7%	34,892	28,996	7.2%
Subordinated Debt	6,103	1,750	0.4%	8,059	1,740	0.4%
Collateralized Loan Obligations	2,527	3,263	0.8%	5,318	5,193	1.3%
Joint Ventures	60,709	44,634	11.3%	66,747	54,153	13.4%
Equity	28,944	23,919	6.1%	31,921	24,762	6.1%
Asset Manager Affiliates ⁽¹⁾	17,791	—	—	17,791	—	—
Derivatives	31	196	0.0%	31	220	—
Total	\$ 463,795	\$ 395,109	100.0%	\$ 476,432	\$ 405,021	100.0%

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

The industry concentrations based on the fair value of the Company's investment portfolio as of June 30, 2025 and December 31, 2024 were as follows:

Industry Classification	June 30, 2025			December 31, 2024		
	Cost/Amortized		Fair Value Percentage of Total Portfolio	Cost/Amortized		Fair Value Percentage of Total Portfolio
	Cost	Fair Value		Cost	Fair Value	
Services: Business	\$ 58,766	\$ 54,374	13.8%	\$ 55,141	\$ 51,776	12.8%
High Tech Industries	58,430	52,774	13.4%	55,932	50,138	12.4%
Joint Venture	60,709	44,634	11.3%	66,747	54,153	13.4%
Banking, Finance, Insurance & Real Estate	39,999	39,469	10.0%	44,191	42,854	10.6%
Healthcare & Pharmaceuticals	38,124	37,104	9.5%	43,882	41,872	10.3%
Consumer goods: Durable	28,651	25,789	6.5%	28,493	27,028	6.7%
Media: Broadcasting & Subscription	21,655	21,828	5.5%	19,095	12,972	3.2%
Finance	14,857	14,786	3.7%	14,815	14,725	3.6%
Machinery (Non-Agrclt/Constr/Electr)	11,233	13,711	3.5%	11,705	13,608	3.4%
Beverage, Food and Tobacco	15,742	13,611	3.4%	12,563	11,612	2.9%
Aerospace and Defense	12,232	12,275	3.1%	11,403	11,390	2.8%
Chemicals, Plastics and Rubber	11,426	10,855	2.7%	10,135	9,628	2.4%
Transportation: Consumer	7,368	7,415	1.9%	7,410	7,470	1.8%
Interactive Media & Services	7,092	7,089	1.8%	2,539	2,559	0.6%
Healthcare, Education and Childcare	6,081	6,082	1.5%	6,114	6,115	1.5%
IT Consulting & Other Services	5,361	5,507	1.4%	2,157	2,243	0.5%
Metals & Mining	10,445	4,437	1.1%	9,950	5,103	1.3%
CLO Fund Securities	2,527	3,263	0.8%	5,318	5,193	1.3%
Transportation: Cargo	4,505	3,173	0.8%	4,223	3,782	0.9%
Consumer Services	2,933	2,933	0.7%	—	—	0.0%
Containers, Packaging and Glass	2,725	2,705	0.7%	2,728	2,702	0.7%
Energy: Electricity	2,696	2,696	0.7%	2,696	2,702	0.7%
Services: Consumer	2,761	2,332	0.6%	2,699	2,406	0.6%
Hotel, Gaming & Leisure	7,006	1,833	0.5%	7,006	2,205	0.5%
Construction & Building	1,442	1,409	0.4%	7,648	7,596	1.9%
Application Software	1,165	1,163	0.3%	1,165	1,166	0.2%
Capital Equipment	1,824	833	0.2%	8,016	1,291	0.3%
Telecommunications	1,541	832	0.2%	1,541	805	0.2%
Retail	6,673	162	0.0%	10,246	6,853	1.7%
Diversified Financial Services	35	35	0.0%	3,058	3,074	0.8%
Energy: Oil & Gas	—	—	0.0%	25	—	0.0%
Asset Management Company ⁽¹⁾	17,791	—	0.0%	17,791	—	0.0%
Total	\$ 463,795	\$ 395,109	100.0%	\$ 476,432	\$ 405,021	100.0%

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

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Investments in CLO Fund Securities

The Company has made non-controlling investments in the most junior class of securities (typically preferred shares or subordinated securities) of CLO Funds. These securities also are entitled to recurring distributions which generally equal the net remaining cash flow of the payments made by the underlying CLO Fund's securities less contractual payments to senior bond holders, management fees and CLO Fund expenses. CLO Funds invest primarily in broadly syndicated non-investment grade loans, high-yield bonds and other credit instruments of corporate issuers. The underlying assets in each of the CLO Funds in which the Company has an investment are generally diversified secured or unsecured corporate debt. The CLO Funds are leveraged funds and any excess cash flow or "excess spread" (interest earned by the underlying securities in the CLO Funds less payments made to senior bond holders, fund expenses and management fees) is paid to the holders of the CLO Fund's subordinated securities or preferred shares.

The following table details investments in CLO Fund Securities as of June 30, 2025 and December 31, 2024:

(\$ in thousands)		June 30, 2025			December 31, 2024		
CLO Fund Securities	Investment	Amortized Cost	Fair Value	Percentage Ownership ⁽¹⁾	Amortized Cost	Fair Value	Percentage Ownership ⁽¹⁾
Catamaran CLO 2014-1 Ltd.	Collateralized Loan Obligations	\$ —	\$ —	22.2%	\$ 126	\$ 261	22.2%
Catamaran CLO 2018-1 Ltd.	Collateralized Loan Obligations	1,807	1,807	24.8%	3,063	2,600	24.8%
Dryden 30 Senior Loan Fund	Collateralized Loan Obligations	—	—	%	141	140	%
JMP Credit Advisors CLO IV Ltd.	Collateralized Loan Obligations	1	607	57.2%	521	725	57.2%
JMP Credit Advisors CLO V Ltd.	Collateralized Loan Obligations	719	849	57.2%	1,467	1,467	57.2%
Total		<u>\$ 2,527</u>	<u>\$ 3,263</u>		<u>\$ 5,318</u>	<u>\$ 5,193</u>	

(1) Represents percentage of class held at June 30, 2025 and December 31, 2024, respectively.

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Affiliate Investments:

The following table details investments in affiliates at June 30, 2025 (dollars in thousands):

Company ⁽¹⁾	Type of Investment	Industry Classification	Fair Value as of December 31, 2024	Purchases/(Sales) of or Advances/(Distributions)	Net Accretion	Transfers In/(Out) of Affiliates	Net Change in Unrealized Gain/(Loss)	Realized Gain/(Loss)	Fair Value as of June 30, 2025	Principal / Shares at June 30, 2025	Interest and Fee Income	Dividend Income
Controlled investments⁽²⁾												
Asset Management Company ⁽²⁾	Asset Manager Affiliates	Asset Management Company	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—	\$ —	\$ —
ProAir Holdco, LLC ⁽⁵⁾	Common Stock and Membership Units	Capital Equipment	—	—	—	—	4,261	(4,261)	—	—	—	—
ProAir, LLC	Subordinated Debt	Capital Equipment	—	—	—	—	1,931	(1,931)	—	—	—	—
KCAP Freedom 3, LLC ⁽²⁾	Joint Ventures	Joint Venture	13,015	(554)	—	—	(1,179)	—	11,282	27,220	—	—
Total Controlled investments			\$ 13,015	\$ (554)	\$ —	\$ —	\$ 5,013	\$ (6,192)	\$ 11,282	—	\$ —	\$ —
Non-controlled affiliated investments⁽⁴⁾												
Series A-Great Lakes Funding II LLC ⁽²⁾⁽⁶⁾⁽⁷⁾	Joint Ventures	Joint Venture	\$ 41,138	\$ (5,484)	\$ —	\$ —	\$ (2,302)	\$ —	\$ 33,352	35,824	\$ —	\$ 2,630
GreenPark Infrastructure, LLC - Series A ⁽⁵⁾	Preferred Stock and Units	Energy: Electricity	500	—	—	—	—	—	500	1,000	—	—
GreenPark Infrastructure, LLC - Series M-1 ⁽⁵⁾	Common Stock and Membership Units	Energy: Electricity	2,202	—	—	—	(6)	—	2,196	6,412	—	—
Kleen-Tech Acquisition, LLC ⁽⁵⁾	Common Stock	Services: Business	1,420	—	—	—	(1,170)	—	250	250,000	83	—
Northeast Metal Works LLC - Preferred ⁽⁵⁾	Preferred Stock and Units	Metals & Mining	—	—	—	—	—	—	—	2,368	—	—
Northeast Metal Works LLC - Class O Preferred ⁽⁵⁾	Preferred Stock and Units	Metals & Mining	1,160	495	—	—	(1,164)	—	491	5,445	127	—
Northeast Metal Works LLC	Second Lien/Senior Secured Debt	Metals & Mining	3,443	—	—	—	3	—	3,446	4,500	181	—
Northeast Metal Works LLC	Second Lien/Senior Secured Debt	Metals & Mining	500	—	—	—	—	—	500	500	—	—
BMP Slappye Holdco, LLC ⁽⁵⁾	Preferred Stock and Units	Telecommunications	557	—	—	—	19	—	576	200,000	—	—
BMP Slappye Investment II ⁽⁵⁾	Preferred Stock and Units	Telecommunications	248	—	—	—	8	—	256	88,946	—	—
Princeton Medspa Partners, LLC ⁽⁵⁾	Preferred Stock and Units	Healthcare & Pharmaceuticals	859	67	—	—	(119)	—	807	1,131	68	—
Princeton Medspa Partners, LLC - Warrant ⁽⁵⁾	Common Stock and Membership Units	Healthcare & Pharmaceuticals	28	—	—	—	(10)	—	18	0	—	—
Princeton Medspa Partners, LLC - Put Option ⁽²⁾⁽⁵⁾	Derivatives	Healthcare & Pharmaceuticals	—	—	—	—	—	—	—	1,000,000	—	—
PMP OPCO, LLC (Princeton Medspa Partners, LLC) ⁽⁷⁾	First Lien/Senior Secured Debt	Healthcare & Pharmaceuticals	1,529	(8)	3	—	(7)	—	1,517	1,671	117	—
PMP OPCO, LLC (Princeton Medspa Partners, LLC) (Revolver) ⁽⁷⁾	First Lien/Senior Secured Debt	Healthcare & Pharmaceuticals	(10)	1	—	—	(1)	—	(10)	—	—	—
JMP Credit Advisors CLO IV LTD ⁽²⁾⁽³⁾	Collateralized Loan Obligations	CLO Fund Securities	725	(520)	—	—	402	—	607	18,407	—	—
JMP Credit Advisors CLO V LTD ⁽²⁾⁽³⁾	Collateralized Loan Obligations	CLO Fund Securities	1,467	(656)	—	—	130	(92)	849	17,074	—	—
EBSC Holdings LLC (Riddell, Inc.) ⁽⁵⁾	Preferred Stock and Units	Consumer goods: Durable	2,375	109	—	—	100	—	2,584	2,262	108	—
Riddell, Inc. ⁽⁷⁾	First Lien/Senior Secured Debt	Consumer goods: Durable	6,243	(243)	14	—	(37)	—	5,977	6,002	342	—
Total non-controlled affiliated investments			\$ 64,384	\$ (6,239)	\$ 17	\$ —	\$ (4,154)	\$ (92)	\$ 53,916	—	\$ 1,026	\$ 2,630
Total non-controlled affiliated and controlled investments			\$ 77,399	\$ (6,793)	\$ 17	\$ —	\$ 859	\$ (6,284)	\$ 65,198	—	\$ 1,026	\$ 2,630

(1) All investments valued using unobservable inputs (Level III), unless otherwise noted.

(2) Non-qualified asset for purposes of section 55(a) of the Investment Company Act of 1940.

(3) As defined in the 1940 Act, the Company is deemed to be both an "Affiliated Person" and has "Control" of this portfolio company as the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company.

(4) Under the 1940 Act, the Company is deemed to be an "Affiliated Person" of, as defined in the 1940 Act, this portfolio company as the Company owns at least 5% of the portfolio company's outstanding voting securities or is under common control with such portfolio company.

(5) Number of shares held.

(6) The investment is valued at the NAV of the underlying fund.

(7) Security has an unfunded commitment in addition to the amounts shown in the Consolidated Schedule of Investments. See Note 8 for additional information on the Company's commitments and contingencies.

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The following table details investments in affiliates at December 31, 2024 (dollars in thousands):

Company ⁽¹⁾	Type of Investment	Industry Classification	Fair Value as of December 31, 2023	Purchases/ (Sales) of or Advances/ (Distributions)	Net Accretion	Transfers In/(Out) of Affiliates	Net Change in Unrealized Gain/(Loss)	Realized Gain/(Loss)	Fair Value as of December 31, 2024	Principal / Shares at December 31, 2024	Interest and Fee Income	Dividend Income
Controlled investments⁽²⁾												
Asset Management Company ⁽²⁾	Asset Manager Affiliates	Asset Management Company	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—	\$ —	\$ —
Tank Partners Equipment Holdings, LLC - Class A Units ⁽⁵⁾	Common Stock and Membership Units	Energy: Oil & Gas	—	—	—	—	6,228	(6,228)	—	—	—	—
Tank Partners Equipment Holdings, LLC	Subordinated Debt	Energy: Oil & Gas	43	—	—	—	373	(416)	—	—	—	—
ProAir Holdco, LLC ⁽⁵⁾	Common Stock and Membership Units	Capital Equipment	—	—	—	—	—	—	—	2,749,997	—	—
ProAir, LLC	Subordinated Debt	Capital Equipment	—	—	—	—	—	—	—	2,020	—	—
KCAP Freedom 3, LLC ⁽²⁾	Joint Ventures	Joint Venture	14,275	(1,976)	—	—	716	—	13,015	27,220	—	—
Total Controlled investments⁽⁴⁾			\$ 14,318	\$ (1,976)	\$ —	\$ —	\$ 7,317	\$ (6,644)	\$ 13,015		\$ —	\$ —
Non-controlled affiliated investments⁽⁴⁾												
Series A-Great Lakes Funding II LLC ⁽²⁾⁽⁶⁾⁽⁷⁾	Joint Ventures	Joint Venture	\$ 45,012	\$ (2,692)	\$ —	\$ —	(1,182)	\$ —	\$ 41,138	41,309	\$ —	\$ 6,576
GreenPark Infrastructure, LLC - Series A ⁽⁵⁾	Preferred Stock and Units	Energy: Electricity	500	—	—	—	—	—	500	1,000	—	—
GreenPark Infrastructure, LLC - Series M-1 ⁽⁵⁾	Common Stock and Membership Units	Energy: Electricity	171	2,025	—	—	6	—	2,202	6,412	—	—
Kleen-Tech Acquisition, LLC ⁽⁵⁾	Common Stock	Services: Business	998	—	—	—	422	—	1,420	250,000	—	—
Northeast Metal Works LLC - Preferred ⁽⁵⁾	Preferred Stock and Units	Metals & Mining	—	—	—	—	—	—	—	2,368	—	—
Northeast Metal Works LLC - Class O Preferred ⁽⁵⁾	Preferred Stock and Units	Metals & Mining	4,182	450	—	—	(3,472)	—	1,160	4,950,000	485	—
Northeast Metal Works LLC	Second Lien/Senior Secured Debt	Metals & Mining	3,560	—	—	—	(117)	—	3,443	4,500	366	—
Northeast Metal Works LLC	Second Lien/Senior Secured Debt	Metals & Mining	—	500	—	—	—	—	500	500	36	—
BMP Slappey Holdco, LLC ⁽⁵⁾	Preferred Stock and Units	Telecommunications	553	—	—	—	4	—	557	200,000	—	—
BMP Slappey Investment II ⁽⁵⁾	Preferred Stock and Units	Telecommunications	246	—	—	—	2	—	248	88,946	—	—
Princeton Medspa Partners, LLC ⁽⁵⁾	Preferred Stock and Units	Healthcare & Pharmaceuticals	—	1,064	—	—	(205)	—	859	1,064	76	—
Princeton Medspa Partners, LLC - Warrant ⁽⁵⁾	Common Stock and Membership Units	Healthcare & Pharmaceuticals	—	—	—	—	28	—	28	0	—	—
Princeton Medspa Partners, LLC - Put Option ⁽²⁾⁽⁵⁾	Derivatives	Healthcare & Pharmaceuticals	—	—	—	—	—	—	—	1,000,000	—	—
PMP OPCO, LLC (Princeton Medspa Partners, LLC) ⁽⁷⁾	First Lien/Senior Secured Debt	Healthcare & Pharmaceuticals	—	1,635	4	—	(110)	—	1,529	1,679	147	—
PMP OPCO, LLC (Princeton Medspa Partners, LLC) (Revolver) ⁽⁷⁾	First Lien/Senior Secured Debt	Healthcare & Pharmaceuticals	—	(4)	—	—	(6)	—	(10)	—	1	—
JMP Credit Advisors CLO IV LTD ⁽²⁾	Collateralized Loan Obligations	CLO Fund Securities	—	(260)	98	683	204	—	725	18,407	98	—
JMP Credit Advisors CLO V LTD ⁽²⁾	Collateralized Loan Obligations	CLO Fund Securities	—	(904)	656	3,049	—	(1,334)	1,467	17,074	656	—
EBSC Holdings LLC (Riddell, Inc.) ⁽⁵⁾	Preferred Stock and Units	Consumer goods: Durable	—	2,131	—	—	244	—	2,375	2,154	154	—
Riddell, Inc. ⁽⁷⁾	First Lien/Senior Secured Debt	Consumer goods: Durable	—	6,127	20	—	96	—	6,243	6,244	554	—
Total non-controlled affiliated investments			\$ 55,222	\$ 10,072	\$ 778	\$ 3,732	\$ (4,086)	\$ (1,334)	\$ 64,384		\$ 2,573	\$ 6,576
Total non-controlled affiliated and controlled investments			\$ 69,540	\$ 8,096	\$ 778	\$ 3,732	\$ 3,231	\$ (7,978)	\$ 77,399		\$ 2,573	\$ 6,576

(1) Fair value of this investment was determined using significant unobservable inputs, unless otherwise noted.

(2) Non-qualified asset for purposes of section 55(a) of the Investment Company Act of 1940.

(3) As defined in the 1940 Act, the Company is deemed to be both an "Affiliated Person" and has "Control" of this portfolio company as the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company.

(4) Under the 1940 Act, the Company is deemed to be an "Affiliated Person" of, as defined in the 1940 Act, this portfolio company as the Company owns at least 5% of the portfolio company's outstanding voting securities or is under common control with such portfolio company.

(5) Number of shares held.

(6) The investment is valued at the NAV of the underlying fund.

(7) Security has an unfunded commitment in addition to the amounts shown in consolidated schedule of investments. See Note 8 for additional information on the Company's commitments and contingencies.

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Investments in Joint Ventures

For the three months ended June 30, 2025 and 2024, the Company recognized \$1.2 million and \$1.8 million, respectively, in investment income from its investments in Joint Ventures. For the six months ended June 30, 2025 and 2024, the Company recognized \$2.6 million and \$3.5 million, respectively, in investment income from its investments in Joint Ventures. As of June 30, 2025 and December 31, 2024, the aggregate fair value of the Company's investments in Joint Ventures was approximately \$44.6 million and \$54.2 million, respectively.

KCAP Freedom 3 LLC

During the third quarter of 2017, the Company and Freedom 3 Opportunities LLC ("Freedom 3 Opportunities"), an affiliate of Freedom 3 Capital LLC, entered into an agreement to create KCAP Freedom 3 LLC (the "F3C Joint Venture"). The fund capitalized by the F3C Joint Venture invests primarily in middle-market loans and the F3C Joint Venture partners may source middle-market loans from time-to-time for the fund.

The Company owns a 62.8% equity investment in the F3C Joint Venture. The F3C Joint Venture is structured as an unconsolidated Delaware limited liability company. All portfolio and other material decisions regarding the F3C Joint Venture must be submitted to its board of managers, which is comprised of four members, two of whom were selected by the Company and two of whom were selected by Freedom 3 Opportunities, and must be approved by at least one member appointed by the Company and one appointed by Freedom 3 Opportunities. In addition, certain matters may be approved by the F3C Joint Venture's investment committee, which is comprised of one member appointed by the Company and one member appointed by Freedom 3 Opportunities.

The Company has determined that the F3C Joint Venture is an investment company under Accounting Standards Codification ("ASC"), Financial Services — Investment Companies ("ASC 946"), however, in accordance with such guidance, the Company will generally not consolidate its investment in a company other than a wholly owned investment company subsidiary or a controlled operating company whose business consists of providing services to the Company. The Company does not consolidate its interest in the F3C Joint Venture because the Company does not control the F3C Joint Venture due to allocation of the voting rights among the F3C Joint Venture partners.

The fair value of the Company's investment in the F3C Joint Venture as of June 30, 2025 and December 31, 2024 was \$11.3 million and \$13.0 million, respectively.

Series A – Great Lakes Funding II LLC

In August 2022, the Company invested in Series A – Great Lakes Funding II LLC (the "Great Lakes II Joint Venture," collectively with the F3C Joint Venture the "Joint Ventures"), a joint venture with a third-party financial institution and certain other parties with an investment strategy to underwrite and hold senior, secured unitranche loans made to middle-market companies. The Company treats its investment in the Great Lakes II Joint Venture as a joint venture since affiliated funds of the Adviser collectively control a 50% voting interest in the Great Lakes II Joint Venture.

The Great Lakes II Joint Venture is a Delaware series limited liability company, and pursuant to the terms of the Great Lakes Funding II LLC Limited Liability Company Agreement (the "Great Lakes II LLC Agreement"), prior to the end of the investment period with respect to each series established under the Great Lakes II LLC Agreement, each member of the predecessor series would be offered the opportunity to roll its interests into any subsequent series of the Great Lakes II Joint Venture. The Company does not pay any advisory fees in connection with its investment in the Great Lakes II Joint Venture.

The fair value of the Company's investment in the Great Lakes II Joint Venture as of June 30, 2025 and December 31, 2024 was \$33.4 million and \$41.1 million, respectively. Fair value has been determined utilizing the practical expedient pursuant to ASC 820-10. Pursuant to the terms of the Great Lakes II LLC Agreement, the Company generally may not effect any direct or indirect sale, transfer, assignment, hypothecation, pledge or other disposition of or encumbrance upon its interests in the Great Lakes II Joint Venture, except that the Company may sell or otherwise transfer its interests with the consent of the managing members of the Great Lakes II Joint Venture or to an affiliate or a successor to substantially all of the assets of the Company.

As of June 30, 2025 and December 31, 2024, the Company had an unfunded commitment of \$13.7 million and \$8.2 million to the Great Lakes II Joint Venture, respectively.

Fair Value Measurements

The Company follows the provisions of ASC 820: Fair Value, which among other matters, requires enhanced disclosures about investments that are measured and reported at fair value. This standard defines fair value and establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value and expands disclosures about assets and liabilities measured at fair value. ASC 820: Fair Value defines "fair value" as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This fair value definition focuses on an exit price in the principle, or most advantageous market, and prioritizes, within a measurement of fair value, the use of market-based inputs (which may be weighted or adjusted for relevance, reliability and specific attributes relative to the subject investment) over entity-specific inputs. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

ASC 820: Fair Value establishes the following three-level hierarchy, based upon the transparency of inputs to the fair value measurement of an asset or liability as of the measurement date:

Level I – Unadjusted quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level I include listed equities and listed securities. As required by ASC 820: Fair Value, the Company does not adjust the quoted price for these investments, even in situations where the Company holds a large position and a sale could reasonably affect the quoted price.

Level II – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. Such inputs may be quoted prices for similar assets or liabilities, quoted markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full character of the financial instrument, or inputs that are derived principally from, or corroborated by, observable market information. Investments which are generally included in this category include illiquid debt securities and less liquid, privately held or restricted equity securities for which some level of recent trading activity has been observed.

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Level III – Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs may be based on the Company’s own assumptions about how market participants would price the asset or liability or may use Level II inputs, as adjusted, to reflect specific investment attributes relative to a broader market assumption. These inputs into the determination of fair value may require significant management judgment or estimation. Even if observable market data for comparable performance or valuation measures (earnings multiples, discount rates, other financial/valuation ratios, etc.) are available, such investments are grouped as Level III if any significant data point that is not also market observable (private company earnings, cash flows, etc.) is used in the valuation methodology.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and the Company considers factors specific to the investment. A majority of the Company’s investments are classified as Level III. The Company evaluates the source of inputs, including any markets in which its investments are trading, in determining fair value. Inputs that are highly correlated to the specific investment being valued and those derived from reliable or knowledgeable sources will tend to have a higher weighting in determining fair value. The Company’s fair value determinations may include factors such as an assessment of each underlying investment, its current and prospective operating and financial performance, consideration of financing and sale transactions with third parties, expected cash flows and market-based information, including comparable transactions, performance factors, and other investment or industry specific market data, among other factors.

The following tables summarize the fair value of investments by fair value hierarchy levels provided by ASC 820: Fair Value as of June 30, 2025 (unaudited) and December 31, 2024, respectively:

(\$ in thousands)	As of June 30, 2025					
	Level I	Level II	Level III	NAV	Total	
First Lien Debt	\$ —	\$ —	\$ 291,071	\$ —	\$ 291,071	\$ 291,071
Second Lien Debt	—	—	30,276	—	30,276	30,276
Subordinated Debt	—	—	1,750	—	1,750	1,750
Equity	—	—	23,919	—	23,919	23,919
Collateralized Loan Obligations	—	—	3,263	—	3,263	3,263
Joint Ventures	—	—	11,282	33,352	44,634	44,634
Derivatives	—	—	196	—	196	196
Total	\$ —	\$ —	\$ 361,757	\$ 33,352	\$ 395,109	\$ 395,109

(\$ in thousands)	As of December 31, 2024					
	Level I	Level II	Level III	NAV	Total	
First Lien Debt	\$ —	\$ —	\$ 289,957	\$ —	\$ 289,957	\$ 289,957
Second Lien Debt	—	—	28,996	—	28,996	28,996
Subordinated Debt	—	—	1,740	—	1,740	1,740
Equity	—	—	24,762	—	24,762	24,762
Collateralized Loan Obligations	—	—	5,193	—	5,193	5,193
Joint Ventures	—	—	13,015	41,138	54,153	54,153
Derivatives	—	—	220	—	220	220
Total	\$ —	\$ —	\$ 363,883	\$ 41,138	\$ 405,021	\$ 405,021

As a BDC, the Company is required to invest primarily in the debt and equity of non-public companies for which there is little, if any, market-observable information. As a result, a significant portion of the Company’s investments at any given time will likely be deemed Level III investments. Investment values derived by a third-party pricing service are generally deemed to be Level III values.

The fair value of the Company’s investment in the Great Lakes II Joint Venture as of June 30, 2025 and December 31, 2024 was \$33.4 million and \$41.1 million, respectively. Fair value has been determined utilizing the practical expedient pursuant to ASC 820-10.

Subject to the limitations noted above, values derived for debt and equity securities using comparable public/private companies generally utilize market-observable data from such comparables and specific, non-public and non-observable financial measures (such as earnings or cash flows) for the private, underlying company/issuer. Such non-observable company/issuer data is typically provided on a monthly or quarterly basis, is certified as correct by the management of the company/issuer and/or audited by an independent accounting firm on an annual basis. Since such private company/issuer data is not publicly available it is not deemed market-observable data and, as a result, such investment values are grouped as Level III assets.

The Company’s policy for determining transfers between levels is based solely on the previously defined three-level hierarchy for fair value measurement. Transfers between the levels of the fair value hierarchy are separately noted in the tables below and the reason for such transfer described in each table’s respective footnotes. Certain information relating to investments measured at fair value for which the Company has used unobservable inputs to determine fair value is as follows:

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For the Six Months Ended June 30, 2025

(\$ in thousands)	First Lien Debt	Second Lien Debt	Subordinated Debt	Equity	Collateralized Loan Obligations	Joint Ventures	Derivatives	Total
Balance, December 31, 2024	\$ 289,957	\$ 28,996	\$ 1,740	\$ 24,762	\$ 5,193	\$ 13,015	\$ 220	\$ 363,883
Net accretion	1,281	26	1	—	292	—	—	1,600
Purchases	32,679	703	—	1,170	—	—	—	34,552
Sales/Paydowns/Return of Capital	(24,990)	—	(26)	(108)	(1,545)	(554)	—	(27,223)
Total realized gain (loss) included in earnings	(8,530)	(46)	(1,931)	(4,037)	(1,536)	—	—	(16,080)
Change in unrealized gain (loss) included in earnings	674	597	1,966	2,132	859	(1,179)	(24)	5,025
Balance, June 30, 2025	\$ 291,071	\$ 30,276	\$ 1,750	\$ 23,919	\$ 3,263	\$ 11,282	\$ 196	\$ 361,757
Changes in unrealized gains (losses) included in earnings related to investments still held at reporting date	\$ (11,974)	\$ (1,916)	\$ —	\$ (5,889)	\$ 861	\$ (1,178)	\$ (23)	\$ (20,119)

For the Six Months Ended June 30, 2024

(\$ in thousands)	First Lien Debt	Second Lien Debt	Subordinated Debt	Equity	Collateralized Loan Obligations	Joint Ventures	Derivatives	Total
Balance, December 31, 2023	\$ 289,295	\$ 23,232	\$ 1,225	\$ 20,533	\$ 8,968	\$ 14,275	\$ —	\$ 357,528
Transfers out of Level III ⁽¹⁾	(7,018)	—	—	—	—	—	—	(7,018)
Transfers into Level III ⁽²⁾	8,034	—	—	—	—	—	—	8,034
Net accretion	1,268	19	—	—	1,081	—	—	2,368
Purchases	51,684	934	944	5,543	—	—	—	59,105
Sales/Paydowns/Return of Capital	(46,292)	(1,976)	(459)	(817)	(938)	(969)	—	(51,451)
Total realized gain (loss) included in earnings	(1,301)	—	(419)	(5,411)	(823)	—	—	(7,954)
Change in unrealized gain (loss) included in earnings	(3,809)	189	402	3,982	(934)	241	—	71
Balance, June 30, 2024	\$ 291,861	\$ 22,398	\$ 1,693	\$ 23,830	\$ 7,354	\$ 13,547	\$ —	\$ 360,683
Changes in unrealized gains (losses) included in earnings related to investments still held at reporting date	\$ (10,588)	\$ (2,503)	\$ (1,974)	\$ (2,124)	\$ (935)	\$ 241	\$ —	\$ (17,882)

(1) Transfers out of Level III represent a transfer of \$7.0 million relating to debt securities for which pricing inputs, other than their quoted prices in active markets were observable as of June 30, 2024.

(2) Transfers into Level III represent a transfer of \$8.0 million relating to debt securities for which pricing inputs, other than their quoted prices in active markets were unobservable as of June 30, 2024.

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As of June 30, 2025, the Company's Level III portfolio investments had the following valuation techniques and significant inputs (dollars in thousands):

Type	Fair Value	Primary Valuation Techniques	Unobservable Inputs	Range of Inputs (Weighted Average) ⁽¹⁾
First Lien Debt	29,562	Market	Broker/Dealer Quotes	N/A
	214,828	Income Approach	Recent Transaction Bid / Required Rate of Return	13.3%
Second Lien Debt	46,681	Enterprise Value	Required Rate of Return	6.1% - 20.4% (11.5%)
			Stock Price	\$892.0
			Time to Exit (Years)	1.8
			Volatility	49.0%
Subordinated Debt	8,235	Market	Revenue Multiple	0.2x - 0.7x (0.2x)
	22,041	Income Approach	EBITDA Multiple	6.0x - 8.5x (6.6x)
Equity	1,212	Enterprise Value	Recovery Percentage	100.0%
	538	Income Approach	Broker/Dealer Quotes	N/A
Collateralized Loan Obligations	3,263	Income Approach	Required Rate of Return	8.2% - 19.5% (16.6%)
			Required Rate of Return	19.4%
			Required Rate of Return	9.8%
			Required Rate of Return	18.2%
			Stock Price	\$5.3 - \$519,000.0 (\$145,081.3)
			Time to Exit (Years)	2.0 - 5.7 (3.7)
			Volatility	30.0% - 58.6% (49.5%)
			Book Value Multiple	0.8x - 1.0x (0.9x)
			EBITDA Multiple	0.4x - 17.3x (7.7x)
			Average EBITDA Multiple	0.4x
Joint Ventures	11,282	Income Approach	Revenue Multiple	0.7x - 2.9x (0.8x)
			Book value of equity (asset)	1.0x
			Discount Rate	0.0% - 17.3% (11.7%)
			Probability of Default	2.0% - 2.3% (2.1%)
Derivatives	196	Enterprise Market Value	Recovery Rate	70.0%
			Prepayment Rate	20.0%
			Discount Rate	19.3%
			Probability of Default	4.5%
Total Level III Investments	\$ 361,757		Recovery Rate	70.0%
			Prepayment Rate	20.0%
			Book Value Multiple	0.8x - 1.0x (0.8x)
			EBITDA Multiple	13.0x - 13.0x (0.0x)
			Discount Rate	40%

(1)The weighted averages disclosed in the table above were weighted by their relative fair value.

As of December 31, 2024, the Company's Level III portfolio investments had the following valuation techniques and significant inputs (dollars in thousands):

Type	Fair Value	Primary Valuation Techniques	Unobservable Inputs	Range of Inputs (Weighted Average) ⁽¹⁾
First Lien Debt	47,177	Enterprise Value	Average EBITDA Multiple	0.1x - 9.0x (4.7x)
	214,658	Income Approach	Average Revenue Multiple	0.2x - 1.4x (1.1x)
Second Lien Debt	28,122	Market	Implied Discount Rate	7.3% - 37.8% (11.6%)
	20,980	Income Approach	Broker/Dealer Quotes	N/A
Subordinated Debt	8,016	Market	Implied Discount Rate	8.2% - 19.5% (15.8%)
	528	Income Approach	Broker/Dealer Quotes	N/A
Equity	1,212	Enterprise Value	Implied Discount Rate	15.4%
	24,519	Enterprise Value	Recovery Percentage	19.4%
Collateralized Loan Obligations	5,193	Discounted Cash Flow	Average EBITDA Multiple	0.1x - 18.0x (6.2x)
			Average Revenue Multiple	1.4x - 1.4x (0.0x)
			Book value of equity (asset)	1.0x
			Book Value Multiple	0.5x
			Time Horizon	3.3 - 4.9 (3.7)
			Implied Discount Rate	17.8%
			Discount Rate	15.9% - 18.2% (9.6%)
			Probability of Default	1.8% - 2.5% (2.0%)
			Recovery Rate	65.0% - 75.0% (70.0%)
			Prepayment Rate	15.0% - 25.0% (20.0%)
Joint Ventures	13,015	Discounted Cash Flow	Discount Rate	18.1% - 19.7% (18.9%)
			Probability of Default	2.8% - 3.3% (3.0%)
			Recovery Rate	65.0% - 75.0% (70.0%)
			Prepayment Rate	15.0% - 25.0% (20.0%)
Derivatives	220	Enterprise Value	Average EBITDA Multiple	14.5x - 14.5x (0.0x)
			Average Revenue Multiple	1.4x - 1.4x (0.0x)
			Book Value Multiple	0.5x
Total Level III Investments	\$ 363,883		Discount Rate	40.0%

(1)The weighted averages disclosed in the table above were weighted by their relative fair value.

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The significant unobservable inputs used in the fair value measurement of the Company's debt securities may include, among other things, broad market indices, the comparable yields of similar investments in similar industries, effective discount rates, average EBITDA multiples, and weighted average cost of capital. Significant increases or decreases in such comparable yields would result in a significantly lower or higher fair value measurement, respectively.

The significant unobservable inputs used in the fair value measurement of the Company's equity securities include the EBITDA multiple of similar investments in similar industries and the weighted average cost of capital. Significant increases or decreases in such inputs would result in a significantly lower or higher fair value measurement.

Significant unobservable inputs used in the fair value measurement of the Company's CLO Fund Securities include default rates, recovery rates, prepayment rates, spreads, and the discount rate by which to value the resulting underlying cash flows. Such assumptions can vary significantly, depending on market data sources which often vary in depth and level of analysis, understanding of the CLO market, detailed or broad characterization of the CLO market and the application of such data to an appropriate framework for analysis. The application of data points are based on the specific attributes of each individual CLO Fund Security's underlying assets, historic, current and prospective performance, vintage, and other quantitative and qualitative factors that would be evaluated by market participants. The Company evaluates the source of market data for reliability as an indicative market input, consistency amongst other inputs and results and also the context in which such data is presented. Significant increases or decreases in probability of default and loss severity inputs in isolation would result in a significantly lower or higher fair value measurement, respectively. In general, a change in the assumption of the probability of default is accompanied by a directionally similar change in the assumption used for the loss severity in an event of default. Significant increases or decreases in the discount rate in isolation would result in a significantly lower or higher fair value measurement.

The Company's investment in the F3C Joint Venture is carried at fair value based upon the fair value of the investments held by the F3C Joint Venture.

The Company values derivative contracts using various pricing models that take into account the terms of the contract (including notional amount and contract maturity) and observable and unobservable inputs such as interest rates and changes in fair value of the reference asset.

The following tables detail derivative investments as of June 30, 2025 and December 31, 2024:

		June 30, 2025			
		Notional amounts	Derivative assets (liabilities)	Realized gain(loss)	Unrealized gain(loss)
	Types of contracts				
Call option ⁽¹⁾		\$ 8	\$ 196	\$ —	\$ (23)
Put option ⁽²⁾		1,563	—	—	—
Total		\$ 1,571	\$ 196	\$ —	\$ (23)

(1) Net amount included in non-controlled/non-affiliated investments on the consolidated balance sheets

(2) Net amount included in non-controlled/non-affiliated investments and non-controlled affiliated investments on the consolidated balance sheets

		December 31, 2024			
		Notional amounts	Derivative assets (liabilities)	Realized gain(loss)	Unrealized gain(loss)
	Types of contracts				
Call option ⁽¹⁾		\$ 8	\$ 220	\$ —	\$ 220
Put option ⁽¹⁾		1,563	—	—	—
Total		\$ 1,571	\$ 220	\$ —	\$ 220

(1) Net amount included in non-controlled/non-affiliated investments on the consolidated balance sheets

5. RELATED PARTY TRANSACTIONS

Advisory Agreement

The Adviser provides management services to the Company pursuant to the Advisory Agreement. Under the terms of the Advisory Agreement, the Adviser is responsible for the following:

- managing the Company's assets in accordance with our investment objective, policies and restrictions;
- determining the composition of the Company's portfolio, the nature and timing of the changes to the portfolio and the manner of implementing such changes;
- identifying, evaluating and negotiating the structure of the Company's investments;
- monitoring the Company's investments;
- determining the securities and other assets that the Company will purchase, retain or sell;
- assisting the Board with its valuation of the Company's assets;
- directing investment professionals of the Adviser to provide managerial assistance to the Company's portfolio companies;
- performing due diligence on prospective portfolio companies;
- exercising voting rights in respect of portfolio securities and other investments for the Company;
- serving on, and exercising observer rights for, boards of directors and similar committees of our portfolio companies; and
- providing the Company with such other investment advisory, research and related services as we may, from time to time, reasonably require for the investment of capital.

The Adviser's services under the Advisory Agreement are not exclusive, and it is free to furnish similar services to other entities so long as its services to the Company are not impaired.

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Term

Unless earlier terminated as described below, the Investment Advisory Agreement will remain in effect from year-to-year if approved annually by a majority of the Board or by the holders of a majority of the outstanding shares, and, in each case, a majority of the independent directors.

The Advisory Agreement will automatically terminate within the meaning of the 1940 Act and related Securities and Exchange Commission (“SEC”) guidance and interpretations in the event of its assignment. In accordance with the 1940 Act, without payment of any penalty, we may terminate the Advisory Agreement with the Adviser upon 60 days’ written notice. The decision to terminate the agreement may be made by a majority of the Board or the stockholders holding a majority of the outstanding shares of our common stock. See “Advisory Agreement—Removal of Adviser” below. In addition, without payment of any penalty, the Adviser may generally terminate the Advisory Agreement upon 60 days’ written notice and, in certain circumstances, the Adviser may only be able to terminate the Advisory Agreement upon 120 days’ written notice.

Removal of Adviser

The Adviser may be removed by the Board or by the affirmative vote of a Majority of the Outstanding Shares. “Majority of the Outstanding Shares” means the lesser of (1) 67% or more of the outstanding shares of our common stock present at a meeting, if the holders of more than 50% of the outstanding shares of our common stock are present or represented by proxy or (2) a majority of outstanding shares of our common stock.

Compensation of Adviser

Pursuant to the terms of the Advisory Agreement, the Company pays the Adviser (i) a base management fee (the “Base Management Fee”) and (ii) an incentive fee (the “Incentive Fee”). For the period from the date of the Advisory Agreement (the “Effective Date”) through the end of the first calendar quarter after the Effective Date, the Base Management Fee will be calculated at an annual rate of 1.50% of the Company’s gross assets, excluding cash and cash equivalents, but including assets purchased with borrowed amounts, as of the end of such calendar quarter. Subsequently, the Base Management Fee will be 1.50% of the Company’s average gross assets, excluding cash and cash equivalents, but including assets purchased with borrowed amounts, at the end of the two most recently completed calendar quarters; provided, however, that the Base Management Fee will be 1.00% of the Company’s average gross assets, excluding cash and cash equivalents, but including assets purchased with borrowed amounts, that exceed the product of (i) 200% and (ii) the value of the Company’s net asset value at the end of the most recently completed calendar quarter. The Incentive Fee consists of two parts: (1) a portion based on the Company’s pre-incentive fee net investment income (the “Income-Based Fee”) and (2) a portion based on the net capital gains received on the Company’s portfolio of securities on a cumulative basis for each calendar year, net of all realized capital losses and all unrealized capital depreciation on a cumulative basis, in each case calculated from the Effective Date, less the aggregate amount of any previously paid capital gains Incentive Fee (the “Capital Gains Fee”). The Income-Based Fee is 17.50% of pre-incentive fee net investment income with a 7.00% hurdle rate. The Capital Gains Fee is 17.50%.

Pre-incentive fee net investment income means dividends (including reinvested dividends), interest and fee income accrued by the Company during the calendar quarter, minus operating expenses for the quarter (including the management fee, expenses payable under the administration agreement, and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with payment-in-kind (“PIK”) interest and zero coupon securities), accrued income that the Company may not have received in cash. The Adviser is not obligated to return the incentive fee it receives on PIK interest that is later determined to be uncollectible in cash. Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

To determine the income incentive fee, pre-incentive fee net investment income is expressed as a rate of return on the value of our net assets at the end of the immediately preceding calendar quarter. Because of the structure of the incentive fee, it is possible that the Company may pay an incentive fee in a calendar quarter in which the Company incurs a loss. For example, if the Company receives pre-incentive fee net investment income in excess of the quarterly hurdle rate, the Company will pay the applicable incentive fee even if the Company has incurred a loss in that calendar quarter due to realized capital losses and unrealized capital depreciation. In addition, because the quarterly hurdle rate is calculated based on our net assets, decreases in the Company’s net assets due to realized capital losses or unrealized capital depreciation in any given calendar quarter may increase the likelihood that the hurdle rate is reached and therefore the likelihood of the Company paying an incentive fee for the subsequent quarter. The Company’s net investment income used to calculate this component of the incentive fee is also included in the amount of the Company’s gross assets used to calculate the management fee because gross assets are total assets (including cash received) before deducting liabilities (such as declared dividend payments).

The second component of the incentive fee, the capital gains incentive fee, payable at the end of each calendar year in arrears, equals 17.50% of cumulative realized capital gains through the end of such calendar year commencing with the calendar year ending December 31, 2019, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, in each case calculated from the Effective Date, less the aggregate amount of any previously paid capital gains incentive fee for prior periods. The Company will accrue, but will not pay, a capital gains incentive fee with respect to unrealized appreciation because a capital gains incentive fee would be owed to the Adviser if the Company were to sell the relevant investment and realize a capital gain. In no event will the capital gains incentive fee payable pursuant to the Investment Advisory Agreement be in excess of the amount permitted by the Investment Advisers Act of 1940, as amended (the “Advisers Act”) including Section 205 thereof.

The fees that are payable under the Investment Advisory Agreement for any partial period will be appropriately prorated.

Limitations of Liability and Indemnification

Under the Advisory Agreement, the Adviser, its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including without limitation its managing member, will not be liable to the Company for acts or omissions performed in accordance with and pursuant to the Advisory Agreement, except those resulting from acts constituting criminal conduct, gross negligence, willful misfeasance, bad faith or reckless disregard of the duties that the Adviser owes to the Company under the Advisory Agreement. In addition, as part of the Advisory Agreement, the Company has agreed to indemnify the Adviser and each of its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including without limitation its general partner, and the Administrator from and against any damages, liabilities, costs and expenses, including reasonable legal fees and other expenses reasonably incurred, in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Company or its security holders) arising out of or otherwise based upon the performance of any of the Adviser’s duties or obligations under the Advisory Agreement or otherwise as an investment adviser of the Company, except where attributable to criminal conduct, gross negligence, willful misfeasance, bad faith or reckless disregard of such person’s duties under the Advisory Agreement.

Board Approval of the Advisory Agreement

On December 12, 2018, the then-current Board of the Company held an in-person meeting to consider and approve the Advisory Agreement and related matters, and on April 1, 2019 the Company entered into the Advisory Agreement with the Adviser. The Board most recently determined to re-approve the Advisory Agreement at a meeting held on

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March 12, 2025. In reaching a decision to re-approve the Advisory Agreement, the Board was provided the information required to consider the Advisory Agreement, including: (a) the nature, quality and extent of the advisory and other services to be provided to the Company by the Adviser; (b) comparative data with respect to advisory fees or similar expenses paid by other BDCs with similar investment objectives; (c) the Company projected operating expenses and expense ratio compared to BDCs with similar investment objectives; (d) any existing and potential sources of indirect income to the Adviser from its relationship with the Company and the profitability of that relationship; (e) information about the services to be performed and the personnel performing such services under the Advisory Agreement; and (f) the organizational capability and financial condition of the Adviser and its affiliates.

The Board, including a majority of independent directors will oversee and monitor the Company's investment performance and annually reviews the compensation we pay to the Adviser.

Management fees for the three months ended June 30, 2025 and 2024, were approximately \$1.4 million and \$1.7 million, respectively. Management fees for the six months ended June 30, 2025 and 2024, were approximately \$2.9 million and \$3.4 million, respectively. Incentive fees for the three months ended June 30, 2025 and 2024, were approximately \$1.0 million and \$1.4 million, respectively. Incentive fees for the six months ended June 30, 2025 and 2024, were approximately \$1.9 million and \$2.6 million, respectively.

Administration Agreement

Under the terms of the administration agreement (the "Administration Agreement") between the Company and BC Partners Management LLC (the "Administrator"), the Administrator will perform, or oversee the performance of, required administrative services, which includes providing office space, equipment and office services, maintaining financial records, preparing reports to stockholders and reports filed with the SEC, and managing the payment of expenses and the performance of administrative and professional services rendered by others. The Company will reimburse the Administrator for services performed for us pursuant to the terms of the Administration Agreement. In addition, pursuant to the terms of the Administration Agreement, the Administrator may delegate its obligations under the Administration Agreement to an affiliate or to a third party and the Company will reimburse the Administrator for any services performed for it by such affiliate or third party.

Payments under the Administration Agreement are equal to an amount that reimburses the Administrator for its costs and expenses in performing its obligations and providing personnel and facilities (including rent, office equipment and utilities) for the Company's use under the Administration Agreement, including an allocable portion of the compensation paid to the Company's chief compliance officer and chief financial officer and their respective staff who provide services to the Company. The Board, including the independent directors, will review the general nature of the services provided by the Administrator as well as the related cost to the Company for those services and consider whether the cost is reasonable in light of the services provided.

Unless earlier terminated as described below, the Administration Agreement will remain in effect from year-to-year if approved annually by a majority of the Board or by the holders of a Majority of the Outstanding Shares, and, in each case, a majority of the independent directors. On April 1, 2019, the Board approved the Administration Agreement with the Administrator and the Board most recently determined to re-approve the Administration Agreement at a meeting held on March 12, 2025.

The Company may terminate the Administration Agreement, without payment of any penalty, upon 60 days' written notice. The decision to terminate the agreement may be made by a majority of the Board or the stockholders holding a Majority of the Outstanding Shares. In addition, the Adviser may terminate the Administration Agreement, without payment of any penalty, upon 60 days' written notice.

Administrative services expense for the three months ended June 30, 2025 and 2024, was \$0.5 million and \$0.4 million, respectively. Administrative services expense for the six months ended June 30, 2025 and 2024, was \$0.9 million and \$0.7 million, respectively.

Payment of Expenses under the Advisory and Administration Agreements

Except as specifically provided below, all investment professionals and staff of the Adviser, when and to the extent engaged in providing investment advisory and management services to the Company, and the compensation and routine overhead expenses (including rent, office equipment and utilities), of such personnel allocable to such services, is provided and paid for by the Adviser. The Company bears an allocable portion of the compensation paid by the Adviser (or its affiliates) to the Company's chief compliance officer and chief financial officer and their respective staffs (based on a percentage of time such individuals devote, on an estimated basis, to our business affairs). The Company also bears all other costs and expenses of our operations, administration and transactions, including, but not limited to (i) investment advisory fees, including management fees and incentive fees, to the Adviser, pursuant to the Advisory Agreement; (ii) an allocable portion of overhead and other expenses incurred by the Adviser (or its affiliates) in performing its administrative obligations under the Advisory Agreement, and (iii) all other expenses of our operations and transactions including, without limitation, those relating to:

- the cost of calculating the Company's net asset value, including the cost of any third-party valuation services;
- the cost of effecting any sales and repurchases of the Company's common stock and other securities;
- fees and expenses payable under any dealer manager or placement agent agreements, if any;
- administration fees payable under the Administration Agreement and any sub-administration agreements, including related expenses;
- debt service and other costs of borrowings or other financing arrangements;
- costs of hedging;
- expenses, including travel expense, incurred by the Adviser, or members of the investment team, or payable to third parties, performing due diligence on prospective portfolio companies and, if necessary, enforcing our rights;
- transfer agent and custodial fees;
- fees and expenses associated with marketing efforts;
- federal and state registration fees, any stock exchange listing fees and fees payable to rating agencies;
- federal, state and local taxes;
- independent directors' fees and expenses including certain travel expenses;

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- costs of preparing financial statements and maintaining books and records and filing reports or other documents with the SEC (or other regulatory bodies) and other reporting and compliance costs, including registration and listing fees, and the compensation of professionals responsible for the preparation of the foregoing;
- the costs of any reports, proxy statements or other notices to stockholders (including printing and mailing costs), the costs of any stockholder or director meetings and the compensation of personnel responsible for the preparation of the foregoing and related matters;
- commissions and other compensation payable to brokers or dealers;
- research and market data;
- fidelity bond, directors and officers errors and omissions liability insurance and other insurance premiums;
- direct costs and expenses of administration, including printing, mailing, long distance telephone and staff;
- fees and expenses associated with independent audits, outside legal and consulting costs;
- costs of winding up our affairs;
- costs incurred by either the Administrator or us in connection with administering our business, including payments under the Administration Agreement;
- extraordinary expenses (such as litigation or indemnification);
- costs associated with reporting and compliance obligations under the 1940 Act and applicable federal and state securities laws; and
- costs associated with the Company's legacy lease.

Co-investment Exemptive Relief

As a BDC, we are subject to certain regulatory restrictions in making investments. For example, BDCs generally are not permitted to co-invest with certain affiliated entities in transactions originated by the BDC or its affiliates in the absence of an exemptive order from the SEC. However, BDCs are permitted to, and may, simultaneously co-invest in transactions where price is the only negotiated term.

On April 10, 2023, superseding a prior exemptive order granted on October 23, 2018, the SEC issued an order granting an application for exemptive relief to us and certain of our affiliates that allows BDCs managed by the Adviser, including us, to co-invest, subject to the satisfaction of certain conditions, in certain private placement transactions, with other funds managed by the Adviser or its affiliates, certain proprietary accounts of the Adviser or its affiliates and any future funds that are advised by the Adviser or its affiliated investment advisers.

Under the terms of the exemptive order, in order for the Company to participate in a co-investment transaction a "required majority" (as defined in Section 57(o) of the 1940 Act) of the Company's independent directors must conclude that (i) the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair to the Company and its stockholders and do not involve overreaching with respect to the Company or its stockholders on the part of any person concerned, and (ii) the proposed transaction is consistent with the interests of the Company's stockholders and is consistent with the Company's investment objectives and strategies and certain criteria established by the Board.

Related Party Trades

There were no transactions subject to Rule 17a-7 under the 1940 Act during the three and six months ended June 30, 2025 and 2024.

6. BORROWINGS

The Company's debt obligations consist of the following:

(\$ in thousands)	June 30, 2025	December 31, 2024
4.875% Notes Due 2026 (net of deferred financing costs and original issue discount of \$644 and \$1,017, respectively)	107,356	106,983
Great Lakes Portman Ridge Funding LLC Revolving Credit Facility (net of deferred financing costs of \$1,073 and \$1,322, respectively)	146,306	158,157
	<u>\$ 253,662</u>	<u>\$ 265,140</u>

The weighted average stated interest rate and weighted average maturity on all our debt outstanding as of June 30, 2025 were 6.0% and 1.6 years, respectively, and as of December 31, 2024 were 6.2% and 2.1 years, respectively.

Notes Offering

On April 30, 2021, the Company issued \$80 million in aggregate principal amount of unsecured 4.875% Notes due 2026 (the "4.875% Notes due 2026") in a private placement exempt from registration under the Section 4(a)(2) of the Securities Act. The 4.875% Notes due 2026 were not registered under the Securities Act or any state securities laws and may not be reoffered or resold in the United States absent registration or an applicable exemption from such registration requirements. The net proceeds to the Company were approximately \$77.7 million, after deducting estimated offering expenses. The Company used the net proceeds of the offering to redeem in full its 6.125% Notes due 2022, to make investments in portfolio companies in accordance with its investment objectives, and for general corporate purposes.

On April 30, 2021, the Company and U.S. Bank National Association (the "Trustee") entered into a Supplemental Indenture (the "Third Supplemental Indenture"), which supplements that certain Base Indenture, dated as of October 10, 2012 (as may be further amended, supplemented or otherwise modified from time to time, the "Base Indenture" and, together with the Third Supplemental Indenture, the "Indenture"). The Third Supplemental Indenture relates to the Company's issuance of the 4.875% Notes due 2026.

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The 4.875% Notes due 2026 will mature on April 30, 2026 and may be redeemed in whole or in part at the Company's option at any time or from time to time at the redemption prices set forth in the Indenture and bear interest at a rate of 4.875% per year payable semi-annually on April 30 and October 30 of each year. The 4.875% Notes due 2026 are general unsecured obligations of the Company that rank senior in right of payment to all of the Company's existing and future indebtedness that is expressly subordinated in right of payment to the 4.875% Notes due 2026, rank pari passu with all existing and future unsecured unsubordinated indebtedness issued by the Company, rank effectively junior to any of the Company's secured indebtedness (including unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness, and rank structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company's subsidiaries, financing vehicles or similar facilities.

The Indenture contains certain covenants, including covenants requiring the Company to comply with the asset coverage requirements of Sections 18(a)(1)(A) and 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act, whether or not it is subject to those requirements, and to provide financial information to the holders of the Notes and the Trustee if the Company is no longer subject to the reporting requirements under the Exchange Act. Additionally, the Company has agreed to use its commercially reasonable efforts to maintain a rating of the 4.875% Notes due 2026 from a rating agency, as long as the notes are outstanding. These covenants are subject to important limitations and exceptions that are described in the Indenture.

In addition, on the occurrence of a "change of control repurchase event," as defined in the Indenture, the Company will generally be required to make an offer to purchase the outstanding notes at a price equal to 100% of the principal amount of such notes plus accrued and unpaid interest to the repurchase date.

Sale of Additional 4.875% Notes due 2026

On June 23, 2021, the Company issued \$28 million in aggregate principal amount of its 4.875% Notes due 2026 (the "New Notes") in a private placement exempt from registration under the Section 4(a)(2) of the Securities Act. The New Notes have not been registered under the Securities Act or any state securities laws and may not be reoffered or resold in the United States absent registration or an applicable exemption from such registration requirements. The net proceeds to the Company were approximately \$27.4 million, after deducting estimated offering expenses. The Company intends to use the net proceeds of the offering to redeem in full its HCAP Notes (as defined below), make investments in portfolio companies in accordance with its investment objectives, and for general corporate purposes.

The New Notes were issued under the Indenture governing the 4.875% Notes due 2026. The New Notes were issued as "Additional Notes" under the Indenture and have identical terms to Company's \$80.0 million of aggregate principal amount of 4.875% Notes due 2026 that were issued on April 30, 2021, other than the issue date. The New Notes will be treated as a single class of notes with the Company's existing 4.875% Notes due 2026 for all purposes under the Indenture.

In connection with the issuance of the 4.875% Notes Due 2026, (including the New Notes) the Company incurred approximately \$2.4 million of original issue discount, and \$1.2 million of debt offering costs, both of which are being amortized over the expected term of the facility on an effective yield method.

Exchange of 4.875% Notes due 2026

On October 5, 2021, the Company filed with the SEC a registration statement relating to an offer to exchange the 4.875% Notes due 2026 for new notes issued by the Company that are registered under the Securities Act (the "Exchange Offer"), which registration statement was declared effective on December 2, 2021. Upon the terms and subject to the conditions in the prospectus relating to the Exchange Offer, the Company accepted any existing 4.875% Notes due 2026 (the "Restricted Notes") validly tendered and not withdrawn prior to January 3, 2022, the expiration date of the Exchange Offer, and issued new 4.875% Notes due 2026 that have been registered under the Securities Act (the "Exchange Notes"). The form and terms of the Exchange Notes are substantially identical to those of the Restricted Notes, except that the transfer restrictions and registration rights relating to the Restricted Notes do not apply to the Exchange Notes, and the Exchange Notes do not provide for the payment of additional interest in the event of a registration default. In addition, the Exchange Notes bear a different CUSIP number than the Restricted Notes. The Exchange Notes are issued under and entitled to the benefits of the same indenture that authorized the issuance of the Restricted Notes.

On the expiration date of the Exchange Offer, all of the Restricted Notes had been validly tendered, and all of the outstanding Restricted Notes were exchanged for newly issued Exchange Notes.

Fair Value of 4.875% Notes due 2026.

The 4.875% Notes due 2026 were issued during the second quarter of 2021 and are carried at cost, net of unamortized discount of approximately \$0.5 million and unamortized offering costs of approximately \$0.2 million as of June 30, 2025. The fair value of the Company's outstanding 4.875% Notes due 2026 disclosed, but not carried, was approximately \$103.8 million as of June 30, 2025. The 4.875% Notes due 2026 were categorized as Level III under the ASC 820 Fair Value.

As of December 31, 2024, the 4.875% Notes due 2026 were carried net of unamortized discount of approximately \$0.7 million and unamortized offering costs of approximately \$0.3 million. The fair value of the 4.875% Notes due 2026 disclosed, but not carried, was approximately \$103.8 million at December 31, 2024. The 4.875% Notes due 2026 were categorized as Level III under the ASC 820 Fair Value.

The following table summarizes the interest expense, amortization of original issue discount, deferred financing costs, average outstanding balance, and average stated interest rate on the 4.875% Notes due 2026 for the three and six months ended June 30, 2025 and 2024.

(\$ in thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Interest expense	\$ 1,317	\$ 1,317	\$ 2,633	\$ 2,633
Amortization of original issue discount	132	125	262	249
Deferred financing costs	55	67	110	133
Total interest and financing expenses	\$ 1,504	\$ 1,509	\$ 3,005	\$ 3,015
Average outstanding balance	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000
Average stated interest rate	4.88%	4.88%	4.88%	4.88%

Revolving Credit Facility

On December 18, 2019, Great Lakes Portman Ridge Funding LLC ("GLPRF LLC"), our wholly-owned subsidiary, entered into a senior secured revolving credit facility (as amended, restated or otherwise modified from time to time, the "Revolving Credit Facility") with JPMorgan Chase Bank, National Association ("JPM"). JPM serves as administrative agent, U.S. Bank National Association serves as collateral agent, securities intermediary and collateral administrator, and we serve as portfolio manager under the Revolving Credit Facility.

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GLPRF LLC is required to utilize a minimum of the commitments under the Revolving Credit Facility. Unused amounts below such minimum utilization amount accrue interest as if such amounts are outstanding as borrowings under the Revolving Credit Facility. In addition, GLPRF LLC pays a non-usage fee during the reinvestment period on the average daily unborrowed portion of the financing commitments in excess of such minimum utilization amount.

The initial principal amount of the Revolving Credit Facility was \$115 million. The Revolving Credit Facility has an accordion feature, subject to the satisfaction of various conditions, which could bring total commitments under the Revolving Credit Facility to up to \$215 million. Proceeds from borrowings under the Revolving Credit Facility may be used to fund portfolio investments by GLPRF LLC and to make advances under delayed draw term loans where GLPRF LLC is a lender.

GLPRF LLC's obligations to the lenders under the Revolving Credit Facility are secured by a first priority security interest in all of GLPRF LLC's portfolio of investments and cash. The obligations of GLPRF LLC under the Revolving Credit Facility are non-recourse to us, and our exposure under the Revolving Credit Facility is limited to the value of our investment in GLPRF LLC. In connection with the Revolving Credit Facility, GLPRF LLC has made certain customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar facilities. The Revolving Credit Facility contains customary events of default for similar financing transactions, including if a change of control of GLPRF LLC occurs or if we are no longer the portfolio manager of GLPRF LLC.

On April 29, 2022, GLPRF LLC amended the Revolving Credit Facility with JPM as administrative agent. The amended agreement replaced three-month SOFR as the benchmark interest rate and reduced the applicable margin to 2.80% per annum from 2.85% per annum.

On July 23, 2024, GLPRF LLC amended the Revolving Credit Facility with JPM as administrative agent. The amended agreement, 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 \$85.0 million, for a total commitment of \$200.0 million, which increase became effective on August 20, 2024, (ii) provided for a committed seven-day bridge advance in an aggregate principal amount of \$18,250,000, which advance became effective on August 20, 2024, (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) reduced the requirement to utilize a minimum of commitments under the Revolving Credit Facility to 70%, (vii) reduced the non-usage fee applicable during the reinvestment period to 0.55% per annum on the average daily unborrowed portion of the financing commitments in excess of the minimum utilization amount, (viii) extended the non-call period under the Revolving Credit Facility to April 29, 2025, and (ix) provided for certain fees to be paid to the administrative agent and the lenders in connection therewith.

As of June 30, 2025, GLPRF LLC was in compliance with all of its debt covenants and approximately \$147.4 million principal amount of borrowings was outstanding under the Revolving Credit Facility. The fair value of the Revolving Credit Facility disclosed, but not carried, was approximately \$148.1 million as of June 30, 2025 and categorized as Level III under the ASC 820 Fair Value Hierarchy. As of December 31, 2024, approximately \$159.5 million principal amount of borrowings was outstanding under the Revolving Credit Facility. The fair value of the Revolving Credit Facility disclosed, but not carried, was approximately \$160.3 million as of December 31, 2024 and categorized as Level III under the ASC 820 Fair Value Hierarchy.

The following table summarizes the interest expense, deferred financing costs, average outstanding balance, and average stated interest rate on the Revolving Credit Facility for the three and six months ended June 30, 2025 and 2024.

(\$ in thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Interest expense	\$ 2,601	\$ 1,929	\$ 5,274	\$ 3,865
Deferred financing costs	125	83	249	166
Total interest and financing expenses	\$ 2,726	\$ 2,012	\$ 5,523	\$ 4,031
Average outstanding balance	\$ 147,379	\$ 92,000	\$ 150,425	\$ 92,000
Average stated interest rate	6.79%	8.11%	6.80%	8.12%

2018-2 Secured Notes

On October 28, 2020, the Company completed the GARS Acquisition, pursuant to the terms and conditions of the GARS Merger Agreement. In connection therewith, the Company now consolidates the financial statements the 2018-2 CLO a \$420.0 million par value CLO facility. On the date of the transaction the debt assumed was recognized at fair value, resulting in a \$2.4 million discount which is amortized over the remaining term of the borrowings.

The CLO was executed by GF 2018-2 (the "Issuer") and Portman Ridge Funding 2018-2 LLC (formerly known as Garrison Funding 2018-2 LLC, together with the Issuer, the "Co-Issuers") who issued \$312.0 million of senior secured notes (collectively referred to as the "2018-2 Secured Notes" individually defined above in the table) and \$108.0 million of subordinated notes (the "2018-2 Subordinated Notes" and, together with the 2018-2 Secured Notes, the "2018-2 Notes") backed by a diversified portfolio of primarily senior secured loans. The Company owns all \$108.0 million of the 2018-2 Subordinated Notes and \$18.3 million of the Class B-R Notes and serves as collateral manager for the Co-Issuers. The Company is entitled to receive interest from the Class B-R Notes, distributions from the 2018-2 Subordinated Notes and fees for serving as collateral manager in accordance with the CLO's governing documents and to the extent funds are available for such purposes. However, as a result of retaining all of the 2018-2 Subordinated Notes, the Company consolidates the accounts of the Co-Issuers into its financial statements and all transactions between the Company and the Co-Issuers are eliminated on consolidation. As a result of this consolidation, the 2018-2 Secured Notes issued by the CLO is treated as the Company's indebtedness, except any 2018-2 Secured Notes owned by the Company, which are eliminated in consolidation. The 2018-2 Notes are scheduled to mature on November 20, 2029, however the Co-Issuers may redeem the 2018-2 Notes on any business day after November 20, 2020. The indenture governing the 2018-2 Notes provides that, to the extent cash is available from cash collections, the holders of the 2018-2 Notes are to receive quarterly interest payments on the 20th day or, if not a business day, the next succeeding business day of February, May, August and November of each year until the stated maturity or earlier redemption. On July 18, 2019, \$25.0 million outstanding of the aggregate \$50.0 million Class A-1 R-R Notes available under the CLO converted to Class A-1 T-R Notes. On November 18, 2022, the Company drew \$14.3 million of the \$25.0 million unfunded Class A-1 R-R Notes. The Reinvestment Period ended on November 20, 2022, and the remaining amount of the unfunded Class A-1 R-R Notes terminated.

During the first quarter of 2021, the Company redeemed approximately \$88.0 million of the 2018-2 Secured Notes. In connection therewith, the Company recognized a realized loss on extinguishment of debt of approximately \$0.9 million.

During the year ended December 31, 2023, the Company redeemed approximately \$52.5 million of the par value of 2018-2 Secured Notes. In connection therewith, the Company recognized a realized loss on extinguishment of approximately \$0.4 million.

On August 20, 2024, an optional redemption of the CLO occurred and all rated notes were repaid in full. As of June 30, 2025 and December 31, 2024, no 2018-2 Secured Notes were outstanding. Accordingly, during the year ended December 31, 2024, the Company redeemed approximately \$125.7 million of the par value of 2018-2 Secured Notes. In connection therewith, the Company recognized a realized loss on extinguishment of approximately \$0.7 million.

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(\$ in thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Interest expense	N/A	\$ 1,798	N/A	\$ 3,999
Amortization of original issue discount	N/A	46	N/A	46
Total interest and financing expenses	N/A	\$ 1,844	N/A	\$ 4,045
Average outstanding balance	N/A	\$ 88,686	N/A	\$ 99,661
Average stated interest rate	N/A	8.03%	N/A	7.97%

Senior Securities

Information about the Company's senior securities is shown as of the dates indicated in the below table.

Class and Period (\$ in thousands)	Total Amount Outstanding Exclusive of Treasury Securities ⁽¹⁾	Asset Coverage per Unit ⁽²⁾	Involuntary Liquidating Preference per Unit ⁽³⁾	Average Market Value per Unit ⁽⁴⁾
Fiscal 2015	\$ 208,049	\$ 2,025	—	N/A
Fiscal 2016	180,881	2,048	—	N/A
Fiscal 2017	104,407	2,713	—	N/A
Fiscal 2018	103,763	2,490	—	N/A
Fiscal 2019 ⁽⁵⁾	156,978	1,950	—	N/A
Fiscal 2020 ⁽⁶⁾	377,910	1,560	—	N/A
Fiscal 2021 ⁽⁷⁾	352,434	1,780	—	N/A
Fiscal 2022 ⁽⁸⁾	378,163	1,601	—	N/A
Fiscal 2023 ⁽⁹⁾	325,683	1,646	—	N/A
Fiscal 2024 ⁽¹⁰⁾	267,479	1,667	—	N/A
March 31, 2025 ⁽¹¹⁾	255,379	1,679	—	N/A
June 30, 2025 ⁽¹²⁾	255,379	1,645	—	N/A

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) Asset coverage per unit is the ratio of the carrying value of the Company's total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per \$1,000 of indebtedness.

(3) The amount to which such class of senior security would be entitled upon the involuntary liquidation of the issuer in preference to any security junior to it. The "—" indicates information which the SEC expressly does not require to be disclosed for certain types of senior securities.

(4) Not applicable, except with respect to the 7.375% Notes Due 2019 and the 6.125% Notes Due 2022, as other debt securities are not registered for public trading. For the years ended December 31, 2017, 2016, and 2015, the average market value per \$1,000 of par value of the 7.375% Notes Due 2019 was \$1,016.04, \$1,000.00, and \$1,011.96, respectively. For the years-ended December 31, 2020, 2019 and 2018 and for the period from August 14, 2017 (date of issuance) to December 31, 2017, the average market value per \$1,000 of par value of the 6.125% Notes Due 2022 was \$953.20, \$1,009.93, \$1,009.20 and \$1,006.00, respectively. Average market value is computed by taking the daily average of the closing prices for the period.

(5) As of December 31, 2019, the Total Amount Outstanding Exclusive of Treasury Securities consisted of 6.125% Notes Due 2022 of \$77,407 and Revolving Credit Facilities of \$79,571.

(6) As of December 31, 2020, the Total Amount Outstanding Exclusive of Treasury Securities consisted of 6.125% Notes Due 2022 of \$76,726, Revolving Credit Facilities of \$49,321 and 2018-2 Secured Notes of \$251,863.

(7) As of December 31, 2021, the Total Amount Outstanding Exclusive of Treasury Securities consisted of 4.875% Notes due 2026 of \$108,000, Revolving Credit Facilities of \$80,571 and 2018-2 Secured Notes of \$163,863.

(8) As of December 31, 2022, the Total Amount Outstanding Exclusive of Treasury Securities consisted of 4.875% Notes due 2026 of \$108,000, Revolving Credit Facilities of \$92,000 and 2018-2 Secured Notes of \$178,163.

(9) As of December 31, 2023, the Total Amount Outstanding Exclusive of Treasury Securities consisted of 4.875% Notes due 2026 of \$108,000, Revolving Credit Facilities of \$92,000 and 2018-2 Secured Notes of \$125,683.

(10) As of December 31, 2024, the Total Amount Outstanding Exclusive of Treasury Securities consisted of 4.875% Notes due 2026 of \$108,000 and Revolving Credit Facilities of \$159,479.

(11) As of March 31, 2025, the Total Amount Outstanding Exclusive of Treasury Securities consisted of 4.875% Notes due 2026 of \$108,000 and Revolving Credit Facilities of \$147,379.

(12) As of June 30, 2025, the Total Amount Outstanding Exclusive of Treasury Securities consisted of 4.875% Notes due 2026 of \$108,000 and Revolving Credit Facilities of \$147,379.

7. DISTRIBUTABLE TAXABLE INCOME

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Effective December 11, 2006, the Company elected to be treated as a RIC under the Code and adopted a December 31 tax-calendar year end. As a RIC, the Company is not subject to federal income tax on the portion of its taxable income and gains distributed currently to its stockholders as a dividend. The Company's quarterly distributions, if any, are determined by the Board. The Company anticipates distributing substantially all of its taxable income and gains, within the Subchapter M rules, and thus the Company anticipates that it will not incur any federal or state income tax at the RIC level. As a RIC, the Company is also subject to a federal excise tax based on distributive requirements of its taxable income on a calendar year basis (e.g., calendar year 2021). Depending on the level of taxable income earned in a tax year, the Company may choose to carry forward taxable income in excess of current year distributions into the next tax year and pay a 4% excise tax on such income, to the extent required.

The Company may distribute taxable dividends that are payable in cash or shares of its common stock at the election of each stockholder. Under certain applicable provisions of the Code and the Treasury regulations, distributions payable in cash or in shares of stock at the election of stockholders are treated as taxable dividends. The Internal Revenue Service has published guidance with respect to publicly offered RICs indicating that this rule will apply even where the total amount of cash that may be distributed is limited to no more than 20% of the total distribution. Under this guidance, if too many stockholders elect to receive their distributions in cash, the cash available for distribution must be allocated among the stockholders electing to receive cash (with the balance of the distribution paid in stock). If the Company decides to make any distributions consistent with this guidance that are payable in part in its stock, taxable stockholders receiving such dividends will be required to include the full amount of the dividend (whether received in cash, shares of the Company's stock, or a combination thereof) as ordinary income (or as long-term capital gain to the extent such distribution is properly reported as a capital gain dividend) to the extent of the Company's current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. stockholder sells the stock it receives in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of the Company's stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, the Company may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, if a significant number of the Company's stockholders determine to sell shares of its stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of the Company's stock.

The following reconciles net increase (decrease) in net assets resulting from operations to taxable income for the six months ended June 30, 2025 and 2024:

(\$ in thousands)	For the Six Months Ended June 30,	
	2025	2024
Net increase (decrease) in net assets resulting from operations	\$ (4,600)	\$ (1,887)
Tax (benefit) provision on realized and unrealized gains (losses) on investments	209	(537)
Net change in unrealized (appreciation) depreciation on investments	(2,725)	5,895
Net realized (gain) loss	16,013	9,231
Book/tax differences on CLO equity investments	(143)	(523)
Book/tax differences related to mergers and partnership investments	(92)	1,052
Other book/tax differences	352	—
Taxable income before deductions for distributions	<u>\$ 9,014</u>	<u>\$ 13,231</u>
Taxable income before deductions for distributions per weighted average basic and diluted shares for the period	\$ 0.98	\$ 1.42

Dividends from Asset Manager Affiliates are recorded based upon a quarterly estimate of tax-basis earnings and profits of each Asset Manager Affiliate. The actual tax-basis earnings and profits and resulting dividend and/or return of capital for the year will be determined at the end of the tax year for each distributing Asset Manager Affiliate. For the six months ended June 30, 2025, the Asset Manager Affiliates did not make any cash distributions to the Company.

Distributions to shareholders that exceed tax-basis distributable income (tax-basis net investment income and realized gains, if any) are reported as distributions of paid-in capital (i.e. return of capital). The tax character of distributions is made on an annual (full calendar-year) basis. The determination of the tax attributes of our distributions is made at the end of the year based upon our taxable income for the full year and the distributions paid during the full year. Therefore, a determination of tax attributes made on a quarterly basis may not be representative of the actual tax attributes of distributions for a full year.

At June 30, 2025, the Company had a net capital loss carryforward of \$502.0 million to offset net capital gains. This net capital loss carryforward is not subject to expiration. A portion of the Company's capital loss carryovers are subject to an annual use limitation under the Code and related regulations.

The Company has certain taxable subsidiaries which have elected to be taxed as corporations for U.S. tax purposes. For the six months ended June 30, 2025, the taxable subsidiaries' activity resulted in an expense for income taxes of \$0.2 million. As of June 30, 2025, the taxable subsidiaries have, in aggregate, \$0.7 million of net deferred tax liabilities. A portion of the taxable subsidiaries' net operating loss and capital loss carryovers are subject to an annual use limitation under the Code and related regulations.

ASC Topic 740 Accounting for Uncertainty in Income Taxes ("ASC 740") provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the consolidated financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. The Company recognizes the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Company's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years (the last three fiscal years) or expected to be taken in the Company's current year tax return. The Company identifies its major tax jurisdictions as U.S. Federal and New York State, and the Company is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months. Management's determinations regarding ASC 740 may be subject to review and adjustment at a later date based upon factors including, but not limited to, an ongoing analysis of tax laws, regulations and interpretations thereof.

8. COMMITMENTS AND CONTINGENCIES

From time-to-time the Company is a party to financial instruments with off-balance sheet risk in the normal course of business in order to meet the needs of the Company's investment in portfolio companies. Such instruments include commitments to extend credit and may involve, in varying degrees, elements of credit risk in excess of amounts recognized on the Company's consolidated statements of assets and liabilities. Prior to extending such credit, the Company attempts to limit its credit risk by conducting extensive due diligence, obtaining collateral where necessary and negotiating appropriate financial covenants. As of June 30, 2025, and December 31, 2024, the Company had \$32.7 million and \$27.2 million of unfunded commitments, respectively.

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The Company may, from time to time, enter into commitments to fund investments. These unfunded commitments are assessed for fair value in accordance with ASC 820. As of June 30, 2025 and December 31, 2024, the Company had the following outstanding commitments to fund investments in current portfolio companies:

(\$ in thousands)		Par Value June 30, 2025	Par Value December 31, 2024
Portfolio Company	Investment		
Accordion Partners LLC ⁽¹⁾	First Lien Debt	\$ 767	\$ 913
Accordion Partners LLC (Revolver)	First Lien Debt	1,623	1,623
Anthem Sports & Entertainment Inc. (2025 Delayed Draw Term Loan) ⁽¹⁾			—
	First Lien Debt	367	
BetaNXT, Inc. (Revolver)	First Lien Debt	1,449	1,401
Bradshaw International Parent Corp. (Revolver)	First Lien Debt	922	922
CCMG Buyer, LLC (Care Connectors Medical Group) (Revolver)	First Lien Debt	500	500
Dentive, LLC ⁽¹⁾	First Lien Debt	427	427
Dentive, LLC (Revolver)	First Lien Debt	28	117
Epilog Partners SPV III, LLC (Care Connectors Medical Group)	Equity	81	87
HDC/HW Intermediate Holdings, LLC (Term Loan A) ⁽¹⁾	First Lien Debt	133	—
IDC Infusion Services LLC ⁽¹⁾	First Lien Debt	130	130
Middle West Spirits, LLC - Revolver	First Lien Debt	889	—
Morae Global Corporation (Term Loan A) ⁽¹⁾			
	First Lien Debt	857	—
Morae Global Corporation (Revolver)	First Lien Debt	42	208
Netwrix Corporation (Revolver)	First Lien Debt	1,148	1,148
Newbury Franklin Industrials, LLC ⁽¹⁾	First Lien Debt	987	987
PhyNet Dermatology LLC ⁽¹⁾	First Lien Debt	690	690
PMA Parent Holdings LLC (Revolver)	First Lien Debt	99	99
PMP OPCO, LLC (Princeton Medspa Partners, LLC) ⁽¹⁾	First Lien Debt	1,125	1,125
PMP OPCO, LLC (Princeton Medspa Partners, LLC) (Revolver)	First Lien Debt	188	188
Riddell, Inc. ⁽¹⁾	First Lien Debt	636	636
Riskconnect Parent LLC ⁽¹⁾	First Lien Debt	5,000	5,000
Series A-Great Lakes Funding II LLC	Joint Ventures	13,650	8,165
TA/WEG Holdings, LLC (Revolver)	First Lien Debt	784	784
VBC Spine Opco LLC (DxTx Pain and Spine LLC) (Revolver)	First Lien Debt	129	129
Anthem Sports & Entertainment Inc. ⁽¹⁾	First Lien Debt	N/A	307
Anthem Sports & Entertainment Inc. (Revolver)	First Lien Debt	N/A	83
Fortis Payment Systems, LLC ⁽¹⁾	First Lien Debt	N/A	387
Franchise Group, Inc. (DIP) ⁽¹⁾	First Lien Debt	N/A	249
Luminii LLC (Revolver)	First Lien Debt	N/A	172
VBC Spine Opco LLC (DxTx Pain and Spine LLC) ⁽¹⁾	First Lien Debt	N/A	761
Total Unfunded Portfolio Company Commitments		\$ 32,651	\$ 27,238

(1) Delayed-draw term loan.

9. STOCKHOLDERS' EQUITY

The following tables detail the components of Stockholders' Equity for the six months ended June 30, 2025 and 2024:

(\$ in thousands)	Common Stock	For the Six Months Ended June 30, 2025		Total Stockholders' Equity
		Capital in Excess of Par Value	Total Distributable (loss) earnings	
Balance, December 31, 2024	\$ 92	\$ 714,331	\$ (535,930)	\$ 178,493
Net investment income	—	—	4,340	4,340
Net change in unrealized appreciation (depreciation) on investments	—	—	(3,903)	(3,903)
Net realized gains (losses) from investment transactions and extinguishment of debt	—	—	(173)	(173)
Tax (provision) benefit on realized and unrealized gains (losses) on investments	—	—	(346)	(346)
Distributions to Stockholders	—	—	(4,967)	(4,967)
Reinvested Dividends	—	67	—	67
Balance, March 31, 2025	\$ 92	\$ 714,398	\$ (540,979)	\$ 173,511
Net investment income	\$ —	\$ —	\$ 4,557	\$ 4,557
Net change in unrealized appreciation (depreciation) on investments	—	—	6,628	6,628
Net realized gains (losses) from investment transactions and extinguishment of debt	—	—	(15,840)	(15,840)
Tax (provision) benefit on realized and unrealized gains (losses) on investments	—	—	137	137
Distributions to Stockholders	—	—	(4,325)	(4,325)
Reinvested Dividends	—	61	—	61
Balance, June 30, 2025	\$ 92	\$ 714,459	\$ (549,822)	\$ 164,729

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(\$ in thousands)	For the Six Months Ended June 30, 2024			
	Common Stock	Capital in Excess of Par Value	Total Distributable (loss) earnings	Total Stockholders' Equity
Balance, December 31, 2023	\$ 94	\$ 717,835	\$ (504,411)	\$ 213,518
Net investment income	—	—	6,226	6,226
Net change in unrealized appreciation on investments	—	—	71	71
Net realized (losses) from investment transactions and extinguishment of debt	—	—	(2,270)	(2,270)
Tax (provision) benefit on realized and unrealized gains (losses) on investments	—	—	459	459
Distributions to Stockholders	—	—	(6,444)	(6,444)
Reinvested Dividends	—	—	—	—
Stock-repurchase	(1)	(952)	—	(953)
Balance, March 31, 2024	<u>\$ 93</u>	<u>\$ 716,883</u>	<u>\$ (506,369)</u>	<u>\$ 210,607</u>
Net investment income	\$ —	\$ —	\$ 6,477	\$ 6,477
Net change in unrealized appreciation on investments	—	—	(5,966)	(5,966)
Net realized (losses) from investment transactions and extinguishment of debt	—	—	(6,961)	(6,961)
Tax (provision) benefit on realized and unrealized gains (losses) on investments	—	—	78	78
Distributions to Stockholders	—	—	(6,411)	(6,411)
Reinvested Dividends	—	158	—	158
Stock-repurchase	—	(1,553)	—	(1,553)
Balance, June 30, 2024	<u>\$ 93</u>	<u>\$ 715,488</u>	<u>\$ (519,152)</u>	<u>\$ 196,429</u>

On March 6, 2023, the Board of Directors of the Company approved a \$10 million stock repurchase program (the "Stock Repurchase Program") for an approximately one-year period effective March 6, 2023 and terminating on March 31, 2024. Under this repurchase program, shares may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise subject to any agreement to which we are party including any restrictions in the indenture for our 4.875% Notes due 2026. The timing and actual number of shares repurchased will depend on a variety of factors, including legal requirements, price, and economic and market conditions. This Stock Repurchase Program may be suspended or discontinued at any time. On March 11, 2024, the Board of Directors of the Company authorized a renewed stock repurchase program of up to \$10 million (the "Renewed Stock Repurchase Program") for an approximately one-year period, effective March 11, 2024 and terminating on March 31, 2025. The terms and conditions of the Renewed Stock Repurchase Program are substantially similar to the prior Stock Repurchase Program. The Renewed Stock Repurchase Program may be suspended or discontinued at any time. Subject to these restrictions, we will selectively pursue opportunities to repurchase shares which are accretive to net asset value per share. On March 12, 2025, the Board of Directors of the Company authorized once more a renewed stock repurchase program of up to \$10 million (the "2025 Stock Repurchase Program") for an approximately one-year period, effective March 12, 2025 and terminating on March 31, 2026. The terms and conditions of the 2025 Stock Repurchase Program are substantially similar to the prior Renewed Stock Repurchase Program. The 2025 Stock Repurchase Program may be suspended or discontinued at any time. Subject to these restrictions, we will selectively pursue opportunities to repurchase shares which are accretive to net asset value per share.

During the three months ended June 30, 2025 and 2024, the Company issued 4,981 and 4,021 shares, respectively, of common stock under its dividend reinvestment plan. During the six months ended June 30, 2025 and 2024, the Company issued 9,676 and 8,100 shares, respectively, of common stock under its dividend reinvestment plan. The total number of shares of the Company's common stock outstanding as of June 30, 2025 and December 31, 2024, was 9,207,851 and 9,198,175, respectively.

During the three and six months ended June 30, 2025, the Company did not repurchase shares under the Renewed Stock Repurchase Program or the 2025 Stock Repurchase Program. During the three months ended June 30, 2024, the Company repurchased 79,772 shares under the Stock Repurchase Program at an aggregate cost of approximately \$1.6 million. During the six months ended June 30, 2024, the Company repurchased 130,737 shares under the Stock Repurchase Program at an aggregate cost of approximately \$2.6 million.

10. SEGMENT REPORTING

The Company operates through a single operating and reporting segment with an investment objective to generate both current income and capital appreciation through debt and equity investments. The CODM is the Company's chief executive officer, and the CODM assesses the performance and makes operating decisions of the Company on a consolidated basis primarily based on the Company's net increase in net assets resulting from operations ("net income"). Net income is comprised of total investment income ("segment revenues") and total expenses ("significant segment expenses"), which are considered the key segment measures of profit or loss reviewed by the CODM. In addition to numerous other factors and metrics, the CODM utilizes net income as a key metric in determining the amount of dividends to be distributed to the Company's stockholders, implementing investment policy decisions and strategic initiatives, managing the Company's portfolio, allocating assets, and assessing the performance of the portfolio. As the Company's operations are comprised solely of the Investment Management Segment, the segment assets are reflected on the accompanying consolidated statements of assets and liabilities as "total assets" and the significant segment expenses are listed on the accompanying consolidated statement of operations.

11. SUBSEQUENT EVENTS

On July 15, 2025, the Company announced the completion of its acquisition of Logan Ridge Finance Corporation, a Maryland corporation ("LRFC", and such transaction, the "LRFC Acquisition"), pursuant to the terms of the merger agreement, dated January 29, 2025 (the "LRFC Merger Agreement"). To effect the acquisition, a wholly owned merger subsidiary of the Company merged with and into LRFC, with LRFC surviving the merger as the Company's wholly owned subsidiary. Immediately thereafter and as a single integrated transaction, LRFC consummated a second merger, whereby LRFC merged with and into the Company, with the Company surviving the merger. Based on July 11, 2025 financial data, the combined company had total assets in excess of \$600 million. Under the terms of the LRFC Merger Agreement, each share of LRFC common stock issued and outstanding was converted into the right to receive 1,500 newly-issued shares of common stock of the Company with cash to be paid (without interest) in lieu of fractional shares. As additional consideration funded by LRFC's investment adviser, LRFC shareholders of record as of May 6, 2025 received a cash payment of \$0.47 per share. In addition, LRFC shareholders of record as of July 14, 2025 received a tax distribution of \$0.38 per share from LRFC. The Company will seek to leverage the combined company's enhanced scale, further diversified portfolio, cost savings due to lower overall operating expenses, and improved stock trading liquidity to deliver compelling risk-adjusted returns for its shareholders. Please see the Company's Current Report on Form 8-K filed on July 16, 2025 for more information.

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On August 7, 2025, the Company declared a regular quarterly base distribution of \$0.47 per share of common stock and a supplemental cash distribution of \$0.02 per share of common stock. The distribution is payable on August 29, 2025 to stockholders of record at the close of business on August 18, 2025.

The Company has evaluated events and transactions occurring subsequent to June 30, 2025, through the date of issuance, for items that should potentially be recognized or disclosed in these financial statements. Other than as described above, management has determined that there are no other material subsequent events that would require adjustment to, or disclosure in, these unaudited consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including but not limited to those described in Part I, Item 1A of our annual report on Form 10-K for the year ended December 31, 2024 and Part II, Item 1A of this Form 10-Q of this Quarterly Report. Our actual results could differ materially from those anticipated by such forward-looking statements due to factors discussed under the "Risk Factors" section included in our SEC filings and "Note About Forward-Looking Statements" appearing elsewhere in this Form 10-Q.

GENERAL

We are an externally managed, non-diversified closed-end investment company that has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). Sierra Crest Investment Management LLC (the "Adviser") is an affiliate of BC Partners LLP ("BC Partners"). Subject to the overall supervision of the Board, the Adviser is responsible for managing our business and activities, including sourcing investment opportunities, conducting research, performing diligence on potential investments, structuring our investments, and monitoring our portfolio companies on an ongoing basis through a team of investment professionals.

We originate, structure, and invest in secured term loans, bonds or notes and mezzanine debt primarily in privately-held middle market companies but may also invest in other investments such as loans to publicly-traded companies, high-yield bonds, and distressed debt securities (collectively the "Debt Securities Portfolio"). We also invest in debt and subordinated securities issued by collateralized loan obligation funds ("CLO Fund Securities"). In addition, from time to time we may invest in the equity securities of privately held middle market companies and may also receive warrants or options to purchase common stock in connection with our debt investments.

In our Debt Securities Portfolio, our investment objective is to generate current income and, to a lesser extent, capital appreciation from the investments in senior secured term loans, mezzanine debt and selected equity investments in privately-held middle market companies. We define the middle market as comprising companies with EBITDA of \$10 million to \$50 million and/or total debt of \$25 million to \$150 million. We primarily invest in first and second lien term loans which, because of their priority in a company's capital structure, we expect will have lower default rates and higher rates of recovery of principal if there is a default and which we expect will create a stable stream of interest income. While there is no specific collateral associated with senior unsecured debt, such positions are senior in payment priority over subordinated debt investments. The investments in our Debt Securities Portfolio are all or predominantly below investment grade, and have speculative characteristics with respect to the issuer's capacity to pay interest and repay principal.

From time-to-time we have also made investments in CLO Fund Securities managed by other asset managers. Our collateralized loan obligation funds ("CLO Funds") typically invest in broadly syndicated loans, high-yield bonds and other credit instruments.

Our portfolio may include "covenant-lite" loans which generally refer to loans that do not have a complete set of financial maintenance covenants. Generally, "covenant-lite" loans provide borrower companies more freedom to negatively impact lenders because their covenants are incurrence-based, which means they are only tested and can only be breached following an affirmative action of the borrower, rather than by a deterioration in the borrower's financial condition. Accordingly, to the extent we invest in "covenant-lite" loans, we may have fewer rights against a borrower and may have a greater risk of loss on such investments as compared to investments in or exposure to loans with financial maintenance covenants.

We have elected to be treated for U.S. federal income tax purposes as a RIC under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code") and intend to operate in a manner to maintain our RIC status. As a RIC, we intend to distribute to our stockholders substantially all of our net ordinary taxable income and the excess of realized net short-term capital gains over realized net long-term capital losses, if any, for each year. To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements. Pursuant to this election, we generally will not have to pay corporate-level U.S. federal income taxes on any income that we timely distribute to our stockholders.

From time to time, we may seek to retire, repurchase, or exchange debt securities in open market purchases or by other means dependent on market conditions, liquidity, contractual obligations, and other matters. In addition, we evaluate strategic opportunities available to us, including mergers with unaffiliated funds and affiliated funds, divestitures, spin-offs, joint ventures and other similar transactions from time to time. An example of an opportunity we are currently in the initial stages of evaluating is a potential merger with one or more of our affiliated 1940 Act funds, which may result in the use of an exchange ratio other than NAV-for-NAV (including but not limited to relative market price) in connection therewith.

The Externalization

On April 1, 2019 (the "Closing"), we became externally managed (the "Externalization") by the Adviser, pursuant to a stock purchase and transaction agreement (the "Externalization Agreement") with BC Partners Advisors L.P. ("BCP"), an affiliate of BC Partners. In connection with the Externalization, our stockholders approved an investment advisory agreement (the "Advisory Agreement") with the Adviser. See "-Advisory Agreement" below.

Pursuant to the Externalization Agreement with BCP, the Adviser became our investment adviser in exchange for a cash payment from BCP, or its affiliate, of \$25 million, or \$0.669672 per share of our common stock, directly to our stockholders. In addition, the Adviser (or its affiliate) will use up to \$10 million of the incentive fee actually paid to the Adviser prior to the second anniversary of the Closing to buy newly issued shares of our common stock at the most recently determined net asset value per share of our common stock at the time of such purchase. In November 2020, the Adviser purchased approximately \$0.6 million newly issued shares of our common stock in connection therewith, and in May 2021, the Adviser purchased approximately \$4.0 million of newly issued shares of our common stock in connection therewith. In both cases, the shares were issued at the most recently determined net asset value per share of our common stock. The obligations of the Advisor to use incentive fees to purchase shares expired on April 1, 2021. For the period of one year from the first day of the first quarter following the quarter in which the Closing occurred, the Adviser will permanently forego up to the full amount of the incentive fees earned by the Adviser without recourse against or reimbursement by us, to the extent necessary in order to achieve aggregate net investment income per share of common stock for such one-year period to be at least equal to \$0.40 per share, subject to certain adjustments. BCP and the Adviser's total financial commitment to the transactions contemplated by the Externalization Agreement was \$35.0 million.

OHA1 Transaction

On December 18, 2019, we completed our acquisition of OHA Investment Corporation ("OHA1"). In accordance with the terms of the merger agreement, each share of common stock, par value \$0.001 per share, of OHA1 (the "OHA1 Common Stock") issued and outstanding was converted into the right to receive (i) an amount in cash, without interest, equal to approximately \$0.42, and (ii) 0.3688 shares of common stock, par value \$0.01 per share, of the Company (plus any applicable cash in lieu of fractional shares). Each share of OHA1 Common Stock issued and outstanding received, as additional consideration funded by the Adviser, an amount in cash, without interest, equal to approximately \$0.15.

GARS Transaction

On October 28, 2020, we completed our acquisition of Garrison Capital Inc., a publicly traded BDC (“GARS”, and such transaction, the “GARS Acquisition”). To effect the acquisition, our wholly owned merger subsidiary merged with and into GARS, with GARS surviving the merger as our wholly owned subsidiary. Immediately thereafter and as a single integrated transaction, GARS consummated a second merger, whereby GARS merged with and into us, with the Company surviving the merger.

In accordance with the terms of the merger agreement for the GARS Acquisition, dated June 24, 2020 (the “GARS Merger Agreement”), each share of common stock, par value \$0.001 per share, of GARS (the “GARS Common Stock”) issued and outstanding was converted into the right to receive (i) an amount in cash, without interest, equal to approximately \$1.19 and (ii) approximately 1.917 shares of common stock, par value \$0.01 per share, of the Company (plus any applicable cash in lieu of fractional shares). Each share of GARS Common Stock issued and outstanding received, as additional consideration funded by the Adviser, an amount in cash, without interest, equal to approximately \$0.31.

HCAP Transaction

On June 9, 2021, we completed our acquisition of Harvest Capital Credit Corporation, a publicly traded BDC (“HCAP”, and such transaction the “HCAP Acquisition”). To effect the acquisition, our wholly owned merger subsidiary (“Acquisition Sub”) merged with and into HCAP, with HCAP surviving the merger as the Company’s wholly owned subsidiary. Immediately thereafter and as a single integrated transaction, HCAP consummated a second merger, whereby HCAP merged with and into the Company, with the Company surviving the merger. As a result of, and as of the effective time of, the second merger, HCAP’s separate corporate existence ceased.

Under the terms of the merger agreement for the HCAP Acquisition, dated December 23, 2020 (the “HCAP Merger Agreement”), HCAP stockholders as of immediately prior to the effective time of the first merger (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”)) received a combination of (i) \$18.54 million in cash paid by the Company, (ii) 15,252,453 validly issued, fully paid and non-assessable shares of the Company’s common stock, par value \$0.01 per share, and (iii) an additional cash payment from the Adviser of \$2.15 million in the aggregate.

PORTFOLIO AND INVESTMENT ACTIVITY

Our primary investments are lending to and investing in middle-market businesses through investments in senior secured loans, junior secured loans, subordinated/mezzanine debt investments, and other equity investments, which may include warrants, investments in joint ventures, and investments in CLO Fund Securities.

Total portfolio investment activity (excluding activity in short-term investments) for the six months ended June 30, 2025 (unaudited) and for the year ended December 31, 2024, was as follows:

(\$ in thousands)	First Lien Debt	Second Lien Debt	Subordinated Debt	Equity	Collateralized Loan Obligations	Joint Ventures	Derivatives	Total Portfolio
Fair Value at December 31, 2023	\$ 336,599	\$ 41,254	\$ 1,224	\$ 20,533	\$ 8,968	\$ 59,287	\$ —	\$ 467,865
Purchases / originations / draws	70,343	2,361	997	7,173	—	5,733	—	86,607
Pay-downs / pay-offs / sales	(101,614)	(10,526)	(510)	78	(2,722)	(10,401)	—	(125,695)
Net accretion of interest	2,991	116	—	—	1,511	—	—	4,618
Net realized gain (loss) on investments	(11,908)	(7,868)	(417)	(6,611)	(2,576)	—	—	(29,380)
Net change in unrealized appreciation (depreciation) on investments	(6,454)	3,659	446	3,589	12	(466)	220	1,006
Fair Value at December 31, 2024	\$ 289,957	\$ 28,996	\$ 1,740	\$ 24,762	\$ 5,193	\$ 54,153	\$ 220	\$ 405,021
Purchases / originations / draws	32,679	703	—	1,170	—	—	—	34,552
Pay-downs / pay-offs / sales	(24,990)	—	(26)	(108)	(1,545)	(6,040)	—	(32,709)
Net accretion of interest	1,281	26	1	—	292	—	—	1,600
Net realized gain (loss) on investments	(8,530)	(46)	(1,931)	(4,037)	(1,536)	—	—	(16,080)
Net change in unrealized appreciation (depreciation) on investments	674	597	1,966	2,132	859	(3,479)	(24)	2,725
Fair Value at June 30, 2025	\$ 291,071	\$ 30,276	\$ 1,750	\$ 23,919	\$ 3,263	\$ 44,634	\$ 196	\$ 395,109

The level of investment activity for investments funded and principal repayments for our investments can vary substantially from period to period depending on the number and size of investments that we invest in or divest of, and many other factors, including the amount and competition for the debt and equity securities available to middle market companies, the level of merger and acquisition activity for such companies and the general economic environment.

The following table shows the Company’s portfolio by security type as of June 30, 2025, and December 31, 2024:

Security Type	June 30, 2025				December 31, 2024			
	Cost/Amortized		Fair Value		Cost/Amortized		Fair Value	
	Cost	Fair Value	Percentage of Total Portfolio	Cost	Fair Value	Percentage of Total Portfolio		
First Lien Debt	\$ 312,114	\$ 291,071	73.7%	\$ 311,673	\$ 289,957	71.6%		
Second Lien Debt	35,576	30,276	7.7%	34,892	28,996	7.2%		
Subordinated Debt	6,103	1,750	0.4%	8,059	1,740	0.4%		
Collateralized Loan Obligations	2,527	3,263	0.8%	5,318	5,193	1.3%		
Joint Ventures	60,709	44,634	11.3%	66,747	54,153	13.4%		
Equity	28,944	23,919	6.1%	31,921	24,762	6.1%		
Asset Manager Affiliates ⁽¹⁾	17,791	—	—	17,791	—	—		
Derivatives	31	196	0.0%	31	220	—		
Total	\$ 463,795	\$ 395,109	100.0%	\$ 476,432	\$ 405,021	100.0%		

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

The industry concentrations, based on the fair value of the Company's investment portfolio as of June 30, 2025, and December 31, 2024, were as follows:

Industry Classification	June 30, 2025			December 31, 2024		
	Cost/Amortized	Fair Value	Fair Value Percentage of Total Portfolio	Cost/Amortized	Fair Value	Fair Value Percentage of Total Portfolio
	Cost	Fair Value	Percentage of Total Portfolio	Cost	Fair Value	Percentage of Total Portfolio
Services: Business	\$ 58,766	\$ 54,374	13.8%	\$ 55,141	\$ 51,776	12.8%
High Tech Industries	58,430	52,774	13.4%	55,932	50,138	12.4%
Joint Venture	60,709	44,634	11.3%	66,747	54,153	13.4%
Banking, Finance, Insurance & Real Estate	39,999	39,469	10.0%	44,191	42,854	10.6%
Healthcare & Pharmaceuticals	38,124	37,104	9.5%	43,882	41,872	10.3%
Consumer goods: Durable	28,651	25,789	6.5%	28,493	27,028	6.7%
Media: Broadcasting & Subscription	21,655	21,828	5.5%	19,095	12,972	3.2%
Finance	14,857	14,786	3.7%	14,815	14,725	3.6%
Machinery (Non-Agrclt/Constr/Electr)	11,233	13,711	3.5%	11,705	13,608	3.4%
Beverage, Food and Tobacco	15,742	13,611	3.4%	12,563	11,612	2.9%
Aerospace and Defense	12,232	12,275	3.1%	11,403	11,390	2.8%
Chemicals, Plastics and Rubber	11,426	10,855	2.7%	10,135	9,628	2.4%
Transportation: Consumer	7,368	7,415	1.9%	7,410	7,470	1.8%
Interactive Media & Services	7,092	7,089	1.8%	2,539	2,559	0.6%
Healthcare, Education and Childcare	6,081	6,082	1.5%	6,114	6,115	1.5%
IT Consulting & Other Services	5,361	5,507	1.4%	2,157	2,243	0.5%
Metals & Mining	10,445	4,437	1.1%	9,950	5,103	1.3%
CLO Fund Securities	2,527	3,263	0.8%	5,318	5,193	1.3%
Transportation: Cargo	4,505	3,173	0.8%	4,223	3,782	0.9%
Consumer Services	2,933	2,933	0.7%	—	—	0.0%
Containers, Packaging and Glass	2,725	2,705	0.7%	2,728	2,702	0.7%
Energy: Electricity	2,696	2,696	0.7%	2,696	2,702	0.7%
Services: Consumer	2,761	2,332	0.6%	2,699	2,406	0.6%
Hotel, Gaming & Leisure	7,006	1,833	0.5%	7,006	2,205	0.5%
Construction & Building	1,442	1,409	0.4%	7,648	7,596	1.9%
Application Software	1,165	1,163	0.3%	1,165	1,166	0.2%
Capital Equipment	1,824	833	0.2%	8,016	1,291	0.3%
Telecommunications	1,541	832	0.2%	1,541	805	0.2%
Retail	6,673	162	0.0%	10,246	6,853	1.7%
Diversified Financial Services	35	35	0.0%	3,058	3,074	0.8%
Energy: Oil & Gas	—	—	0.0%	25	—	0.0%
Asset Management Company ⁽¹⁾	17,791	—	0.0%	17,791	—	0.0%
Total	\$ 463,795	\$ 395,109	100.0%	\$ 476,432	\$ 405,021	100.0%

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

Debt Securities Portfolio

As of June 30, 2025 and December 31, 2024, our Debt Securities Portfolio had a weighted average annualized yield of approximately 10.7% (excluding income from non-accruals and collateralized loan obligations) and 11.3% (excluding income from non-accruals and collateralized loan obligations), respectively.

The debt investment portfolio (excluding our investments in the CLO Funds and Joint Ventures) at June 30, 2025 was spread across 25 different industries and 69 different portfolio companies with a fair value of approximately \$323.1 million and average par balance per entity of approximately \$2.6 million. As of June 30, 2025, six of our debt investments were on non-accrual status. However, for a subset of the non-accrual population, the Company continues to recognize interest income on a cash basis, i.e., only when cash payments are actually received. Refer to the Consolidated Schedule of Investments for further details. As of December 31, 2024, six of our debt investments were on non-accrual status.

Asset Manager Affiliates

As of June 30, 2025, our remaining asset management affiliates (the "Asset Manager Affiliates") have limited operations and are expected to be liquidated. As of June 30, 2025, the Asset Manager Affiliates manage CLO Funds that invest in broadly syndicated loans, high yield bonds and other credit instruments.

CLO Fund Securities

We have made minority investments in the subordinated securities or preferred shares of CLO Funds managed by the Disposed Manager Affiliates and may selectively invest in securities issued by CLO Funds managed by other asset management companies. As of June 30, 2025 and December 31, 2024, the fair value of the CLO Fund Securities was \$3.3 million and \$5.2 million, respectively.

The CLO Funds invest primarily in broadly syndicated non-investment grade loans, high-yield bonds and other credit instruments of corporate issuers. The underlying assets in each of the CLO Fund Securities in which we have an investment are generally diversified secured or unsecured corporate debt.

The structure of CLO Funds, which are highly levered, is extremely complicated. Since we primarily invest in securities representing the residual interests of CLO Funds, our investments are much riskier than the risk profile of the loans by which such CLO Funds are collateralized. Our investments in CLO Funds may be riskier and less transparent to us and our stockholders than direct investments in the underlying loans. For a more detailed discussion of the risks related to our investments in CLO Funds, please see "Risk Factors — Risks Related to Our Investments — Our investments may be risky, and you could lose all or part of your investment" included in our annual report on Form 10-K for the year ended December 31, 2024.

Our CLO Fund Securities as of June 30, 2025 and December 31, 2024 were as follows:

(\$ in thousands)		June 30, 2025			December 31, 2024		
CLO Fund Securities	Investment	Amortized Cost	Fair Value	Percentage Ownership ⁽¹⁾	Amortized Cost	Fair Value	Percentage Ownership ⁽¹⁾
Catamaran CLO 2014-1 Ltd.	Collateralized Loan Obligations	\$ —	\$ —	22.2%	\$ 126	\$ 261	22.2%
Catamaran CLO 2018-1 Ltd.	Collateralized Loan Obligations	1,807	1,807	24.8%	3,063	2,600	24.8%
Dryden 30 Senior Loan Fund	Collateralized Loan Obligations	—	—	6.8%	141	140	6.8%
JMP Credit Advisors CLO IV Ltd.	Collateralized Loan Obligations	1	607	57.2%	521	725	57.2%
JMP Credit Advisors CLO V Ltd.	Collateralized Loan Obligations	719	849	57.2%	1,467	1,467	57.2%
Total		<u>\$ 2,527</u>	<u>\$ 3,263</u>		<u>\$ 5,318</u>	<u>\$ 5,193</u>	

(1) Represents percentage of class held at June 30, 2025 and December 31, 2024, respectively.

Investment in Joint Ventures

KCAP Freedom 3 LLC

During the third quarter of 2017, we and Freedom 3 Opportunities LLC ("Freedom 3 Opportunities"), an affiliate of Freedom 3 Capital LLC, entered into an agreement to create KCAP Freedom 3 LLC (the "F3C Joint Venture"). The fund capitalized by the F3C Joint Venture invests primarily in middle-market loans and the F3C Joint Venture partners may source middle-market loans from time-to-time for the fund.

We own a 62.8% economic interest in the F3C Joint Venture. The F3C Joint Venture is structured as an unconsolidated Delaware limited liability company. All portfolio and other material decisions regarding the F3C Joint Venture must be submitted to its board of managers, which is comprised of four members, two of whom were selected by us and two of whom were selected by Freedom 3 Opportunities, and must be approved by at least one member appointed by us and one appointed by Freedom 3 Opportunities. In addition, certain matters may be approved by the F3C Joint Venture's investment committee, which is comprised of one member appointed by us and one member appointed by Freedom 3 Opportunities.

We have determined that the F3C Joint Venture is an investment company under Accounting Standards Codification ("ASC"), Financial Services — Investment Companies ("ASC 946"), however, in accordance with such guidance, we will generally not consolidate our investment in a company other than a wholly owned investment company subsidiary or a controlled operating company whose business consists of providing services to us. We do not consolidate its interest in the F3C Joint Venture because we do not control the F3C Joint Venture due to allocation of the voting rights among the F3C Joint Venture partners.

The fair value of the Company's investment in the F3C Joint Venture as of June 30, 2025 and December 31, 2024 was \$11.3 million and \$13.0 million, respectively.

Series A – Great Lakes Funding II LLC

In August 2022, the Company invested in Series A – Great Lakes Funding II LLC (the “Great Lakes II Joint Venture,” collectively with the F3C Joint Venture the “Joint Ventures”), a joint venture with a third-party financial institution and certain other parties with an investment strategy to underwrite and hold senior, secured unitranche loans made to middle-market companies. The Company treats its investment in the Great Lakes II Joint Venture as a joint venture since affiliated funds of the Adviser collectively control a 50% voting interest in the Great Lakes II Joint Venture.

The Great Lakes II Joint Venture is a Delaware series limited liability company, and pursuant to the terms of the Great Lakes Funding II LLC Limited Liability Company Agreement (the “Great Lakes II LLC Agreement”), prior to the end of the investment period with respect to each series established under the Great Lakes II LLC Agreement, each member of the predecessor series would be offered the opportunity to roll its interests into any subsequent series of the Great Lakes II Joint Venture. We do not pay any advisory fees in connection with our investment in the Great Lakes II Joint Venture.

The fair value of our investment in the Great Lakes II Joint Venture as of June 30, 2025 and December 31, 2024, was \$33.4 million and \$41.1 million, respectively. Fair value has been determined utilizing the practical expedient pursuant to ASC 820-10. Pursuant to the terms of the Great Lakes II LLC Agreement, we generally may not effect any direct or indirect sale, transfer, assignment, hypothecation, pledge or other disposition of or encumbrance upon our interests in the Great Lakes II Joint Venture, except that we may sell or otherwise transfer our interests with the consent of the managing members of the Great Lakes II Joint Venture or to an affiliate or a successor to substantially all of our assets.

As of June 30, 2025 and December 31, 2024, we had an unfunded commitment of \$13.7 million and \$8.2 million to the Great Lakes II Joint Venture, respectively.

RESULTS OF OPERATIONS

The principal measure of our financial performance is the net increase (decrease) in net assets resulting from operations, which includes net investment income (loss) and net realized and unrealized appreciation (depreciation). Net investment income (loss) is the difference between our income from interest, distributions, fees, and other investment income and our operating expenses. Net realized gain (loss) on investments is the difference between the proceeds received from dispositions of portfolio investments and their amortized cost. Net change in unrealized appreciation (depreciation) on investments is the net change in the fair value of our investment portfolio.

Set forth below is a discussion of our results of operations for the three and six months ended June 30, 2025 and 2024.

Revenue	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
(\$ in thousands)				
INVESTMENT INCOME				
Interest income:				
Non-controlled/non-affiliated investments	\$ 8,463	\$ 11,913	\$ 15,763	\$ 24,534
Non-controlled affiliated investments	324	312	640	407
Total interest income	8,787	12,225	16,403	24,941
Payment-in-kind income:				
Non-controlled/non-affiliated investments	2,354	2,018	5,207	3,912
Non-controlled affiliated investments	95	183	303	295
Total payment-in-kind income	2,449	2,201	5,510	4,207
Dividend income:				
Non-controlled affiliated investments	1,213	1,800	2,630	3,453
Total dividend income	1,213	1,800	2,630	3,453
Fees and other income:				
Non-controlled/non-affiliated investments	98	111	122	262
Non-controlled affiliated investments	83	—	83	—
Total fees and other income	181	111	205	262
Total investment income	\$ 12,630	\$ 16,337	\$ 24,748	\$ 32,863

Revenues consist primarily of investment income from interest and dividends on our investment portfolio and various ancillary fees related to our investment holdings. Investment income for the three months ended June 30, 2025 and 2024 was approximately \$12.6 million and \$16.3 million, respectively. Investment income for the six months ended June 30, 2025 and 2024, was approximately \$24.7 million and \$32.9 million, respectively.

Interest from Investments in Debt Securities. We generate interest income from our investments in debt securities that consist primarily of senior and junior secured loans. Our Debt Securities Portfolio is spread across multiple industries and geographic locations and, as such, we are broadly exposed to market conditions and business environments. As a result, although our investments are exposed to market risks, we continuously seek to limit concentration of exposure in any particular sector or issuer.

The majority of investment income is attributable to interest income, inclusive of payment-in-kind income, on our Debt Securities Portfolio. For the three months ended June 30, 2025 and 2024, approximately \$10.9 million and \$13.9 million, respectively, of investment income was attributable to interest income, inclusive of payment-in-kind income, on our Debt Securities Portfolio. For the six months ended June 30, 2025 and 2024, approximately \$21.3 million and \$28.1 million, respectively, of investment income was attributable to interest income, inclusive of payment-in-kind income, on our Debt Securities Portfolio.

As of June 30, 2025, our debt investment portfolio, which represented 81.8% of the fair value of our total portfolio, had a weighted average annualized yield of approximately 10.7% (excluding income from non-accruals and collateralized loan obligations). As of June 30, 2025, 13.1% of the fair value of our debt investment portfolio was bearing a fixed rate of interest. As of December 31, 2024, our debt investment portfolio, which represented 79.2% of the fair value of our total portfolio, had a weighted average annualized yield of approximately 11.3% (excluding income from non-accruals and collateralized loan obligations). As of December 31, 2024, 9.9% of the fair value of our debt investment portfolio was bearing a fixed rate of interest.

Investment income is primarily dependent on the composition and credit quality of our investment portfolio. Generally, our Debt Securities Portfolio is expected to generate predictable, recurring interest income in accordance with the contractual terms of each loan. Corporate equity securities may pay a dividend and may increase in value for which a gain may be recognized; generally, such dividend payments and gains are less predictable than interest income on our loan portfolio.

Investment income is comprised of coupon interest, accretion of discount and accelerated accretion resulting from paydowns and other revenue earned from operations. Recent acquisitions of GARS (October 2020) and HCAP (June 2021) have had a significant positive impact on earnings as a result of amortization of purchase discount established at the time of the merger. The table below illustrates that impact:

(\$ in thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Interest income, excluding CLO income and purchase discount accretion	\$ 8,573	\$ 11,589	\$ 16,095	\$ 23,675
Purchase discount accretion	—	112	16	185
PIK income	2,449	2,201	5,510	4,207
CLO income	214	524	292	1,081
JV income	1,213	1,800	2,630	3,453
Fees and other income	181	111	205	262
Investment Income	\$ 12,630	\$ 16,337	\$ 24,748	\$ 32,863
Less: Purchase discount accretion	\$ —	\$ (112)	\$ (16)	\$ (185)
Core Investment Income	\$ 12,630	\$ 16,225	\$ 24,732	\$ 32,678

Core investment income excludes the impact of purchase discount accretion in connection with the GARS and HCAP mergers which is investment income as determined in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”), excluding the impact of purchase discount accretion associated with the GARS and HCAP mergers. We believe presenting investment income excluding the impact of the GARS and HCAP merger-related purchase discount amortization and the related per share amount is useful and appropriate supplemental disclosure for analyzing our financial performance due to the unique circumstance giving rise to the purchase accounting adjustment. However, this measure is a non-U.S. GAAP measure and should not be considered as a replacement for net investment income and other earnings measures presented in accordance with U.S. GAAP. Instead, this measure should be reviewed only in connection with such U.S. GAAP measures in analyzing Portman Ridge’s financial performance. A reconciliation of net investment income in accordance with U.S. GAAP to net investment income excluding the impact of purchase accounting is detailed in the table above.

Investment Income on Investments in CLO Fund Securities. For the three months ended June 30, 2025 and 2024, approximately \$0.2 million and \$0.5 million, respectively, of investment income was attributable to investments in CLO Fund Securities. For the six months ended June 30, 2025 and 2024, approximately \$0.3 million and \$1.1 million, respectively, of investment income was attributable to investments in CLO Fund Securities. We generate investment income from our investments in the securities (typically preferred shares or subordinated securities) of CLO Funds. CLO Funds invest primarily in broadly syndicated non-investment grade loans, high-yield bonds and other credit instruments of corporate issuers. The underlying assets in each of the CLO Funds in which we have an investment are generally diversified secured or unsecured corporate debt. Our CLO Fund Securities that are subordinated securities or preferred shares (“junior securities”) are subordinated to senior note holders who typically receive a return on their investment at a fixed spread relative to the SOFR index. The CLO Funds are leveraged funds and any excess cash flow or “excess spread” (interest earned by the underlying securities in the fund less payments made to senior bond holders and less fund expenses and management fees) is paid to the holders of the CLO Fund’s subordinated securities or preferred shares. The level of excess spread from CLO Fund Securities can be impacted by the timing and level of the resetting of the benchmark interest rate for the underlying assets (which reset at various times throughout the quarter) in the CLO Fund and the related CLO Fund note liabilities (which reset at each quarterly distribution date); in periods of short-term and volatile changes in the benchmark interest rate, the levels of excess spread and resulting cash distributions to us can vary significantly.

Interest income on investments in CLO equity investments is recorded using the effective interest method in accordance with the provisions of ASC 325-40, Beneficial Interests in Securitized Financial Assets (“ASC 325-40”), based on the anticipated yield and the estimated cash flows over the projected life of the investment. Yields are revised when there are changes in actual or estimated projected future cash flows due to changes in prepayments and/or re-investments, credit losses or asset pricing. Changes in estimated yield are recognized as an adjustment to the estimated yield prospectively over the remaining life of the investment from the date the estimated yield was changed. Accordingly, investment income recognized on CLO equity securities in our U.S. GAAP statement of operations differs from both the tax-basis investment income and from the cash distributions actually received by us during the period. As a RIC, we anticipate a timely distribution of our tax-basis taxable income.

Investments in Joint Ventures. For the three months ended June 30, 2025 and 2024, we recognized \$1.2 million and \$1.8 million, respectively, in investment income from our investments in Joint Ventures. For the six months ended June 30, 2025 and 2024, we recognized \$2.6 million and \$3.5 million, respectively, in investment income from our investments in Joint Ventures. As of June 30, 2025, and December 31, 2024, the fair value of our investments in Joint Ventures was approximately \$44.6 million and \$54.2 million, respectively. The final determination of the tax attributes of distributions from Joint Ventures is made on an annual (full calendar year) basis at the end of the year based upon taxable income and distributions for the full year. Therefore, any estimate of tax attributes of distributions made on an interim basis may not be representative of the actual tax attributes of distributions for the full year.

Fees and other income. Origination fees (to the extent services are performed to earn such income upon closing), amendment fees, consent fees, and other fees associated with investments in portfolio companies are recognized as income when they are earned. Prepayment penalties received by the Company for debt instruments repaid prior to maturity date are recorded as income upon receipt. For the three months ended June 30, 2025 and 2024, approximately \$0.1 million and \$0.1 million, respectively, of investment income was attributable to fees and other income. For the six months ended June 30, 2025 and 2024, approximately \$0.3 million and \$0.3 million, respectively, of investment income was attributable to fees and other income.

Expenses

(\$ in thousands) EXPENSES	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Management fees	\$ 1,445	\$ 1,680	\$ 2,911	\$ 3,409
Performance-based incentive fees	967	1,374	1,887	2,608
Interest and amortization of debt issuance costs	4,230	5,365	8,528	11,091
Professional fees	403	469	855	1,074
Administrative services expense	450	361	861	717
Directors' fees	142	162	286	323
Other general and administrative expenses	436	449	523	939
Total expenses	\$ 8,073	\$ 9,860	\$ 15,851	\$ 20,161

In connection with the Advisory Agreement, we pay the Adviser certain investment advisory fees and reimburse the Adviser and Administrator for certain expenses incurred in connection with the services they provide. We bear our allocable portion of the compensation paid by the Adviser (or its affiliates) to our chief compliance officer and chief financial officer and their respective staffs (based on a percentage of time such individuals devote, on an estimated basis, to our business affairs). We also bear all other costs and expenses of our operations, administration and transactions, including, but not limited to (i) investment advisory fees, including management fees and incentive fees, to the Adviser, pursuant to the Advisory Agreement; (ii) our allocable portion of overhead and other expenses incurred by the Adviser (or its affiliates) in performing its administrative obligations under the Advisory Agreement, and (iii) all other expenses of our operations and transactions including, without limitation, those relating to:

- the cost of calculating our net asset value, including the cost of any third-party valuation services;
- the cost of effecting any sales and repurchases of our common stock and other securities;
- fees and expenses payable under any dealer manager or placement agent agreements, if any;
- administration fees payable under the Administration Agreement and any sub-administration agreements, including related expenses;
- debt service and other costs of borrowings or other financing arrangements;
- costs of hedging;
- expenses, including travel expense, incurred by the Adviser, or members of the investment team, or payable to third parties, performing due diligence on prospective portfolio companies and, if necessary, enforcing our rights;
- transfer agent and custodial fees;
- fees and expenses associated with marketing efforts;
- federal and state registration fees, any stock exchange listing fees and fees payable to rating agencies;
- federal, state and local taxes;
- independent directors' fees and expenses including certain travel expenses;
- costs of preparing financial statements and maintaining books and records and filing reports or other documents with the SEC (or other regulatory bodies) and other reporting and compliance costs, including registration and listing fees, and the compensation of professionals responsible for the preparation of the foregoing;
- the costs of any reports, proxy statements or other notices to stockholders (including printing and mailing costs), the costs of any stockholder or director meetings and the compensation of personnel responsible for the preparation of the foregoing and related matters;
- commissions and other compensation payable to brokers or dealers;
- research and market data;
- fidelity bond, directors and officers errors and omissions liability insurance and other insurance premiums;
- direct costs and expenses of administration, including printing, mailing, long distance telephone and staff;
- fees and expenses associated with independent audits, outside legal and consulting costs;
- costs of winding up our affairs;
- costs incurred by either the Administrator or us in connection with administering our business, including payments under the Administration Agreement;
- extraordinary expenses (such as litigation or indemnification); and
- costs associated with reporting and compliance obligations under the 1940 Act and applicable federal and state securities laws.

Total expenses for the three months ended June 30, 2025 and 2024 were approximately \$8.1 million and \$9.9 million, respectively. Total expenses for the six months ended June 30, 2025 and 2024 were approximately \$15.9 million and \$20.2 million, respectively. The decrease in total expenses for the three and six months ended June 30, 2025, in comparison to the prior year, was primarily driven by a decrease in average debt outstanding and lower cost of capital as well as lower management and incentive fees.

Management Fees and Incentive Fees. Management fees for the three months ended June 30, 2025 and 2024 were approximately \$1.4 million and \$1.7 million, respectively. Management fees for the six months ended June 30, 2025 and 2024 were approximately \$2.9 million and \$3.4 million, respectively. Incentive fees for the three months ended June 30, 2025 and 2024 were approximately \$1.0 million and \$1.4 million, respectively. Incentive fees for the six months ended June 30, 2025 and 2024 were approximately \$1.9 million and \$2.6 million, respectively.

Interest and Amortization of Debt Issuance Costs. Interest expense is dependent on the average outstanding balance on our borrowings and the base index rate for the period. Debt issuance costs represent fees and other direct costs incurred in connection with our borrowings. These amounts are capitalized and amortized over the expected term of the borrowing. For the three months ended June 30, 2025 and 2024, interest expense and amortization on debt issuance costs and discount for the period was approximately \$4.2 million and \$5.4 million, respectively, on average debt outstanding of \$255.4 million and \$288.7 million, respectively. For the six months ended June 30, 2025 and 2024, interest expense and amortization on debt issuance costs and discount for the period was approximately \$8.5 million and \$11.1 million, respectively, on average debt outstanding of \$258.4 million and \$299.7 million, respectively.

Directors' Expense. Directors' expense for the three months ended June 30, 2025 and 2024 were approximately \$0.1 million and \$0.2 million, respectively. Directors' expense for the six months ended June 30, 2025 and 2024 were approximately \$0.3 million and \$0.2 million, respectively.

Professional Fees and General and Administrative Expenses. The balance of our expenses includes professional fees (primarily legal, accounting, valuation and other professional services), insurance costs, Administrative services expense under the Administration Agreement and general administrative and other costs.

For the three months ended June 30, 2025 and 2024, professional fees totaled approximately \$0.4 million and \$0.6 million, respectively. For the six months ended June 30, 2025 and 2024, professional fees totaled approximately \$0.9 million and \$1.4 million, respectively.

For the three months ended June 30, 2025 and 2024, administrative services expense was approximately \$0.5 million and \$0.4 million, respectively. For the six months ended June 30, 2025 and 2024, administrative services expense was approximately \$0.9 million and \$0.7 million, respectively.

For the three months ended June 30, 2025 and 2024, other general and administrative expenses, which includes insurance, technology and other office and administrative expenses, totaled approximately \$0.4 million and \$0.4 million, respectively. For the six months ended June 30, 2025 and 2024, other general and administrative expenses, which includes insurance, technology and other office and administrative expenses, totaled approximately \$0.5 million and \$0.9 million, respectively.

Net Investment Income

For the three months ended June 30, 2025, net investment income was approximately \$4.6 million, or \$0.50 per basic and diluted share, while tax-basis distributable income was approximately \$4.3 million, or \$0.47 per basic and diluted share. For the three months ended June 30, 2024, net investment income was approximately \$6.5 million, or \$0.70 per basic and diluted share, while tax-basis distributable income was approximately \$6.4 million, or \$0.69 per basic and diluted share. For the six months ended June 30, 2025, net investment income was approximately \$8.9 million, or \$0.97 per basic and diluted share, while tax-basis distributable income was approximately \$9.0 million, or \$0.98 per basic and diluted share. For the six months ended June 30, 2024, net investment income was approximately \$12.7 million, or \$1.36 per basic and diluted share, while tax-basis distributable income was approximately \$13.2 million, or \$1.42 per basic and diluted share.

Net Realized Gain (Loss) on Investments

Investments are carried at fair value, with changes in fair value recorded as unrealized appreciation (depreciation) in the statement of operations. When an investment is sold or liquidated, any previously recognized unrealized appreciation (depreciation) is reversed and a corresponding amount is recognized as realized gain (loss). During the three and six months ended June 30, 2025, the Company recognized \$15.8 million and \$16.0 million of net realized losses on our portfolio investments. During the three and six months ended June 30, 2024, the Company recognized \$6.9 million and \$9.0 million of net realized losses on our portfolio investments.

Net Change in Unrealized Appreciation (Depreciation) on Investments

(\$ in thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Net change in unrealized appreciation (depreciation) on:				
Non-controlled/non-affiliated investments	\$ 3,390	\$ (10,163)	\$ 1,889	\$ (10,822)
Non-controlled affiliated investments	(3,014)	(2,055)	(4,154)	(1,915)
Controlled affiliated investments	6,287	6,252	5,013	6,842
Derivatives	(35)	—	(23)	—
Net change in unrealized appreciation (depreciation) on investments	<u>\$ 6,628</u>	<u>\$ (5,966)</u>	<u>\$ 2,725</u>	<u>\$ (5,895)</u>

During the three months ended June 30, 2025, our total investments had net change in unrealized appreciation (depreciation) on investments of approximately \$6.6 million. The net change in unrealized appreciation (depreciation) on investments is made up of approximately \$0.9 million on equity securities, \$(0.7) million on our Joint Ventures investments, \$(0.1) million on CLO Fund Securities, and \$6.5 million on our debt securities. During the three months ended June 30, 2024, our total investments had net change in unrealized appreciation (depreciation) of approximately \$(6.0) million. The net change in unrealized appreciation (depreciation) on investments was made up of approximately \$(0.9) million on CLO Fund Securities, \$3.9 million on equity securities, \$0.4 million on our Joint Ventures investments, and \$(9.4) million on our debt securities.

During the six months ended June 30, 2025, our total investments had net change in unrealized appreciation (depreciation) on investments of approximately \$2.7 million. The net change in unrealized appreciation (depreciation) on investments is made up of approximately \$2.1 million on equity securities, \$(3.5) million on our Joint Ventures investments, \$0.9 million on CLO Fund Securities, and \$3.2 million on our debt securities. During the six months ended June 30, 2024, our total investments had net change in unrealized appreciation (depreciation) of approximately \$(5.9) million. The net change in unrealized appreciation (depreciation) on investments was made up of approximately \$(0.9) million on CLO Fund Securities, \$4.0 million on equity securities, \$0.6 million on our Joint Ventures investments, and \$(9.6) million on our debt securities.

Net Change in Net Assets Resulting From Operations

The net increase (decrease) in net assets resulting from operations for the three months ended June 30, 2025, was \$(4.5) million, or \$(0.49) per basic and diluted share. The net increase (decrease) in net assets resulting from operations for the three months ended June 30, 2024, was \$(6.4) million, or \$(0.69) per basic and diluted share. The net increase (decrease) in net assets resulting from operations for the six months ended June 30, 2025, was \$(4.6) million, or \$(0.50) per basic and diluted share. The net increase (decrease) in net assets resulting from operations for the six months ended June 30, 2024, was \$(1.9) million, or \$(0.20) per basic and diluted share.

FINANCIAL CONDITION, LIQUIDITY, AND CAPITAL RESOURCES

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to repay borrowings, fund and maintain investments, pay distributions to our stockholders and other general business needs. We recognize the need to have funds available for operating our business and to make investments. We seek to

have adequate liquidity at all times to cover normal cyclical swings in funding availability and to allow us to meet irregular and unexpected funding requirements. We plan to satisfy our liquidity needs through normal operations with the goal of avoiding unplanned sales of assets or emergency borrowing of funds.

As of June 30, 2025 and December 31, 2024, the fair value of investments and cash were as follows:

(\$ in thousands)	June 30, 2025		December 31, 2024	
Security Type				
Cash and Cash Equivalents	\$	11,222	\$	17,532
Restricted Cash		13,357		22,421
First Lien Debt		291,071		289,957
Second Lien Debt		30,276		28,996
Subordinated Debt		1,750		1,740
Equity		23,919		24,762
Collateralized Loan Obligations		3,263		5,193
Asset Manager Affiliates		—		—
Joint Ventures		44,634		54,153
Derivatives		196		220
Total	\$	419,688	\$	444,974

Subject to market conditions, we intend to grow our portfolio of assets by raising additional capital, including through the prudent use of leverage available to us. As a BDC, we are limited in the amount of leverage we can incur under the 1940 Act. Effective March 29, 2019, we are allowed to borrow amounts such that our asset coverage, as defined in the 1940 Act, equals at least 150% after such borrowing. Because we also recognize the need to have funds available for operating our business and to make investments, we seek to have adequate liquidity at all times to cover normal cyclical swings in funding availability and to allow us to meet abnormal and unexpected funding requirements. As a result, we may hold varying amounts of cash and other short-term investments from time-to-time for liquidity purposes.

Borrowings

We use borrowed funds, known as “leverage,” to make investments and to attempt to increase returns to our shareholders by reducing our overall cost of capital. As a BDC, we are limited in the amount of leverage we can incur under the 1940 Act. We are only allowed to borrow amounts such that our asset coverage, as defined in the 1940 Act, equals at least 150% after such borrowing. As of June 30, 2025, we had approximately \$255.4 million of par value of outstanding borrowings and our asset coverage ratio of total assets to total borrowings was 165%, compliant with the minimum asset coverage level of 150% generally required for a BDC by the 1940 Act. We may also borrow amounts of up to 5% of the value of our total assets for temporary purposes.

The Small Business Credit Availability Act (the “SBCA”) has modified the 1940 Act by allowing a BDC to increase the maximum amount of leverage it may incur from an asset coverage ratio of 200% to an asset coverage ratio of 150%, if certain requirements are met. On March 29, 2018, the Board, including a “required majority” (as such term is defined in Section 57(o) of the 1940 Act) of its Board, approved the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act, as amended by the SBCA. As a result, our asset coverage requirements for senior securities changed from 200% to 150%, effective as of March 29, 2019.

Outstanding Notes

During the second quarter of 2021, we issued \$108.0 million aggregate principal amount of our 4.875% Notes due 2026. The net proceeds for the 4.875% Notes due 2026, after the payment of underwriting expenses, were approximately \$104.6 million. Interest on the 4.875% Notes due 2026 is paid semi-annually on April 30 and October 30, at a rate of 4.875%. The 4.875% Notes due 2026 mature on April 30, 2026 and are general unsecured obligations. The indenture governing the 4.875% Notes Due 2026 contains certain restrictive covenants, including compliance with certain provisions of the 1940 Act relating to borrowing and dividends. As of June 30, 2025, there was approximately \$108.0 million of principal amount outstanding, and we were in compliance with all of our debt covenants on the 4.875% Notes due 2026.

Revolving Credit Facility

On December 18, 2019, Great Lakes Portman Ridge Funding LLC (“GLPRF LLC”), a wholly-owned subsidiary of the Company, entered into a senior secured revolving credit facility (as amended, restated or otherwise modified from time to time, the “Revolving Credit Facility”) with JPMorgan Chase Bank, National Association (“JPM”). JPM serves as administrative agent, U.S. Bank National Association serves as collateral agent, securities intermediary and collateral administrator, and the Company serves as portfolio manager under the Revolving Credit Facility.

GLPRF LLC is required to utilize a minimum of the commitments under the Revolving Credit Facility. Unused amounts below such minimum utilization amount accrue interest as if such amounts are outstanding as borrowings under the Revolving Credit Facility. In addition, GLPRF LLC pays a non-usage fee during the reinvestment period on the average daily unborrowed portion of the financing commitments in excess of such minimum utilization amount.

The initial principal amount of the Revolving Credit Facility was \$115 million. The Revolving Credit Facility has an accordion feature, subject to the satisfaction of various conditions, which could bring total commitments under the Revolving Credit Facility to up to \$215 million. Proceeds from borrowings under the Revolving Credit Facility may be used to fund portfolio investments by GLPRF LLC and to make advances under delayed draw term loans where GLPRF LLC is a lender.

On April 29, 2022, GLPRF LLC amended the Revolving Credit Facility with JPM as administrative agent. The amended agreement replaced three-month SOFR as the benchmark interest rate and reduced the applicable margin to 2.80% per annum from 2.85% per annum.

On July 23, 2024, GLPRF LLC amended the Revolving Credit Facility with JPM as administrative agent. The amended agreement, 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 \$85.0 million, for a total commitment of \$200.0 million, which increase became effective on August 20, 2024, (ii) provided for a committed seven-day bridge advance in an aggregate principal amount of \$18,250,000, which advance became effective on August 20, 2024, (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) reduced the requirement to utilize a minimum of commitments under the Revolving Credit Facility to 70%, (vii) reduced the non-usage fee applicable during the reinvestment period to 0.55% per annum on the average daily unborrowed portion of the financing commitments in excess of the minimum utilization amount, (viii) extended the non-call period under the Revolving Credit Facility to April 29, 2025, and (ix) provided for certain fees to be paid to the administrative agent and the lenders in connection therewith.

GLPRF LLC’s obligations to the lenders under the Revolving Credit Facility are secured by a first priority security interest in all of GLPRF LLC’s portfolio of investments and cash. The obligations of GLPRF LLC under the Revolving Credit Facility are non-recourse to the Company, and the Company’s exposure under the Revolving Credit Facility is limited to the value of the Company’s investment in GLPRF LLC.

In connection with the Revolving Credit Facility, GLPRF LLC has made certain customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar facilities. The Revolving Credit Facility contains customary events of default for similar financing transactions, including if a change of control of GLPRF LLC occurs or if the Company is no longer the portfolio manager of GLPRF LLC. Upon the occurrence and during the continuation of an event of default, JPM may declare the outstanding advances and all other obligations under the Revolving Credit Facility immediately due and payable.

The occurrence of an event of default (as described above) or a market value event (as defined in the Revolving Credit Facility) triggers a requirement that GLPRF LLC obtain the consent of JPM prior to entering into certain sales or dispositions with respect to portfolio assets, and the occurrence of a market value event triggers the right of JPM to direct GLPRF LLC to enter into sales or dispositions with respect to any portfolio assets, in each case in JPM's sole discretion.

At June 30, 2025, GLPRF LLC was in compliance with all of its debt covenants and there was approximately \$147.4 million principal amount of borrowings was outstanding under the Revolving Credit Facility.

Stockholder Distributions

We intend to continue to make quarterly distributions to our stockholders. To avoid certain excise taxes imposed on RICs, we generally endeavor to distribute during each calendar year an amount at least equal to the sum of:

- 98% of our ordinary net taxable income for the calendar year;
- 98.2% of our capital gains, if any, in excess of capital losses for the one-year period ending on October 31 of the calendar year; and
- any net ordinary income and net capital gains for the preceding year that were not distributed during such year and on which we do not pay corporate tax.

We may choose to carry forward taxable income in excess of current year distributions into the next tax year and pay a 4% excise tax on such income, to the extent required.

The amount of our declared distributions, as evaluated by management and approved by our Board, is based primarily on our evaluation of our net investment income and distributable taxable income.

We may distribute taxable dividends that are payable in cash or shares of our common stock at the election of each stockholder. Under certain applicable provisions of the Code and the Treasury regulations, distributions payable in cash or in shares of stock at the election of stockholders are treated as taxable dividends. The Internal Revenue Service has published guidance indicating that this rule will apply even where the total amount of cash that may be distributed is limited to no more than 20% of the total distribution. Under this guidance, if too many stockholders elect to receive their distributions in cash, the cash available for distribution must be allocated among the stockholders electing to receive cash (with the balance of the distribution paid in stock). If we decide to make any distributions consistent with this guidance that are payable in part in our stock, taxable stockholders receiving such dividends will be required to include the full amount of the dividend (whether received in cash, shares of our stock, or a combination thereof) as ordinary income (or as long-term capital gain to the extent such distribution is properly reported as a capital gain dividend) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. stockholder sells the stock it receives in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our stock.

We are also prohibited by the 1940 Act and the indenture governing our 4.875% Notes due 2026 from declaring dividends (except a dividend payable in our stock) or making distributions on our common stock, or purchasing any such stock, if, at the time of declaration or at the time of any such purchase, our asset coverage, as defined in the 1940 Act, is below the threshold specified in Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions thereto of the 1940 Act, after deducting the amount of such dividend, distribution or purchase price, as the case may be, and giving effect, in each case (i) to any exemptive relief granted to us by the SEC and (ii) to any no-action relief granted by the SEC to another BDC (or to the Company if it determines to seek such similar no-action or other relief) permitting the BDC to declare any cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by Section 61(a)(1) of the 1940 Act in order to maintain its status as a RIC under the Code. In any such event, we would be prohibited from making distributions required in order to maintain our status as a RIC unless made in accordance with any such exemptive or no-action relief granted by the SEC.

The following table sets forth the quarterly distributions paid by us since the beginning of 2022.

	Distribution	Declaration Date	Record Date	Pay Date
2025:				
Second quarter	\$ 0.47 ⁽²⁾	5/8/2025	5/19/2025	5/29/2025
First quarter	0.54 ⁽¹⁾	3/13/2025	3/24/2025	3/31/2025
Total declared in 2025	<u>\$ 1.01</u>			
2024:				
Fourth quarter	\$ 0.69	11/7/2024	11/19/2024	11/29/2024
Third quarter	0.69	8/8/2024	8/22/2024	8/30/2024
Second quarter	0.69	5/8/2024	5/21/2024	5/31/2024
First quarter	0.69	3/13/2024	3/25/2024	4/2/2024
Total declared in 2024	<u>\$ 2.76</u>			
2023:				
Fourth quarter	\$ 0.69	11/8/2023	11/20/2023	11/30/2023
Third quarter	0.69	8/8/2023	8/22/2023	8/31/2023
Second quarter	0.69	5/10/2023	5/22/2023	5/31/2023
First quarter	0.68	3/9/2023	3/20/2023	3/31/2023
Total declared in 2023	<u>\$ 2.75</u>			
2022:				
Fourth quarter	\$ 0.67	11/8/2022	11/24/2022	12/13/2022
Third quarter	0.63	8/9/2022	8/16/2022	9/2/2022
Second quarter	0.63	5/10/2022	5/24/2022	6/7/2022
First quarter	0.63	3/10/2022	3/21/2022	3/30/2022
Total declared in 2022	<u>\$ 2.56</u>			

(1) On March 13, 2025, the Company declared a regular quarterly base distribution of \$0.47 per share of common stock and a supplemental cash distribution of \$0.07 per share of common stock.

(2) On May 8, 2025, the Company declared a regular quarterly base distribution of \$0.47 per share of common stock.

Stock Repurchase Program

On March 6, 2023, the Board of Directors of the Company approved a \$10 million stock repurchase program (the "Stock Repurchase Program") for an approximately one-year period, effective March 6, 2023 and terminating on March 31, 2024. Under this repurchase program, shares may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise subject to any law or agreement to which we are party including any restrictions under the 1940 Act and in the indenture for our 4.875% Notes due 2026. The timing and actual number of shares repurchased will depend on a variety of factors, including legal requirements, price, and economic and market conditions. This Stock Repurchase Program may be suspended or discontinued at any time. On March 11, 2024, the Board of Directors of the Company authorized a renewed stock repurchase program of up to \$10 million (the "Renewed Stock Repurchase Program") for an approximately one-year period, effective March 11, 2024 and terminating on March 31, 2025. The terms and conditions of the Renewed Stock Repurchase Program are substantially similar to the prior Stock Repurchase Program. The Renewed Stock Repurchase Program may be suspended or discontinued at any time. Subject to these restrictions, we will selectively pursue opportunities to repurchase shares which are accretive to net asset value per share. On March 12, 2025, the Board of Directors of the Company authorized once more a renewed stock repurchase program of up to \$10 million (the "2025 Stock Repurchase Program") for an approximately one-year period, effective March 12, 2025 and terminating on March 31, 2026. The terms and conditions of the 2025 Stock Repurchase Program are substantially similar to the prior Renewed Stock Repurchase Program. The 2025 Stock Repurchase Program may be suspended or discontinued at any time. Subject to these restrictions, we will selectively pursue opportunities to repurchase shares which are accretive to net asset value per share.

During the three months ended June 30, 2025, the Company did not repurchase shares under the 2025 Stock Repurchase Program. During the three months ended June 30, 2024, the Company repurchased 79,722 shares under the Renewed Stock Repurchase Program at an aggregate cost of approximately \$1.6 million. During the six months ended June 30, 2025, the Company did not repurchase shares under the Renewed Stock Repurchase Program or the 2025 Stock Repurchase Program. During the six months ended June 30, 2024, the Company repurchased 130,737 shares under the Renewed Stock Repurchase Program at an aggregate cost of approximately \$2.6 million.

OFF-BALANCE SHEET ARRANGEMENTS

From time-to-time we are a party to financial instruments with off-balance sheet risk in the normal course of business in order to meet the needs of our investment in portfolio companies. Such instruments include commitments to extend credit and may involve, in varying degrees, elements of credit risk in excess of amounts recognized on our consolidated statements of assets and liabilities. Prior to extending such credit, we attempt to limit our credit risk by conducting extensive due diligence, obtaining collateral where necessary and negotiating appropriate financial covenants. As of June 30, 2025, and December 31, 2024, we had approximately \$32.7 million and \$27.2 million commitments to fund investments, respectively. We may also enter into derivative contracts with off-balance sheet risk in connection with our investing activities.

CONTRACTUAL OBLIGATIONS

The following table summarizes our contractual cash obligations and other commercial commitments as of June 30, 2025:

Contractual Obligations	Total	Payments Due by Period			
		Less than two years	2 - 3 years	4 - 5 years	More than 5 years
Long-term debt obligations	\$ 255,379	\$ 108,000	\$ 147,379	\$ —	\$ —

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The consolidated financial statements are based on the selection and application of critical accounting policies, which require management to make significant estimates and assumptions. Critical accounting policies are those that are both important to the presentation of our financial condition and results of operations and require management's most difficult, complex, or subjective judgments. Our critical accounting policies are those applicable to the basis of presentation, valuation of investments, and certain revenue recognition matters as discussed below. See Note 2 to our consolidated financial statements, "Significant Accounting Policies — Investments" contained elsewhere herein.

Valuation of Portfolio Investments

The most significant estimate inherent in the preparation of our consolidated financial statements is the valuation of investments and the related amounts of unrealized appreciation and depreciation of investments recorded.

Value, as defined in Section 2(a)(41) of 1940 Act, is (1) the market price for those securities for which a market quotation is readily available and (2) for all other securities and assets, fair value as determined in good faith by our Adviser pursuant to procedures approved by our Board. In December 2020, the SEC adopted Rule 2a-5 under the 1940 Act, which permits a BDC's board of directors to designate its investment adviser as a valuation designee to determine the fair value for its investment portfolio, subject to the active oversight of the board. Our Board has designated our Adviser as its "valuation designee" pursuant to Rule 2a-5 under the 1940 Act, and in that role our Adviser is responsible for performing fair value determinations relating to all of the Company's investments, including periodically assessing and managing any material valuation risks and establishing and applying fair value methodologies, in accordance with valuation policies and procedures that have been approved by the Board. Our Board remains ultimately responsible for making fair value determinations under the 1940 Act and satisfies its responsibility through oversight of the valuation designee in accordance with Rule 2a-5. Our valuation policy is intended to provide a consistent basis for determining the fair value of the portfolio based on the nature of the security, the market for the security and other considerations including the financial performance and enterprise value of the portfolio company. Because of the inherent uncertainty of valuation, the Adviser determined values may differ significantly from the values that would have been used had a ready market existed for the investments, and the differences could be material.

Pursuant to ASC 946: Financial Services — Investment Companies ("ASC 946"), we reflect our investments on our consolidated statements of assets and liabilities at their determined fair value with unrealized gains and losses resulting from changes in fair value reflected as a component of unrealized gains or losses on our statements of operations. Fair value is the amount that would be received to sell the investments in an orderly transaction between market participants at the measurement date (i.e., the exit price).

See Note 4 to the consolidated financial statements for the additional information about the level of market observability associated with investments carried at fair value.

We follow the provisions of ASC 820: Fair Value Measurements and Disclosures ("ASC 820: Fair Value"), which among other matters, requires enhanced disclosures about investments that are measured and reported at fair value. This standard defines fair value and establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value and expands disclosures about assets and liabilities measured at fair value. ASC 820: Fair Value defines "fair value" as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This fair value definition focuses on an exit price in the principle, or most advantageous market, and prioritizes, within a measurement of fair value, the use of market-based inputs (which may be weighted or adjusted for relevance, reliability and specific attributes relative to the subject investment) over entity-specific inputs. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. Subsequent to the adoption of ASC 820: Fair Value, the FASB has issued various staff positions clarifying the initial standard (see Note 2 to the consolidated financial statements: "Significant Accounting Policies — Investments").

ASC 820: Fair Value establishes the following three-level hierarchy, based upon the transparency of inputs to the fair value measurement of an asset or liability as of the measurement date:

- Level I – Unadjusted quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level I include listed equities and listed securities. As required by ASC 820: Fair Value, we do not adjust the quoted price for these investments, even in situations where we hold a large position and a sale could reasonably affect the quoted price.
- Level II – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. Such inputs may be quoted prices for similar assets or liabilities, quoted markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full character of the financial instrument, or inputs that are derived principally from, or corroborated by, observable market information. Investments which are generally included in this category include illiquid debt securities and less liquid, privately held or restricted equity securities, for which some level of recent trading activity has been observed.
- Level III – Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs may be based on our own assumptions about how market participants would price the asset or liability or may use Level II inputs, as adjusted, to reflect specific investment attributes relative to a broader market assumption. These inputs into the determination of fair value may require significant management judgment or estimation. Even if observable market data for comparable performance or valuation measures (earnings multiples, discount rates, other financial/valuation ratios, etc.) are available, such investments are grouped as Level III if any significant data point that is not also market observable (private company earnings, cash flows, etc.) is used in the valuation methodology.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. We assess of the significance of a particular input to the fair value measurement in its entirety requires judgment, and we consider factors specific to the investment. The majority of our investments are classified as Level III. We evaluate the source of inputs, including any markets in which its investments are trading, in determining fair value. Inputs that are backed by actual transactions, those that are highly correlated to the specific investment being valued and those derived from reliable or knowledgeable sources will tend to have a higher weighting in determining fair value. Our fair value determinations may include factors such as an assessment of each underlying investment, its current and prospective operating and financial performance, consideration of financing and sale transactions with third parties, expected cash flows and market-based information, including comparable transactions, performance factors, and other investment or industry specific market data, among other factors.

We have valued our investments, in the absence of observable market prices, using the valuation methodologies described below applied on a consistent basis. For some investments, little market activity may exist; management's determination of fair value is then based on the best information available in the circumstances, and may incorporate management's own assumptions and involves a significant degree of management's judgment.

Our investments in CLO Fund Securities are carried at fair value, which is based either on (i) the present value of the net expected cash inflows for interest income and principal repayments from underlying assets and the cash outflows for interest expense, debt paydown and other fund costs for the CLO Funds which are approaching or past the end of their reinvestment period and therefore are selling assets and/or using principal repayments to pay-down CLO Fund debt, and for which there continue to be net cash distributions to the class of securities we own, or (ii) a discounted cash flow model that utilizes prepayment and loss assumptions based on historical experience and projected performance, economic factors, the characteristics of the underlying cash flow and comparable yields for similar securities or preferred shares to those in which we have invested, or (iii) indicative prices provided by the underwriters or brokers who arrange CLO Funds. We recognize unrealized appreciation or depreciation on our investments in CLO Fund

Securities as comparable yields in the market change and/or based on changes in net asset values or estimated cash flows resulting from changes in prepayment or loss assumptions in the underlying collateral pool. As each investment in CLO Fund Securities ages, the expected amount of losses and the expected timing of recognition of such losses in the underlying collateral pool are updated and the revised cash flows are used in determining the fair value of the CLO Fund Securities. We determine the fair value of our investments in CLO Fund Securities on a security-by-security basis.

Our investments in our wholly-owned Asset Manager Affiliates are carried at fair value, which is primarily determined utilizing a discounted cash flow model which incorporates different levels of discount rates depending on the hierarchy of fees earned (including the likelihood of realization of senior, subordinate and incentive fees) and prospective modeled performance ("Discounted Cash Flow"). Such valuation takes into consideration an analysis of comparable asset management companies and a percentage of assets under management. The Asset Manager Affiliates are classified as a Level III investment (as described above). Any change in value from period to period is recognized as net change in unrealized appreciation or depreciation.

We carry investments in joint ventures at fair value based upon the fair value of the investments held by the joint venture.

Fair values of other investments for which market prices are not observable are determined by reference to public market or private transactions or valuations for comparable companies or assets in the relevant asset class and/or industry when such amounts are available. Generally, these valuations are derived by multiplying a key performance metric of the investee company or asset (e.g., EBITDA) by the relevant valuation multiple observed for comparable companies or transactions, adjusted by management for differences between the investment and the referenced comparable. Such investments may also be valued at cost for a period of time after an acquisition as the best indicator of fair value. If the fair value of such investments cannot be valued by reference to observable valuation measures for comparable companies, then the primary analytical method used to estimate the fair value is a discounted cash flow method and/or cap rate analysis. A sensitivity analysis is applied to the estimated future cash flows using various factors depending on the investment, including assumed growth rates (in cash flows), capitalization rates (for determining terminal values) and appropriate discount rates to determine a range of reasonable values or to compute projected return on investment.

For bond rated note tranches of CLO Fund securities (those above the junior class) without transactions to support a fair value for the specific CLO Fund and tranche, fair value is based on discounting estimated bond payments at current market yields, which may reflect the adjusted yield on the leveraged loan index for similarly rated tranches, as well as prices for similar tranches for other CLO Funds and also other factors such as indicative prices provided by underwriters or brokers who arrange CLO Funds, and the default and recovery rates of underlying assets in the CLO Fund, as may be applicable. Such model assumptions may vary and incorporate adjustments for risk premiums and CLO Fund specific attributes.

We derive fair value for our illiquid loan investments that do not have indicative fair values based upon active trades primarily by using the Income Approach, and also consider recent loan amendments or other activity specific to the subject asset as described above. Other significant assumptions, such as coupon and maturity, are asset-specific and are noted for each investment in the Schedules of Investments.

The determination of fair value using this methodology takes into consideration a range of factors, including but not limited to the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the acquisition of the investment. This valuation methodology involves a significant degree of our judgment.

Our Adviser may consider other methods of valuation to determine the fair value of investments as appropriate in conformity with U.S. GAAP.

Interest Income

Interest income, including amortization of premium and accretion of discount and accrual of payment-in-kind ("PIK") interest, is recorded on the accrual basis to the extent that such amounts are expected to be collected. We generally place a loan or security on non-accrual status and cease recognizing interest income on such loan or security when a loan or security becomes 90 days or more past due or if we otherwise do not expect the debtor to be able to service its debt obligations. For investments with PIK interest, which represents contractual interest accrued and added to the principal balance that generally becomes due at maturity, we will not accrue PIK interest if the portfolio company valuation indicates that the PIK interest is not collectible (i.e. via a partial or full non-accrual). Loans which are on partial or full non-accrual remain in such status until the borrower has demonstrated the ability and intent to pay contractual amounts due or such loans become current. As of June 30, 2025, six of our debt investments were on non-accrual status. However, for a subset of the non-accrual population, the Company continues to recognize interest income on a cash basis, i.e., only when cash payments are actually received. Refer to the Consolidated Schedule of Investments for further details.

Investment Income on CLO Fund Securities

We receive distributions from our investments in the most junior class of securities of CLO Funds (typically preferred shares or subordinated securities). Our CLO Fund junior class securities are subordinated to senior note holders who typically receive a return on their investment at a fixed spread relative to the SOFR index. The CLO Funds are leveraged funds and any excess cash flow or "excess spread" (interest earned by the underlying securities in the fund less payments made to senior note holders and less fund expenses and management fees) is paid to the holders of the CLO Fund's subordinated securities or preferred shares. The level of excess spread from CLO Fund Securities can be impacted from the timing and level of the resetting of the benchmark interest rate for the underlying assets (which reset at various times throughout the quarter) in the CLO Fund and the related CLO Fund note liabilities (which reset at each quarterly distribution date); in periods of short-term and volatile changes in the benchmark interest rate, the levels of excess spread and distributions to us can vary significantly. In addition, the failure of CLO Funds in which we invest to comply with certain financial covenants may lead to the temporary suspension or deferral of cash distributions to us.

U.S. GAAP-basis investment income on CLO equity investments is recorded using the effective interest method in accordance with the provisions of ASC 325-40, based on the anticipated yield and the estimated cash flows over the projected life of the investment. Yields are revised when there are changes in actual or estimated projected future cash flows due to changes in prepayments and/or re-investments, credit losses or asset pricing. Changes in estimated yield are recognized as an adjustment to the estimated yield prospectively over the remaining life of the investment from the date the estimated yield was changed. Accordingly, investment income recognized on CLO equity securities in the U.S. GAAP statement of operations differs from both the tax-basis investment income and from the cash distributions actually received by us during the period. For U.S. tax purposes, these CLO equity investments are generally treated as PFICs. Taxable income is provided on a PFIC statement, where income and capital gains are determined based on the U.S. shareholder's proportionate ownership of the PFIC.

For non-junior class CLO Fund Securities interest is earned at a fixed spread relative to the SOFR index.

Payment in Kind Interest

We may have loans in our portfolio that contain a PIK provision. PIK interest, computed at the contractual rate specified in each loan agreement, is added to the principal balance of the loan and recorded as interest income. To maintain our RIC status, this non-cash source of income must be distributed to stockholders in the form of cash dividends, even though we have not yet collected any cash.

Fees and Other Income

Origination fees (to the extent services are performed to earn such income upon closing), amendment fees, consent fees, and other fees associated with investments in portfolio companies are recognized as income when they are earned. Prepayment penalties received by the Company for debt instruments repaid prior to maturity date are recorded as income upon receipt.

United States Federal Income Taxes

We have elected to be treated as a RIC and intend to continue to qualify for the tax treatment applicable to RICs under Subchapter M of the Code and, among other things, intend to make the required distributions to our stockholders as specified therein. In order to qualify for tax treatment as a RIC, the Company is required to timely distribute to its stockholders at least 90% of investment company taxable income, as defined by the Code, for each year. Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year distributions into the next tax year and pay a 4% excise tax on such income, to the extent required.

Recent Developments

On July 15, 2025, the Company announced the completion of its acquisition of Logan Ridge Finance Corporation, a Maryland corporation ("LRFC", and such transaction, the "LRFC Acquisition"), pursuant to the terms of the merger agreement, dated January 29, 2025 (the "LRFC Merger Agreement"). To effect the acquisition, a wholly owned merger subsidiary of the Company merged with and into LRFC, with LRFC surviving the merger as the Company's wholly owned subsidiary. Immediately thereafter and as a single integrated transaction, LRFC consummated a second merger, whereby LRFC merged with and into the Company, with the Company surviving the merger. Based on July 11, 2025 financial data, the combined company had total assets in excess of \$600 million. Under the terms of the LRFC Merger Agreement, each share of LRFC common stock issued and outstanding was converted into the right to receive 1,500 newly-issued shares of common stock of the Company with cash to be paid (without interest) in lieu of fractional shares. As additional consideration funded by LRFC's investment adviser, LRFC shareholders of record as of May 6, 2025 received a cash payment of \$0.47 per share. In addition, LRFC shareholders of record as of July 14, 2025 received a tax distribution of \$0.38 per share from LRFC. The Company will seek to leverage the combined company's enhanced scale, further diversified portfolio, cost savings due to lower overall operating expenses, and improved stock trading liquidity to deliver compelling risk-adjusted returns for its shareholders. Please see the Company's Current Report on Form 8-K filed on July 16, 2025 for more information.

On August 7, 2025, the Company declared a regular quarterly base distribution of \$0.47 per share of common stock and a supplemental cash distribution of \$0.02 per share of common stock.. The distribution is payable on August 29, 2025 to stockholders of record at the close of business on August 18, 2025.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our business activities contain elements of market risks. We consider our principal market risks to be fluctuations in interest rates and the valuations of our investment portfolio. Managing these risks is essential to our business. Accordingly, we have systems and procedures designed to identify and analyze our risks, to establish appropriate policies and thresholds and to continually monitor these risks and thresholds by means of administrative and information technology systems and other policies and processes.

Interest Rate Risk

Interest rate risk is defined as the sensitivity of our current and future earnings to interest rate volatility, variability of spread relationships, the difference in re-pricing intervals between our assets and liabilities and the effect that interest rates may have on our cash flows. Changes in the general level of interest rates can affect our net interest income, which is the difference between the interest income earned on interest earning assets and our interest expense incurred in connection with our interest-bearing debt and liabilities. Changes in interest rates can also affect, among other things, our ability to acquire and originate loans and securities and the value of our investment portfolio.

Our investment income is affected by fluctuations in various interest rates, including SOFR and prime rates. As of June 30, 2025, approximately 86.9% of our Debt Securities Portfolio were either floating rate with a spread to an interest rate index such as SOFR or the prime rate. 86.5% 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. As of June 30, 2025, we had \$255.4 million (par value) of borrowings outstanding at a current weighted average interest rate of 6.0%, of which \$108.0 million par value had a fixed rate and \$147.4 million par value has a floating rate.

Because we borrow money to make investments, our net investment income is dependent upon the difference between our borrowing rate and the rate we earn on the invested proceeds borrowed. In periods of rising or lowering interest rates, the cost of the portion of our debt associated with our fixed rate borrowings would remain the same, while the interest rate on borrowings under the Revolving Credit Facility would fluctuate with changes in interest rates.

Generally, we would expect that an increase in the base rate index for our floating rate investment assets would increase our gross investment income and that a decrease in the base rate index for such assets would decrease our gross investment income (in either case, such increase/decrease may be limited by interest rate floors/minimums for certain investment assets).

We have analyzed the potential impact of changes in interest rates on interest income net of interest expense. Assuming that our consolidated statement of assets and liabilities at June 30, 2025 was to remain constant and no actions were taken to alter the existing interest rate sensitivity, the table below illustrates the impact on net investment income on our Debt Securities Portfolio for various hypothetical increases in interest rates:

(\$ in thousands)	Impact on net investment income from a change in interest rates at:					
		1%		2%		3%
Increase in interest rate	\$	1,477	\$	2,955	\$	4,432
Decrease in interest rate	\$	(1,477)	\$	(2,912)	\$	(4,105)

As shown above, net investment income assuming a 1% increase in interest rates would increase by approximately \$1.5 million on an annualized basis. If the increase in rates was more significant, such as 2% or 3%, the net effect on net investment income would be an increase of approximately \$3.0 million and \$4.4 million, respectively.

On an annualized basis, a decrease in interest rates of 1% would result in a decrease in net investment income of approximately \$1.5 million. A decrease in interest rates of 2% and 3% would result in a decrease in net investment income of approximately \$2.9 million and \$4.1 million, respectively. The effect on net investment income from declines in interest rates is impacted by interest rate floors on certain of our floating rate investments, as there is no floor on our floating rate debt facility.

Although management believes that this measure is indicative of sensitivity to interest rate changes on our Debt Securities Portfolio, it does not adjust for potential changes in credit quality, size and composition of the assets on the consolidated statements of assets and liabilities and other business developments that could affect a net change in assets resulting from operations or net income. Accordingly, no assurances can be given that actual results would not materially differ from the potential outcome simulated by this estimate.

Portfolio Valuation

We carry our investments at fair value, as determined in good faith by our Adviser pursuant to valuation procedures approved by our Board. Investments for which market quotations are generally readily available are generally valued at such market quotations. Investments for which there is not a readily available market value are valued at fair value as determined in good faith by our Adviser under a valuation policy and consistently applied valuation process. However, due to the inherent uncertainty of determining the fair value of investments that cannot be marked to market, the fair value of our investments may differ materially from the values that would have been used had a ready market existed for such investments. In addition, changes in the market environment and other events that may occur over the life of the investments may cause the value realized on these investments to be different than the valuations that are assigned. The types of factors that we may take into account in fair value pricing of our investments include, as relevant, the nature and realizable value of any collateral, third party valuations, the portfolio company's ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business, comparison to publicly-traded securities, recent sales of or offers to buy comparable companies, and other relevant factors.

The Adviser has engaged an independent valuation firm to provide third party valuation consulting services. Each quarter, the independent valuation firm will perform third party valuations on the Company's material investments in illiquid securities such that they are reviewed at least once during a trailing 12-month period. These third-party valuation estimates were considered as one of the relevant data inputs in the Adviser's determination of fair value. The Adviser intends to continue to engage an independent valuation firm in the future to provide certain valuation services, including the review of certain portfolio assets, as part of the quarterly and annual year-end valuation process.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, under the supervision and with the participation of various members of management, including its Chief Executive Officer ("CEO") and its Chief Financial Officer ("CFO"), has evaluated the effectiveness of its disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) of the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the Company's CEO and CFO have concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Acts recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosures as of the end of the period covered by this report.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. Other Information

Item 1. Legal Proceedings

The Company is not currently a party to any material legal proceedings.

Item 1A. Risk Factors

There have been no material changes during the quarter ended June 30, 2025 to the risk factors that were included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Other than the shares issued pursuant to our dividend reinvestment plan (“DRIP”), we did not engage in any sales of unregistered securities during the three and six months ended June 30, 2025, except as previously reported by us on our current reports on Form 8-K. We issued a total of 4,981 and 9,676 shares of common stock under our dividend reinvestment plan (“DRIP”) during the three and six months ended June 30, 2025, respectively. This issuance was not subject to the registration requirements of the Securities Act. For the three and six months ended June 30, 2025, the aggregate value of the shares of our common stock issued under our DRIP was approximately \$0.1 million and \$0.1 million, respectively.

The following table sets forth information regarding recent repurchases of shares of our common stock.

	Total Number of Shares Purchased	Average Price Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (Dollars in Thousands)
January 1, 2025 through January 31, 2025	—	\$ —	—	\$ 6,320
February 1, 2025 through February 28, 2025	—	\$ —	—	\$ 6,320
March 1, 2025 through March 31, 2025	—	\$ —	—	\$ 10,000
April 1, 2025 through April 30, 2025	—	\$ —	—	\$ 10,000
May 1, 2025 through May 31, 2025	—	\$ —	—	\$ 10,000
June 1, 2025 through June 30, 2025	—	\$ —	—	\$ 10,000
Total	—	—	—	—

(1) On March 11, 2024, the Board of Directors of the Company authorized a renewed stock repurchase program of up to \$10 million (the “Renewed Stock Repurchase Program”) for an approximately one-year period, effective March 11, 2024 and terminating on March 31, 2025. Under this repurchase program, shares may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise subject to any law or agreement to which we are party including any restrictions in the 1940 Act or the indenture for our 4.875% Notes due 2026. The timing and actual number of shares repurchased will depend on a variety of factors, including legal requirements, price, and economic and market conditions. This Renewed Stock Repurchase Program may be suspended or discontinued at any time. Subject to these restrictions, we will selectively pursue opportunities to repurchase shares which are accretive to net asset value per share. On March 12, 2025, the Board of Directors of the Company authorized once more a renewed stock repurchase program of up to \$10 million (the “2025 Stock Repurchase Program”) for an approximately one-year period, effective March 12, 2025 and terminating on March 31, 2026. The terms and conditions of the 2025 Stock Repurchase Program are substantially similar to the prior Renewed Stock Repurchase Program. The 2025 Stock Repurchase Program may be suspended or discontinued at any time. Subject to these restrictions, we will selectively pursue opportunities to repurchase shares which are accretive to net asset value per share.

As permitted by our policies and procedures governing transactions in our securities by our directors, executive officers and other employees, from time to time some of these persons may establish plans or arrangements complying with Rule 10b5-1 under the Exchange Act, and similar plans and arrangements relating to our common stock.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

During the three months ended June 30, 2025, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Reference is made to the Exhibit List filed as a part of this report beginning on page 58. Each of such exhibits is incorporated by reference herein.

**CERTIFICATION PURSUANT TO
RULE 13a-14(a) and 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Edward Goldthorpe, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 of Portman Ridge Finance Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 7, 2025

By: /s/ Edward Goldthorpe

**Edward Goldthorpe
President and Chief Executive Officer
(Principal Executive Officer)**

**CERTIFICATION PURSUANT TO
RULE 13a-14(a) and 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Brandon Satoren, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 of Portman Ridge Finance Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 7, 2025

By: /s/ Brandon Satoren

**Brandon Satoren
Chief Financial Officer
(Principal Financial and Accounting Officer)**

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE, AS ADOPTED PURSUANT
TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Quarterly Report of Portman Ridge Finance Corporation (the "Company") on Form 10-Q for the quarter ended June 30, 2025 (the "Report"), I, Edward Goldthorpe, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2025

By: /s/ Edward Goldthorpe

**Edward Goldthorpe
President and Chief Executive Officer
(Principal Executive Officer)**

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE, AS ADOPTED PURSUANT
TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Quarterly Report of Portman Ridge Finance Corporation, (the "Company") on Form 10-Q for the quarter ended June 30, 2025 (the "Report"), I, Brandon Satoren, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2025

By: /s/ Brandon Satoren

**Brandon Satoren
Chief Financial Officer
(Principal Financial and Accounting Officer)**

Consolidated Financial Statements

Logan Ridge Finance Corporation

As of June 30, 2025 and December 31, 2024 and for the three
and six months ended June 30, 2025 and June 30, 2024

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FINANCIAL INFORMATION
LOGAN RIDGE FINANCE CORPORATION
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(in thousands, except share and per share data)

	As of June 30, 2025 (unaudited)	As of December 31, 2024
ASSETS		
Investments at fair value:		
Non-control/non-affiliate investments (amortized cost of \$166,327 and \$152,393, respectively)	\$ 146,640	\$ 138,079
Affiliate investments (amortized cost of \$34,964 and \$39,039, respectively)	25,747	34,211
Total investments at fair value (amortized cost of \$201,291 and \$191,432, respectively)	172,387	172,290
Cash and cash equivalents	8,588	15,015
Interest and dividend receivable	1,636	1,404
Prepaid expenses and other capitalized assets	3,157	2,543
Receivable for unsettled trades	1,200	1,082
Other assets	361	335
Total assets	<u>\$ 187,329</u>	<u>\$ 192,669</u>
LIABILITIES		
2026 Notes (net of deferred financing costs and original issue discount of \$510 and \$694, respectively)	\$ 49,490	\$ 49,306
2032 Convertible Notes (net of deferred financing costs and original issue discount of \$136 and \$439, respectively)	2,364	7,061
KeyBank Credit Facility (net of deferred financing costs of \$1,030 and \$1,147, respectively)	51,302	47,607
Management and incentive fees payable	799	834
Interest and financing fees payable	870	942
Accounts payable and accrued expenses	1,719	1,820
Payable for unsettled trades	3,560	—
Total liabilities	<u>\$ 110,104</u>	<u>\$ 107,570</u>
Commitments and contingencies (Note 2)		
NET ASSETS		
Common stock, par value \$0.01, 100,000,000 shares of common stock authorized, 2,656,065 and 2,655,898 shares of common stock issued and outstanding, respectively	\$ 27	\$ 27
Capital in excess of par value	188,862	188,858
Total distributable loss	(111,664)	(103,786)
Total net assets	<u>\$ 77,225</u>	<u>\$ 85,099</u>
Total liabilities and net assets	<u>\$ 187,329</u>	<u>\$ 192,669</u>
Net asset value per share	\$ 29.07	\$ 32.04

See accompanying notes to consolidated financial statements

LOGAN RIDGE FINANCE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)
(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
INVESTMENT INCOME				
Interest income:				
Non-control/non-affiliate investments	\$ 4,089	\$ 4,526	\$ 7,788	\$ 9,159
Affiliate investments	209	109	416	109
Total interest income	4,298	4,635	8,204	9,268
Payment-in-kind interest and dividend income:				
Non-control/non-affiliate investments	425 ⁽¹⁾	476	857 ⁽¹⁾	812
Affiliate investments	117	42	232	59
Total payment-in-kind interest and dividend income	542	518	1,089	871
Dividend income:				
Affiliate investments	122	17	265	34
Total dividend income	122	17	265	34
Other income:				
Non-control/non-affiliate investments	48	46	83	46
Affiliate investments	—	154	—	154
Total other income	48	200	83	200
Total investment income	5,010	5,370	9,641	10,373
EXPENSES				
Interest and financing expenses	1,890	2,303	3,703	4,310
Base management fee	799	909	1,604	1,802
Directors' expense	135	175	251	325
Administrative service fees	261	255	533	456
General and administrative expenses	689	978	1,386	1,783
Total expenses	3,774	4,620	7,477	8,676
NET INVESTMENT INCOME	1,236	750	2,164	1,697
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Net realized gain (loss) on investments:				
Non-control/non-affiliate investments	(686)	(200)	(616)	87
Affiliate investments	—	—	2,533	—
Net realized gain (loss) on investments	(686)	(200)	1,917	87
Net change in unrealized appreciation (depreciation) on investments:				
Non-control/non-affiliate investments	(361)	(2,556)	(5,373)	(6,460)
Affiliate investments	(646)	1,464	(4,389)	6,043
Net change in unrealized appreciation (depreciation) on investments	(1,007)	(1,092)	(9,762)	(417)
Total net realized and change in unrealized gain (loss) on investments	(1,693)	(1,292)	(7,845)	(330)
Total net realized and unrealized gain (loss) on investments, net of taxes	(1,693)	(1,292)	(7,845)	(330)
Net realized loss on extinguishment of debt	(140)	(116)	(286)	(174)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ (597)	\$ (658)	\$ (5,967)	\$ 1,193
NET INCREASE (DECREASE) IN NET ASSETS PER SHARE RESULTING				
FROM OPERATIONS – BASIC & DILUTED (SEE NOTE 9)	\$ (0.22)	\$ (0.25)	\$ (2.25)	\$ 0.45
WEIGHTED AVERAGE COMMON STOCK OUTSTANDING				
– BASIC & DILUTED (SEE NOTE 9)	2,656,006	2,676,018	2,655,953	2,677,187
DISTRIBUTIONS PAID PER SHARE	\$ 0.36	\$ 0.33	\$ 0.72	\$ 0.65

⁽¹⁾ During the three and six months ended June 30, 2025, the Company received less than \$0.1 million of non-recurring fee income that was paid in-kind and included in this financial statement line item.

See accompanying notes to consolidated financial statements.

LOGAN RIDGE FINANCE CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
(in thousands, except share data)
(unaudited)

For the Three Months Ended June 30, 2025 and 2024	Common Stock		27	Additional Paid in Capital	Total Distributable Loss	Total
	Number of Shares	Par Value				
BALANCE, March 31, 2025	2,655,973	\$	27	\$ 188,860	\$ (110,112)	\$ 78,775
Net investment income	—	—	—	—	1,236	1,236
Net realized loss on investments	—	—	—	—	(686)	(686)
Net realized loss on extinguishment of debt	—	—	—	—	(140)	(140)
Net change in unrealized depreciation on investments	—	—	—	—	(1,007)	(1,007)
Stock issued under dividend reinvestment plan	92	—	—	2	—	2
Distributions declared	—	—	—	—	(955)	(955)
BALANCE, June 30, 2025	<u>2,656,065</u>	<u>\$</u>	<u>27</u>	<u>\$ 188,862</u>	<u>\$ (111,664)</u>	<u>\$ 77,225</u>
BALANCE, March 31, 2024	2,675,936	\$	27	\$ 188,430	\$ (98,262)	\$ 90,195
Net investment income	—	—	—	—	750	750
Net realized loss on investments	—	—	—	—	(200)	(200)
Net realized loss on extinguishment of debt	—	—	—	—	(116)	(116)
Net change in unrealized depreciation on investments	—	—	—	—	(1,092)	(1,092)
Stock issued under dividend reinvestment plan	126	—	—	7	—	7
Distributions declared	—	—	—	—	(883)	(883)
BALANCE, June 30, 2024	<u>2,676,062</u>	<u>\$</u>	<u>27</u>	<u>\$ 188,437</u>	<u>\$ (99,803)</u>	<u>\$ 88,661</u>

For the Six Months Ended June 30, 2025 and 2024	Common Stock		27	Additional Paid in Capital	Total Distributable Loss	Total
	Number of Shares	Par Value				
BALANCE, December 31, 2024	2,655,898	\$	27	\$ 188,858	\$ (103,786)	\$ 85,099
Net investment income	—	—	—	—	2,164	2,164
Net realized gain on investments	—	—	—	—	1,917	1,917
Net realized loss on extinguishment of debt	—	—	—	—	(286)	(286)
Net change in unrealized depreciation on investments	—	—	—	—	(9,762)	(9,762)
Stock issued under dividend reinvestment plan	167	—	—	4	—	4
Distributions declared	—	—	—	—	(1,911)	(1,911)
BALANCE, June 30, 2025	<u>2,656,065</u>	<u>\$</u>	<u>27</u>	<u>\$ 188,862</u>	<u>\$ (111,664)</u>	<u>\$ 77,225</u>
BALANCE, December 31, 2023	2,674,698	\$	27	\$ 188,405	\$ (99,257)	\$ 89,175
Net investment income	—	—	—	—	1,697	1,697
Net realized gain on investments	—	—	—	—	87	87
Net realized loss on extinguishment of debt	—	—	—	—	(174)	(174)
Net change in unrealized depreciation on investments	—	—	—	—	(417)	(417)
Issuance of common stock in debt conversion	22,105	—	—	496	—	496
Repurchase of common stock	(20,867)	—	—	(471)	—	(471)
Stock issued under dividend reinvestment plan	126	—	—	7	—	7
Distributions declared	—	—	—	—	(1,739)	(1,739)
BALANCE, June 30, 2024	<u>2,676,062</u>	<u>\$</u>	<u>27</u>	<u>\$ 188,437</u>	<u>\$ (99,803)</u>	<u>\$ 88,661</u>

See accompanying notes to consolidated financial statements.

LOGAN RIDGE FINANCE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	For the Six Months Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase (decrease) in net assets resulting from operations	\$ (5,967)	\$ 1,193
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchase of investments	(24,584)	(11,335)
Repayments and sales of investments	18,110	6,495
Net realized (gain) loss on investments	(1,917)	(87)
Net realized loss on extinguishment of debt	286	174
Net change in unrealized (appreciation) depreciation on investments	9,762	417
Payment-in-kind interest and dividends	(1,018)	(871)
Accretion of original issue discount on investments	(450)	(514)
Amortization of deferred financing fees and original issue discount	324	420
Changes in assets and liabilities:		
Interest and dividend receivable	(232)	(643)
Prepaid expenses	(614)	380
Receivable for unsettled trades	(118)	—
Other assets	(26)	(687)
Management and incentive fees payable	(35)	40
Interest and financing fees payable	(72)	143
Payable for unsettled trades	3,560	(3,747)
Accounts payable and accrued expenses	(101)	163
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(3,092)	(8,459)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of 2032 Convertible Notes	(5,000)	(2,500)
Borrowings under KeyBank Credit Facility	26,000	16,000
Repayments under KeyBank Credit Facility	(22,421)	(2,447)
Distributions paid to shareholders	(1,907)	(1,732)
Repurchase of common stock	—	(471)
Deferred financing fees paid	(7)	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(3,335)	8,850
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,427)	391
CASH AND CASH EQUIVALENTS, beginning of period	15,015	3,893
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 8,588</u>	<u>\$ 4,284</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 3,432	\$ 3,724
Cash paid for taxes	\$ 27	\$ —
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS		
Issuance of common stock on our convertible debt	\$ —	\$ 500
Distributions paid through dividend reinvestment plan share issuances	\$ 4	\$ 7

See accompanying notes to consolidated financial statements

LOGAN RIDGE FINANCE CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
(in thousands, except for units/shares)
June 30, 2025
(unaudited)

Investment (1), (2), (3), (4), (5)	Industry	Interest Rate (+)	Reference Rate and Spread (+)	Floor (+)	Maturity	Par/Shares (++)	Cost	Fair Value	Footnotes
Investments in Non-Control, Non-Affiliate Portfolio Companies - 189.9%									
First Lien/Senior Secured Debt - 139.6%									
Accordion Partners LLC	Industrials	9.56%	SOFR + 5.25%	0.75%	11/17/2031	2,628	\$ 2,613	\$ 2,618	(12)(16)
Accordion Partners LLC (Revolver)	Industrials	—	SOFR + 5.25%	0.75%	11/17/2031	—	(4)	(3)	(12)(17)
Accurate Background, LLC	Information Technology	10.56%	SOFR + 6.00%	1.00%	03/26/2029	4,345	4,145	4,245	(16)
AIDC Intermediateco 2, LLC (Peak Technologies)	Information Technology	9.83%	SOFR + 5.50%	1.00%	07/22/2027	4,875	4,839	4,832	(16)
American Academy Holdings, LLC	Healthcare	14.19%	SOFR + 9.75%, 5.25% PIK	3.25%	06/30/2027	2,795	2,787	2,955	(16)
Astro Acquisition, LLC (Cooper Machinery Services)	Industrials	9.47%	SOFR + 5.50%	1.00%	12/13/2027	1,975	1,962	1,975	(16)
BetaNXT, Inc.	Financials	10.05%	SOFR + 5.75%	—	07/02/2029	2,328	2,207	2,243	(16)
BetaNXT, Inc. (Revolver)	Financials	8.80%	SOFR + 4.50%	—	07/01/2027	181	181	165	(12)
Bradshaw International, Inc.	Consumer Discretionary	10.18%	SOFR + 5.75%	1.00%	10/21/2027	488	483	485	(16)
Bradshaw International, Inc. (Revolver)	Consumer Discretionary	—	SOFR + 5.75%	1.00%	10/21/2026	—	(6)	(7)	(12)(17)
DataLink, LLC	Healthcare	13.68%	SOFR + 9.25%	1.00%	11/23/2026	5,621	5,621	3,977	(16)
Dentive, LLC	Healthcare	11.05%	SOFR + 6.75%	0.75%	12/26/2028	1,778	1,743	1,733	(16)
Dentive, LLC (Revolver)	Healthcare	11.05%	SOFR + 6.75%	0.75%	12/26/2028	164	161	160	(12)
Epic Staffing Group	Industrials	10.29%	SOFR + 6.00%	0.50%	06/28/2029	4,860	4,723	4,387	(16)
Florida Food Products, LLC	Consumer Staples	9.30%	SOFR + 5.00%	0.75%	10/18/2028	1,950	1,888	1,326	(16)
Fulcrum US Holdings, Inc. (Revolver)	Information Technology	13.50%	Prime + 6.00%	—	07/15/2025	4,000	4,000	4,000	(16)
GP Midco, LLC (Beauty by Imagination)	Consumer Staples	9.51%	SOFR + 5.25%	1.00%	11/01/2030	3,980	3,934	3,960	(16)
H.W. Lochner, Inc.	Industrials	10.68%	SOFR + 6.25%	1.00%	07/02/2027	2,535	2,493	2,535	(16)
IDC Infusion Services LLC	Healthcare	10.80%	SOFR + 6.50%	1.00%	07/07/2028	2,861	2,826	2,873	(12)(16)
Ivanti Software, Inc.	Information Technology	10.02%	SOFR + 5.75%	2.00%	06/01/2029	222	211	229	(16)
Keg Logistics LLC	Consumer Discretionary	11.23%	SOFR + 6.75%	1.00%	11/23/2027	7,289	7,246	7,161	(16)
Keg Logistics LLC (Revolver)	Consumer Discretionary	11.21%	SOFR + 6.75%	1.00%	11/23/2027	872	867	857	(16)
Material Handling Systems, Inc.	Industrials	9.72%	SOFR + 5.50%	0.50%	06/08/2029	751	706	596	(16)
Middle West Spirits, LLC	Information Technology	10.53%	SOFR + 6.25%	—	04/23/2030	3,264	3,202	3,198	(16)
Middle West Spirits, LLC (Revolver)	Information Technology	—	SOFR + 6.25%	—	04/23/2030	—	(18)	(19)	(12)(17)
Money Transfer Acquisition Inc.	Financials	12.68%	SOFR + 8.25%	1.00%	12/14/2027	5,926	5,868	5,805	(16)
Morae Global Corporation - Term Loan A	Information Technology	12.43%	SOFR + 8.00%	2.00%	10/31/2028	2,939	2,784	2,860	(12)(16)
Morae Global Corporation - Term Loan B	Information Technology	12.43%	SOFR + 8.00%	2.00%	10/31/2028	1,699	1,608	1,667	(16)
Morae Global Corporation (Revolver)	Information Technology	12.42%	SOFR + 8.00%	2.00%	10/31/2028	233	226	228	(12)
Neptune BidCo US Inc.	Communication Services	9.33%	SOFR + 5.00%	0.50%	04/11/2029	1,470	1,372	1,394	(16)
Newbury Franklin Industrials, LLC	Industrials	11.18%	SOFR + 7.00%	2.00%	12/11/2029	2,396	2,336	2,335	(12)(16)
Orthopaedic (ITC) Buyer, LLC	Healthcare	10.90%	SOFR + 6.50%	1.00%	07/31/2028	2,321	2,291	2,339	(16)
PhyNet Dermatology LLC	Healthcare	10.77%	SOFR + 6.50%	1.00%	10/20/2029	483	474	475	(12)(16)
PMA Parent Holdings LLC	Financials	9.80%	SOFR + 5.50%	0.75%	01/31/2031	1,398	1,379	1,380	(16)
PMA Parent Holdings LLC (Revolver)	Financials	—	SOFR + 5.50%	0.75%	01/31/2031	—	(1)	(1)	(12)(17)
Premier Imaging, LLC	Healthcare	10.56%	SOFR + 6.00%	1.00%	03/31/2026	2,943	2,939	2,583	(16)
RN Enterprises, LLC	Healthcare	9.02%	SOFR + 5.25%	0.75%	10/17/2031	2,398	2,373	2,370	(12)(16)
Sequoia Healthcare Management LLC	Healthcare Management	—	—	—	11/04/2023	11,935	11,935	477	(7)
South Street Securities Holdings, Inc.	Financials	9.00%	—	—	09/20/2027	450	418	402	(16)
Spark Buyer, LLC	Industrials	9.57%	SOFR + 5.25%	0.75%	10/15/2031	1,421	1,406	1,411	(12)(16)
STG Distribution, LLC (STG Logistics) (Second Out)	Industrials	11.92%	SOFR + 7.60%, 6.50% PIK	1.50%	10/03/2029	1,022	647	345	(16)
STG Distribution, LLC (STG Logistics) (Third Out)	Industrials	11.42%	SOFR + 7.10%, 6.00% PIK	1.50%	10/03/2029	764	295	95	(16)
Synamedia Americas Holdings, Inc.	Communication Services	10.80%	SOFR + 6.50%	1.00%	12/05/2028	7,110	7,091	7,089	(16)
Tactical Air Support, Inc.	Industrials	12.86%	SOFR + 8.50%	1.00%	12/22/2028	1,925	1,896	1,913	(16)
Taoglas Group Holdings Limited	Information Technology	11.55%	SOFR + 7.25%	1.00%	02/28/2029	2,302	2,260	2,270	(16)
Taoglas Group Holdings Limited (Revolver)	Information Technology	11.54%	SOFR + 7.25%	1.00%	02/28/2029	575	563	566	(12)(16)
VBC Spine Opco LLC (DxTx Pain and Spine LLC)	Healthcare	12.46%	SOFR + 8.00%	2.00%	06/14/2028	1,502	1,487	1,502	(16)
VBC Spine Opco LLC (DxTx Pain and Spine LLC) (Revolver)	Healthcare	12.47%	SOFR + 8.00%	2.00%	06/14/2028	97	95	97	(12)
Validity, Inc.	Information Technology	9.58%	SOFR + 5.25%	—	04/12/2032	2,000	1,960	1,960	(16)
VTX Intermediate Holdings, Inc.	Information Technology	11.58%	SOFR + 7.00%, 1.00% PIK	2.00%	12/12/2029	5,148	5,102	5,110	(16)
Wealth Enhancement Group, LLC	Financials	9.29%	SOFR + 5.00%	1.00%	10/02/2028	4,540	4,527	4,540	(16)
Wealth Enhancement Group, LLC (Revolver)	Financials	—	SOFR + 5.00%	1.00%	10/02/2028	—	(1)	—	(12)(17)
Total First Lien/Senior Secured Debt							122,140	107,793	
Second Lien/Senior Secured Debt - 11.4%									
American Academy Holdings, LLC	Healthcare	14.50% PIK	—	—	03/01/2028	5,114	5,072	5,037	(16)
BLST Operating Company, LLC	Online Merchandise Retailer	12.94%	SOFR + 8.50%	1.50%	01/31/2026	1,238	1,238	1,151	(8)(16)
Ivanti Software, Inc.	Information Technology	11.78%	SOFR + 7.25%	0.50%	06/01/2029	3,030	3,016	1,745	(16)
VTX Intermediate Holdings, Inc.	Information Technology	12.50% PIK	—	—	12/12/2030	912	896	888	(16)
Total Second Lien/Senior Secured Debt							10,222	8,821	
Subordinated Debt - 29.7%									
DeltaDx Limited, LP (Money Transfer Acquisition Inc.)	Financials	15.00% PIK	—	—	06/14/2028	358	358	358	(16)
Eastport Holdings, LLC	Business Services	13.09%	SOFR + 8.50%	1.00%	09/29/2027	19,250	19,251	19,250	(16)
Lucky Bucks, LLC	Consumer Discretionary	—	—	—	05/29/2028	2,503	2,229	485	(7)
Tubular Textile Machinery, Inc.	Textile Equipment Manufacturer	5.00%	—	—	10/29/2027	5,224	5,224	2,865	(16)
Total Subordinated Debt							27,062	22,958	
Preferred Stock and Units - 2.6%									
American Academy Holdings, LLC	Healthcare	—	—	—	—	102,261	—	184	(6)
MicroHoldco, LLC	General Industrial	—	—	—	—	740,237	749	740	(11)
Middle West Spirits, LLC	Information Technology	10.00% PIK	—	—	—	350,000	344	344	(16)
Taylor Precision Products, Inc. - Series C	Household Product Manufacturer	—	—	—	—	379	758	758	(16)
VTX Holdings, LLC - Series C	Information Technology	—	—	—	—	441,252	—	11	(16)
Total Preferred Stock and Units							1,851	2,037	

See accompanying notes to consolidated financial statements

LOGAN RIDGE FINANCE CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS - CONTINUED
(in thousands, except for units/shares)
June 30, 2025

(unaudited)

Investment (1), (2), (3), (4), (5)	Industry	Interest Rate (+)	Reference Rate and Spread (+)	Floor (+)	Maturity	Par/Shares (++)	Cost	Fair Value	Footnotes
Common Stock and Membership Units - 6.5%									
American Academy Holdings, LLC	Healthcare	—	—	—	—	0.05	—	300	(6)
Aperture Dodge 18 LLC	Financials	—	—	—	—	2,054,689	2,055	1,657	
BLST Operating Company, LLC - Class A	Online Merchandise Retailer	—	—	—	—	217,013	286	631	(6)
DxTx Pain and Spine LLC	Healthcare	—	—	—	—	59,312	97	139	(6)
Freedom Electronics, LLC	Electronic Machine Repair	—	—	—	—	181,818	182	221	(6)
Lucky Bucks, LLC	Consumer Discretionary	—	—	—	—	50,066	742	322	
Middle West Spirits, LLC	Information Technology	—	—	—	—	34	5	5	
Morae Global Corporation - Warrants	Information Technology	—	—	—	—	956	200	269	
South Street Securities Holdings, Inc. - Warrants	Financials	—	—	—	—	567	65	67	
Swift Aggregator LLC (formerly GA Communications, Inc.)	Communication Services	—	—	—	—	1,363,451	1,420	1,420	
Total Common Stock and Membership Units							5,052	5,031	
Total Investments in Non-Control, Non-Affiliate Portfolio Companies							166,327	146,640	
Investments in Affiliated Portfolio Companies - 33.3%									
First Lien/Senior Secured Debt - 14.8%									
American Clinical Solutions, LLC	Healthcare	11.45%	SOFR + 7.00%, 4.45% PIK	1.00%	06/30/2026	6,487	6,484	3,454	
MMI Holdings, LLC	Medical Device Distributor	—	—	—	12/31/2025	5,030	4,000	4,563	(7)
Riddell, Inc.	Consumer Discretionary	10.31%	SOFR + 6.00%	1.00%	03/29/2029	3,430	3,384	3,417	(12)(16)
Total First Lien/Senior Secured Debt							13,868	11,434	
Second Lien/Senior Secured Debt - 1.2%									
MMI Holdings, LLC	Medical Device Distributor	—	—	—	12/31/2025	480	400	387	(7)
V12 Holdings, Inc.	Data Processing & Digital Marketing	—	—	—	—	509	490	509	(11)
Total Second Lien/Senior Secured Debt							890	896	
Collateralized Loan Obligations - 0.8%									
JMP Credit Advisors CLO IV Ltd.	Financials	—	—	—	07/17/2029	7,891	—	260	(13)(15)
JMP Credit Advisors CLO V Ltd.	Financials	—	—	—	07/17/2030	7,320	308	364	(13)(15)
Total Collateralized Loan Obligations							308	624	
Joint Ventures - 4.4%									
Great Lakes II Funding LLC - Series A	Financials	—	—	—	—	3,617	3,616	3,367	(12)(15)
Total Joint Ventures							3,616	3,367	
Preferred Stock and Units - 3.8%									
American Clinical Solutions, LLC - Class A	Healthcare	—	—	—	—	19,664,483	3,198	—	(6)
EBSC Holdings LLC (Riddell, Inc.)	Consumer Discretionary	10.00% PIK	—	—	—	1,131	1,120	1,292	(14)
GreenPark Infrastructure, LLC - Series A	Industrials	—	—	—	—	400	200	200	(6)
MMI Holdings, LLC	Medical Device Distributor	—	—	—	—	1,000	998	—	(6)
RAM Payment, LLC	Financial Services	6.00% PIK	—	—	—	86,000	1,062	1,452	(14)
Total Preferred Stock and Units							6,578	2,944	
Common Stock and Membership Units - 8.4%									
Burgaflex Holdings, LLC - Class A	Automobile Part Manufacturer	—	—	—	—	1,253,198	1,504	3,018	(6)
Burgaflex Holdings, LLC - Class B	Automobile Part Manufacturer	—	—	—	—	1,085,073	362	2,139	(6)
GreenPark Infrastructure, LLC - Series M-1	Industrials	—	—	—	—	2,565	880	878	(6)
MMI Holdings, LLC	Medical Device Distributor	—	—	—	—	45	—	—	(6)
Sierra Hamilton Holdings Corporation	Oil & Gas Engineering and Consulting Services	—	—	—	—	27,396,364	6,958	447	(6)
Total Common Stock and Membership Units							9,704	6,482	
Total Investments in Affiliated Portfolio Companies[^]							34,964	25,747	
Total Investments - 223.2%							\$ 201,291	\$ 172,387	

[^] As defined in the Investment Company Act of 1940, as amended (the "1940 Act"), the investment is deemed to be an "affiliated person" of the Company because the Company owns, either directly or indirectly, 5% or more of the portfolio company's outstanding voting securities.

^{^^} As defined in the 1940 Act, the investment is deemed to be a "controlled affiliated person" of the Company because the Company owns, either directly or indirectly, 25% or more of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company.

(+) Represents the actual interest rate for partially or fully funded debt in effect as of the reporting date. Variable rate loans bear interest at a rate that may be determined by the larger of the floor of the reference to SOFR or alternate base rate (commonly known as the U.S. Prime Rate ("P")), unless otherwise noted) at the borrower's option, which reset periodically based on the terms of the credit agreement. SOFR loans are typically indexed to 6 month, 3 month, or 1 month SOFR rates. As of June 30, 2025, rates for the 6 month, 3 month and 1 month SOFR are 4.15%, 4.29%, and 4.32%, respectively. As of June 30, 2025, P was 7.50%. For investments with multiple reference rates or alternate base rates, the interest rate shown is the weighted average interest rate in effect at June 30, 2025.

(++) Par amount is presented for debt investments, while the number of shares or units owned is presented for equity investments.

(1) All investments valued using unobservable inputs (Level 3), unless otherwise noted.

(2) The fair value of each of the Company's investments is determined in good faith using significant unobservable inputs by the Investment Adviser in its role as "valuation designee" in accordance with Rule 2a-5 under the 1940 Act, pursuant to valuation policies and procedures that have been approved by the Company's board of directors (the "Board").

(3) All debt investments are income producing, unless otherwise noted. Equity and warrant investments are non-income producing, unless otherwise noted.

(4) Percentages are based on net assets as of June 30, 2025.

(5) The Company generally acquires its investments in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). These investments are generally subject to certain limitations on resale, and may be deemed to be "restricted securities" under the Securities Act.

(6) Investment is held through our Taxable Subsidiary (See Note 1).

(7) Non-accrual investment.

(8) 1.0% of interest rate payable in cash. The remainder of interest rate payable is either in cash or paid-in-kind at borrower's election.

(9) Not used.

(10) Not used.

(11) The investment has been exited or sold. The residual value reflects estimated earnout, escrow, or other proceeds expected post-closing.

(12) The Company has an unfunded loan or investment commitment to the portfolio company at June 30, 2025. (See Note 2).

(13) Collateralized loan obligations ("CLO" or "CLOs") are entitled to periodic distributions which are generally equal to the remaining cash flow of the payments made by the underlying fund's investments less contractual payments to debt holders and fund expenses. The estimated annualized effective yield indicated is based upon a current projection of the amount and timing of these distributions. Such projections are updated on a quarterly basis and the estimated effective yield is adjusted prospectively.

(14) The equity investment is income producing, based on rate disclosed.

(15) The investment is treated as a non-qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of our total assets. As of June 30, 2025, qualifying assets represent 98% of the Company's total assets and non-qualifying assets represent 2% of the Company's total assets.

(16) All or a portion of this security is pledged as collateral under the KeyBank Credit Facility and held through the Company's wholly-owned subsidiary Capitala Business Lending, LLC.

(17) The negative cost is the result of the capitalized discount being greater than the principal amount outstanding on the loan.

See accompanying notes to consolidated financial statements

LOGAN RIDGE FINANCE CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
(in thousands, except for units/shares)
December 31, 2024

Investment (1), (2), (3), (4), (5)	Industry	Interest Rate (+)	Reference Rate and Spread (+)	Floor (+)	Maturity	Par/Shares (++)	Cost	Fair Value	Footnotes
Investments in Non-Control, Non-Affiliate Portfolio Companies - 162.3%									
First Lien/Senior Secured Debt - 119.3%									
Accordion Partners LLC	Industrials	9.58%	SOFR + 5.25%	0.75%	11/17/2031	2,551	\$ 2,536	\$ 2,535	(12)(16)
Accordion Partners LLC (Revolver)	Industrials	—	SOFR + 5.25%	0.75%	11/17/2031	—	(5)	(5)	(12)(17)
Accurate Background, LLC	Information Technology	10.59%	SOFR + 6.00%	1.00%	03/26/2029	4,367	4,140	4,329	(16)
AIDC Intermediateco 2, LLC (Peak Technologies)	Information Technology	9.59%	SOFR + 5.25%	1.00%	07/22/2027	4,900	4,855	4,894	(16)
American Academy Holdings, LLC	Healthcare	14.22%	SOFR + 9.75%, 5.25% PIK	3.25%	06/30/2027	2,751	2,742	2,765	(16)
Astro Acquisition, LLC (Cooper Machinery Services)	Industrials	9.82%	SOFR + 5.50%	1.00%	12/13/2027	1,985	1,969	1,974	(16)
BetaNXT, Inc.	Financials	10.08%	SOFR + 5.75%	—	07/02/2029	2,340	2,215	2,250	(16)
BetaNXT, Inc. (Revolver)	Financials	8.86%	SOFR + 4.50%	—	07/01/2027	190	190	181	(12)
Bradshaw International, Inc.	Consumer Discretionary	10.21%	SOFR + 5.75%	1.00%	10/21/2027	491	485	487	(16)
Bradshaw International, Inc. (Revolver)	Consumer Discretionary	—	SOFR + 5.75%	1.00%	10/21/2026	—	(9)	(8)	(12)(17)
DataLink, LLC	Healthcare	11.49%	SOFR + 6.75%	1.00%	11/23/2026	5,621	5,621	4,722	(16)
Dentive, LLC	Healthcare	11.08%	SOFR + 6.75%	0.75%	12/26/2028	1,787	1,748	1,762	(16)
Dentive, LLC (Revolver)	Healthcare	11.08%	SOFR + 6.75%	0.75%	12/23/2028	93	90	91	(12)(16)
Epic Staffing Group	Industrials	10.51%	SOFR + 6.00%	0.50%	06/28/2029	4,885	4,730	4,373	(16)
Florida Food Products, LLC	Consumer Staples	9.33%	SOFR + 5.00%	0.75%	10/18/2028	1,960	1,888	1,676	(16)
Fortis Payment Systems, LLC	Financials	9.68%	SOFR + 5.25%	1.00%	02/13/2026	1,767	1,745	1,757	(12)(16)
GP Midco, LLC (Beauty by Imagination)	Consumer Staples	8.82%	SOFR + 5.25%	1.00%	11/01/2030	4,000	3,950	3,950	(16)
Hudson Hospital OpCo, LLC	Healthcare	12.65%	SOFR + 8.00%	3.00%	11/04/2023	1,631	1,631	1,618	(16)
HUMC Opco, LLC	Healthcare	12.65%	SOFR + 8.00%	3.00%	11/04/2023	2,470	2,470	2,351	(16)
H.W. Lochner, Inc.	Industrials	10.99%	SOFR + 6.25%	1.00%	07/02/2027	907	891	907	(16)
IDC Infection Services LLC	Healthcare	10.83%	SOFR + 6.50%	1.00%	07/07/2028	2,875	2,835	2,890	(12)(16)
Keg Logistics LLC	Consumer Discretionary	10.67%	SOFR + 6.00%	1.00%	11/23/2027	7,309	7,256	7,273	(16)
Keg Logistics LLC (Revolver)	Consumer Discretionary	10.68%	SOFR + 6.00%	1.00%	11/23/2027	872	866	868	(16)
Material Handling Systems, Inc.	Industrials	9.76%	SOFR + 5.50%	0.50%	06/08/2029	755	704	662	(16)
Money Transfer Acquisition Inc.	Financials	12.71%	SOFR + 8.25%	1.00%	12/14/2027	6,001	5,931	5,874	(16)
Morae Global Corporation	Information Technology	12.77%	SOFR + 8.00%	2.00%	10/26/2026	3,028	2,908	2,980	(16)
Morae Global Corporation (Revolver)	Information Technology	—	SOFR + 8.00%	2.00%	10/26/2026	—	(10)	(5)	(12)(17)
Neptune BidCo US Inc.	Communication Services	9.76%	SOFR + 5.00%	0.50%	04/11/2029	1,478	1,366	1,330	(16)
Newbury Franklin Industrials, LLC	Industrials	11.40%	SOFR + 7.00%	2.00%	12/11/2029	2,408	2,341	2,339	(12)(16)
Orthopaedic (ITC) Buyer, LLC	Healthcare	10.93%	SOFR + 6.50%	1.00%	07/31/2028	2,333	2,291	2,355	(12)(16)
PhyNet Dermatology LLC	Healthcare	11.12%	SOFR + 6.50%	1.00%	10/20/2029	485	476	480	(12)(16)
PMA Parent Holdings LLC	Financials	9.58%	SOFR + 5.25%	0.75%	01/31/2031	1,401	1,381	1,379	(16)
PMA Parent Holdings LLC (Revolver)	Financials	—	SOFR + 5.25%	0.75%	01/31/2031	—	(1)	(2)	(12)(17)
Premier Imaging, LLC	Healthcare	10.59%	SOFR + 6.00%, 10.59% PIK	1.00%	03/31/2026	2,870	2,870	2,523	(16)
RN Enterprises, LLC	Healthcare	9.58%	SOFR + 5.25%	0.75%	10/17/2031	2,242	2,216	2,215	(12)(16)
Sequoia Healthcare Management LLC	Healthcare Management	—	—	—	11/04/2023	11,935	11,935	4,529	(7)
South Street Securities Holdings, Inc.	Financials	9.00%	—	—	09/20/2027	450	409	384	(16)
Spark Buyer, LLC	Industrials	9.77%	SOFR + 5.25%	0.75%	10/15/2031	1,429	1,412	1,411	(12)(16)
STG Distribution, LLC (STG Logistics) (Second Out)	Industrials	12.12%	SOFR + 7.60%, 6.50% PIK	1.50%	10/03/2029	988	570	554	(16)
STG Distribution, LLC (STG Logistics) (Third Out)	Industrials	11.62%	SOFR + 7.10%, 6.00% PIK	1.50%	10/03/2029	741	218	76	(16)
Synmedia Americas Holdings, Inc.	Communication Services	12.11%	SOFR + 7.75%	1.00%	12/05/2028	2,610	2,539	2,559	(16)
Tactical Air Support, Inc.	Industrials	13.25%	SOFR + 8.50%	1.00%	12/22/2028	1,975	1,941	1,958	(16)
Taoglas Group Holdings Limited	Information Technology	11.58%	SOFR + 7.25%	1.00%	02/28/2029	2,314	2,266	2,223	(16)
Taoglas Group Holdings Limited (Revolver)	Information Technology	11.76%	SOFR + 7.25%	1.00%	02/28/2029	610	597	585	(12)(16)
VBC Spine Opco LLC (DxTx Pain and Spine LLC)	Healthcare	12.79%	SOFR + 8.00%	2.00%	06/14/2028	1,725	1,697	1,709	(12)(16)
VBC Spine Opco LLC (DxTx Pain and Spine LLC) (Revolver)	Healthcare	12.69%	SOFR + 8.00%	2.00%	06/14/2028	97	95	96	(12)(16)
VTX Intermediate Holdings, Inc.	Information Technology	11.65%	SOFR + 6.00%, 1.00% PIK	2.00%	12/12/2029	5,122	5,071	5,074	(16)
Wealth Enhancement Group, LLC	Financials	9.55%	SOFR + 5.00%	1.00%	10/02/2028	4,563	4,550	4,563	(16)
Wealth Enhancement Group, LLC (Revolver)	Financials	—	SOFR + 5.00%	1.00%	10/02/2028	—	(1)	—	(12)(17)
Total First Lien/Senior Secured Debt							110,611	101,491	
Second Lien/Senior Secured Debt - 9.6%									
American Academy Holdings, LLC	Healthcare	14.50% PIK	—	—	03/01/2028	4,765	4,715	4,474	
BLST Operating Company, LLC	Online Merchandise Retailer	13.17%	SOFR + 8.50%	1.50%	08/28/2025	1,166	1,166	1,113	(8)(16)
Ivanti Software, Inc.	Information Technology	12.12%	SOFR + 7.25%	0.50%	12/01/2028	3,000	2,991	1,729	(16)
VTX Intermediate Holdings, Inc.	Information Technology	12.50% PIK	—	—	12/12/2030	878	861	860	
Total Second Lien/Senior Secured Debt							9,733	8,176	
Subordinated Debt - 26.9%									
DeltaDx Limited, LP (Money Transfer Acquisition Inc.)	Financials	15.00% PIK	—	—	06/14/2028	358	358	352	
Eastport Holdings, LLC	Business Services	13.26%	SOFR + 8.50%	1.00%	09/29/2027	19,250	19,250	19,250	(16)
Lucky Bucks, LLC	Consumer Discretionary	—	—	—	05/29/2028	2,503	2,229	485	(7)
Tubular Textile Machinery, Inc.	Textile Equipment Manufacturer	5.00% PIK	—	—	10/29/2027	5,159	5,159	2,771	
Total Subordinated Debt							26,996	22,858	
Preferred Stock and Units - 1.9%									
American Academy Holdings, LLC	Healthcare	—	—	—	—	102,261	—	170	(6)
MicroHoldco, LLC	General Industrial	—	—	—	—	740,237	749	680	(11)
Taylor Precision Products, Inc. - Series C	Household Product Manufacturer	—	—	—	—	379	758	758	
VTX Holdings, LLC - Series C	Information Technology	—	—	—	—	441,252	—	—	
Total Preferred Stock and Units							1,507	1,608	

See accompanying notes to consolidated financial statements

LOGAN RIDGE FINANCE CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS - CONTINUED
(in thousands, except for units/shares)
December 31, 2024

Investment (1), (2), (3), (4), (5)	Industry	Interest Rate (+)	Reference Rate and Spread (+)	Floor (+)	Maturity	Par/Shares (++)	Cost	Fair Value	Footnotes
Common Stock and Membership Units - 4.6%									
American Academy Holdings, LLC	Healthcare	—	—	—	—	0.05	—	311	(6)
Aperture Dodge 18 LLC	Financials	—	—	—	—	2,051,573	2,052	1,775	
BLST Operating Company, LLC - Class A	Online Merchandise Retailer	—	—	—	—	217,013	286	810	(6)
DxTx Pain and Spine LLC	Healthcare	—	—	—	—	59,312	97	97	(6)
Freedom Electronics, LLC	Electronic Machine Repair	—	—	—	—	181,818	182	210	(6)
Lucky Bucks, LLC	Consumer Discretionary	—	—	—	—	50,066	742	515	
Morae Global Corporation - Warrants	Information Technology	—	—	—	—	1	122	164	
South Street Securities Holdings, Inc. - Warrants	Financials	—	—	—	—	567	65	64	
Total Common Stock and Membership Units							3,546	3,946	
Total Investments in Non-Control, Non-Affiliate Portfolio Companies							152,393	138,079	
Investments in Affiliated Portfolio Companies - 40.2%^									
First Lien/Senior Secured Debt - 11.7%									
American Clinical Solutions, LLC	Healthcare	11.33%	SOFR + 7.00%, 4.33% PIK	1.00%	06/30/2025	6,343	6,343	3,845	
MMI Holdings, LLC	Medical Device Distributor	—	—	—	06/28/2024	2,600	2,600	2,556	(7)
Riddell, Inc.	Consumer Discretionary	10.48%	SOFR + 6.00%	1.00%	03/29/2029	3,568	3,514	3,568	(12)(16)
Total First Lien/Senior Secured Debt							12,457	9,969	
Second Lien/Senior Secured Debt - 1.0%									
MMI Holdings, LLC	Medical Device Distributor	—	—	—	06/28/2024	400	400	367	(7)
V12 Holdings, Inc.	Data Processing & Digital Marketing	—	—	—	—	509	490	508	(11)
Total Second Lien/Senior Secured Debt							890	875	
Collateralized Loan Obligations - 1.1%									
JMP Credit Advisors CLO IV Ltd.	Financials	—	—	—	07/17/2029	7,891	223	311	(13)(15)
JMP Credit Advisors CLO V Ltd.	Financials	—	—	—	07/17/2030	7,320	629	629	(13)(15)
Total Collateralized Loan Obligations							852	940	
Joint Ventures - 4.9%									
Great Lakes Funding II LLC - Series A	Financials	—	—	—	—	4,170	4,170	4,153	(12)(15)
Total Joint Ventures							4,170	4,153	
Preferred Stock and Units - 11.7%									
American Clinical Solutions, LLC - Class A	Healthcare	—	—	—	—	19,664,483	3,198	—	(6)
EBSC Holdings LLC (Riddell, Inc.)	Consumer Discretionary	10.00% PIK	—	—	—	1,077	1,064	1,187	(14)
GA Communications, Inc. - Series A-1	Advertising & Marketing Services	—	—	—	—	1,998	3,476	5,566	
GreenPark Infrastructure, LLC - Series A	Industrials	—	—	—	—	400	200	200	(6)
MMI Holdings, LLC	Medical Device Distributor	—	—	—	—	1,000	1,998	1,000	(6)
RAM Payment, LLC	Financial Services	6.00% PIK	—	—	—	86,000	1,028	1,974	(14)
Total Preferred Stock and Units							10,964	9,927	
Common Stock and Membership Units - 9.8%									
Burgaflex Holdings, LLC - Class A	Automobile Part Manufacturer	—	—	—	—	1,253,198	1,504	3,820	(6)
Burgaflex Holdings, LLC - Class B	Automobile Part Manufacturer	—	—	—	—	1,085,073	362	2,633	(6)
GA Communications, Inc. - Series B-1	Advertising & Marketing Services	—	—	—	—	200,000	2	486	
GreenPark Infrastructure, LLC - Series M-1	Industrials	—	—	—	—	2,565	880	881	(6)
MMI Holdings, LLC	Medical Device Distributor	—	—	—	—	45	—	—	(6)
Sierra Hamilton Holdings Corporation	Oil & Gas Engineering and Consulting Services	—	—	—	—	27,396,364	6,958	527	
Total Common Stock and Membership Units							9,706	8,347	
Total Investments in Affiliated Portfolio Companies^							39,039	34,211	
Total Investments - 202.5%							\$ 191,432	\$ 172,290	

- ^ As defined in the 1940 Act, the investment is deemed to be an "affiliated person" of the Company because the Company owns, either directly or indirectly, 5% or more of the portfolio company's outstanding voting securities.
- ^^ As defined in the 1940 Act, the investment is deemed to be a "controlled affiliated person" of the Company because the Company owns, either directly or indirectly, 25% or more of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company.
- (+) Represents the actual interest rate for partially or fully funded debt in effect as of the reporting date. Variable rate loans bear interest at a rate that may be determined by the larger of the floor of the reference to SOFR, or alternate base rate at the borrower's option, which reset periodically based on the terms of the credit agreement. SOFR loans are typically indexed to 6 month, 3 month, or 1 month SOFR rates. As of December 31, 2024, rates for the 6 month, 3 month, and 1 month SOFR are 4.25%, 4.31% and 4.33%, respectively. For investments with multiple reference rates or alternate base rates, the interest rate shown is the weighted average interest rate in effect at December 31, 2024.
- (++) Par amount is presented for debt investments, while the number of shares or units owned is presented for equity investments.
- (1) All investments valued using unobservable inputs (Level 3), unless otherwise noted.
- (2) The fair value of each of the Company's investments is determined in good faith using significant unobservable inputs by the Adviser in its role as "valuation designee" in accordance with Rule 2a-5 under the 1940 Act, pursuant to valuation policies and procedures that have been approved by the Company's board of directors (the "Board").
- (3) All debt investments are income producing, unless otherwise noted. Equity and warrant investments are non-income producing, unless otherwise noted.
- (4) Percentages are based on net assets as of December 31, 2024.
- (5) The Company generally acquires its investments in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). These investments are generally subject to certain limitations on resale, and may be deemed to be "restricted securities" under the Securities Act.
- (6) Investment is held through our Taxable Subsidiary (See Note 1).
- (7) Non-accrual investment.
- (8) 1.0% of interest rate payable in cash. The remainder of interest rate payable is either in cash or paid-in-kind at borrower's election.
- (9) Not used.
- (10) Not used.
- (11) The investment has been exited or sold. The residual value reflects estimated earnout, escrow, or other proceeds expected post-closing.
- (12) The Company has an unfunded loan or investment commitment to the portfolio company at December 31, 2024. (See Note 2).
- (13) Collateralized loan obligations ("CLO" or "CLOs") are entitled to periodic distributions which are generally equal to the remaining cash flow of the payments made by the underlying fund's investments less contractual payments to debt holders and fund expenses. The estimated annualized effective yield indicated is based upon a current projection of the amount and timing of these distributions. Such projections are updated on a quarterly basis and the estimated effective yield is adjusted prospectively.
- (14) The equity investment is income producing, based on rate disclosed.
- (15) The investment is treated as a non-qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of our total assets. As of December 31, 2024, qualifying assets represent 97% of the Company's total assets and non-qualifying assets represent 3% of the Company's total assets.
- (16) All or a portion of this security is pledged as collateral under the KeyBank Credit Facility and held through the Company's wholly-owned subsidiary Capitala Business Lending, LLC.
- (17) The negative cost is the result of the capitalized discount being greater than the principal amount outstanding on the loan.

See accompanying notes to consolidated financial statements

LOGAN RIDGE FINANCE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2025
(Unaudited)

Note 1. Organization

Logan Ridge Finance Corporation (“Logan Ridge”, the “Company”, “we”, “us”, and “our”) is an externally managed non-diversified closed-end management investment company incorporated in Maryland on February 21, 2013. The Company has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). The Company commenced operations on May 24, 2013 and completed its initial public offering (“IPO”) on September 30, 2013. The Company is managed by Mount Logan Management LLC (the “Investment Adviser”), an investment adviser that is registered as an investment adviser under the Investment Advisers Act of 1940, as amended, and BC Partners Management LLC (the “Administrator”) provides the administrative services necessary for the Company to operate. The Company has elected to be treated for United States (“U.S.”) federal income tax purposes, and intends to comply with the requirements to qualify annually, as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”).

The Company’s investment objective is to generate both current income and capital appreciation through debt and equity investments. The Company offers customized financing to business owners, management teams, and financial sponsors for change of ownership transactions, recapitalizations, strategic acquisitions, business expansion, and other growth initiatives. The Company invests in first lien loans, and, to a lesser extent, second lien loans and equity securities issued by lower middle-market and traditional middle-market companies.

The Company was formed for the purpose of: (i) acquiring, through a series of transactions, an investment portfolio from the following entities: CapitalSouth Partners Fund I Limited Partnership (“Fund I”); CapitalSouth Partners Fund II Limited Partnership (“Fund II”); CapitalSouth Partners Fund III, L.P. (“Fund III Parent”); CapitalSouth Fund III, L.P. (f/k/a CapitalSouth Partners SBIC Fund III, L.P.) (“Fund III”); and CapitalSouth Partners Florida Sidecar Fund I, L.P. (“Florida Sidecar”) and, collectively with Fund I, Fund II, Fund III, and Fund III Parent, the “Legacy Funds”; (ii) raising capital in the IPO and (iii) continuing and expanding the business of the Legacy Funds by making additional debt and equity investments in lower middle-market and traditional middle-market companies.

On September 24, 2013, the Company acquired 100% of the limited partnership interests in Fund II, Fund III, and Florida Sidecar and each of their respective general partners, as well as certain assets from Fund I and Fund III Parent, in exchange for an aggregate of 8,974,420 shares of the Company’s common stock (the “Formation Transactions”). Fund II, Fund III, and Florida Sidecar became the Company’s wholly owned subsidiaries. Fund II and Fund III retained their small business investment company (“SBIC”) licenses, continued to hold their existing investments at the time of the IPO and have continued to make new investments. The IPO consisted of the sale of 4,000,000 shares of the Company’s common stock at a price of \$20.00 per share, resulting in net proceeds to the Company of \$74.25 million, after deducting underwriting fees and commissions totaling \$4.0 million and offering expenses totaling \$1.75 million. The other costs of the IPO were borne by the limited partners of the Legacy Funds. During the fourth quarter of 2017, Florida Sidecar transferred all of its assets to the Company and was legally dissolved as a standalone partnership. On March 1, 2019, Fund II repaid its outstanding debentures guaranteed by the SBA (the “SBA-guaranteed debentures”) and relinquished its SBIC license. On June 10, 2021, Fund III repaid its SBA-guaranteed debentures and relinquished its SBIC license. Accordingly, as of June 30, 2025 and December 31, 2024, there were no SBA-guaranteed debentures outstanding.

The Company has formed, and expects to continue to form, certain consolidated taxable subsidiaries (the “Taxable Subsidiaries”), which are taxed as corporations for U.S. federal income tax purposes. The Taxable Subsidiaries allow the Company to make equity investments in companies organized as pass-through entities while continuing to satisfy the requirements of a RIC under the Code.

Capitala Business Lending, LLC (“CBL”), a wholly-owned subsidiary of the Company, was established on October 30, 2020, for the sole purpose of holding certain investments pledged as collateral under the Company’s line of credit with KeyBank National Association (the “KeyBank Credit Facility”). See Note 6 for more details about the KeyBank Credit Facility. The financial statements of CBL are consolidated with those of Logan Ridge Finance Corporation.

Definitive Agreement

On April 20, 2021, Capitala Investment Advisors, LLC (“Capitala”), the Company’s former investment adviser, entered into a definitive agreement (the “Definitive Agreement”) with the Investment Adviser and Mount Logan Capital Inc. (“MLC”), both affiliates of BC Partners Advisors L.P. (“BC Partners”) for U.S. regulatory purposes, whereby Mount Logan acquired certain assets related to Capitala’s business of providing investment management services to the Company (the “Transaction”), through which the Investment Adviser became the Company’s investment adviser pursuant to an investment advisory agreement (the “Investment Advisory Agreement”) with the Company. At a special meeting of the Company’s stockholders (the “Special Meeting”) held on May 27, 2021, the Company’s stockholders approved the Investment Advisory Agreement. The transactions contemplated by the Definitive Agreement closed on July 1, 2021 (the “Closing”). Unless earlier terminated in accordance with its terms, the Investment Advisory Agreement will remain in effect from year to year if approved annually by the Board or by a majority of our outstanding voting securities, including, in either case, by a majority of our directors who are not “interest persons” as such term is defined in Section 2(a)(19) of the 1940 Act (“Independent Directors”). The Board most recently approved the renewal of the Investment Advisory Agreement at a meeting on May 7, 2025. The Investment Advisory Agreement was terminated on July 15, 2025 in connection with the completion of the acquisition of the Company by Portman Ridge Finance Corporation, as described in Note 13 below.

As part of the Transaction, beginning on July 1, 2021, the Investment Adviser entered into a two-year contractual fee waiver (the “Fee Waiver”) with the Company to waive, to the extent necessary, any capital gains fee under the Investment Advisory Agreement that exceeds what would have been paid to Capitala in the aggregate over such two-year period under the prior advisory agreement. The Fee Waiver expired at the end of the two-year period.

On the date of the Closing, the Company changed its name from Capitala Finance Corp. to Logan Ridge Finance Corporation and on July 2, 2021, the Company’s common stock began trading on the NASDAQ Global Select Market under the symbol “LRFC.”

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The Company is considered an investment company as defined in Accounting Standards Codification (“ASC”) Topic 946 — Financial Services — Investment Companies (“ASC 946”). The accompanying unaudited consolidated financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”). Accordingly, certain disclosures accompanying our annual consolidated financial statements prepared in accordance with U.S. GAAP have been omitted. The consolidated financial statements of the Company include the accounts of the Company and its wholly owned subsidiaries, including Fund II, Fund III, CBL, and the Taxable Subsidiaries.

The Company’s financial statements as of June 30, 2025 and December 31, 2024 and for the periods ended June 30, 2025 and 2024 are presented on a consolidated basis. The consolidated financial statements of the Company include the accounts of the Company and its wholly owned subsidiaries, including Fund II, Fund III, CBL, and the Taxable Subsidiaries. The effects of all intercompany transactions between the Company and its subsidiaries (Fund II, Fund III, CBL, and the Taxable Subsidiaries) have been eliminated in consolidation. All financial data and information included in these consolidated financial statements have been presented on the basis described above. In the opinion of management, the consolidated financial statements reflect all adjustments that are necessary for the fair presentation of financial results as of and for the periods presented.

The current period’s results of operations are not necessarily indicative of results that ultimately may be achieved for the year. Additionally, the unaudited consolidated financial statements and notes should be read in conjunction with the audited consolidated financial statements and notes thereto appearing in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, filed with the U.S. Securities and Exchange Commission (“SEC”) on March 13, 2025.

Use of Estimates in the Preparation of Financial Statements

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates under different assumptions and conditions. The most significant estimates in the preparation of the consolidated financial statements are investment valuation, revenue recognition and income taxes.

Consolidation

As provided under ASC 946, the Company will generally not consolidate its investment in a company other than a substantially wholly owned investment company subsidiary or a controlled operating company whose business consists of providing services to the Company. Accordingly, the Company consolidated the results of the Company’s wholly owned investment company subsidiaries (Fund II, Fund III, CBL, and the Taxable Subsidiaries) in its consolidated financial statements.

Cash and Cash Equivalents

The Company considers cash equivalents to be highly liquid investments with original maturities of three months or less at the date of purchase. The Company deposits its cash in financial institutions, and, at times, such balances may be in excess of the Federal Deposit Insurance Corporation insurance limits.

Investment Classification

In accordance with the provisions of the 1940 Act, the Company classifies its investments by level of control. As defined in the 1940 Act, “Control Investments” are investments in those companies that the Company is deemed to “Control.” “Affiliate Investments” are investments in those companies that are “Affiliated Companies” of the Company, as defined in the 1940 Act, other than Control Investments. “Non-Control/Non-Affiliate Investments” are those investments that are neither Control Investments nor Affiliate Investments. Generally, under the 1940 Act, the Company is deemed to control a company in which it has invested if the Company owns more than 25% of the voting securities of such company and/or has greater than 50% representation on its board or has the power to exercise control over management or policies of such portfolio company. The Company is deemed to be an affiliate of a company in which the Company has invested if it owns 5% or more of the voting securities of such company.

Valuation of Investments

Investment transactions are recorded on the trade date. Realized gains or losses on investments are calculated using the specific identification method as the difference between the net proceeds received (excluding prepayment fees, if any) and the amortized cost basis of the investment without regard to unrealized appreciation or depreciation previously recognized, and include investments charged off during the period, net of recoveries. Net change in unrealized appreciation or depreciation reflects the change in portfolio investment values during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation when gains or losses are recognized.

Investments for which market quotations are available are typically valued at those market quotations. To validate market quotations, the Company will utilize a number of factors to determine if the quotations are representative of fair value, including the source and number of the quotations.

Debt that is not publicly traded but for which there are external pricing sources available as of the valuation date is valued using independent broker-dealer, market maker quotations or independent pricing services. The valuation committee, comprised of members of the Investment Adviser, (the “Valuation Committee”) subjects these quotes to various criteria including, but not limited to, the number and quality of quotes, the deviation among the quotes and information derived from analyzing the Company’s own transactions in such investments throughout the reporting period. Generally, such investments are categorized in Level 2 of the fair value hierarchy, unless the Valuation Committee determines that the quality, quantity or deviation among quotes warrants significant adjustment to the inputs utilized.

The Board has designated the Investment Adviser as its “valuation designee” pursuant to Rule 2a-5 under the 1940 Act, and in that role the Investment Adviser is responsible for performing fair value determinations relating to all of the Company’s investments, including periodically assessing and managing any material valuation risks and establishing and applying fair value methodologies, in accordance with valuation policies and procedures that have been approved by the Board. The Board remains ultimately responsible for fair value determinations under the 1940 Act and satisfies its responsibility through oversight of the valuation designee in accordance with Rule 2a-5. Investments that are not publicly traded or whose market prices are not readily available, as is expected to be the case for substantially all of the Company’s investments, are valued at fair value as determined in good faith by the Investment Adviser, based on, among other things, input of independent third-party valuation firm(s).

The Investment Adviser undertakes a multi-step valuation process, which includes, among other procedures, the following:

- The Company's quarterly valuation process begins with each portfolio company or investment being initially valued using certain inputs, among others, provided by the investment professionals responsible for the portfolio investment in conjunction with the Company's portfolio management team. The Company utilizes an independent valuation firm to provide valuation on each material illiquid security at least once every trailing 12-month period;
- Preliminary valuations are reviewed and discussed with management of the Investment Adviser and investment professionals; and
- The Investment Adviser will review the valuations and determine the fair value of each investment. Valuations that are not based on readily available market quotations will be valued in good faith based on, among other things, the input of, where applicable, third parties.

As part of the valuation process, the Investment Adviser may consider other information and may use valuation methods including but not limited to (i) market quotes for similar investments, (ii) recent trading activity, (iii) discounting forecasted cash flows of the investment, (iv) models that consider the implied yields from comparable debt, (v) third-party appraisal, (vi) sale negotiations and purchase offers received from independent parties and (vii) estimated value of underlying assets to be received in liquidation or restructuring.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Additionally, the fair value of such investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that may ultimately be realized. Further, such investments are generally less liquid than publicly traded securities and may be subject to contractual and other restrictions on resale. If the Company were required to liquidate a portfolio investment in a forced or liquidation sale, it could realize amounts that are different from the amounts presented and such differences could be material.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected herein.

Under existing accounting guidance, fair value is defined as the price that the Company would receive upon selling an investment or pay to transfer a liability in an orderly transaction to a market participant in the principal or most advantageous market for the investment. This accounting guidance emphasizes valuation techniques that maximize the use of observable market inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances.

The Company classifies the inputs used to measure these fair values into the following hierarchy as defined by current accounting guidance:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that are accessible to the Company.

Level 2: Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.

Level 3: Significant inputs that are unobservable for an asset or liability.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Investments for which no external pricing sources are available as of the valuation date are included in Level 3 of the fair value hierarchy.

As a practical expedient, the Company uses net asset value ("NAV") as the fair value for its equity investment in Great Lakes Funding II LLC ("Great Lakes II Joint Venture"). The Great Lakes II Joint Venture records its underlying investments at fair value on a quarterly basis in accordance with the 1940 Act and U.S. GAAP.

Enterprise Value Waterfall Approach

The enterprise value waterfall approach determines an enterprise value based on earnings before interest, tax, depreciation, and amortization ("EBITDA") multiples of publicly traded companies that are considered similar to the subject portfolio company. The Company considers a variety of items in determining a reasonable pricing multiple, including, but not limited to, operating results, budgeted projections, growth, size, risk, profitability, leverage, management depth, diversification, market position, supplier or customer dependence, asset utilization, liquidity metrics, and access to capital markets. EBITDA of the portfolio company is adjusted for non-recurring items in order to reflect a normalized level of earnings that is representative of future earnings. In certain instances, the Company may also utilize revenue multiples to determine enterprise value. When available, the Company may assign a pricing multiple or value its investments based on the value of recent investment transactions in the subject portfolio company or offers to purchase the portfolio company. The enterprise value is adjusted for financial instruments with seniority to the Company's ownership and for the effect of any instrument which may dilute the Company's investment in the portfolio company. The adjusted enterprise value is then apportioned based on the seniority and privileges of the Company's investments within the portfolio company.

Income Approach

The income approach utilizes a discounted cash flow methodology in which the Company estimates fair value based on the present value of expected cash flows discounted at a market rate of interest. The determination of a discount rate, or required rate of return, takes into account the portfolio company's fundamentals and perceived credit risk. Because the majority of the Company's portfolio companies do not have a public credit rating, determining a discount rate often involves assigning an implied credit rating based on the portfolio company's operating metrics compared to average metrics of similar publicly rated debt. Operating metrics include, but are not limited to, EBITDA, interest coverage, leverage ratios, return on capital, and debt to equity ratios. The implied credit rating is used to assign a base discount rate range based on publicly available yields on similarly rated debt securities. The Company may apply a premium to the discount rate utilized in determining fair value when performance metrics and other qualitative information indicate that there is an additional level of uncertainty about collectability of cash flows.

Asset Approach

The asset approach values an investment based on the value of the underlying collateral securing the investment.

Revenue Recognition

The Company's revenue recognition policies are as follows:

Interest income and payment-in-kind ("PIK") interest income: Interest income is recorded on the accrual basis to the extent that such amounts are expected to be collected. The Company has loans in the portfolio that contain a PIK interest provision. PIK interest, which represents contractually deferred interest added to the loan balance that is generally due at maturity, is recorded on an accrual basis to the extent that such amounts are expected to be collected. PIK interest is not accrued if the Company does not expect the issuer to be able to pay all principal and interest when due.

Non-accrual investments: Management reviews all loans that become 90 days or more past due, or when there is reasonable doubt that principal or interest will be collected, for possible placement on non-accrual status. When the Company otherwise does not expect the borrower to be able to service its debt and other obligations, the Company will place the loan on non-accrual status and will generally cease recognizing interest income and PIK interest on that loan for financial reporting purposes. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment. The Company writes off any previously accrued and uncollected interest when it is determined that interest is no longer considered collectible. Non-accrual loans are returned to accrual status when the borrower's financial condition improves such that management believes current interest and principal payments are expected to be collected. As of June 30, 2025, we had debt investments in three portfolio companies on non-accrual status with an aggregate amortized cost of \$18.6 million and an aggregate fair value of \$5.9 million, which represented 9.2% and 3.4% of the investment portfolio, respectively. As of December 31, 2024, we had debt investments in three portfolio companies on non-accrual status with aggregate amortized cost of \$17.2 million and an aggregate fair value of \$7.9 million, which represented 9.0% and 4.6% of the investment portfolio, respectively.

Gains and losses on investment sales: Realized gains and losses on investments are recognized using the specific identification method.

Dividend income and payment-in-kind dividends: Dividend income is recognized on the date dividends are declared. The Company holds preferred equity investments in the portfolio that contain a PIK dividend provision. PIK dividends, which represent contractually deferred dividends added to the equity balance, are recorded on the accrual basis to the extent that such amounts are expected to be collected. The Company will typically cease accrual of PIK dividends when the fair value of the equity investment is less than the cost basis of the investment or when it is otherwise determined by management that PIK dividends are unlikely to be collected. If management determines that a decline in fair value is temporary in nature and PIK dividends are more likely than not to be collected, management may elect to continue accruing PIK dividends.

Original issue discount: Discounts received to par on loans purchased are capitalized and accreted into income over the life of the loan. Any remaining discount is accreted into income upon prepayment of the loan.

Other income: Origination fees (to the extent services are performed to earn such income upon closing), amendment fees, consent fees, and other fees associated with investments in portfolio companies are recognized as income when they are earned. Prepayment penalties received by the Company for debt instruments repaid prior to maturity date are recorded as income upon receipt.

General and Administrative Expenses

General and administrative expenses are accrued as incurred. The Company's administrative expenses include personnel and overhead expenses allocable to the Company paid by and reimbursed to the Administrator under an administration agreement between the Company and the Administrator (the "Administration Agreement"). Other operating expenses such as legal and audit fees and director and officer insurance are generally paid directly by the Company.

Deferred Financing Fees

Costs incurred to issue the Company's debt obligations are capitalized and are amortized over the term of the debt agreements under the effective interest method. Deferred financing fees are presented as a direct deduction from the carrying amount of the corresponding debt liability in the consolidated statements of assets and liabilities.

Earnings Per Share

The Company's earnings per share ("EPS") amounts have been computed based on the weighted-average number of shares of the Company's common stock outstanding for the period. Basic EPS is computed by dividing net increase (decrease) in net assets resulting from operations by the weighted average number of shares of the Company's common stock outstanding during the period of computation. Diluted EPS is computed by dividing net increase (decrease) in net assets resulting from operations, adjusted for the change in net assets resulting from the exercise of the dilutive shares, by the weighted average number of shares of the Company's common stock assuming all potentially dilutive shares had been issued. Diluted EPS reflects the potential dilution, using the as-if-converted method for convertible debt, which could occur if all potentially dilutive securities were exercised.

Commitments and Contingencies

As of June 30, 2025 and December 31, 2024, the Company had the following unfunded commitments to existing portfolio companies (dollars in thousands):

Portfolio Company	Investment	June 30, 2025	December 31, 2024
Accordion Partners LLC ⁽¹⁾	First Lien/Senior Secured Debt	\$ 438	\$ 522
Accordion Partners LLC (Revolver)	First Lien/Senior Secured Debt	928	928
BetaNXT, Inc. (Revolver)	First Lien/Senior Secured Debt	272	263
Bradshaw International, Inc. (Revolver)	First Lien/Senior Secured Debt	922	922
Dentive, LLC (Revolver)	First Lien/Senior Secured Debt	22	93
Fortis Payment Systems, LLC ⁽¹⁾	First Lien/Senior Secured Debt	N/A	221
Great Lakes Funding II LLC - Series A	Joint Venture	1,378	824
IDC Infusion Services, LLC ⁽¹⁾	First Lien/Senior Secured Debt	97	97
Middle West Spirits, LLC (Revolver)	First Lien/Senior Secured Debt	944	N/A
Morae Global Corporation - Term Loan A ⁽¹⁾	First Lien/Senior Secured Debt	1,286	N/A
Morae Global Corporation (Revolver)	First Lien/Senior Secured Debt	58	292
Newbury Franklin Industrials, LLC ⁽¹⁾	First Lien/Senior Secured Debt	592	592
Orthopaedic (ITC) Buyer, LLC ⁽¹⁾	First Lien/Senior Secured Debt	N/A	638
PhyNet Dermatology LLC ⁽¹⁾	First Lien/Senior Secured Debt	259	259
PMA Parent Holdings LLC (Revolver)	First Lien/Senior Secured Debt	99	99
Riddell, Inc. ⁽¹⁾	First Lien/Senior Secured Debt	364	364
RN Enterprises, LLC ⁽¹⁾	First Lien/Senior Secured Debt	758	758
Spark Buyer, LLC ⁽¹⁾	First Lien/Senior Secured Debt	571	571
Taoglas Group Holdings Limited (Revolver)	First Lien/Senior Secured Debt	70	35
VBC Spine Opco, LLC (DxTx Pain and Spine LLC) ⁽¹⁾	First Lien/Senior Secured Debt	N/A	285
VBC Spine Opco, LLC (DxTx Pain and Spine LLC) (Revolver)	First Lien/Senior Secured Debt	48	48
Wealth Enhancement Group, LLC (Revolver)	First Lien/Senior Secured Debt	438	438
Total Unfunded Commitments		\$ 9,544	\$ 8,249

⁽¹⁾ Delayed-draw term loan.

In the ordinary course of business, the Company may enter into contracts or agreements that contain indemnifications or warranties. Future events could occur that could lead to the execution of these provisions against the Company. Based on its history and experience, management believes that the likelihood of such an event is remote.

In the ordinary course of business, the Company may directly or indirectly be a defendant or plaintiff in legal actions with respect to bankruptcy, insolvency, or other types of proceedings. Such lawsuits may involve claims that could adversely affect the value of certain financial instruments owned by the Company or result in direct losses to the Company. The nature of litigation can make it difficult to predict the impact a particular lawsuit will have on the Company. There are many reasons that the Company cannot make these assessments, including, among others, one or more of the following: the proceeding is in its early stages; the damages sought are unspecified, unsupported, unexplained or uncertain; discovery has not started or is not complete; there are significant facts in dispute; and there are other parties who may share in any ultimate liability.

In management's opinion, no direct losses with respect to litigation contingencies were probable as of June 30, 2025 and December 31, 2024. Management is of the opinion that the ultimate resolution of such claims, if any, will not materially affect the Company's business, financial position, results of operations, or liquidity. Furthermore, in management's opinion, it is not possible to estimate a range of reasonably possible losses with respect to litigation contingencies.

Income Taxes

The Company has elected to be treated for U.S. federal income tax purposes and intends to comply with the requirements to qualify annually as a RIC under Subchapter M of the Code and, among other things, intends to make the requisite distributions to its stockholders which will relieve the Company from U.S. federal income taxes.

In order to qualify for tax treatment as a RIC, among other requirements, the Company is required to timely distribute to its stockholders at least 90.0% of its investment company taxable income, as defined by the Code, for each fiscal tax year. The Company will be subject to a nondeductible U.S. federal excise tax of 4.0% on certain undistributed income if it does not distribute an amount at least equal to the sum of (i) 98.0% of its ordinary income for the calendar year, (ii) 98.2% of its capital gains in excess of capital losses for the one-year period ending on October 31 of the calendar year, and (iii) any ordinary income and capital gain net income that it recognized for preceding years, but was not distributed during such years, and on which it paid no U.S. federal income tax.

Depending on the level of taxable income earned in an excise tax year, the Company may choose to carry forward taxable income in excess of current year dividend distributions into the next excise tax year and pay a 4.0% excise tax on such income, as required. To the extent that the Company determines that its estimated current year annual taxable income will be in excess of estimated current year dividend distributions for U.S. federal excise tax purposes, the Company accrues excise tax, if any, on estimated excess taxable income as taxable income is earned. Since the Company's IPO, the Company has not accrued or paid excise tax.

The tax years ended December 31, 2024, 2023, 2022 and 2021 remain subject to examination by U.S. federal, state, and local tax authorities. No material interest expense or penalties have been assessed for the three and six months ended June 30, 2025 and 2024. If the Company was required to recognize interest and penalties, if any, related to unrecognized tax benefits this would be recognized as income tax expense in the consolidated statements of operations.

For U.S. federal income tax purposes, as of June 30, 2025, the aggregate net unrealized depreciation for all securities was \$26.9 million. As of June 30, 2025, gross unrealized appreciation was \$6.6 million and gross unrealized depreciation was \$33.5 million. The aggregate cost of securities for U.S. federal income tax purposes was \$203.4 million as of June 30, 2025. For U.S. federal income tax purposes, as of December 31, 2024, the aggregate net unrealized depreciation for all securities was \$20.5 million. As of December 31, 2024, gross unrealized appreciation was \$10.6 million and gross unrealized depreciation was \$31.1 million. The aggregate cost of securities for U.S. federal income tax purposes was \$192.8 million as of December 31, 2024.

The Company's Taxable Subsidiaries record deferred tax assets or liabilities related to temporary book versus tax differences on the income or loss generated by the underlying equity investments held by the Taxable Subsidiaries. As of both June 30, 2025 and December 31, 2024, the Company recorded a net deferred tax asset of zero. For both the three and six months ended June 30, 2025 and 2024, the Company recorded a tax provision of zero. As of June 30, 2025 and December 31, 2024, the valuation allowance on the Company's deferred tax asset was \$4.2 million and \$3.8 million, respectively. During the three and six months ended June 30, 2025, the Company recognized an increase in the valuation allowance of \$0.3 million and \$0.4 million, respectively. During the three and six months ended June 30, 2024, the Company recognized a decrease in the valuation allowance of \$0.5 million.

In accordance with certain applicable U.S. Treasury regulations and guidance issued by the Internal Revenue Service, a publicly offered RIC may treat a distribution of its own stock as fulfilling its RIC distribution requirements if each stockholder may elect to receive its entire distribution in either cash or stock of the RIC, subject to a limitation on the aggregate amount of cash available to be distributed to all stockholders, which limitation must be at least 20.0% of the aggregate declared distribution. If too many stockholders elect to receive cash, the cash available for distribution must be allocated pro rata among the stockholders electing to receive cash (with the balance of the distribution paid in stock). In no event will any stockholder, electing to receive cash, receive less than 20.0% of its entire distribution in cash. If these and certain other requirements are met, for U.S. federal income tax purposes, the amount of the dividend paid in stock will be equal to the amount of cash that could have been received instead of stock.

ASC Topic 740 — *Income Taxes* ("ASC 740"), provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the consolidated financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's U.S. federal income tax returns to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority. Tax positions deemed to meet a "more-likely-than-not" threshold would be recorded as a tax benefit or expense in the current period. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the consolidated statements of operations. As of June 30, 2025 and December 31, 2024, there were no uncertain tax positions.

The Company is required to determine whether a tax position of the Company is more-likely-than-not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized could result in the Company recording a tax liability that could negatively impact the Company's net assets.

The Company has concluded that it was not necessary to record a liability for any such tax positions as of June 30, 2025 and December 31, 2024. However, the Company's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, ongoing analyses of, and changes to, tax laws, regulations and interpretations thereof.

Distributions

Distributions to the Company's common stockholders are recorded on the record date. The amount to be paid out as a dividend is determined by the Board. Net capital gains, if any, are generally distributed at least annually, although we may decide to retain such capital gains for reinvestment.

The Company has adopted an "opt out" dividend reinvestment plan ("DRIP") for the Company's common stockholders. As a result, if the Company declares a distribution, then stockholders' cash distributions will be automatically reinvested in additional shares of the Company's common stock unless a stockholder specifically "opts out" of our DRIP. If a stockholder opts out, that stockholder will receive cash distributions. Although distributions paid in the form of additional shares of our common stock will generally be subject to U.S. federal, state, and local taxes in the same manner as cash distributions, stockholders participating in the Company's DRIP will not receive any corresponding cash distributions with which to pay any such applicable taxes.

Company Investment Risk, Concentration of Credit Risk and Liquidity Risk

The Investment Adviser has broad discretion in making investments for the Company. Investments will generally consist of debt and equity instruments that may be affected by business, financial market, or legal uncertainties. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Company's activities and the value of its investments. In addition, the value of the Company's portfolio may fluctuate as the general level of interest rates fluctuate.

The value of the Company's investments may be detrimentally affected to the extent, among other things, that a borrower defaults on its obligations, there is insufficient collateral and/or there are extensive legal and other costs incurred in collecting on a defaulted loan. The value of the Company's investments may also be detrimentally affected to the extent observable primary or secondary market yields for similar instruments issued by comparable companies increase materially or risk premiums in the market between smaller companies, such as our borrowers, and those for which market yields are observable increase materially.

The Investment Adviser may attempt to minimize this risk by maintaining low debt-to-liquidation values with each debt investment and the collateral underlying the debt investment.

The Company's assets may, at any time, include securities and other financial instruments or obligations that are illiquid or thinly traded, making purchase or sale of such securities and financial instruments at desired prices or in desired quantities difficult. Furthermore, the sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to value any such investments accurately.

Segment Reporting

In accordance with ASC Topic 280 - Segment Reporting ("ASC 280"), the Company has determined that it has a single operating and reporting segment, the "Investment Management Segment". As a result, the Company's segment accounting policies are the same as described herein and the Company does not have any intra-segment sales or transfers of assets.

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* ("ASU 2024-03"), which requires disaggregated disclosure of certain costs and expenses, including purchases of inventory, employee compensation, depreciation, amortization and depletion, within relevant income statement captions. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods beginning in the first quarter ended March 31, 2028. Early adoption and retrospective application is permitted. The Company is currently assessing the impact of this guidance, however, the Company does not expect a material impact on its consolidated financial statements.

Note 3. Investments and Fair Value Measurements

The Company's investment objective is to generate both current income and capital appreciation through debt and equity investments. The Company offers customized financing to business owners, management teams, and financial sponsors for change of ownership transactions, recapitalizations, strategic acquisitions, business expansion, and other growth initiatives. The Company invests in first lien loans, and, to a lesser extent, second lien loans and equity securities issued by lower middle-market and traditional middle-market companies. As of June 30, 2025, our portfolio consisted of investments in 59 portfolio companies with a fair value of approximately \$172.4 million. As of December 31, 2024, our portfolio consisted of investments in 59 portfolio companies with a fair value of approximately \$172.3 million.

Most of the Company's debt investments are structured as first lien loans. First lien loans may contain some minimum amount of principal amortization, excess cash flow sweep feature, prepayment penalties, or any combination of the foregoing. First lien loans are secured by a first priority lien in existing and future assets of the borrower and may take the form of term loans, delayed draw facilities, or revolving credit facilities. Unitranche debt, a form of first lien loan, typically involves issuing one debt security that blends the risk and return profiles of both senior secured and subordinated debt, bifurcating the loan into a first-out tranche and last-out tranche. As of June 30, 2025 and December 31, 2024, none of the fair value of our first lien loans consisted of last-out loans.

The Company also invests in debt instruments structured as second lien loans. Second lien loans are loans which have a second priority security interest in all or substantially all of the borrower's assets, and in some cases, may be subject to the interruption of cash interest payments upon certain events of default, at the discretion of the first lien lender.

During the three months ended June 30, 2025, we made approximately \$9.5 million of investments and had approximately \$5.7 million in repayments and sales, resulting in net deployment of approximately \$3.8 million for the period. During the three months ended June 30, 2024, the Company made approximately \$1.5 million of investments and had approximately \$5.6 million in repayments and sales, resulting in net repayments and sales of approximately \$4.1 million for the period.

During the six months ended June 30, 2025, we made approximately \$24.6 million of investments and had approximately \$18.1 million in repayments and sales, resulting in net deployment of approximately \$6.5 million for the period. During the six months ended June 30, 2024, the Company made approximately \$11.3 million of investments and had approximately \$6.5 million in repayments and sales, resulting in net deployment of approximately \$4.8 million for the period.

As of June 30, 2025, the Company's Investment Adviser approved the fair value of the Company's investment portfolio of approximately \$172.4 million in good faith in accordance with the Company's valuation procedures. The Company's Investment Adviser approved the fair value of the Company's investment portfolio as of June 30, 2025 with input from third-party valuation firms based on information known or knowable as of the valuation date, including trailing and forward looking data.

The composition of our investments as of June 30, 2025, at amortized cost and fair value was as follows (dollars in thousands):

	Investments at Amortized Cost	Amortized Cost Percentage of Total Portfolio	Investments at Fair Value	Fair Value Percentage of Total Portfolio
First Lien Debt	\$ 136,008	67.6%	\$ 119,227	69.1%
Second Lien Debt	11,112	5.5%	9,717	5.6%
Subordinated Debt	27,062	13.4%	22,958	13.3%
Collateralized Loan Obligations	308	0.2%	624	0.4%
Joint Venture	3,616	1.8%	3,367	2.0%
Equity	23,185	11.5%	16,494	9.6%
Total	\$ 201,291	100.0%	\$ 172,387	100.0%

The composition of our investments as of December 31, 2024, at amortized cost and fair value was as follows (dollars in thousands):

	Investments at Amortized Cost	Amortized Cost Percentage of Total Portfolio	Investments at Fair Value	Fair Value Percentage of Total Portfolio
First Lien Debt	\$ 123,068	64.4%	\$ 111,460	64.7%
Second Lien Debt	10,623	5.5%	9,051	5.3%
Subordinated Debt	26,996	14.1%	22,858	13.3%
Collateralized Loan Obligations	852	0.4%	940	0.5%
Joint Venture	4,170	2.2%	4,153	2.4%
Equity	25,723	13.4%	23,828	13.8%
Total	\$ 191,432	100.0%	\$ 172,290	100.0%

The following table shows the portfolio composition by industry grouping at fair value as of June 30, 2025 and December 31, 2024 (dollars in thousands):

	June 30, 2025		December 31, 2024	
	Investments at Fair Value	Percentage of Total Portfolio	Investments at Fair Value	Percentage of Total Portfolio
Information Technology	34,508	20.0%	22,833	13.3%
Healthcare	\$ 30,178	17.5%	\$ 34,474	20.2%
Financials	20,607	12.0%	23,670	13.7%
Industrials	19,285	11.2%	17,865	10.4%
Business Services	19,250	11.2%	19,250	11.2%
Consumer Discretionary	14,012	8.1%	14,375	8.2%
Communication Services		5.7%		
Consumer Staples	9,903	%	3,889	2.3%
Automobile Part Manufacturer	5,286	3.1%	5,626	3.3%
Medical Device Distributor	5,157	3.0%	6,453	3.7%
Textile Equipment Manufacturer	4,950	2.9%	3,923	2.3%
Online Merchandise Retailer	2,865	1.7%	2,771	1.6%
Financial Services	1,782	1.0%	1,923	1.1%
Household Product Manufacturer	1,452	0.8%	1,974	1.1%
General Industrial	758	0.4%	758	0.4%
Data Processing & Digital Marketing	740	0.4%	680	0.4%
Healthcare Management	509	0.3%	508	0.3%
Oil & Gas Engineering and Consulting Services	477	0.3%	4,529	2.6%
Electronic Machine Repair	447	0.3%	527	0.3%
Advertising & Marketing Services	221	0.1%	210	0.1%
	—	—	6,052	3.5%
Total	\$ 172,387	100.0%	\$ 172,290	100.0%

As noted above, the Company values all investments in accordance with Rule 2a-5 under the 1940 Act and ASC 820. ASC 820 requires enhanced disclosures about assets and liabilities that are measured and reported at fair value. As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC 820 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability of inputs used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Based on the observability of the inputs used in the valuation techniques, the Company is required to provide disclosures on fair value measurements according to the fair value hierarchy. The fair value hierarchy ranks the observability of the inputs used to determine fair values. Investments carried at fair value are classified and disclosed in one of the following three categories:

- Level 1 — Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 — Valuations based on inputs other than quoted prices in active markets, which are either directly or indirectly observable.
- Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The Company employs the valuation policy approved by the Board that is consistent with ASC 820 (see Note 2). Consistent with the Company's valuation policy, the Company evaluates the source of inputs, including any markets in which its investments are trading, in determining fair value.

In estimating the fair value of portfolio investments, the Company starts with the cost basis of the investment, which includes amortized original issue discount and PIK income, if any. The transaction price is typically the best estimate of fair value at inception. When evidence supports a subsequent change to the carrying value from the original transaction price, adjustments are made to reflect the expected fair values.

The following table presents the fair value measurements of investments, by major class, as of June 30, 2025, according to the fair value hierarchy (dollars in thousands):

	Fair Value Measurements				NAV	Total
	Level 1	Level 2	Level 3			
First Lien Debt	\$ —	\$ —	\$ 119,227	\$ —	\$ —	\$ 119,227
Second Lien Debt	—	—	9,717	—	—	9,717
Subordinated Debt	—	—	22,958	—	—	22,958
Collateralized Loan Obligations	—	—	624	—	—	624
Joint Venture	—	—	—	3,367	—	3,367
Equity	—	—	16,494	—	—	16,494
Total	\$ —	\$ —	\$ 169,020	\$ 3,367	\$ —	\$ 172,387

The following table presents fair value measurements of investments, by major class, as of December 31, 2024, according to the fair value hierarchy (dollars in thousands):

	Fair Value Measurements					NAV	Total
	Level 1	Level 2	Level 3				
First Lien Debt	\$ —	\$ —	\$ 111,460	\$ —	\$ —	\$ —	\$ 111,460
Second Lien Debt	—	—	9,051	—	—	—	9,051
Subordinated Debt	—	—	22,858	—	—	—	22,858
Collateralized Loan Obligations	—	—	940	—	—	—	940
Joint Venture	—	—	—	—	4,153	—	4,153
Equity	—	—	23,828	—	—	—	23,828
Total	\$ —	\$ —	\$ 168,137	\$ —	\$ 4,153	\$ —	\$ 172,290

The following table provides a reconciliation of the beginning and ending balances for investments that use Level 3 inputs for the six months ended June 30, 2025 (dollars in thousands):

	First Lien Debt	Second Lien Debt	Subordinated Debt	Collateralized Loan Obligations	Equity	Total
	Balance as of January 1, 2025	\$ 111,460	\$ 9,051	\$ 22,858	\$ 940	\$ 23,828
Repayments/sales	(9,830)	—	—	(505)	(7,221)	(17,556)
Purchases	22,611	—	—	—	1,973	24,584
Payment-in-kind interest and dividends	379	485	66	—	88	1,018
Accretion of original issue discount	446	4	—	—	—	450
Net realized gain (loss) on investments	(666)	—	—	(39)	2,622	1,917
Net change in unrealized appreciation (depreciation) on investments	(5,173)	177	34	228	(4,796)	(9,530)
Balance as of June 30, 2025	\$ 119,227	\$ 9,717	\$ 22,958	\$ 624	\$ 16,494	\$ 169,020

The following table provides a reconciliation of the beginning and ending balances for investments that use Level 3 inputs for the six months ended June 30, 2024 (dollars in thousands):

	First Lien Debt	Second Lien Debt	Subordinated Debt	Collateralized Loan Obligations	Equity	Total
	Balance as of January 1, 2024	\$ 124,007	\$ 7,918	\$ 23,548	\$ 1,600	\$ 32,135
Repayments/sales	(5,914)	—	—	(32)	(495)	(6,441)
Purchases	10,018	—	322	—	987	11,327
Payment-in-kind interest and dividends accrued	439	373	—	—	59	871
Accretion of original issue discount	303	9	—	202	—	514
Net realized gain (loss) on investments	132	—	—	—	(45)	87
Net change in unrealized appreciation (depreciation) on investments	(3,852)	(288)	(652)	(174)	4,546	(420)
Balance as of June 30, 2024	\$ 125,133	\$ 8,012	\$ 23,218	\$ 1,596	\$ 37,187	\$ 195,146

The net change in unrealized appreciation (depreciation) on investments held was \$(7.3) million and \$(0.9) million for the six months ended June 30, 2025 and 2024, respectively, and is included in net change in unrealized appreciation (depreciation) on investments on the consolidated statements of operations.

The valuation techniques and significant unobservable inputs used in recurring Level 3 fair value measurements of assets as of June 30, 2025 were as follows:

	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range of Input (Weighted Average) ⁽²⁾
First lien debt	\$ 3.9	Market	Broker/Dealer Quotes	N/A
First lien debt	107.4	Income	Required Rate of Return	6.1% – 20.4% (11.5%)
First lien debt	3.5	Enterprise Market Value	Revenue Multiple	0.4x
First lien debt	3.8	Enterprise Market Value and Asset ⁽¹⁾	EBITDA Multiple	8.5x
First lien debt	0.1	Income	Stock Price	\$892.0
			Time to Exit (Years)	1.5
			Volatility	49.0%
First lien debt	0.5	Liquidation	Litigation Proceeds Coverage	42.7%
Second lien debt	1.7	Market	Broker/Dealer Quotes	N/A
Second lien debt	8.0	Income	Required Rate of Return	1.9% – 25.2% (17.0%)
Subordinated debt	19.6	Income	Required Rate of Return	9.8% – 10.8% (9.8%)
Subordinated debt	0.5	Enterprise Market Value	Recovery Percentage	19.4%
Subordinated debt	2.9	Enterprise Market Value	Revenue Multiple	0.6x
Collateralized Loan Obligations	0.6	Income	Discount Margin	0.0%
Equity	0.2	Income	Required Rate of Return	18.2%
Equity	1.3	Income	Stock Price	\$111.8 - \$1,840.0 (\$1,745.7)
			Time to Exit (Years)	2.0 - 4.4 (2.7)
			Volatility	30.0% - 54.4% (53.3%)
			Discount Margin	21.8%
Equity	14.5	Enterprise Market Value and Asset ⁽¹⁾	EBITDA Multiple	2.3x – 17.3x (6.9x)
Equity	0.5	Enterprise Market Value	Revenue Multiple	0.4x – 2.9x (1.0x)
	<u>\$ 169.0</u>			

⁽¹⁾ \$3.6 million in equity was valued using the asset approach.

⁽²⁾ The weighted averages disclosed in the table above were weighted by their relative fair value.

The valuation techniques and significant unobservable inputs used in recurring Level 3 fair value measurements of assets as of December 31, 2024 were as follows:

	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range of Input (Weighted Average) ⁽²⁾
First lien debt	\$ 4.8	Market	Broker/Dealer Quotes	N/A
First lien debt	95.7	Income	Required Rate of Return	7.3% – 17.1% (11.4%)
First lien debt	2.5	Enterprise Market Value	EBITDA Multiple	8.0x
First lien debt	3.8	Enterprise Market Value	Revenue Multiple	0.4x
First lien debt	0.1	Income	Stock Price	\$1,046.0
			Time to Exit (Years)	2.0
			Volatility	49.0%
			Risk Free Rate	4.3%
First lien debt	4.5	Liquidation	Litigation Proceeds Coverage	38.0%
Second lien debt	1.7	Market	Broker/Dealer Quotes	N/A
Second lien debt	7.0	Income	Required Rate of Return	1.9% – 16.6% (14.5%)
Second lien debt	0.4	Enterprise Market Value	EBITDA Multiple	4.6x
Subordinated debt	19.6	Income	Required Rate of Return	10.8% – 15.4% (10.9%)
Subordinated debt	0.5	Enterprise Market Value	Recovery Percentage	19.4%
Subordinated debt	2.8	Enterprise Market Value	Revenue Multiple	0.5x
Collateralized Loan Obligations	0.9	Income	Discount Margin	0.0%
Equity	0.2	Income	Required Rate of Return	17.8%
Equity	1.3	Income	Stock Price	\$113.2 - \$1,840.0 (\$1,751.4)
			Time to Exit (Years)	2.0 - 3.3 (3.2)
			Volatility	35.0% - 45.0% (44.5%)
Equity	21.8	Enterprise Market Value and Asset ⁽¹⁾	EBITDA Multiple	2.3x – 18.0x (6.6x)
Equity	0.5	Enterprise Market Value	Revenue Multiple	0.3x – 0.4x (0.3x)
	<u>\$ 168.1</u>			

⁽¹⁾ \$1.8 million in equity was valued using the asset approach.

⁽²⁾ The weighted averages disclosed in the table above were weighted by their relative fair value.

The significant unobservable inputs used in the valuation of the Company's investments are required rate of return, EBITDA multiples, revenue multiples, discount margin, recovery percentage, litigation proceeds coverage, risk free rate, stock price, projected time to exit and volatility. Changes in any of these unobservable inputs could have a significant impact on the Company's estimate of fair value. An increase (decrease) in the required rate of return, risk free rate, or discount margin will result in a lower (higher) estimate of fair value, respectively, while an increase (decrease) in adjusted EBITDA or recovery percentage, litigation proceeds coverage, stock price, projected time to exit (option-pricing model) or volatility will result in a higher (lower) estimate of fair value, respectively.

Great Lakes Funding II LLC

In August 2022, the Company invested in the Great Lakes II Joint Venture, a joint venture with an investment strategy to underwrite and hold senior, secured unitranche loans made to middle-market companies. The Company treats its investment in the Great Lakes II Joint Venture as a joint venture since an affiliate of the Investment Adviser controls a 50% voting interest in the Great Lakes II Joint Venture.

The Great Lakes II Joint Venture is a Delaware series limited liability company, and pursuant to the terms of the Great Lakes Funding II LLC Limited Liability Company Agreement (the "Great Lakes II LLC Agreement"), prior to the end of the investment period with respect to each series established under the Great Lakes II LLC Agreement, each member of the predecessor series would be offered the opportunity to roll its interests into any subsequent series of the Great Lakes II Joint Venture. The Company does not pay any advisory fees in connection with its investment in the Great Lakes II Joint Venture. Certain other funds managed by the Investment Adviser or its affiliates have also invested in the Great Lakes II Joint Venture.

The fair value of the Company's investment in the Great Lakes II Joint Venture at June 30, 2025 and December 31, 2024 was \$3.4 million and \$4.2 million, respectively. Fair value has been determined utilizing the net asset value as a practical expedient pursuant to U.S. GAAP. Pursuant to the terms of the Great Lakes II LLC Agreement, the Company generally may not effect any direct or indirect sale, transfer, assignment, hypothecation, pledge or other disposition of or encumbrance upon its interests in the Great Lakes II Joint Venture, except that the Company may sell or otherwise transfer its interests with the consent of the managing members of the Great Lakes II Joint Venture or to an affiliate or a successor to substantially all of the assets of the Company.

As of June 30, 2025, the Company had an unfunded commitment to the Great Lakes II Joint Venture of \$1.4 million.

Note 4. Transactions With Affiliated Companies

During the six months ended June 30, 2025, the Company had investments in portfolio companies designated as affiliates under the 1940 Act. Transactions with affiliates were as follows (dollars in thousands):

Company ⁽⁴⁾	Type of Investment	Principal Amount	Amount of Interest, Fees or Dividends Credited to Income ⁽¹⁾	December 31, 2024 Fair Value	Gross Additions ⁽²⁾	Gross Reductions ⁽³⁾	Realized Gain/(Loss)	Unrealized Appreciation (Depreciation)	June 30, 2025 Fair Value
Affiliate investments									
American Clinical Solutions, LLC	First Lien Debt (11.45% Cash (SOFR + 7.00%), 4.45% PIK, 1.00% Floor, Due 6/30/2026)	6,487	\$ 369	\$ 3,845	\$ 141	\$ —	\$ —	\$ (532)	\$ 3,454
American Clinical Solutions, LLC	Preferred Stock - Class A (19,664,483 units)	—	—	—	—	—	—	—	—
Burgafflex Holdings, LLC	Common Stock Class A (1,253,198 shares)	—	369	3,845	141	—	—	(532)	3,454
Burgafflex Holdings, LLC	Common Stock Class B (1,085,073 shares)	—	—	3,820	—	—	—	(802)	3,018
				2,633	—	—	—	(494)	2,139
				6,453	—	—	—	(1,296)	5,157
GA Communications, Inc.	Series A-1 Preferred Stock (1,998 shares)	—	—	5,566	—	(5,564)	2,088	(2,090)	—
GA Communications, Inc.	Series B-1 Common Stock (200,000 shares)	—	—	486	—	(486)	484	(484)	—
				6,052	—	(6,050)	2,572	(2,574)	—
Great Lakes Funding II LLC	Series A	—	266	4,153	—	(554)	—	(232)	3,367
			266	4,153	—	(554)	—	(232)	3,367
GreenPark Infrastructure, LLC	Series A (400 units)	—	—	200	—	—	—	—	200
GreenPark Infrastructure, LLC	Series M-1 (2,565 units)	—	—	881	—	—	—	(3)	878
				1,081	—	—	—	(3)	1,078
JMP Credit Advisors CLO IV Ltd.	Collateralized Loan Obligations	7,891	—	311	—	(223)	—	172	260
JMP Credit Advisors CLO V Ltd.	Collateralized Loan Obligations	7,320	—	629	—	(282)	(39)	56	364
				940	—	(505)	(39)	228	624
MMI Holdings, LLC ⁽⁶⁾	First Lien Debt (Due 12/31/2025)	5,030	—	2,556	1,600	(200)	—	607	4,563
MMI Holdings, LLC ⁽⁶⁾	Second Lien Debt (Due 12/31/2025)	480	—	367	—	—	—	20	387
MMI Holdings, LLC	Preferred Units (1,000 units)	—	—	1,000	—	(1,000)	—	—	—
				3,923	1,600	(1,200)	—	627	4,950
RAM Payment, LLC ⁽⁵⁾	Preferred Units (86,000 units, 6.00% PIK Dividend)	—	34	1,974	34	—	—	(556)	1,452
			34	1,974	34	—	—	(556)	1,452
Riddell, Inc.	First Lien Debt (10.31% Cash (SOFR + 6.00%), 1.00% Floor, Due 3/29/29)	3,430	188	3,568	8	(138)	—	(21)	3,417
EBSC Holdings LLC (Riddell, Inc.) ⁽⁵⁾	Preferred Units (1,131 units, 10.00% PIK)	—	56	1,187	56	—	—	49	1,292
			244	4,755	64	(138)	—	28	4,709
Sierra Hamilton Holdings Corporation	Common Stock (27,396,364 shares)	—	—	527	—	—	—	(80)	447
				527	—	—	—	(80)	447
V12 Holdings, Inc.	Second Lien Debt	509	—	508	—	—	—	1	509
				508	—	—	—	1	509
Total Affiliate investments			\$ 913	\$ 34,211	\$ 1,839	\$ (8,447)	\$ 2,533	\$ (4,389)	\$ 25,747

(1) Represents the total amount of interest, original issue discount, fees and dividends credited to income for the portion of the year an investment was included in Affiliate or Control categories, respectively.

(2) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments, accrued PIK and accretion of original issue discount. Gross additions also include transfers into Affiliate or Control classification.

(3) Gross reductions include decreases in the cost basis of investments resulting from principal repayments and sales. Gross reductions also include transfers out of Affiliate or Control classification.

(4) All debt investments are income producing except for non-accrual investments. Equity and warrant investments are non-income producing, unless otherwise noted.

(5) The equity investment is income producing, based on rate disclosed.

(6) Non-accrual investment.

During the year ended December 31, 2024, the Company had investments in portfolio companies designated as affiliates under the 1940 Act. Transactions with affiliates were as follows (dollars in thousands):

Company ⁽⁴⁾	Type of Investment	Principal Amount	Amount of Interest, Fees or Dividends Credited to Income ⁽¹⁾	December 31, 2023 Fair Value	Gross Additions ⁽²⁾	Gross Reductions ⁽³⁾	Realized Gain/(Loss)	Unrealized Appreciation (Depreciation)	December 31, 2024 Fair Value
Affiliate investments									
American Clinical Solutions, LLC	First Lien Debt (11.33% Cash (SOFR + 7.00%), 4.33% PIK, 1.00% Floor, Due 6/30/25)	6,343	\$ 754	\$ 5,037	\$ 827	\$ —	\$ —	\$ (2,019)	\$ 3,845
American Clinical Solutions, LLC	Preferred Stock - Class A (19,664,483 units)	—	—	1,913	—	—	—	(1,913)	—
			754	6,950	827	—	—	(3,932)	3,845
Burgaflex Holdings, LLC	Common Stock Class A (1,253,198 shares)	—	—	3,090	—	—	—	730	3,820
Burgaflex Holdings, LLC	Common Stock Class B (1,085,073 shares)	—	—	2,420	—	—	—	213	2,633
			—	5,510	—	—	—	943	6,453
GA Communications, Inc.	Series A-1 Preferred Stock (1,998 shares)	—	—	3,540	—	—	—	2,026	5,566
GA Communications, Inc.	Series B-1 Common Stock (200,000 shares)	—	—	620	—	—	—	(134)	486
			—	4,160	—	—	—	1,892	6,052
Great Lakes Funding II LLC	Series A	—	198	450	3,815	(85)	—	(27)	4,153
			198	450	3,815	(85)	—	(27)	4,153
GreenPark Infrastructure, LLC	Series A (400 units)	—	—	200	—	—	—	—	200
GreenPark Infrastructure, LLC	Series M-1 (2,256 units)	—	—	69	811	—	—	1	881
			—	269	811	—	—	1	1,081
JMP Credit Advisors CLO IV Ltd.	Collateralized Loan Obligations	7,891	42	293	42	(112)	—	88	311
JMP Credit Advisors CLO V Ltd.	Collateralized Loan Obligations	7,320	282	1,307	282	(388)	(572)	—	629
			324	1,600	324	(500)	(572)	88	940
MMI Holdings, LLC ⁽⁷⁾	First Lien Debt (Due 6/28/24)	2,600	—	2,514	—	—	—	42	2,556
MMI Holdings, LLC ⁽⁷⁾	Second Lien Debt (Due 6/28/24)	400	—	352	—	—	—	15	367
MMI Holdings, LLC	Preferred Units (1,000 units)	—	—	559	—	—	—	441	1,000
MMI Holdings, LLC	Common Membership Units (45 units)	—	—	—	—	—	—	—	—
			—	3,425	—	—	—	498	3,923
Nth Degree Investment Group, LLC ⁽⁶⁾	Membership Units (6,088,000 units)	—	—	10,340	—	(17,486)	11,398	(4,252)	—
			—	10,340	—	(17,486)	11,398	(4,252)	—
RAM Payment, LLC ⁽⁵⁾	Preferred Units (86,000 units, 6.00% PIK Dividend)	—	376	2,445	69	—	—	(540)	1,974
			376	2,445	69	—	—	(540)	1,974
Riddell, Inc.	First Lien Debt (10.48% Cash (SOFR + 6.00%), 1.00% Floor, Due 3/29/29)	3,568	321	—	3,582	(68)	—	54	3,568
EBSC Holdings LLC (Riddell, Inc.) ⁽⁵⁾	Preferred Units (1,077 units, 10.00% PIK)	—	77	—	1,064	—	—	123	1,187
			398	—	4,646	(68)	—	177	4,755
Sierra Hamilton Holdings Corporation	Common Stock (27,396,364 shares)	—	—	670	—	—	—	(143)	527
			—	670	—	—	—	(143)	527
V12 Holdings, Inc.	Second Lien Debt	509	—	509	—	—	—	(1)	508
			—	509	—	—	—	(1)	508
Total Affiliate investments			\$ 2,050	\$ 36,328	\$ 10,492	\$ (18,139)	\$ 10,826	\$ (5,296)	\$ 34,211

(1) Represents the total amount of interest, original issue discount, fees and dividends credited to income for the portion of the year an investment was included in Affiliate or Control categories, respectively.

(2) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments, accrued PIK and accretion of original issue discount. Gross additions also include transfers into Affiliate or Control classification.

(3) Gross reductions include decreases in the cost basis of investments resulting from principal repayments and sales. Gross reductions also include transfers out of Affiliate or Control classification.

(4) All debt investments are income producing except for non-accrual investments. Equity and warrant investments are non-income producing, unless otherwise noted.

(5) The equity investment is income producing, based on rate disclosed.

(6) As of September 10, 2024, the Company exited Nth Degree Investment Group, LLC. The Company received \$17.5 million in cash in exchange for all of its equity interest. This resulted in a realized gain of approximately \$11.4 million and unrealized depreciation of approximately \$4.3 million for the twelve months ended December 31, 2024. As a result of this transaction, Nth Degree Investment Group, LLC is no longer an affiliate of the Company.

(7) Non-accrual investment.

Note 5. Agreements and Related Party Transactions

Investment Advisory Agreement

On July 1, 2021, the Company entered into the Investment Advisory Agreement with the Investment Adviser, which was approved by the Company's stockholders on May 27, 2021. Unless earlier terminated in accordance with its terms, the Investment Advisory Agreement will remain in effect from year to year if approved annually by the Board or by a majority of our Independent Directors. The Board most recently approved the renewal of the Investment Advisory Agreement at a meeting on May 7, 2025. The Investment Advisory Agreement was terminated on July 15, 2025 in connection with the completion of the acquisition of the Company by Portman Ridge Finance Corporation, as described in Note 13 below. Subject to the overall supervision of the Board, the Investment Adviser manages our day-to-day operations and provides investment advisory and management services to us. Under the terms of the Investment Advisory Agreement, the Investment Adviser:

- determines the composition of our portfolio, the nature and timing of the changes to our portfolio, and the manner of implementing such changes;
- identifies, evaluates, and negotiates the structure of the investments we make (including performing due diligence on our prospective portfolio companies);
- closes and monitors the investments we make; and
- provides us with other investment advisory, research, and related services as we may from time to time require.

The Investment Adviser's services under the Investment Advisory Agreement are not exclusive, and it is free to furnish similar services to other entities so long as its services to us are not impaired.

The Investment Advisory Agreement provides that, absent willful misfeasance, bad faith, or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, the Investment Adviser and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with it are entitled to indemnification from the Company for any damages, liabilities, costs, and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of our Investment Adviser's services under the Investment Advisory Agreement or otherwise as Investment Adviser for the Company.

Pursuant to the Investment Advisory Agreement, the Company has agreed to pay the Investment Adviser a fee for investment advisory and management services consisting of two components — a base management fee and an incentive fee.

The base management fee is calculated at an annual rate of 1.75% of the gross assets, which are the total assets reflected on the consolidated statements of assets and liabilities and includes any borrowings for investment purposes. Although the Company does not anticipate making significant investments in derivative financial instruments, the fair value of any such investments, which will not necessarily equal their notional value, will be included in the calculation of gross assets. For services rendered under the Investment Advisory Agreement, the base management fee is payable quarterly in arrears. The base management fee is calculated based on the average value of the gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the current calendar quarter.

The incentive fee consists of the following two parts:

The first part of the incentive fee is calculated and payable quarterly in arrears based on the pre-incentive fee net investment income for the immediately preceding calendar quarter. For this purpose, pre-incentive fee net investment income means interest income, dividend income, and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, diligence, and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement to our Administrator, and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with PIK interest and zero coupon securities), accrued income that we have not yet received in cash. Pre-incentive fee net investment income does not include any realized capital gains, computed net of all realized capital losses or unrealized capital appreciation or depreciation. Pre-incentive fee net investment income, expressed as a rate of return on the value of our net assets at the end of the immediately preceding calendar quarter, is compared to a hurdle of 2.0% per quarter (8.0% annualized). The Company pays the Investment Adviser an incentive fee with respect to the pre-incentive fee net investment income in each calendar quarter as follows:

- no incentive fee in any calendar quarter in which the pre-incentive fee net investment income does not exceed the hurdle of 2.0%;
- 100% of the pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the hurdle but is less than 2.5% in any calendar quarter (10.0% annualized). The Company refers to this portion of the pre-incentive fee net investment income (which exceeds the hurdle but is less than 2.5%) as the "catch-up." The "catch-up" is meant to provide the Investment Adviser with 20% of the pre-incentive fee net investment income as if a hurdle did not apply if this net investment income exceeds 2.5% in any calendar quarter; and
- 20% of the amount of the pre-incentive fee net investment income, if any, that exceeds 2.5% in any calendar quarter (10.0% annualized) is payable to the Investment Adviser (once the hurdle is reached and the catch-up is achieved, 20% of all pre-incentive fee investment income thereafter is allocated to the Investment Adviser).

The second part of the incentive fee is determined and payable in arrears as of the end of each calendar year, commencing on December 31, 2021, and equals 20.0% of the Company's realized capital gains, if any, on a cumulative basis with respect to each of the investments in the Company's portfolio from the fiscal quarter ending on or immediately prior to July 1, 2021 through the end of each calendar year beginning with the calendar year ending December 31, 2021, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis from September 30, 2021 through the end of each calendar year beginning with the calendar year ending December 31, 2021, less the aggregate amount of any previously paid capital gain fees under the Investment Advisory Agreement. Any realized capital gains, realized capital losses and unrealized capital depreciation with respect to the Company's portfolio as of the end of the fiscal quarter ending on or immediately prior to July 1, 2021 are excluded from the calculations of the capital gains fee. In the event that the Investment Advisory Agreement terminates as of a date that is not a calendar year end, the termination date shall be treated as though it were a calendar year end for purposes of calculating and paying a capital gains fee.

The Company will defer cash payment of the portion of any incentive fee otherwise earned by the Investment Adviser that would, when taken together with all other incentive fees paid to the Investment Adviser during the most recent 12 full calendar month period ending on or prior to the date such payment is to be made, exceed 20% of the sum of (a) the pre-incentive fee net investment income during such period, (b) the net unrealized appreciation or depreciation during such period and (c) the net realized capital gains or losses during such period. Any deferred incentive fees will be carried over for payment in subsequent calculation periods to the extent such payment is payable under the Investment Advisory Agreement. As of June 30, 2025 and December 31, 2024, the Company did not have incentive fees payable to the Investment Adviser related to fees earned in prior years but deferred under the incentive fee deferral mechanism.

As part of the Transaction, the Investment Adviser entered into the Fee Waiver with the Company to waive, to the extent necessary, any capital gains fee under the Investment Advisory Agreement that exceeds what would have been paid to Capitala in the aggregate over such two-year period under the prior advisory agreement. The Fee Waiver expired at the end of the two-year period.

For the three months ended June 30, 2025 and 2024, the Company incurred \$0.8 million and \$0.9 million in base management fees, respectively. The Company did not earn an incentive fee related to pre-incentive fee net investment income or capital gains for the three months ended June 30, 2025 and 2024.

For the six months ended June 30, 2025 and 2024, the Company incurred \$1.6 million and \$1.8 million in base management fees, respectively. The Company did not earn an incentive fee related to pre-incentive fee net investment income or capital gains for the six months ended June 30, 2025 and 2024.

As of June 30, 2025 and December 31, 2024, the Company had \$0.8 million and \$0.8 million, respectively, of management and incentive fees payable to the Investment Adviser. These amounts are reflected in the accompanying consolidated statements of assets and liabilities under the caption "Management and incentive fees payable."

Administration Agreement

On July 1, 2021, the Company entered into the Administration Agreement, pursuant to which the Administrator has agreed to furnish the Company with office facilities, equipment and clerical, bookkeeping, and record keeping services at such facilities. The Administrator also performs or oversees the performance of the required administrative services, which include, among other things, being responsible for the financial records that the Company is required to maintain and preparing reports to our stockholders. In addition, the Administrator assists in determining and publishing the net asset value, oversees the preparation and filing of the tax returns and the printing and dissemination of reports to the stockholders, and generally oversees the payment of the expenses and the performance of administrative and professional services rendered to the Company by others.

Payments under the Administration Agreement are equal to an amount based upon the allocable portion of the Administrator's overhead in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions, and the allocable portion of the compensation of the chief financial officer, the chief compliance officer, and their respective administrative support staff. Under the Administration Agreement, the Administrator will also provide, on the Company's behalf, managerial assistance to those portfolio companies that request such assistance. The Administration Agreement was renewed on May 7, 2025. The Administration Agreement was terminated on July 15, 2025 in connection with the completion of the acquisition of the Company by Portman Ridge Finance Corporation, as described in Note 13 below. To the extent that the Administrator outsources any of its functions, the Company will pay the fees associated with such functions on a direct basis without any incremental profit to our Administrator. Stockholder approval is not required to amend the Administration Agreement.

For the three months ended June 30, 2025 and 2024, the Company accrued \$0.3 million and \$0.3 million, respectively, for the Company's allocable portion of the Administrator's overhead.

For the six months ended June 30, 2025 and 2024, the Company accrued \$0.5 million and \$0.5 million, respectively, for the Company's allocable portion of the Administrator's overhead.

The Administration Agreement provides that, absent willful misfeasance, bad faith, or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, our Administrator and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with it are entitled to indemnification from the Company for any damages, liabilities, costs, and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of our Administrator's services under the Administration Agreement or otherwise as Administrator for the Company.

Co-investment Exemptive Relief

As a BDC, the Company is subject to certain regulatory restrictions in making its investments. For example, BDCs generally are not permitted to co-invest with certain affiliated entities in transactions originated by the BDC or its affiliates in the absence of an exemptive order from the SEC. However, BDCs are permitted to, and may, simultaneously co-invest in transactions where price is the only negotiated term. On April 10, 2023, superseding a prior exemptive order granted on October 23, 2018, the SEC issued an order granting an application for exemptive relief to us and certain of our affiliates that allows BDCs managed by the Investment Adviser, including Logan Ridge, to co-invest, subject to the satisfaction of certain conditions, in certain private placement transactions, with other funds managed by the Investment Adviser or its affiliates, certain proprietary accounts of the Investment Adviser or its affiliates and any future funds that are advised by the Investment Adviser or its affiliated investment advisers.

Under the terms of the exemptive order, in order for the Company to participate in a co-investment transaction a "required majority" (as defined in Section 57(0) of the 1940 Act) of the Company's independent directors must conclude that (i) the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair to the Company and its stockholders and do not involve overreaching with respect of the Company or its stockholders on the part of any person concerned, and (ii) the proposed transaction is consistent with the interests of the Company's stockholders and is consistent with the Company's investment objectives and strategies and certain criteria established by the Board.

Trade with Affiliated Funds

There were no transactions subject to Rule 17a-7 under the 1940 Act during the three and six months ended June 30, 2025 and 2024.

Potential Conflicts of Interest

The members of the senior management and investment teams of the Investment Adviser serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as the Company does, or of investment vehicles managed by the same personnel. In serving in these multiple and other capacities, they may have obligations to other clients or investors in those entities, the fulfillment of which may or may not be in the Company's best interests or in the best interest of the Company's stockholders. The Company's investment objectives may overlap with the investment objectives of such investment funds, accounts or other investment vehicles.

Note 6. Borrowings

2026 Notes

On October 29, 2021, the Company issued \$50.0 million in aggregate principal amount of 5.25% fixed-rate notes due October 30, 2026 (the "2026 Notes") pursuant to a supplemental indenture with U.S. Bank National Association (the "Trustee"), which supplements that certain base indenture, dated as of June 16, 2014. The 2026 Notes were issued in a private placement exempt from registration under the Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). The net proceeds to the Company were approximately \$48.8 million, after deducting estimated offering expenses. The Notes will mature on October 30, 2026 and may be redeemed in whole or in part at the Company's option at any time or from time to time at the redemption prices set forth in the Indenture. The Notes bear interest at a rate of 5.25% per year payable semi-annually on April 30 and October 30 of each year, commencing on April 30, 2022, subject to a step up of 0.75% per annum to the extent the Notes are downgraded below Investment Grade by a National Recognized Statistical Rating Organization ("NRSRO") or the Notes no longer maintain a rating from an NRSRO. On March 28, 2024, the Company obtained a BB+ rating from a NRSRO with respect to the Notes, leading to the Notes bearing interest at a rate of 6.00% per year. The Notes are general unsecured obligations of the Company that rank senior in right of payment to all of the Company's existing and future indebtedness that is expressly subordinated in right of payment to the Notes, rank pari passu with all existing and future unsecured unsubordinated indebtedness issued by the Company, rank effectively junior to any of the Company's secured indebtedness (including unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness, and rank structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company's subsidiaries, financing vehicles or similar facilities.

In July 2022, pursuant to the requirements of a registration rights agreements entered into in connection with the offering described above, the Company completed an exchange offer pursuant to which all of the outstanding 2026 Notes were exchanged for notes with substantially identical terms, but that are registered under the Securities Act (which notes are also referred to herein as the "2026 Notes").

As of June 30, 2025 and December 31, 2024, the Company had \$50.0 million and \$50.0 million, respectively in 2026 Notes outstanding.

The following table summarizes the interest expense, deferred financing costs, average outstanding balance, and average stated interest rate on the 2026 Notes for the three and six months ended June 30, 2025 and 2024 (dollars in thousands):

	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2025	2024	2024	2025	2024	2024
Interest expense	\$ 800	\$ 800	\$ 800	\$ 1,599	\$ 1,506	\$ 1,506
Deferred financing costs	43	41	41	85	82	82
Total interest and financing expenses	\$ 843	\$ 841	\$ 841	\$ 1,684	\$ 1,588	\$ 1,588
Average outstanding balance	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Average stated interest rate	6.00%	6.00%	6.00%	6.00%	6.00%	5.62%

2032 Convertible Notes

On April 1, 2022, the Company issued \$15.0 million in aggregate principal amount of 5.25% fixed-rate convertible notes due April 1, 2032 (the "2032 Convertible Notes").

The 2032 Convertible Notes are convertible, at the holder's option and at any time on or prior to the close of business on the business day immediately preceding the maturity date, into such number of shares of the Company's common stock as is equal to the principal balance of the notes being converted on such date divided by the "Conversion Price," as described below. The Company will not issue more than 539,503 shares of common stock in the aggregate under the purchase agreement governing the 2032 Convertible Notes (the "Purchase Agreement"); however, such number of shares may be adjusted from time to time to give effect to any forward or reverse stock splits with respect to the common stock as well as any further adjustments described in the purchase agreement. The "Conversion Price" will be equal to the average "Closing Sale Price" for the five "Trading Days" immediately prior to the relevant "Conversion Date," as those terms are defined in the Purchase Agreement, subject to certain anti-dilutive provisions, as further described in the Purchase Agreement. No holder of a 2032 Convertible Note will be entitled to convert any such note or portion thereof if such conversion would result in more than \$7,500,000 in principal amount of 2032 Convertible Notes being converted in any such calendar quarter. The Company has determined that the embedded conversion option in the 2032 Convertible Notes is not required to be separately accounted for as a derivative under U.S. GAAP.

The 2032 Convertible Notes have a fixed interest rate of 5.25% per annum payable semi-annually on March 31 and September 30 of each year, commencing on September 30, 2022, subject to a step up of 0.75% per annum to the extent that the 2032 Convertible Notes are downgraded below Investment Grade by an NRSRO or the 2032 Convertible Notes no longer maintain a rating from an NRSRO. On March 28, 2024, the Company obtained a BB+ rating from a Nationally Recognized Statistical Rating Organization ("NRSRO") with respect to the 2032 Convertible Notes. Starting on March 28, 2024, as a result of the rating downgrade, the 2032 Convertible Notes have a fixed interest rate of 6.00% per annum. The Company will also be required to pay an additional interest rate of 2.0% per annum (x) on any overdue payment of interest and (y) during the continuance of an "Event of Default." The Company intends to use the net proceeds from the offering of the 2032 Convertible Notes for general corporate purposes, which may include repaying outstanding indebtedness, making opportunistic investments and paying corporate expenses. In addition, on the occurrence of a "Change in Control Repurchase Event" or "Delisting Event," as defined in the Purchase Agreement, the Company will generally be required to make an offer to purchase the outstanding 2032 Convertible Notes at a price equal to 100% of the principal amount of such 2032 Convertible Notes plus accrued and unpaid interest to the repurchase date. The 2032 Convertible Notes are redeemable prior to maturity. No "sinking fund" is provided for the 2032 Convertible Notes.

During the three months ended June 30, 2025, the Company repaid \$2.5 million of outstanding principal amount of the 2032 Convertible Notes. During the three months ended June 30, 2024, the Company repaid \$2.0 million of outstanding principal amount of the 2032 Convertible Notes.

During the six months ended June 30, 2025, the Company repaid \$5.0 million of outstanding principal amount of the 2032 Convertible Notes. During the six months ended June 30, 2024, the Company repaid \$2.0 million of outstanding principal amount of the 2032 Convertible Notes, and additionally the Company converted \$1.0 million in outstanding principal amount of the 2032 Convertible Notes. Of the \$1.0 million that was converted, \$0.5 million was paid in cash and \$0.5 million was converted into 22,105 shares of the Company's common stock at a rate of \$22.61 per principal amount, in accordance with a Notice of Exercise of Conversion.

As of June 30, 2025 and December 31, 2024, the Company had \$2.5 million and \$7.5 million, respectively, in 2032 Convertible Notes outstanding.

The following table summarizes the interest expense, deferred financing costs, average outstanding balance, and average stated interest rate on the 2032 Convertible Notes for the three and six months ended June 30, 2025 and 2024 (dollars in thousands):

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2025		2024		2025		2024	
Interest expense	\$	57	\$	202	\$	142	\$	414
Deferred financing costs		1		25		2		28
Total interest and financing expenses	\$	<u>58</u>	\$	<u>227</u>	\$	<u>144</u>	\$	<u>442</u>
Average outstanding balance	\$	3,397	\$	12,022	\$	4,231	\$	13,142
Average stated interest rate		6.00%		6.00%		6.00%		5.62%

KeyBank Credit Facility

On October 30, 2020, CBL, a direct, wholly owned, consolidated subsidiary of the Company, entered into the KeyBank Credit Facility with the investment adviser at the time, as collateral manager, the lenders from time to time parties thereto (each a "Lender"), KeyBank National Association, as administrative agent, and U.S. Bank National Association, as custodian. The KeyBank Credit Facility was amended on May 10, 2022, October 20, 2022, and August 21, 2024. Under the KeyBank Credit Facility, the Lenders have agreed to extend credit to CBL in an aggregate principal amount of up to \$75.0 million, with an uncommitted accordion feature that allows the Company to borrow up to an additional \$125.0 million. The KeyBank Credit Facility matures on August 21, 2029, unless there is an earlier termination or event of default. The period during which the Lenders may make loans to CBL under the KeyBank Credit Facility commenced on October 30, 2020 and will continue through August 21, 2027, unless there is an earlier termination or event of default. Borrowings under the KeyBank Credit Facility bear interest at 1M Term SOFR plus 2.80% during the reinvestment period and 3.20% thereafter, with a 0.40% 1M Term SOFR floor. CBL will also pay an unused commitment fee at a rate of (1) 0.75% if utilization is less than or equal to 50.0%, (2) 0.50% if utilization is greater than 50.0% but less than or equal to 75.0%, or (3) 0.25% if utilization is greater than 75.0%, per annum on the unutilized portion of the aggregate commitments under the KeyBank Credit Facility. As of June 30, 2025 and December 31, 2024, there were draws of \$52.3 million and \$48.8 million, respectively, on the KeyBank Credit Facility. The KeyBank Credit Facility includes customary affirmative and negative covenants, including certain limitations on the incurrence of additional indebtedness and liens, as well as usual and customary events of default for revolving credit facilities of this nature. As of June 30, 2025 and December 31, 2024, assets pledged to secure the KeyBank Credit Facility had a fair value of \$135.6 million and \$139.2 million, respectively.

The following table summarizes the interest expense, deferred financing costs, unused commitment fees, average outstanding balance, and average stated interest rate on the KeyBank Credit Facility for the three and six months ended June 30, 2025 and 2024 (dollars in thousands):

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2025		2024		2025		2024	
Interest expense	\$	894	\$	1,132	\$	1,679	\$	2,046
Deferred financing costs		62		85		124		170
Unused commitment fees		33		18		72		64
Total interest and financing expenses	\$	<u>989</u>	\$	<u>1,235</u>	\$	<u>1,875</u>	\$	<u>2,280</u>
Average outstanding balance	\$	49,097	\$	54,018	\$	46,401	\$	48,705
Average stated interest rate		7.12%		8.22%		7.12%		8.23%

Financial Instruments Disclosed, But Not Carried, At Fair Value

The following table presents the outstanding principal and fair value of the Company's financial liabilities disclosed, but not carried, at fair value as of June 30, 2025, and the level of each financial liability within the fair value hierarchy (dollars in thousands):

	Outstanding Principal	Fair Value	Level		
			Level 1	Level 2	Level 3
2026 Notes	\$ 50,000	\$ 47,375	\$ —	\$ —	\$ 47,375
2032 Convertible Notes	2,500	2,365	—	—	2,365
KeyBank Credit Facility	52,332	52,332	—	—	52,332
Total	<u>\$ 104,832</u>	<u>\$ 102,072</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 102,072</u>

The following table presents the outstanding principal and fair value of the Company's financial liabilities disclosed, but not carried, at fair value as of December 31, 2024, and the level of each financial liability within the fair value hierarchy (dollars in thousands):

	Outstanding Principal	Fair Value	Level		
			Level 1	Level 2	Level 3
2026 Notes	\$ 50,000	\$ 47,375	\$ —	\$ —	\$ 47,375
2032 Convertible Notes	7,500	7,095	—	—	7,095
KeyBank Credit Facility	48,754	48,754	—	—	48,754
Total	<u>\$ 106,254</u>	<u>\$ 103,224</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 103,224</u>

Note 7. Directors' Expense

Our Independent Directors receive an annual fee of \$50,000. They also receive \$5,000 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending each Board meeting and \$5,000 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending each committee meeting. In addition, the chairman of the audit committee receives an annual fee of \$10,000 and each chairman of any other committee receives an annual fee of \$5,000 for their additional services, if any, in these capacities. For the three and six months ended June 30, 2025, the Company recognized directors' expense of \$0.1 million and \$0.3 million, respectively. For the three and six months ended June 30, 2024, the Company recognized directors' expense of \$0.2 million and \$0.3 million, respectively. No compensation is expected to be paid to directors who are "interested persons" of the Company, as such term is defined in Section 2(a)(19) of the 1940 Act.

Note 8. Stockholders' Equity

On March 6, 2023, the Company's Board authorized a share repurchase program, whereby the Company could repurchase up to an aggregate of \$5.0 million of its outstanding shares of common stock in the open market. The repurchase program did not obligate the Company to acquire any specific number of shares, and all repurchases were made in accordance with SEC Rule 10b-18 and accomplished through a Rule 10b5-1 plan, which set certain restrictions on the method, timing, price and volume of share repurchases. On March 11, 2024, the Board authorized the extension of the share repurchase program for an additional year and increased the aggregate available balance to \$5.0 million. The repurchase program terminated on March 31, 2025.

During the three and six months ended June 30, 2025, the Company did not repurchase any of its outstanding shares under the share repurchase program. During the three and six months ended June 30, 2024, the Company repurchased zero and 20,867 of its outstanding shares, respectively, under the share repurchase program at an aggregate cost of approximately zero and \$0.5 million, respectively.

During the three and six months ended June 30, 2025, the Company issued 92 and 167 shares, respectively, of common stock under its DRIP. During the three and six months ended June 30, 2024, the Company issued 126 shares of common stock under its DRIP.

During the three and six months ended June 30, 2025, the 2032 Note Convertible Noteholders did not elect to convert any amount of the 2032 Convertible Notes. During the three and six months ended June 30, 2024, the 2032 Note Convertible Noteholders elected to convert zero and \$0.5 million par of the 2032 Convertible Notes, respectively, into zero and 22,105 shares of common stock pursuant to the Note Purchase Agreement at a rate of \$22.61 per principal amount, in accordance with a Notice of Exercise of Conversion.

The total number of shares of the Company's common stock outstanding as of June 30, 2025 and December 31, 2024 was 2,656,065 and 2,655,898, respectively.

Note 9. Earnings Per Share

In accordance with the provisions of ASC Topic 260 - *Earnings per Share* ("ASC 260"), basic earnings per share is computed by dividing earnings available to common stockholders by the weighted average number of shares of the Company's common stock outstanding during the period. Other potentially dilutive shares of the Company's common stock, and the related impact to earnings, are considered when calculating diluted earnings per share. For the three and six months ended June 30, 2025 and 2024, 0.1 million and 0.5 million, respectively, in convertible shares related to the 2032 Convertible Notes were considered anti-dilutive.

The following information sets forth the computation of the weighted average basic and diluted net increase (decrease) in net assets per share resulting from operations for the three and six months ended June 30, 2025 and 2024 (dollars in thousands, except share and per share data):

	For the Three Months Ended June 30,	
	2025 ⁽¹⁾	2024 ⁽²⁾
Net increase (decrease) in net assets resulting from operations - basic and diluted	\$ (597)	\$ (658)
Weighted average common stock outstanding - basic and diluted	2,656,006	2,676,018
Net increase (decrease) in net assets per share from operations - basic and diluted	\$ (0.22)	\$ (0.25)

(1) In applying the if-converted method, conversion is not assumed for purposes of computing diluted earnings per share if the effect would be anti-dilutive. For the three and six months ended June 30, 2025, conversion of the 2032 Convertible Notes into 0.1 million shares was not assumed as the effect on diluted earnings per share would be anti-dilutive.

(2) In applying the if-converted method, conversion is not assumed for purposes of computing diluted earnings per share if the effect would be anti-dilutive. For the three and six months ended June 30, 2024, conversion of the 2032 Convertible Notes into 0.5 million shares was assumed as the effect on diluted earnings per share would be anti-dilutive.

Note 10. Distributions

The Company's distributions are recorded on the record date. Stockholders have the option to receive payment of the distribution in cash, shares of the Company's common stock, or a combination of cash and shares of common stock. Tax characteristics of all distributions paid are reported to stockholders on Form 1099 after the end of the calendar year. Accordingly, distributions may be subject to reclassification based on future dividends and operating results and will not be determined until the end of the year.

The following table summarizes the Company's distribution declarations for the six months ended June 30, 2025 (dollars in thousands, except share and per share data):

Date Declared	Record Date	Payment Date	Amount Per Share	Cash Distribution	DRIP Shares Issued	DRIP Share Value
March 13, 2025	March 24, 2025	March 31, 2025	\$ 0.36	\$ 956	75	\$ 2
May 8, 2025	May 19, 2025	May 29, 2025	0.36	955	92	2
Total Distributions Declared and Distributed for 2025			\$ 0.72	\$ 1,911	167	\$ 4

The following table summarizes the Company's distribution declarations for the six months ended June 30, 2024 (dollars in thousands, except share and per share data):

Date Declared	Record Date	Payment Date	Amount Per Share	Cash Distribution	DRIP Shares Issued	DRIP Share Value
March 11, 2024	March 25, 2024	April 2, 2024	\$ 0.32	\$ 856	—	\$ —
May 7, 2024	May 21, 2024	May 31, 2024	0.33	883	126	7
Total Distributions Declared and Distributed for 2024			<u>\$ 0.65</u>	<u>\$ 1,739</u>	<u>126</u>	<u>\$ 7</u>

Note 11. Financial Highlights

The following is a schedule of financial highlights for the six months ended June 30, 2025 and 2024 (dollars in thousands, except share and per share data):

	For the Six Months Ended June 30,			
	2025	2024		
Per share data:				
Net asset value at beginning of period	\$	32.04	\$	33.34
Net investment income ⁽¹⁾		0.81		0.63
Net realized gain (loss) on investments ⁽¹⁾		0.73		0.04
Net change in unrealized appreciation (depreciation) on investments ⁽¹⁾		(3.68)		(0.16)
Net realized gain (loss) on extinguishment of debt ⁽¹⁾		(0.11)		(0.07)
Distributions - net investment income		(0.72)		(0.65)
Dilutive effect of common stock issuance ⁽¹⁾		—		(0.08)
Accretive effect of common stock repurchases ⁽¹⁾		—		0.08
Net asset value at end of period	\$	29.07	\$	33.13
Net assets at end of period	\$	77,225	\$	88,661
Shares outstanding at end of period		2,656,065		2,676,062
Per share market value at end of period	\$	18.99	\$	22.40
Total return based on market value ⁽²⁾		(21.08%)		2.12%
Ratio/Supplemental data:				
Ratio of net investment income (loss) to average net assets ⁽³⁾		5.43%		3.80%
Ratio of interest and financing expenses to average net assets ⁽³⁾		9.29%		9.65%
Ratio of other operating expenses to average net assets ⁽³⁾		9.47%		9.77%
Ratio of total expenses including tax provision, net of fee waivers to average net assets ⁽³⁾		18.76%		19.42%
Portfolio turnover rate ⁽⁴⁾		10.56%		3.33%
Average debt outstanding ⁽⁵⁾	\$	100,632	\$	111,847
Average debt outstanding per common share ⁽¹⁾	\$	37.89	\$	41.78
Asset coverage ratio per unit ⁽⁶⁾	\$	1,733	\$	1,761

(1) Based on daily weighted average balance of shares of the Company's common stock outstanding during the period.

(2) Total investment return is calculated assuming a purchase of shares of the Company's common stock at the current market value on the first day and a sale at the current market value on the last day of the period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Company's DRIP. Total investment return does not reflect brokerage commissions. Total investment returns covering less than a full period are not annualized.

(3) Ratio is annualized.

(4) Portfolio turnover rate is calculated using the lesser of year-to-date sales or year-to-date purchases over the average of the invested assets at fair value.

(5) Based on the daily weighted average balance of debt outstanding during the period.

(6) Asset coverage per unit is the ratio of the carrying value of our total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per \$1,000 of indebtedness.

Note 12. Segment Reporting

The Company operates through a single operating and reporting segment with an investment objective to generate both current income and capital appreciation through debt and equity investments. The Chief Operating Decision Maker ("CODM") is the Company's chief executive officer, and the CODM assesses the performance and makes operating decisions of the Company on a consolidated basis primarily based on the Company's net increase in net assets resulting from operations ("net income"). Net income is comprised of total investment income ("segment revenues") and total expenses ("significant segment expenses"), which are considered the key segment measures of profit or loss reviewed by the CODM. In addition to numerous other factors and metrics, the CODM utilizes net income as a key metric in determining the amount of dividends to be distributed to the Company's stockholders, implementing investment policy decisions, strategic initiatives, managing the Company's portfolio, allocating assets, and assessing the performance of the portfolio. As the Company's operations are comprised solely of the Investment Management Segment, the segment assets are reflected on the accompanying consolidated statements of assets and liabilities as "total assets" and the significant segment expenses are listed on the accompanying consolidated statement of operations.

Note 13. Subsequent Events

Management has evaluated subsequent events through the date of issuance of the consolidated financial statements included herein. There have been no subsequent events that occurred during such period that would be required to be recognized in the consolidated financial statements as of June 30, 2025, other than as set forth below.

Merger Closing

On July 15, 2025, Portman Ridge Finance Corporation, a Delaware corporation ("PTMN"), completed its previously announced acquisition of the Company pursuant to the Agreement and Plan of Merger (the "Merger Agreement") by and among PTMN, the Company, Portman Ridge Merger Sub, Inc., a Maryland corporation and a direct wholly-owned subsidiary of PTMN ("Merger Sub"); solely for the limited purposes set forth therein, the Investment Adviser, and, solely for the limited purposes set forth therein, Sierra Crest Investment Management LLC, a Delaware limited liability company and the external investment adviser to PTMN. In accordance

with the Merger Agreement, Merger Sub was first merged with and into the Company, with the Company continuing as the surviving company (the “First Merger”), and, following the effectiveness of the First Merger, the Company was then merged with and into PTMN, with PTMN continuing as the surviving company.

In accordance with the terms of the Merger Agreement, at the effective time of the First Merger, each outstanding share of common stock, par value \$0.01 per share, of the Company was converted into the right to receive 1.5 shares of common stock, par value \$0.01 per share, of PTMN. As a result, PTMN issued an aggregate of approximately 4.0 million shares of its common stock to the Company’s former stockholders.

Tax Dividend

On January 30, 2025, the Company’s Board of Directors approved a distribution of \$0.38 per share, which was paid on July 22, 2025, to stockholders of record as of July 14, 2025.

Investment Adviser Payment

Pursuant to the terms of the Side Letter Agreement, dated June 17, 2025, between the Company and the Investment Adviser, the Investment Adviser financed a pre-closing cash payment of \$0.47 per share, which was paid on July 25, 2025, to Company shareholders of record as of May 6, 2025.

