

# New Mountain Finance Corporation Announces Financial Results for the Quarter Ended September 30, 2021

Reports Net Investment Income of \$0.31 per Share, Exceeding Previous Guidance

Announces a Permanent Decrease in the Base Management Fee from 1.75% to 1.40%

#### **Extends Previously Announced Dividend Protection Program**

NEW YORK--(BUSINESS WIRE)-- New Mountain Finance Corporation (NASDAQ: NMFC) (the "Company", "we", "us" or "our") today announced its financial results for the quarter ended September 30, 2021 and reported third quarter net investment income of \$0.31 per weighted average share. At September 30, 2021, net asset value ("NAV") per share was \$13.26, compared to \$13.33 at June 30, 2021. The Company also announced that its board of directors declared a fourth quarter distribution of \$0.30 per share, which will be payable on December 30, 2021 to holders of record as of December 16, 2021. For additional details related to the quarter ended September 30, 2021, please refer to the New Mountain Finance Corporation Form 10-Q filed with the SEC and the supplemental investor presentation which can be found on the Company's website at <a href="http://www.newmountainfinance.com">http://www.newmountainfinance.com</a>.

#### Selected Financial Highlights

(in thousands, except per share data)	September 30, 2021	
Investment Portfolio <sup>(1)</sup>	\$	3,033,076
Total Assets	\$	3,168,111
Total Statutory Debt <sup>(3)</sup>	\$	1,529,828
NAV <sup>(2)</sup>	\$	1,284,905
NAV per Share	\$	13.26
Statutory Debt/Equity		1.19x

<b>Investment Portfolio Composition</b>	September 30, 2021		Percent of Total
First Lien	\$	1,472,741	48.6%
Second Lien <sup>(1)</sup>		743,040	24.5%
Subordinated		38,863	1.3%
Preferred Equity		147,313	4.8%
Investment Fund		252,400	8.3%
Common Equity and Other <sup>(4)</sup>		378,719	12.5%
Total	\$	3.033.076	100.0%

- (1) Includes collateral for securities purchased under collateralized agreements to resell.
- (2) Excludes non-controlling interest in New Mountain Net Lease Corporation ("NMNLC").
- (3) Excludes the Company's United States ("U.S.") Small Business Administration ("SBA")-guaranteed debentures. Includes premium received on additional convertible notes issued in June 2019.
- (4) Includes investments held in NMNLC.

We believe that the strength of the Company's unique investment strategy – which focuses on middle market defensive growth companies that are well researched by New Mountain Capital, L.L.C. ("New Mountain"), a leading alternative investment firm, is underscored by continued stable credit performance. The Company has had only twelve portfolio companies, representing approximately \$276 million of the cost of all investments made since inception in October 2008, or approximately 3.1% of \$8.8 billion, go on non-accrual.

"We believe New Mountain's strategy of focusing on 'defensive growth' industries and on companies that we know well continues to prove to be a successful strategy", added Steven B. Klinsky, NMFC Chairman. "We believe one of our keys to success is the strength of the team, which we continue to build over time, now at approximately 190 employees."

Robert A. Hamwee, CEO, commented: "The third quarter represented another solid quarter of performance for NMFC, which was highlighted by our \$430 million in originations. With the launch of our at-the-market ("ATM") program, we will continue to focus our efforts on investing in high-quality, defensive growth companies, which we believe is a major factor in being able to maintain a stable book value".

John R. Kline, President and COO, commented: "We are pleased to announce a fourth quarter distribution of \$0.30 per share based on our expectation that Q4 Net Investment Income will be at least \$0.30 per share, prior to any fee waivers. Given our outlook for consistent operating performance and continued support, if needed, from our investment advisor, we remain confident that our Net Investment Income will continue to cover our quarterly dividend for the foreseeable future."

## Portfolio and Investment Activity<sup>1</sup>

As of September 30, 2021, the Company's NAV was approximately \$1,284.9 million and its portfolio had a fair value of approximately \$3,033.1 million in 106 portfolio companies, with a weighted average YTM at Cost<sup>2</sup> of approximately 8.8%. For the three months ended September 30, 2021, the Company generated approximately \$314.8 million of originations in fifteen new portfolio companies and approximately \$114.1 million of originations, including commitments<sup>3</sup> for follow-on investments in thirteen portfolio companies held as of June 30, 2021. For the three months ended September 30, 2021, the Company had \$43.9 million of asset sales and cash repayments<sup>3</sup> of approximately \$446.9 million.

## Consolidated Results of Operations<sup>4</sup>

The Company's total investment income for the three months ended September 30, 2021 and 2020 was approximately \$68.2 million and \$65.3 million, respectively.

The Company's total net expenses, after income tax expense, for the three months ended

September 30, 2021 and 2020 were approximately \$37.8 million and \$36.5 million, respectively. Total net expenses, after income tax expense, for the three months ended September 30, 2021 and 2020 consisted of approximately \$17.6 million and \$18.1 million, respectively, of costs associated with the Company's borrowings and approximately \$17.7 million and \$16.7 million, respectively, in net management and incentive fees. Since the Company's initial public offering ("IPO"), the base management fee calculation has deducted the borrowings under the New Mountain Finance SPV Funding, L.L.C. credit facility (the "SLF Credit Facility"). The SLF Credit Facility had historically consisted of primarily lower yielding assets at higher advance rates. As part of an amendment to the Company's existing credit facilities with Wells Fargo Bank, National Association, the SLF Credit Facility merged with and into the New Mountain Finance Holdings, L.L.C. credit facility (the "Holdings Credit Facility") on December 18, 2014. Post credit facility merger and to be consistent with the methodology since the IPO, New Mountain Finance Advisers BDC, L.L.C. (the "Investment Adviser") will continue to waive management fees on the leverage associated with those assets held under revolving credit facilities that share the same underlying vield characteristics with investments that were leveraged under the legacy SLF Credit Facility. Effective as of and for the guarter ended March 31, 2021 through the guarter ending December 31, 2022, the Investment Adviser has entered into a fee waiver agreement pursuant to which the Investment Adviser will waive base management fees in order to reach a target base management fee of 1.25% on gross assets (the "Reduced Base Management Fee") as opposed to the Company's current base management fee of 1.75% on gross assets less the borrowings under the SLF Credit Facility and less cash and cash equivalents (the "Base Management Fee"). If, for any quarterly period during the term of the fee waiver agreement, the Reduced Base Management Fee would be greater than the Base Management Fee calculated under the terms of the Investment Management Agreement. the Investment Adviser shall only be entitled to the lesser of those two amounts. The Investment Adviser cannot recoup management fees and incentive fees that the Investment Adviser has previously waived. For the three months ended September 30, 2021 and 2020 management fees waived were approximately \$3.8 million and \$2.8 million, respectively. For the three months ended September 30, 2021 and 2020 incentive fees waived were approximately \$0 and \$0.5 million, respectively. The Company's net direct and indirect professional, administrative, other general and administrative and income tax expenses for the three months ended September 30, 2021 and 2020 were approximately \$2.5 million and \$1.7 million, respectively.

For the three months ended September 30, 2021 and 2020, the Company recorded approximately (\$8.5) million and \$59.4 million, respectively, of net realized and unrealized (losses) gains.

#### **Liquidity and Capital Resources**

As of September 30, 2021, the Company had cash and cash equivalents of approximately \$83.4 million and total statutory debt outstanding of approximately \$1,529.8 million<sup>5</sup>, which consisted of approximately \$493.3 million of the \$730.0 million of total availability on the Holdings Credit Facility, \$150.0 million of the \$188.5 million of total availability on the Company's senior secured revolving credit facility (the "NMFC Credit Facility"), \$167.8 million of the \$280.0 million of total availability on the Company's secured revolving credit facility (the "DB Credit Facility"), \$0 of the \$50.0 million of total availability on the uncommitted revolving loan agreement (the "Unsecured Management Company Revolver"),

\$5.8 million of the \$10.0 million of total availability on the senior secured revolving credit facility (the "NMNLC Credit Facility II"), \$201.4 million<sup>6</sup> of convertible notes outstanding and \$511.5 million of unsecured notes outstanding. Additionally, the Company had \$300.0 million of SBA-guaranteed debentures outstanding as of September 30, 2021.

### Portfolio and Asset Quality<sup>1</sup>

The Company puts its largest emphasis on risk control and credit performance. On a quarterly basis, or more frequently if deemed necessary, the Company formally rates each portfolio investment on a scale of one to four. Each investment is assigned an initial rating of a "2" under the assumption that the investment is performing materially in-line with expectations. Any investment performing materially below our expectations, where the risk of loss has materially increased since the original investment, would be downgraded from the "2" rating to a "3" or a "4" rating, based on the deterioration of the investment. An investment rating of a "4" could be moved to non-accrual status and the final development could be an actual realization of a loss through a restructuring or impaired sale.

As of September 30, 2021, seven portfolio companies had an investment rating of "3" and seven portfolio companies had an investment rating of "4". The Company's investments in the portfolio companies with an investment rating of "3" had an aggregate cost basis of approximately \$168.4 million and an aggregate fair value of approximately \$122.5 million. The Company's investment in portfolio companies with an investment rating of "4" had an aggregate cost basis of approximately \$138.7 million and an aggregate fair value of approximately \$52.9 million.

#### **Recent Developments**

On October 27, 2021, the Company's board of directors declared a fourth quarter 2021 distribution of \$0.30 per share payable on December 30, 2021 to holders of record as of December 16, 2021.

On November 1, 2021, the Company entered into Amendment No. 1 to the Investment Management Agreement, pursuant to which the Base Management Fee will be reduced from 1.75% of the Company's gross assets to 1.4% of the Company's gross assets.

On November 2, 2021, the Investment Adviser extended the term of the Fee Waiver Agreement to be effective through the quarter ended December 31, 2023, rather than the quarter ended December 31, 2022. Under the Fee Waiver Agreement, the Investment Adviser will continue to waive base management fees in order to reach a target base management fee of 1.25% on gross assets.

On November 3, 2021, the Company entered into an equity distribution agreement (the "*Distribution Agreement*") with B. Riley Securities, Inc. and Raymond James & Associates, Inc. Under the Distribution Agreement, the Company may offer for sale, from time to time, and sell, by means of "at the market" offerings, up to \$250,000,000 in aggregate amount of shares of its common stock. Subject to the terms and conditions of the Equity Distribution Agreement, sales of common stock, if any, may be made in transactions that are deemed to be an "at the market" offering as defined in Rule 415(a)(4) under the Securities Act of 1933, as amended.

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#### **Conference Call**

New Mountain Finance Corporation will host a conference call at 10 a.m. Eastern Time on Thursday, November 4, 2021, to discuss its third quarter 2021 financial results. All interested parties may participate in the conference call by dialing +1 (877) 443-9109 approximately 15 minutes prior to the call. International callers should dial +1 (412) 317-1082. This conference call will also be broadcast live over the Internet and can be accessed by all interested parties through the Company's website, <a href="http://ir.newmountainfinance.com">http://ir.newmountainfinance.com</a>. To listen to the live call, please go to the Company's website at least 15 minutes prior to the start of the call to register and download any necessary audio software. Following the call, you may access a replay of the event via audio webcast on our website. We will be utilizing a presentation during the conference call and we have posted the presentation to the investor relations section of our website.

<sup>&</sup>lt;sup>1</sup> Includes collateral for securities purchased under collateralized agreements to resell.

<sup>&</sup>lt;sup>2</sup> References to "YTM at Cost" assume the accruing investments, including secured collateralized agreements, in our portfolio as of a certain date, the "Portfolio Date", are purchased at cost on that date and held until their respective maturities with no prepayments or losses and are exited at par at maturity. This calculation excludes the impact of existing leverage. YTM at Cost uses the LIBOR curves at each quarter's respective end date. The actual yield to maturity may be higher or lower due to the future selection of LIBOR contracts by the individual companies in the Company's portfolio or other factors.

<sup>&</sup>lt;sup>3</sup> Originations exclude payment-in-kind ("PIK"); originations, repayments, and sales excludes revolvers, unfunded commitments, bridges, return of capital, and realized gains / losses.

<sup>&</sup>lt;sup>4</sup> Excludes net income related to non-controlling interests in NMNLC. For the quarter ended September 30, 2021, \$0.2 million of dividend income is excluded from investment income and \$0.8 million of unrealized gains is excluded from net realized and unrealized gains. For the quarter ended September 30, 2020, \$0.3 million of dividend income is excluded from investment income and \$1.1 million of unrealized gains is excluded from net realized and unrealized gains.

<sup>&</sup>lt;sup>5</sup> Excludes the Company's United States ("U.S.") Small Business Administration ("SBA")-guaranteed debentures.

<sup>&</sup>lt;sup>6</sup> Includes premium received on additional convertible notes issued in June 2019.

## New Mountain Finance Corporation Consolidated Statements of Assets and Liabilities

(in thousands, except shares and per share data) (unaudited)

(unaudited)	5	•	December
		30, 2021	31, 2020
Assets			
Investments at fair value	•	0 000 000 A	0.040.045
Non-controlled/non-affiliated investments (cost of \$2,260,975 and \$2,281,184 respectively)  Non-controlled/affiliated investments (cost of \$79,591 and \$115,543, respectively)	\$	2,206,300 \$	2,249,615
rion controlled annealist infocution (cook of \$10,000 f and \$110,000,100,000,000,000,000,000)		111,605	103,012
Controlled investments (cost of \$663,216 and \$600,942, respectively)		693,749	600,875
Total investments at fair value (cost of \$3,003,782 and \$2,997,669, respectively)		3,011,654	2,953,502
Securities purchased under collateralized agreements to resell (cost of \$30,000 and \$30,000,			
respectively)		21,422	21,422
Cash and cash equivalents		83,357	78,966
Interest and dividend receivable		32,773	28,411
Receivable from unsettled securities sold		8,990	9,019
Receivable from affiliates		_	117
Deferred tax asset		9,915	101 5,981
Other assets	_		
Total assets	\$	3,168,111 \$	3,097,519
Liabilities			
Borrowings			
Unsecured Notes	\$	511,500 \$	453,250
Holdings Credit Facility		493,263	450,163
SBA-guaranteed debentures		300,000	300,000
Convertible Notes		201,443	201,520
DB Credit Facility		167,800	244,000
NMFC Credit Facility		149,977	165,500
NMNLC Credit Facility II		5,845	_
Deferred financing costs (net of accumulated amortization of \$38,985 and \$33,325, respectively)	_	(21,337)	(16,839)
Net borrowings		1,808,491	1,797,594
Payable for unsettled securities purchased		24,658	26,842
Management fee payable		9,988	10,419
Interest payable		9,528	15,587
Incentive fee payable		7,661	7,354
Payable to affiliates		316	867
Deferred tax liability		13	4.007
Other liabilities	_	2,498	1,967
Total liabilities		1,863,153	1,860,630
Commitments and contingencies Net Assets			
Preferred stock, par value \$0.01 per share, 2,000,000 shares authorized, none issued Common stock, par value \$0.01 per share, 200,000,000 shares authorized, and 96,906,988 and		_	_
96,827,342 shares issued and outstanding, respectively		969	968
Paid in capital in excess of par		1,270,719	1,269,671
Accumulated undistributed (overdistributed) earnings		13,217	(48,764)
Total net assets of New Mountain Finance Corporation	\$	1,284,905 \$	1,221,875
Non-controlling interest in New Mountain Net Lease Corporation		20,053	15,014
Total net assets	\$	1,304,958 \$	1,236,889
Total liabilities and net assets	\$	3,168,111 \$	3,097,519
Number of shares outstanding	•	96,906,988	96,827,342
Net asset value per share of New Mountain Finance Corporation	\$	13.26 \$	12.62

New Mountain Finance Corporation Consolidated Statements of Operations

(in thousands, except shares and per share data)

Investment income         Segment (1998)         Segm		Three Months Ended		Nine Months Ended	
From non-controlled/non-dffiliated investments   Impress in come (excluding Payment-in-kind (*PIK*) interest income (excluding Pik interest income (excluding Pik interest income)   1,956   2,274   7,965   4,689   7,000   7,965			•	•	•
Interest income (excluding Payment-in-kind (*PIK*) interest income   1,956   2,247   6,501   6,404     Dividend income   1,956   2,247   7,324   6,808     Non-cash dividend income   5,249   1,497   7,324   6,808     Tinnon-controlled/affiliated investments:   1,963   1,963   1,963     PIK interest income (excluding PIK interest income)   1,963   1,963   1,963     PIK interest income (excluding PIK interest income)   1,963   1,963   1,963     PIK interest income (excluding PIK interest income)   1,963   1,963   1,963   1,963     PIK interest income (excluding PIK interest income)   1,963   1,963   1,963   1,963     PIK interest income (excluding PIK interest income)   1,263   2,011   3,570   1,963     PIK interest income (excluding PIK interest income)   1,263   2,011   3,570   4,581     PIK interest income (excluding PIK interest income)   1,263   2,011   3,570   4,581     PIK interest income (excluding PIK interest income)   1,263   2,011   3,570   4,581     PIK interest income (excluding PIK interest income)   1,263   2,011   3,570   4,581     PIK interest income (excluding PIK interest income)   1,263   2,144   10,334   3,533   5,116     PIK interest income (excluding PIK interest income)   9,868   2,149   3,573   2,479     PIK interest income (excluding PIK interest income)   9,868   2,149   3,579   2,479     PIK interest income (excluding PIK interest income)   9,868   2,149   3,579   2,479     PIK interest income (excluding PIK interest income)   9,868   2,149   3,579   2,479     PIK interest income (excluding PIK interest income)   9,868   2,149   3,579   2,479     PIK interest income (excluding PIK interest income)   9,868   3,143   3,133   3,141     PIK interest income (excluding PIK interest income)   9,868   3,143	Investment income				
PIK Interest Income	From non-controlled/non-affiliated investments:				
Dividend income	Interest income (excluding Payment-in-kind ("PIK") interest income)	\$ 40,540	\$ 41,854	\$ 119,919	\$ 144,383
Non-cash dividend income         1,956         2,274         7,324         6,888           Other income         3,649         1,497         9,651         4,085           From non-controlled/affiliated investments:         1         1,492         1,1331           PIK interest income (excluding PIK interest income)         288         687         288         1,232         1,1331           Dividend income         3631         2         284         1,020           Non-cash dividend income         79         427         284         1,020           From controlled investments:         1         2         2,018         3,431         3,241         3,634         6,343           PIK interest income (excluding PIK interest income)         1,253         2,214         1,354         6,383           Dividend income         9,886         8,107         3,1278         2,406           Non-cash dividend income         9,886         8,107         3,1278         2,407           Other income         68,474         5,552         20,747         2,408           Total investment income         68,474         5,552         2,207         2,418           Total expenses         7,661         7,135         2,22,207         2,185	PIK interest income	1,903	2,547	6,501	6,464
Other income         5,249         1,497         9,651         4,085           From non-controlled/affiliated investments:         Interest income (excluding PK interest income)         206         781         1,322         1,963           PIK interest income (excluding PK interest income)         182         217         182         1,131           Dividend income         831         -         3,881         3,041           Other income         831         -         3,881         3,041           Other income (excluding PIK interest income)         11,253         2,011         3,570         4,581           PIK interest income         9,866         8,107         3,278         4,061           Non-cash dividend income         861         1,299         3,759         2,479           Other income         861         1,299         3,759         2,479           Other income         861         1,299         3,759         2,479           Total investment income         861,7         1,287         40,855         3,959           Total investment income         7,661         7,611         7,215         22,207         21,857           Management fee         7,661         3,743         40,855         3,989	Dividend income	867	_	867	_
From non-controlled faffiliated investments	Non-cash dividend income	1,956	2,274	7,324	6,898
Interest income (excluding PIK interest income)	Other income	5,249	1,497	9,651	4,085
PIK interest income	From non-controlled/affiliated investments:				
Dividend income   288   687   288   3,418	Interest income (excluding PIK interest income)	296	781	1,322	1,963
Non-cash dividend income         831         —         3,881         3,418           Other income         427         284         1,002           From controlled investments:         Interest income (excluding PIK interest income)         1,253         2,011         3,574         4,581           PIK interest income         3,614         2,244         10,384         6,393         5,716         6,393           Dividend income         9,866         8,107         3,1278         2,478           Other income         812         1,299         3,759         2,479           Total investment income         68,474         65,521         202,743         205,572           Expenses         7,661         7,135         22,207         2,1857           Management fee         13,740         12,827         40,885         39,809           Interest and other financing expenses         1,769         1,027         40,985         39,809           Interest and other financing expenses         1,082         1,024         3,40         3,03           Professional fees         2923         731         2,419         3,03           Other general and administrative expenses         41,599         4,224         1,39         1,365	PIK interest income	182	217	182	(1,131)
Promice   Promote   Prom	Dividend income	288	687	288	2,096
Interest income (excluding PIK interest income)	Non-cash dividend income	831	_	3,881	(3,418)
Interest income (excluding PIK interest income   3.614   2.244   10.384   6.393   10.4064   10.0064   10.0064   10.0064   10.0066   10	Other income	79	427	284	1,002
Piki Interest income	From controlled investments:				
Divided income         9,686         8,107         31,278         24,061           Non-cash dividend income         818         1,576         3,575         2,479           Total investment income         68,874         65,521         202,733         205,752           Expenses         7,661         7,135         22,207         21,857           Management fee         13,740         12,877         54,948         95,950           Interest and other financing expenses         17,693         13,077         54,949         95,950           Administrative expenses         923         731         2,413         20,033           Professional fees         923         731         2,413         2,605           Other general and administrative expenses         993         40,286         125,092         128,517           Less: management fees waived         3,345         40,286         125,092         128,517           Less: expenses waived and reimbursed         3,783         36,356         111,389         117,526           Less: expenses waived and reimbursed         30,637         29,165         3,63         111,389         117,526           Net investment income         30,637         29,165         3,63         113,89	Interest income (excluding PIK interest income)	1,253	2,011	3,570	4,581
Non-cash dividend income Other income         918         1,576         3,533         5,716 Other income           Total investment income         68,474         65,521         20,703         20,572           Expenses         Incentive fee         7,661         7,135         22,077         21,087           Management fee         17,691         7,135         40,885         39,869           Interest and other financing expenses         17,693         18,077         40,885         39,809           Administrative expenses         1,082         1,024         3,434         2,605           Other general and administrative expenses         490         442         1,338         2,603           Other schemens         41,589         40,286         125,902         128,103           It sees: management fees waived         3,783         36,365         121,902         128,103           Net expenses         3,733         36,365         113,893         117,606           Net expenses waived and reimbursed         3,783         36,365         113,893         117,606           Net expenses         3,834         1,832         1,502         1,502         1,502         1,502         1,502         1,502         1,502         1,502 <t< td=""><td>PIK interest income</td><td>3,614</td><td>2,244</td><td>10,384</td><td>6,393</td></t<>	PIK interest income	3,614	2,244	10,384	6,393
Other income         812         1.294         3,759         2,479           Total investment income         66,547         65,527         20,207         20,507           Expenses         8         7,661         7,135         22,207         1,857           Management fee         17,640         12,877         54,949         59,506           Interest and other financing expenses         17,083         10,077         54,949         59,506           Other general and administrative expenses         1,082         1,012         3,241         2,033           Total expenses         41,589         40,208         12,509         12,857           Less: management fees waived         (3,752)         4,349         11,039         11,	Dividend income	9,686	8,107	31,278	24,061
Other income         812         1.294         3,759         2,479           Total investment income         66,547         65,527         20,207         20,507           Expenses         8         7,661         7,135         22,207         1,857           Management fee         17,640         12,877         54,949         59,506           Interest and other financing expenses         17,083         10,077         54,949         59,506           Other general and administrative expenses         1,082         1,012         3,241         2,033           Total expenses         41,589         40,208         12,509         12,857           Less: management fees waived         (3,752)         4,349         11,039         11,	Non-cash dividend income	918	1,576	3,533	5,716
Total investment income   68,474   65,521   202,743   205,572	Other income	812	1,299		2,479
Incentive fee	Total investment income	68.474			205.572
Name					
Management fee         13,740         12,877         40,885         39,868           Interest and other financing expenses         17,693         18,077         54,949         59,500           Administrative expenses         1,082         1,024         3,203         3,303           Professional fees         923         731         2,413         2,605           Other general and administrative expenses         4409         442         1,398         1,383           Total expenses         41589         40,268         125,092         128,517           Less: management fees waived         (3,752)         (3,341)         (11,193)         (10,067)           Less: expenses waived and reimbursed         5         (589)         1-6         9244           Net expenses         37,3837         36,356         113,899         117,526           Net expenses         30,637         29,165         88,844         88,046           Income tax (benefit) expense         (8)         123         15         116           Net investment income         2,459         30,645         29,042         88,829         87,930           Net cilized gains (losses):         3,503         2,599         12         8,832         12	•	7 661	7 135	22 207	21 857
Interest and other financing expenses		,	,	, -	,
Administrative expenses         1,082         1,024         3,240         3,030           Professional fees         932         731         2,413         2,605           Other general and administrative expenses         490         442         1,398         1,383           Total expenses         41,589         40,266         125,092         125,517           Less: expenses waived and reimbursed         (3,752)         (3,341)         (11,193)         (10,677)           Net expenses         37,837         36,356         113,899         117,526           Net investment income before income taxes         30,637         29,165         88,844         88,046           Income tax (benefit) expense         8         123         15         116         116         11,000         113,899         117,526         116         116         116         116         114         110         117,526         116         117,526         117,527         117         117,526         116         117,527         117         117         117         117         116         117,527         117         117         117         116         117         117         116         117         117         117         117         117	~				
Professional fees         923         731         2,413         2,605           Other general and administrative expenses         440         442         1,383         1,383           Total expenses         41,589         40,286         125,092         128,517           Less: management fees waived         (3,752)         (3,341)         (11,193)         10,005           Less: expenses waived and reimbursed         37,837         36,365         113,899         117,526           Net investment income before income taxes         30,637         29,165         88,844         88,046           Income tax (benefit) expense         8         123         15         116           Net investment income         30,645         29,042         88,292         87,300           Net realized gains (losses):         30,645         29,042         88,292         87,300           Non-controlled/infiliated investments         20,549         130         2,797         (4,431)           Non-controlled/infiliated investments         20,549         13         2,833         12           Non-controlled/incon-affiliated investments         19,951         21,410         22,601         67,407           Non-controlled/incon-affiliated investments         19,951         21,410		<u>=</u>	· ·	· ·	
Other general and administrative expenses         490         442         1,388         1,388           Total expenses         41,589         40,286         125,092         128,517           Less: smanagement fees waived         3,752         (3,341)         11,193         10,0067           Less: expenses waived and reimbursed         37,837         36,356         113,899         117,526           Net expenses         30,637         29,165         88,844         88,046           Income tax (benefit) expense         30,637         29,165         88,844         88,046           Net investment income         30,637         29,005         88,844         88,046           Net investments income         30,637         29,005         88,849         87,000           Net realized gains (losses):         30,605         29,000         88,299         87,000         44,431           Non-controlled/incon-affiliated investments         2,459         30         2,797         44,431           Non-controlled/affiliated investments         20,549         31,50         48,338         12           New Mountain Net Lease Corporation         20,549         21,410         42,549         41,4718           Non-controlled/affiliated investments         (19,951)	·	· ·		-	
Total expenses					-
Less: management fees waived         (3,752)         (3,341)         (11,193)         (10,067)           Less: expenses waived and reimbursed	•				
Less: expenses waived and reimbursed         —         (589)         —         (924)           Net expenses         37,837         36,356         113,899         117,526           Net investment income before income taxes         30,637         29,165         88,844         88,046           Income tax (benefit) expense         (8)         123         15         116           Net investment income         30,645         29,042         88,829         87,930           Net realized gains (losses):         8         30         2,797         (4,431)           Non-controlled/fillated investments         20,549         30         2,797         (4,431)           Non-controlled/fillated investments         20,549         12         8,338         12           Net change in unrealized (depreciation) appreciation:         8         2,549         30         2,797         (4,431)           Net change in unrealized (depreciation) appreciation:         1         2,141         4,545         1,670           Non-controlled/inclued investments         (19,951)         21,410         (22,601)         (67,407)           Non-controlled/inclued investments         (20,469)         (1,111)         44,545         (14,718)           Controlled investments         (20,4	•				
Net expenses         37,837         36,356         113,899         117,526           Net investment income before income taxes         30,637         29,165         88,844         88,046           Income tax (benefit) expense         (8)         123         15         116           Net investment income         30,645         29,042         88,829         87,930           Net realized gains (losses):         8         24,59         30         2,797         (4,431)           Non-controlled/non-affiliated investments         20,549         12         8,338         12           Controlled investments         20,549         12         8,338         12           New Mountain Net Lease Corporation         5         1,557         12           New All in unrealized (depreciation) appreciation:         (19,951)         21,410         (22,601)         (67,407)           Non-controlled/infliated investments         (20,469)         (1,111)         44,545         (14,718)           Non-controlled/inneaffliated investments         (20,469)         (1,111)         44,545         (14,718)           Non-controlled/inneaffliated investments         (20,469)         (1,111)         44,545         (14,718)           Controlled investments         (20,469)		(3,732)		(11,193)	
Net investment income before income taxes         30,637         29,165         88,844         88,046           Income tax (benefit) expense         (8)         123         15         116           Net investment income         30,645         29,042         88,829         87,930           Net realized gains (losses):         88,046         88,829         87,930           Non-controlled/non-affiliated investments         2,459         30         2,797         (4,431)           Non-controlled/affiliated investments         20,549         12         8,338         12           Controlled investments         20,549         12         8,338         12           Controlled investments         20,549         12         8,338         12           Net change in unrealized (depreciation) appreciation:         -         -         -         -         812           Non-controlled/non-affiliated investments         (19,951)         21,410         (22,601)         (67,407)           Non-controlled/non-affiliated investments         (20,469)         (1,111)         44,545         (14,718)           Controlled investments         9,684         39,943         30,600         (8,278)           Net controlled investments         9,684         39,943		- 07.007		440,000	
Non-controlled/non-affiliated investments   2,459   30   2,797   (4,431)     Non-controlled/affiliated investments   2,459   30   2,797   (4,431)     Non-controlled/affiliated investments   2,459   30   2,797   (4,431)     Non-controlled/affiliated investments   20,549   12   8,338   12     Controlled investments   20,549   12   8,338   12     Controlled investments   20,549   12   8,338   12     New Mountain Net Lease Corporation   2   2   5   1,557   12     New Controlled investments   2,459   2,410   2,2601   (67,407)     Non-controlled/non-affiliated investments   (19,951)   21,410   (22,601)   (67,407)     Non-controlled/affiliated investments   (20,469)   (1,111)   44,545   (14,718)     Controlled investments   9,684   39,943   30,600   (8,278)     New Mountain Net Lease Corporation   2,610   2,610   2,610   2,610     Foreign Currency   (13)   2   4,610   2,610   2,610     Renefit (provision) for taxes   (19,951)   2,610   2,610   2,610   2,610     Renefit (provision) for taxes   (19,951)   2,610   2,610   2,610   2,610     Ret realized and unrealized (losses) gains   (19,951)   2,610   2,610   2,610   2,610     Net increase (decrease) in net assets resulting from operations related to non-controlling interests in New Mountain Net Lease Corporation   (1,058)   3,580   3,580   3,580   3,600   3,600     Net increase (decrease) in net assets resulting from operations related to New Mountain Finance Corporation   (1,058)   3,838   3,500   3,5	•				
Net investment income         30,645         29,042         88,829         87,930           Net realized gains (losses):         Non-controlled/non-affiliated investments         2,459         30         2,797         (4,431)           Non-controlled/affiliated investments         20,549         12         8,338         12           Controlled investments         -         5         1,557         12           New Mountain Net Lease Corporation         -         -         5         1,557         12           Net change in unrealized (depreciation) appreciation:         Non-controlled/non-affiliated investments         (19,951)         21,410         (22,601)         (67,407)           Non-controlled/incon-affiliated investments         (20,469)         (1,111)         44,545         (14,718)           Controlled investments         (20,469)         (1,111)         44,545         (14,718)           Deneric (correction)         (7,740)         60,546 <td< td=""><td>Net investment income before income taxes</td><td>30,637</td><td>29,165</td><td>88,844</td><td>88,046</td></td<>	Net investment income before income taxes	30,637	29,165	88,844	88,046
Net investment income         30,645         29,042         88,829         87,930           Net realized gains (losses):         8,2459         30         2,797         (4,431)           Non-controlled/affiliated investments         20,549         12         8,338         12           Controlled investments         20,549         12         8,338         12           Controlled investments         -         5         1,557         12           New Mountain Net Lease Corporation         -         5         1,557         12           Net change in unrealized (depreciation) appreciation:         812         21,410         (22,601)         (67,407)           Non-controlled/non-affiliated investments         (19,951)         21,410         (22,601)         (67,407)           Non-controlled/affiliated investments         (20,469)         (1,111)         44,545         (14,718)           Controlled investments         9,684         39,943         30,600         (8,278)           New Mountain Net Lease Corporation         -         -         -         -         -         (13)         -         -         (812)           Foreign Currency         1         25         (113         5         (114)         778         -	Income tax (benefit) expense	(8)	123	15	116
Not realized gains (losses):         2,459         30         2,797         (4,431)           Non-controlled/affiliated investments         20,549         12         8,338         12           Controlled investments         20,549         12         8,338         12           Controlled investments         -         5         1,557         12           New Mountain Net Lease Corporation         -         -         812           Net change in unrealized (depreciation) appreciation:         (19,951)         21,410         (22,601)         (67,407)           Non-controlled/affiliated investments         (20,469)         (1,111)         44,545         (14,718)           Controlled investments         9,684         39,943         30,600         (8,278)           New Mountain Net Lease Corporation         -         -         -         -         (812)           Foreign Currency         13         -         -         (11)         778           Net realized and unrealized (losses) gains         (7,740)         60,546         65,109         (94,032)           Net increase (decrease) in net assets resulting from operations related to noncontrolling interests in New Mountain Net Lease Corporation         22,905         89,588         153,938         (6,102)		30.645	29.042	88.829	87.930
Non-controlled/non-affiliated investments         2,459         30         2,797         (4,431)           Non-controlled/affiliated investments         20,549         12         8,338         12           Controlled investments		,		,	,
Non-controlled/affiliated investments         20,549         12         8,338         12           Controlled investments		2.459	30	2.797	(4.431)
Controlled investments         —         5         1,557         12           New Mountain Net Lease Corporation         —         —         —         812           Net change in unrealized (depreciation) appreciations:         —         —         812           Non-controlled/non-affiliated investments         (19,951)         21,410         (22,601)         (67,407)           Non-controlled/affiliated investments         (20,469)         (1,111)         44,545         (14,718)           Controlled investments         9,684         39,943         30,600         (8,278)           New Mountain Net Lease Corporation         —         —         —         —         (812)           Foreign Currency         (13)         —         (13)         —         (812)           Penefit (provision) for taxes         1         257         (114)         778           Net realized and unrealized (losses) gains         (7,740)         60,546         65,109         (94,032)           Net increase (decrease) in net assets resulting from operations related to nor controlling interests in New Mountain Net Lease Corporation         1,058         (1,398)         (4,789)         (1,584)           Net increase (decrease) in net assets resulting from operations related to New Mountain Finance Corporation         1,058         <					
New Mountain Net Lease Corporation         –         –         –         812           Net change in unrealized (depreciation) appreciation:         Non-controlled/non-affiliated investments         (19,951)         21,410         (22,601)         (67,407)           Non-controlled/affiliated investments         (20,469)         (1,111)         44,545         (14,718)           Controlled investments         9,684         39,943         30,600         (8,278)           New Mountain Net Lease Corporation         –         –         –         –         (812)           Foreign Currency         (13)         –         (13)         –         (812)           Benefit (provision) for taxes         1         257         (114)         778           Net realized and unrealized (losses) gains         (7,740)         60,546         65,109         (94,032)           Net increase (decrease) in net assets resulting from operations related to no-controlling interests in New Mountain Net Lease Corporation         (1,058)         (1,398)         (4,789)         (1,584)           Net increase (decrease) in net assets resulting from operations related to New Mountain Finance Corporation         (1,058)         (1,398)         (4,789)         (1,584)           Basic earnings (loss) per share         96,906,988         96,827,342         96,854,474 <td></td> <td></td> <td></td> <td>-</td> <td></td>				-	
Net change in unrealized (depreciation) appreciation:         Value of the change in unrealized investments		_	_	_	
Non-controlled/non-affiliated investments         (19,951)         21,410         (22,601)         (67,407)           Non-controlled/affiliated investments         (20,469)         (1,111)         44,545         (14,718)           Controlled investments         9,684         39,943         30,600         (8,278)           New Mountain Net Lease Corporation         -         -         -         -         -         (812)           Foreign Currency         (13)         -         -         (13)         -         -         (812)           Benefit (provision) for taxes         1         257         (114)         778           Net realized and unrealized (losses) gains         (7,740)         60,546         65,109         (94,032)           Net increase (decrease) in net assets resulting from operations related to non-controlling interests in New Mountain Net Lease Corporation         (1,058)         (1,398)         (4,789)         (1,584)           Net increase (decrease) in net assets resulting from operations related to New Mountain Finance Corporation         \$         21,847         88,190         \$         149,149         (7,686)           Basic earnings (loss) per share         \$         0.23         80,91         149,149         \$         (0.08)           Weighted average shares of common stock outst					
Non-controlled/affiliated investments         (20,469)         (1,111)         44,545         (14,718)           Controlled investments         9,684         39,943         30,600         (8,278)           New Mountain Net Lease Corporation         —         —         —         —         (812)           Foreign Currency         (13)         —         (13)         —         (13)         —           Benefit (provision) for taxes         1         257         (114)         778           Net realized and unrealized (losses) gains         (7,740)         60,546         65,109         (94,032)           Net increase (decrease) in net assets resulting from operations related to noncontrolling interests in New Mountain Net Lease Corporation         (1,058)         (1,398)         (4,789)         (1,584)           Net increase (decrease) in net assets resulting from operations related to New Mountain Finance Corporation         \$ 21,847         88,190         149,149         (7,686)           Basic earnings (loss) per share         \$ 0.23         0.91         1.54         (0.08)           Weighted average shares of common stock outstanding-basic         96,906,988         96,827,342         96,854,474         96,827,342           Diluted earnings (loss) per share         \$ 0.22         0.82         1.42         (0.08)		(19.951)	21.410	(22.601)	(67.407)
Controlled investments         9,684         39,943         30,600         (8,278)           New Mountain Net Lease Corporation         —         —         —         —         (812)           Foreign Currency         (13)         —         (13)         —         (13)         —           Benefit (provision) for taxes         1         257         (114)         778           Net realized and unrealized (losses) gains         (7,740)         60,546         65,109         (94,032)           Net increase (decrease) in net assets resulting from operations related to non-controlling interests in New Mountain Net Lease Corporation         (1,058)         (1,398)         (4,789)         (1,584)           Net increase (decrease) in net assets resulting from operations related to New Mountain Finance Corporation         \$         21,847         88,190         \$         149,149         (7,686)           Basic earnings (loss) per share         \$         0.23         0.91         1.54         (0.08)           Weighted average shares of common stock outstanding-basic         96,827,342         96,854,474         96,827,342           Diluted earnings (loss) per share         \$         0.22         0.82         1.42         (0.08)		,	-	, ,	, , ,
New Mountain Net Lease Corporation         —         —         —         —         (812)           Foreign Currency         (13)         —         (13)         —					
Foreign Currency         (13)         —         (13)         —         (13)         —         (13)         —		-	-	-	
Benefit (provision) for taxes1257(114)778Net realized and unrealized (losses) gains(7,740)60,54665,109(94,032)Net increase (decrease) in net assets resulting from operations22,90589,588153,938(6,102)Less: Net increase in net assets resulting from operations related to noncontrolling interests in New Mountain Net Lease Corporation(1,058)(1,398)(4,789)(1,584)Net increase (decrease) in net assets resulting from operations related to New Mountain Finance Corporation\$21,84788,190\$149,149(7,686)Basic earnings (loss) per share\$0.23\$0.91\$1.54(0.08)Weighted average shares of common stock outstanding-basic96,806,90896,827,34296,854,47496,827,342Diluted earnings (loss) per share\$0.220.821.42(0.08)	•	(13)	_	(13)	(0.2)
Net realized and unrealized (losses) gains(7,740)60,54665,109(94,032)Net increase (decrease) in net assets resulting from operations22,90589,588153,938(6,102)Less: Net increase in net assets resulting from operations related to noncontrolling interests in New Mountain Net Lease Corporation(1,058)(1,398)(4,789)(1,584)Net increase (decrease) in net assets resulting from operations related to New Mountain Finance Corporation\$ 21,847\$ 88,190\$ 149,149(7,686)Basic earnings (loss) per share\$ 0.23\$ 0.91\$ 1.54(0.08)Weighted average shares of common stock outstanding-basic96,806,90896,827,34296,854,47496,827,342Diluted earnings (loss) per share\$ 0.220.821.42\$ (0.08)			257		778
Net increase (decrease) in net assets resulting from operations Less: Net increase in net assets resulting from operations related to non- controlling interests in New Mountain Net Lease Corporation  Net increase (decrease) in net assets resulting from operations related to New Mountain Finance Corporation  Basic earnings (loss) per share  Weighted average shares of common stock outstanding-basic  Diluted earnings (loss) per share  22,905  89,588  153,938  (4,789)  (1,584)  21,847  \$ 88,190  \$ 149,149  \$ (7,686)  96,906,988  96,827,342  96,854,474  96,827,342  Diluted earnings (loss) per share  \$ 0.22  \$ 0.82  \$ 1.42  \$ (0.08)					
Less: Net increase in net assets resulting from operations related to non-controlling interests in New Mountain Net Lease Corporation  Net increase (decrease) in net assets resulting from operations related to New Mountain Finance Corporation  Basic earnings (loss) per share  Veighted average shares of common stock outstanding-basic  Diluted earnings (loss) per share  (1,058) (1,398) (4,789) (1,584)  (7,686)  \$ 0.23 \$ 0.91 \$ 1.54 \$ (0.08)  96,906,988 96,827,342 96,854,474 96,827,342  Diluted earnings (loss) per share  \$ 0.22 \$ 0.82 \$ 1.42 \$ (0.08)					
controlling interests in New Mountain Net Lease Corporation  Net increase (decrease) in net assets resulting from operations related to New Mountain Finance Corporation  Basic earnings (loss) per share  Weighted average shares of common stock outstanding-basic  Diluted earnings (loss) per share  (1,058) (1,398) (4,789) (1,584)  **Substitute 1,398 (1,584)  **Substitute		22,903	69,566	155,956	(0,102)
related to New Mountain Finance Corporation         \$ 21,847         \$ 88,190         \$ 149,149         \$ (7,686)           Basic earnings (loss) per share         \$ 0.23         \$ 0.91         \$ 1.54         \$ (0.08)           Weighted average shares of common stock outstanding-basic         96,906,988         96,827,342         96,854,474         96,827,342           Diluted earnings (loss) per share         \$ 0.22         \$ 0.82         \$ 1.42         \$ (0.08)	controlling interests in New Mountain Net Lease Corporation	(1,058)	(1,398)	(4,789)	(1,584)
Basic earnings (loss) per share       \$ 0.23       \$ 0.91       \$ 1.54       \$ (0.08)         Weighted average shares of common stock outstanding-basic       96,906,988       96,827,342       96,827,342       96,827,342         Diluted earnings (loss) per share       \$ 0.22       0.82       1.42       \$ (0.08)		\$ 21,847	\$ 88,190	\$ 149,149	\$ (7,686)
Weighted average shares of common stock outstanding-basic       96,906,988       96,827,342       96,854,474       96,827,342         Diluted earnings (loss) per share       \$ 0.22       \$ 0.82       \$ 1.42       \$ (0.08)				\$ 1.54	
Diluted earnings (loss) per share \$ 0.22 \$ 0.82 \$ 1.42 \$ (0.08)		•			. ,
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#### ABOUT NEW MOUNTAIN FINANCE CORPORATION

New Mountain Finance Corporation is a closed-end, non-diversified and externally managed investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended. The Company's investment objective is to generate current income and capital appreciation through the sourcing and origination of debt securities at all levels of the capital structure, including first and second lien debt, notes, bonds and mezzanine securities. The Company's first lien debt may include traditional first lien senior secured loans or unitranche loans. Unitranche loans combine characteristics of traditional first lien senior secured loans as well as second lien and subordinated loans. Unitranche loans will expose the Company to the risks associated with second lien and subordinated loans to the extent it invests in the "last out" tranche. In some cases, the investments may also include small equity interests. The Company's investment activities are managed by its Investment Adviser, New Mountain Finance Advisers BDC, L.L.C., which is an investment adviser registered under the Investment Advisers Act of 1940, as amended. More information about New Mountain Finance Corporation can be found on the Company's website at <a href="http://www.newmountainfinance.com">http://www.newmountainfinance.com</a>.

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#### ABOUT NEW MOUNTAIN CAPITAL

New Mountain Capital is a New York-based investment firm that emphasizes business building and growth, rather than debt, as it pursues long-term capital appreciation. The firm currently manages private equity, credit and net lease investment strategies with over \$35 billion in assets under management. New Mountain seeks out what it believes to be the highest quality growth leaders in carefully selected industry sectors and then works intensively with management to build the value of these companies. For more information on New Mountain Capital, please visit <a href="http://www.newmountaincapital.com">http://www.newmountaincapital.com</a>.

#### FORWARD-LOOKING STATEMENTS

Statements included herein may contain "forward-looking statements", which relate to our future operations, future performance or our financial condition. Forward-looking statements are not guarantees of future performance, condition or results and involve a number of risks and uncertainties, including the impact of COVID-19 and related changes in base interest rates and significant volatility on our business, portfolio companies, our industry and the global economy. Actual results and outcomes may differ materially from those anticipated in the forward-looking statements as a result of a variety of factors, including those described from time to time in our filings with the Securities and Exchange Commission or factors that are beyond our control. New Mountain Finance Corporation undertakes no obligation to publicly update or revise any forward-looking statements made herein, except as may be required by law. All forward-looking statements speak only as of the time of this press release.

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Source: New Mountain Finance Corporation