



**LOGAN RIDGE**  
FINANCE CORPORATION™

# Investor Presentation

June 2024

## **Cautionary Statement Regarding Forward-Looking Statements**

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

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

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

# Stock and Trading Information



Logan Ridge Finance Corporation	
Exchange:	NASDAQ
Ticker:	LRFC
Investment Manager:	Mount Logan Management LLC
Affiliation:	BC Partners / BCP Credit

As of May 31, 2024	
Market Cap	\$60.0m
Share Price	\$22.40
52-week Range	\$18.53 - \$23.63
Common Shares Outstanding	2.68m
Total Dividend Payout TTM	\$1.21
Latest Quarterly Dividend	\$0.33
Analyst Coverage	Ladenburg Thalmann

## Logan Ridge (NASDAQ: LRFC)

- Focus on direct origination of senior secured debt investments to the lower middle market
- Experienced, strategic management team with a track record of efficiently repositioning publicly listed vehicles to improve trading performance
- Strong stockholder alignment with top priority of generating stockholder value

## Affiliation with BC Partners

- Externally managed by Mount Logan Management LLC (“Mount Logan”), a wholly-owned subsidiary of Mount Logan Capital Inc. (NEO: MLC) (“MLC”); both entities are affiliates of BC Partners Advisors L.P. (“BC Partners”) for U.S. regulatory purposes
- Part of BC Partners’ c.€4obn<sup>1</sup> platform in private equity, private credit and real estate strategies
- Exemptive relief allows for co-investments with other funds and proprietary accounts managed by Mount Logan or its affiliates, subject to certain conditions

## Investment Portfolio (at 3/31/24)

- \$213.4<sup>2</sup> million of total assets and \$90.2 million of net asset value
- As of March 31, 2024, approximately 88.5% of our debt investment portfolio at fair value was bearing interest at a floating rate
- 62 debt + equity portfolio companies
- Debt investments on non-accrual status were 5.3% and 8.3% of the investment portfolio at fair value and amortized cost, respectively
- As of March 31, 2024, approximately 60% of the Company’s investment portfolio at fair value was invested in assets originated by the BC Partners Credit Platform (“BCP Credit”)

1. AUM data as of 3/31/24

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

# Investment Objectives and Strategy

## Investment Objectives

- Generate both current income and capital appreciation through debt and equity investments
- Invest in first lien loans, second lien loans and subordinated loans, and, to a lesser extent, equity securities issued by lower middle-market companies and traditional middle-market companies
- Focus on direct origination of senior secured debt investments to the middle market; target portfolio company EBITDA size between \$5-50 million
- Deliver sustainable risk-adjusted returns to stockholders; with a focus on capital preservation and downside protection
- Reduce non-income generating exposure over time and opportunistically to enhance NII generation

## Investment Strategy and Philosophy

- Utilize entire BC Partners platform to directly originate loans and investments which allows for greater sourcing capabilities, ability to invest across the liquidity spectrum and participation in larger deals
- Invest in performing, well-established lower middle-market businesses that operate across a wide range of industries
- Focus on identifiable and defensible market positions in industries with favorable dynamics
- Employ fundamental credit analysis, targeting investments in businesses with relatively low levels of cyclicity and operating risk
- Apply the same private equity style investment process employed for over 30 years at BC Partners with a long-term, focused investment philosophy
- Investment structures: first lien loans, second lien loans, unitranche loans (including last out), subordinated loans, equity investment and co-investment
- Industry focus: healthcare, business services, financials, information technology, industrials, consumer discretionary, healthcare management, automobile part manufacturer, advertising & marketing services, communication services

# Leverage Dynamics Shift From Banks to Private Credit

## Decline in availability of capital

## Private capital fills the void

### Banks Consolidate

- Starting in the 1990s, banks begin consolidating
- Banks of scale remain (e.g. Bank of America, JP Morgan Chase, Wells Fargo)
- Regulators call for further regulation, with increased scrutiny on credit worthiness

### Capital Shifts to Larger Companies

- Decline in capital access creates opportunity for public companies
- Publicly listed companies achieve 5x higher average market value than 20 years ago
- The high yield market (\$300mm or below) declined from 39% in 2004 to 5% in 2019

### Private Equity Rises

- Private equity AUM increases 4x since 2002
- Private equity deal volume surpasses public equity deal volume starting in 2015
- Fundraising and “dry powder” (unallocated capital commitments) for private equity reaches record levels

### Private Credit Rises

- Investors begin increasing allocations to private credit
- Market volatility and inflation creates opportunities for private credit
- With traditional banks shuttered or excluded, private credit experiences a steep increase in deal flow

1990s

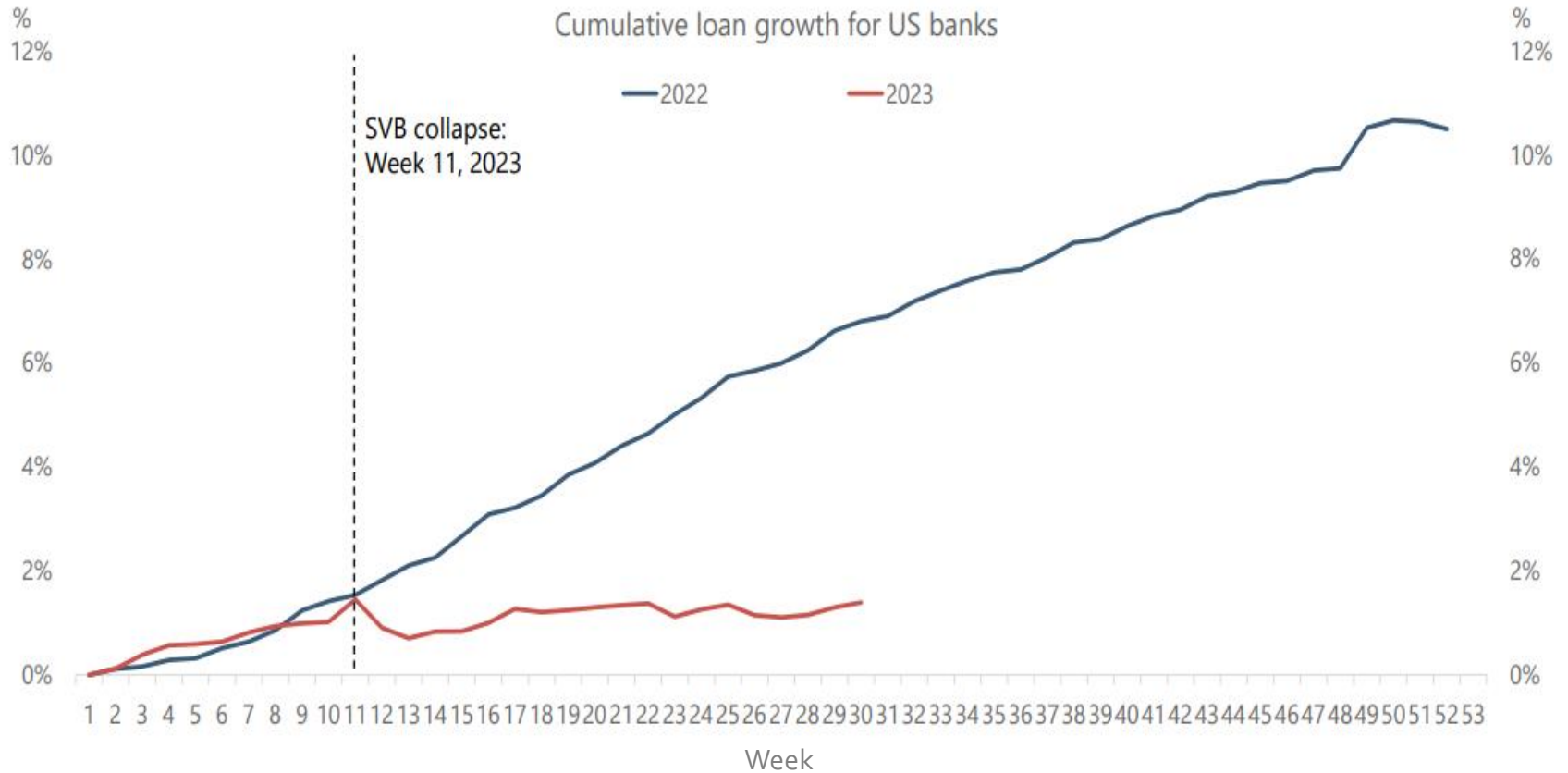
2000s

2010s

2020s

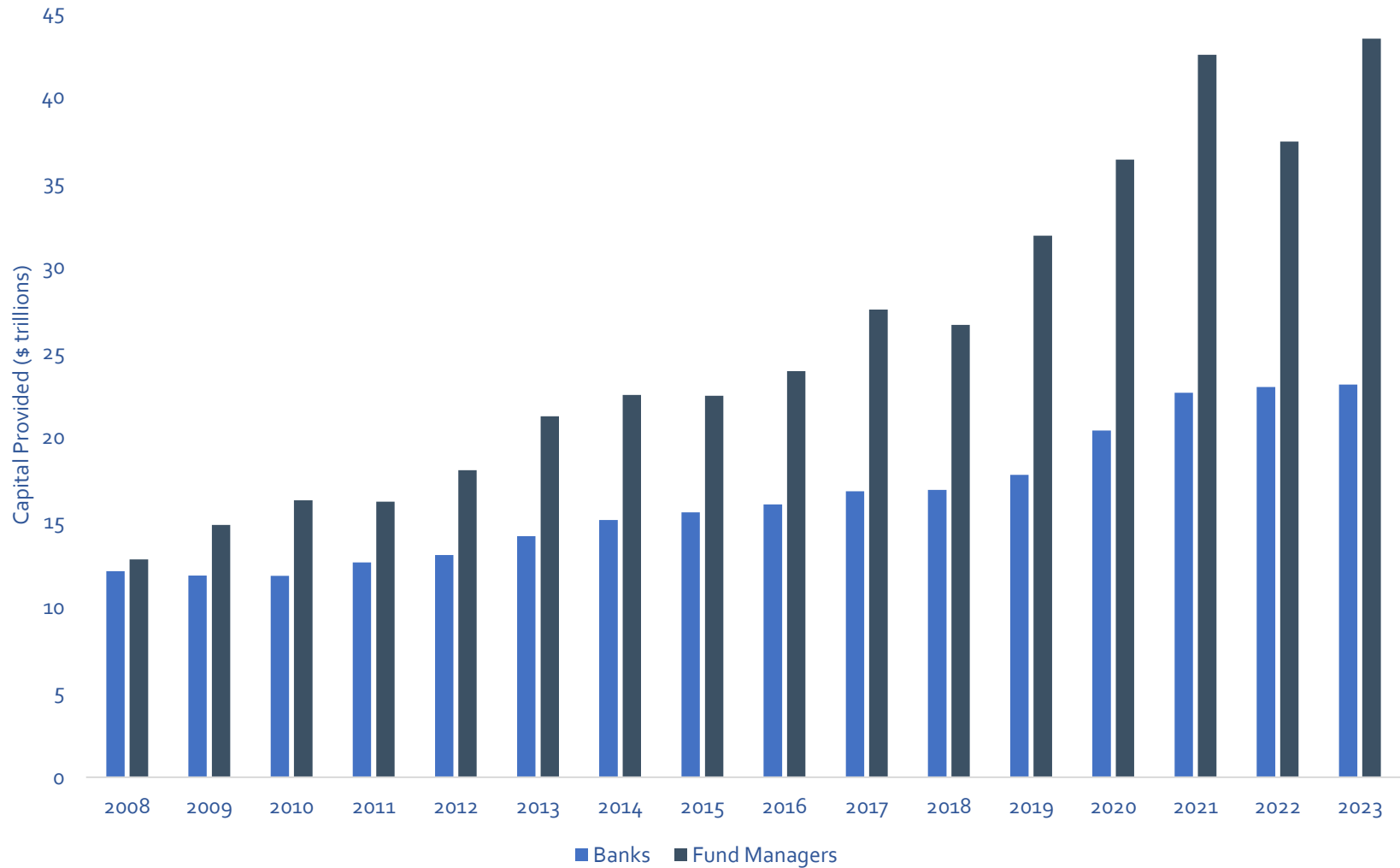
# Recent Events Accelerate the Long-Term Trend

Cumulative loan growth for U.S. domestically chartered commercial banks



# Private Credit Increases Market Share

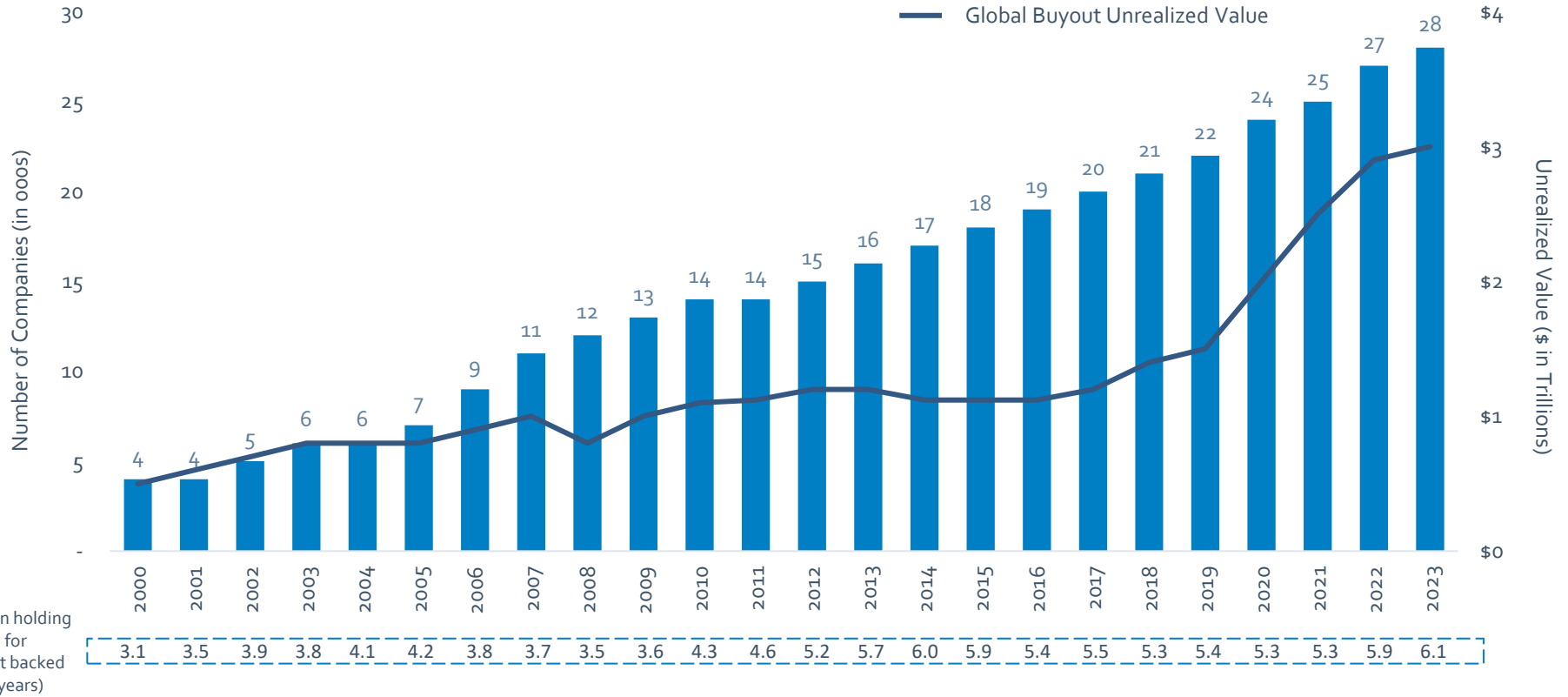
## Share Gains by Alternative Asset Managers





# Private Equity Continues to Drive Private Credit

Global Active Buyout-Backed Companies



# Why Private Credit

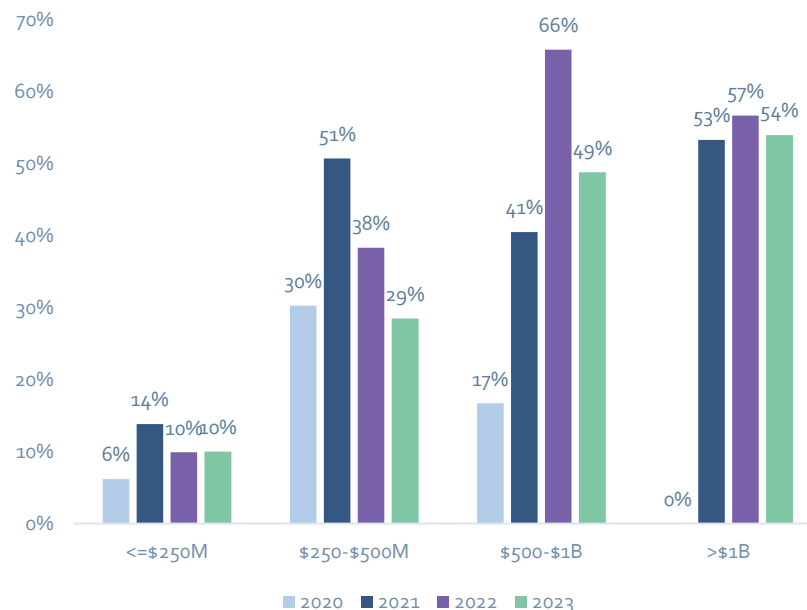
## Privately Negotiated Terms and Structure

- Private transactions have an extensive focus on due diligence and downside protection
- Credit deal flow remains robust:
  - Borrowers seek certainty of terms
  - Flexibility in structuring

### Preservation of Capital

- **Strong covenants:**
  - Minimum EBITDA
  - Fixed-Charge Coverage Ratio
  - Maximum CapEx
  - Minimum Cash
  - Max. Gross / Net Leverage
  - Industry-Specific Key Performance Indicators
  - Negative Covenants / Consent Rights
- **Structural protections:**
  - Asset Liens
  - Parent Guarantee
  - Liquidation Preference
  - Change of Control
  - Call Protection
  - Structured Return
  - Excess Cash Flow Sweep
  - Scheduled Amortization

### Covenant-Lite Share of New Issue Loans, 2020-2023

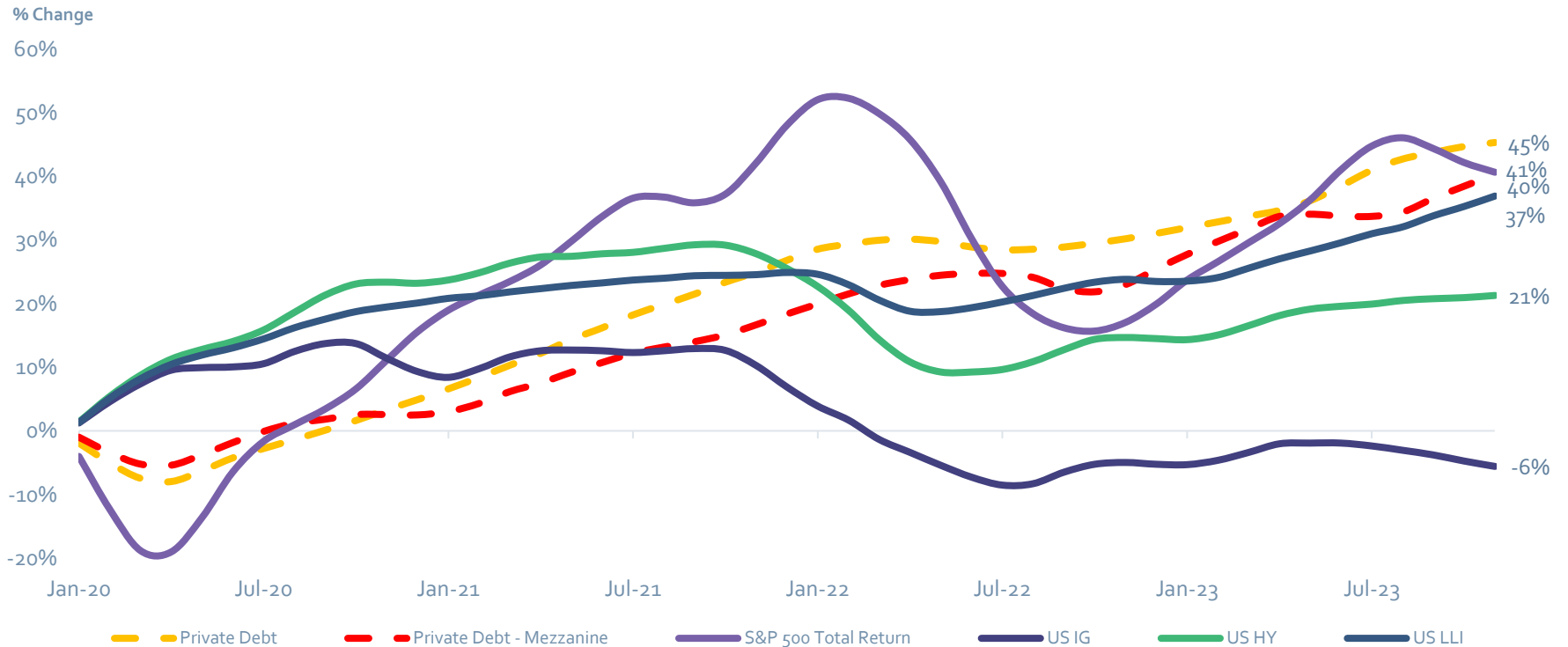


Source: Covenant Review, Barclays Research (04/11/2024).

# Why Private Credit (continued)

**Floating Rate Loans may Benefit from Rising Rates**

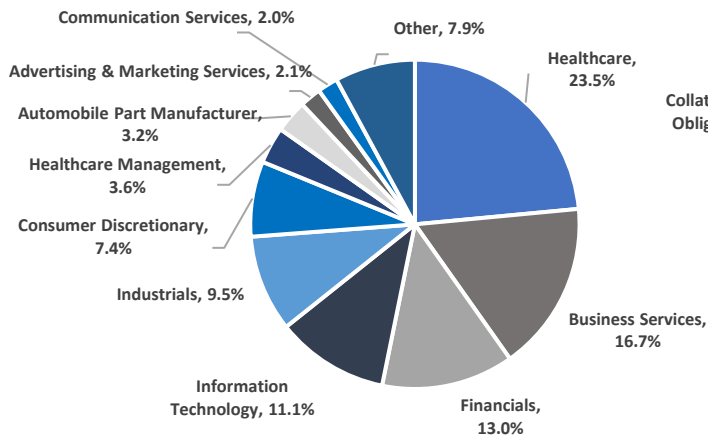
- Rising rates cause fixed income investors to struggle
- Floating rates are highly attractive, as income can increase with rising interest rates



Source: Data through 3Q 2023, Preqin, Barclays Research (04/11/2024).

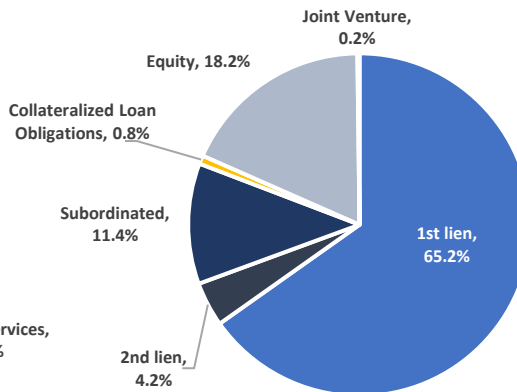
# Portfolio Overview<sup>(1)</sup>

### TOP TEN PORTFOLIO INDUSTRIES



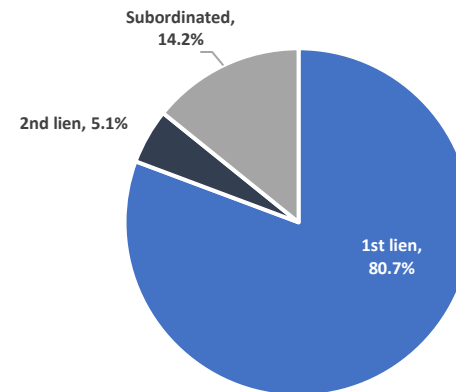
~\$200.1 million

### TOTAL PORTFOLIO BY ASSET TYPE



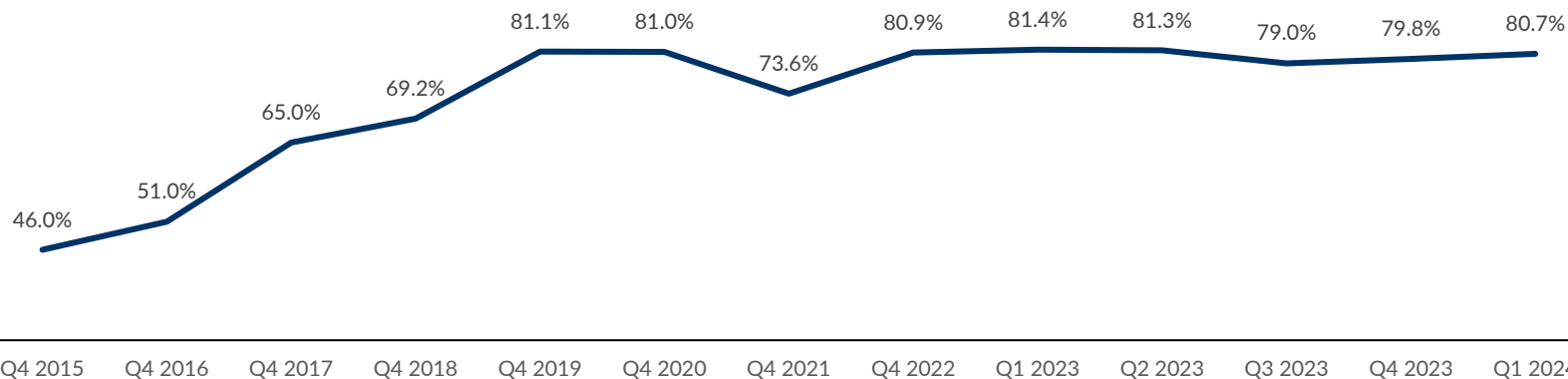
~\$200.1 million

### DEBT PORTFOLIO BY ASSET TYPE



~\$161.6 million

### FIRST LIEN DEBT AS A PERCENTAGE OF TOTAL DEBT PORTFOLIO



(1) Portfolio statistics represent fair value as of March 31, 2024

## Logan Ridge Executive Management

### TED GOLDTHORPE

Chairman, Chief Executive Officer  
and President

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

### BRANDON SATOREN

Chief Financial Officer, Secretary  
and Treasurer

- Joined BC Partners in New York in 2021.
- Brandon also serves as the Company's Secretary and Treasurer, and serves in similar capacities for Portman Ridge Finance Corporation, and BC Partners public interval funds.
- Prior to that, was Vice President and Controller at PennantPark Investment Advisors.

### PATRICK SCHAFER

Chief Investment Officer

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

**The BCP Credit Investment team consists of 28 investment professionals supported by BC Partners' operational teams**

# Open Access to Resources of Established Private Equity Firm

## Broad and Deep Sourcing Capabilities

- Access to networks in Europe built over 35+ years and in North America over nearly 15 years.
- 62 PE deal professionals evaluate close to 200 deals annually.
- Greatly augments information on primary deal flow and secondary debt purchases.

## Sector Expertise

- PE deal team focuses on 4 core sectors – Technology, Media and Telecom, Healthcare, Business Services & Industrial, Consumer/Retail.
- Advantaged insights and technical know-how via consultation with PE team and proprietary market research enhances BC Partners Credit's diligence.



## BC Partners – A Synergistic Platform

## Portfolio Operations Team

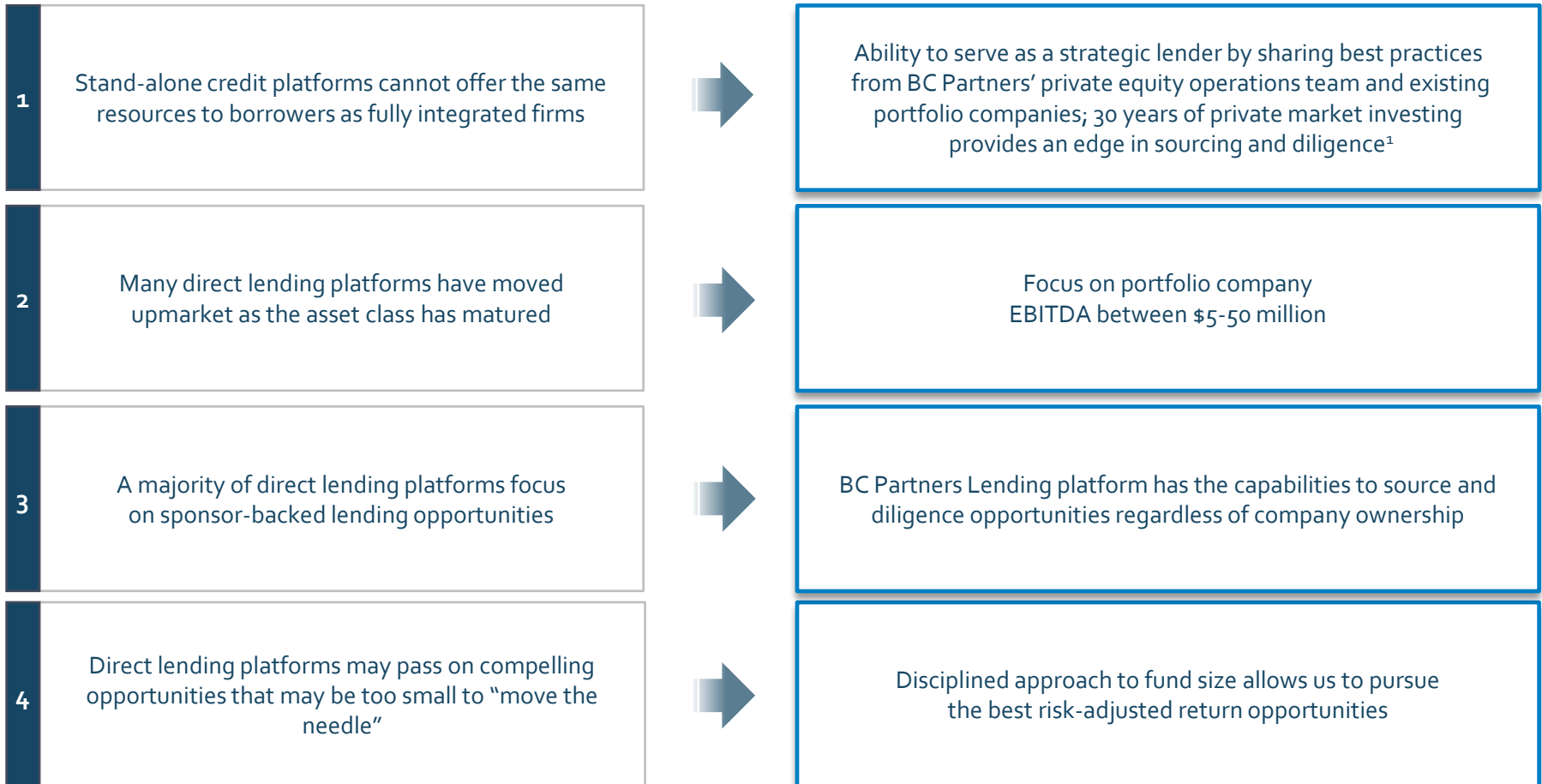
- Eight operating partners with expertise across industries and functions.
- Middle market borrowers attracted to value-add not typically available to companies their size.
- Downside protection in recovery situations.

## BC Partners' Broader Institutional Platform

- Infrastructure of a c.€40 bn asset manager
- Central Functions (Legal, HR, IT, Group Finance, Admin)
- Investor Relations
- Capital Markets

# BC Partners Differentiators

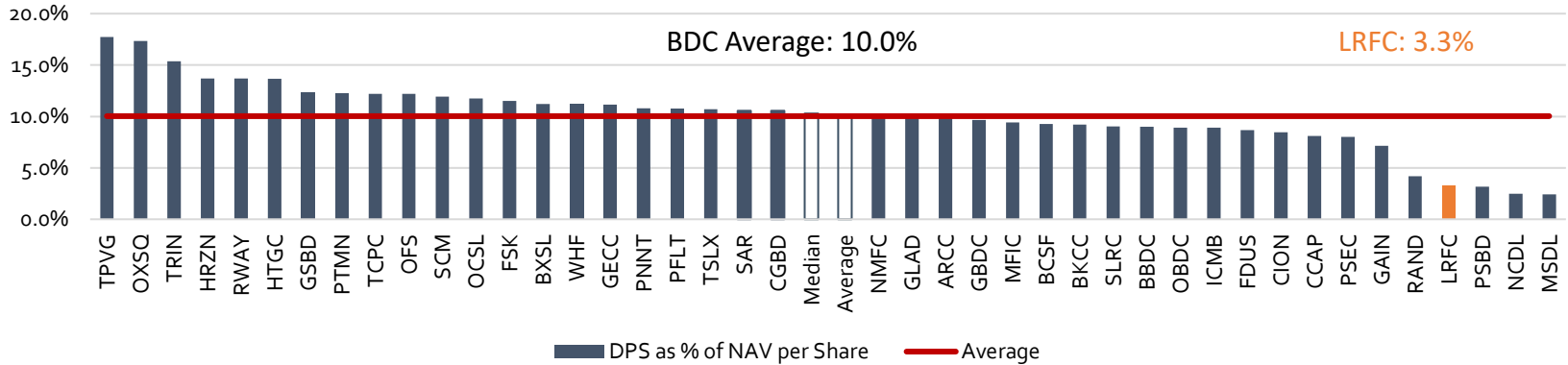
While the increasing popularity of direct lending has gathered many headlines as of late, we believe the BC Partners Credit platform is differentiated on four key aspects



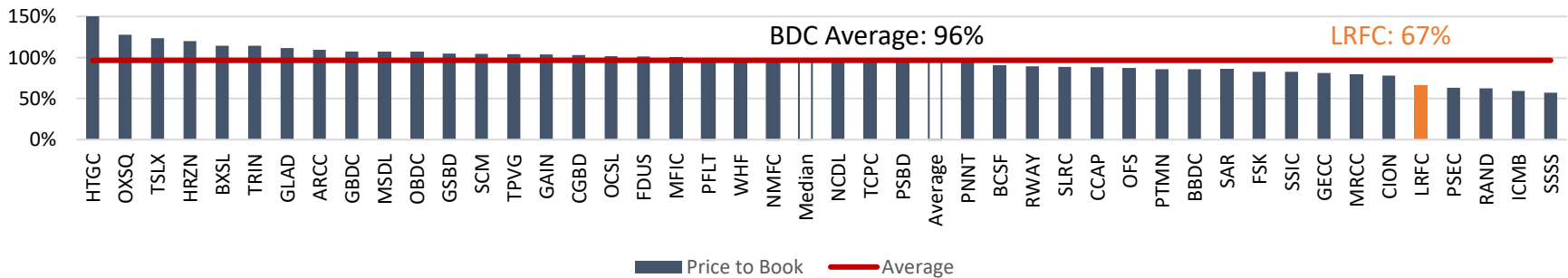
1. Logan Ridge is externally managed by Mount Logan Management LLC ("Mount Logan"), a wholly-owned subsidiary of Mount Logan Capital Inc. (NEO: MLC)("MLC"); both entities are affiliates of BC Partners Advisors L.P. ("BC Partners") for U.S. regulatory purposes.

# Dividends and Valuation: Comparison to Externally Managed BDCs

## Dividends per Share as % of NAV per Share

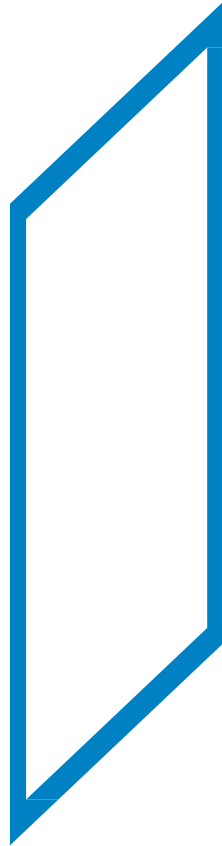


## Price to Book





- **Small-cap BDC backed by BC Partners, a global multi-asset investment manager**
  - Benefits from being part of a larger platform compared to other standalone BDCs
  - Experienced, strategic management team with a proven track record of repositioning publicly listed vehicles
- **Recent reintroduction of dividend**
  - Dividend reintroduced in Q1 2023
  - Q2 2024 dividend of \$0.33/share, a 3% increase from \$0.32/share in Q1 2024, and 50% from \$0.22 per share in Q2 2023
- **Strong recent investment performance**
  - First quarter 2024 Net Investment Income of \$0.9 million (\$0.35/share), as compared to \$0.6 million (\$0.22/share) in the previous quarter.
  - Approx. 60% of investment portfolio at fair value (at 3/31/24) invested in assets originated by the BC Partners Credit Platform
  - Significant exposure to floating rate assets in a period of rising interest rates
- **Stockholder friendly actions**
  - Extended Stock Buy Back Program in March 2024 with an available balance of \$5.0 million
  - As of March 31, 2024, have repurchased 57,534 shares at an aggregate cost of approximately \$1.3 million since the introduction of the Buy Back Program in March 2023
- **Diverse portfolio with investments in 62 companies across 21 industries**



First Quarter 2024

# First Quarter 2024 Highlights

## First Quarter 2024 Highlights

- **Net Investment Income ("NII")** of \$0.9 million, or \$0.35 per share, for the March 31, 2024, as compared to a net investment income of \$0.6 million, or \$0.22 per share, for the quarter ended December 31, 2023.
- **Net Asset Value ("NAV")** as of March 31, 2024, was \$90.2 million, or \$33.71 per share, as compared to \$89.2 million, or \$33.34 per share, as of December 31, 2023.
- **As of March 31, 2024, our portfolio consisted of investments** in 62 portfolio companies with a fair value of approximately \$200.1 million. This compares to 60 portfolio companies with a fair value of approximately \$189.7 million as of December 31, 2023.
- **The Company made approximately \$9.8 million of investments** and had approximately \$0.9 million in repayments and sales of investments, resulting in net deployment of approximately \$8.9 million during the quarter ended March 31, 2024.
- **During the quarter ended March 31, 2024,** the Company repurchased 20,867 of its outstanding shares for an aggregate cost of approximately \$0.5 million under the share repurchase program which resulted in \$0.08 per share of NAV accretion.
- **On May 8, 2024, the Company's Board of Directors approved a second quarter distribution** of \$0.33 per share payable on May 31, 2024, to stockholders of record as of May 21, 2024. This distribution represents a 3% increase compared to the \$0.32 per share distribution declared in the first quarter of 2024, and a 50% increase from the \$0.22 per share distribution declared in the second quarter of 2023.

## Selected Financial Information

- **Total investment income** for the quarter ended March 31, 2024, increased by \$0.6 million, to \$5.0 million, compared to \$4.4 million for the fourth quarter of 2023.
- **Total operating expenses** for the quarter ended March 31, 2024, increased by \$0.2 million, to \$4.1 million, compared to \$3.8 million for the fourth quarter of 2023.
- **Net investment income** for the quarter ended March 31, 2024, was \$0.9 million, or \$0.35 per share, as compared to net investment income of \$0.6 million, or \$0.22 per share, for the fourth quarter of 2023.
- **Cash and cash equivalents** as of March 31, 2024, were \$8.3 million, as compared to \$3.9 million as of December 31, 2023.
- **The debt investment portfolio** as of March 31, 2024, represented 80.8% of the fair value of our total portfolio, with a weighted average annualized yield of approximately 11.4% (excluding income from non-accruals and collateralized loan obligations), compared to a debt investment portfolio of 82.0% with a weighted average annualized yield of approximately 11.1% (excluding income from non-accruals and collateralized loan obligations) as of December 31, 2023. As of March 31, 2024, 11.5% of the fair value of our debt investment portfolio was bearing a fixed rate of interest, compared to 13.6% of the fair value of our debt investment portfolio as of December 31, 2023.
- **Non-Accruals:** As of March 31, 2024, we had debt investments in three portfolio companies on non-accrual status with an amortized cost and fair value of \$17.2 million and \$10.6 million, respectively, representing 8.3% and 5.3% of the investment portfolio's amortized cost and fair value, respectively. As of December 31, 2023, we had debt investments in three portfolio company on non-accrual status with an aggregate amortized cost and fair value of \$17.2 million and \$12.8 million, respectively, representing 8.7% and 6.9% of the investment portfolio's amortized cost and fair value, respectively.
- **Our asset coverage ratio** as of March 31, 2024, was 176%.

# Financial Highlights



(\$ in thousands)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
<b>Investment income</b>	\$ 5,256	\$ 5,344	\$ 5,162	\$ 4,415	\$ 5,003
<b>Expenses:</b>					
Base management fee	930	946	913	869	893
Directors' expense	135	135	135	135	150
Interest and financing costs	2,069	2,236	2,080	1,944	2,007
Administrative service fees	257	224	198	216	201
General and administrative expenses	792	764	682	670	805
<b>Total expenses</b>	<b>4,183</b>	<b>4,305</b>	<b>4,008</b>	<b>3,834</b>	<b>4,056</b>
<b>Net investment income</b>	<b>1,073</b>	<b>1,039</b>	<b>1,154</b>	<b>581</b>	<b>947</b>
Net realized (loss) gain on investments	(1,506)	(2,362)	(95)	(12,430)	287
Net change in unrealized gain (loss) on investments	(217)	4,563	(3,010)	8,728	675
Net realized loss on extinguishment of debt	-	-	-	-	(58)
<b>Net (decrease) increase in net assets resulting from operations</b>	<b>\$ (650)</b>	<b>\$ 3,240</b>	<b>\$ (1,951)</b>	<b>\$ (3,121)</b>	<b>\$ 1,851</b>

Per Share	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Net investment income	\$0.40	\$0.38	\$0.43	\$0.22 <sup>(1)</sup>	\$0.35
Net realized and change in unrealized (loss) gain	(\$0.64)	\$0.82	(\$1.15)	(\$1.38)	\$0.09
Net (decrease) increase in net assets resulting from operations	(\$0.24)	\$1.20	(\$0.73)	(\$1.15)	\$0.69
Net asset value	\$34.63	\$35.68	\$34.78	\$33.34	\$33.71

# Net Investment Income Growth Potential

Since early 2022, the Company commenced several initiatives aiming to increase quarterly earnings as described below.

Initiative	Progress
Replace Legacy Liabilities	<u>Completed in Q2 2022.</u>
Invest Cash	<u>Completed in Q4 2022.</u>
Add Leverage	<u>Completed in Q4 2022.</u> Company reached target leverage of 1.3x.
Rotate Non-Income Producing Assets	<u>In Progress.</u> Q1 2024: Non-yielding equity portfolio represents 15.2% and 18.2% of the Company's total investments at cost and fair value, respectively, as of March 31, 2024, compared to 15.5% and 17.0%, respectively, as of prior quarter end, and 22.9% and 32.3%, respectively, as of the July 1, 2021, when Mount Logan Management, LLC took over as the new Investment Adviser.

# Net Asset Value Roll-Forward

(\$ in thousands)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
NAV, beginning of period	\$ 95,005	\$ 93,833	\$ 96,226	\$ 93,208	\$ 89,175
Net investment income	1,073	1,039	1,154	581	947
Net realized (loss) gain on investments	(1,506)	(2,362)	(95)	(12,430)	287
Net change in unrealized gain (loss) on investments	(217)	4,563	(3,010)	8,728	(58)
Net realized loss on extinguishment of debt	-	-	-	-	675
Repurchase of common stock	(34)	(256)	(369)	(110)	(471)
Issuance of common stock in debt conversion	-	-	-	-	496
Stock issued under dividend reinvestment plan	3	1	1	1	-
Distributions declared	(491)	(592)	(699)	(803)	(856)
<b>NAV, end of period</b>	<b>\$ 93,833</b>	<b>\$ 96,226</b>	<b>\$ 93,208</b>	<b>\$ 89,175</b>	<b>\$ 90,195</b>

Leverage and Asset Coverage	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Debt / Equity	1.3X	1.3X	1.1X	1.2X	1.3X
Asset Coverage	175%	178%	191%	184%	176%

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

Investment Portfolio (\$ in thousands)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
First Lien Debt	\$ 137,563	\$138,045	\$121,263	\$124,007	\$ 130,377
Second Lien Debt	6,775	7,102	7,466	7,918	8,308
Subordinated Debt	24,696	24,709	24,728	23,548	22,910
Collateralized Loan Obligations	4,207	2,440	2,181	1,600	1,648
Joint Venture	456	460	471	450	396
Equity	29,640	33,833	30,990	32,135	36,483
<b>Total</b>	<b>\$203,337</b>	<b>\$206,589</b>	<b>\$187,099</b>	<b>\$189,658</b>	<b>\$200,122</b>

Investment Portfolio (% of total)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
First Lien Debt	67.7%	66.8%	64.8%	65.4%	65.2%
Second Lien Debt	3.3%	3.4%	4.0%	4.2%	4.2%
Subordinated Debt	12.1%	12.0%	13.2%	12.4%	11.4%
Collateralized Loan Obligations	2.1%	1.2%	1.2%	0.8%	0.8%
Joint Venture	0.2%	0.2%	0.2%	0.2%	0.2%
Equity	14.6%	16.4%	16.6%	17.0%	18.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

(1) Portfolio statistics represent fair value for the respective periods.

- As of March 31, 2024, we had debt investments in three portfolio companies on non-accrual status with an aggregate amortized cost of \$17.2 million and an aggregate fair value of \$10.6 million, which represented 8.3% and 5.3% of the investment portfolio, respectively.

(\$ in millions)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
<b>Investments Credit Quality – Internal Rating<sup>(1)</sup></b>					
Performing	95.3%	95.9%	93.1%	94.5%	93.1%
Underperforming	4.7%	4.1%	6.9%	5.5%	6.9%
<b>Investments on Non-Accrual Status</b>					
Number of Non-Accrual Investments	2	3	3	4	4
Non-Accrual Investments at Cost	\$14.2	\$17.1	\$16.8	\$17.2	\$17.2
Non-Accrual Investments as a % of Total Cost	6.4%	7.8%	8.3%	8.7%	8.3%
Non-Accrual Investments at Fair Value	\$10.0	\$11.1	\$10.6	\$12.8	\$10.6
Non-Accrual Investments as a % of Total Fair Value	4.9%	5.3%	5.7%	6.8%	5.3%

(1) Based on fair market value for the respective periods.



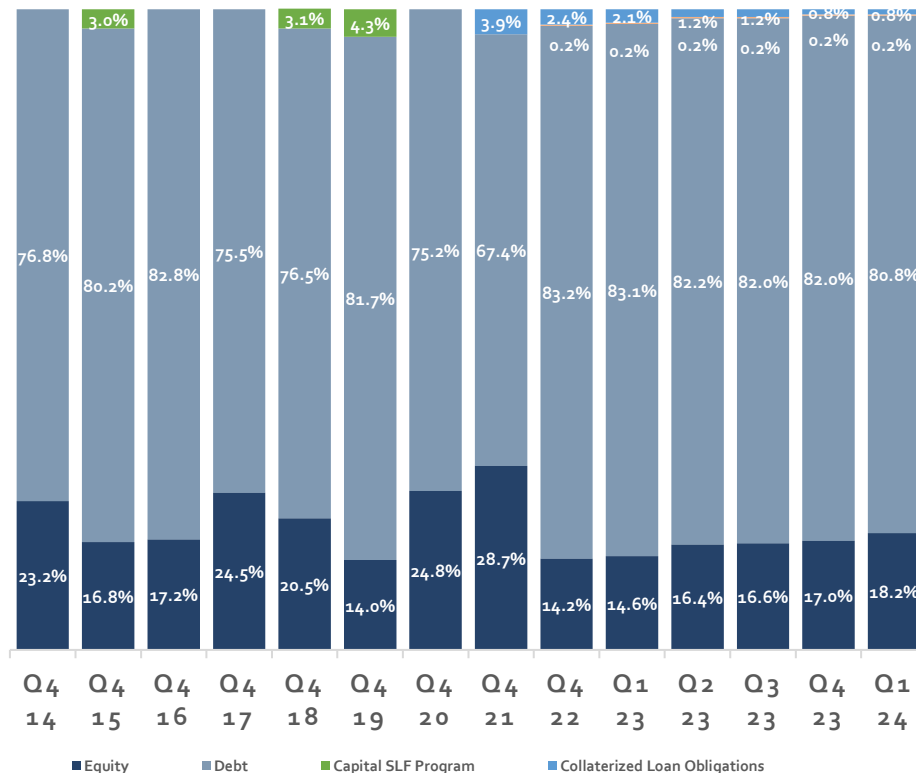
# Equity Portfolio Overview<sup>(1)</sup>

## Current Equity Investments<sup>(1)</sup>

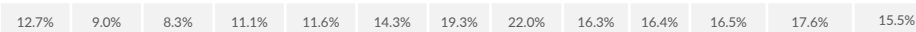
(\$ in thousands)

Company	\$ Cost Basis	\$ Fair Value	% of Investments at Fair Value
Nth Degree Investment Group, LLC	6,088	14,185	7.1%
Burgaflex Holdings, LLC	1,866	6,430	3.2%
GA Communications, Inc.	3,478	4,143	2.1%
RAM Payment, LLC	976	2,267	1.1%
Aperture Dodge 18 LLC	2,045	2,212	1.1%
BLST Operating Company	286	1,216	0.6%
EBSC Holdings LLC (Riddell, Inc.)	987	987	0.5%
Lucky Bucks, LLC	741	777	0.4%
Taylor Precision Products, Inc.	758	758	0.4%
MMI Holdings, LLC	1,998	710	0.4%
Sierra Hamilton Holdings Corporation	6,958	523	0.3%
American Academy Holdings, LLC	-	498	0.2%
U.S. BioTek Laboratories, LLC	541	372	0.2%
American Clinical Solutions, LLC	3,198	300	0.2%
Freedom Electronics, LLC	182	300	0.1%
GreenPark Infrastructure, LLC	269	269	0.1%
MicroHoldco, LLC	749	234	0.1%
Morae Global Corporation	122	152	0.1%
DxTx Pain and Spine LLC	97	97	0.0%
South Street Securities Holdings, Inc.	65	54	0.0%
<b>Grand Total</b>	<b>31,404</b>	<b>36,483</b>	<b>18.2%</b>

## Debt and Equity Asset Mix



## Equity Cost Basis



(1) Investment details represent fair values as of March 31, 2024.

# Leverage & Liquidity

Debt Instrument <i>(data as of March 31, 2024, \$ in thousands)</i>	Interest Rate	Commitment	Principal Amount Outstanding	Maturity
2026 Notes	6.00% Fixed	\$50,000	\$50,000	October 2026
2032 Convertible Notes	6.00% Fixed	\$14,000	\$14,000 <sup>(1)</sup>	April 2032
KeyBank Credit Facility	8.24% Variable <sup>(2)</sup>	\$75,000	\$52,915	May 2027 <sup>(3)</sup>
<b>Total Debt</b>		<b>\$139,000</b>	<b>\$117,915</b>	

(1) On April 2, 2024, the Company prepaid \$2.0 million of the aggregate principal amount outstanding of the 2032 Convertible Notes, together with accrued and unpaid interest.

(2) 1M SOFR + 2.90%, 0.40% Floor.

(3) The revolving period (during which lenders may make loans) will terminate on May 10, 2025.

# Interest Rate Sensitivity

As of March 31, 2024	% Fixed Rate	% Variable Rate
Investment Portfolio <sup>(1)</sup>	11.5%	88.5%
LRFC Borrowings <sup>(2)</sup>	54.4%	45.6%

## INTEREST RATE SENSITIVITY<sup>(3)</sup>

(\$ thousands, except per share data)

Basis Point Change	Increase / (Decrease) in Interest Income	(Increase) / Decrease in Interest Expense	Increase / (Decrease) in Net Investment Income	Increase / (Decrease) in Net Investment Income per Share <sup>(4)</sup>
+300 bps	\$4,495	\$(1,610)	\$2,885	\$1.08
+200 bps	\$2,997	\$(1,073)	\$1,924	\$0.72
+100 bps	\$1,498	\$(537)	\$961	\$0.36
-100 bps	\$(1,498)	\$537	\$(961)	\$(0.36)
-200 bps	\$(2,997)	\$1,073	\$(1,924)	\$(0.72)
-300 bps	\$(4,434)	\$1,610	\$(2,824)	\$(1.06)

(1) Based on fair market value of the debt investment portfolio as of March 31, 2024.

(2) Based on outstanding principal balance as of March 31, 2024.

(3) Assumes no change in portfolio investments or revolving credit facility borrowings as of March 31, 2024.

(4) Per share amount calculated based upon actual shares outstanding as of March 31, 2024.

# Distribution Information

In March 2023, the Company's Board of Directors restored the Company's quarterly distribution.

- On May 7, 2024, the Company's Board of Directors approved a distribution of \$0.33 per share, payable on May 31, 2024, to stockholders of record as of May 21, 2024. This distribution represents a 3% increase compared to the \$0.32 per share distribution declared in the first quarter of 2024, and a 50% increase as compared to the \$0.22 per share distribution declared in the second quarter of 2023.

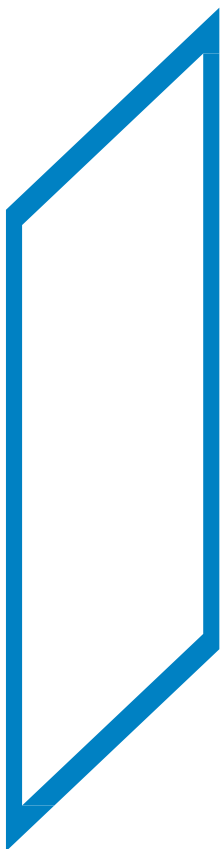
Declaration Date	Quarter	Record Date	Payment Date	Distribution per share
May 8, 2024	Q2 2024	May 21, 2024	May 31, 2024	\$0.33
March 12, 2024	Q1 2024	March 25, 2024	April 2, 2024	\$0.32
November 8, 2023	Q4 2023	November 20, 2023	November 30, 2023	\$0.30
August 9, 2023	Q3 2023	August 22, 2023	August 31, 2023	\$0.26
May 10, 2023	Q2 2023	May 22, 2023	May 31, 2023	\$0.22
March 9, 2023	Q1 2023	March 20, 2023	March 31, 2023	\$0.18

# Stock Repurchase Program

During the three months ended March 31, 2024, the Company repurchased 20,867 shares, at an aggregate cost of approximately \$0.5 million, under its \$5.0 million share repurchase program.

- **Prior Program:** On March 23, 2023, the Company began repurchasing shares on the open market under its Share Repurchase Program approved by the Board on March 6, 2023.
- **Current Program:** On March 11, 2024, the Company's Board of Directors authorized the extension of the share repurchase program for an additional year and increased the aggregate available balance to \$5.0 million. Unless extended, modified or discontinued by the Company's Board of Directors, the repurchase program will terminate on March 31, 2025.

Period	Total Number of Shares Purchased	Average Price per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (in millions)
January 1, 2024 through January 31, 2024	7,394	\$ 22.72	7,394	\$ 4.1
February 1, 2024 through February 29, 2024	7,415	22.46	7,415	4.6
March 1, 2024 through March 31, 2024	6,058	22.38	6,058	4.9
<b>Total</b>	<b><u>20,876</u></b>		<b><u>20,876</u></b>	



Appendix

# Financial Statements



## Consolidated Statements of Assets & Liabilities

Three Months Ended:

(\$ in thousands, except per share data)

	3/31/21	6/30/21	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
	(unaudited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(unaudited)	(audited)	(unaudited)
Investments at fair value	\$258,170	\$228,048	\$195,385	\$198,189	\$206,905	\$175,853	\$193,120	\$203,592	\$203,337	\$206,589	\$187,099	\$189,658	\$200,122
Cash and cash equivalents	59,727	26,144	37,386	39,056	15,838	29,489	11,263	6,793	9,347	6,287	5,115	3,893	8,335
Other assets	2,014	8,964	7,803	4,972	11,248	6,797	4,100	4,325	3,785	4,304	4,688	3,537	4,917
<b>Total assets</b>	<b>\$319,911</b>	<b>\$263,156</b>	<b>\$240,574</b>	<b>\$242,217</b>	<b>\$233,991</b>	<b>\$212,139</b>	<b>\$208,483</b>	<b>\$214,710</b>	<b>\$216,469</b>	<b>\$217,180</b>	<b>\$196,902</b>	<b>\$197,088</b>	<b>\$213,374</b>
SBA debentures, net of deferred financing costs	\$70,655	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022 Notes, net of deferred financing costs	72,131	72,277	72,426	22,787	22,815	-	-	-	-	-	-	-	-
2022 Convertible Notes, net of deferred financing costs	51,630	51,726	51,823	51,921	52,020	-	-	-	-	-	-	-	-
2026 Notes, net of deferred financing costs	-	-	-	48,448	48,460	48,403	48,491	48,579	48,667	48,763	48,853	48,943	49,033
2032 Convertible Notes, net of deferred financing costs	-	-	-	-	-	13,825	13,854	13,883	13,912	13,942	13,971	14,001	13,090
Credit Facility, net of deferred financing costs	(499)	24,550	(402)	(353)	(305)	39,128	44,385	54,615	57,140	55,282	34,782	38,571	52,018
Other liabilities	4,693	856	6,466	12,385	4,830	9,646	3,577	2,628	2,917	2,967	6,088	6,398	9,038
<b>Total liabilities</b>	<b>198,610</b>	<b>149,409</b>	<b>130,313</b>	<b>135,188</b>	<b>127,820</b>	<b>111,002</b>	<b>110,307</b>	<b>119,705</b>	<b>122,636</b>	<b>120,954</b>	<b>103,694</b>	<b>107,913</b>	<b>123,179</b>
<b>Net assets</b>	<b>121,301</b>	<b>113,747</b>	<b>110,261</b>	<b>107,029</b>	<b>106,171</b>	<b>101,137</b>	<b>98,176</b>	<b>95,005</b>	<b>93,833</b>	<b>96,226</b>	<b>93,208</b>	<b>89,175</b>	<b>90,195</b>
<b>Total liabilities and net assets</b>	<b>\$319,911</b>	<b>\$263,156</b>	<b>\$240,574</b>	<b>\$242,217</b>	<b>\$233,991</b>	<b>\$212,139</b>	<b>\$208,483</b>	<b>\$214,710</b>	<b>\$216,469</b>	<b>\$217,180</b>	<b>\$196,902</b>	<b>\$197,088</b>	<b>\$213,374</b>
Number of portfolio investments	35	32	33	40	42	44	54	59	59	62	58	60	62
Leverage ratio - actual	1.62x	1.32x	1.13x	1.17x	1.18x	1.05x	1.13x	1.27x	1.31x	1.26x	1.08x	1.17x	1.31x
Leverage ratio - regulatory	1.03x	1.32x	1.13x	1.17x	1.18x	1.05x	1.13x	1.27x	1.31x	1.26x	1.08x	1.17x	1.31x
Non-accrual loans at fair value	\$16,610	\$9,761	\$9,246	\$7,626	\$7,050	\$6,385	\$8,912	\$9,695	\$9,969	\$11,051	\$10,648	\$12,804	\$10,637

# Financial Statements



## Consolidated Statements of Operations

Three Months Ended:

(\$ in thousands, except per share data)

	3/31/21 (unaudited)	6/30/21 (unaudited)	9/30/21 (unaudited)	12/31/21 (unaudited)	3/31/22 (unaudited)	6/30/22 (unaudited)	9/30/22 (unaudited)	12/31/22 (unaudited)	3/31/23 (unaudited)	6/30/23 (unaudited)	9/30/23 (unaudited)	12/31/23 (unaudited)	3/31/24 (unaudited)
Interest, PIK, and fees	\$4,762	\$4,252	\$3,120	\$3,147	\$3,329	\$3,303	\$3,670	\$4,470	\$5,232	\$5,226	\$5,139	\$4,253	\$4,986
Dividends	155	560	24	167	-	-	-	14	14	19	14	21	17
Other income	9	232	229	97	8	-	78	55	10	99	9	141	-
Total investment income	4,926	5,044	3,373	3,411	3,337	3,303	3,748	4,539	5,256	5,344	5,162	4,415	5,003
Expenses													
Interest and financing expense	3,037	2,728	2,296	2,508	2,188	2,131	1,558	1,938	2,069	2,236	2,080	1,944	2,007
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Management fees	1,398	1,272	1,111	1,065	1,027	973	927	934	930	946	913	869	893
Incentive fees, net of waivers	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	1,274	1,010	1,476	1,172	1,173	1,128	1,081	1,031	1,184	1,123	1,015	1,021	1,156
Total expenses	5,709	5,010	4,883	4,745	4,388	4,232	3,566	3,903	4,183	4,305	4,008	3,834	4,056
Net investment income (loss)	(783)	34	(1,510)	(1,334)	(1,051)	(929)	182	636	1,073	1,039	1,154	581	947
Net realized gain (loss) on investments	(14,023)	6,947	7,426	(8,317)	(36)	15,503	(5,192)	3,494	(1,506)	(2,362)	(95)	(12,430)	287
Net change in unrealized appreciation (depreciation) on investments	27,160	(13,720)	(9,402)	6,629	229	(19,608)	2,049	(7,301)	(217)	4,563	(3,010)	8,728	675
Net gain (loss) on investments, net of taxes	13,137	(6,773)	(1,976)	(1,688)	193	(4,105)	(3,143)	(3,807)	(1,723)	2,201	(3,105)	(3,702)	962
Net realized gain (loss) on extinguishment of debt	-	(815)	-	(210)	-	-	-	-	-	-	-	-	(58)
Net increase (decrease) in assets resulting from operations	\$12,354	(\$7,554)	(\$3,486)	(\$3,232)	(\$858)	(\$5,034)	(\$2,961)	(\$3,171)	(\$650)	\$3,240	(\$1,951)	(\$3,121)	\$1,851
Net investment income (loss) per share	(\$0.29)	\$0.01	(\$0.56)	(\$0.49)	(\$0.39)	(\$0.34)	\$0.07	\$0.23	\$0.40	\$0.38	\$0.43	\$0.22	\$0.35
Net realized gain (loss) per share	(\$5.17)	\$2.26	\$2.74	(\$3.15)	(\$0.01)	\$5.72	(\$1.92)	\$1.29	(\$0.56)	(\$0.87)	(\$0.04)	(\$4.61)	\$0.09
Net increase (decrease) in assets resulting from operations per share	\$4.56	(\$2.79)	(\$1.29)	(\$1.19)	(\$0.32)	(\$1.86)	(\$1.09)	(\$1.17)	(\$0.24)	\$1.20	(\$0.73)	(\$1.15)	\$0.69
Distributions declared during quarter	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.18	\$0.22	\$0.26	\$0.30	\$0.32



## Board of Directors

Ted Goldthorpe  
Chairman of the Board

Robert Warshauer  
Independent Director

Alex Duka  
Independent Director

George Grunebaum  
Independent Director

Jennifer Kwon Chou  
Independent Director

## Senior Management

Ted Goldthorpe  
Chairman, Chief Executive Officer and  
President

Brandon Satoren  
Chief Financial Officer, Secretary and  
Treasurer

Patrick Schafer  
Chief Investment Officer

David Held  
Chief Compliance Officer

## Independent Audit Firm

Deloitte & Touche LLP

## Fiscal Year End

December 31

## Transfer Agent

Equiniti Trust Company, LLC

## Security Listings

Common Stock  
Nasdaq: LRFC

## Corporate Headquarters

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New York, NY 10022 USA

## Research Coverage

Chris Nolan  
Ladenburg Thalmann

## Investor Relations

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Val Ferraro  
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