

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): November 7, 2024

Logan Ridge Finance Corporation

(Exact Name of Registrant as Specified in Charter)

Maryland  
(State or Other Jurisdiction  
of Incorporation)

814-01022  
(Commission  
File Number)

90-0945675  
(I.R.S. Employer  
Identification No.)

650 Madison Avenue, 3rd Floor  
New York, New York  
(Address of Principal Executive Offices)

10022  
(Zip Code)

(212) 891-2880  
(Registrant's Telephone Number, Including Area Code)

NOT APPLICABLE  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	LRFC	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition.**

On November 7, 2024, Logan Ridge Finance Corporation issued a press release announcing its financial results for the fiscal quarter ended September 30, 2024. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information disclosed under this Item 2.02, including Exhibit 99.1 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits:

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#">Press Release, dated November 7, 2024</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 7, 2024

By: /s/ Brandon Satoren

Name: Brandon Satoren

Title: Chief Financial Officer



FOR IMMEDIATE RELEASE

**Logan Ridge Finance Corporation Announces  
Third Quarter 2024 Financial Results**

**Reports Solid Results with Net Investment Income of \$0.37 Per Share, and Net Asset Value of \$32.31 Per Share**

**Recurring PIK Income as a Percentage of Total Investment Income Declines by Over 200 Basis Points**

**Exits Largest Equity Investment, Nth Degree Investment Group, LLC (“Nth Degree”)**

**Declared a Distribution of \$0.36 Per Share for the Fourth Quarter of 2024, Which Represents a 9% Increase Compared to the Third Quarter of 2024**

**NEW YORK, November 7, 2024** – Logan Ridge Finance Corporation (“Logan Ridge”, “LRFC”, the “Company”, “we”, “us” or “our”) (Nasdaq: LRFC) announced today its financial results for the third quarter ended September 30, 2024.

**Third Quarter 2024 Highlights**

- Total Investment Income was \$5.1 million for the quarter ended September 30, 2024, as compared to \$5.4 million reported for the quarter ended June 30, 2024.
- Net Investment Income (“NII”) increased to \$1.0 million, or \$0.37 per share, for the quarter ended September 30, 2024, as compared to \$0.8 million or \$0.28 per share, for the quarter ended June 30, 2024.
- Net asset value was \$32.31 per share as of September 30, 2024, as compared to \$33.13 per share as of June 30, 2024.
- During the quarter ended September 30, 2024, repurchased 3,697 of its outstanding shares of common stock in open market transactions under the renewed stock repurchase program, at an aggregate cost of approximately \$0.1 million.
- Made approximately \$0.9 million of investments and had approximately \$19.0 million in repayments and sales of investments, resulting in net repayments and sales of approximately \$18.1 million. The high level of repayments and sales was mainly due to the Company’s exit from its largest equity investment, Nth Degree, for \$17.5 million in cash, which was approximately \$2.0 million above the investment’s previously reported fair value as of June 30, 2024, in exchange for all of the Company’s equity interest in the investment. The exit was completed on September 10, 2024.
- On August 21, 2024, the Company amended and extended its existing senior secured revolving credit facility with KeyBank National Association. Under the terms of the amendment, the applicable margin during the reinvestment period was reduced from 2.90% per annum to 2.80% per annum, and the applicable margin during the amortization period was reduced from 3.25% per annum to 3.20% per annum. The reinvestment period was also extended from May 2025 to August 2027, and the maturity date was extended from May 2027 to August 2029. Of note, the credit facility continues to provide for borrowings of up to \$75.0 million, and an uncommitted accordion feature that allows the Company to borrow up to an additional \$125.0 million. Furthermore, under the terms of the amendment, the eligibility requirements, advance rates and concentration limits were revised, creating meaningful additional borrowing capacity for the Company.

**Subsequent Events**

- On November 6, 2024, the Company’s Board of Directors approved a fourth quarter distribution of \$0.36 per share, payable on November 29, 2024, to stockholders of record as of November 19, 2024.

**Management Commentary**

Ted Goldthorpe, Chief Executive Officer and President of Logan Ridge, said, “We are pleased to announce another solid quarter of financial performance for Logan Ridge, highlighted by the sale of our largest equity position, Nth Degree, above our prior quarter fair value. This successful exit is a transformational milestone for the Company, as the rotation out of the legacy equity portfolio has been a key component of the turnaround strategy for Logan Ridge since Mount Logan management took over as the Company’s investment adviser in July of 2021. We plan to redeploy the cash proceeds from this transaction into interest earning assets originated by the BC Partners Credit Platform, which we believe will significantly improve the long-term earning power of our portfolio.

Further, the Company's successful exit of its non-yielding equity interest Nth Degree, solid financial position and the outlook for the long-term earnings power of the portfolio has allowed the Board of Directors to approve a dividend of \$0.36 per share for the fourth quarter of 2024, which represents a 9% increase compared to the \$0.33 per share distributed in the third quarter of 2024.

Finally, during the third quarter of 2024, we amended and extended our revolving credit facility with KeyBank National Association. The new attractive terms, which reduced the applicable margins and extended the maturity date of both the reinvestment period and maturity date, have reduced our overall cost of capital while creating meaningful additional borrowing capacity to provide us with further financial flexibility.

As we navigate through economic uncertainty and a dynamic interest rate environment, we remain confident in our prudent investment strategy, strong pipeline, and experienced management team. We believe we remain well positioned to continue to deliver positive returns to our shareholders."

### Selected Financial Information

- **Total investment income** for the quarter ended September 30, 2024, decreased by \$0.1 million, to \$5.1 million, compared to \$5.2 million for the third quarter of 2023.
- **Total operating expenses** for the quarter ended September 30, 2024, increased by \$0.2 million, to \$4.2 million, compared to \$4.0 million for the third quarter of 2023.
- **Net investment income** for the quarter ended September 30, 2024, was \$1.0 million, or \$0.37 per share, compared to \$1.2 million, or \$0.43 per share, for the third quarter of 2023.
- **Net asset value** as of September 30, 2024, was \$86.3 million, or \$32.31 per share, compared to \$88.7 million, or \$33.13 per share, as of June 30, 2024.
- **Cash and cash equivalents** as of September 30, 2024, were \$5.0 million compared to \$4.3 million as of June 30, 2024.
- **The investment portfolio** as of September 30, 2024, consisted of investments in 59 portfolio companies with an aggregate fair value of approximately \$175.6 million. This compares to 61 portfolio companies with an aggregate fair value of approximately \$195.6 million as of June 30, 2024.
- **Deployment**, in our view, was judicious and prudent during the quarter ended September 30, 2024. During the quarter, the Company made approximately \$0.9 million in investments and had \$19.0 million in repayments and sales of investments, resulting in net repayments and sales of approximately \$18.1 million for the quarter. The high level of repayments and sales during the quarter was largely due to the sale of the Company's largest equity position, Nth Degree, for \$17.5 million.
- **The debt investment portfolio** as of September 30, 2024 represented 86.8% of the fair value of the total portfolio, with a weighted average annualized yield of approximately 12.3% (excluding income from non-accruals and collateralized loan obligations), compared to a debt investment portfolio of approximately 80.0% with a weighted average annualized yield of approximately 11.4% (excluding income from non-accruals and collateralized loan obligations) as of June 30, 2024. As of September 30, 2024, 10.6% of the fair value of the debt investment portfolio was bearing a fixed rate of interest, compared to 11.9% of the fair value of the debt investment portfolio as of June 30, 2024.
- **Non-Accruals:** As of September 30, 2024, the Company had debt investments in three portfolio companies on non-accrual status with an amortized cost and fair value of \$17.2 million and \$8.2 million, respectively, representing 8.8% and 4.6% of the investment portfolio's amortized cost and fair value, respectively. This compares to debt investments in the same three portfolio companies on non-accrual status with an aggregate amortized cost and fair value of \$17.2 million and \$10.1 million, respectively, representing 8.5% and 5.2% of the investment portfolio's amortized cost and fair value, respectively, at June 30, 2024.
- **Asset coverage ratio** as of September 30, 2024 was 186%.

## Results of Operations

Our operating results for the three and nine months ended September 30, 2024 and September 30, 2023 were as follows (dollars in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Total investment income	\$ 5,148	\$ 5,162	\$ 15,521	\$ 15,762
Total expenses	4,153	4,008	12,829	12,496
Net investment income	995	1,154	2,692	3,266
Net realized gain (loss) on investments	11,068	(95)	11,155	(3,963)
Net change in unrealized appreciation (depreciation) on investments	(13,263)	(3,010)	(13,680)	1,336
Net realized gain (loss) on extinguishment of debt	(147)	—	(321)	—
Net increase (decrease) in net assets resulting from operations	\$ (1,347)	\$ (1,951)	\$ (154)	\$ 639

## Investment income

The composition of our investment income for the three and nine months ended September 30, 2024 and September 30, 2023 was as follows (dollars in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Interest income	\$ 4,867	\$ 4,765	\$ 14,135	\$ 14,440
Payment-in-kind interest	226	374	1,097	1,157
Dividend income	17	14	51	47
Other income	38	9	238	118
Total investment income	\$ 5,148	\$ 5,162	\$ 15,521	\$ 15,762

## Fair Value of Investments

The composition of our investments as of September 30, 2024 and December 31, 2023, at amortized cost and fair value of investments 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
<b>September 30, 2024</b>				
First Lien Debt	\$ 132,601	67.6%	\$ 121,654	69.3%
Second Lien Debt	9,554	4.9%	8,181	4.7%
Subordinated Debt	26,895	13.7%	22,487	12.8%
Collateralized Loan Obligations	1,823	0.9%	1,570	0.9%
Joint Venture	383	0.2%	393	0.2%
Equity	24,864	12.7%	21,295	12.1%
Total	\$ 196,120	100.0%	\$ 175,580	100.0%

	Investments at Amortized Cost	Amortized Cost Percentage of Total Portfolio	Investments at Fair Value	Fair Value Percentage of Total Portfolio
<b>December 31, 2023</b>				
First Lien Debt	\$ 128,537	65.4%	\$ 124,007	65.4%
Second Lien Debt	8,968	4.6%	7,918	4.2%
Subordinated Debt	26,573	13.5%	23,548	12.4%
Collateralized Loan Obligations	1,600	0.8%	1,600	0.8%
Joint Venture	440	0.2%	450	0.2%
Equity	30,400	15.5%	32,135	17.0%
Total	\$ 196,518	100.0%	\$ 189,658	100.0%

## Interest Rate Risk

Based on our consolidated statements of assets and liabilities as of September 30, 2024, the following table shows the annual impact on net income (excluding the potential related incentive fee impact) of base rate changes in interest rates (considering interest rate floors for variable rate securities), assuming no changes in our investment and borrowing structure (dollars in thousands):

<u>Basis Point Change</u>	<u>Increase (decrease) in interest income</u>	<u>(Increase) decrease in interest expense</u>	<u>Increase (decrease) in net income</u>
Up 300 basis points	\$ 4,361	\$ (1,192)	\$ 3,169
Up 200 basis points	2,907	(795)	2,112
Up 100 basis points	1,454	(397)	1,057
Down 100 basis points	(1,454)	397	(1,057)
Down 200 basis points	(2,875)	795	(2,080)
Down 300 basis points	(4,190)	1,192	(2,998)

## **Conference Call and Webcast**

We will hold a conference call on Tuesday, November 12, 2024, at 11:00 a.m. Eastern Time to discuss the third quarter 2024 financial results. Stockholders, prospective stockholders, and analysts are welcome to listen to the call or attend the webcast.

To access the conference call, please dial (646) 307-1963 approximately 10 minutes prior to the start of the call and use the conference ID 1567736.

A replay of this conference call will be available shortly after the live call through November 19, 2024.

A live audio webcast of the conference call can be accessed via the Internet, on a listen-only basis on the Company's website [www.loganridgefinance.com](http://www.loganridgefinance.com) in the Investor Resources section under Events and Presentations. The webcast can also be accessed by clicking the following link: <https://edge.media-server.com/mmc/p/qktrwywh>. The online archive of the webcast will be available on the Company's website shortly after the call.

## **About Logan Ridge Finance Corporation**

Logan Ridge Finance Corporation (Nasdaq: LRFC) is a business development company that invests primarily in first lien loans and, to a lesser extent, second lien loans and equity securities issued by lower middle-market companies. The Company 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. For more information, visit [www.loganridgefinance.com](http://www.loganridgefinance.com).

## **About Mount Logan Capital Inc.**

Mount Logan Capital Inc. ("MLC") is an alternative asset management company that is focused on public and private debt securities in the North American market. MLC seeks to source and actively manage loans and other debt-like securities with credit-oriented characteristics. MLC actively sources, evaluates, underwrites, manages, monitors, and primarily invests in loans, debt securities, and other credit-oriented instruments that present attractive risk-adjusted returns and present low risk of principal impairment through the credit cycle.

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

BC Partners is a leading international investment firm in private equity, private credit and real estate strategies. Established in 1986, BC Partners has played an active role in developing the European buyout market for three decades. Today, BC Partners executives operate across markets as an integrated team through the firm's offices in North America and Europe. For more information, please visit [www.bcpartners.com](http://www.bcpartners.com).

BC Partners Credit was launched in February 2017 and has pursued a strategy focused on identifying attractive credit opportunities in any market environment and across sectors, leveraging the deal sourcing and infrastructure made available from BC Partners.

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

This communication contains "forward-looking" statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts and are sometimes identified by the words "may," "will," "should," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "overestimate," "underestimate," "believe," "could," "project," "predict," "continue," "target" or other similar words or expressions. 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. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include those risk factors detailed in the Company's reports filed with the Securities and Exchange Commission ("SEC"), including the Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC.

Any forward-looking statements speak only as of the date of this communication. The Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information or developments, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.



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**Logan Ridge Finance Corporation**  
**Consolidated Statements of Assets and Liabilities**  
(in thousands, except share and per share data)

	As of September 30, 2024 (unaudited)	As of December 31, 2023
<b>ASSETS</b>		
Investments at fair value:		
Non-control/non-affiliate investments (amortized cost of \$162,631 and \$170,972, respectively)	\$ 148,270	\$ 161,880
Affiliate investments (amortized cost of \$33,489 and \$25,546, respectively)	27,310	27,778
Total investments at fair value (amortized cost of \$196,120 and \$196,518, respectively)	175,580	189,658
Cash and cash equivalents	5,040	3,893
Interest and dividend receivable	2,800	1,374
Prepaid expenses	1,865	2,163
Receivable for unsettled trades	1,084	—
Other assets	344	—
Total assets	<u>\$ 186,713</u>	<u>\$ 197,088</u>
<b>LIABILITIES</b>		
2026 Notes (net of deferred financing costs and original issue discount of \$786 and \$1,057, respectively)	\$ 49,214	\$ 48,943
2032 Convertible Notes (net of deferred financing costs and original issue discount of \$606 and \$999, respectively)	9,394	14,001
KeyBank Credit Facility (net of deferred financing costs of \$1,209 and \$982, respectively)	37,882	38,571
Management and incentive fees payable	860	869
Interest and financing fees payable	1,610	949
Accounts payable and accrued expenses	1,409	833
Payable for unsettled trades	—	3,747
Total liabilities	<u>\$ 100,369</u>	<u>\$ 107,913</u>
Commitments and contingencies		
<b>NET ASSETS</b>		
Common stock, par value \$0.01, 100,000,000 shares of common stock authorized, 2,672,433 and 2,674,698 shares of common stock issued and outstanding, respectively	\$ 27	\$ 27
Capital in excess of par value	188,350	188,405
Total distributable loss	(102,033)	(99,257)
Total net assets	<u>\$ 86,344</u>	<u>\$ 89,175</u>
Total liabilities and net assets	<u>\$ 186,713</u>	<u>\$ 197,088</u>
Net asset value per share	\$ 32.31	\$ 33.34

**Logan Ridge Finance Corporation**  
**Consolidated Statements of Operations**  
(in thousands, except share and per share data)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>INVESTMENT INCOME</b>				
Interest income:				
Non-control/non-affiliate investments	\$ 4,649	\$ 4,650	\$ 13,602	\$ 14,027
Affiliate investments	218	115	533	413
Total interest income	<u>4,867</u>	<u>4,765</u>	<u>14,135</u>	<u>14,440</u>
Payment-in-kind interest and dividend income:				
Non-control/non-affiliate investments	95	325	744	1,012 <sup>(1)</sup>
Affiliate investments	131	49	353	145
Total payment-in-kind interest and dividend income	<u>226</u>	<u>374</u>	<u>1,097</u>	<u>1,157</u>
Dividend income:				
Affiliate investments	17	14	51	47
Total dividend income	<u>17</u>	<u>14</u>	<u>51</u>	<u>47</u>
Other income:				
Non-control/non-affiliate investments	38	8	84	117
Affiliate investments	—	1	154	1
Total other income	<u>38</u>	<u>9</u>	<u>238</u>	<u>118</u>
Total investment income	<u>5,148</u>	<u>5,162</u>	<u>15,521</u>	<u>15,762</u>
<b>EXPENSES</b>				
Interest and financing expenses	2,163	2,080	6,473	6,385
Base management fee	860	913	2,662	2,789
Directors' expense	115	135	440	405
Administrative service fees	220	198	676	679
General and administrative expenses	795	682	2,578	2,238
Total expenses	<u>4,153</u>	<u>4,008</u>	<u>12,829</u>	<u>12,496</u>
NET INVESTMENT INCOME	<u>995</u>	<u>1,154</u>	<u>2,692</u>	<u>3,266</u>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>				
Net realized gain (loss) on investments:				
Non-control/non-affiliate investments	(330)	(95)	(243)	(3,963)
Affiliate investments	11,398	—	11,398	—
Net realized gain (loss) on investments	<u>11,068</u>	<u>(95)</u>	<u>11,155</u>	<u>(3,963)</u>
Net change in unrealized appreciation (depreciation) on investments:				
Non-control/non-affiliate investments	(3,362)	(2,356)	(7,033)	(3,096)
Affiliate investments	(9,901)	(654)	(6,647)	4,432
Net change in unrealized appreciation (depreciation) on investments	<u>(13,263)</u>	<u>(3,010)</u>	<u>(13,680)</u>	<u>1,336</u>
Total net realized and change in unrealized gain (loss) on investments	<u>(2,195)</u>	<u>(3,105)</u>	<u>(2,525)</u>	<u>(2,627)</u>
Net realized loss on extinguishment of debt	<u>(147)</u>	<u>—</u>	<u>(321)</u>	<u>—</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ (1,347)</u>	<u>\$ (1,951)</u>	<u>\$ (154)</u>	<u>\$ 639</u>
NET INCREASE (DECREASE) IN NET ASSETS PER SHARE RESULTING FROM OPERATIONS – BASIC & DILUTED	<u>\$ (0.50)</u>	<u>\$ (0.73)</u>	<u>\$ (0.06)</u>	<u>\$ 0.24</u>
WEIGHTED AVERAGE COMMON STOCK OUTSTANDING – BASIC & DILUTED	2,675,636	2,688,826	2,676,666	2,701,133
DISTRIBUTIONS PAID PER SHARE	<u>\$ 0.33</u>	<u>\$ 0.26</u>	<u>\$ 0.98</u>	<u>\$ 0.66</u>

<sup>(1)</sup> During the nine months ended September 30, 2023, the Company received \$0.2 million of non-recurring income that was paid-in-kind and included in this financial statement line item.