



LOGAN RIDGE
FINANCE CORPORATION™

2022 Q3 Earnings Presentation

LRFC™

November 9, 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
 - Started to see the benefits of these initiatives in the third quarter of 2022 with improved financial and operational performance
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- Reported **positive Net Investment Income (NII) of \$0.2 million** or \$0.07 per share, an increase of \$1.1 million compared to the preceding 2022 quarter.
 - **Investment income increased \$0.4 million** due to net deployment as well as increase in base rate.
 - **Interest expense decreased \$0.6 million** due to the refinancing of the entire debt capital structure over the last year.
 - **Gross and net leverage increased to 1.1x and 1.0x**, respectively, compared to 1.0x and 0.8x, respectively, as of the preceding 2022 quarter.
 - **Made first capital commitment to the Great Lakes Joint Venture.** Management plans to increase its commitment to this investment vehicle as it continues to successfully exit legacy equity portfolio positions.
 - Subsequent to quarter end, LRFC successfully **exited equity investment** in Burke America Parts Group, LLC for cash proceeds of \$2.7 million, further reducing the Company's non-yielding equity portfolio.

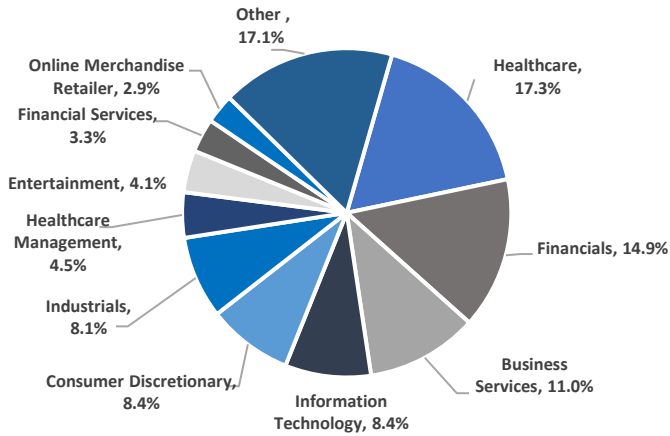
Selected Third Quarter 2022 Financial Highlights (as of September 30, 2022)



- **Total investment income** was \$3.8 million for the third quarter of 2022 as compared to \$3.4 million for the third quarter of 2021.
- **NII** was \$0.2 million for the third quarter of 2022. This compares to a net investment loss of \$1.5 million reported in the third quarter of 2021.
- **Total operating expenses** for the third quarter of 2022 declined to \$3.6 million as compared to \$4.9 million in the third quarter of 2021.
- **The investment portfolio** as of September 30, 2022 consisted of investments in 54 portfolio companies with a fair value of approximately \$193.1 million. This compares to 33 portfolio companies with a fair value of approximately \$195.4 million as of September 30, 2021.
- **Deployment remained strong.** During the third quarter, the Company made approximately \$36.7 million of investments and had approximately \$17.1 million in repayment and sales, resulting in net deployment of approximately \$19.6 million for the period.
- **Net asset value** as of September 30, 2022 was \$98.2 million, or \$36.21 per share, as compared to \$107.1 million, or \$39.48 per share, as of December 31, 2021.
- **Cash and cash equivalents** as of September 30, 2022 were \$11.3 million as compared to \$39.1 million as of December 31, 2021.
- **Increased diversity and reduced average hold size** as of September 30, 2022 to 54 portfolio companies with an average hold size of \$3.6 million. This compares to 32 portfolio companies with an average hold size of \$7.2 million in July 2021, when Mount Logan took over managing the portfolio.
- **Debt investment portfolio** as of September 30, 2022, which represented 79.4% of our total portfolio at fair value, had a weighted average annualized yield of approximately 8.9% (excluding income from non-accruals and collateralized loan obligations). As of September 30, 2022, the weighted average annualized yield on our interest earning debt portfolio was 9.7%
- **Non-yielding equity** portfolio reduced. As of September 30, 2022, the non-yielding equity portfolio had declined to 17.6% and 17.0% of the Company's total investments on a cost and fair value basis, respectively.
- **No new non-accruals** as of September 30, 2022. The Company had debt investments in two portfolio companies on non-accrual status with an aggregate amortized cost of \$12.1 million and an aggregate fair value of \$8.9 million, which represented 6.0% and 4.6% of the investment portfolio, respectively as of September 30, 2022.

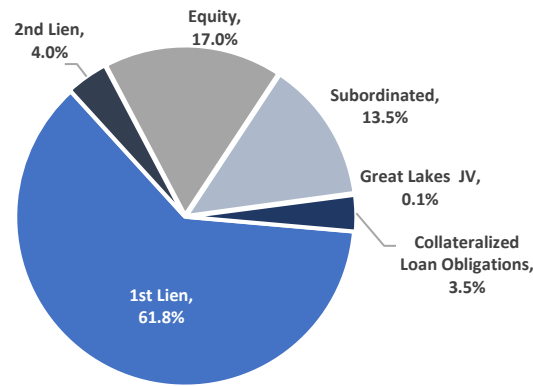
Portfolio Overview

TOP TEN PORTFOLIO INDUSTRIES



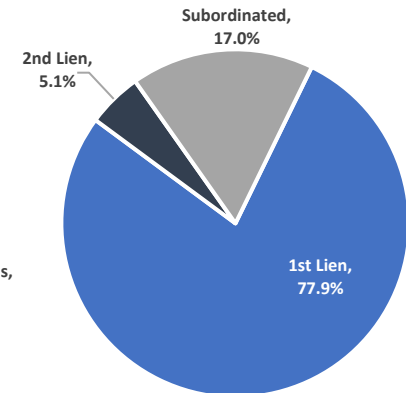
~\$193.1 million

TOTAL PORTFOLIO BY ASSET TYPE



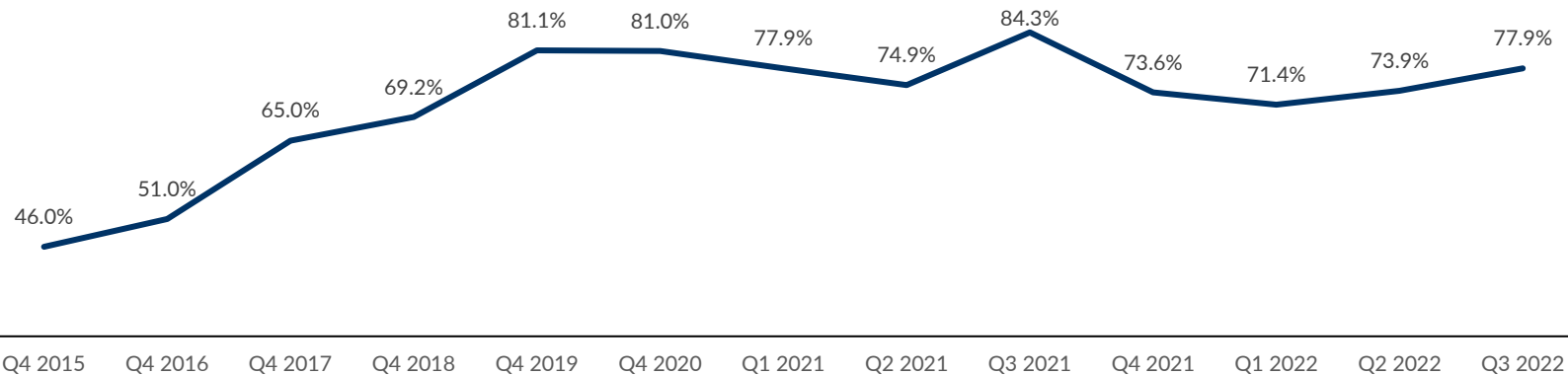
~\$193.1 million

DEBT PORTFOLIO BY ASSET TYPE



~\$153.3 million

FIRST LIEN DEBT AS A PERCENTAGE OF TOTAL DEBT PORTFOLIO



Note: Portfolio statistics represent fair value as of September 30, 2022.

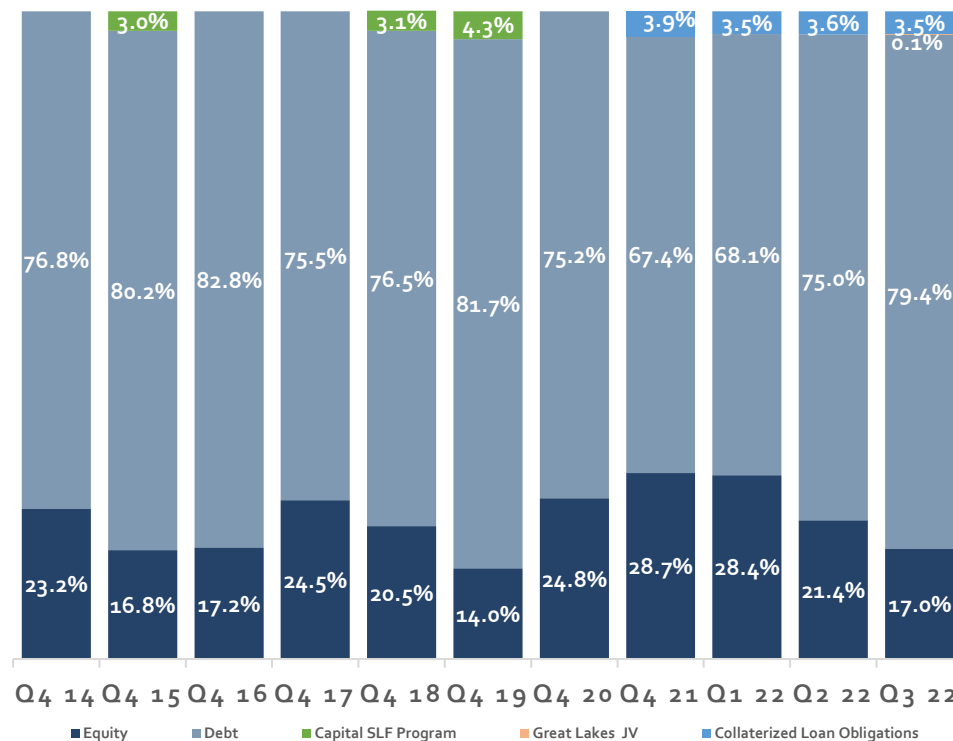
Equity Portfolio Overview

Current Equity Investments⁽¹⁾

(\$ in thousands)

Company	\$ Cost Basis	\$ Fair Value	% of Investments at Fair Value
Burgaflex Holdings, LLC	1,865,460	4,819,000	2.50%
GA Communications, Inc.	3,479,045	3,823,000	1.98%
BlueStem Brands, Inc.	286,000	3,779,000	1.96%
LJS Partners, LLC	1,660,850	3,626,000	1.88%
American Clinical Solutions	3,198,000	3,461,000	1.79%
RAM Payment, LLC	1,117,293	2,869,000	1.49%
Burke America Parts Group, LLC	5,000	2,741,386	1.42%
Nth Degree, Inc.	6,088,000	1,938,545	1.00%
MMI Holdings, LLC	1,874,673	1,850,500	0.96%
U.S. BioTek Laboratories, LLC	541,029	816,655	0.42%
Taylor Precision Products, Inc.	758,000	758,000	0.39%
MicroHoldco, LLC	748,510	640,897	0.33%
Alternative Biomedical Solutions, LLC	6,023,945	371,000	0.19%
American Academy Holdings, LLC		290,239	0.15%
GreenPark Infrastructure, LLC	268,500	268,500	0.14%
Freedom Electronics, LLC	181,818	264,000	0.14%
Jurassic Quest Holdings, LLC	480,359	260,000	0.13%
Sierra Hamilton Holdings Corporation	6,958,000	201,000	0.10%
South Street Securities Holdings, Inc.	65,114	65,114	0.03%
Aperture Dodge 18 LLC	48,632	48,632	0.03%
Equity Total	35,648,230	32,891,468	17.0%

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%	17.6%
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1) Current equity position details as of September 30, 2022.

Interest Rate Sensitivity

<i>As of September 30, 2022</i>	% Fixed Rate	% Variable Rate
Investment Portfolio	23.7%	76.3%
LRFC Borrowings	58.7%	41.3%

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	\$3,952	\$(1,392)	\$2,560	\$0.94
+200 bps	\$2,635	\$(928)	\$1,707	\$0.63
+100 bps	\$1,317	\$(464)	\$853	\$0.31
-100 bps	\$(1,317)	\$464	\$(853)	\$(0.31)
-200 bps	\$(2,520)	\$928	\$(1,592)	\$(0.59)
-300 bps	\$(3,174)	\$1,226	\$(1,948)	\$(0.72)

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

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

Since the beginning of the year, Logan Ridge has 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 0.40% 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 9/30/22)</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	\$45.8 M	May 2027
Total Debt		\$110.8 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 September 30, 2022, is \$11.3 million (\$10.9 million cash net of settlement activity for open trades) as compared to \$29.5 million (\$22.0 million cash net of settlement activity for open trades) at June 30, 2022.
Add Leverage	<u>In Progress.</u> New Credit Facility will facilitate this by allowing for up to \$75 million of total funding capacity. Total leverage as of September 30, 2022 stood at 1.12x.
Rotate Non-Income Producing Assets	<u>In Progress.</u> Exited largest non-yielding equity interest in Eastport Holdings, LLC on June 29, 2022. Also exited another non-yielding equity interest in Burke America Parts Group, LLC for cash of \$2.7 million subsequent to quarter end. Non-yielding equity portfolio represents 17.0% of the portfolio, on a fair value basis as of September 30, 2022, as compared to 32.3% 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)	9/30/22 (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	193,120
Cash and cash equivalents	56,431	95,226	43,687	49,942	59,727	26,144	37,386	39,056	15,838	29,489	11,263
Other assets	2,423	3,019	2,667	3,363	2,014	8,964	7,803	4,972	11,248	6,797	4,100
Total assets	\$380,081	\$385,511	\$326,603	\$327,997	\$319,911	\$263,156	\$240,574	\$242,217	\$233,991	\$212,139	\$208,483
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	48,491
2032 Convertible Notes, net of deferred financing costs	-	-	-	-	-	-	-	-	-	13,825	13,854
Credit Facility, net of deferred financing costs	(1,165)	-	-	(546)	(499)	24,550	(402)	(353)	(305)	39,128	44,385
Other liabilities	5,220	6,026	4,477	5,558	4,693	856	6,466	12,385	4,830	9,646	3,577
Total liabilities	278,126	280,456	218,194	219,050	198,610	149,409	130,313	135,188	127,820	111,002	110,307
Net assets	101,955	105,055	108,409	108,947	121,301	113,747	110,261	107,029	106,171	101,137	98,176
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	\$208,483
Number of portfolio investments	41	37	36	36	35	32	33	40	42	44	54
Leverage ratio-actual	2.72x	2.64x	1.99x	1.98x	1.62x	1.32x	1.13x	1.17x	1.18x	1.05x	1.13x
Leverage ratio - regulatory	1.25x	1.21x	1.15x	1.15x	1.03x	1.32x	1.13x	1.17x	1.18x	1.05x	1.13x
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	\$8,912

Financial Statements



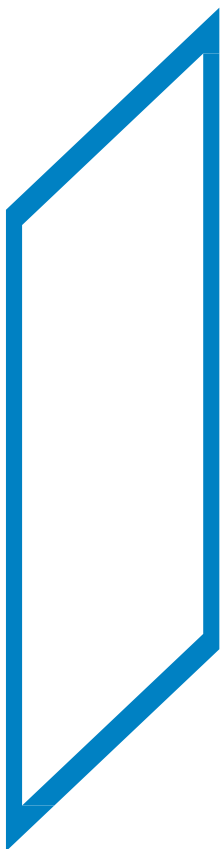
Statements of Operations

\$ 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)	9/30/22 (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	\$3,670
Dividends	25	-	-	-	155	560	24	167	-	-	-
Other income	319	91	229	140	9	232	229	97	8	-	78
Total investment income	7,074	6,999	6,694	5,679	4,926	5,044	3,373	3,411	3,337	3,303	3,748
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	1,558
Management fees	1,757	1,666	1,565	1,440	1,398	1,272	1,111	1,065	1,027	973	927
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	1,081
Total expenses	7,087	7,608	5,952	5,741	5,709	5,010	4,883	4,745	4,388	4,232	3,566
Net Investment Income (loss)	(13)	(609)	742	(62)	(783)	34	(1,510)	(1,334)	(1,051)	(929)	182
Net realized gain (loss) on investments	968	(13,285)	(12,344)	612	(14,023)	6,947	7,426	(8,317)	(36)	15,503	(5,192)
Net unrealized (depreciation) appreciation on investments	(43,395)	16,994	14,802	(12)	27,160	(13,720)	(9,402)	6,629	229	(19,608)	2,049
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)	(3,143)
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)	(2,961)
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)	\$0.07
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	(\$1.92)
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)	(\$1.09)
Distributions declared during quarter	\$1.50	\$0.00	\$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 cyclicity 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 | | |

Board of Directors

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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
Nasdaq: LRFC

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