



LOGAN RIDGE
FINANCE CORPORATION™

2022 Q2 Earnings Presentation

LRFC™

August 10, 2022

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, including with respect to the impact of the COVID-19 pandemic and its effects on the Company and its portfolio companies' results of operations and financial condition. More information on these risks and other potential factors that could affect the Company's financial results, including important factors that could cause actual results to differ materially from plans, estimates or expectations included herein, is included in the Company's filings with the Securities and Exchange Commission (the "SEC"), including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's most recently filed quarterly report on Form 10-Q and annual report on Form 10-K, as well as in subsequent filings. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this presentation should not be regarded as a representation by us that our plans and objectives will be achieved. We do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required to be reported under the rules and regulations of the SEC.

Since Mount Logan Management (Mount Logan) became its investment adviser on July 1, 2021, Logan Ridge:

- Continued to execute on its strategic initiatives by significantly lowering cost of capital and reducing non-interest earning equity exposure
- Expects to see the full benefits of these initiatives in the second half of 2022 with improved financial and operational performance

One Year Anniversary Highlights

- As of June 30, 2022, **42% of the Company's investment portfolio at fair value was invested in assets originated by Mount Logan Management**, which is part of the BC Partners Credit Platform, with an additional \$29.5 million of cash and \$34.4 million of unused borrowing capacity available for deployment in investments originated by the BC Partners Credit Platform.
- **Successfully monetized and/or realized \$145.4 million of the legacy portfolio** we inherited from the former investment adviser through June 30, 2022. This represents approximately 64% of the fair value of the portfolio we inherited.
- **Credit has stabilized and there have been no new non-accruals since Mount Logan became the Company's investment adviser.** Further, we successfully exited a non-accrual investment for proceeds of \$0.6 million. This position was valued at zero as of June 30, 2021.
- **Received an investment grade credit rating.**
- **Refinanced the entire legacy debt structure, materially lowering the cost of capital** as previously announced. As a result, the Company has no near-term maturities.
- **Strategically exited the Company's largest legacy non-interest earning equity interest, Eastport Holdings, LLC.** This refinancing and recapitalization transaction significantly reduced the Company's legacy non-interest earning equity exposure. As a result of this transaction, the Company received \$16.5 million in cash and \$19.25 million in principal of a new debt security in exchange for all of its previous debt and equity securities.
- **Non-yielding equity portfolio represents \$40.7 million and \$37.6 million, or 21.7% and 21.4% of the portfolio,** on a cost and fair value basis, respectively, as of June 30, 2022, as compared to \$49.9 million and 73.7 million, or 22.9% and 32.3% of the portfolio, on a cost and fair value basis, respectively as of June 30, 2021.
- For the last-twelve-month ("LTM") period ended June 30, 2022, **administration fees reimbursed to the administrator, BC Partners Management LLC, totaled \$0.6 million.** This compares to \$1.4 million reimbursed to the former administrator, Capitala Advisors Corp, for the LTM period ended June 30, 2021.

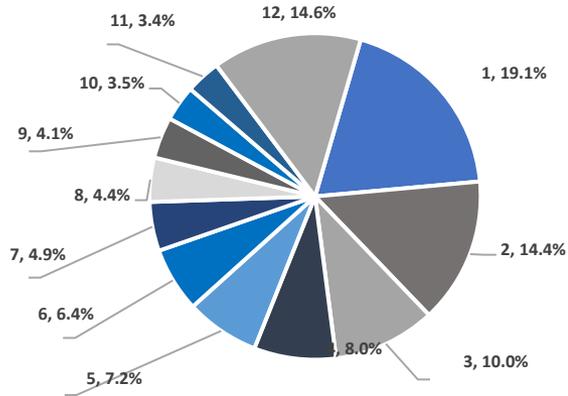
Selected Second Quarter 2022 Financial Highlights (as of June 30, 2022)



- **Net asset value was \$101.1 million, or \$37.31 per share,** as compared to \$106.2 million, or \$39.16 per share, as of March 31, 2022 and \$107.1 million, or \$39.48 per share, as of December 31, 2021.
- **Net investment loss decreased to \$0.9 million** as compared to net investment loss of \$1.1 million reported in the first quarter of 2022. Excluding the impact of certain non-recurring incremental financing costs and professional fees totaling \$0.3 million, adjusted net investment loss for the second quarter would have been \$0.6 million.
- **Total investment income declined to \$3.3 million,** compared to \$5.0 million for the second quarter of 2021 primarily due to lower average outstanding debt investments.
- **Total expenses declined to \$4.2 million,** compared to \$5.0 million for the second quarter of 2021, driven primarily by lower interest and financing fees, management fees, and other general and administrative costs as compared to the second quarter of 2021.
- **Net investment loss was \$0.9 million** compared to net investment income of less than \$0.01 million during the second quarter of 2021.
- **Net realized gain on investments was \$15.5 million** compared to \$6.9 million during the second quarter of 2021.
- **Net decrease in net assets resulting from operations decreased by \$5.0 million,** or \$(1.86) per share, during the second quarter of 2022. This compares to a net decrease in net asset from operations of \$7.6 million, or \$(2.79) per share, for the second quarter of 2021.
- **Portfolio consisted of investments in 44 portfolio companies with a fair value of approximately \$175.9 million.**
- **Continued to judiciously redeploy capital generated from exiting the legacy portfolio.** During the second quarter, the Company made approximately \$30.7 million of investments and had approximately \$58.3 million in repayment and exits, resulting in net repayment and sales of approximately \$27.6 million for the period.
- **Cash and cash equivalents increased to \$29.5 million** as compared to \$15.8 million as of March 31, 2022, primarily as a result of the **Eastport Holdings, LLC refinancing and recapitalization transaction that closed on June 29, 2022.**
- **Debt investment portfolio (represented 75.0% of total portfolio at fair value), had a weighted average annualized yield of approximately 8.7%** (excluding non-accruals and collateralized loan obligations). This compares to a debt investment portfolio, which represented 68.1% of our total portfolio at fair value, with a weighted average annualized yield of approximately 8.3% (excluding non-accruals and collateralized loan obligations) as of March 31, 2022.
- **Debt investments in two portfolio companies on non-accrual status** with an aggregate cost of \$12.1 million and fair value of \$6.4 million, which represented 6.5 % and 3.6% of the investment portfolio, respectively. This compares to debt investments in two portfolio companies on non-accrual status with an aggregate cost of \$12.7 million and fair value of \$7.0 million, which represented 6.4 % and 3.4% of the investment portfolio, respectively as of March 31, 2022.
- **Debt-to-equity ratio was 1.0x** as compared to 1.2x as of March 31, 2022.

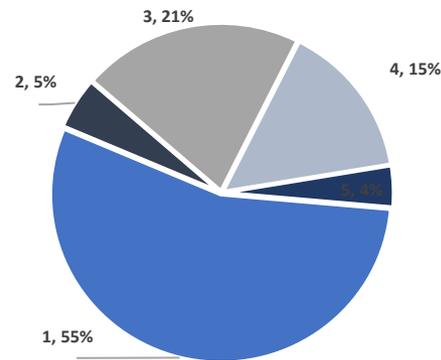
Portfolio Overview

TOP TEN PORTFOLIO INDUSTRIES



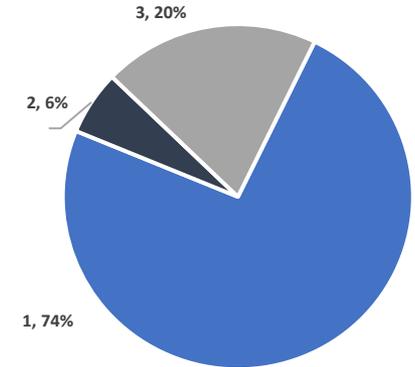
~\$175.9 million

TOTAL PORTFOLIO BY ASSET TYPE



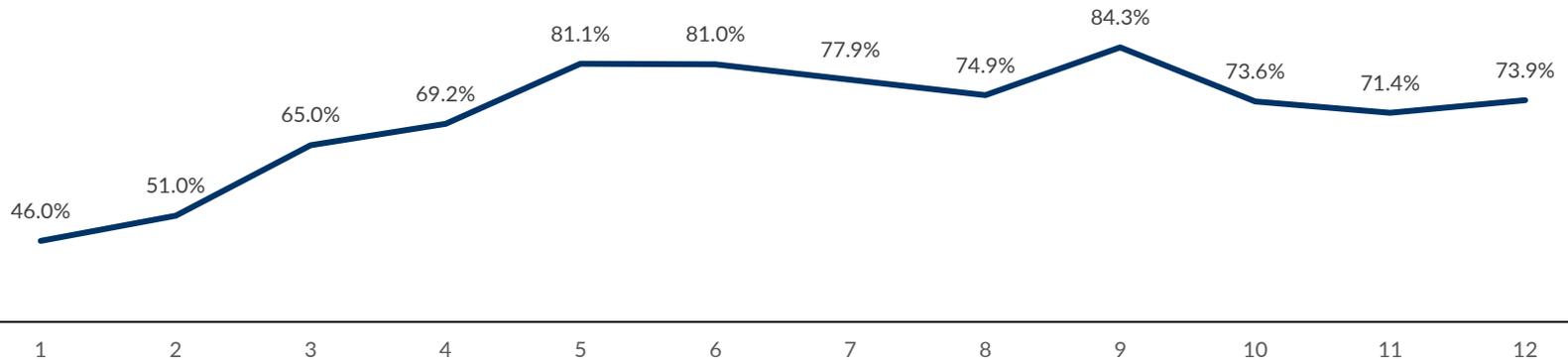
~\$175.9 million

DEBT PORTFOLIO BY ASSET TYPE



~\$132.0 million

FIRST LIEN DEBT AS A PERCENTAGE OF TOTAL DEBT PORTFOLIO



Note: Portfolio statistics represent fair value as of March 31, 2022.

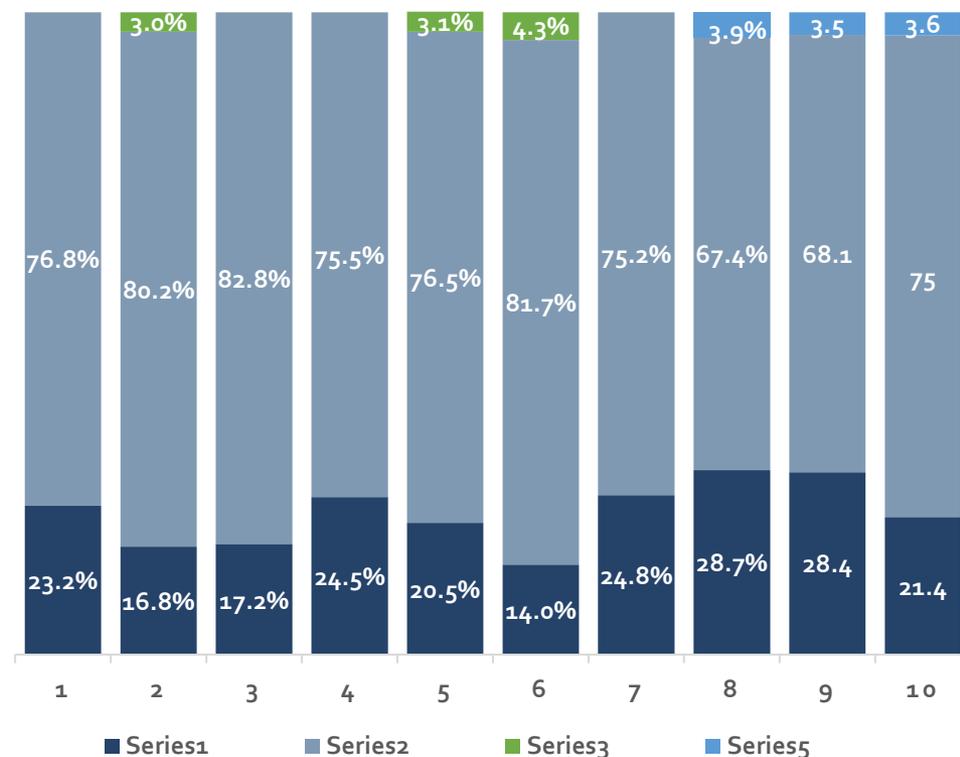
Equity Portfolio Overview

Current Equity Investments⁽¹⁾

(\$ in thousands)

Company	\$ Cost Basis	\$ Fair Value	% of Investments at Fair Value
LJS Partners, LLC	1,660,850	7,698,000	4.38%
Burgaflex Holdings, LLC	1,865,460	4,887,000	2.78%
GA Communications, Inc.	3,479,045	4,480,000	2.55%
BlueStem Brands, Inc.	286,000	4,217,810	2.40%
American Clinical Solutions	3,198,000	3,647,779	2.07%
RAM Payment, LLC	1,099,952	3,580,000	2.04%
Burke America Parts Group, LLC	5,000	2,770,000	1.58%
MMI Holdings, LLC	1,845,153	1,961,300	1.12%
U.S. BioTek Laboratories, LLC	541,029	953,000	0.54%
Taylor Precision Products, Inc.	758,000	758,000	0.43%
MicroHoldco, LLC	748,510	631,348	0.36%
Jurassic Quest Holdings, LLC	480,359	527,000	0.30%
Alternative Biomedical Solutions, LLC	6,022,607	434,121	0.25%
Sierra Hamilton Holdings Corporation	6,958,000	290,000	0.16%
American Academy Holdings, LLC	0	272,654	0.16%
GreenPark Infrastructure, LLC	268,500	268,500	0.15%
Freedom Electronics, LLC	181,818	222,100	0.13%
Nth Degree, Inc.	6,088,000	0	0.00%
Vology, Inc.	5,215,000	0	0.00%
Equity Total	40,701,283	37,598,613	21.38%

Debt and Equity Asset Mix



Equity Cost Basis

12.7%	9.0%	8.3%	11.1%	11.6%	14.3%	19.3%	22.0%	22.9%	21.7%
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1) Current equity position details as of June 30, 2022.

Interest Rate Sensitivity

<i>As of June 30, 2022</i>	% Fixed Rate	% Variable Rate
Investment Portfolio	25.4%	74.6%
LRFC Borrowings	61.5%	38.5%

INTEREST RATE SENSITIVITY ⁽¹⁾

(\$ thousands, except per share data)

Basis Point Change	Change in Interest Income	Change in Interest Expense	Increase / (Decrease) in Net Investment Income	Increase / (Decrease) in Net Investment Income per Share ⁽²⁾
+300 bps	\$2,834	\$1,235	\$1,599	\$0.59
+200 bps	\$1,881	\$(823)	\$1,058	\$0.39
+100 bps	\$938	\$(412)	\$516	\$0.19
-100 bps	\$(727)	\$529	\$(198)	\$(0.07)
-200 bps	\$(1,054)	\$529	\$(525)	\$(0.19)
-300 bps	\$(1,056)	\$529	\$(527)	\$(0.19)

1) Assumes no change in portfolio investments or revolving credit facility borrowings as of June 30, 2022.

2) Per share amount calculated based upon actual shares outstanding as of June 30, 2022.

During the second quarter of 2022, Logan Ridge significantly lowered cost of debt capital

- On April 1, 2022, the Company issued **\$15.0 million of 2032 Convertible Notes, at a fixed interest rate of 5.25% per annum.**
- On May 10, 2022, the Company amended its existing senior secured revolving credit facility with KeyBank, **increasing the initial commitment from \$25.0 million to \$75.0 million.** The amended KeyBank Credit Facility will **mature on May 10, 2027** and bear interest at **1M SOFR plus 2.90%** during the 3-year revolving period and 3.25% thereafter, subject to .40% SOFR Floor.

Proceeds were used to pay off the

- \$52.1 million of 2022 Convertible Notes, which were due May 31, 2022
- \$22.8 million of 2022 Notes, which were due May 31, 2022

Facility <i>(data as of 6/30/22)</i>	Interest Rate	Principal Amount Outstanding	Maturity
2026 Notes	5.25% fixed	\$50.0 M	October 2026
2032 Convertible Notes	5.25% fixed	\$15.0 M	April 2032
KeyBank Credit Facility	1M SOFR + 2.90%, 0.40% Floor	\$40.1 M	May 2027
Total Debt		\$105.6 M	

Net Investment Income Growth Potential – Update

- As provided during the Q4 2021 Earnings Presentation, the Company has a number of initiatives underway to increase quarterly earnings and we would like to provide the below update on those initiatives.

Initiative	Progress
Replace Legacy Liabilities	<u>Completed in Q2.</u> Impact to income statement begun on June 1 st .
Invest Cash	<u>In Progress.</u> Temporarily using cash to paydown debt but will look to deploy into unfunded commitments and new investments. Cash balance as of June 30, 2022 is \$29.5 million (\$22.0 million cash net of settlement activity for open trades) as compared to \$15.8 million (\$21.4 million cash net of settlement activity for open trades) at March 31, 2022.
Add Leverage	<u>In Progress.</u> New Credit Facility will facilitate this by allowing for up to \$75 million of total funding capacity.
Rotate Non-Income Producing Assets	<u>In Progress.</u> Exited largest non-yielding equity interest in Eastport Holdings, LLC on June 29, 2022. Non-yielding equity portfolio represents 21.7% and 21.4% of the portfolio, on a cost and fair value basis, respectively, as of June 30, 2022, as compared to \$49.9 million and 73.7 million of the portfolio, on a cost and fair value basis, respectively as of June 30, 2021.

Financial Statements



Statements of Assets & Liabilities

(\$ in thousands, except per share data)

	3/31/20 (unaudited)	6/30/20 (unaudited)	9/30/20 (unaudited)	12/31/20 (audited)	3/31/21 (unaudited)	6/30/21 (unaudited)	9/30/21 (unaudited)	12/31/21 (audited)	3/31/22 (unaudited)	6/30/22 (unaudited)
Investments at fair value	\$321,227	\$287,266	\$280,249	\$274,692	\$258,170	\$228,048	\$195,385	\$198,189	206,905	175,853
Cash and cash equivalents	56,431	95,226	43,687	49,942	59,727	26,144	37,386	39,056	15,838	29,489
Other assets	2,423	3,019	2,667	3,363	2,014	8,964	7,803	4,972	11,248	6,797
Total assets	\$380,081	\$385,511	\$326,603	\$327,997	\$319,911	\$263,156	\$240,574	\$242,217	\$233,991	\$212,139
SBA debentures, net of deferred financing costs	\$149,117	\$149,242	\$90,429	\$90,515	\$70,655	\$ -	\$ -	\$ -	\$ -	\$ -
2022 Notes, net of deferred financing costs	73,693	73,836	71,845	71,987	72,131	72,277	72,426	22,787	22,815	-
2022 Convertible Notes, net of deferred financing costs	51,261	51,352	51,443	51,536	51,630	51,726	51,823	51,921	52,020	-
2026 Notes, net of deferred financing costs	-	-	-	-	-	-	-	48,448	48,460	48,403
2032 Notes, net of deferred financing costs	-	-	-	-	-	-	-	-	-	13,825
Credit Facility, net of deferred financing costs	(1,165)	-	-	(546)	(499)	24,550	(402)	(353)	(305)	39,128
Other liabilities	5,220	6,026	4,477	5,558	4,693	856	6,466	12,385	4,830	9,646
Total liabilities	278,126	280,456	218,194	219,050	198,610	149,409	130,313	135,188	127,820	111,002
Net assets	101,955	105,055	108,409	108,947	121,301	113,747	110,261	107,029	106,171	101,137
Total liabilities and net assets	\$380,081	\$385,511	\$326,603	\$327,997	\$319,911	\$263,156	\$240,574	\$242,217	\$233,991	\$212,139
Number of portfolio investments	41	37	36	36	35	32	33	40	42	44
Leverage ratio-actual	2.72x	2.64x	1.99x	1.98x	1.62x	1.32x	1.13x	1.17x	1.18x	1.05x
Leverage ratio - regulatory	1.25x	1.21x	1.15x	1.15x	1.03x	1.32x	1.13x	1.17x	1.18x	1.05x
Non-accrual loans at fair value	\$42,926	\$23,886	\$18,019	\$20,767	\$16,610	\$9,761	\$9,246	\$7,626	\$7,050	\$6,385

Financial Statements



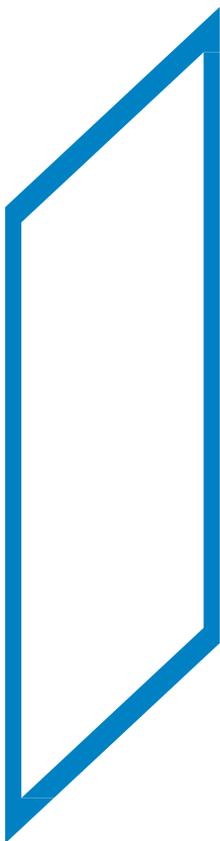
Statements of Operations

(\$ in thousands)

\$ in thousands, except per share data

	Three Months Ended:									
	3/31/20 (unaudited)	6/30/20 (unaudited)	9/30/20 (unaudited)	12/31/20 (unaudited)	3/31/21 (unaudited)	6/30/21 (unaudited)	9/30/21 (unaudited)	12/31/21 (unaudited)	3/31/22 (unaudited)	6/30/22 (unaudited)
Investment Income										
Interest, PIK, and fees	\$6,730	\$6,908	\$6,465	\$5,539	\$4,762	\$4,252	\$3,120	\$3,147	\$3,329	\$3,303
Dividends	25	-	-	-	155	560	24	167	-	-
Other income	319	91	229	140	9	232	229	97	8	-
Total investment income	7,074	6,999	6,694	5,679	4,926	5,044	3,373	3,411	3,337	3,303
Expenses										
Interest and financing expense	3,826	4,885	3,423	3,009	3,037	2,728	2,296	2,508	2,188	2,131
Management fees	1,757	1,666	1,565	1,440	1,398	1,272	1,111	1,065	1,027	973
Incentive fees, net of waivers	-	-	-	-	-	-	-	-	-	-
Other expenses	1,504	1,057	964	1,292	1,274	1,010	1,476	1,172	1,173	1,128
Total expenses	7,087	7,608	5,952	5,741	5,709	5,010	4,883	4,745	4,388	4,232
Net Investment Income (loss)	(13)	(609)	742	(62)	(783)	34	(1,510)	(1,334)	(1,051)	(929)
Net realized gain (loss) on investments	968	(13,285)	(12,344)	612	(14,023)	6,947	7,426	(8,317)	(36)	15,503
Net unrealized (depreciation) appreciation on investments	(43,395)	16,994	14,802	(12)	27,160	(13,720)	(9,402)	6,629	229	(19,608)
Tax benefit (provision)	-	-	-	-	-	-	-	-	-	-
Net (loss) gain on investments, net of taxes	(42,427)	3,709	2,458	600	13,137	(6,773)	(1,976)	(1,688)	193	(4,105)
Net realized (loss) gain on extinguishment of debt	-	-	155	-	-	(815)	-	(210)	-	-
Net (decrease) increase in assets resulting from operations	(\$42,440)	\$3,100	\$3,355	\$538	\$12,354	(\$7,554)	(\$3,486)	(\$3,232)	(\$858)	(\$5,034)
Net investment income per share	(\$0.00)	(\$0.22)	\$0.27	(\$0.02)	(\$0.29)	\$0.01	(\$0.56)	(\$49.00)	(\$0.39)	(\$0.34)
Net realized gain (loss) per share	\$0.36	(\$4.90)	(\$4.55)	\$0.23	(\$5.17)	\$2.26	\$2.74	(\$3.15)	(\$0.01)	\$5.72
Net increase (decrease) in assets resulting from operations per share	(\$15.70)	\$1.14	\$1.24	\$0.20	\$4.56	(\$2.79)	(\$1.29)	(\$1.19)	(\$0.32)	(\$1.86)
Distributions declared during quarter	\$1.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Note: Share and per share information has been adjusted for the periods shown to reflect the one-for-six reverse stock split effected on August 21, 2020 on a retroactive basis



Appendix

- **On July 1, 2021, Logan Ridge completed its transition to a new investment adviser, Mount Logan Management LLC (“Mount Logan”)**
 - Mount Logan is 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.
 - BC Partners has a proven track record of efficiently repositioning publicly listed vehicles to improve trading performance
- **Strategic Repositioning Initiatives**

Targeted Portfolio Repositioning to Enhance Yield and Downside Protection

- Rotate the asset base into proprietarily sourced, primarily senior secured and income-generating positions

Optimize the Capital Structure

- Refinance the currently outstanding notes and reduce overall financing cost

Reduction of Operational Cost Structure

- Reduce administrative costs by leveraging the existing scaled operational infrastructure in place

Gain Scale and Reduce Trading Discount to NAV

- Focus on scaling the vehicle via strategic transactions

Return to Paying Regular Shareholder Dividends

- Focus on reinstating a sustainable dividend as soon as possible

Investment Strategy and Objectives

Logan Ridge invests in performing, well-established middle market businesses that operate across a wide range of industries. It employs fundamental credit analysis, targeting investments in businesses with relatively low levels of cyclical and operating risk.

INVESTMENT OBJECTIVES

- Focus on direct origination of senior secured debt investments to the middle market
- Deliver strong and sustainable risk-adjusted returns to stockholders, with focus on capital preservation and downside protection
- Reduce non-income generating exposure over time and opportunistically to enhance NII generation

INVESTMENT CHARACTERISTICS

- EBITDA size of \$5 to \$50 million
- History of generating consistent cash flows and stable financial performance
- Identifiable and defensible market positions in industries with favorable dynamics
- Management teams with demonstrated track records and aligned incentives

INVESTMENT STRUCTURES

- Unitranche loans (including last out)
- First lien loans
- Second lien loans
- Subordinated debt
- Equity co-investment

INDUSTRY

- | | | |
|---------------------|---------------------------------------|------------------------------|
| ▪ Aerospace/Defense | ▪ Food & Beverage | ▪ Logistics & Distribution |
| ▪ Business Services | ▪ Healthcare | ▪ Manufacturing |
| ▪ Consumer Products | ▪ Industrial & Environmental Services | ▪ Media & Telecommunications |
| ▪ Education | | |

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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
Chief Executive Officer

Jason Roos
Chief Financial Officer

Patrick Schafer
Chief Investment Officer

David Held
Chief Compliance Officer

Brandon Satoren
Chief Accounting Officer

Independent Audit Firm

Deloitte & Touche LLP

Fiscal Year End

December 31

Transfer Agent

American Stock Transfer & Trust Company, LLC

Security Listings

Common Stock
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