

Risk Factors Comparison 2025-02-25 to 2024-02-26 Form: 10-K

Legend: New Text Removed Text Unchanged Text Moved Text Section

For potential conflicts of interest in allocating investment opportunities among the Company and other investment funds, accounts or similar arrangements advised by Carlyle, see Part I, Item 1A of this Form 10-K “ Risk Factors — Risks Related to Our Business and Structure — There are significant potential conflicts of interest, including the management of other investment funds and accounts by our Investment Adviser, which could impact our investment returns and the holders of our common stock. ” Regulation General- Election to be Taxed as a RIC We have elected to be treated, and intend to continue to qualify annually, as a RIC for U. S. federal income tax purposes under Subchapter M of the Code. As a RIC, we generally will not pay corporate- level U. S. federal income taxes on any net ordinary income or capital gains that we timely distribute to our stockholders as dividends. Instead, dividends we distribute generally will be taxable to the holders of our common stock, and any net operating losses, foreign tax credits and other tax attributes may not pass through to the holders of our common stock. To qualify as a RIC, we must, among other things, meet certain source- of- income and asset diversification requirements (as described below). In addition, we must distribute to our stockholders on an annual basis at least 90 % of our investment company taxable income (generally, our net ordinary income plus the excess of our realized net short- term capital gains over realized net long- term capital losses, determined without regard to the dividends paid deduction) for any taxable year (the “ Annual Distribution Requirement ”). The following discussion assumes that we qualify as a RIC and have satisfied the Annual Distribution Requirement. If we (1) qualify as a RIC, and (2) satisfy the Annual Distribution Requirement, then we are not subject to U. S. federal income tax on the portion of our net taxable income we distribute (or are deemed to distribute) to stockholders. We are subject to U. S. federal income tax at regular corporate rates on any income or capital gains not distributed (or deemed distributed) to our stockholders. In addition, if we fail to distribute in a timely manner an amount at least equal to the sum of (1) 98 % of our ordinary income for the calendar year, (2) 98. 2 % of our capital gain net income (both long- term and short- term) for the one- year period ending October 31 in that calendar year and (3) any income realized, but not distributed, in the preceding year (the “ Excise Tax Distribution Requirements ”), we are liable for a 4 % excise tax on the portion of the undistributed amounts of such income that are less than the amounts required to be distributed based on the Excise Tax Distribution Requirements. For this purpose, however, any ordinary income or capital gain net income retained by us that is subject to corporate income tax for the tax year ending in that calendar year is considered to have been distributed by year end (or earlier if estimated taxes are paid). In order to qualify as a RIC for U. S. federal income tax purposes, we must, among other things: • continue to qualify as a BDC under the Investment Company Act at all times during each taxable year; • derive in each taxable year at least 90 % of our gross income from dividends, interest, payments with respect to loans of certain securities, gains from the sale of stock or other securities or foreign currencies, net income from certain “ qualified publicly traded partnerships, ” or other income derived with respect to our business of investing in such stock or securities or foreign currencies (the “ 90 % Gross Income Test ”); and • diversify our holdings so that at the end of each quarter of the taxable year: ◦ at least 50 % of the value of our assets consists of cash, cash equivalents, U. S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5 % of the value of our assets or more than 10 % of the outstanding voting securities of the issuer; and ◦ no more than 25 % of the value of our assets is invested in the securities, other than U. S. government securities or securities of other RICs, of one issuer, or two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses, or of certain “ qualified publicly traded partnerships ” (the “ Diversification Tests ”). Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (1) the illiquid nature of our portfolio and / or (2) other requirements relating to our qualification as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or the Excise Tax Distribution Requirements, we may make such dispositions at times that, from an investment standpoint, are not advantageous. If we are prohibited from making distributions or are unable to raise additional debt or equity capital or sell assets to make distributions, we may not be able to make sufficient distributions to satisfy the Annual Distribution Requirement, and therefore would not be able to maintain our qualification as a RIC. Additionally, we may make investments that result in the recognition of ordinary income rather than capital gain, or that prevent us from accruing a long- term holding period. These investments may prevent us from making capital gain distributions as described below. We intend to monitor our transactions, make the appropriate tax elections and make the appropriate entries in our books and records when we make any such investments in order to mitigate the effect of these rules. A RIC is limited in its ability to deduct expenses in excess of its “ investment company taxable income ” (which is, generally, ordinary income plus net realized short- term capital gains in excess of net realized long- term capital losses). If our expenses in a given year exceed gross taxable income, we would have a net operating loss for that year. However, a RIC is not permitted to carry forward net operating losses to subsequent years. In addition, expenses can be used only to offset investment company taxable income, not net capital gain. Due to these limits on the deductibility of expenses, we may for U. S. federal income tax purposes have aggregate taxable income for several years that we distribute and that is taxable to our stockholders even if such income is greater than the aggregate net income we actually earned during those years. Such distributions may be made from our cash assets or by liquidation of investments, if necessary. We may realize gains or losses from such liquidations. In the event we realize net capital gains from such transactions, a holder may receive a larger capital gain distribution than the holder would have received in the absence of such transactions. General — Regulation as a Business Development Company We have elected to be regulated as a BDC under the Investment Company Act. A BDC must be organized in the United States for the purpose of investing in or lending to primarily

private companies and must offer, and must provide upon request, significant managerial assistance available to them. A BDC may use capital provided by public stockholders and from other sources to make long- term, private investments in businesses. A publicly- traded BDC provides stockholders with the ability to retain the liquidity of a publicly traded stock while sharing in the possible benefits, if any, of investing in primarily privately owned companies. We may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC unless authorized by vote of a majority of the outstanding voting securities, as required by the Investment Company Act. A majority of the outstanding voting securities of a company is defined under the Investment Company Act as the lesser of: (a) 67 % or more of such company’ s voting securities present at a meeting if more than 50 % of the outstanding voting securities of such company are present or represented by proxy, or (b) more than 50 % of the outstanding voting securities of such company. We do not anticipate any substantial change in the nature of our business. As with other companies regulated by the Investment Company Act, a BDC must adhere to certain substantive regulatory requirements. A majority of our directors must be persons who are not “ interested persons,” as that term is defined in Section 2 (a) (19) of the Investment Company Act (such directors are referred to as the “ Independent Directors ” and the directors who are not Independent Directors are referred to as the “ Interested Directors ”). We are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect the BDC. Furthermore, as a BDC, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person’ s office. The Investment Company Act contains prohibitions and restrictions relating to certain transactions between BDCs and certain affiliates (including any investment advisers or sub- advisers), principal underwriters and certain affiliates of those affiliates or underwriters. Because we are a BDC, we are not generally permitted to make loans to companies controlled by Carlyle or other funds managed by Carlyle. We are also not permitted to make any co- investments with our Investment Adviser or its affiliates (including any fund managed by Carlyle) without complying with our Exemptive Relief, subject to certain exceptions, including with respect to our downstream affiliates. Co- investments made under the Exemptive Relief are subject to compliance with the conditions and other requirements contained in the Exemptive Relief, which could limit our ability to participate in a co- investment transaction. We may also co- invest with funds managed by Carlyle or any of its downstream affiliates, subject to compliance with applicable law and regulations, existing regulatory guidance, and our Investment Adviser’ s allocation policies and procedures. As a BDC, we are generally required to meet a minimum “ asset coverage ” ratio after each issuance of senior securities. “ Asset coverage ” generally refers to a company’ s total assets, less all liabilities and indebtedness not represented by “ senior securities,” as defined in the Investment Company Act, divided by total senior securities representing indebtedness and, if applicable, preferred stock. “ Senior securities ” for this purpose includes borrowings from banks or other lenders, debt securities and preferred stock. On April 9, 2018 and June 6, 2018, our Board of Directors, including a “ required majority ” (as such term is defined in Section 57 (o) of the Investment Company Act), and our stockholders, respectively, approved the application to us of the 150 % minimum asset coverage ratio set forth in Section 61 (a) (2) of the 1940 Act. As a result, the minimum asset coverage ratio applicable to us was reduced from 200 % to 150 %, effective as of June 7, 2018, the first day after our 2018 annual meeting of stockholders. We may invest up to 100 % of our assets in securities acquired directly from issuers in privately negotiated transactions. With respect to such securities, we may, for the purpose of public resale, be deemed an “ underwriter ” as that term is defined in the Securities Act of 1933, as amended (the “ Securities Act ”). Our intention is to not write (sell) or buy put or call options to manage risks associated with the publicly traded securities of our portfolio companies. We may enter into hedging transactions to manage the risks associated with interest rate and currency fluctuations. We may purchase or otherwise receive warrants or options to purchase the common stock of our portfolio companies in connection with acquisition financings or other investments. In connection with such an acquisition, we may acquire rights to require the issuers of acquired securities or their affiliates to repurchase them under certain circumstances. We do not intend to acquire securities issued by any investment company that exceed the limits imposed by the Investment Company Act. Under these limits, except for registered money market funds, we generally cannot acquire more than 3 % of the voting stock of any investment company (unless certain conditions are satisfied), invest more than 5 % of the value of our total assets in the securities of one investment company or invest more than 10 % of the value of our total assets in the securities of investment companies in the aggregate. The portion of our portfolio invested in securities issued by investment companies ordinarily will subject our stockholders to additional indirect expenses. Our investment portfolio is also subject to diversification requirements by virtue of our intended status to be a RIC for U. S. tax purposes. See Part I, Item 1A of this Form 10- K “ Risk Factors — Risks Related to Our Business and Structure ” for more information. On April 12, 2022, we changed our name from TCG BDC, Inc. to Carlyle Secured Lending, Inc. In connection therewith, we have adopted a policy to invest, under normal circumstances, at least 80 % of our total assets (net assets plus borrowings for investment purposes) in secured debt investments or instruments that provide investment exposure to secured debt investments, including through investment vehicles that typically invest at least 80 % of their total assets in secured debt investments. This policy may be changed with 60 days’ prior notice to our shareholders. None of our investment policies are fundamental, and thus may be changed without shareholder approval. In addition, investment companies registered under the Investment Company Act and private funds that are excluded from the definition of “ investment company ” pursuant to either Section 3 (c) (1) or 3 (c) (7) of the Investment Company Act may not acquire directly or through a controlled entity more than 3 % of our total outstanding voting stock (measured at the time of the acquisition), unless the funds comply with an exemption under the Investment Company Act. As a result, certain of our investors may hold a smaller position in our shares than if they were not subject to these restrictions. We are generally not able to issue and sell our common stock at a price below net asset value (“ NAV ”) per share. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then- current NAV of our common stock if our Independent Directors determine that such sale is in our best interests and the best interests of our stockholders, and our stockholders approve such sale. In any such case, the price at which our common stock is to be issued and sold may not be less than a price that, in the determination of our Independent

Directors, closely approximates the market value of such shares (less any distributing commission or discount). In addition, we may generally issue new shares of our common stock at a price below NAV in rights offerings to existing stockholders, in payment of dividends and in certain other limited circumstances. Pursuant to approval granted at a special meeting of stockholders held on ~~July 26, 2023~~ **June 6, 2024**, we are authorized, with the approval of the Board of Directors, to sell or otherwise issue shares of our common stock at a price below the then- current NAV per share, subject to certain limitations (including that the number of shares issued does not exceed 25 % of our then- outstanding common stock immediately prior to each such offering). Such stockholder approval expires on ~~July 26, 2024~~ **June 6, 2025**. See Part I, Item 1A of this Form 10- K “ Risk Factors — Risks Related to Our Business and Structure — Regulations governing our operation as a BDC affect our ability to, and the way in which we will, raise additional capital. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage ” and “ — The NAV per share of our common stock may be diluted if we sell shares of our common stock in one or more offerings at prices below the then current NAV per share of our common stock. ” We are subject to periodic examination by the SEC for compliance with the Investment Company Act. As a BDC, we are subject to certain risks and uncertainties. See Part I, Item 1A of this Form 10- K “ Risk Factors — Risks Related to Our Business and Structure. ”

Qualifying Assets As a BDC, we generally have to invest at least 70 % of our total assets in “ qualifying assets, ” including securities and indebtedness of private U. S. companies and certain public U. S. companies, cash, cash equivalents, U. S. government securities and high- quality debt investments that mature in one year or less. We also may invest up to 30 % of our portfolio in non- qualifying assets, as permitted by the Investment Company Act. Specifically, as part of this 30 % basket, we may invest in entities that are not considered “ eligible portfolio companies ” (as defined in the Investment Company Act), including companies located outside of the United States, entities that are operating pursuant to certain exceptions under the Investment Company Act, and publicly traded entities whose public equity market capitalization exceeds the levels provided for under the Investment Company Act.

Managerial Assistance to Portfolio Companies As a BDC, we must offer, and must provide, upon request from our portfolio companies, significant managerial assistance to certain of our portfolio companies. This assistance could involve, among other things, monitoring the operations of our portfolio companies, participating in board and management meetings, consulting with and advising officers of portfolio companies and providing other organizational and financial guidance. Our Investment Adviser may provide all or a portion of this assistance pursuant to the Investment Advisory Agreement, the costs of which will be reimbursed by us. We may receive fees for these services.

Temporary Investments Pending investment in other types of “ qualifying assets, ” as described above, our investments may consist of cash, cash equivalents, U. S. government securities or high- quality debt securities maturing in one year or less from the time of investment, which we refer to, collectively, as “ temporary investments, ” so that 70 % of our assets are qualifying assets. We may also invest in U. S. Treasury bills or in repurchase agreements, provided that such agreements are fully collateralized by cash or securities issued by the U. S. government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed- upon future date and at a price which is greater than the purchase price by an amount that reflects an agreed- upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25 % of our gross assets constitute repurchase agreements from a single counterparty, we would not meet the diversification tests in order to qualify as a RIC. Thus, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. Our Investment Adviser will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Indebtedness and Senior Securities We are permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to our common stock if our asset coverage, as defined in the Investment Company Act, is at least equal to 150 % immediately after each such issuance. In addition, while any senior securities remain outstanding, we must make provisions to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5 % of the value of our total assets for temporary or emergency purposes without regard to asset coverage. For a discussion of the risks associated with leverage, see Part I, Item 1A of this Form 10- K “ Risk Factors — Risks Relating to Our Business and Structure — Regulations governing our operation as a BDC affect our ability to, and the way in which we will, raise additional capital. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage ” and “ — We borrow money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing in us. ”

Codes of Ethics We have adopted a code of ethics pursuant to Rule 17j- 1 under the Investment Company Act and our Investment Adviser has adopted a code of ethics pursuant to Rule 17j- 1 under the Investment Company Act and Rule 204A- 1 under the Advisers Act, respectively (collectively, the “ Rule 17j- 1 Codes of Ethics ”), which establish procedures for personal investments and restricts certain transactions and apply to, among others, our Chief Executive Officer and Chief Financial Officer. The Rule 17j- 1 Codes of Ethics generally do not permit investments by personnel subject to them in securities that may be purchased or sold by us. The Rule 17j- 1 Codes of Ethics are filed with the SEC ([www. sec. gov](http://www.sec.gov)). We have also adopted a Code of Ethics for Principal Executive and Senior Financial Officers under the Sarbanes- Oxley Act of 2002 (the “ SOX Code of Ethics ”), which applies to, among others, our Chief Executive Officer and Chief Financial Officer. The SOX Code of Ethics is available free of charge on our website ([http:// www. carlylesecuredlending. com](http://www.carlylesecuredlending.com)). There have been no material changes to the Rule 17j- 1 Codes of Ethics or the SOX Code of Ethics or material waivers of the codes that apply to our Chief Executive Officer or Chief Financial Officer.

Compliance Policies and Procedures We and our Investment Adviser have each adopted and implemented written policies and procedures reasonably designed to detect and prevent violation of the federal securities laws and are required to review these compliance policies and procedures annually for their adequacy and the effectiveness of their implementation. Our Chief Compliance Officer is responsible for administering these policies and procedures. The Sarbanes- Oxley Act of 2002, as amended (the “ Sarbanes- Oxley Act ”) imposes a wide variety of regulatory requirements on publicly- held companies and their

insiders. Many of these requirements affect us. For example: • pursuant to Rule 13a- 14 of the Securities and Exchange Act of 1934, as amended (the “ Exchange Act ”), our Chief Executive Officer and Chief Financial Officer must certify the accuracy of the financial statements contained in our periodic reports; • pursuant to Item 307 of Regulation S- K, our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures; • pursuant to Rule 13a- 15 of the Exchange Act, our management must prepare a report regarding its assessment of our internal control over financial reporting and must obtain an audit of the effectiveness of internal control over financial reporting performed by our independent registered public accounting firm; and • pursuant to Item 308 of Regulation S- K and Rule 13a- 15 of the Exchange Act, our periodic reports must disclose whether there were significant changes in our internal controls over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to material weaknesses. The Sarbanes- Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes- Oxley Act and the regulations promulgated thereunder. We will continue to monitor our compliance with all regulations that are adopted under the Sarbanes- Oxley Act and will take actions necessary to ensure that we are in compliance therewith. Proxy Voting Policies and Procedures We have delegated our proxy voting responsibility to our Investment Adviser. The proxy voting policies and procedures of our Investment Adviser are set forth below. These guidelines are reviewed periodically by our Investment Adviser and our Independent Directors, and, accordingly, are subject to change. An investment adviser registered under the Advisers Act has a fiduciary duty to act solely in the best interests of its clients. As part of this duty, our Investment Adviser recognizes that it must vote portfolio securities in a timely manner free of conflicts of interest and in the best interests of its clients. These policies and procedures for voting proxies are intended to comply with Section 206 of, and Rule 206 (4)- 6 under, the Advisers Act. Our Investment Adviser will vote proxies relating to our portfolio securities in what it perceives to be the best interest of our stockholders. Our Investment Adviser will review on a case- by- case basis each proposal submitted to a stockholder vote to determine its impact on the portfolio securities held by us. Although our Investment Adviser will generally vote against proposals that may have a negative impact on our portfolio securities, it may vote for such a proposal if there exist compelling long- term reasons to do so. Our Investment Adviser’ s proxy voting decisions will be made by its investment committee. To ensure that the vote is not the product of a conflict of interest, our Investment Adviser will require that: (1) anyone involved in the decision making process discloses to the Investment Committee, and Independent Directors, any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (2) employees involved in the decision making process or vote administration are prohibited from revealing how our Investment Adviser intends to vote on a proposal in order to reduce any attempted influence from interested parties. Stockholders may obtain information regarding how we voted proxies by making a written request for proxy voting information to: Carlyle Secured Lending, Inc., c / o Carlyle Global Credit Investment Management L. L. C., One Vanderbilt Avenue, Suite 3400, New York, New York 10017. Privacy Principles We endeavor to maintain the privacy of our stockholders and to safeguard their non- public personal information. The following information is provided to help stockholders understand what non- public personal information we collect, how we protect that information and why, in certain cases, we may share that information with select other parties. We may collect non- public personal information about stockholders from our subscription agreements or other forms, such as name, address, account number and the types and amounts of investments, and information about transactions with us or our affiliates, such as participation in other investment programs, ownership of certain types of accounts or other account data and activity. We may disclose the non- public personal information that we collect from our stockholders or former stockholders, as described above, to our affiliates and service providers and as allowed by applicable law or regulation. Any party that receives this information from us is permitted to use it only for the services required by us and as allowed by applicable law or regulation, and is not permitted to share or use this information for any other purpose. We permit access only by authorized personnel who need access to that non- public personal information to provide services to us and our stockholders. We also maintain physical, electronic and procedural safeguards for non- public personal information that are designed to comply with applicable law. Compliance with Listing Requirements Our shares of common stock and the 2028 Notes are trading on the Nasdaq Global Select Market under the symbols “ CGBD ” and “ CGBDL ”, respectively. As a listed company on the Nasdaq Global Select Market, we are subject to various listing standards including corporate governance listing standards. We monitor our compliance with all listing standards and take actions necessary to ensure that we are in compliance therewith. Reporting Obligations and Available Information We furnish our stockholders with annual reports containing audited financial statements, quarterly reports, and such other periodic reports as we determine to be appropriate or as may be required by law. We are required to comply with all periodic reporting, proxy solicitation and other applicable requirements under the Exchange Act. Our annual reports on Form 10- K, quarterly reports on Form 10- Q, current reports on Form 8- K, Definitive Proxy Statement on Schedule 14A, as well as reports on Forms 3, 4 and 5 regarding directors, officers or 10 % beneficial owners of us, filed or furnished pursuant to section 13 (a), 15 (d) or 16 (a) of the Exchange Act, are available free of charge on our website (<http://www.carlylesecuredlending.com>). The SEC also maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us, which can be accessed at www.sec.gov. Competition Our primary competitors in providing financing to middle market companies include public and private funds, other BDCs, commercial and investment banks, CLOs, commercial finance companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our potential competitors are substantially larger and may have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a lower cost of funds and access to funding sources that will not be available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments than we do, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the Investment Company Act and the Code impose on us. We cannot assure you that the competitive pressures we will face will not have a material adverse effect on our business,

financial condition and results of operations. Also, as a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we can offer no assurance that we will be able to identify and make investments that are consistent with our investment objective. We expect to use the expertise of the members of the Investment Committee and its investment team to assess investment risks and determine appropriate pricing for our investments. In addition, we expect that extensive direct origination resources, broad product capabilities, ability to commit capital in scale and the depth of expertise of our Investment Adviser's investment team will enable us to learn about and compete effectively for, financing opportunities with attractive middle market companies in the industries in which we seek to invest. For additional information concerning the competitive risks we face, see Part I, Item 1A of this Form 10-K "Risk Factors — Risks Related to Our Investments — We operate in a highly competitive market for investment opportunities, and compete with investment vehicles sponsored or advised by our affiliates." Staffing We do not currently have any employees. Our Chief Financial Officer, a Managing Director of Carlyle, our Principal Accounting Officer, a Principal of Carlyle, and our Chief Compliance Officer and Secretary, a Managing Director of Carlyle, are retained by our Administrator pursuant to the Carlyle Sub-Administration Agreement. Each of these professionals performs their respective functions for us under the terms of our Administration Agreement. Our day-to-day investment operations are managed by our Investment Adviser. Our Investment Adviser has entered into a personnel agreement with Carlyle Employee Co., pursuant to which our Investment Adviser has access to the members of its investment committee, and a team of additional experienced investment professionals who, collectively, comprise the Investment Adviser's investment team. Our Investment Adviser may hire additional investment professionals to provide services to us.

Item 1A. Risk Factors Summary of Risk Factors The following is only a summary of the principal risks that may materially adversely affect our business, financial condition, results of operations and cash flows. The following should be read in conjunction with the complete discussion of risk factors we face, which are set forth below under "— Risk Factors".

- We are currently operating in a period of capital markets disruption and economic uncertainty, and capital markets may experience periods of disruption and instability in the future. These market conditions may materially and adversely affect debt and equity capital markets in the United States and abroad, which have had and may continue to have a negative impact on our business and operations.
- Inflation has adversely affected and may continue to adversely affect the business, results of operations and financial condition of our portfolio companies.
- Economic recessions or downturns could impair our portfolio companies and harm our operating results.
- We are dependent upon our Investment Adviser for our future success, and there are significant potential conflicts of interest that could impact our investment returns.
- Our financial condition, results of operations and ability to achieve our investment objective depend on our ability to source investments, access financing and manage future growth effectively.
- We may need to raise additional capital to grow because we must distribute most of our income.
- Any failure on our part to maintain our status as a BDC or RIC would reduce our operating flexibility, may hinder our achievement of our investment objective, may limit our investment choices and may subject us to greater regulation.
- Regulations governing our operation as a BDC affect our ability to, and the way in which we will, raise additional capital. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage.
- The NAV per share of our common stock may be diluted if we sell shares of our common stock in one or more offerings at prices below the then current NAV per share of our common stock.
- We borrow money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing in us.
- ~~Our indebtedness could adversely affect our business, financial conditions or results of operations.~~
- ~~Changes in interest rates have increased, and may in the future increase, our cost of capital, reduce the ability of our portfolio companies to service their debt obligations and decrease our net investment income.~~
- ~~We may experience fluctuations in our quarterly results.~~
- We will be subject to corporate-level income tax if we are unable to maintain our qualification as a RIC for U. S. federal income tax purposes under Subchapter M of the Code.
- If we are not treated as a "publicly offered regulated investment company," as defined in the Code, certain U. S. stockholders will be treated as having received a dividend from us.
- ~~Our Board of Directors is authorized to reclassify any unissued shares of common stock into one or more classes of preferred stock, which could convey special rights and privileges to its owners.~~
- Provisions of the Maryland General Corporation Law ("MGCL") and of our Charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.
- Our Board of Directors may change our investment objective, operating policies and strategies without prior notice and without stockholder approval.
- We are highly dependent on information systems, and systems failures could significantly disrupt our business.
- Cybersecurity risks and cyber incidents may adversely affect our business, results of operations or those of our portfolio companies.
- Changes in laws or regulations governing our business or the businesses of our portfolio companies, changes in the interpretation thereof or newly enacted laws or regulations, and any failure by us or our portfolio companies to comply with these laws or regulations may adversely affect our business and the businesses of our portfolio companies.
- We are subject to certain risks as a result of our direct interest in the 2015-1 Issuer Preferred Interests.
- Our investments are risky and speculative, generally illiquid and typically do not have a readily available market price.
- We operate in a highly competitive market for investment opportunities, and compete with investment vehicles sponsored or advised by our affiliates.
- Our portfolio companies may be highly leveraged and may incur debt that ranks equally with, or senior to, some of our investments in such companies, and our investment portfolio may be concentrated in a limited number of portfolio companies and industries.
- Declines in the prices of corporate debt securities and illiquidity in the corporate debt markets may adversely affect the fair value of our portfolio investments, reducing our NAV through increased net unrealized depreciation.
- To the extent we make investments in restructurings and reorganizations they may be subject to greater regulatory and legal risks than other traditional direct investments in portfolio companies.
- The financial projections of our portfolio companies could prove inaccurate, and the due diligence investigation that our Investment Adviser carries out with respect to an investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity.
- Our portfolio companies prepay loans from time to time, which may have the effect of reducing our investment income if the returned capital cannot be invested in transactions with equal or greater yields.
- ~~We invest through~~

joint ventures, partnerships or other special purpose vehicles and our investments through these vehicles may entail greater risks, or risks that we otherwise would not incur, if we otherwise made such investments directly. • Our ability to enter into transactions with Carlyle and our other affiliates is restricted. • Our failure to make follow-on investments in our portfolio companies could impair the value of our investments. • Because we generally do not hold controlling equity interests in our portfolio companies, we may not be in a position to exercise control over our portfolio companies. • There are certain risks associated with holding debt obligations that have original issue discount or payment-in-kind interest. Risks Related to an Investment in Our Securities • Investing in our securities involves a high degree of risk and the market price of our securities may fluctuate significantly. • Our shares of common stock have traded at a discount to NAV and may do so again. • We issued the Preferred Stock (as defined below) in May 2020 and we may in the future determine to issue additional preferred stock, which could adversely affect the market value of our common stock. • Holders of the Preferred Stock have the right to elect members of the board of directors and class voting rights on certain matters. • Purchases of our common stock under our stock repurchase program, including a Company 10b5-1 Plan, may have resulted in the price of our common stock being higher than the price that otherwise might have existed in the open market. • Sales of substantial amounts of our common stock in the public market may have an adverse effect on the market price of our common stock. • Our stockholders will experience dilution in their ownership percentage if they opt out of our dividend reinvestment plan. • If current economic and market conditions continue to contribute to capital market disruption and instability, there is a risk that our stockholders may not receive distributions or that our distributions may not grow over time and a portion of our distributions to our stockholders may be a return of capital for U. S. federal income tax purposes. • Our stockholders may receive shares of our common stock as dividends, which could result in adverse tax consequences to them. Non-U. S. stockholders may be subject to withholding of U. S. federal income tax on dividends we pay. • We may have difficulty paying our required distributions if we recognize taxable income before or without receiving cash representing such income. • We cannot assure that an active trading market for the 2028 Notes (as defined below) or the 2030 Notes (as defined below) will develop or be maintained. • We may **not be able to repurchase the 2030 Notes upon a Change of Control Repurchase Event. (as defined below)** • We may choose to redeem the 2028 Notes and 2030 Notes when prevailing interest rates are relatively low. **Risks Relating to the Mergers • Sales of shares of our common stock after the completion of the Mergers may cause the trading price of our common stock to decline. • Most of our stockholders will experience a reduction in percentage ownership and voting power in the combined company as a result of the Mergers. • We may be unable to realize the benefits anticipated by the Mergers, including estimated cost savings, or it may take longer than anticipated to achieve such benefits. • The Mergers are subject to closing conditions, including stockholder approvals, that, if not satisfied or (to the extent legally allowed) waived, will result in the Mergers not being completed, which may result in material adverse consequences to our business and operations. • We may, to the extent legally allowed, waive one or more conditions to the Mergers without resoliciting stockholder approval. • We will be subject to operational uncertainties and contractual restrictions while the Mergers are pending. • The market price of our common stock after the Mergers may be affected by factors different from those affecting our common stock currently. • Litigation against us, CSL III, or the members of our Board of Directors and CSL III's board of trustees, could prevent or delay the completion of the Mergers or result in the payment of damages following completion of the Mergers.** An investment in the Company involves a high degree of risk. You should carefully consider these risk factors, together with all of the other information included in this report, before you decide whether to make an investment in the Company. There can be no assurance that the Company's investment objective will be achieved or that an investor will receive a return of its capital. In addition, there will be occasions when the Investment Adviser and its affiliates may encounter potential conflicts of interest in connection with the Company. The risks set out below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and / or operating results. The following considerations, in addition to the considerations set forth elsewhere herein, should be carefully evaluated before making an investment in the Company. If any of the following events occur, our business, financial condition and operating results could be materially and adversely affected. In such case, the NAV and the trading price of our common stock and the trading price, if any, of any other securities that we have issued could decline, and you may lose all or part of your investment. U. S. capital markets continue to experience disruptions and volatility. Over the last several years, markets have been affected by a rising and elevated interest rate environment as a result of inflation and continued geopolitical tensions (including Russia's military invasion of Ukraine and the war between Israel and Hamas). These events have contributed to unpredictable general economic conditions that are materially and adversely impacting the broader financial and credit markets. These and future market disruptions and / or illiquidity would be expected to have an adverse effect on our business, financial condition, results of operations and cash flows, as well as the businesses of our portfolio companies, and the broader financial and credit markets. At various times, such disruptions have resulted in, and may in the future result in, a lack of liquidity in parts of the debt capital markets, significant write-offs in the financial services sector and the repricing of credit risk. Such conditions may occur for a prolonged period of time again, and may materially worsen in the future, including as a result of U. S. government shutdowns, or future downgrades to the U. S. government's sovereign credit rating, including as a result of a default or the threat of default on its debt, or the perceived credit worthiness of the U. S. or other large global economies. In addition, the current U. S. political environment and the resulting uncertainties regarding actual and potential shifts in U. S. foreign investment, trade, taxation, economic, environmental and other policies under the current Administration, as well as the impact of geopolitical tension, such as a deterioration in the bilateral relationship between the U. S. and China or in the ongoing conflict between Russia and Ukraine, could lead to disruption, instability and volatility in the global markets. Unfavorable economic conditions also would be expected to increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events have limited and could continue to limit our investment originations, and limit our ability to grow and could have a material negative impact on our operating results,

financial condition, results of operations and cash flows and the fair values of our debt and equity investments. In addition, the U. S. and global capital markets have in the past, and may in the future, experience periods of extreme volatility and disruption during economic downturns and recessions. Trade wars, **tariffs** and volatility in the U. S. repo market, the U. S. high yield bond markets, the Chinese stock markets and global markets for commodities may affect other financial markets worldwide. Increases to budget deficits or direct and contingent sovereign debt may create concerns about the ability of certain nations to service their sovereign debt obligations and any risks resulting from any such debt crisis in Europe, the U. S. or elsewhere could have a detrimental impact on the global economy, sovereign and non- sovereign debt in certain countries and the financial condition of financial institutions generally. Austerity measures that certain countries may agree to as part of any debt crisis or disruptions to major financial trading markets may adversely affect world economic conditions, our business and the businesses of our portfolio companies. Additionally, the Federal Reserve raised the Federal Funds Rate throughout 2022 and 2023 and **part of 2024 before it cut the Federal Funds Rate multiple times at the end of 2024. The Federal Reserve could further do so again raise the Federal Funds Rate** if inflation exceeds certain levels in the United States. These developments, along with the United States government's credit and deficit concerns, global economic uncertainties and market volatility, have caused and could continue to cause interest rates to be volatile, which may negatively impact our ability to access the capital markets on favorable terms. Certain of our portfolio companies are in industries that have been impacted by inflation. **Recent Inflationary-inflationary** pressures ~~during 2022 and 2023~~ have increased the costs of labor, energy and raw materials and have adversely affected consumer spending, economic growth and our portfolio companies' operations. If such portfolio companies are unable to pass any increases in their costs of operations along to their customers, it could adversely affect their operating results and impact their ability to pay interest and principal on our loans, particularly if interest rates were to continue to rise in response to inflation. In addition, any projected future decreases in our portfolio companies' operating results due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of our investments could result in future realized or unrealized losses and therefore reduce our net assets resulting from operations. Additionally, the Federal Reserve has raised, and could raise again, certain benchmark interest rates in an effort to combat inflation. See " — Changes in interest rates have increased and may in the future increase our cost of capital, reduce the ability of our portfolio companies to service their debt obligations and decrease our net investment income. " Many of the portfolio companies in which we make investments may be susceptible to economic slowdowns or recessions and may be unable to repay the loans we made to them during these periods or pay interest payments. Rising interest rates, inflation and supply chain disruptions heighten these risks. Therefore, our non- performing assets may increase and the value of our portfolio may decrease during these periods as we are required to record our investments at their current fair value. Adverse economic conditions also may decrease the value of collateral securing some of our loans and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our and our portfolio companies' funding costs, limit our and our portfolio companies' access to the capital markets or result in a decision by lenders not to extend credit to us or our portfolio companies. These events could prevent us from increasing investments and harm our operating results. Any deterioration of general economic conditions may lead to significant declines in corporate earnings or loan performance, and the ability of corporate borrowers to service their debt, any of which could trigger a period of global economic slowdown, and have an adverse impact on our performance and financial results, and the value and the liquidity of our investments. In an economic downturn, we could have non- performing assets or an increase in non- performing assets, and we would anticipate that the value of our portfolio would decrease during these periods. A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, acceleration of the time when the loans are due and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize the portfolio company's ability to meet its obligations under the debt that we hold. We may incur additional expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances, including the extent to which we will actually provide significant managerial assistance to that portfolio company, a bankruptcy court might subordinate all or a portion of our claim to that of other creditors. We are dependent upon our Investment Adviser for our future success. We do not have any employees. We depend on the diligence, skill, judgment and network of business contacts of our Investment Adviser's investment professionals and the Carlyle Direct Lending platform to source appropriate investments for us. We depend on members of our Investment Adviser's investment team to appropriately analyze our investments and the Investment Committee to approve and monitor our middle market portfolio investments. The Investment Committee, together with the other members of its investment team, evaluate, negotiate, structure, close and monitor our investments. Our future success will depend on the continued availability of the members of the Investment Committee and the other investment professionals available to the Investment Adviser. Neither we nor the Investment Adviser has employment agreements with these individuals or other key personnel, and we cannot provide any assurance that unforeseen business, medical, personal or other circumstances would not lead any such individual to terminate his or her relationship with us. The loss of any senior investment professionals to which our Investment Adviser has access, including members of the Investment Committee, or a significant number of the investment professionals of our Investment Adviser, could have a material adverse effect on our ability to achieve our investment objective as well as on our financial condition and results of operations. The market for qualified professionals is extremely competitive across levels and areas of expertise, and our Investment Adviser may not be successful in its efforts to recruit, retain and motivate these professionals. In addition, our Investment Adviser has seen increased focus by prospective candidates on hybrid work arrangements and arrangements providing more flexibility, including **around** location. If our Investment Adviser's approach to in- office and remote- work arrangements is not perceived as favorable as compared to the arrangements offered by competitors, it may experience an even further increase in competition for talent and it may be difficult to recruit and retain investment professionals. **Our Investment Adviser has experienced upward**

pressure on compensation packages given the increased competition to hire and retain talented personnel. Even when our Investment Adviser offers top- of- market compensation packages, it may not be able to attract and retain all of their desired personnel due to shifting workforce priorities.

In addition, we cannot assure you that our Investment Adviser will remain our investment adviser or that we will continue to have access to Carlyle's investment professionals or its information and deal flow. If, due to extraordinary market conditions or other reasons, we and other funds managed by our Investment Adviser or its affiliates were to incur substantial losses, the revenues of our Investment Adviser and its affiliates may decline substantially. Such losses may hamper our Investment Adviser's and its affiliates' ability to provide the same level of service to us as it would have. Further, there can be no assurance that our Investment Adviser will replicate Carlyle's historical success, and we caution you that our investment returns could be substantially lower than the returns achieved by other Carlyle- managed funds ~~stock~~. Our executive officers and directors, other current and future principals of our Investment Adviser and certain members of the Investment Committee currently serve, and may continue to serve, as officers, directors or principals of other entities and affiliates of our Investment Adviser and funds managed by our affiliates that operate in the same or a related line of business as we do. Currently, our executive officers, as well as the other principals of our Investment Adviser manage other funds affiliated with Carlyle, including other existing and future affiliated BDCs. In addition, our Investment Adviser's investment team has responsibilities for sourcing and managing investments for certain other investment funds and accounts. Accordingly, they have obligations to investors in those entities, the fulfillment of which may not be in the best interests of, or may be adverse to the interests of, us or our stockholders. Although the professional staff of our Investment Adviser will devote as much time to our management as appropriate to enable our Investment Adviser to perform its duties in accordance with the Investment Advisory Agreement, the investment professionals of our Investment Adviser may have conflicts in allocating their time and services among us, on the one hand, and investment vehicles managed by Carlyle or one or more of its affiliates on the other hand. Our Investment Adviser and its affiliated investment managers may face conflicts in allocating investment opportunities between us and affiliated investment vehicles that have overlapping objectives with ours. For example, certain affiliated investment vehicles may have arrangements that provide for higher management or incentive fees, greater expense reimbursements or overhead allocations, or permit the Investment Adviser and its affiliates to receive transaction fees not permitted under the Investment Company Act, all of which may contribute to this conflict of interest and create an incentive for our Investment Adviser or its affiliated investment managers to favor such other accounts. Furthermore, our Investment Adviser and its affiliated investment managers may form vehicles for the benefit of third- party investors that will be entitled to a portion of the allocation with respect to an investment. Such co- investment rights could result in us being allocated a smaller share of an investment than would otherwise be the case in the absence of such co- investment rights. Although our Investment Adviser will endeavor to allocate investment opportunities in a fair and equitable manner in accordance with its allocation policies and procedures, it is possible that, in the future, we may not be given the opportunity to participate in investments made by investment funds managed by our Investment Adviser or an investment manager affiliated with our Investment Adviser, including Carlyle. We and our affiliates own, and may continue to own, investments at different levels of a portfolio company's capital structure or otherwise own different classes of a portfolio company's securities, which may give rise to conflicts of interest or perceived conflicts of interest. Conflicts may also arise because portfolio decisions regarding our portfolio may benefit our affiliates. Our affiliates may pursue or enforce rights with respect to one of our portfolio companies, and those activities may have an adverse effect on us. It is possible that Carlyle or an affiliated investment vehicle will invest in a company that is or becomes a competitor of a portfolio company of ours. Such investment could create a conflict between us, on the one hand, and Carlyle or the affiliated investment vehicle, on the other hand. In such a situation, Carlyle or our Investment Adviser may also have a conflict in the allocation of its own resources to our portfolio company. In addition, certain affiliated investment vehicles will be focused primarily on investing in other funds that may have strategies that overlap and / or directly conflict and compete with us. As a result of the expansion of Carlyle's platform into various lines of business in the alternative asset management industry, Carlyle is subject to a number of actual and potential conflicts of interest and subject to greater regulatory oversight than that to which it would otherwise be subject if it had just one line of business. In addition, as Carlyle expands its platform, the allocation of investment opportunities among its investment funds, including us, is expected to become more complex. In addressing these conflicts and regulatory requirements across Carlyle's various businesses, Carlyle has implemented, and may continue to implement, certain policies and procedures. For example, Carlyle has established an information barrier between Carlyle Global Credit, on the one hand, and the rest of Carlyle, on the other, which generally restricts the communications of Carlyle Global Credit with other Carlyle investment professionals pursuant to the information barrier policy. In addition, we may come into possession of material non- public information with respect to issuers in which we may be considering making an investment. As a consequence, we may be precluded from providing such information or other ideas to other funds affiliated with Carlyle that may benefit from such information or we may be precluded from otherwise consummating a contemplated investment. To the extent we or any other funds affiliated with Carlyle fail to appropriately deal with any such conflicts, it could negatively impact our reputation or Carlyle's reputation and our ability to raise additional funds and the willingness of counterparties to do business with us or result in potential litigation against us. In the ordinary course of business, we enter, and may continue to enter, into transactions with affiliates and portfolio companies that may be considered related party transactions. We have implemented certain policies and procedures whereby certain of our executive officers screen each of our transactions for any possible affiliations between the proposed portfolio investment, us and other affiliated persons, including our Investment Adviser, stockholders that own more than 5 % of us, employees, officers and directors of us and our Investment Adviser and certain persons directly or indirectly controlling, controlled by or under common control with the foregoing persons. We will not enter into any agreements unless and until we are satisfied that doing so will not raise concerns under the Investment Company Act or, if such concerns exist, we have taken appropriate actions to seek Board of Directors review and approval or SEC exemptive relief for such transactions. In the course of our investing activities, we pay management and incentive fees to our Investment Adviser and reimburse our

Investment Adviser for certain expenses it incurs in accordance with our Investment Advisory Agreement. The base management fee is based on our gross assets and the incentive fee is paid on income, both of which include leverage. As a result, investors in our common stock invest on a “ gross ” basis and receive distributions on a “ net ” basis after expenses, resulting in a lower rate of return than an investor might achieve through direct investments. Because the management fee is based on gross assets, our Investment Adviser benefits to the extent we incur debt or use leverage. Accordingly, there may be times when the senior management team of our Investment Adviser has interests that differ from those of our stockholders, giving rise to a conflict. In addition, we pay our Administrator, an affiliate of our Investment Adviser, its costs and expenses and our allocable portion of overhead incurred by it in performing its obligations under the Administration Agreement, including, compensation paid to or compensatory distributions received by our officers (including our Chief Compliance Officer, Chief Financial Officer and Principal Accounting Officer) and their respective staff who provide services to us, operations staff who provide services to us, and internal audit staff in their role of performing our Sarbanes- Oxley Act internal control assessment. These arrangements create conflicts of interest that our Board of Directors monitors. Despite Carlyle’ s good faith judgment to arrive at a fair and reasonable expense allocation methodology, the use of any particular methodology may lead us to bear relatively more expense in certain instances and relatively less in other instances compared to what we would have borne if a different methodology had been used. However, Carlyle seeks to make allocations that are equitable on an overall basis in its good faith judgment. In May 2020, we issued the Preferred Stock to an affiliate of Carlyle in a private placement. The interests of Carlyle as the holder of the Preferred Stock may conflict with the interests of the holders of our common stock (see “ — We issued the Preferred Stock in May 2020 and we may in the future determine to issue additional preferred stock, which could adversely affect the market value of our common stock ”). Our ability to achieve our investment objective and to grow depends on our ability to acquire suitable investments and monitor and administer those investments, which depends, in turn, on our Investment Adviser’ s ability to identify, invest in and monitor companies that meet our investment criteria. Accomplishing this result on a cost- effective basis is largely a function of our Investment Adviser’ s structuring of the investment process, its ability to provide competent, attentive and efficient services to us and its ability to access financing for us on acceptable terms. Our Investment Adviser’ s investment team has substantial responsibilities under the Investment Advisory Agreement and in connection with managing us and certain other investment funds and accounts advised by our Investment Adviser or its affiliates, and may also be called upon to provide managerial assistance to our portfolio companies. These demands on their time, which will increase as the number of investments grow, may distract them or slow the rate of investment. In order for us to grow, Carlyle will need to hire, train, supervise, manage and retain new employees. However, we can offer no assurance that any such investment professionals will contribute effectively to the work of our Investment Adviser. Any failure to manage our future growth effectively could have a material adverse effect on our business, financial condition and results of operations. We may need to raise additional capital to fund growth in our investments, and a reduction in the availability of new capital could limit our ability to grow. If we fail to obtain funds from such sources or from other sources to fund our investments, it could limit our ability to grow, which may have an adverse effect on the value of our securities. We have elected to be treated, and intend to qualify annually, as a RIC for U. S. federal income tax purposes under Subchapter M of the Code. To maintain our status as a RIC, among other requirements, we must distribute on a timely basis at least 90 % of our investment company taxable income to our stockholders. As a result, any such cash earnings may not be available to fund investment originations or repay maturing debt. We expect to issue additional debt and equity securities to fund our growth. We may pursue growth through acquisitions or strategic investments in new businesses. Completion and timing of any such acquisitions or strategic investments may be subject to a number of contingencies and risks. There can be no assurance that the integration of an acquired business will be successful or that an acquired business will prove to be profitable or sustainable. We have borrowed under the credit facility and through the issuance of debt securities and in the future may borrow under additional debt facilities from financial institutions. As of December 31, 2023-2024, we had issued and outstanding \$ 984-978. 6-4 million aggregate principal amount of indebtedness, and \$ 50. 0 million aggregate liquidation preference of the Preferred Stock. In addition, as a BDC, our ability to borrow or issue preferred stock may be restricted if our total assets are less than 150 % of our total borrowings and preferred stock. Furthermore, equity capital may be difficult to raise because, subject to some limited exceptions, as a BDC, we are generally not able to issue additional shares of our common stock at a price per share less than NAV without first obtaining approval for such issuance from our stockholders and our Independent Directors. Pursuant to approval granted at a special meeting of stockholders held on July 26- June 6, 2023-2024, we are authorized, with the approval of the Board of Directors, to sell or otherwise issue shares of our common stock at a price below the then- current NAV per share, subject to certain limitations (including that the number of shares issued does not exceed 25 % of our then- outstanding common stock immediately prior to each such offering). Such stockholder approval expires on July 26- June 6, 2024-2025. The Investment Company Act and the Code impose numerous constraints on the operations of BDCs and RICs, respectively, that do not apply to other types of investment vehicles. For example, under the Investment Company Act, we are required as a BDC to invest at least 70 % of our total assets in specified types of “ qualifying assets, ” primarily in private U. S. companies or thinly- traded U. S. public companies, cash, cash equivalents, U. S. government securities and other high quality debt investments that mature in one year or less. In addition, in order to continue to qualify as a RIC for U. S. federal income tax purposes, we are required to satisfy certain source- of- income, diversification and distribution requirements. These constraints, among others, may hinder our ability to take advantage of attractive investment opportunities and to achieve our investment objective. See Part I, Item 1 of this Form 10- K “ Business — Regulation — General — Election to be Taxed as a RIC ” for additional information. Furthermore, any failure to comply with the requirements imposed on us as a BDC by the Investment Company Act could cause the SEC to bring an enforcement action against us and / or expose us to claims of private litigants. In addition, upon approval of a majority of our outstanding voting securities as required by the Investment Company Act, we may elect to withdraw our status as a BDC. If we decide to withdraw our election, or if we otherwise fail to qualify, or maintain our qualification, as a BDC, we might be regulated as a closed- end

investment company that is required to register under the Investment Company Act, which would subject us to additional regulatory restrictions, significantly decrease our operating flexibility and could significantly increase our cost of doing business. In addition, any such failure could cause an event of default under our outstanding indebtedness, which could have a material adverse effect on our business, financial condition or results of operations. We may issue additional debt securities or preferred stock and / or borrow money from banks or other financial institutions, which we refer to collectively as “senior securities,” up to the maximum amount permitted by the Investment Company Act. In addition, we may continue to securitize certain of our loans. Under the provisions of the Investment Company Act, we are permitted, as a BDC, to issue senior securities only in amounts such that our asset coverage ratio, as defined in the Investment Company Act, equals at least 150 % of total assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy this test, which may prohibit us from paying dividends and could prevent us from maintaining our status as a RIC or may prohibit us from repurchasing shares of our common stock. If that happens, we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when such sales may be disadvantageous. Accordingly, any failure to satisfy this test could have a material adverse effect on our business, financial condition or results of operations. As of December 31, ~~2023~~ **2024**, our asset coverage calculated in accordance with the Investment Company Act was 183. ~~4~~ **2**%. Also, any amounts that we use to service our indebtedness would not be available for distributions to our common stockholders. Furthermore, as a result of issuing senior securities, our common stockholders would also be exposed to typical risks associated with increased leverage, including an increased risk of loss resulting from increased indebtedness. On May 5, 2020, we issued and sold 2, 000, 000 shares of preferred stock to an affiliate of Carlyle in a private placement at a price of \$ 25 per share (“Preferred Stock”). The Preferred Stock ranks “senior” to common stock in our capital structure, and preferred stockholders have separate voting rights on certain matters and have other rights, preferences, or privileges more favorable than those of our common stockholders. The issuance of the Preferred Stock and any additional preferred stock could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for holders of our common stock or otherwise be in their best interest. We are not generally able to issue and sell our common stock at a price below the NAV per share. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then- current NAV per share of our common stock if our Independent Directors determine that such sale is in the best interests of us and our stockholders and our stockholders approve such sale. In any such case, the price at which our common stock is to be issued and sold may not be less than a price that, in the determination of our Independent Directors, closely approximates the market value of such shares (less any distributing commission or discount). We are authorized, with the approval of the Board of Directors, to sell or otherwise issue shares of our common stock at a price below the then- current NAV per share, subject to certain limitations. See “ — The NAV per share of our common stock may be diluted if we sell shares of our common stock in one or more offerings at prices below the then current NAV per share of our common stock. ” If we raise additional funds by issuing more common stock or senior securities convertible into, or exchangeable for, our common stock, then the percentage ownership of our stockholders at that time will decrease, and holders of our common stock might experience dilution. ~~Pursuant to approval granted at a special meeting of stockholders held on July 26, 2023, we are authorized, with the approval of the Board of Directors, to sell or otherwise issue shares of our common stock at a price below the then- current NAV per share, subject to certain limitations (including that the number of shares issued does not exceed 25 % of our then- outstanding common stock immediately prior to each such offering). Such stockholder approval expires on July 26, 2024.~~ Any sale or other issuance of shares of our common stock at a price below NAV per share, including upon conversion of the Preferred Stock, would result in immediate dilution to our common stock and a reduction of our NAV per share. This dilution would occur as a result of the sale of shares at a price below the then current NAV per share of our common stock and a proportionately greater decrease in the stockholders’ interest in our earnings and assets and their voting interest in us than the increase in our assets resulting from such issuance. Because the number of shares of common stock that could be so issued and the timing of any issuance is not currently known, the actual dilutive effect cannot be predicted. As part of our business strategy, we, including through our wholly owned subsidiaries, borrow from and issue senior debt securities to banks, insurance companies and other lenders. Holders of these loans or senior securities would have fixed- dollar claims on our assets that are superior to the claims of our stockholders. If the value of our assets decreases, leverage will cause our NAV to decline more sharply than it otherwise would have without leverage. Similarly, any decrease in our income would cause our net income to decline more sharply than it would have if we had not borrowed. This decline could negatively affect our ability to make dividend payments on our common stock. Our ability to service our borrowings depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures. In addition, our management fees are payable based on our gross assets, including assets acquired through the use of leverage (but excluding cash and any temporary investments in cash- equivalents), which may give our Investment Adviser an incentive to use leverage to make additional investments. See “ — We may be obligated to pay our Investment Adviser incentive compensation even if we incur a loss. ” The amount of leverage that we employ will depend on our Investment Adviser’ s and our Board of Directors’ assessment of market and other factors at the time of any proposed borrowing. We cannot assure you that we will be able to continue to obtain credit at all or on terms acceptable to us. In addition to having fixed- dollar claims on our assets that are superior to the claims of our common stockholders, obligations to lenders may be secured by a first priority security interest in our portfolio of investments and cash. In the case of a liquidation event, those lenders would receive proceeds to the extent of their security interest before any distributions are made to our stockholders under certain circumstances. In addition, as the holder of the preferred interests issued by the 2015- 1 Issuer (the “2015- 1 Issuer Preferred Interests”) on the closing date of the 2015- 1 Debt Securitization in exchange for our contribution to the 2015- 1 Issuer of the initial closing date loan portfolio (i. e., the subordinated class of the 2015- 1 Securitization), we may be required to absorb losses with respect to the 2015- 1 Debt Securitization. Our Credit Facility, the Senior Notes and the 2015- ~~HR Notes~~ **IN**

Debt (each as defined in Note 8, Borrowings, **or Note 1, Organization, as applicable** to the consolidated financial statements in Part II, Item 8 of this Form 10- K) impose financial and operating covenants that restrict our business activities, remedies on default and similar matters. As of December 31, **2023-2024**, we were in material compliance with the operating and financial covenants of our Credit Facility, the Senior Notes and the 2015- **1R-Notes-1N Debt**. However, our continued compliance with these covenants depends on many factors, some of which are beyond our control. Accordingly, although we believe we will continue to be in compliance, we cannot assure you that we will continue to comply with the covenants in our Credit Facility, the Senior Notes and the 2015- **1R-Notes-1N Debt**. Failure to comply with these covenants could result in a default. If we were unable to obtain a waiver of a default from the lenders or holders of that indebtedness, as applicable, those lenders or holders could accelerate repayment under that indebtedness, which may result in cross- acceleration of other indebtedness. An acceleration could have a material adverse impact on our business, financial condition and results of operations. Lastly, we may be unable to obtain additional leverage, which would, in turn, affect our return on capital. As of December 31, **2023-2024**, we had a combined \$ **984-978**, **6-4** million of outstanding consolidated indebtedness under our Credit Facility, **the** Senior Notes and 2015- **1R-Notes-1N Debt**. As of December 31, **2023-2024**, our **weighted average effective** annualized interest **cost rate** was **6.95-65** % excluding fees (such as fees on undrawn amounts and amortization of upfront fees). Since we generally pay interest at a floating rate on our Credit Facility and 2015- **1R-Notes-1N Debt** and the effective rate of our **2028-Senior** Notes is floating due to our interest rate swap, an increase in interest rates will generally increase our borrowing costs. The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns on our portfolio, net of expenses. The calculations in the table below are hypothetical, and actual returns may be higher or lower than those appearing in the table below. Assumed Return on Our Portfolio (Net of Expenses) Assumed annual returns on the Company's portfolio (net of expenses) (10) % (5) % 0 % 5 % 10 % Corresponding return to common stockholder (1) (28. **78-46**) % (**18-17**, **14-82**) % (7. **50-18**) % 3. **46** % 14 % **13.78-09** % (1) Assumes, as of December 31, **2023-2024**, (i) \$ **1,942-926**, **6-0** million in total assets, (ii) \$ **984-978**, **6-4** million in outstanding indebtedness, (iii) \$ **912-905**, **8-2** million in net assets and (iv) weighted average effective annual interest rate, excluding fees (such as fees on undrawn amounts and amortization of financing costs), of **6.95-65** %. Based on an outstanding indebtedness of \$ **984-978**, **6-4** million as of December 31, **2023-2024**, and the weighted average effective annual interest rate, excluding fees (such as fees on undrawn amounts and amortization of financing costs), of **6.95-65** % as of that date, our investment portfolio at fair value would have had to produce an annual return of approximately **3.52-38** % to cover annual interest payments on the outstanding debt. For more information on our indebtedness, see Part II, Item 7 of this Form 10- K "Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition, Liquidity and Capital Resources." **Our indebtedness could adversely affect our business, financial conditions or results of operations.** We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our credit facilities or otherwise in an amount sufficient to enable us to repay our indebtedness or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before it matures. We cannot assure you that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all. If we cannot service our indebtedness, we may have to take actions such as selling assets or seeking additional equity. We cannot assure you that any such actions, if necessary, could be effected on commercially reasonable terms or at all, or on terms that would not be disadvantageous to our stockholders or on terms that would not require us to breach the terms and conditions of our existing or future debt agreements. **Changes in interest rates have increased, and may in the future increase, our cost of capital, reduce the ability of our portfolio companies to service their debt obligations and decrease our net investment income.** General interest rate fluctuations and changes in credit spreads on floating rate loans may have a substantial negative impact on our investments and investment opportunities and, accordingly, may have a material adverse effect on our rate of return on invested capital, our net investment income and our NAV. Substantially all of our debt investments have variable interest rates that reset periodically based on benchmarks such as the Secured Overnight Financing Rate ("SOFR") and the U. S. Prime Rate ("Prime Rate" or "P"), so an increase in interest rates from their historically low levels may make it more difficult for our portfolio companies to service their obligations under the debt investments that we hold. Rising interest rates could also cause portfolio companies to shift cash from other productive uses to the payment of interest, which may have a material adverse effect on their business and operations and could, over time, lead to increased defaults. To address ~~ongoing~~ concerns about inflation, the Federal Reserve ~~has continued to increase~~ **increase** interest rates over the course of **2022 and 2023 and part of 2024 before it cut interest rates multiple times at the end of 2024. It is a possibility that the Federal Reserve** could **increase rates** further do so in **2024-2025** if inflation levels exceed certain levels in the United States. Furthermore, because we typically borrow money to make investments, our net investment income depends, in part, upon the difference between the rate at which we borrow funds and the rate at which we invest those funds. As a result, we can offer no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income to the extent we use debt to finance our investments. In periods of rising interest rates, our cost of funds would increase, which could reduce our net investment income. In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive impact on price. Adjustable rate instruments also react to interest rate changes in a similar manner, although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. In addition, a rise in the general level of interest rates can be expected to lead to higher interest rates applicable to our debt investments. Accordingly, the ~~recent~~ increases in interest rates **during 2023 and the majority of 2024** have made it easier for us to meet or exceed the incentive fee hurdle rate in our Investment Advisory Agreement and have resulted in increases in the amount of incentive fees payable to our Investment Adviser with respect to our pre- incentive fee net investment income. Also, an increase in interest rates available to investors could make an investment in our common stock less attractive if we are

not able to increase our distribution rate, which could reduce the value of our common stock. We have entered and may continue to enter into certain hedging transactions, such as interest rate swap agreements, to mitigate our exposure to adverse fluctuations in interest rates, and we may do so again in the future. However, we cannot assure you that such transactions will be successful in mitigating our exposure to interest rate risk. **We may experience fluctuations in our quarterly results.** We could experience fluctuations in our quarterly operating results due to a number of factors, including, the pace at which investments are made, the interest rate payable on the debt securities we acquire, the default rate on such securities, rates of repayment, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses and changes in unrealized appreciation or depreciation, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods. **There are significant potential conflicts of..... value of our common stock**). Our Investment Adviser is entitled to incentive compensation for each calendar quarter in an amount equal to a percentage of the excess of our pre-incentive fee net investment income for that quarter (before deducting incentive compensation) above a performance threshold for that quarter. In calculating our performance threshold, we use net assets which results in a lower hurdle rate than if we used gross assets like we do for determining our base management fee. Our pre-incentive fee net investment income for incentive compensation purposes excludes realized and unrealized capital losses and depreciation that we may incur in the calendar quarter, even if such capital losses or depreciation result in a net loss on our statement of operations for that quarter. Thus, we may be required to pay our Investment Adviser incentive compensation for a calendar quarter even if there is a decline in the value of our portfolio or we incur a net loss for that quarter. Our fee structure may induce our Investment Adviser to pursue speculative investments and incur leverage, and investors may bear the cost of multiple levels of fees and expenses. The incentive fees payable by us to our Investment Adviser may create an incentive for our Investment Adviser to pursue investments on our behalf that are riskier or more speculative than would be the case in the absence of such compensation arrangement. The incentive fees payable to our Investment Adviser are calculated based on a percentage of our return on invested capital. This may encourage our Investment Adviser to use leverage to increase the return on our investments. In particular, a portion of the incentive fees payable to the Investment Adviser is calculated based on the Company's pre-incentive fee net investment income, expressed as a rate of return on the value of the Company's net assets at the end of the immediately preceding calendar quarter, subject to a "hurdle rate" of 1.50% per quarter (6.00% annualized) and a "catch-up rate" of 1.82% per quarter (7.28% annualized). See Note 4, Related Party Transactions, to the consolidated financial statements included in Part II, Item 8 of this Form 10-K. Accordingly, an increase in leverage may make it easier for the Company to meet or exceed the hurdle rate applicable to the income-based incentive fee and may result in an increase in the amount of income-based incentive fee payable to the Investment Adviser. Under certain circumstances, the use of leverage may increase the likelihood of default, which would impair the value of our securities. In addition, our Investment Adviser receives the incentive fees based, in part, upon net capital gains realized on our investments. Unlike that portion of the incentive fees based on income, there is no hurdle rate applicable to the portion of the incentive fees based on net capital gains. As a result, our Investment Adviser may have incentive to invest more capital in investments that are likely to result in capital gains as compared to income producing securities. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during economic downturns. The "catch-up" portion of the incentive fees may encourage our Investment Adviser to accelerate or defer interest payable by portfolio companies from one calendar quarter to another, potentially resulting in fluctuations in timing and dividend amounts. Additionally, the incentive fees payable by us to our Investment Adviser may create an incentive for our Investment Adviser to cause us to realize capital gains or losses that may not be in the best interests of us or our stockholders. Under the incentive fee structure, our Investment Adviser benefits when we recognize capital gains and, because our Investment Adviser determines when an investment is sold, our Investment Adviser controls the timing of the recognition of such capital gains. Our Board of Directors is charged with protecting our stockholders' interests by monitoring how our Investment Adviser addresses these and other conflicts of interest associated with its management services and compensation. We may invest, to the extent permitted by law, in the securities and instruments of other investment companies, including private funds, and, to the extent we so invest, bear our ratable share of any such investment company's expenses, including management and performance fees. We also remain obligated to pay management and incentive fees to our Investment Adviser with respect to the assets invested in the securities and instruments of other investment companies. With respect to each of these investments, each of our stockholders bears his or her share of the management and incentive fees of our Investment Adviser as well as indirectly bearing the management and performance fees and other expenses of any investment companies in which we invest. Although we have elected to be treated, and intend to qualify annually, as a RIC for U. S. federal income tax purposes under Subchapter M of the Code, we cannot assure you that we will be able to maintain RIC status. To maintain RIC status and be relieved of U. S. federal income taxes on income and gains distributed to our stockholders, we must, among other things, have in effect an election to be treated, and continue to qualify, as a BDC under the Investment Company Act at all times during each taxable year and meet the Annual Distribution Requirement, the 90% Gross Income Test and the Diversification Tests (each as defined and explained more fully in Part I, Item 1 of this Form 10-K "Business — Regulation — General — Election to be Taxed as a RIC."). If we fail to maintain our RIC status for any reason, and we do not qualify for certain relief provisions under the Code, we would be subject to corporate-level U. S. federal income tax (and any applicable U. S. state and local taxes) regardless of whether we make any distributions to our stockholders. In this event, the resulting taxes and any resulting penalties could substantially reduce our net assets, the amount of our income available for distribution and the amount of our distributions to our stockholders, which would have a material adverse effect on our financial performance. For additional discussion regarding the tax implications of a RIC, see Part I, Item 1 of this Form 10-K "Business — Regulation — Election to be Taxed as a RIC" for additional information. A portion of our income and fees may not be qualifying income for purposes of the income

source requirement. Some of the income and fees that we may recognize will not satisfy the income source requirement applicable to RICs. In order to ensure that such income and fees do not disqualify us as a RIC for a failure to satisfy such requirement, we may be required to recognize such income and fees indirectly through one or more entities treated as corporations for U. S. federal income tax purposes. Such corporations will be required to pay U. S. corporate income tax on their earnings, which ultimately will reduce the amount of income available for distribution. If we are not treated as a “ publicly offered regulated investment company, ” as defined in the Code, certain U. S. stockholders will be treated as having received a dividend from us in the amount of such U. S. stockholders’ allocable share of the management and incentive fees paid to our Investment Adviser and certain of our other expenses. We expect to be treated as a “ publicly offered regulated investment company ” as a result of shares of our common stock being treated as regularly traded on an established securities market. However, we cannot assure you that we will be treated as a publicly offered regulated investment company for all years. If we are not treated as a publicly offered regulated investment company for any calendar year, each U. S. stockholder that is an individual, trust or estate will be treated as having received a dividend from us in the amount of such U. S. stockholder’ s allocable share of the management and incentive fees paid to our Investment Adviser and certain of our other expenses for the calendar year, and these fees and expenses will be treated as miscellaneous itemized deductions of such U. S. stockholder. Miscellaneous itemized deductions generally are deductible by a U. S. stockholder that is an individual, trust or estate only for tax years of such U. S. stockholder beginning after 2025 and only to the extent that the aggregate of such U. S. stockholder’ s miscellaneous itemized deductions exceeds 2 % of such U. S. stockholder’ s adjusted gross income for U. S. federal income tax purposes, are not deductible for purposes of the alternative minimum tax and are subject to the overall limitation on itemized deductions under the Code. See Part I, Item 1 of this Form 10- K “ Business — Regulation — General — Election to be Taxed as a RIC ” for additional information. If we fail to maintain the adequacy of our internal controls over financial reporting, we may not be able to accurately report our financial results, which may adversely affect investor confidence in us and, as a result, the value of the securities we issue. Effective internal controls over financial reporting are necessary for us to provide reliable financial reports. Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the SEC or violations of applicable stock exchange listing rules, and result in a breach of the covenants under the agreements governing any of our financing arrangements. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Additionally, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective. If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm were to report a material weakness in our internal controls over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports. This could materially adversely affect us and lead to a decline in the price of the securities we issue. Our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our operations, financial reporting or financial results could be harmed and we could fail to meet our financial reporting obligations. Certain investors are limited in their ability to make significant investments in us. Private funds that are excluded from the definition of “ investment company ” either pursuant to Section 3 (c) (1) or 3 (c) (7) of the Investment Company Act are restricted from acquiring directly or through a controlled entity more than 3 % of our total outstanding voting stock (measured at the time of the acquisition), unless certain conditions are satisfied. Investment companies registered under the Investment Company Act and BDCs are also subject to this restriction as well as other limitations under the Investment Company Act that would restrict the amount that they are able to invest in our securities. As a result, certain investors will be limited in their ability to make significant investments in us at a time that they might desire to do so. **Our Board of Directors is authorized to reclassify any unissued shares of common stock into one or more classes of preferred stock, which could convey special rights and privileges to its owners.**

Under the MGCL and our Charter, our Board of Directors is authorized to classify and reclassify any authorized but unissued shares of stock into one or more classes of stock, including preferred stock. Prior to the issuance of shares of each class or series, the Board of Directors is required by Maryland law and our Charter to set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series. Thus, the Board of Directors could authorize the issuance of shares of preferred stock with terms and conditions which could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of our common stock or otherwise be in their best interest. The cost of any such reclassification would be borne by our existing common stockholders. Certain matters under the Investment Company Act require the separate vote of the holders of any issued and outstanding preferred stock. For example, holders of preferred stock would vote separately from the holders of common stock on a proposal to cease operations as a BDC. In addition, the Investment Company Act provides that holders of preferred stock are entitled to vote separately from holders of common stock to elect two preferred stock directors. We currently have no plans to issue additional preferred stock, but may determine to issue additional preferred stock in the future. The issuance of preferred stock convertible into shares of common stock might also reduce the net income per **common** share and NAV per share of our common stock upon conversion, provided, that we will only be permitted to issue such convertible preferred stock to the extent we comply with the requirements of Section 61 of the Investment Company Act. In addition, under the Investment Company Act, participating preferred stock and preferred stock constitutes a “ senior security ” for purposes of the 150 % asset coverage test. These effects, among others, could have an adverse effect on an investment in our common stock. On May 5, 2020, we issued the Preferred Stock. See “ — We issued the Preferred Stock in May 2020 and we may in the future determine to issue additional preferred stock, which could adversely

affect the market value of our common stock, ” “ — Our stockholders may experience dilution upon the conversion of the Preferred Stock, ” and “ — Holders of the Preferred Stock have the right to elect members of the board of directors and class voting rights on certain matters. ” Provisions of the MGCL and of our Charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock. The MGCL and our Charter and bylaws contain provisions that may discourage, delay or make more difficult a change in control of us or the removal of our directors. We are subject to the Maryland Business Combination Act (“ MBCA ”), subject to any applicable requirements of the Investment Company Act. Our Board of Directors has adopted a resolution exempting from the MBCA any business combination between us and any other person, subject to prior approval of such business combination by our Board of Directors, including approval by a majority of our Independent Directors. If the resolution exempting business combinations is repealed or our Board of Directors does not approve a business combination, the MBCA may discourage third parties from trying to acquire control of us and increase the difficulty of consummating such an offer. Our bylaws exempt from the Maryland Control Share Acquisition Act (“ Control Share Act ”) acquisitions of our stock by any person. If we amend our bylaws to repeal the exemption from the Control Share Act, the Control Share Act also may make it more difficult for a third party to obtain control of us and increase the difficulty of consummating such a transaction. However, we will amend our bylaws to be subject to the Control Share Act only if our Board of Directors determines that it would be in our best interests and if the SEC staff does not object to our determination that our being subject to the Control Share Act does not conflict with the Investment Company Act. We have also adopted measures that may make it difficult for a third party to obtain control of us, including provisions of our Charter classifying our Board of Directors in three classes serving staggered three- year terms, and authorizing our Board of Directors to classify or reclassify shares of our stock in one or more classes or series, to cause the issuance of additional shares of our stock, to amend our Charter without stockholder approval and to increase or decrease the number of shares of stock or the number of shares of stock of any class or series that we have authority to issue. These provisions, as well as other provisions of our Charter and bylaws, may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of our stockholders. Our Board of Directors has the authority to modify or, if applicable, waive our investment objectives, operating policies and strategies without prior notice (except as required by the Investment Company Act) and without stockholder approval. In addition, none of our investment policies is fundamental and any of them may be changed without stockholder approval. However, absent stockholder approval, we may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC. We cannot predict the effect any changes to our current investment objectives, operating policies or strategies would have on our business, operating results and value of our stock. Nevertheless, the effects may adversely affect our business and impact our ability to make distributions. Our business is highly dependent on the communications and information systems of our Investment Adviser, its affiliates and third parties. Any failure or interruption of those systems or services, including as a result of the termination or suspension of an agreement with any third- party service providers, could cause delays or other problems in our activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. There could be: • sudden electrical or telecommunications outages; • natural disasters such as earthquakes, tornadoes and hurricanes; • disease pandemics; • events arising from local or larger scale political or social matters, including terrorist acts; and • cyber- attacks. These events, in turn, could have a material adverse effect on our operating results and negatively affect the market price of our common stock and our ability to pay dividends to our stockholders. Cybersecurity risks and cyber incidents may adversely affect our business or those of our portfolio companies by causing a disruption to our operations, a compromise or corruption of confidential information and / or damage to business relationships, or those of our portfolio companies, all of which could negatively impact our business, results of operations or financial condition. Cyber incidents and cyber- attacks have been occurring globally at a more frequent and severe level and are expected to continue to increase in frequency and severity in the future. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to, use, alteration or destruction of our information systems for purposes of misappropriating assets, obtaining ransom payments, stealing confidential information, corrupting data or causing operational disruption, or may involve phishing. The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen information, misappropriation of assets, increased cybersecurity protection and insurance costs, litigation and damage to our business relationships. This could result in significant losses, reputational damage, litigation, regulatory fines or penalties, or otherwise adversely affect our business, financial condition or results of operations. In addition, we may be required to expend significant additional resources to modify our protective measures and to investigate and remediate vulnerabilities or other exposures arising from operational and security risks. The costs related to cybersecurity incidents may not be fully insured or indemnified. As our and our portfolio companies’ reliance on technology has increased, so have the risks posed to our information systems, both internal and those provided by our Investment Adviser and third- party service providers, and the information systems of our portfolio companies. We, our Investment Adviser and its affiliates have implemented processes, procedures and internal controls to help mitigate cybersecurity risks and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a risk of a cyber incident, may be ineffective and do not guarantee that a cyber incident will not occur or that our financial results, operations or confidential information will not be negatively impacted by such an incident. Third parties with which we do business (including, but not limited to, service providers, such as accountants, custodians, transfer agents and administrators, and the issuers of securities in which we invest) may also be sources or targets of cybersecurity or other technological risks. We outsource certain functions and these relationships allow for the storage and processing of our information and assets, as well as certain investor, counterparty, employee and borrower information. While we engage in actions to reduce our exposure resulting from outsourcing, we cannot control the cybersecurity plans and systems put in place

by these third parties and ongoing threats may result in unauthorized access, loss, exposure or destruction of data, or other cybersecurity incidents, with increased costs and other consequences, including those described above. Privacy and information security laws and regulation changes, and compliance with those changes, may also result in cost increases due to system changes and the development of new administrative processes. We and our portfolio companies are subject to laws and regulations at the U. S. federal, state and local levels and, in some cases, foreign levels. These laws and regulations, as well as their interpretation, may change from time to time, and new laws, regulations and interpretations may also come into effect. Any such new or changed laws or regulations could have a material adverse effect on our business or the business of our portfolio companies. The legal, tax and regulatory environment for BDCs, investment advisers and the instruments that they utilize (including derivative instruments) is continuously evolving. In addition, there is significant uncertainty regarding recently enacted legislation and the regulations that have recently been adopted and future regulations that may or may not be adopted pursuant to such legislation and, consequently, the full impact that such legislation will ultimately have on us and the markets in which we trade and invest is not fully known. Such uncertainty and any resulting confusion may itself be detrimental to the efficient functioning of the markets and the success of certain investment strategies. In addition, as private equity firms become more influential participants in the U. S. and global financial markets and economy generally, there recently has been pressure for greater governmental scrutiny and / or regulation of the private equity industry. It is uncertain as to what form and in what jurisdictions such enhanced scrutiny and / or regulation, if any, on the private equity industry may ultimately take. Therefore, there can be no assurance as to whether any such scrutiny or initiatives will have an adverse impact on the private equity industry, including our ability to effect operating improvements or restructurings of our portfolio companies or otherwise achieve our objectives. Over the last several years, there also has been an increase in regulatory attention to the extension of credit outside of the traditional banking sector, raising the possibility that some portion of the non- bank financial sector will be subject to new regulation. While it cannot be known at this time whether any regulation will be implemented or what form it will take, increased regulation of non- bank credit extension could negatively impact our operating results or financial condition, impose additional costs on us, intensify the regulatory supervision of us or otherwise adversely affect our business. Our ability to continue to operate depends on the services provided by our Investment Adviser, Administrator and sub- administrators. Each is able to resign upon 60 days' notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations. Our ability to continue to operate depends on the services provided by our Investment Adviser, Administrator and sub- administrators. Our Investment Adviser, our Administrator, and our sub- administrators each have the right to resign under the Investment Advisory Agreement, the Administration Agreement and the Sub- Administration Agreements, respectively, upon 60 days' written notice, whether a replacement has been found or not. If any of them resigns, it may be difficult to find a replacement with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If a replacement is not found quickly, our business, results of operations and financial condition as well as our ability to pay distributions are likely to be adversely affected and the value of our shares may decline. In addition, the coordination of our internal management and investment activities is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by our Investment Adviser, our Administrator and their affiliates, including certain of our sub- administrators. Even if a comparable service provider or individuals performing such services are retained, whether internal or external, their integration into our business and lack of familiarity with our investment objective may result in additional costs and time delays that may materially adversely affect our business, results of operations and financial condition. Moreover, it will be an event of default under the Credit Facility if our Investment Adviser or an affiliate of our Investment Adviser ceases to manage us, which could result in the immediate acceleration of the amounts due under the Credit Facility. Our Investment Adviser' s liability is limited under the Investment Advisory Agreement, and we are required to indemnify our Investment Adviser against certain liabilities, which may lead our Investment Adviser to act in a riskier manner on our behalf than it would when acting for its own account. Our Investment Adviser has not assumed any responsibility to us other than to render the services described in the Investment Advisory Agreement, and it will not be responsible for any action of our Board of Directors in declining to follow our Investment Adviser' s advice or recommendations. Pursuant to the Investment Advisory Agreement, our Investment Adviser and its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other person or entities affiliated with it will not be liable to us for their acts under the Investment Advisory Agreement, absent willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties. We have agreed to indemnify, defend and protect our Investment Adviser and its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other person or entities affiliated with it with respect to all damages, liabilities, costs and expenses arising out of or otherwise based upon the performance of any of our Investment Adviser' s duties or obligations under the Investment Advisory Agreement or otherwise as an Investment Adviser for us, and not arising out of willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties under the Investment Advisory Agreement. These protections may lead our Investment Adviser to act in a riskier manner when acting on our behalf than it would when acting for its own account. See — “ Our fee structure may induce our Investment Adviser to pursue speculative investments and incur leverage, and investors may bear the cost of multiple levels of fees and expenses. ” for additional information. Because the 2015- 1 Issuer is disregarded as an entity separate from its owner for U. S. federal income tax purposes, the sale or contribution by us to the 2015- 1 Issuer, as part of the 2015- 1 Debt Securitization and 2015- 1 Debt Securitization Refinancing (as defined in Part II, Item 7 of this Form 10- K “ Portfolio and Investment Activity- Securitizations ”) and 2015- 1R Refinancing (as defined in Note 1, Organization, to the consolidated financial statements included in Part II, Item 8 of this Form 10- K) , did not constitute a taxable event for U. S. federal income tax purposes. If the U. S. Internal Revenue Service were to take a contrary position, there could be a material adverse effect on our business, financial condition, results of operations or cash flows. The 2015- 1 Issuer Preferred Interests are

subordinated obligations and therefore we may not receive cash from the 2015- 1 Issuer. The 2015- 1 Issuer is the residual claimant on funds, if any, remaining after holders of all classes of the 2015- ~~1R Notes~~ **1N Debt** have been paid in full on each payment date or upon maturity of the 2015- ~~1R Notes~~ **1N Debt** under the 2015- ~~1R~~ **1 Debt Securitization**-Refinancing documents. The 2015- 1 Issuer Preferred Interests represent all of the equity interest in the 2015- 1 Issuer and, as the holder of the 2015- 1 Issuer Preferred Interests, we may receive distributions, if any, only to the extent that the 2015- 1 Issuer makes distributions out of funds remaining after holders of all classes of the 2015- ~~1R Notes~~ **1N Debt** have been paid in full on each payment date any amounts due and owing on such payment date or upon maturity of the 2015- ~~1R Notes~~ **1N Debt**. There is no guarantee that we will receive any distributions as the holders of the 2015- 1 Issuer Preferred Interests. In addition, if the 2015- 1 Issuer does not meet the asset coverage tests or the interest coverage test set forth in the documents governing the 2015- ~~1R~~ **1 Debt Securitization**-Refinancing, cash would be diverted to first pay the 2015- ~~1R Notes~~ **1N Debt** in amounts sufficient to cause such tests to be satisfied. The interests of holders of the 2015- ~~1R Notes~~ **1N Debt** issued by the 2015- 1 Issuer may not be aligned with our interests. The 2015- ~~1N~~ **1R Notes** are the debt **Debt ranks** obligations ranking senior in right of payment to our interests. As such, there are circumstances in which the interests of holders of the 2015- ~~1R Notes~~ **1N Debt** may not be aligned with our interests. For example, under the terms of the 2015- 1 Issuer, holders of the 2015- ~~1R Notes~~ **1N Debt** have the right to receive payments of principal and interest prior to distribution to our interests. For as long as the 2015- ~~1R Notes~~ **1N Debt** remain **remains** outstanding, holders of the 2015- ~~1R Notes~~ **1N Debt** have the right to act, in certain circumstances, with respect to the portfolio loans in ways that may benefit their interests but not the interests of holders of the 2015- 1 Issuer Preferred Interests, including by exercising remedies under the indenture governing the 2015- ~~1R Notes~~ **1N Debt** (the “ 2015- 1 Indenture ”). If an event of default has occurred and acceleration occurs in accordance with the terms of the 2015- 1 Indenture, the 2015- ~~1R Notes~~ **1N Debt** then outstanding will be paid in full before any further payment or distribution to the 2015- 1 Issuer Preferred Interests. In addition, if an event of default occurs, holders of a majority of the 2015- ~~1R Notes~~ **1N Debt** then outstanding will be entitled to determine the remedies to be exercised under the 2015- 1 Indenture, subject to the terms of the 2015- 1 Indenture. For example, upon the occurrence of an event of default with respect to the notes issued by the 2015- 1 Issuer, the trustee or holders of a majority of the 2015- ~~1R Notes~~ **1N Debt** then outstanding may declare the principal, together with any accrued interest, of all the 2015- ~~1R Notes~~ **1N Debt** to be immediately due and payable. This would have the effect of accelerating the principal on such notes, triggering a repayment obligation on the part of the 2015- 1 Issuer. If at such time the portfolio loans of the 2015- 1 Issuer were not performing well, the 2015- 1 Issuer may not have sufficient proceeds available to enable the trustee under the 2015- 1 Indenture to pay a distribution to holders of the 2015- 1 Issuer Preferred Interests. Remedies pursued by the holders of the 2015- ~~1R Notes~~ **1N Debt** could be adverse to the interests of the holders of the 2015- 1 Issuer Preferred Interests, and the holders of the 2015- ~~1R Notes~~ **1N Debt** have no obligation to consider any possible adverse effect on such other interests. Thus, any remedies pursued by the holders of the 2015- ~~1R Notes~~ **1N Debt** may not be in our best interests and we may not receive payments or distributions upon an acceleration of the 2015- ~~1R Notes~~ **1N Debt**. Any failure of the 2015- 1 Issuer to make distributions on the 2015- 1 Issuer Preferred Interests we hold, directly or indirectly, whether as a result of an event of default or otherwise, could have a material adverse effect on our business, financial condition, results of operations and cash flows and may result in an inability of us to make distributions sufficient to allow for us to qualify as a RIC for U. S. federal income tax purposes. The 2015- 1 Issuer may fail to meet certain asset coverage tests. Under the documents governing the 2015- ~~1R~~ **1 Debt Securitization**-Refinancing, there are two coverage tests applicable to the 2015- ~~1R Notes~~ **1N Debt**. The first such test compares the amount of interest received on the portfolio loans held by the 2015- 1 Issuer to the amount of interest payable in respect of the 2015- ~~1R Notes~~ **1N Debt**. To meet this first test, interest received on the portfolio loans must equal at least 110 % of the interest payable in respect of the 2015- ~~1R Notes~~ **1N Debt** issued by the 2015- 1 Issuer. The second such test compares the adjusted collateral principal amount of the portfolio loans of the 2015- ~~1R~~ **1 Debt Securitization**-Refinancing to the aggregate outstanding principal amount of the 2015- ~~1R Notes~~ **1N Debt**. To meet this second test at any time, the adjusted collateral principal amount of the portfolio loans must equal at least 116. ~~40~~ % of the outstanding principal amount of the 2015- ~~1R Notes~~ **1N Debt**. If any coverage test with respect to the 2015- ~~1R Notes~~ **1N Debt** is not met, proceeds from the portfolio of loans that otherwise would have been distributed to the holders of the 2015- 1 Issuer Preferred Interests will instead be used to redeem first the 2015- ~~1R Notes~~ **1N Debt**, to the extent necessary to satisfy the applicable asset coverage tests on a pro forma basis after giving effect to all payments made in respect of the 2015- ~~1R Notes~~ **1N Debt**, which we refer to as a mandatory redemption, or to obtain the necessary ratings confirmation. There is no guarantee that the 2015- ~~1R Notes~~ **1N Debt** will meet either of these coverage tests, and thus, we may not receive distributions as the holders of the 2015- 1 Issuer Preferred Interests. Even if we do not receive cash directly from the 2015- 1 Issuer, such amount will still be treated as income subject to our requirement to distribute 90 % of our net investment income to our stockholders. Therefore, in the event that we fail to receive cash directly from the 2015- 1 Issuer, we could be unable to make such distributions in amounts sufficient to maintain our status as a RIC for U. S. federal income tax purposes, or at all. We may be required to assume liabilities of the 2015- 1 Issuer and are indirectly liable for certain representations and warranties in connection with the 2015- ~~1R~~ **1 Debt Securitization**-Refinancing. **Pursuant to the contribution agreement we entered into with the 2015- 1 Issuer** ~~Debt Securitization Refinancing~~, we entered into a contribution agreement under which we are required to repurchase any loan (or participation interest therein) which was sold to the 2015- 1 Issuer in breach of any representation or warranty made by us with respect to such loan on the date such loan was sold. To the extent we fail to satisfy any such repurchase obligation, the trustee of the 2015- ~~1R~~ **1 Debt Securitization**-Refinancing may, on behalf of the 2015- 1 Issuer, bring an action against us to enforce these repurchase obligations. The structure of the 2015- ~~1R~~ **1 Debt Securitization**-Refinancing is intended to prevent, in the event of our bankruptcy, the consolidation of the 2015- 1 Issuer with our operations. If the true sale of the assets in the 2015- ~~1R~~ **1 Debt Securitization**-Refinancing were not respected in the event of our insolvency, a trustee or debtor- in- possession might reclaim the assets of the 2015- 1 Issuer for our estate. However, in doing so, we would become directly liable for all of the indebtedness

then outstanding under the 2015- ~~IR-1 Debt Securitization~~ Refinancing, which would equal the full amount of debt of the 2015-1 Issuer reflected on our consolidated balance sheet. In addition, in connection with 2015- ~~IR-1 Debt Securitization~~ Refinancing, the Company has made customary representations, warranties and covenants to the 2015-1 Issuer. We remain liable for any breach of such representations for the life of the 2015- ~~IR-1 Debt Securitization~~ Refinancing. Our investments are risky and speculative. We invest primarily in loans to middle market companies whose debt, if rated, is rated below investment grade and, if not rated, would likely be rated below investment grade if it were rated. Investments rated below investment grade are generally considered higher risk than investment grade instruments. Bonds that are rated below investment grade are sometimes referred to as “high yield bonds” or “junk bonds.” Exposure to below investment grade instruments involves certain risks, including speculation with respect to the borrower’s capacity to pay interest and repay principal. In our first lien loans, the fact that a loan is secured does not guarantee that we will receive principal and interest payments according to the loan’s terms, or at all, or that we will be able to collect on the loan should we be forced to enforce our remedies. To the extent we hold second lien senior secured loans and junior debt investments, holders of first lien loans may be repaid before us in the event of a bankruptcy or other insolvency proceeding. This may result in an above average amount of risk and loss of principal. Unitranche loans generally allow the borrower to make a large lump sum payment of principal at the end of the loan term, and there is a heightened risk of loss if the borrower is unable to pay the lump sum or refinance the amount owed at maturity. When we invest in loans, we have acquired and may in the future acquire equity securities as well. However, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. Some of the loans in which we may invest may be “covenant- lite” loans, which means the loans contain fewer covenants than other loans (in some cases, none) and may not include terms which allow the lender to monitor the performance of the borrower and declare a default if certain criteria are breached. An investment by us in a covenant- lite loan may potentially hinder the ability to reprice credit risk associated with the issuer and reduce the ability to restructure a problematic loan and mitigate potential loss. We may also experience delays in enforcing our rights under covenant- lite loans. As a result of these risks, our exposure to losses may be increased, which could result in an adverse impact on our net income and net asset value. In addition, investing in middle market companies involves a number of significant risks, including:

- these companies may have limited financial resources and may be unable to meet their obligations under their debt securities that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing on any guarantees or security we may have obtained in connection with our investment;
- they typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors’ actions and market conditions, as well as general economic downturns;
- they are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on a portfolio company and, in turn, on us;
- there is generally little public information about these companies. These companies and their financial information are usually not subject to the Exchange Act and other regulations that govern public companies, and we may be unable to uncover all material information about these companies, which may prevent us from making a fully informed investment decision and cause us to lose money on our investments;
- they generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. In addition, our executive officers, directors and our Investment Adviser may, in the ordinary course of business, be named as defendants in litigation arising from our investments in the portfolio companies;
- changes in laws and regulations, as well as their interpretations, may adversely affect their business, financial structure or prospects; and
- they may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity. Our portfolio securities are generally illiquid and typically do not have a readily available market price and, in such a case, we will value these securities at fair value as determined in good faith under procedures adopted by our Board of Directors or its designee, which valuation is inherently subjective and may not reflect what we may actually realize from the sale of the investment. Substantially all of our portfolio investments are in the form of debt investments that are not publicly traded and are illiquid compared to publicly traded securities, and there can be no assurance that we will be able to realize returns on such investments in a timely manner. The fair value of these illiquid portfolio securities is not readily determinable, and the due diligence process that our Investment Adviser undertakes in connection with our investments may not reveal all the facts that may be relevant in connection with such investment. The Investment Adviser, as the valuation designee pursuant to Rule 2a-5 under the Investment Company Act, determines in good faith the fair value of our investment portfolio for which market quotations are not readily available. The Investment Adviser values these investments on at least a quarterly basis in accordance with our valuation policy, which is at all times consistent with accounting principles generally accepted in the United States (“U. S. GAAP”). Our Board of Directors utilizes the services of a third- party valuation firm to aid it in reviewing the determinations of our Investment Adviser’s investment professionals, which are based upon the most recent portfolio company financial statements available and projected financial results of each portfolio company. The participation of our Investment Adviser in our valuation process, and the indirect pecuniary interest in our Investment Adviser by the Interested Directors on our Board of Directors, could result in a conflict of interest, because the management fee is based on our gross assets and also because our Investment Adviser is receiving performance- based incentive fees. The factors that are considered in the fair value pricing of our investments include the nature and realizable value of any collateral, the portfolio company’s ability to make payments and its earnings, the markets in which the portfolio company does business, comparisons to publicly traded companies, discounted cash flow, relevant credit market indices, and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we consider the pricing indicated by the external event to corroborate our valuation. Because such valuations, and particularly valuations of private investments and

private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our Investment Adviser's determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. Also, since these valuations are, to a large extent, based on estimates, comparisons and qualitative evaluations of private information, it could make it more difficult for investors to value accurately our investments and could lead to undervaluation or overvaluation of our securities. In addition, the valuation of these types of securities may result in substantial write-downs and earnings volatility. If our Investment Adviser is unable to uncover all material information about these companies, we may not make a fully informed investment decision, and we may lose money on our investments. Also, privately held companies frequently have less diverse product lines and smaller market presence than larger competitors. Decreases in the market values or fair values of our investments are recorded as unrealized depreciation. The effect of all of these factors on our portfolio can reduce our NAV by increasing net unrealized depreciation in our portfolio. Depending on market conditions, we could incur substantial realized losses and may suffer unrealized losses, which could have a material adverse impact on our business, financial condition and results of operations. Our NAV as of a particular date may be materially greater than or less than the value that would be realized if our assets were to be liquidated as of such date. For example, if we were required to sell a certain asset or all or a substantial portion of our assets on a particular date, the actual price that we would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in our NAV. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in our NAV. The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions. In particular, in light of changes in such conditions, including changes in long-term interest rates, certain types of investments may not be available to us on terms that are as attractive as the terms on which opportunities were available to previous investment programs sponsored by Carlyle. A number of entities, including BDCs managed by our Investment Adviser or an affiliate, compete with us to make the types of investments that we target in middle market companies. We compete with other BDCs, public and private funds, commercial and investment banks, commercial finance companies, and, to the extent they provide an alternative form of financing, private equity funds, some of which are affiliates of us. Furthermore, over the past several years, an ever-increasing number of debt and credit opportunities funds have been formed and many such existing funds have grown substantially in size. Additional funds with similar objectives may be formed in the future by Carlyle or by other unrelated parties. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. Consequently, it is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to us and adversely affecting the terms upon which investments can be made. Furthermore, many of our competitors are not subject to the regulatory restrictions that the Investment Company Act and the Code impose on us. The competitive pressures we face may have a material adverse effect on our business, financial condition and results of operations. As a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and, accordingly, we may incur legal, due diligence and other costs on investments which may not be successful and we may not recover all of our costs, which would adversely affect returns. We can offer no assurance that we will be able to identify and make investments that are consistent with our investment objective. We do not seek to compete primarily based on the interest rates we offer, and we believe that some of our competitors may make loans with interest rates that are comparable to or lower than the rates we offer. We may lose investment opportunities if we do not match our competitors' pricing, terms and structure. However, if we match our competitors' pricing, terms and structure, we may experience decreased net interest income and increased risk of credit loss. Our portfolio companies may be highly leveraged. Some of our portfolio companies are highly leveraged, which may have adverse consequences to these companies and to us as an investor. These companies may be subject to restrictive financial and operating covenants and the leverage may impair these companies' ability to finance their future operations and capital needs. As a result, these companies' flexibility to respond to changing business and economic conditions and to take advantage of business opportunities may be limited. Further, a leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used. Moreover, rising interest rates may significantly increase a company's or project's interest expense, or a significant industry downturn may affect a company's ability to generate positive cash flow, in either case causing an inability of a leveraged company to service outstanding debt. In the event such leveraged company cannot generate adequate cash flow to meet debt obligations, the company may default on its loan agreements or be forced into bankruptcy resulting in a restructuring or liquidation of the company. Leveraged companies may enter into bankruptcy proceedings at higher rates than companies that are not leveraged. Depending on the facts and circumstances of our investments and the extent of our involvement in the management of a portfolio company, upon the bankruptcy of a portfolio company, a bankruptcy court may recharacterize our debt investments as equity interests and subordinate all or a portion of our claim to that of other creditors. This could occur even though we may have structured our investment as senior debt. Our portfolio companies may incur debt that ranks equally with, or senior to, some of our investments in such companies and if there is a default, we may experience a loss on our investment. To the extent we invest in second lien, mezzanine or other instruments, our portfolio companies typically may be permitted to incur other debt that ranks equally with, or senior to, such debt instruments. By their terms, such debt instruments may provide that the holders are entitled to receive payment of interest or principal on or before the dates on which we will be entitled to receive payments in respect of the debt securities in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution in respect of our investment. In such cases, after repaying such senior creditors, such portfolio company may not have sufficient remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with debt securities in which we invest, we would have to share on an equal basis any

distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company. The rights we may have with respect to the collateral securing the debt investments we make in our portfolio companies with senior debt outstanding may also be limited pursuant to the terms of one or more intercreditor agreements that we enter into with the holders of senior debt. Under such an intercreditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations secured by the first priority liens: the ability to cause the commencement of enforcement proceedings against the collateral; the ability to control the conduct of such proceedings; the approval of amendments to collateral documents; releases of liens on the collateral; and waivers of past defaults under collateral documents. We may not have the ability to control or direct such actions, even if our rights are adversely affected. We may also make unsecured loans to portfolio companies. Liens on such portfolio companies' collateral, if any, will secure the portfolio company's obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by the portfolio company under its secured loan agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before us. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy our unsecured loan obligations after payment in full of all secured loan obligations. If such proceeds were not sufficient to repay the outstanding secured loan obligations, then our unsecured claims would rank equally with the unpaid portion of such secured creditors' claims against the portfolio company's remaining assets, if any. Our portfolio may be concentrated in a limited number of portfolio companies and industries, which will subject us to a risk of significant loss if any of these companies defaults on its obligations under any of its debt instruments or if there is a downturn in a particular industry. We are classified as a non-diversified investment company within the meaning of the Investment Company Act, which means that we are not limited by the Investment Company Act with respect to the proportion of our assets that we may invest in securities of a single issuer, excluding limitations on investments in other investment companies. Although we do not intend to focus our investments in any specific industries, our portfolio may be concentrated in a limited number of portfolio companies and industries. Beyond the asset diversification requirements associated with our qualification as a RIC under Subchapter M of the Code and under the Credit Facility, Senior Notes and 2015-1R Notes **IN Debt**, we do not have fixed guidelines for diversification, and while we do not target any specific industries, our investments may be concentrated in relatively few industries. As a result, the aggregate returns we will realize may be significantly adversely affected if a small number of investments perform poorly or if we need to write down the value of one or more investments. Additionally, a downturn in any particular industry in which we are invested could also significantly impact our aggregate returns. As a BDC, we are required to account for our investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by or under the direction of our Board of Directors, which has appointed our Investment Adviser as the valuation designee pursuant to Rule 2a-5 under the Investment Company Act. Decreases in the market values or fair values of our investments are recorded as unrealized depreciation. Depending on market conditions, we could incur substantial realized losses and suffer additional unrealized losses, which would reduce our NAV and have a material adverse impact on our business, financial condition and results of operations. We have in the past and may in the future make investments in restructurings that involve, or otherwise invest in the debt securities of, companies that are experiencing or are expected to experience severe financial difficulties. These severe financial difficulties may never be overcome and may cause such companies to become subject to bankruptcy proceedings. As such, these investments could subject us to certain additional potential liabilities that may exceed the value of our original investment therein. The level of analytical sophistication, both financial and legal, necessary for successful financing to companies experiencing significant business and financial difficulties is unusually high. The financial projections of our portfolio companies could prove inaccurate. We generally evaluate the capital structure of portfolio companies on the basis of financial projections prepared by the management of such portfolio companies. These projected operating results are normally based primarily on judgments of the management of the portfolio companies. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. General economic conditions, which are not predictable with accuracy, along with other factors may cause actual performance to fall short of the financial projections that were used to establish a given portfolio company's capital structure. Because of the leverage that is typically employed by our portfolio companies, this could cause a substantial decrease in the value of our investment in the portfolio company. The inaccuracy of financial projections could thus cause our performance to fall short of our expectations. In addition, when sourcing debt investments, we expect to rely significantly upon representations made to us by the borrower. There can be no assurance that such representations are accurate or complete, or that any due diligence undertaken would identify any misrepresentation or omission. The due diligence investigation that our Investment Adviser carries out with respect to an investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Before we make investments, our Investment Adviser will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, credit rating agencies, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. When conducting due diligence and making an assessment regarding an investment, our Investment Adviser will rely on the resources available to it, including information provided by the portfolio companies and, in some circumstances, third-party investigations. In addition, investment analyses and decisions by our Investment Adviser may be required to be undertaken on an expedited basis to take advantage of certain investment opportunities. In such cases, the information available to our Investment Adviser at the time of making an investment decision may be limited. The due diligence investigation that our Investment Adviser carries out with

respect to an investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, the due diligence investigation does not ensure that such investment will be successful. In addition, Carlyle's Environmental, Social and Governance program may cause us not to make an investment we otherwise would have made or impact other action taken or refrained from. Loans are generally prepayable at any time, most of them at no premium to par. We are generally unable to predict the rate and frequency of such repayments. Whether a loan is prepaid will depend both on the continued positive performance of the portfolio company and the existence of favorable financing market conditions that allow such portfolio company the ability to replace existing financing with less expensive capital. In periods of rising interest rates, the risk of prepayment of floating rate loans may increase if other financing sources are available. As market conditions change frequently, we will often be unable to predict when, and if, this may be possible for each of our portfolio companies. In the case of some of these loans, having the loan called early may have the effect of reducing our actual investment income below our expected investment income if the capital returned cannot be invested in transactions with equal or greater yields. **We invest through joint ventures, partnerships or other special purpose vehicles and our investments through these vehicles may entail greater risks, or risks that we otherwise would not incur, if we otherwise made such investments directly.** We make indirect investments in portfolio companies through joint ventures, partnerships or other special purpose vehicles ("Investment Vehicles") including Credit Fund and Credit Fund II. In general, the risks associated with indirect investments in portfolio companies through an Investment Vehicle are similar to those associated with a direct investment in a portfolio company. While we intend to analyze the credit and business of a potential portfolio company in determining whether to make an investment through an Investment Vehicle, we will nonetheless be exposed to the creditworthiness of the Investment Vehicle. In the event of a bankruptcy proceeding against the portfolio company, the assets of the portfolio company would typically be used to satisfy its obligations prior to the satisfaction of our investment in the Investment Vehicle (i. e., our investment in the Investment Vehicle would be structurally subordinated to the obligations of the portfolio company). In addition, if we are to invest in an Investment Vehicle, we may be required to rely on our partners in the Investment Vehicle when making decisions regarding such Investment Vehicle's investments, accordingly, the value of the investment could be adversely affected if our interests diverge from those of our partners in the Investment Vehicle. As a BDC, we are required to comply with certain regulatory requirements. We and any company controlled by us, on the one hand, and our upstream affiliates, or our Investment Adviser and its affiliates, on the other hand, are prohibited under the Investment Company Act from knowingly participating in certain transactions without the prior approval of our Independent Directors and, in some cases, the SEC. Any person that owns, directly or indirectly, 5 % or more of our outstanding voting securities is our upstream affiliate for purposes of the Investment Company Act, and we or a company controlled by us are generally prohibited from buying or selling any security (other than our securities) from or to such affiliate, absent the prior approval of our Independent Directors and so long as such person does not own more than 25 % of our outstanding voting securities or otherwise control us. We or a company controlled by us are prohibited from buying or selling any security from or to our Investment Adviser or its affiliates, or any person who owns more than 25 % of our voting securities or is otherwise deemed to control, be controlled by, or be under common control with, us, with such persons, absent the prior approval of the SEC. The Investment Company Act also prohibits certain "joint" transactions with our upstream affiliates, or our Investment Adviser or its affiliates, which could include investments in the same portfolio company (whether at the same or different times), without prior approval of our Independent Directors and, in some cases, the SEC (other than in certain limited situations pursuant to current regulatory guidance as described below). The analysis of whether a particular transaction constitutes a joint transaction requires a review of the relevant facts and circumstances then existing. The SEC has granted us Exemptive Relief that permits us and certain present and future funds advised by our Investment Adviser and certain other present and future investment advisers controlling, controlled by or under common control with our Investment Adviser to co- invest in suitable negotiated investments. Co- investments made under the Exemptive Relief are subject to compliance with the conditions and other requirements contained in the Exemptive Relief, which could limit our ability to participate in a co- investment transaction. In addition to co- investing pursuant to our Exemptive Relief, we may also co- invest with funds managed by Carlyle or any of its downstream affiliates, subject to compliance with applicable law and regulations, existing regulatory guidance, our Investment Adviser's allocation procedures and Carlyle's other allocation policies and procedures, where applicable. For example, we may invest alongside such investors consistent with guidance promulgated by the SEC staff permitting us and an affiliated person to purchase interests in a single class of privately placed securities so long as certain conditions are met, including that we negotiate no term other than price. We may, in certain cases, also make investments in securities owned by affiliates that we acquire from non-affiliates. In such circumstances, our ability to participate in any restructuring of such investment or other transaction involving the issuer of such investment may be limited, and as a result, we may realize a loss on such investments that might have been prevented or reduced had we not been restricted in participating in such restructuring or other transaction. **Our failure to make follow- on investments in our portfolio companies could impair the value of our investments.** Following an initial investment in a portfolio company, we have made, and may continue to make, additional investments in that portfolio company as "follow- on" investments to: • increase or maintain in whole or in part our equity ownership percentage; • exercise warrants, options or convertible securities that were acquired in the original or subsequent financing; or • attempt to preserve or enhance the value of our investment. We may elect not to make follow- on investments, may be constrained in our ability to employ available funds, or otherwise may lack sufficient funds to make those investments. We have the discretion to make any follow- on investments, subject to the availability of capital resources. However, doing so could be placing even more capital at risk in existing portfolio companies. The failure to make follow- on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment, or may result in a missed opportunity for us to increase our participation in a successful investment. Even if we have sufficient capital to make a desired follow- on investment, we may elect not to make a follow- on investment because we may not want to increase our concentration of risk, because we prefer

other opportunities or because we are inhibited by compliance with BDC requirements or the desire to maintain our tax status. The disposition of our investments may result in contingent liabilities. A significant portion of our investments involve private securities. In connection with the disposition of an investment in private securities, we may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. We may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate or with respect to potential liabilities. These arrangements may result in contingent liabilities that ultimately result in funding obligations that we must satisfy through our return of distributions previously made to us. Because we generally do not hold controlling equity interests in our portfolio companies, we may not be in a position to exercise control over our portfolio companies or to prevent decisions by management of our portfolio companies that could decrease the value of our investments. Although we may do so in the future, currently we do not intend to hold controlling equity positions in our portfolio companies. Accordingly, we may not be able to control decisions relating to a minority equity investment, including decisions relating to the management and operation of the portfolio company and the timing and nature of any exit. As a result, we are subject to the risk that a portfolio company may make business decisions with which we disagree, and that the management and / or stockholders of a portfolio company may take risks or otherwise act in ways that are adverse to our interests. Due to the lack of liquidity of the investments that we typically hold in our portfolio companies, we may not be able to dispose of our investments in the event we disagree with the actions of a portfolio company and may therefore suffer a decrease in the value of our investments. If any of the foregoing were to occur, our financial condition, results of operations and cash flow could suffer as a result. Our investments in foreign securities may involve significant risks in addition to the risks inherent in U. S. investments. Our investment strategy contemplates that a portion of our investments may be in securities of foreign companies. Investing in foreign companies may expose us to additional risks not typically associated with investing in U. S. companies. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. These risks are likely to be more pronounced for investments in companies located in emerging markets and particularly for middle- market companies in these economies. Although most of our investments are denominated in U. S. dollars, our investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency may change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short- term interest rates, differences in relative values of similar assets in different currencies, long- term opportunities for investment and capital appreciation, and political developments. We **have and may in the future** employ hedging techniques to minimize these risks, but we can offer no assurance that we will, in fact, hedge currency risk or ~~that~~ **;** if we do, such strategies will be effective. We may expose ourselves to risks if we engage in hedging transactions. We have and may in the future enter into hedging transactions, which may expose ourselves to risks associated with such transactions. We may utilize instruments such as forward contracts, credit default swaps, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates, credit risk premiums, and market interest rates. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions should increase. It may not be possible to hedge against an exchange rate or interest rate fluctuation at an acceptable price. The success of our hedging transactions will depend on our ability to correctly predict movements in currencies and interest rates. Therefore, while we may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency exchange rates or interest rates may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the effect of the intended hedge and expose us to risk of loss. In addition, it may not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non- U. S. currencies because the value of those securities is likely to fluctuate as a result of factors not related to currency fluctuations. Income derived from hedging transactions is generally not eligible to be distributed to non- U. S. stockholders free from U. S. withholding tax. We may be unable or determine not to hedge against particular risks, including if we determine that available hedging transactions are not available at an appropriate price. In August 2022, Rule 18f- 4 under the Investment Company Act, regarding the ability of a BDC (or a registered investment company) to use derivatives and other transactions that create future payment or delivery obligations (except reverse repurchase agreements and similar financing transactions), became effective. Under the ~~new~~-rule, BDCs that make significant use of derivatives are required to operate subject to a value- at- risk leverage limit, adopt a derivatives risk management program and appoint a derivatives risk manager, and comply with various testing and board reporting requirements. These ~~new~~ requirements apply unless the BDC qualifies as a “ limited derivatives user, ” as defined ~~under in the adopted rules~~- **rule**. Under **an exemption in** the ~~new~~-rule, a BDC may enter into an unfunded commitment agreement that is not a derivatives transaction, such as an agreement to provide financing to a portfolio company, if the BDC has, among other things, a reasonable belief, at the time it enters into such an agreement, that it will have sufficient cash and cash equivalents to meet its obligations with respect to all of its unfunded commitment agreements, in each case as it becomes due. We currently operate as a “ limited derivatives user ” which may limit our ability to use derivatives and / or enter into certain other financial contracts. Original issue discount (“ OID

”) may arise if we hold securities issued at a discount or in certain other circumstances. OID and payment-in-kind (“PIK”) interest create the risk that incentive fees will be paid to the Investment Adviser based on non-cash accruals that ultimately may not be realized, while the Investment Adviser will be under no obligation to reimburse us for these fees. We hold investments that result in OID interest and PIK interest. The higher interest rates of OID instruments reflect the payment deferral and increased credit risk associated with these instruments, and OID instruments generally represent a significantly higher credit risk than coupon loans. Even if the accounting conditions for income accrual are met, the borrower could still default when our actual collection is supposed to occur at the maturity of the obligation. OID instruments may have unreliable valuations because their continuing accruals require continuing judgments about the collectability of the deferred payments and the value of any associated collateral. OID income may also create uncertainty about the source of our cash dividends. For accounting purposes, any cash dividends to stockholders representing OID income are not treated as coming from paid-in capital, even if the cash to pay them comes from the proceeds of issuances of our common stock. As a result, despite the fact that a dividend representing OID income could be paid out of amounts invested by our stockholders, the Investment Company Act does not require that stockholders be given notice of this fact by reporting it as a return of capital. PIK interest has the effect of generating investment income at a compounding rate, thereby further increasing the incentive fees payable to the Investment Adviser. Similarly, all things being equal, the deferral associated with PIK interest also increases the loan-to-value ratio at a compounding rate. Our investments may be affected by force majeure events. Our investments may be affected by force majeure events (e.g. events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of infectious disease, pandemic or any other serious public health concern, war, trade war, cyber security breaches, terrorism and labor strikes). Some force majeure events may adversely affect the ability of a party (including a portfolio company or a counterparty to us or a portfolio company) to perform its obligations until it is able to remedy the force majeure event. In addition, the cost to a portfolio company or us of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which we may invest specifically. Investing in our securities involves a high degree of risk. The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and volatility or loss of principal. Our investments in portfolio companies may be highly speculative and aggressive, and therefore an investment in our securities may not be suitable for someone with lower risk tolerance. The market price of our securities may fluctuate significantly. The market price and liquidity of the market for our common stock, the 2028 Notes and any other securities that we may issue may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include: • changes or perceived changes in the value of our portfolio investments as a result of changes in market factors, such as interest rate shifts, and also portfolio specific performance, such as portfolio company defaults, among others reasons; • significant volatility in the market price and trading volume of securities of BDCs or other companies in our sector, which are not necessarily related to the operating performance of these companies; • price and volume fluctuations in the overall stock market from time to time; • the inclusion or exclusion of our securities from certain indices; • changes in law, regulatory policies or tax guidelines, particularly with respect to RICs or BDCs; • any loss of RIC status; • changes in our earnings or perceived changes or variations in our operating results; • changes in accounting guidelines governing valuation of our investments; • any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts; • the inability of our Investment Adviser to employ additional experienced investment professionals or the departure of any of our Investment Adviser’s key personnel; • short-selling pressure with respect to shares of our common stock or BDCs generally; • future sales of our securities convertible into or exchangeable or exercisable for our common stock or the conversion of such securities; • uncertainty surrounding the strength of the U. S. economy and where the debt market is in the credit cycle; • uncertainty between the U. S. and other countries with respect to trade policies, treaties, and tariffs; • the occurrence of one or more natural disasters, pandemic outbreaks or other health crises; • fluctuations in base interest rates, such as SOFR, EURIBOR, the Federal Funds Rate or the Prime Rate; • operating performance of companies comparable to us; • general economic trends and other external factors, including inflation, the current interest rate environment and geopolitical tensions; and • loss of a major funding source. In the past, following periods of volatility in the market price of a company’s securities, securities class action litigation has often been brought against that company. If our stock price fluctuates significantly, we may be the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management’s attention and resources from our business. Our shares of common stock have traded at a discount to NAV and may do so again, which could limit our ability to raise additional equity capital. We cannot assure you that a trading market for our common stock can be sustained. In addition, we cannot predict the prices at which our common stock will trade. Shares of closed-end investment companies, including BDCs, frequently trade at a discount to NAV and our common stock may also be discounted in the market. This characteristic of closed-end investment companies is separate and distinct from the risk that our NAV per share may decline. We cannot predict whether our common stock will trade at, above or below NAV. The risk of loss associated with this characteristic of closed-end management investment companies may be greater for investors expecting to sell shares of common stock purchased in the offering soon after an offering. See “Risk Factors — Risks Related to Our Business and Structure — We are currently operating in a period of capital markets disruption and economic uncertainty, and capital markets may experience periods of disruption and instability in the future. These market conditions may materially and adversely affect debt and equity capital markets in the United States and abroad, which have had and may continue to have a negative impact on our business and operations.” In addition, when our common stock is trading below its NAV, we will generally not be able to sell additional shares of our common stock to the public at its market price without, among other things, first obtaining the requisite approval of our stockholders. Pursuant to approval granted at a special meeting of stockholders held on ~~July 26, 2023~~ **June 6, 2023-2024**, we

are authorized, with the approval of the Board of Directors, to sell or otherwise issue shares of our common stock at a price below the then-current net asset value per share, subject to certain limitations (including that the number of shares issued does not exceed 25 % of our then-outstanding common stock immediately prior to each such offering). Such stockholder approval expires on ~~July 26~~ **June 6, 2024-2025**. We issued the Preferred Stock in May 2020 and we may in the future determine to issue additional preferred stock, which could adversely affect the market value of our common stock. On May 5, 2020, we issued 2,000,000 shares of the Preferred Stock to an affiliate of Carlyle in a private placement at a price of \$ 25 per share. The Preferred Stock ranks senior to our common stock with respect to the payment of dividends and distribution of assets upon liquidation. The Preferred Stock has a liquidation preference equal to \$ 25 per share (the “ Liquidation Preference ”) plus any accumulated but unpaid dividends up to but excluding the date of distribution. The Preferred Stock is convertible, in whole or in part, at the option of the holder of the Preferred Stock into the number of shares of common stock equal to the Liquidation Preference plus any accumulated but unpaid dividends, divided by an initial conversion price of \$ 9.50, subject to certain adjustments to prevent dilution as set forth in the articles supplementary (the “ Articles Supplementary ”) that established the terms of the Preferred Stock. The conversion price as of December 31, ~~2023-2024~~ was \$ ~~9.8~~ **10.87**. As a result of the terms of the Preferred Stock, there may be times when Carlyle as the holder of the Preferred Stock has interests that differ from those of the holders of common stock, giving rise to conflict. See Note 10, Net Assets, to the consolidated financial statements in Part II, Item 8 of this Form 10-K for further information about the Preferred Stock. Each holder of Preferred Stock is entitled to one vote on each matter submitted to a vote of our stockholders. In addition, for so long as we are subject to the Investment Company Act, the holders of Preferred Stock, voting separately as a single class, have the right to elect two members of the Board of Directors at all times, and the balance of the directors will be elected by the holders of the common stock and the Preferred Stock voting together. The issuance of the Preferred Stock and any shares of additional preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could adversely affect the market price for our common stock by making an investment in the common stock less attractive. In addition, the dividends on the Preferred Stock and on any additional preferred stock we issue must be cumulative. Payment of dividends and repayment of the liquidation preference of the Preferred Stock and any additional preferred stock must take preference over any dividends or other payments to our common stockholders, and holders of the Preferred Stock or any additional preferred stock are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference (other than convertible preferred stock that converts into common stock). In addition, under the Investment Company Act, the Preferred Stock and any additional preferred stock constitute a “ senior security ” for purposes of the 150 % asset coverage test.

In connection with entry into the Merger Agreement, upon the terms and subject to the conditions contained in the Preferred Stock Exchange Documents (as defined in the Merger Agreement) by and between the Company and the holder of the Preferred Stock, all shares of Preferred Stock issued and outstanding immediately prior to the effective time of the Merger will be exchanged for such number of shares of the Company’s common stock in a transaction exempt from registration under the Securities Act, as is equal to the quotient of (i) the aggregate liquidation preference of the Preferred Stock and (ii) the Closing CGBD Net Asset Value per share (as defined in the Merger Agreement) (the “ Preferred Stock Exchange ”). Any accrued and unpaid dividends of the Preferred Stock thereon to the date of exchange, whether or not declared, will be paid to the holders of record in cash immediately prior to the Preferred Stock Exchange. See Note 15, Merger with CSL III, to the consolidated financial statements in Part II, Item 8 of this Form 10-K. If the Merger is not completed, then the Preferred Stock Exchange will not be completed, and as such, any risk associated with the Preferred Stock, as presently disclosed, would remain. Our stockholders may experience dilution upon the conversion of the Preferred Stock. If we deliver shares of common stock upon a conversion of the Preferred Stock at a time our NAV per share exceeds the conversion price in effect at such time, our stockholders may incur dilution. Our stockholders will also experience dilution in their ownership percentage of common stock upon our issuance of common stock in connection with the conversion of the Preferred Stock. In addition, any dividends paid on our common stock will also be paid on shares of our common stock issued in connection with a conversion of the Preferred Stock after such issuance. **In connection with entry into the Merger Agreement, the holder of the Preferred Stock has agreed to exchange the Preferred Stock for common stock pursuant to the Preferred Stock Exchange.** Holders of the Preferred Stock and of any additional preferred stock we might issue, voting separately as a single class, would have the right to elect two members of the board of directors at all times and in the event dividends become two full years in arrears would have the right to elect a majority of the directors until such arrearage is completely eliminated. In addition, preferred stockholders have class voting rights on certain matters, including changes in fundamental investment restrictions and conversion to open-end status, and accordingly can veto any such changes. Restrictions imposed on the declarations and payment of dividends or other distributions to the holders of our common stock and preferred stock, both by the Investment Company Act and by requirements imposed by rating agencies or the terms of our credit facilities, might impair our ability to maintain our qualification as a RIC for federal income tax purposes. While we would intend to redeem our preferred stock to the extent necessary to enable us to distribute our income as required to maintain our qualification as a RIC, there can be no assurance that such actions could be effected in time to meet the tax requirements. See Part I, Item 1 of this Form 10-K “ Business — Regulation — General — Election to be Taxed as a RIC. ” On November ~~2-4~~ **2023-2024**, the Company’s Board of Directors authorized the continuation of the Company’s \$ 200 million stock repurchase program (the “ Company Stock Repurchase Program ”) until November 5, ~~2024-2025~~, or until the approved dollar amount has been used to repurchase shares of common stock. Pursuant to the Program, the Company is authorized to repurchase its outstanding common stock in the open market and / or through privately negotiated transactions at prices not to exceed the Company’s net asset value per share as reported in its most recent financial statements, in accordance with the guidelines specified in Rule 10b-18 of the Exchange Act, and the Company is authorized to determine, in its discretion, the timing, manner, price and amount of any repurchases, based upon the evaluation of economic and market conditions, stock price, available cash, applicable legal and

regulatory requirements and other factors, which may include purchases pursuant to Rule 10b5-1 of the Exchange Act. The Program does not require the Company to repurchase any specific number of shares and there can be no assurance as to the amount of shares repurchased under the Program. The Program may be suspended, extended, modified or discontinued by the Company at any time, subject to applicable law. Pursuant to the authorization described above, the Company adopted a 10b5-1 plan (the “Company 10b5-1 Plan”). The Company 10b5-1 Plan provides that purchases will be conducted on the open market in accordance with Rule 10b5-1 and 10b-18 under the Exchange Act and will otherwise be subject to applicable law, which may prohibit purchases under certain circumstances. The amount of purchases made under the Company 10b5-1 Plan or otherwise and how much will be purchased at any time is uncertain, dependent on prevailing market prices and trading volumes, all of which we cannot predict. These activities may have had the effect of maintaining the market price of our common stock or slowing a decline in the market price of the common stock, and, as a result, the price of our common stock may have been higher than the price that otherwise might have existed in the open market. As of February 23-24, 2024-2025, we had 50,794,956, 941-965 shares of common stock outstanding. Sales of substantial amounts of our common stock, or the availability of such shares for sale, including as a result of the sale of our common stock issued upon conversion of the Preferred Stock, could adversely affect the prevailing market prices for our common stock. If this occurs and continues, it could impair our ability to raise additional capital through the sale of equity securities should we desire to do so. **Our stockholders will experience dilution in their ownership percentage if they opt out of our dividend reinvestment plan.** Our dividend reinvestment plan is an “opt out” dividend reinvestment plan, pursuant to which all dividends declared in cash payable to stockholders that do not elect to receive their distributions in cash are automatically reinvested in shares of our common stock, rather than receiving cash. As a result, our stockholders that “opt out” of our dividend reinvestment plan may experience dilution in their ownership percentage of our common stock over time. See Part II, Item 5 of this Form 10-K “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities — Common Stock” and “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities — Distribution Policy” for a description of our dividend policy and obligations. We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. It is not assured that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in this Form 10-K. If we declare a dividend and if enough stockholders opt to receive cash distributions rather than participate in our dividend reinvestment plan, we may be forced to sell some of our investments in order to make cash dividend payments. In addition, due to the asset coverage test applicable to us as a BDC, we may be limited in our ability to make distributions. The Preferred Stock is entitled to be paid dividends in full prior to the declaration or payment of a dividend on our common stock. In addition, the Credit Facility may also limit our ability to declare dividends if we default under certain provisions or fail to satisfy certain conditions. Further, if we invest a greater amount of assets in equity securities that do not pay current dividends, it could reduce the amount available for distribution. See Part II, Item 5 of this Form 10-K “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities — Common Stock.” Investing a greater amount of assets in equity securities that do not pay current dividends may also inhibit our ability to make required interest payments to holders of our debt, which may cause a default under the terms of our debt agreements. Such a default could materially increase our cost of raising capital, as well as cause us to incur penalties under the terms of our debt agreements. The distributions we pay to our stockholders in a year may exceed our taxable income for that year and, accordingly, a portion of such distributions may constitute a return of capital for U. S. federal income tax purposes that would reduce a stockholder’s adjusted tax basis in its shares of our common stock or preferred stock and correspondingly increase such stockholder’s gain, or reduce such stockholder’s loss, on disposition of such shares. Distributions in excess of a stockholder’s adjusted tax basis in its shares of our common stock or preferred stock will constitute capital gains to such stockholder. **Our stockholders may receive shares of our common stock as dividends, which could result in adverse tax consequences to them.** In order to satisfy the Annual Distribution Requirement applicable to RICs, we will have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash. As long as a portion of such dividend is paid in cash and certain requirements are met, the entire distribution generally will be treated as a dividend for U. S. federal income tax purposes. As a result, a stockholder generally would be taxed on 100% of the fair market value of the dividend on the date the dividend is received by the stockholder in the same manner as a cash dividend, even though most of the dividend was paid in shares of our common stock. If a U. S. stockholder sells the common stock that it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the trading price (if any) of our common stock at the time of the sale. Furthermore, with respect to non-U. S. stockholders, we may be required to withhold U. S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in common stock. In addition, if a significant number of our stockholders were to determine to sell shares of our common stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price (if any) of our common stock. It is unclear whether and to what extent we will be able to pay taxable dividends of the type described in this paragraph. Non-U. S. stockholders may be subject to withholding of U. S. federal income tax on dividends we pay. Distributions of our “investment company taxable income” to a non-U. S. stockholder that are not effectively connected with the non-U. S. stockholder’s conduct of a trade or business within the United States may be subject to withholding of U. S. federal income tax at a 30% rate (or lower rate provided by an applicable income tax treaty) to the extent of our current or accumulated earnings and profits. Certain properly designated dividends are generally exempt from withholding of U. S. federal income tax, including certain dividends that are paid in respect of our (i) “qualified net interest income” (generally, our U. S.-source interest income, other than certain contingent interest and interest from obligations of a corporation or partnership in which we or the non-U. S. stockholder are at least a 10% shareholder, reduced by expenses that are allocable to such income) or (ii) “qualified short-term capital gains” (generally, the excess of our net short-term capital

gain over our long- term capital loss for such taxable year), and certain other requirements were satisfied. No assurance can be given as to whether any of our distributions will be eligible for this exemption from withholding of U. S. federal income tax or, if eligible, will be designated as such by us. See Part I, Item 1 of this Form 10- K “ Business — Regulation — General — Election to be Taxed as a RIC. ” for additional information . **We may have difficulty paying our required distributions if we recognize taxable income before or without receiving cash representing such income** . For U. S. federal income tax purposes, we will include in our taxable income certain amounts that we have not yet received in cash, such as OID or accruals on a contingent payment debt instrument, which may occur if we receive warrants in connection with the origination of a loan or possibly in other circumstances or contracted PIK interest, which generally represents contractual interest added to the loan balance and due at the end of the loan term. Any such income would be treated as income earned by us and therefore would be subject to the Annual Distribution Requirement (as defined and explained more fully in Part I, Item 1 of this Form 10- K “ Business — Regulation — General — Election to be Taxed as a RIC ”). We also may be required to include in our taxable income certain other amounts that we will not receive in cash. The credit risk associated with the collectability of deferred payments may be increased as and when a portfolio company increases the amount of interest on which it is deferring cash payment through deferred interest features. Our investments with a deferred interest feature may represent a higher credit risk than loans for which interest must be paid in full in cash on a regular basis. For example, even if the accounting conditions for income accrual are met, the borrower could still default when our actual collection is scheduled to occur upon maturity of the obligation. Because in certain cases we may recognize taxable income before or without receiving cash representing such income, we may have difficulty making distributions to our stockholders that will be sufficient to enable us to meet the Annual Distribution Requirement necessary for us to maintain our status as a RIC. Accordingly, we may need to sell some of our assets at times and / or at prices that we would not consider advantageous, we may need to raise additional equity or debt capital, or we may need to forego new investment opportunities or otherwise take actions that are disadvantageous to our business (or be unable to take actions that are advantageous to our business) to enable us to make distributions to our stockholders that will be sufficient to enable us to meet the Annual Distribution Requirement. However, under the Investment Company Act, we are not permitted to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless an “ asset coverage ” test is met. See Part I, Item 1 of this Form 10- K “ Business — Regulation — General — Indebtedness and Senior Securities ” for additional information. If we are unable to obtain cash from other sources to meet the Annual Distribution Requirement, we may fail to qualify for the U. S. federal income tax benefits allowable to RICs and, thus, become subject to a corporate- level U. S. federal income tax (and any applicable U. S. state and local taxes). Additionally, we may make investments that result in the recognition of ordinary income rather than capital gain, or that prevent us from accruing a long- term holding period. These investments may prevent us from making capital gain distributions. See Part I, Item 1 of this Form 10- K “ Business — Regulation — General — Election to be Taxed as a RIC ” for additional information. Alternatively, we may, with the consent of all our stockholders, designate an amount as a consent dividend (i. e., a deemed dividend). In that case, although we would not distribute any actual cash to our stockholders, the consent dividend would be treated like an actual dividend under the Code for all U. S. federal income tax purposes. This would allow us to deduct the amount of the consent dividend and our stockholders would be required to include that amount in income as if it were actually distributed. For additional discussion regarding the tax implications of a RIC, see Part I, Item 1 of this Form 10- K “ Business — Regulation — General — Election to be Taxed as a RIC. ” We cannot assure that an active trading market for the 2028 Notes **or 2030 Notes** will develop or be maintained. Our 2028 Notes are listed on the Nasdaq Global Select Market and they may trade at a discount to their purchase price depending on prevailing interest rates, the market for similar securities, our credit ratings, our financial condition, performance and prospects, general economic conditions or other relevant factors. Accordingly, we cannot assure you that a liquid trading market will develop and / or be maintained for any of the 2028 Notes, that a holder will be able to sell its 2028 Notes at a particular time or that the price received when a holder sells its 2028 Notes will be favorable. To the extent an active trading market does not develop or is not maintained, the liquidity and trading price for the 2028 Notes may be adversely affected. Accordingly, the ~~holder~~ **holders** of a 2028 Notes may be required to bear the financial risk of an investment in the 2028 Notes for an indefinite period of time. **Our 2030 Notes are a new issue of debt securities and there currently is no trading market for the 2030 Notes. We have not listed, and do not intend to list in the future, the 2030 Notes on any securities exchange or for quotation of the Notes on any automated dealer quotation system. If the 2030 Notes are traded after their initial issuance, they may trade at a discount from their initial offering price depending on prevailing interest rates, the market for similar securities, our credit ratings, general economic conditions, our financial condition, performance and prospects and other factors. Certain of the underwriters have advised us that they currently intend to make a market in the 2030 Notes but they are not obligated to do so. The underwriters may discontinue any market- making in the 2030 Notes at any time at their sole discretion. In addition, any market- making activity will be subject to limits imposed bylaw. Accordingly, we cannot assure you that a liquid trading market will develop or will be maintained for the 2030 Notes, that you will be able to sell your 2030 Notes at a particular time or that the price you receive when you sell will be favorable. To the extent an active trading market is not maintained, the liquidity and trading price for the 2030 Notes may be harmed. Accordingly, the holders of 2030 Notes may be required to bear the financial risk of an investment in the 2030 Notes for an indefinite period of time.** The indenture under which the 2028 Notes **and 2030 Notes** were issued contain limited protection for holders of the 2028 Notes **and 2030 Notes, respectively** . The indenture under which the 2028 **Notes and 2030** Notes were issued offers limited protection to holders of the 2028 Notes **and 2030 Notes, respectively** . The terms of the indenture and the 2028 **Notes and 2030** Notes do not restrict our or any of our subsidiaries’ ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have a material adverse impact on your investment in the 2028 Notes **and 2030 Notes** . In particular, the terms of the indenture and the 2028 **Notes and 2030** Notes do not place any restrictions on our or our subsidiaries’ ability to: • issue securities or otherwise

incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be **pari passu** equal in right of payment to the 2028 **Notes or 2030** Notes, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to the 2028 **Notes or 2030** Notes to the extent of the value of the assets securing such debt, (3) indebtedness **or other obligations** of ours that ~~is~~ **are** guaranteed by one or more of our subsidiaries and which therefore is structurally senior to the 2028 **Notes or 2030** Notes and (4) securities, indebtedness or obligations **(including trade payables)** issued or incurred by our subsidiaries, **financing vehicles or similar facilities** that would be senior to our equity interests in our subsidiaries and therefore rank structurally senior to the 2028 **Notes or 2030** Notes with respect to the assets of our subsidiaries, in each case other than an incurrence of indebtedness or other obligation that would cause a violation of Section 18 (a) (1) (A) as modified by Section 61 (a) (2) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, which generally prohibit us incurring additional debt or issuing additional debt or preferred securities, unless our asset coverage, as defined in the 1940 Act, equals at least 150 % after such incurrence or issuance; • pay dividends on, or purchase or redeem or make any payments in respect of, capital stock or other securities ranking junior in right of payment to the 2028 **Notes or 2030** Notes, including our Preferred Stock, any preferred stock we may issue in the future and any subordinated indebtedness, in each case other than dividends, purchases, redemptions or payments that would cause our asset coverage to fall below the threshold specified in Section 18 (a) (1) (B) as modified by Section 61 (a) (2) of the 1940 Act or any successor provisions thereto, whether or not we are subject to such provisions of the 1940 Act, giving effect to any no- action relief granted by the SEC to another BDC and upon which we may reasonably rely (or to us if we determine to seek such similar SEC no- action or other relief) permitting the BDC to declare any cash dividend or distribution notwithstanding the prohibition contained in Section 18 (a) (1) (B) as modified by Section 61 (a) (2) of the 1940 Act in order to maintain our status as a RIC under Subchapter M of the Code; • sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets); • enter into transactions with affiliates; • create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions; • make investments; or • create restrictions on the payment of dividends or other amounts to us from our subsidiaries. In addition, the indenture and the 2028 Notes does not require us to make an offer to purchase the 2028 Notes in connection with a change of control or any other event. Furthermore, the terms of the indenture and the 2028 Notes **and 2030** Notes do not protect holders of the 2028 Notes **or 2030** Notes, **respectively**, in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, if any, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow, or liquidity. Our ability to recapitalize, incur additional debt (including additional debt that matures prior to the maturity of the 2028 Notes **or 2030** Notes) and take a number of other actions that are not limited by the terms of the 2028 Notes **or 2030** Notes may have important consequences for you as a holder of the 2028 **Notes or 2030** Notes, including making it more difficult for us to satisfy our obligations with respect to the 2028 Notes **or 2030** Notes **or negatively affecting the trading value of the 2028 Notes or 2030** Notes. **Certain of our debt instruments include more protections for** ~~Other~~ **their holders than the indenture and the Senior Notes (as defined in Part II, Item 7 of this Form 10- K “ Portfolio and Investment Activity — Portfolio Financing — Unsecured Debt ”). In addition, other** debt we issue or incur in the future could contain more protections for its holders than the indenture and the 2028 Notes **or 2030** Notes, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for, trading levels, and prices of the 2028 Notes **or 2030** Notes. The 2028 **Notes and 2030** Notes are unsecured and therefore are effectively subordinated to any secured indebtedness we have incurred and may incur in the future and rank pari passu with, or equal to, all outstanding and future unsecured indebtedness issued by us, including our ~~2024 Notes and our~~ general liabilities, including liabilities of our subsidiaries. The 2028 **Notes and 2030** Notes are not secured by any of our assets or any of the assets of our subsidiaries. As a result, the 2028 Notes **and 2030** Notes are effectively subordinated to any secured indebtedness we have outstanding or that we may incur in the future to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the 2028 Notes **and 2030** Notes. In addition, the 2028 **Notes and 2030** Notes rank pari passu with, or equal to, all outstanding and future unsecured indebtedness issued by us, including our ~~2024 Notes, and our~~ general liabilities. The 2028 **Notes and 2030** Notes are obligations exclusively of the Company and not of any of our subsidiaries. None of our subsidiaries is a guarantor of the 2028 Notes **or 2030** Notes and the 2028 **Notes and 2030** Notes are not required to be guaranteed by any subsidiaries we may acquire or create in the future. Any assets of our subsidiaries will not be directly available to satisfy the claims of our creditors, including holders of the 2028 Notes **or 2030** Notes. Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of creditors of our subsidiaries will have priority over our equity interests in such subsidiaries (and therefore the claims of our creditors, including holders of the 2028 **Notes or 2030** Notes) with respect to the assets of such subsidiaries. Even if we are recognized as a creditor of one or more of our subsidiaries, our claims would still be effectively subordinated to any security interests in the assets of any such subsidiary and to any indebtedness or other liabilities of any such subsidiary senior to our claims. Consequently, the 2028 Notes **and 2030** Notes are structurally subordinated to all indebtedness and other liabilities of any of our subsidiaries and any subsidiaries that we may in the future acquire or establish, including the SPV and the 2015- 1 Issuer. Borrowings under the 2015- ~~1R~~ **Notes IN Debt** are the obligation of 2015- 1 Issuer, a wholly ~~owned~~ subsidiary of ours, and are structurally senior to the 2028 **Notes and 2030** Notes. In addition, our subsidiaries may incur substantial additional indebtedness in the future, all of which would be structurally senior to the 2028 Notes **and 2030** Notes. If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the 2028 Notes **or 2030** Notes. Any default under the agreements governing our indebtedness, including a default under the Credit Facility, the terms of our ~~2024 Notes or~~ other indebtedness to which we may be a party, that

is not waived by the required lenders or holders, and the remedies sought by the lenders or holders of such indebtedness, could make us unable to pay principal, premium, if any, and interest on the 2028 Notes **or 2030 Notes** and substantially decrease the market value of the 2028 **Notes or 2030** Notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, as applicable, in the instruments governing our indebtedness, we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the Credit Facility or other debt we may incur in the future could elect to terminate their commitments, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. Our ability to generate sufficient cash flow in the future is, to some extent, subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, or that future borrowings will be available to us under the Credit Facility or otherwise, in an amount sufficient to enable us to meet our payment obligations under the 2028 Notes **or 2030 Notes** and our other indebtedness, and to fund other liquidity needs. If our operating performance declines and we are not able to generate sufficient cash flow to service our debt obligations, we may in the future need to refinance or restructure our debt, including the 2028 Notes **and 2030 Notes**, sell assets, reduce or delay capital investments, seek to raise additional capital or seek to obtain waivers from the required lenders under the Credit Facility or the holders of ~~our 2024 Notes or~~ other debt that we may incur in the future to avoid being in default. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under the 2028 Notes or **2030 Notes or** our other debt. If we breach our covenants under the Credit Facility, ~~the 2024 Notes~~ or other debt and seek a waiver, we may not be able to obtain a waiver from the required lenders or holders. If this occurs, we would be in default under the Credit Facility, ~~the 2024 Notes~~ or other debt, the lenders or holders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation. If we are unable to repay debt, lenders having secured obligations, including the lenders under the Credit Facility, could proceed against the collateral securing the debt. Because the Credit Facility and ~~the~~ Senior Notes have, and any future credit facilities or other indebtedness will likely have, customary cross- default provisions, if the indebtedness under the Senior Notes, the Credit Facility or any future credit facility or other indebtedness is accelerated, we may be unable to repay or finance the amounts due. **We may not be able to repurchase the 2030 Notes upon a Change of Control Repurchase Event because we may not have sufficient funds. A Change of Control Repurchase Event means the occurrence of a Change of Control (defined as either the direct or indirect disposition of all or substantially all of the assets of the Company and its controlled subsidiaries, the consummation of any transaction where one person becomes the beneficial owner, directly or indirectly, of more than 50 % of the Company's outstanding voting stock, or the approval of any plan or proposal to liquidate or dissolve the Company) and a Below Investment Grade Rating Event (defined as the downgrade of the 2030 Notes below BBB- by Fitch Ratings Inc. and below Baa3 by Moody's Investors Service). Upon the occurrence of a Change of Control Repurchase Event, subject to certain conditions, we will be required to offer to repurchase all outstanding 2030 Notes at 100 % of their principal amount, plus accrued and unpaid interest. The source of funds for that purchase of 2030 Notes will be our available cash or cash generated from our operations or other potential sources, including borrowings, investment repayments, sales of assets or sales of equity. We cannot assure the holders of 2030 Notes that sufficient funds from such sources will be available at the time of any Change of Control Repurchase Event to make required repurchases of 2030 Notes tendered. The terms of the Credit Facility provide that certain change of control events will constitute an event of default thereunder entitling the lenders to accelerate any indebtedness outstanding under the Credit Facility at that time and to terminate the Credit Facility. Any failure to comply with these Change of Control provisions would constitute an event of default under each of the other agreements governing our indebtedness, including the indenture. Our future debt instruments also may contain similar restrictions and provisions. If the holders of the 2030 Notes exercise their right to require us to repurchase all the 2030 Notes upon a Change of Control Repurchase Event, the financial effect of this repurchase could cause a default under our future debt instruments, even if the Change of Control Repurchase Event itself would not cause a default. It is possible that we will not have sufficient funds at the time of the Change of Control Repurchase Event to make the required repurchase of the 2030 Notes or our other debt.** The 2028 Notes may be redeemed in whole or in part at any time at our option on or after December 1, 2025. If prevailing rates are lower at the time of redemption, and we redeem the 2028 Notes, a holder of the 2028 Notes likely would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the 2028 Notes being redeemed. Our redemption right also may adversely impact the ability of the holder to sell the 2028 Notes as the optional redemption date or period approaches. **The 2030 Notes are redeemable in whole or in part upon certain conditions at any time or from time to time at our option. Refer to the redemption terms of the 2030 Notes described in Note 2, Significant Accounting Policies, and in Note 8, Borrowings, to the consolidated financial statements in Part II, Item 8 of this Form 10- K. We may choose to redeem the 2030 Notes at times when prevailing interest rates are lower than the interest rate paid on the 2030 Notes. In this circumstance, a holder of 2030 Notes may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the 2030 Notes being redeemed.** A downgrade, suspension or withdrawal of the credit rating assigned by a rating agency to us or the 2028 Notes or change in the debt markets could cause the liquidity or market value of the 2028 Notes to decline significantly. Any credit rating assigned to us or the 2028 Notes represents an assessment by the assigning rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in any credit ratings will generally affect the market value of the 2028 Notes. These credit ratings may not reflect the potential impact of risks relating to the structure or marketing of the 2028 Notes. Credit ratings are not a recommendation to buy, sell or hold any security, and may

be revised or withdrawn at any time by the issuing organization in its sole discretion. 53 Risks Related to the Mergers At the effective time of the Merger (the "Effective Time"), each common share of beneficial interest, \$ 0.001 par value per share, of Carlyle Secured Lending III ("CSL III"), and such shares, the "CSL III Common Shares"), issued and outstanding immediately prior to the Effective Time (other than shares owned by the Company or any of its consolidated subsidiaries (the "Cancelled Shares")), will be converted into the right to receive a number of shares of our common stock equal to the Exchange Ratio (as defined in Note 15, Merger with CSL III, to the consolidated financial statements in Part II, Item 8 of this Form 10-K), plus any cash (without interest) in lieu of fractional shares. Our stockholders may decide not to hold their shares of our common stock after completion of the Mergers. Such sales of our common stock could have the effect of depressing the trading price for our common stock and may take place promptly following the completion of the Mergers. If this occurs, it could impair our ability to raise additional capital through the sale of equity securities should we desire to do so. Our stockholders will experience a reduction in their percentage ownership interests and effective voting power in respect of the combined company relative to their percentage ownership interests in us prior to the Mergers unless they hold a comparable or greater percentage ownership in CSL III as they do in us prior to the Mergers. Consequently, our stockholders should generally expect to exercise less influence over the management and policies of the combined company following the Mergers than they currently exercise over our management and policies. In addition, prior to completion of the Mergers, subject to certain restrictions in the Merger Agreement, we and CSL III may issue additional shares of our common stock and CSL III Common Shares, respectively, which would further reduce the percentage ownership of the combined company to be held by our current stockholders. The realization of certain benefits anticipated as a result of the Mergers will depend in part on the integration of CSL III's investment portfolio with our investment portfolio and the integration of CSL III's business with our business. There can be no assurance that CSL III's investment portfolio or business can be operated profitably going forward or integrated successfully into our operations in a timely fashion or at all. The dedication of management resources to such integration may detract attention from the day-to-day business of the combined company and there can be no assurance that there will not be substantial costs associated with the transition process or there will not be other material adverse effects as a result of these integration efforts. Such effects, including incurring unexpected costs or delays in connection with such integration and failure of CSL III's investment portfolio to perform as expected, could have a material adverse effect on the financial results of the combined company. We also expect to achieve certain synergies and cost savings from the Mergers when the two companies have fully integrated their portfolios. It is possible that the estimates of these synergies and potential cost savings could ultimately be incorrect. The cost savings estimates also assume we will be able to combine our operations and CSL III's operations in a manner that permits those cost savings to be fully realized. If the estimates turn out to be incorrect or if we are not able to successfully combine the CSL III investment portfolio or business with our operations, the anticipated synergies and cost savings may not be fully realized or realized at all or may take longer to realize than expected. If the Mergers do not close, we will not benefit from the expenses incurred in pursuit of the Mergers. If the Mergers do not close, we will have incurred substantial expenses for which no ultimate benefit will have been received. We have incurred out-of-pocket expenses in connection with the Mergers for investment banking, legal and accounting fees and financial printing and other related charges, much of which will be incurred even if the Mergers are not completed. The termination of the Merger Agreement could negatively impact us. If the Merger Agreement is terminated, there may be various consequences, including: • our business may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the Mergers, without realizing any of the anticipated benefits of completing the Mergers; • the market price of our common stock might decline to the extent that the market price prior to termination reflects a market assumption that the Mergers will be completed; • our business may have experienced negative reactions from the investment community, employees, or other partners in the business community; and • we may have been required to pay certain costs relating to the Mergers, whether or not the Mergers are completed. The completion of the Mergers remains subject to the satisfaction of certain customary closing conditions, including among others (1) requisite approval of our stockholders, (2) authorization of the shares of our common stock to be issued as consideration in the Mergers for listing on Nasdaq, (3) continued effectiveness of the registration statement for our common stock to be issued as consideration in the Mergers, (4) the absence of certain legal impediments to the consummation of the Mergers, (5) determinations of closing NAV in accordance with the terms of the Merger Agreement, (6) the Preferred Stock Exchange Documents by and between us and the holder of Preferred Stock remain in full force and effect as of the effective time of the Preferred Stock Exchange in accordance with the Merger Agreement and (7) subject to certain exceptions, the accuracy of the representations and warranties and compliance with the covenants of each party to the Merger Agreement. Therefore, the Mergers may not be completed or may not be completed as timely as expected. The closing condition that our stockholders approve the issuance of shares of our common stock pursuant to the Merger Agreement may not be waived and must be satisfied for the Mergers to be completed. If our stockholders do not approve the issuance of shares of our common stock pursuant to the Merger Agreement and the Mergers are not completed, the resulting failure of the Mergers could have a material adverse impact on our business and operations. In addition to the required approvals of our stockholders, the Mergers are subject to a number of other conditions beyond our control that may prevent, delay or otherwise materially adversely affect completion of the Mergers. We cannot predict whether and when these other conditions will be satisfied. Certain conditions to our obligations to complete the Mergers may be waived, in whole or in part, to the extent legally allowed, either unilaterally or by agreement with CSL III. In the event that any such waiver does not require resolicitation of stockholders, we will have the discretion to complete the Mergers without seeking further stockholder approval. The conditions requiring the approval of our stockholders, however, cannot be waived.

Uncertainty about the effect of the Mergers may have an adverse effect on us and, consequently, on the combined company following completion of the Mergers. These uncertainties may cause those that deal with us to seek to change their existing business relationships with us. In addition, the Merger Agreement restricts us from taking actions that we might otherwise consider to be in our best interests. These restrictions may prevent us from pursuing certain business opportunities that may arise prior to the completion of the Mergers. Our business and CSL III's business differ in some respects and, accordingly, the results of operations of the combined company and the market price of our common stock after the Mergers may be affected by factors different from those currently affecting the independent results of operations and trading price of each of us and CSL III, such as a larger stockholder base and a different capital structure. Accordingly, our historical trading prices and financial results may not be indicative of these matters for the combined company following the Mergers. It is possible that lawsuits may be filed by our stockholders or CSL III's shareholders challenging the Mergers. The outcome of such lawsuits cannot be assured, including the amount of costs associated with defending these claims or any other liabilities that may be incurred in connection with the litigation of these claims. If plaintiffs are successful in obtaining an injunction prohibiting the parties from completing the Mergers, such injunction may delay the consummation of the Mergers in the expected timeframe, or may prevent the Mergers from being consummated at all. Whether or not any plaintiff's claim is successful, this type of litigation can result in significant costs and divert management's attention and resources from the closing of the Mergers and ongoing business activities, which could adversely affect the operations of the Company.