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BRIDGING FINANCE (“BRIDGING”) COMMENTS ON MARKET AND PORTFOLIO

Considerable time and attention has been dedicated internally to assessing any potential impacts that the recent global virus and oil shocks may have on our portfolio of loans. As a reminder, our mandate involves loans that are secured by first-ranking liens over all the assets of our borrowers. In other words, our capital is the lowest risk capital in our Borrower’s capital structure. The assets securing our positions are primarily receivables, inventory, equipment, and to a much lesser extent, buildings and real estate. The exposure of many of our loan facilities fluctuates with the value of the underlying receivables and inventory that provide the borrowing base that supports the loans and as the Borrower’s receivables and inventory decrease so too does the amount of our exposure.

Bridging has been in communication with the management teams of our individual Borrower’s over the past several weeks to understand how these recent events are impacting their businesses. Overall, our portfolio has been immune from direct hits from these events. Bridging does not have any exposure to the travel industry which has been widely impacted by recent events. Bridging has one Borrower in the transportation industry representing less than 1% of the portfolio. This Borrower is a well capitalized global logistics company that specializes in shipping product via sea and has actually seen a pick up in demand for its services. As has been communicated previously, we have no focus on commodities and have no intention of providing capital to that sector in the future.

While we have avoided having any direct exposure to these recent events, our Borrowers are not completely immune from secondary effects of a slow down in growth. However, we are confident that our focus on senior-secured loans, and our emphasis on collateral values combined with an intense monitoring of our loans, will prove to be a prudent strategy in this environment. We do expect that access to bank credit may slow in the next few quarters, which will result in a flood of overlooked and attractive borrowers for Bridging.

During this time, Bridging has implemented its Business Continuity Plan (“BCP”) in order to ensure minimal disruption to the daily operations of the business or delays in the striking of the NAV each month. The BCP procedures are being followed until further notice is provided.