Risk Factors Comparison 2025-03-13 to 2024-03-26 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Risks Relating to Our Business and Structure • Our ability to achieve our investment objective depends on the ability of the Investment Adviser to manage and support our investment process. If the Investment Adviser were to lose any members of their respective senior management teams, our ability to achieve our investment objective could be significantly harmed. • We depend upon our Investment Adviser' s key personnel for our future success. • We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses. • Any inability of our Investment Adviser to maintain or develop strong referral relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business. • Failure to maintain our status as a BDC would reduce our operating flexibility. • Regulations governing our operation as a BDC affect our ability to raise additional capital and the way in which we do so. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage. • We borrow money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing in us. Borrowed money may also adversely affect the return on our assets, reduce cash available for distribution to our stockholders, and result in losses. • Capital markets may experience periods of disruption and instability. These market conditions could materially adversely affect the Company' s business, financial condition and results of operations. • Adverse developments in the credit markets may impair our ability to secure debt financing. • Inflation may adversely affect our business and operations and those of our portfolio companies. • Disruptions to the global supply chain may have adverse impact on our portfolio companies and, in turn, harm us. • We will be subject to corporate- level U. S. federal income tax if we are unable to qualify or maintain our RIC tax treatment under the Code. • The Investment Adviser is not obligated to reimburse us for any part of the incentive fee it receives that is based on accrued income that we never receive. • As a publicly traded company, we are subject to increasingly complex corporate governance, public disclosure and accounting requirements that are costly and could adversely affect our business and financial results. • Internal and external cyber threats, as well as other disasters, could impair our ability to conduct business effectively. • Economic sanction laws in the United States and other jurisdictions may prohibit us and our affiliates from transacting with certain countries, individuals and companies. • Major public health issues could have an adverse impact on our financial condition and results of operations and other aspects of our business. ~~• We have identified a material weakness in our internal control over financial reporting and if our remediation of this material weakness is not effective, or if we fail to maintain an effective system of internal control over financial reporting in the future, we may not be able to accurately or timely report our financial condition or operating results, which may adversely affect our business.~~ Risks Related to Our Investments • Our investments in prospective portfolio companies may be risky, and we could lose all or part of our investment. • An investment strategy focused primarily on smaller privately held companies involves a high degree of risk and presents certain challenges, including the lack of available information about these companies, a dependence on the talents and efforts of only a few key portfolio company personnel and a greater vulnerability to economic downturns. • Our investments in leveraged portfolio companies may be risky, and we could lose all or part of our investment. • The health and performance of our portfolio companies could be adversely affected by political and economic conditions in the countries in which they conduct business. • We are currently operating in a period of capital markets disruption and economic uncertainty. • The lack of liquidity in our investments may adversely affect our business. • We may not have the funds or ability to make additional investments in our portfolio companies or to fund our unfunded debt commitments which may impair the value of our portfolio. • Our ability to enter into new transactions with our affiliates, and to restructure or exit our investments in portfolio companies that we are deemed to " control " under the 1940 Act, will be restricted by the 1940 Act, which may limit the scope of investment opportunities available to us. • We are a non- diversified investment company within the meaning of the 1940 Act, and therefore we are not limited with respect to the proportion of our assets that may be invested in securities of a single issuer. • Our portfolio may be concentrated in a limited number of industries, which may subject us to a risk of significant loss if there is a downturn in a particular industry in which a number of our investments are concentrated. Our portfolio will be considered to be concentrated in a particular industry when 25 % or greater of its total assets are invested in issuers that are a part of that industry. The Company currently has investments concentrated in the healthcare industry. • A covenant breach or other defaults by our portfolio companies may adversely affect our operating results. • If our portfolio companies are unable to protect their proprietary, technological and other intellectual property rights, our business and prospects could be harmed, and if portfolio companies are required to devote significant resources to protecting their intellectual property rights, the value of our investment could be reduced. • Any unrealized depreciation we experience on our loan portfolio may be an indication of future realized losses, which could reduce our income available for distribution. • Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and reduce our return on equity. • We may not realize gains from our equity investments ~~. • The interest rates of some of our floating- rate loans to our portfolio companies may be priced using a spread over LIBOR, which is being phased out~~ . • We may choose to waive or defer enforcement of covenants in the debt securities held in our portfolio, which may cause us to lose all or part of our investment in these companies. • Our investments in securities rated below investment grade are speculative in nature and are subject to additional risk factors such as increased possibility of default, illiquidity of the security, and changes in value based on changes in interest rates. • Our investments may be in portfolio companies which may have limited operating histories and financial resources. Risks Relating to Our Securities • The market price of our common stock may fluctuate significantly. • Our business and operation could be negatively affected if we become subject to any securities litigation or stockholder activism, which could cause us to incur significant expense, hinder

execution of investment strategy and impact our stock price. • Investing in our common stock involves a high degree of risk. • We cannot assure you that the market price of shares of our common stock will not decline. • Our common stockholders will bear the expenses associated with our borrowings, and the holders of our debt securities will have certain rights senior to our common stockholders. • 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. • Shares of our common stock have traded at a discount from net asset value and may do so in the future. • There is a risk that investors in our equity securities may not receive distributions consistent with historical levels or at all, or that our distributions may not grow over time and a portion of our distributions may be a return of capital. • A stockholder' s interest in us will be diluted if we issue additional shares of common stock, which could reduce the overall value of an investment in us. • We will have broad discretion over the use of proceeds of any successful offering of securities. • Your interest in the Company may be diluted if you do not fully exercise your subscription rights in any rights offering. • If we issue preferred stock, the net asset value and market value of our common stock will likely become more volatile. • Holders of any preferred stock we might issue would have the right to elect members of our Board and class voting rights on certain matters. OUR INVESTMENT STRATEGY Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We expect the companies in which we invest will generally have between $ 5 million and $ 50 million in trailing twelve- month earnings before interest, tax, depreciation and amortization (" EBITDA "). We believe our focus on direct lending to private companies enables us to receive higher interest rates and more substantial equity participation. As part of that strategy, we may invest in first lien loans, which have a first priority security interest in all or some of the borrower' s assets. In addition, our first lien loans may include positions in " stretch " senior secured loans, also referred to as " unitranche " loans, which combine characteristics of traditional first lien senior secured loans and second lien loans, providing us with greater influence and security in the primary collateral of a borrower and potentially mitigating loss of principal should a borrower default. We also may invest in second lien loans, which have a second priority security interest in all or substantially all of the borrower' s assets. In addition to debt securities, we may acquire equity or detachable equity- related interests (including warrants) from a borrower. Typically, the debt in which we invest is not initially rated by any rating agency; however, we believe that if such investments were rated, they would be rated below investment grade. Below investment grade securities, which are often referred to as " high yield " or " junk, " have predominantly speculative characteristics with respect to the issuer' s capacity to pay interest and repay principal. We intend to target investments that mature in four to six years from our investment. We typically will not limit the size of our loan commitments to a specific percentage of a borrower' s assets that serve as collateral for our loan, although we attempt to protect against risk of loss on our debt investments by structuring, underwriting and pricing loans based on anticipated cash flows of our borrowers. OUR INVESTMENT ADVISER We are managed by the Investment Adviser, whose investment team members have significant and diverse experience financing, advising, operating and investing in lower middle- market and traditional middle- market companies. Mount Logan was formed in 2020 and is registered as an investment adviser under the Advisers Act. Mount Logan is controlled by MLC, a publicly listed Canada- based alternative asset management company. Mount Logan is an affiliate of BC Partners for U. S. regulatory purposes and BC Partners provides Mount Logan with personnel pursuant to a resource sharing agreement, which allows Mount Logan to utilize the resources of BC Partners' broader credit team. MLC is managed by the founders of BC Partners Credit bringing to bear the investment expertise and deep resources of the broader BC Partners platform, all of which the Company ~~,~~ as an entity within the BC Partners ecosystem- benefits from. Mount Logan ~~provides investment~~ **is an alternative asset** management ~~services to~~ **and insurance solutions company that is focused on public and** ~~privately~~ -- **private debt securities in** ~~offered investment funds and acts as~~ the ~~collateral manager to issuers~~ **North American market and the reinsurance** of ~~collateralized loan obligations~~ **annuity products, primarily through its wholly- owned subsidiaries, Mount Logan Management LLC** (~~" CLOs"~~ **" ML Management "**) ~~backed by debt obligations~~ and ~~similar assets~~ **Ability Insurance Company (" Ability "), respectively** . Mount Logan' s investment committee, or the Mount Logan Investment Committee, includes Ted Goldthorpe, Matthias Ederer, Henry Wang **, Patrick Schafer** and ~~Raymond Svider~~ **Ivelin Dimitrov** , each experienced members of Mount Logan' s investment personnel. With over $ 40 billion in assets under management and offices in London, Paris, Hamburg, and New York, the BC Partners organization is comprised of a private equity platform (" BC Partners Private Equity"), a credit platform (" BC Partners Credit"), and a real estate platform (" BC Partners Real Estate"). All three platforms operate as integrated businesses within the overall BC Partners organization. Founded in 1986, BC Partners grew and evolved with the development of the European private equity market, consistently maintaining its position as one of the leading buyout firms in the region. It subsequently expanded investment operations to North America to support larger transactions operating more globally and established a successful investment platform for buyouts of businesses based in the United States and around the world. BC Partners expanded its strategic offering by establishing a credit platform in 2017 and a real estate platform in 2018. BC Partners has a 35- year investing track record across a variety of geographies and sectors. Throughout its investment history, BC Partners has built strong and longstanding relationships with global institutional investors. To the extent permitted by the 1940 Act and interpretation of the staff of the U. S. Securities and Exchange Commission (the " SEC "), the Investment Adviser and its affiliates may determine that an investment is appropriate for us and for one or more of those other funds. In such event, depending on the availability of such investment and other appropriate factors, the Investment Adviser or its affiliates may determine that we should invest side- by- side with one or more other funds. Any such investments will be made only to the extent permitted by applicable law and interpretive positions of the SEC and its staff, and consistent with the Investment Adviser' s allocation procedures. On April 10, 2023, superseding a prior exemptive order granted on October 23, 2018, the SEC issued an order granting an application for exemptive relief to us and certain of our affiliates that allows BDCs managed by the Investment Adviser, including Logan Ridge, to co- invest, subject to the satisfaction of certain conditions, in certain private placement transactions, with other funds managed by the Investment Adviser or its affiliates, certain proprietary accounts of the Investment Adviser or its affiliates and any future funds that are advised by the Investment Adviser or its affiliated investment

advisers. Pursuant to the Order, we are permitted to co- invest in such investment opportunities with our affiliates if a " required majority " (as defined in Section 57 (o) of the 1940 Act) of our directors each of which is not considered an " interested person ", as such term is defined under the 1940 Act (the " independent directors ") make certain conclusions in connection with a co-investment transaction, including, but not limited to, that (1) the terms of the potential co- investment transaction, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned, and (2) the potential co- investment transaction is consistent with the interests of our stockholders and is consistent with our then- current investment objective and strategies. INVESTMENTS We will engage in various investment strategies from time to time in order to achieve our overall lending and investment objectives. Our strategies will generally require current cash yields and sensible leverage and fixed charge coverage ratios and either a first or second lien position (subject to limited instances in which we will not obtain security) in the collateral of the portfolio company. The strategy we select will depend upon, among other things, market opportunities, the skills and experience of our Investment Adviser' s investment team, the result of our financial, operational and strategic evaluation of the opportunity, and our overall portfolio composition. Most of our existing debt investments offer, and we expect most of our future debt investments will offer, the opportunity to participate in a borrower' s equity performance through warrant participation, direct equity ownership or otherwise, and many of our debt investments will require the borrower to pay an early termination fee. Collectively, these attributes have been, and are expected to be, important contributors to the returns generated by our Investment Adviser' s investment team. The Investment Adviser' s investment team uses a disciplined investment portfolio monitoring and risk management process that emphasizes strict underwriting standards and guidelines, strong due diligence investigation, regular portfolio review, analysis and performance- guided responses, and proper investment diversification. We allocate capital among different industries, geographies and private equity sponsors on the basis of relative risk / reward profiles as a function of their associated downside risk, volatility, perceived fundamental risk and our ability to obtain favorable investment protection terms. Types of Investments We will target debt investments that yield meaningful current income and, in certain cases, provide the opportunity for capital appreciation through equity securities. In each case, the following criteria and guidelines are applied to the review of a potential investment; however, not all criteria are met in every single investment in our portfolio, nor do we guarantee that all criteria will be met in the investments we will make in the future. • Established Companies With Positive Cash Flow. We seek to invest in established companies with a history of generating revenues and positive cash flows. We intend to focus on companies with a history of profitability and minimum trailing twelve- month EBITDA of between $ 5 million and $ 50 million. We do not intend to invest in start- up companies, distressed or " turn- around " situations or companies with business plans that we do not understand. • Experienced Management Teams with Meaningful Investment. We seek to invest in companies in which senior or key managers have significant company or industry- level experience and have significant equity ownership. It has been our experience that these management teams are more committed to the company' s success and more likely to manage the company in a manner that protects our debt and equity investments. • Significant Invested Capital. We believe that the existence of an appropriate amount of equity beneath our debt capital provides valuable support for our investment. In addition, the degree to which the particular investment is a meaningful one for the portfolio company' s financial sponsor, and the financial sponsor' s ability and willingness to invest additional equity capital as and to the extent necessary, are also important considerations. • Appropriate Capital Structures. We seek to invest in companies that are appropriately capitalized. First, we examine the amount of equity that is being invested by the company' s private equity sponsor to determine whether there is a sufficient capital cushion beneath our invested capital. We also analyze the amount of leverage and the characteristics of senior debt with lien priority over our investment. • Strong Competitive Position. We intend to invest in companies that have developed strong, defensible product or service offerings within their respective market segments. These companies should be well positioned to capitalize on organic and strategic growth opportunities and should compete in industries with strong fundamentals and meaningful barriers to entry. We further analyze prospective portfolio investments in order to identify competitive advantages within their respective industries, which may result in superior operating margins or industry- leading growth. • Customer and Supplier Diversification. We expect to invest in companies with sufficiently diverse customer and supplier bases. We believe these companies will be better able to endure industry consolidation, economic contraction and increased competition than those that are not sufficiently diversified. However, we also recognize that from time to time, an attractive investment opportunity with some concentration among its customer base or supply chain will present itself. We believe that concentration issues can be evaluated and, in some instances (whether due to supplier or customer product or platform diversification, the existence and quality of long- term agreements with such customers or suppliers or other select factors), mitigated, thus presenting a superior risk- adjusted pricing scenario. Debt Investments The Investment Adviser' s investment team tailors the terms of each debt investment to the facts and circumstances of the transaction, the needs of the prospective portfolio company and, as applicable, its financial sponsor, negotiating a structure that seeks to protect our rights and manage our risk while creating incentives for the portfolio company to achieve its business plan. We expect our primary source of return to be the cash interest we will collect on our debt investments. We also typically seek board observation rights with each portfolio company, and we offer (and have historically provided) managerial and strategic assistance to these companies. We seek to further protect invested principal by negotiating appropriate affirmative, negative and financial covenants in our debt documents that are conservative enough to represent a prudent cushion at closing or to budgeted projections, but that are flexible enough to afford our portfolio companies and their financial sponsors sufficient latitude to allow them to grow their businesses. Typical covenants include default triggers and remedies (including penalties), lien protection, leverage and fixed charge coverage ratios, change of control provisions and put rights. Most of our debt investments feature call protection to enhance our total return on debt investments that are repaid prior to maturity. Most of our debt investments are structured as first lien loans, and as of December 31, ~~2023~~ **2024** , ~~79~~ **77** . ~~8~~ **7** % of the fair value of our debt investments consisted of such investments. First lien loans may contain some minimum amount of principal amortization, excess cash flow

sweep feature, prepayment penalties, or any combination of the foregoing. First lien loans are secured by a first priority lien in existing and future assets of the borrower and may take the form of term loans, delayed draw facilities, or revolving credit facilities. In some cases, first lien loans may be subordinated, solely with respect to the payment of cash interest, to an asset based revolving credit facility. Unitranche debt, a form of first lien loan, typically involves issuing one debt security that blends the risk and return profiles of both senior secured and subordinated debt in one debt security, bifurcating the loan into a first- out tranche and last- out tranche. As of December 31, ~~2023~~ **2024** , none of our first lien loans consisted of last- out loans. We believe that unitranche debt can be attractive for many lower middle- market and traditional middle- market businesses, given the reduced structural complexity, single lender interface and elimination of intercreditor or potential agency conflicts among lenders. We may also invest in debt instruments structured as second lien loans. Second lien loans are loans which have a second priority security interest in all or substantially all of the borrower' s assets, and in some cases, may be subject to the interruption of cash interest payments upon certain events of default, at the discretion of the first lien lender. On a fair market value basis, ~~5~~ **6** . ~~1~~ **3** % of our debt investments consisted of second lien loans as of December 31, ~~2023~~ **2024** . Some of our debt investments have payment- in- kind (" PIK ") interest, which is a form of interest that is not paid currently in cash but is accrued and added to the loan balance until paid at the end of the term. While we generally seek to minimize the percentage of our fixed return that is in the form of PIK interest, we sometimes receive PIK interest due to prevailing market conditions that do not support the overall blended interest yield on our debt investments being paid in all- cash interest. As of December 31, ~~2023~~ **2024** , our weighted average PIK yield was ~~0~~ **1** . ~~8~~ **1** % (excluding the income from non- accruals and collateralized loan obligations). As of December 31, ~~2023~~ **2024** , the weighted average annualized cash yield on our debt portfolio was ~~10~~ **9** . ~~4~~ **6** % (excluding the income from non- accruals and collateralized loan obligations). In addition to yield in the form of current cash and PIK interest, some of our debt investments include an equity component, such as a warrant to purchase a common equity interest in the borrower for a nominal price. The weighted **average** annualized yield is calculated based on the effective interest rate as of period end, divided by the ~~fair value~~ **outstanding par balance** of our debt investments. The weighted average annualized yield of our debt investments is not the same as a return on investment for our stockholders but, rather, relates to a portion of our investment portfolio and is calculated before the payment of all of our fees and expenses. There can be no assurance that the weighted average yield will remain at its current level. Equity Investments When we make a debt investment, we may be granted equity participation in the form of detachable warrants to purchase common equity in the company in the same class of security that the owners or equity sponsors receive upon funding. In addition, we may make non- control equity co- investments in conjunction with a loan transaction with a borrower. The Investment Adviser' s investment team generally seeks to structure our equity investments, such as direct equity co- investments, to provide us with minority rights provisions and, to the extent available, event- driven put rights. They also seek to obtain limited registration rights in connection with these investments, which may include " piggyback " registration rights. In addition to warrants and equity co- investments, our debt investments in the future may contain a synthetic equity position. INVESTMENT PROCESS The management of our investment portfolio is the responsibility of Mount Logan and the Logan Ridge investment team (the " LRFC Investment Team "). All investment decisions require the majority approval of the Mount Logan Investment Committee. The LRFC Investment Team sources, identifies and diligences investment opportunities and presents the opportunity to the Mount Logan Investment Committee for approval. The Mount Logan Investment Committee is currently comprised of ~~three~~ **five** members of BC Partners Credit (Ted Goldthorpe, Matthias Ederer **, Ivelin Dimitrov, Patrick Schafer,** and Henry Wang ~~), and one member of BC Partners Private Equity (Raymond Svider~~). The Mount Logan Investment Committee meets regularly to review the opportunities presented by the LRFC Investment Team. Follow- on investments in existing portfolio companies may require the Mount Logan' s Investment Committee approval beyond that obtained when the initial investment in the company was made. In addition, temporary investments, such as those in cash equivalents, U. S. government securities and other high quality debt investments that mature in one year or less, may require approval by the Mount Logan Investment Committee. The Board, including a majority of the Independent Directors, oversees and monitors the investment performance and, beginning with the second anniversary of the effective date of the Investment Advisory Agreement, will annually review the compensation Logan Ridge pays to Mount Logan. None of Mount Logan' s investment professionals receive any direct compensation from Logan Ridge in connection with the management of Logan Ridge' s portfolio. The following individuals (the " LRFC Portfolio Managers ") have senior responsibility for the management of our investment portfolio: Ted Goldthorpe, Matthias Ederer, Henry Wang, ~~Raymond Svider~~ **Ivelin Dimitrov,** and Patrick Schafer. Mr. Schafer is Logan Ridge' s Chief Investment Officer and has primary responsibility for the day- to- day implementation and management of Logan Ridge' s investment portfolio. The stages of our investment selection process are as follows: Deal Generation / Origination Deal generation and origination is maximized through long- standing and extensive relationships with industry contacts, brokers, commercial and investment bankers, entrepreneurs, service providers (such as lawyers and accountants), as well as current and former clients, portfolio companies and investors. Screening All potential investments that are received are screened for suitability and consistency with our investment criteria (see " — Due Diligence and Underwriting, " below). If a potential investment meets our basic investment criteria, a deal team is assigned to perform preliminary due diligence. In doing so, we consider some or all of the following factors: • A comprehensive financial model that we prepare based on quantitative analysis of historical financial performance, financial projections made by management or the financial sponsor, and pro forma financial ratios assuming an investment consistent with possible structures. In analyzing our model, we test various investment structures, pricing options, downside scenarios and other sensitivities in order to better understand potential risks and possible financial covenant ratios; • The competitive landscape and industry dynamics impacting the potential portfolio company; • Strengths and weaknesses of the potential investment' s business strategy and industry outlook; and • Results of a broad qualitative analysis of the company' s products or services, market position and outlook, customers, suppliers and quality of management. If the results of this preliminary due diligence are satisfactory, the deal team prepares an executive summary that is presented to our Investment

Adviser' s investment committee in a meeting that includes all members of the portfolio and investment teams. This executive summary includes the following areas: • Company history and summary of product (s) and / or service (s); • An overview of investors, anticipated capital sources and transaction timing; • Investment structure and expected returns, including initial projected financial ratios; • Analysis of historical financial results and key assumptions; • Analysis of the company' s business strategy; • Analysis of the financial sponsor' s relevant experience or expected strategy; • Investment strengths, weaknesses and priority issues to be addressed in due diligence; and • Pro forma capitalization and ownership. If our investment committee recommends moving forward, we will issue a non- binding term sheet or indication of interest to the potential portfolio company and, when applicable, its financial sponsor. If a term sheet is successfully negotiated, we will begin more formal due diligence and underwriting as we progress towards the ultimate investment approval and closing. The completion of due diligence deliverables is led by at least two investment professionals. However, all investment and portfolio team members are regularly updated with due diligence progress, especially any issues that emerge. The investment professionals leading the due diligence efforts are typically assigned to the original deal team that worked on the executive summary. However, post- term sheet deal teams sometimes contain one or more additional investment professionals and may include other professionals from business development, portfolio or other areas if a particular skill or experience set would be especially valuable in the due diligence process. The members of the underwriting team complete due diligence and analyze the relationships among the prospective portfolio company' s business plan, operations and expected financial performance. Due diligence consists of some or all of the following: • On- site visits with management and relevant key employees; • In- depth review of historical and projected financial statements, including covenant calculation work sheets; • Interviews with customers and suppliers; • Management background checks; • Review of reports by third- party accountants, outside counsel and other industry, operational or financial experts, whether retained by us or the financial sponsor; • Review of material contracts; and • Review of financial sponsor' s due diligence package and internal executive summaries. Typically, we utilize outside experts to analyze the legal affairs, accounting systems and financial results and, where appropriate, we engage specialists to investigate certain issues. During the underwriting process, significant, ongoing attention is devoted to sensitivity analyses regarding whether a company might bear a significant " downside " case and remain profitable and in compliance with assumed financial covenants. These " downside " scenarios typically involve assumptions regarding the loss of key customers and / or suppliers, an economic downturn, adverse regulatory changes and other relevant stressors that we attempt to simulate in our quantitative and qualitative analyses. Further, we continually examine the effect of these scenarios on financial ratios and other metrics. During the underwriting process, the executive summary that was completed for the initial investment committee presentation is expanded upon into a full diligence memo and key findings are presented at subsequent, weekly meetings of the investment committee for continued discussion and, to the extent applicable, the investment committee issues new instructions to the underwriting team. Approval, Documentation and Closing The underwriting team for the proposed investment presents the full diligence memo and key findings from due diligence to the investment committee on an ongoing basis. Prior to the commencement of documentation, approval from the investment committee is sought and, if approved, the underwriting professionals heretofore involved proceed to documentation. At all times during the documentation process, the underwriting professionals who conducted the due diligence remain involved; likewise, all extensively negotiated documentation decisions are made by the lead underwriting team member, in accordance with input from at least one investment committee member and guidance from outside counsel. As and to the extent necessary, key documentation challenges are brought before the investment committee for prompt discussion and resolution. Upon the completion of satisfactory documentation and the satisfaction of closing conditions, final approval is sought from the investment committee before closing and funding. ONGOING RELATIONSHIPS WITH PORTFOLIO COMPANIES Monitoring Our Investment Adviser monitors our portfolio companies on an ongoing basis. It monitors the financial trends of each portfolio company to determine if it is meeting its business plan and to assess the appropriate course of action for each company. We generally require our portfolio companies to provide annual audited financial statements and quarterly unaudited financial statements, in each case, with management discussion and analysis and covenant compliance certificates, and monthly unaudited financial statements. Using the monthly financial statements, we calculate and evaluate all financial covenants and additional financial coverage ratios that might not be part of our covenant package in the loan documents. For purposes of analyzing a portfolio company' s financial performance, we may adjust their financial statements to reflect pro forma results in the event of a recent change of control, sale, acquisition or anticipated cost savings. Our Investment Adviser has several methods of evaluating and monitoring the performance and fair value of our investments, including the following: • Assessment of success in adhering to each portfolio company' s business plan and compliance with covenants; • Periodic and regular contact with portfolio company management and, if appropriate, the financial or strategic sponsor, to discuss financial position, requirements and accomplishments; • Comparisons to our other portfolio companies in the industry, if any; • Attendance at and participation in the board meetings; and • Review of monthly and quarterly financial statements and financial projections for portfolio companies. AGREEMENTS On July 1, 2021, the Company entered into an investment advisory agreement (the " Investment Advisory Agreement ") with the Investment Adviser, which was approved by the Company' s stockholders on May 27, 2021. Unless earlier terminated in accordance with its terms, the Investment Advisory Agreement will remain in effect from year- to- year if approved annually by the Board or by a majority of our outstanding voting securities, including, in either case, by a majority of our directors who are not " interested persons " as such term is defined in Section 2 (a) (19) of the 1940 Act (" Independent Directors "). The Board most recently approved the renewal of the Investment Advisory Agreement at a meeting on May ~~9~~ **7** , ~~2023~~ **2024 , for a period of one year effective July 1, 2024 and will remain in effect until July 1, 2025** . Subject to the overall supervision of the Board, the Investment Adviser manages our day- to- day operations and provides investment advisory and management services to us. Under the terms of the Investment Advisory Agreement, the Investment Adviser: • determines the composition of our portfolio, the nature and timing of the changes to our portfolio, and the manner of implementing such changes; • identifies, evaluates, and negotiates the structure of

the investments we make (including performing due diligence on our prospective portfolio companies); • closes and monitors the investments we make; and • provides us with other investment advisory, research, and related services as we may from time to time require. The Investment Adviser' s services under the Investment Advisory Agreement are not exclusive, and it is free to furnish similar services to other entities so long as its services to us are not impaired. The Investment Advisory Agreement provides that, absent willful misfeasance, bad faith, or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, the Investment Adviser and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with it are entitled to indemnification from the Company for any damages, liabilities, costs, and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of our Investment Adviser' s services under the Investment Advisory Agreement or otherwise as Investment Adviser for the Company. Pursuant to the Investment Advisory Agreement, the Company has agreed to pay the Investment Adviser a fee for investment advisory and management services consisting of two components — a base management fee and an incentive fee. The base management fee is calculated at an annual rate of 1. 75 % of the gross assets, which are the total assets reflected on the consolidated statements of assets and liabilities and includes any borrowings for investment purposes. Although the Company does not anticipate making significant investments in derivative financial instruments, the fair value of any such investments, which will not necessarily equal their notional value, will be included in the calculation of gross assets. For services rendered under the Investment Advisory Agreement, the base management fee is payable quarterly in arrears. The base management fee is calculated based on the average value of the gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the current calendar quarter. The incentive fee consists of the following two parts: The first part of the incentive fee is calculated and payable quarterly in arrears based on the pre- incentive fee net investment income for the immediately preceding calendar quarter. For this purpose, pre- incentive fee net investment income means interest income, dividend income, and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, diligence, and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement, dated July 1, 2021, between us and the Administrator (the " Administration Agreement "), to our Administrator, and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre- incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with PIK interest and zero coupon securities), accrued income that we have not yet received in cash. Pre- incentive fee net investment income does not include any realized capital gains, computed net of all realized capital losses or unrealized capital appreciation or depreciation. Pre- incentive fee net investment income, expressed as a rate of return on the value of our net assets at the end of the immediately preceding calendar quarter, is compared to a hurdle of 2. 0 % per quarter (8. 0 % annualized). The Company pays the Investment Adviser an incentive fee with respect to the pre- incentive fee net investment income in each calendar quarter as follows: • no incentive fee in any calendar quarter in which the pre- incentive fee net investment income does not exceed the hurdle of 2. 0 %; • 100 % of the pre- incentive fee net investment income with respect to that portion of such pre- incentive fee net investment income, if any, that exceeds the hurdle but is less than 2. 5 % in any calendar quarter (10. 0 % annualized). The Company refers to this portion of the pre- incentive fee net investment income (which exceeds the hurdle but is less than 2. 5 %) as the " catch- up. " The " catch- up " is meant to provide the Investment Adviser with 20 % of the pre- incentive fee net investment income as if a hurdle did not apply if this net investment income exceeds 2. 5 % in any calendar quarter; and • 20. 0 % of the amount of the pre- incentive fee net investment income, if any, that exceeds 2. 5 % in any calendar quarter (10. 0 % annualized) is payable to the Investment Adviser (once the hurdle is reached and the catch- up is achieved, 20. 0 % of all pre- incentive fee investment income thereafter is allocated to the Investment Adviser). The second part of the incentive fee is determined and payable in arrears as of the end of each calendar year, commencing on December 31, 2021, and equals 20. 0 % of the Company' s realized capital gains, if any, on a cumulative basis with respect to each of the investments in the Company' s portfolio from the fiscal quarter ending on or immediately prior to July 1, 2021 through the end of each calendar year, beginning with the calendar year ending December 31, 2021, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis from September 30, 2021 through the end of each calendar year, beginning with the calendar year ending December 31, 2021, less the aggregate amount of any previously paid capital gain fees under the Investment Advisory Agreement. Any realized capital gains, realized capital losses and unrealized capital depreciation with respect to the Company' s portfolio as of the end of the fiscal quarter ending on or immediately prior to July 1, 2021 are excluded from the calculations of the capital gains fee. In the event that the Investment Advisory Agreement terminates as of a date that is not a calendar year end, the termination date will be treated as though it were a calendar year end for purposes of calculating and paying a capital gains fee. The Company will defer cash payment of the portion of any incentive fee otherwise earned by the Investment Adviser that would, when taken together with all other incentive fees paid to the Investment Adviser during the most recent 12 full calendar month period ending on or prior to the date such payment is to be made, exceed 20. 0 % of the sum of (a) the pre- incentive fee net investment income during such period, (b) the net unrealized appreciation or depreciation during such period and (c) the net realized capital gains or losses during such period. Any deferred incentive fees will be carried over for payment in subsequent calculation periods to the extent such payment is payable under the Investment Advisory Agreement. As of December 31, **2024 and** 2023 ~~and 2022~~, the Company did not have incentive fees payable to the Investment Adviser related to fees earned in prior years but deferred under the incentive fee deferral mechanism, respectively. Beginning on July 1, 2021, the Investment Adviser entered into a two- year contractual fee waiver (the " Fee Waiver ") with the Company to waive, to the extent necessary, any capital gains fee under the Investment Advisory Agreement that exceeds what would have been paid to our prior investment adviser, Capitala Investment Advisors, LLC, in the aggregate over such two- year period under the prior advisory agreement. The Fee Waiver expired at the

end of the two- year period. Graphical Representation and Examples under the Investment Advisory Agreement The following is a graphical representation of the calculation of the income- related portion of the incentive fee: Quarterly Incentive Fee Based on Net Investment Income (expressed as a percentage of the value of net assets) Percentage of pre- incentive fee net investment income allocated to the Mount Logan Management LLC These calculations are appropriately pro- rated for any period of less than three months and adjusted for any share issuances or repurchases during the relevant quarter. You should be aware that a rise in the general level of interest rates can be expected to lead to higher interest rates applicable to our debt investments. Accordingly, an increase in interest rates would make it easier for us to meet or exceed the incentive fee hurdle rate and may result in a substantial increase of the amount of incentive fees payable to our Investment Adviser with respect to pre- incentive fee net investment income. Examples of Quarterly Incentive Fee Calculation under the Investment Advisory Agreement Example 1: Income Related Portion of Incentive Fee * Alternative 1: Assumptions Investment income (including interest, dividends, fees, etc.) = 1. 25 % Hurdle rate (1) = 2. 00 % Management fee (2) = 0. 50 % Other expenses (legal, accounting, custodian, transfer agent, etc.) (3) = 0. 20 % Pre- incentive fee net investment income (investment income − (management fee other expenses)) = 0. 55 % Pre- incentive net investment income does not exceed hurdle rate, therefore there is no incentive fee. Alternative 2: Investment income (including interest, dividends, fees, etc.) = 2. 90 % (investment income − (management fee other expenses)) = 2. 20 % Incentive fee = 100 % × pre- incentive fee net investment income, subject to the " catch- up " (4) = 100 % × (2. 20 % − 2. 00 %) = 0. 20 % Pre- incentive fee net investment income exceeds the hurdle rate, but does not fully satisfy the " catch- up " provision, therefore the income related portion of the incentive fee is 0. 20 %. Alternative 3: Investment income (including interest, dividends, fees, etc.) = 3. 50 % (investment income − (management fee other expenses)) = 2. 80 % Incentive fee = 20 % × pre- incentive fee net investment income, subject to " catch- up " (4) Incentive fee = 100 % × " catch- up " (20 % × (pre- incentive fee net investment income − 2. 50 %)) Catch- up = 2. 50 % − 2. 00 % = 0. 50 % Incentive fee = (100 % × 0. 50 %) (20 % × (2. 80 % − 2. 50 %)) = 0. 50 % (20 % × 0. 30 %) = 0. 50 % 0. 06 % = 0. 56 % Pre- incentive fee net investment income exceeds the hurdle rate, and fully satisfies the " catch- up " provision, therefore the income related portion of the incentive fee is 0. 56 %. * The hypothetical amount of pre- incentive fee net investment income shown is based on a percentage of total net assets. (1) Represents 8. 00 % annualized hurdle rate. (2) Represents 2. 00 % annualized management fee. (3) Excludes organizational and offering expenses. (4) The " catch- up " provision is intended to provide the Investment Adviser with an incentive fee of 20. 00 % on all of Logan Ridge' s pre- incentive fee net investment income as if a hurdle rate did not apply when its net investment income exceeds 2. 50 % in any calendar quarter. Example 2: Capital Gains Portion of Incentive Fee • Year 1: $ 20 million investment made in Company A (" Investment A "), and $ 30 million investment made in Company B (" Investment B ") • Year 2: Investment A sold for $ 50 million and fair market value (" FMV ") of Investment B determined to be $ 32 million • Year 3: FMV of Investment B determined to be $ 25 million • Year 4: Investment B sold for $ 31 million The capital gains portion of the incentive fee would be: • Year 1: None • Year 2: Capital gains incentive fee of $ 6 million ($ 30 million realized capital gains on sale of Investment A multiplied by 20. 00 %) • Year 3: None $ 5 million (20. 00 % multiplied by ($ 30 million cumulative capital gains less $ 5 million cumulative capital depreciation)) less $ 6 million (previous capital gains fee paid in Year 2). • Year 4: Capital gains incentive fee of $ 200, 000 $ 6. 2 million ($ 31 million cumulative realized capital gains multiplied by 20. 00 %) less $ 6 million (capital gains fee taken in Year 2). • Year 1: $ 20 million investment made in Company A (" Investment A "), $ 30 million investment made in Company B (" Investment B ") and $ 25 million investment made in Company C (" Investment C ") • Year 2: Investment A sold for $ 50 million, FMV of Investment B determined to be $ 25 million and FMV of Investment C determined to be $ 25 million • Year 3: FMV of Investment B determined to be $ 27 million and Investment C sold for $ 30 million • Year 4: FMV of Investment B determined to be $ 24 million • Year 5: Investment B sold for $ 20 million The capital gains incentive fee, if any, would be: • Year 2: $ 5 million capital gains incentive fee 20. 00 % multiplied by $ 25 million ($ 30 million realized capital gains on Investment A less unrealized capital depreciation on Investment B). • Year 3: $ 1. 4 million capital gains incentive fee (1) $ 6. 4 million (20. 00 % multiplied by $ 32 million ($ 35 million cumulative realized capital gains less $ 3 million unrealized capital depreciation)) less $ 5 million capital gains fee received in Year 2. • Year 4: None None $ 5 million (20. 00 % multiplied by $ 25 million (cumulative realized capital gains of $ 35 million less realized capital losses of $ 10 million)) less $ 6. 4 million cumulative capital gains fee paid in Year 2 and Year 3. (1) As illustrated in Year 3 of Alternative 2 above, if the Company were to be wound up on a date other than December 31 of any year, the Company may have paid aggregate capital gain incentive fees that are more than the amount of such fees that would be payable if the Company had been wound up on December 31 of such year. Example 3: Application of the Incentive Fee Deferral Mechanism • In each of Years 1 through 4 in this example pre- incentive fee net investment income equals $ 40. 0 million per year, which we recognized evenly in each quarter of each year and paid quarterly. This amount exceeds the hurdle rate and the requirement of the " catch- up " provision in each quarter of such year. As a result, the annual income related portion of the incentive fee before the application of the deferral mechanism in any year is $ 8. 0 million ($ 40. 0 million multiplied by 20. 00 %). All income- related incentive fees were paid quarterly in arrears. • In each year preceding Year 1, we did not generate realized or unrealized capital gains or losses, no capital gain- related incentive fee was paid and there was no deferral of incentive fees. • Year 1: We did not generate realized or unrealized capital gains or losses. • Year 2: We realized a $ 30. 0 million capital gain and did not otherwise generate realized or unrealized capital gains or losses. • Year 3: We recognized $ 5. 0 million of unrealized capital depreciation and did not otherwise generate realized or unrealized capital gains or losses. • Year 4: We realized a $ 6. 0 million capital gain and did not otherwise generate realized or unrealized capital gains or losses. Income Related Incentive Fee Accrued Before Application of Deferral Mechanism Capital Gains Related Incentive Fee Accrued Before Application of Deferral Mechanism Incentive Fee Calculations Incentive Fees Paid and DeferredYear 1 $ 8. 0 million ($ 40. 0 million multiplied by 20 %) None $ 8. 0 million Incentive fees of $ 8. 0 million paid; no incentive fees deferredYear 2 $ 8. 0 million ($ 40. 0 million multiplied by 20 %) $ 6. 0 million (20 % of $ 30. 0 million) $ 14. 0 million Incentive fees of $ 14. 0 million paid; no incentive fees deferredYear 3 $ 8. 0 million ($ 40. 0 million multiplied by 20 %) None (20 % of cumulative net

capital gains of $ 25. 0 million ($ 30. 0 million in cumulative realized gains less $ 5. 0 million in cumulative unrealized capital depreciation) less $ 6. 0 million of capital gains fee paid in Year 2) $ 7. 0 million (20 % of the sum of (a) our pre- incentive fee net investment income, (b) our net unrealized appreciation or depreciation during such period and (c) our net realized capital gains or losses during Year 3) Incentive fees of $ 7. 0 million paid; $ 8. 0 million of incentive fees accrued but payment restricted to $ 7. 0 million; $ 1. 0 million of incentive fees deferredYear 4 $ 8. 0 million ($ 40. 0 million multiplied by 20 %) $ 0. 2 million (20 % of cumulative net capital gains of $ 31. 0 million ($ 36. 0 million cumulative realized capital gains less $ 5. 0 million cumulative unrealized capital depreciation) less $ 6. 0 million of capital gains fee paid in Year 2) $ 8. 2 million Incentive fees of $ 9. 2 million paid ($ 8. 2 million of incentive fees accrued in Year 4 plus $ 1. 0 million of deferred incentive fees); no incentive fees deferred Prior Investment Advisory Agreement On September 24, 2013, the Company entered into an investment advisory agreement (the " Prior Investment Advisory Agreement ") with our Prior Investment Adviser, Capitala Investment Advisors, LLC (" Capitala "), which was initially approved by the Board on June 10, 2013. As described in our Proxy Statement on Schedule 14A, filed on May 4, 2021, which is incorporated herein by reference, the terms of the Prior Investment Advisory Agreement are substantially the same as those contained in the Investment Advisory Agreement, other than the reset of the capital gains incentive fee lookback feature to the date when Mount Logan assumed management of the Company. Our Prior Investment Adviser is registered as an investment adviser under the Advisers Act. Subject to the overall supervision of our Board, our Prior Investment Adviser managed our day- to- day operations, and provided investment advisory and management services to us. Under the terms of our Prior Investment Advisory Agreement, the Prior Investment Adviser: • determined the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes; • identified, evaluated and negotiated the structure of the investments we made (including performing due diligence on our prospective portfolio companies); • closed and monitored the investments we made; and • provided us with other investment advisory, research and related services as we may have from time to time required. The Prior Investment Adviser' s services under the Prior Investment Advisory Agreement were not exclusive, and it was free to furnish similar services to other entities so long as its services to us were not impaired. Pursuant to the Prior Investment Advisory Agreement, we agreed to pay the Prior Investment Adviser a fee for investment advisory and management services consisting of two components — a base management fee and an incentive fee. Prior Management Fee The prior base management fee was calculated at an annual rate of 1. 75 % of our gross assets, which was our total assets as reflected on our consolidated statements of assets and liabilities and included any borrowings for investment purposes. Although we did not anticipate making significant investments in derivative financial instruments, the fair value of any such investments, which would not necessarily equal their notional value, would be included in our calculation of gross assets. For services rendered under the Prior Investment Advisory Agreement, the base management fee was payable quarterly in arrears. The base management fee was calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the current calendar quarter. Prior Incentive Fee The prior incentive fee consists of the following two parts: The first part of the prior incentive fee was calculated and payable quarterly in arrears based on our pre- incentive fee net investment income for the immediately preceding calendar quarter. For this purpose, pre- incentive fee net investment income means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, diligence and consulting fees or other fees that we received from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under an administration agreement between us and the prior administrator (the " Prior Administration Agreement "), and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the prior incentive fee). Pre- incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with PIK interest and zero coupon securities), accrued income that we have not yet received in cash. Pre- incentive fee net investment income did not include any realized capital gains, computed net of all realized capital losses or unrealized capital appreciation or depreciation. Pre- incentive fee net investment income, expressed as a rate of return on the value of our net assets at the end of the immediately preceding calendar quarter, was compared to a hurdle of 2. 0 % per quarter (8. 0 % annualized). We paid the Prior Investment Adviser an incentive fee with respect to our pre- incentive fee net investment income in each calendar quarter as follows: • no incentive fee in any calendar quarter in which our pre- incentive fee net investment income did not exceed the hurdle of 2. 0 %; • 100 % of our pre- incentive fee net investment income with respect to that portion of such pre- incentive fee net investment income, if any, that exceeded the hurdle but was less than 2. 5 % in any calendar quarter (10. 0 % annualized). We refer to this portion of our pre- incentive fee net investment income (which exceeded the hurdle but was less than 2. 5 %) as the " catch- up. " The " catch- up " was meant to provide our Prior Investment Adviser with 20. 0 % of our pre- incentive fee net investment income as if a hurdle did not apply if this net investment income exceeded 2. 5 % in any calendar quarter; and • 20. 0 % of the amount of our pre- incentive fee net investment income, if any, that exceeded 2. 5 % in any calendar quarter (10. 0 % annualized) was payable to the Prior Investment Adviser (once the hurdle was reached and the catch- up was achieved, 20. 0 % of all pre- incentive fee investment income thereafter was allocated to the Prior Investment Adviser). The second part of the prior incentive fee was determined and payable in arrears as of the end of each calendar year (or upon termination of the Prior Investment Advisory Agreement, as of the termination date), and would equal 20. 0 % of our realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees with respect to each of the investments in our portfolio. The Company would defer cash payment of the portion of any incentive fee otherwise earned by the Prior Investment Adviser that would, when taken together with all other prior incentive fees paid to the Prior Investment Adviser during the most recent 12 full calendar month period ending on or prior to the date such payment was to be made, exceed 20. 0 % of the sum of (a) the pre- incentive fee net investment income during such period, (b) the net unrealized

appreciation or depreciation during such period and (c) the net realized capital gains or losses during such period. Any deferred incentive fees would be carried over for payment in subsequent calculation periods to the extent such payment was payable under the Prior Investment Advisory Agreement. The Prior Investment Adviser voluntarily agreed to waive all or such portion of the quarterly incentive fees earned by the Prior Investment Adviser that would otherwise cause our quarterly net investment income to be less than the distribution payments declared by our Board. Quarterly prior incentive fees were earned by the Prior Investment Adviser pursuant to the Prior Investment Advisory Agreement. Prior Incentive fees subject to the waiver could not exceed the amount of incentive fees earned during the period, as calculated on a quarterly basis. The Prior Investment Adviser would not be entitled to recoup any amount of prior incentive fees that it waived. The waiver was effective in the fourth quarter of 2015 and continued through termination of the Prior Investment Advisory Agreement. Payment of Our Expenses The investment team of our Investment Adviser and their respective staffs, when and to the extent engaged in providing investment advisory and management services, and the compensation and routine overhead expenses of such personnel allocable to such services, are provided and paid for by the Investment Adviser. We bear all other costs and expenses of our operations and transactions, including (without limitation): • the cost of our organization; • the cost of calculating our net asset value, including the cost of any third- party valuation services; • the cost of effecting sales and repurchases of our shares and other securities; • interest payable on debt, if any, to finance our investments; • fees payable to third parties relating to, or associated with, making investments (such as legal, accounting, and travel expenses incurred in connection with making investments), including fees and expenses associated with performing due diligence reviews of prospective investments and advisory fees; • transfer agent and custodial fees; • fees and expenses associated with marketing efforts; • costs associated with our reporting and compliance obligations under the 1940 Act, the Securities Exchange Act of 1934, as amended (the " 1934 Act "), and other applicable federal and state securities laws, and ongoing stock exchange listing fees; • federal, state and local taxes; • independent directors' fees and expenses; • brokerage commissions; • costs of proxy statements, stockholders' reports and other communications with stockholders; • fidelity bond, directors' and officers' liability insurance, errors and omissions liability insurance and other insurance premiums; • direct costs and expenses of administration, including printing, mailing, telephone and staff; • fees and expenses associated with independent audits and outside legal costs; and • all other expenses incurred by either our Administrator or us in connection with administering our business, including payments under the Administration Agreement that will be based upon our allocable portion of overhead and other expenses incurred by our Administrator in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions, and our allocable portion of any costs of compensation and related expenses of our chief compliance officer, our chief financial officer and their respective administrative support staff. Duration and Termination On July 1, 2021, the Company entered into an investment advisory agreement (the " Investment Advisory Agreement ") with the Investment Adviser, which was approved by the Company' s stockholders on May 27, 2021. Unless earlier terminated in accordance with its terms, the Investment Advisory Agreement will remain in effect from year- to- year if approved annually by the Board or by a majority of our outstanding voting securities, including, in either case, by a majority of our directors who are not " interested persons " as such term is defined in Section 2 (a) (19) of the 1940 Act (" Independent Directors"). The Board most recently approved the renewal of the Investment Advisory Agreement at a meeting on May ~~9~~ **7** , ~~2023~~ **2024 , for a period of one year, effective July 1, 2024 and will remain in effect until July 1, 2025** . The Investment Advisory Agreement will automatically terminate in the event of its assignment. The Investment Advisory Agreement may also be terminated by either party without penalty upon not less than 60 days' written notice to the other party. See " Risk Factors — Risks Relating to Our Business and Structure — Our Investment Adviser has the right to resign on 60 days' notice and we may not be able to find a suitable replacement within such time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations. " Indemnification The Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, the Investment Adviser and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from Logan Ridge for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of the Investment Adviser' s services under the Investment Advisory Agreement or otherwise as an investment adviser of Logan Ridge. Organization of the Investment Adviser The Investment Adviser is a Delaware limited liability company. The principal executive offices of the Investment Adviser are located at 650 Madison Avenue, ~~23rd~~ **3rd** Floor, New York, New York 10022. BC Partners Management LLC, a Delaware limited liability company, serves as our administrator. The principal executive offices of our administrator are located at 650 Madison Avenue, ~~23rd~~ **3rd** Floor, New York, New York 10022. Pursuant to the Administration Agreement, our administrator furnishes us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities. Under the Administration Agreement, our administrator also performs, or oversees the performance of, our required administrative services, which include, among other things, being responsible for the financial records that we are required to maintain and preparing reports to our stockholders. In addition, our administrator assists us in determining and publishing our net asset value, oversees the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the Administration Agreement are equal to an amount based upon our allocable portion of our administrator' s overhead in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions and our allocable portion of the compensation of our chief financial officer, chief compliance officer and our allocable portion of the compensation of their respective administrative support staff. Under the Administration Agreement, our administrator will also provide on our behalf managerial assistance to those portfolio companies that request such assistance. Unless terminated earlier in accordance with its terms, the Administration Agreement will remain in effect if approved annually by our Board. On July 1, 2021, we entered into

the Administration Agreement **. Unless terminated earlier in accordance with its terms, the Administration Agreement was renewed on May 7, 2024, for a period of one year, effective July 1, 2024 and will remain in effect until July 1, 2025** . The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. To the extent that our administrator outsources any of its functions, we will pay the fees associated with such functions on a direct basis without any incremental profit to our administrator. Stockholder approval is not required to amend the Administration Agreement. The Administration Agreement provides that, absent willful misfeasance, bad faith or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, our administrator and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from Logan Ridge for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of our administrator' s services under the Administration Agreement or otherwise as administrator for Logan Ridge. The Prior Administration Agreement was initially approved by the Board on June 10, 2013 (the " Prior Administration Agreement ") and signed on September 24, 2013. The principal executive offices of our Prior Administrator, Capitala Advisors Corp., are located at 4201 Congress Street, Suite 360, Charlotte, North Carolina 28209. The Prior Administrator, pursuant to a sub- administration agreement, engaged U. S. Bank Global Fund Services to act on behalf of the Prior Administrator in its performance of certain administrative services for us. The principal office of U. S. Bank Global Fund Services is 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202. Pursuant to the Prior Administration Agreement, our prior administrator furnished us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities. Under the Prior Administration Agreement, our Prior Administrator also performed, or oversaw the performance of, our required administrative services, which included, among other things, being responsible for the financial records that we are required to maintain and preparing reports to our stockholders. In addition, our Prior Administrator assisted us in determining and publishing our net asset value, oversaw the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversaw the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the Prior Administration Agreement were equal to an amount based upon our allocable portion of our Prior Administrator' s overhead in performing its obligations under the Prior Administration Agreement, including rent, the fees and expenses associated with performing compliance functions, and our allocable portion of the compensation of our chief financial officer, chief compliance officer and our allocable portion of the compensation of their respective administrative support staff. Under the Prior Administration Agreement, our Prior Administrator would also provide on our behalf managerial assistance to those portfolio companies that requested such assistance. Unless terminated earlier in accordance with its terms, the Prior Administration Agreement would remain in effect if approved annually by our Board. On July 30, 2020, the Board approved the renewal of the Prior Administration Agreement. The Prior Administration Agreement could be terminated by either party without penalty upon 60 days' written notice to the other party. To the extent that our Prior Administrator outsourced any of its functions, we would pay the fees associated with such functions on a direct basis without any incremental profit to our Prior Administrator. Stockholder approval was not required to amend the Prior Administration Agreement. Our Prior Administrator also provided administrative services to our Prior Investment Adviser. As a result, the Prior Investment Adviser would also reimburse our Prior Administrator for its allocable portion of our Prior Administrator' s overhead, including rent, the fees and expenses associated with performing compliance functions for the Prior Investment Adviser, and its allocable portion of the compensation of any administrative support staff. The Prior Administration Agreement provided that, absent willful misfeasance, bad faith or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, our Prior Administrator and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it were entitled to indemnification from Logan Ridge for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of our Prior Administrator' s services under the Prior Administration Agreement or otherwise as administrator for Logan Ridge. Prior License Agreement We entered into a license agreement with the Prior Investment Adviser pursuant to which the Prior Investment Adviser agreed to grant us a non- exclusive, royalty- free license to use the name " Capitala. " Under this agreement, we had a right to use the Capitala name for so long as the Prior Investment Advisory Agreement with the Prior Investment Adviser was in effect. Other than with respect to this limited license, we had no legal right to the " Capitala " name. Staffing Logan Ridge has no employees. The Company is externally managed by the Investment Adviser, an affiliate of BC Partners, pursuant to the Investment Advisory Agreement. Mr. Goldthorpe, an interested member of the Board, has a direct or indirect pecuniary interest in the Investment Adviser. The Investment Adviser is a registered investment adviser under the Advisers Act. The Adviser is an affiliate of BC Partners Advisors L. P. for U. S. regulatory purposes. MLC is the ultimate control person of the Investment Adviser. Under the Investment Advisory Agreement, fees payable to the Investment Adviser equal (i) the Base Management Fee and (ii) the Incentive Fee. Unless earlier terminated as described below, the Investment Advisory Agreement will remain in effect from year- to- year if approved annually by a majority of the Board or by the holders of a majority of the outstanding shares, and, in each case, a majority of the independent directors. Pursuant to the Administration Agreement, the Administrator provides administrative services to the Company necessary for the operations of the Company, which include providing to the Company office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities and such other services as the Administrator, subject to review by the Board, shall from time to time deem to be necessary or useful to perform its obligations under the applicable Administration Agreement. The Administrator also provides to the Company portfolio collection functions for and is responsible for the financial and other records that the Company is required to maintain and prepares, prints and disseminates reports to the Company' s stockholders and reports and all other materials filed with the SEC. For providing these services, facilities and personnel, the Company reimburses the Administrator the allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the Administration

Agreement, including the Company' s allocable portion of the costs of compensation and related expenses of its chief financial officer, and chief compliance officer, and their respective staffs. VALUATION PROCESS AND DETERMINATION OF NET ASSET VALUE We determine the net asset value of our investment portfolio each quarter by subtracting our total liabilities from the fair value of our gross assets. We conduct the valuation of our assets, pursuant to which our net asset value shall be determined, at all times consistent with U. S. generally accepted accounting principles (" U. S. GAAP ") and the 1940 Act. Our valuation procedures are set forth in more detail below: Investment transactions are recorded on the trade date. Realized gains or losses on investments are calculated using the specific identification method as the difference between the net proceeds received (excluding prepayment fees, if any) and the amortized cost basis of the investment without regard to unrealized appreciation or depreciation previously recognized, and include investments charged off during the period, net of recoveries. Net change in unrealized appreciation or depreciation reflects the change in portfolio investment values during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation when gains or losses are recognized. Investments for which market quotations are available are typically valued at those market quotations. To validate market quotations, the Company will utilize a number of factors to determine if the quotations are representative of fair value, including the source and number of the quotations. Debt that is not publicly traded but for which there are external pricing sources available as of the valuation date is valued using independent broker- dealer, market maker quotations or independent pricing services. The valuation committee, comprised of members of the Adviser, (the " Valuation Committee ") subjects these quotes to various criteria including, but not limited to, the number and quality of quotes, the deviation among the quotes and information derived from analyzing the Company' s own transactions in such investments throughout the reporting period. Generally, such investments are categorized in level 2 of the fair value hierarchy, unless the Valuation Committee determines that the quality, quantity or deviation among quotes warrants significant adjustment to the inputs utilized. The Board has designated the Adviser as its " valuation designee " pursuant to Rule 2a- 5 under the 1940 Act, and in that role the Adviser is responsible for performing fair value determinations relating to all of the Company' s investments, including periodically assessing and managing any material valuation risks and establishing and applying fair value methodologies, in accordance with valuation policies and procedures that have been approved by the Board. The Board remains ultimately responsible for fair value determinations under the 1940 Act and satisfies its responsibility through oversight of the valuation designee in accordance with Rule 2a- 5. Investments that are not publicly traded or whose market prices are not readily available, as is expected to be the case for substantially all of the Company' s investments, are valued at fair value as determined in good faith by the Adviser, based on, among other things, input of independent third- party valuation firm (s). The Adviser undertakes a multi- step valuation process, which includes, among other procedures, the following: • The Company' s quarterly valuation process begins with each portfolio company or investment being initially valued using certain inputs, among others, provided by the investment professionals responsible for the portfolio investment in conjunction with the Company' s portfolio management team. The Company utilizes an independent valuation firm to provide valuation on each material illiquid security at least once every trailing 12- month period; • Preliminary valuations are reviewed and discussed with management of the Adviser and investment professionals; and • The Adviser will review the valuations and determine the fair value of each investment. Valuations that are not based on readily available market quotations will be valued in good faith based on, among other things, the input of, where applicable, third parties. As part of the valuation process, the Adviser may consider other information and may use valuation methods including but not limited to (i) market quotes for similar investments, (ii) recent trading activity, (iii) discounting forecasted cash flows of the investment, (iv) models that consider the implied yields from comparable debt, (v) third party appraisal, (vi) sale negotiations and purchase offers received from independent parties and (vii) estimated value of underlying assets to be received in liquidation or restructuring. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Additionally, the fair value of such investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that may ultimately be realized. Further, such investments are generally less liquid than publicly traded securities and may be subject to contractual and other restrictions on resale. If the Company were required to liquidate a portfolio investment in a forced or liquidation sale, it could realize amounts that are different from the amounts presented and such differences could be material. In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected herein. Under existing accounting guidance, fair value is defined as the price that the Company would receive upon selling an investment or pay to transfer a liability in an orderly transaction to a market participant in the principal or most advantageous market for the investment. This accounting guidance emphasizes valuation techniques that maximize the use of observable market inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances. The Company classifies the inputs used to measure these fair values into the following hierarchy as defined by current accounting guidance: Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that are accessible to the Company. Level 2: Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices. Level 3: Significant inputs that are unobservable for an asset or liability. A financial instrument' s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Investments for which no external pricing sources are available as of the valuation date are included in level 3 of the fair value hierarchy. As a practical expedient, the Company uses net asset value (" NAV ") as

the fair value for its equity investment in Great Lakes Funding II LLC (“ Great Lakes II Joint Venture ”). The Great Lakes II Joint Venture records its underlying investments at fair value on a quarterly basis in accordance with the 1940 Act and US GAAP. Determinations in Connection with Offerings In connection with certain future offerings of shares of our common stock, our Board, or an authorized committee thereof, will be required to make the determination that we are not selling shares of our common stock at a price below the then current net asset value of shares of our common stock at the time at which the sale is made. Our Board, or an authorized committee thereof, will consider the following factors, among others, in making such a determination: • the net asset value of shares of our common stock disclosed in the most recent periodic report that we filed with the SEC; • our management’ s assessment of whether any material change in the net asset value of shares of our common stock has occurred (including through the realization of gains on the sale of our portfolio securities) during the period beginning on the date of the most recently disclosed net asset value of shares of our common stock and ending as of a time within 48 hours (excluding Sundays and holidays) of the sale of shares of our common stock; and • the magnitude of the difference between (i) a value that our Board, or an authorized committee thereof, has determined reflects the current (as of a time within 48 hours, excluding Sundays and holidays) net asset value of shares of our common stock, which is based upon the net asset value of shares of our common stock disclosed in the most recent periodic report that we filed with the SEC, as adjusted to reflect our management’ s assessment of any material change in the net asset value of shares of our common stock since the date of the most recently disclosed net asset value of shares of our common stock, and (ii) the offering price of the shares of our common stock in the proposed offering. Moreover, to the extent that there is even a remote possibility that we may (i) issue shares of our common stock at a price per share below the then current net asset value per share of our common stock at the time at which the sale is made or (ii) trigger the undertaking (which we provide in certain registration statements we file with the SEC) to suspend the offering of shares of our common stock if the net asset value per share of our common stock fluctuates by certain amounts in certain circumstances until the prospectus is amended, our Board will elect, in the case of clause (i) above, either to postpone the offering until such time that there is no longer the possibility of the occurrence of such event or to undertake to determine the net asset value per share of our common stock within two days prior to any such sale to ensure that such sale will not be below our then current net asset value per share and, in the case of clause (ii) above, to comply with such undertaking or to undertake to determine the net asset value per share of our common stock to ensure that such undertaking has not been triggered. These processes and procedures are part of our compliance policies and procedures. Records will be made contemporaneously with all determinations described in this section and these records will be maintained with other records that we are required to maintain under the 1940 Act. COMPETITION We compete for investments with other BDCs and investment funds (including private equity funds, private credit funds, mezzanine funds and other SBICs), as well as traditional financial services companies such as commercial banks and other sources of funding. Additionally, competition for investment opportunities has emerged among alternative investment vehicles, such as collateralized loan obligations (“ CLOs ”) and other BDCs, some of which are sponsored by other alternative asset investors, as these entities have begun to focus on making investments in lower middle- market and traditional middle- market companies. As a result of these new entrants, competition for our investment opportunities may intensify. Many of these entities have greater financial and managerial resources than we do. We believe we will be able to compete with these entities primarily on the basis of our experience and reputation, our willingness to make smaller investments than other specialty finance companies, the contacts and relationships of our Investment Adviser, our responsive and efficient investment analysis and decision- making processes, and the investment terms we offer. We believe that certain of our competitors may make first lien and second lien loans with interest rates and returns that will be comparable to or lower than the rates and returns that we will target. Therefore, we will not seek to compete solely on the interest rates and returns that we offer to potential portfolio companies. For additional information concerning the competitive risks we face, see “ Risk Factors — Risks Relating to Our Business and Structure — We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses. ” ELECTION TO BE TAXED AS A RIC As a BDC, the Company has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a RIC under subchapter M of the Code. As a RIC, we generally will not have to pay corporate- level U. S. federal income taxes on any income that we timely distribute to our stockholders as dividends. To qualify as a RIC, we must, among other things, meet certain source- of- income and asset diversification requirements (as described below). In addition, to qualify for RIC tax treatment we must distribute to our stockholders, for each taxable year, at least 90 % of our “ investment company taxable income, ” which generally is our ordinary income plus the excess of our realized net short- term capital gains over our realized net long- term capital losses (the “ Annual Distribution Requirement ”). TAXATION AS A RIC For any taxable year in which we: • qualify as a RIC; and • satisfy the Annual Distribution Requirement, we generally will not be subject to U. S. federal income tax on the portion of our income we timely distribute to stockholders. We will be subject to U. S. federal income tax at the regular corporate rates on any income or capital gains not distributed to our stockholders. We will be subject to a 4 % nondeductible U. S. federal excise tax on certain undistributed income unless we distribute for each calendar year 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 for the one- year period ending October 31 in that calendar year and (3) any ordinary income and capital gain net income that we recognized in preceding years, but were not distributed during such years, and on which we paid no corporate- level U. S. federal income tax (the “ Excise Tax Distribution Requirement ”). 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 1940 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 certain loans of securities, gains from the sale or other disposition of stock, 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, securities or currencies (the “ 90 % Income Test ”); and • diversify our holdings so that at the end of each quarter of the taxable year: oat 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 ono 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, of 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 "). In accordance with certain applicable U. S. Treasury regulations and other guidance issued by the Internal Revenue Service (" IRS "), a publicly offered RIC may treat a distribution of its own stock as fulfilling its RIC distribution requirements if each stockholder may elect to receive his or her entire distribution in either cash or stock of the RIC, subject to a limitation that the aggregate amount of cash available to be distributed to all stockholders must be at least 20 % of the aggregate declared distribution. If too many stockholders elect to receive cash, each stockholder electing to receive cash must receive a pro rata amount of cash (with the balance of the distribution paid in stock). In no event will any stockholder, electing to receive cash, receive less than 20 % of his or her entire distribution in cash. If these and certain other requirements are met, for U. S. federal income tax purposes, the amount of the dividend paid in stock will be equal to the amount of cash that could have been received instead of stock. We have no current intention of paying dividends in shares of our stock in accordance with these Treasury regulations or other applicable IRS guidance. We may be required to recognize taxable income in circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with PIK interest or, in certain cases, increasing interest rates or issued with warrants), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We may also have to include in income other amounts that we have not yet received in cash, such as PIK interest, deferred loan origination fees that are paid after origination of the loan or are paid in non- cash compensation such as warrants or stock, or certain income with respect to equity investments in foreign corporations. Because any original issue discount or other amounts accrued will be included in our investment company taxable income for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount. Gain or loss realized by us from the sale or exchange of warrants acquired by us as well as any loss attributable to the lapse of such warrants generally will be treated as capital gain or loss. Such gain or loss generally will be long- term or short- term, depending on how long we held a particular warrant. Although we do not presently expect to do so, we are authorized to borrow funds and to sell assets in order to satisfy distribution requirements. However, under the 1940 Act, we are not permitted to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless certain " asset coverage " tests are met. 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 status 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 Requirement, 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 obtain cash from other sources to make the distributions, we may fail to qualify as a RIC, which would result in us becoming subject to corporate- level U. S. federal income tax. **The** ~~Subject to the discussion below under " Business – Failure to Qualify as a RIC, " the~~ remainder of this discussion assumes that we will qualify as a RIC and have satisfied the Annual Distribution Requirement. Any transactions in options, futures contracts, constructive sales, hedging, straddle, conversion or similar transactions, and forward contracts will be subject to special tax rules, the effect of which may be to accelerate income to us, defer losses, cause adjustments to the holding periods of our investments, convert long- term capital gains into short- term capital gains, convert short- term capital losses into long- term capital losses or have other tax consequences. These rules could affect the amount, timing and character of distributions to stockholders. 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 (e. g., as the result of large amounts of equity- based compensation), we would experience 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 are required to 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 required 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, you may receive a larger capital gain distribution than you would have received in the absence of such transactions. Investment income received from sources within foreign countries, or capital gains earned by investing in securities of foreign issuers, may be subject to foreign income taxes withheld at the source. In this regard, withholding tax rates in countries with which the United States does not have a tax treaty are often as high as 35 %. The U. S. has entered into tax treaties with many foreign countries that may entitle us to a reduced rate of tax or exemption from tax on this related income and gains. The effective rate of foreign tax cannot be determined at this time since the amount of our assets to be invested within various countries is not now known. We do not anticipate being eligible for the special election that allows a RIC to treat foreign income taxes paid by such RIC as paid by its stockholders. If we acquire stock in certain foreign corporations that receive at least 75 % of their annual gross income from passive sources (such as interest, dividends, rents, royalties or capital gain) or hold at least 50 % of their total assets in investments producing such passive income (" passive foreign investment companies "), we could be subject to U. S. federal income tax and additional interest charges on " excess distributions " received from such companies or gain from the sale of stock in such companies, even if all income or gain actually received by us is timely distributed to our stockholders. We would not be able to pass through to our stockholders any credit or deduction for such a tax. Certain elections may, if available, ameliorate these adverse tax consequences, but any such

election requires us to recognize taxable income or gain without the concurrent receipt of cash. We intend to limit and / or manage our holdings in passive foreign investment companies to minimize our tax liability. Foreign exchange gains and losses realized by us in connection with certain transactions involving non- dollar debt securities, certain foreign currency futures contracts, foreign currency option contracts, foreign currency forward contracts, foreign currencies, or payables or receivables denominated in a foreign currency are subject to Code provisions that generally treat such gains and losses as ordinary income and losses and may affect the amount, timing and character of distributions to our stockholders. Any such transactions that are not directly related to our investment in securities (possibly including speculative currency positions or currency derivatives not used for hedging purposes) could, under future Treasury regulations, produce income not among the types of " qualifying income " from which a RIC must derive at least 90 % of its annual gross income. FAILURE TO QUALIFY AS A RIC If we fail to satisfy the 90 % Income Test or the Diversification Tests for any taxable year, we may nevertheless continue to qualify as a RIC for such year if certain relief provisions are applicable (which may, among other things, require us to pay certain corporate-level U. S. federal income taxes or to dispose of certain assets). If we were unable to qualify for treatment as a RIC and the foregoing relief provisions are not applicable, we would be subject to U. S. federal income tax on all of our taxable income at regular corporate rates, regardless of whether we make any distributions to our stockholders. Distributions would not be required, and any distributions would be taxable to our stockholders as ordinary dividend income to the extent of our current or accumulated earnings and profits and, subject to certain limitations, may be eligible for the 20 % maximum rate for noncorporate taxpayers provided certain holding period and other requirements were met. Subject to certain limitations under the Code, corporate distributees would be eligible for the dividends- received deduction. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder' s tax basis, and any remaining distributions would be treated as a capital gain. To requalify as a RIC in a subsequent taxable year, we would be required to satisfy the RIC qualification requirements for that year and dispose of any earnings and profits from any year in which we failed to qualify as a RIC. Subject to a limited exception applicable to RICs that qualified as such under the Code for at least one year prior to disqualification and that requalify as a RIC no later than the second year following the nonqualifying year, we could be subject to tax on any unrealized net built- in gains in the assets held by us during the period in which we failed to qualify as a RIC that are recognized within the subsequent five years, unless we made a special election to pay corporate- level U. S. federal income tax on such built- in gain at the time of our requalification as a RIC. ~~We believe we qualified as a RIC under the Code for the fiscal year ended December 31, 2023, and we intend to comply with the requirements to continue to qualify annually as a RIC under the Code. The Company filed its tax returns as a RIC for the fiscal years ended December 31, 2022, 2021, and 2020. However, in March 2024, the Company determined that information received from a portfolio company held in prior fiscal years and sold in 2022 was inaccurate, and, as a result, the Company did not satisfy the income source requirement for the fiscal years ended December 31, 2022, 2021, and 2020. Accordingly, the Company did not qualify as a RIC under the Code for the fiscal years ended December 31, 2022, 2021 and 2020, and thus the Company would be subject to U. S. federal income tax on all of its taxable income at regular corporate rates for these periods. Based on the assessment that the Company did not qualify as a RIC for the fiscal years ended December 31, 2022, 2021 and 2020, the Company calculated its provision for income tax as a C- Corporation for such fiscal years. Given the operations of the Company for that period, the Company has determined no income tax or capital gains taxes would be due and payable for those periods, had the Company claimed status and filed returns as a C- Corporation. Thus, the Company has determined that there would be no quantitative impact to the consolidated statements of assets and liabilities, the consolidated statements of operations, the consolidated statements of changes in net assets, and the consolidated statements of cash flows as of and for the years ended December 31, 2022, 2021 and 2020. The Company did not have a net unrealized gain on its portfolio as of the first day of the fiscal year the Company requalified as a RIC that would be subject to tax if recognized within the subsequent five years.~~ REGULATION A BDC is regulated under the 1940 Act. A BDC must be organized in the U. S. for the purpose of investing in or lending to primarily private companies and making 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 BDC provides stockholders 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 1940 Act. A majority of the outstanding voting securities of a company is defined under the 1940 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 1940 Act, a BDC must adhere to certain substantive regulatory requirements. A majority of our directors must be independent directors. Additionally, 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. As a BDC, we are generally required to meet an asset coverage ratio, defined under the 1940 Act as the ratio of our gross assets (less all liabilities and indebtedness not represented by senior securities) to our outstanding senior securities, of at least 150 %, if certain conditions are met, after each issuance of senior securities. On March 23, 2018, the Small Business Credit Availability Act (the " SBCA ") was signed into law, which included various changes to regulations under the federal securities laws that impact BDCs. The SBCA included changes to the 1940 Act to allow BDCs to decrease their asset coverage requirement from 200 % to 150 % (i. e., the amount of debt may not exceed 66. 7 % of the value of our total assets), if certain requirements are met. On November 1, 2018, the Board, including a " required majority " (as such term is defined in Section 57 (o) of the 1940 Act) approved the application of the modified asset coverage. As a result, our asset

coverage ratio requirement for senior securities was changed from 200 % to 150 %, effective November 1, 2019. We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our directors who are not interested persons and, in some cases, prior approval by the SEC. On April 10, 2023, superseding a prior exemptive order granted on October 23, 2018, the SEC issued an order granting an application for exemptive relief to us and certain of our affiliates that allows BDCs managed by the Investment Adviser, including Logan Ridge, to co- invest, subject to the satisfaction of certain conditions, in certain private placement transactions, with other funds managed by the Investment Adviser or its affiliates, certain proprietary accounts of the Investment Adviser or its affiliates and any future funds that are advised by the Investment Adviser or its affiliated investment advisers. Under the terms of the exemptive order, in order for Logan Ridge to participate in a co- investment transaction, a " required majority " (as defined in Section 57 (o) of the 1940 Act) of Logan Ridge' s independent directors must conclude that (i) the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair to Logan Ridge and its stockholders and do not involve overreaching with respect of Logan Ridge or its stockholders on the part of any person concerned, and (ii) the proposed transaction is consistent with the interests of Logan Ridge' s stockholders and is consistent with Logan Ridge' s investment objectives and strategies and certain criteria established by the Board. We believe this relief may not only enhance our ability to further our investment objectives and strategies, but may also increase favorable investment opportunities for us, in part by allowing us to participate in larger investments, together with our co- investment affiliates, than would be available to us in the absence of such relief. We are generally not permitted to issue and sell shares of our common stock at a price below net asset value per share. See " Risk Factors — Risks Relating to Our Business and Structure — Regulations governing our operation as a BDC affect our ability to raise additional capital and the way in which we do so. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage. " We may, however, sell shares of our common stock, or warrants, options or rights to acquire our common stock, at a price below the then- current net asset value of our common stock if our Board determines that such sale is in our best interests and the best interests of our stockholders, and our stockholders approve our policy and practice of making such sales. In any such case, under such circumstances, the price at which shares of our common stock is to be issued and sold may not be less than a price which, in the determination of our Board, closely approximates the market value of such common stock. In addition, we may generally issue new shares of our common stock at a price below net asset value in rights offerings to existing stockholders, in payment of dividends and in certain other limited circumstances. We will be periodically examined by the SEC for compliance with the 1940 Act. As a BDC, we are subject to certain risks and uncertainties. See " Risk Factors — Risks Relating to Our Business and Structure. " QUALIFYING ASSETS Under the 1940 Act, a BDC may not acquire any asset other than assets of the type listed in Section 55 (a) of the 1940 Act, which are referred to as " qualifying assets ", unless, immediately after such acquisition is made, qualifying assets represent at least 70 % of the BDC' s gross assets. The principal categories of qualifying assets relevant to our proposed business are the following: • Securities purchased in transactions not involving any public offering, the issuer of which is an eligible portfolio company; • Securities received in exchange for or distributed with respect to securities described in the bullet above or pursuant to the exercise of options, warrants or rights relating to such securities; and • Cash, cash items, government securities or high quality debt securities (within the meaning of the 1940 Act), maturing in one year or less from the time of investment. An eligible portfolio company is generally a domestic company that is not an investment company (other than a SBIC wholly owned by a BDC) and that: • does not have a class of securities with respect to which a broker may extend margin credit at the time the acquisition is made; • is controlled by the BDC and has an affiliate of the BDC on its board; • does not have any class of securities listed on a national securities exchange; • is a public company that lists its securities on a national securities exchange with a market capitalization of less than $ 250 million; or • meets such other criteria as may be established by the SEC. Control, as defined by the 1940 Act, is presumed to exist where a BDC beneficially owns more than 25 % of the outstanding voting securities of the portfolio company. In addition, a BDC must have been organized and have its principal place of business in the U. S. and must be operated for the purpose of making investments in eligible portfolio companies, or in other securities that are consistent with its purpose as a BDC. SIGNIFICANT MANAGERIAL ASSISTANCE TO PORTFOLIO COMPANIES BDCs generally must offer to make available to the issuer of the securities significant managerial assistance, except in circumstances where either (i) the BDC controls such issuer of securities or (ii) the BDC purchases such securities in conjunction with one or more other persons acting together and one of the other persons in the group makes available such managerial assistance. Making available significant managerial assistance means, among other things, any arrangement whereby the BDC, through its directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. 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. Typically, we will 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. REPURCHASE AGREEMENTS 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 with a single counterparty, we may not meet the diversification tests in order to qualify as a RIC under the Code. 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. 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 1940 Act, is at least equal to 150 %, if certain requirements are met, immediately after each such issuance. On June 10, 2014, we received an exemptive order from the SEC granting relief from the asset coverage requirements for certain indebtedness issued by Fund II and Fund III as SBICs. 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 gross assets for temporary or emergency purposes without regard to asset coverage. For a discussion of the risks associated with leverage, see " Risk Factors — Risks Relating to Our Business and Structure. " CODE OF ETHICS We and our Investment Adviser have adopted a code of ethics pursuant to Rule 17j- 1 under the 1940 Act and Rule 204A- 1 under the Advisers Act that establishes procedures for personal investments and restricts certain transactions by our personnel. Our code of ethics generally does not permit investments by our employees in securities that may be purchased or held by us. Our code of ethics is also available on our website at www. loganridgefinance. com. COMPLIANCE POLICIES AND PROCEDURES We and our Investment Adviser have 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 and designate a chief compliance officer to be responsible for administering the policies and procedures. David Held currently serves as our chief compliance officer. SARBANES- OXLEY ACT OF 2002 The Sarbanes- Oxley Act of 2002 (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 1934 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 1934 Act, our management is required to prepare an annual report regarding its assessment of our internal control over financial reporting. As a non- accelerated filer, we are not currently required to obtain an audit of the effectiveness of internal control over financial reporting from our independent registered public accounting firm. • pursuant to Item 308 of Regulation S- K and Rule 13a- 15 of the 1934 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 significant deficiencies and 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 the Investment Adviser. The proxy voting policies and procedures of the Investment Adviser are set forth below. The guidelines will be reviewed periodically by the Investment Adviser and our non- interested directors, and, accordingly, are subject to change. For purposes of the proxy voting policies and procedures described below, " we, " " our " and " us " refers to the Investment Adviser. Introduction 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, we recognize that we must vote client securities in a timely manner free of conflicts of interest and in the best interests of our clients. These policies and procedures for voting proxies for our investment advisory clients are intended to comply with Section 206 of, and Rule 206 (4)- 6 under, the Advisers Act. Proxy Policies We will vote proxies relating to our portfolio securities in what we perceive to be the best interest of our clients' stockholders. We 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 our clients. Although we will generally vote against proposals that may have a negative impact on our clients' portfolio securities, we may vote for such a proposal if there exist compelling long- term reasons to do so. Our proxy voting decisions will be made by the senior officers who are responsible for monitoring each of our clients' investments. To ensure that our vote is not the product of a conflict of interest, we will require that: (1) anyone involved in the decision making process disclose to our managing member 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 we intend to vote on a proposal in order to reduce any attempted influence from interested parties. Proxy Voting Records You may obtain information about how we voted proxies by making a written request for proxy voting information to: Mount Logan Management LLC, 650 Madison Avenue, ~~23rd~~ **3rd** Floor, New York, New York 10022. PRIVACY PRINCIPLES We are committed to maintaining the privacy of our stockholders and to safeguarding their non- public personal information. The following information is provided to help you understand what personal information we collect, how we protect that information and why, in certain cases, we may share information with select other parties. Generally, we do not receive any non- public personal information relating to our stockholders, although certain non- public personal information of our stockholders may become available to us. We do not disclose any non- public personal information about our stockholders or former stockholders to anyone, except as permitted by law or as is necessary in order to service stockholder accounts (for example, to a transfer agent or third- party administrator). We restrict access to non- public personal information about our stockholders to employees of our Investment Adviser and its affiliates with a legitimate business need for the information. We maintain physical, electronic and procedural safeguards designed to protect the non- public personal information of our stockholders. NASDAQ GLOBAL SELECT MARKET REQUIREMENTS We have adopted certain policies and procedures intended to comply with the NASDAQ Global Select Market' s corporate governance rules. We will continue to monitor our compliance with all future listing standards that are approved by the SEC and will take actions necessary to ensure that we are in compliance therewith. AVAILABLE INFORMATION Our corporate headquarters are located at 650 Madison Avenue, ~~23rd~~ **3rd** Floor, New York, New York 10022. We maintain a website located at www. loganridgefinance. com and our phone number is (212) 891- 2880. We make available free of charge on our website our proxy

statement, annual report on Form 10- K, quarterly reports on Form 10- Q, current reports on Form 8- K, and amendments to those reports as soon as reasonably practical after we file such material with, or furnish to, the SEC. Information contained on our website is not incorporated by reference into this Annual Report on Form 10- K and you should not consider information contained on our website to be part of this Annual Report on Form 10- K or any other report we file with the SEC. The SEC also maintains a website that contains reports, proxy and information statements and other information we file with the SEC at www. sec. gov. ITEM 1A. RISK FACTORS Investing in our securities involves a number of significant risks. The risk factors described below are the principal risk factors associated with an investment in our securities as well as those factors generally associated with an investment company with investment objectives, investment policies, capital structure or trading markets similar to ours. You should carefully consider the risk factors described below, together with all of the other information included in this Annual Report, including our consolidated financial statements and the related notes thereto, before you decide whether to make an investment in our securities. 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 may also materially and adversely affect our business, financial condition and operating results. If any of the following events occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, the net asset value and the trading price of our securities could decline, and you may lose all or part of your investment. **Risks Relating to Our Business and Structure The announcement and pendency of the merger with PTMN could adversely affect the Company' s businesses, financial results and operations. As described further below, on January 29, 2025, the Company entered into a Merger Agreement (as defined below). See " Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations — Recent Developments. " The announcement and pendency of the Mergers (as defined below) could cause disruptions in, and create uncertainty surrounding, our businesses, including affecting relationships with existing and future borrowers, which could have a significant negative impact on future revenues and results of operations, regardless of whether the Mergers are completed. In addition, the Company has diverted, and will continue to divert, management resources towards the completion of the Mergers, which could have a negative impact on future revenues and results of operations. The Company is also subject to the restrictions on the conduct of its businesses prior to the completion of the Mergers set forth in the Merger Agreement. Generally, these restrictions will require the Company to conduct its businesses only in the ordinary course and subject to specific limitations, including, among other things, certain restrictions on their ability to make certain investments and acquisitions, sell, transfer or dispose of their assets, amend its organizational documents and enter into or modify certain material contracts. These restrictions could prevent us from pursuing otherwise attractive business opportunities, industry developments and future opportunities and may otherwise have a significant negative impact on our future investment income and results of operations. Most stockholders will experience a reduction in percentage ownership and voting power in the combined company as a result of the Mergers. If the Mergers are consummated, the Company' s 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 the Company prior to the Mergers unless they hold a comparable or greater percentage ownership in PTMN. Consequently, the Company' s 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 the management and policies of the Company. In addition, prior to completion of the Mergers, subject to certain restrictions in the Merger Agreement and certain restrictions under the 1940 Act for issuances at prices below the then- current NAV per share of PTMN common stock and the Company' s common stock, PTMN and the Company may issue additional shares of PTMN common stock and the Company' s common stock, respectively, which would further reduce the percentage ownership of the combined company to be held by current PTMN stockholders and the Company' s stockholders. The termination of the Merger Agreement could negatively impact the Company. If the Merger Agreement is terminated, there may be various consequences, including: • the business of the Company 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 Company may not be able to find a party willing to pay an equivalent or more attractive price than the price PTMN agreed to pay in the Mergers; and • PTMN and the Company would not realize the anticipated benefits of the Mergers. The Merger Agreement limits the ability of the Company to pursue alternatives to the Mergers. The Merger Agreement includes restrictions on the ability of the Company to solicit proposals for alternative transactions or engage in discussions regarding such proposals, subject to exceptions and termination provisions, which could have the effect of discouraging such proposals from being made or pursued. The Company will be subject to operational uncertainties and contractual restrictions while the Mergers are pending. Uncertainty about the effect of the Mergers may have an adverse effect the Company and, consequently, on the combined company following completion of the Mergers. These uncertainties may cause those that deal with the Company to seek to change their existing business relationships. In addition, the Merger Agreement restricts the Company from taking actions that might otherwise be considered to be in its best interest. These restrictions may prevent the Company from pursuing certain business operations that may arise prior to the completion of the Mergers. If the Mergers do not close, the Company will not benefit from the expenses it has incurred in pursuit of the Mergers. If the Mergers are not completed, the Company will have incurred substantial expenses for which no ultimate benefit will have been received. The Company has 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. It is anticipated that the Company will bear expenses of approximately $ 2. 1 million ($ 0. 79 per share of the Company' s Common Stock outstanding as of December 31, 2024) in connection with the Mergers, both if consummated and not consummated. Litigation filed against PTMN or the Company in**

connection with the Mergers could result in substantial costs and could delay or prevent the Mergers from being completed. From time to time, PTMN and the Company may be subject to legal actions, including securities class action lawsuits and derivative lawsuits, as well as various regulatory, governmental and law enforcement inquiries, investigations and subpoenas in connection with the Mergers. These or any similar securities class action lawsuits and derivative lawsuits, regardless of their merits, may result in substantial costs and divert management time and resources. An adverse judgment in such cases could have a negative impact on the liquidity and financial condition of PTMN, the Company or the combined company following the Mergers or could prevent the Mergers from being completed. 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 the business and operations of the Company. The Mergers are subject to closing conditions, including certain approvals of PTMN stockholders and the Company' s stockholders that, if not satisfied, will prevent the Mergers from being completed. In addition to the required approvals of PTMN stockholders and the Company' s stockholders, the Mergers are subject to a number of other conditions beyond the control of PTMN and the Company that may prevent, delay or otherwise materially adversely affect completion of the Mergers. The Company cannot predict whether and when these other conditions will be satisfied. Our Board may change our investment objective, operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse to our results of operations and financial condition. Our Board has the authority to modify or waive our current investment objective, operating policies, investment criteria and strategies without prior notice and without stockholder approval. We cannot predict the effect any changes to our current operating policies, investment criteria and strategies would have on our business, net asset value, operating results and value of our securities. However, the effects might be adverse, which could negatively impact our ability to make distributions and cause you to lose all or part of your investment. Moreover, we have significant flexibility in investing our assets and may invest in ways investors may not agree with or in the future may invest in ways other than those previously disclosed or disclosed herein. Price declines in the medium- and large- sized U. S. corporate debt market may adversely affect the fair value of our portfolio, reducing our net asset value through increased net unrealized depreciation. Conditions in the medium- and large- sized U. S. corporate debt market may deteriorate, as seen during the global financial crisis from 2007- 2009 and to a lesser extent in recent years following the COVID- 19 pandemic, which may cause pricing levels to similarly decline or be volatile. During the financial crisis, many institutions were forced to raise cash by selling their interests in performing assets in order to satisfy margin requirements or the equivalent of margin requirements imposed by their lenders and / or, in the case of hedge funds and other investment vehicles, to satisfy widespread redemption requests. This resulted in a forced deleveraging cycle of price declines, compulsory sales, and further price declines, with falling underlying credit values, and other constraints resulting from the credit crisis generating further selling pressure. If similar events occurred in the medium- and large- sized U. S. corporate debt market, our net asset value could decline through an increase in unrealized depreciation and incurrence of realized losses in connection with the sale of our investments, which could have a material adverse impact on our **business, financial condition and results of operations. Capital markets may experience periods of disruption and instability. These market conditions could materially adversely affect the Company' s** business, financial condition and results of operations. As a BDC, we have to maintain our ability to raise additional capital for investment purposes. Without sufficient access to the capital markets or credit markets, we may be forced to curtail our business operations, or we may not be able to pursue new business opportunities. The U. S. and global capital markets have in the past experienced and may in the future experience periods of volatility and disruption, including during portions of the past three fiscal years, and accordingly, there has been and may continue to be uncertainty in the financial markets in general. For example, the 2010 sovereign debt financial crisis in Europe and the 2011 downgrade of the U. S. credit rating by Standard & Poor' s had negative impacts on the global economy and may have adversely impacted the operations of BDCs such as the Company. Continuing U. S. debt ceiling and budget deficit concerns, including automatic spending cuts stemming from sequestration, together with signs of deteriorating sovereign debt conditions in Europe, have increased the possibility of additional credit- rating downgrades and economic slowdowns, or a recession in the U. S. The impact of this or any further downgrades to the U. S. government' s sovereign credit rating or its perceived creditworthiness could adversely affect the U. S. and global financial markets and economic conditions. These developments, along with the European sovereign debt crisis, could cause interest rates and borrowing costs to rise, which may negatively impact our ability to access the debt markets on favorable terms. Continued adverse economic conditions could have a material adverse effect on our business, financial condition and results of operations. Any further disruptive conditions in the financial industry and the impact of new legislation in response to those conditions could restrict our business operations and could adversely impact our results of operations and financial condition. Additionally, the effect of the United Kingdom (the " U. K. ") ending its membership in the European Union (" Brexit ") has led to economic and market uncertainty and periods of volatility in the U. K. and more broadly, and may continue to adversely affect European or worldwide economic or market conditions or could contribute to instability in global financial and real estate markets. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U. K. determines which EU laws to replace or replicate. Any of these effects of Brexit, and others we cannot anticipate, could adversely affect our business, business opportunities, results of operations, financial condition and cash flows. Likewise, similar actions taken by other European and other countries in which we operate could have a similar or even more profound impact. In recent years, the COVID- 19 pandemic disrupted the global economy and its supply chains, and may have adversely impacted the operations of BDCs, such as the Company, as well as contributed to ongoing inflation in the U. S. and globally. Such periods of disruption may be accompanied by depressed levels of consumer and commercial spending, a lack of liquidity in debt capital markets, significant write- offs in the financial services sector and the re- pricing of credit risk. The Company and the portfolio companies in which it invests may be adversely affected by these deteriorations in the financial markets and economic conditions throughout the world. If the fair value of our assets

declines substantially, we may fail to maintain the asset coverage ratios imposed upon us by the 1940 Act. Any such failure would affect our ability to issue senior securities, including borrowings, and pay dividends, which could materially impair our business operations. Our liquidity could be impaired further by an inability to access the capital markets or to consummate new borrowing facilities to provide capital for normal operations, including new originations. In recent years, reflecting concern about the stability of the financial markets, many lenders and institutional investors have reduced or ceased providing funding to borrowers. We had $ 50. 0 million and $ ~~15~~ **7** . ~~0~~ **5** million ~~,~~ respectively, of 2026 Notes and 2032 Convertible Notes outstanding as of December 31, ~~2023~~ **2024** . In addition, as of December 31, ~~2023~~ **2024** , we had $ ~~39~~ **48** . ~~6~~ **8** million outstanding under the KeyBank Credit Facility that provides for borrowings of up to $ 75. 0 million on a revolving basis and may be increased up to $ 125. 0 million in accordance with the terms and in the manner described in the KeyBank Credit Facility. If we are unable to secure additional debt financing on commercially reasonable terms, our liquidity could be reduced significantly. If we are unable to repay amounts outstanding under any debt facilities we may obtain and are declared in default or are unable to renew or refinance these facilities, we may not be able to operate our business in the normal course. These situations may arise due to circumstances that we may be unable to control, such as lack of access to the credit markets, a severe decline in the value of the U. S. dollar, another economic downturn or an operational problem that affects third parties or us and could materially damage our business **. Adverse developments in the credit markets may impair our ability to secure debt financing** . In past economic downturns, such as the financial crisis in the United States that began in mid- 2007 and during other times of extreme market volatility, many commercial banks and other financial institutions stopped lending or significantly curtailed their lending activity. In addition, in an effort to stem losses and reduce their exposure to segments of the economy deemed to be high risk, some financial institutions limited routine refinancing and loan modification transactions and even reviewed the terms of existing facilities to identify bases for accelerating the maturity of existing lending facilities. If these conditions recur, it may be difficult for us to obtain desired financing to finance the growth of our investments on acceptable economic terms, or at all. The commencement, continuation, or cessation of government and central bank policies and economic stimulus programs in response to adverse economic developments, including changes in monetary policy involving interest rate adjustments or governmental policies, may contribute to the development of or result in an increase in market volatility, illiquidity and other adverse effects that could negatively impact the credit markets and the Company. If we are unable to consummate credit facilities on commercially reasonable terms, our liquidity may be reduced significantly. If we are unable to repay amounts outstanding under the KeyBank Credit Facility or any facility we may enter into and are declared in default or are unable to renew or refinance any such facility, it would limit our ability to initiate significant originations or to operate our business in the normal course. These situations may arise due to circumstances that we may be unable to control, such as inaccessibility of the credit markets, a severe decline in the value of the U. S. dollar, a further economic downturn or an operational problem that affects third parties or us, and could materially damage our business. Moreover, we are unable to predict when economic and market conditions may become more favorable. Even if such conditions improve broadly and significantly over the long term, adverse conditions in particular sectors of the financial markets could adversely impact our business. Further downgrades of the U. S. credit rating, impending automatic spending cuts, another government shutdown or a failure to raise the statutory debt limit of the United States could negatively impact our liquidity, financial condition and earnings. The U. S. debt ceiling and budget deficit concerns have increased the possibility of additional credit- rating downgrades and economic slowdowns, or a recession in the United States. Although U. S. lawmakers passed legislation to raise the federal debt ceiling on multiple occasions, including recent suspensions of the federal debt ceiling and an increase in the debt ceiling, ratings agencies have lowered or threatened to lower the long- term sovereign credit rating on the United States. The impact of this or any further downgrades to the U. S. government' s sovereign credit rating or its perceived credit worthiness could adversely affect the U. S. and global financial markets and economic conditions. Absent further quantitative easing by the Federal Reserve, these developments could cause interest rates and borrowing costs to rise, which may negatively impact our ability to access the debt markets on favorable terms. In addition, disagreement over the federal budget has caused the U. S. federal government to shut down for periods of time. Continued adverse political and economic conditions could have a material adverse effect on our business, financial condition and results of operations. If we cannot obtain additional capital because of either regulatory or market price constraints, we could be forced to curtail or cease our new lending and investment activities, our net asset value could decrease and our level of distributions and liquidity could be affected adversely. Our ability to secure additional financing and satisfy our financial obligations under indebtedness outstanding from time to time will depend upon our future operating performance, which is subject to the prevailing general economic and credit market conditions, including interest rate levels and the availability of credit generally, and financial, business and other factors, many of which are beyond our control. The prolonged continuation or worsening of current economic and capital market conditions could have a material adverse effect on our ability to secure financing on favorable terms, if at all. If we are unable to obtain additional debt capital, then our equity investors will not benefit from the potential for increased returns on equity resulting from leverage to the extent that our investment strategy is successful, and we may be limited in our ability to make new commitments or fundings to our portfolio companies. Terrorist attacks, acts of war or natural disasters may affect the market for our common stock, impact the businesses in which we invest and harm our business, operating results and financial condition. Terrorist acts, acts of war or natural disasters may disrupt our operations, as well as the operations of the businesses in which we invest. Such acts have created, and continue to create, economic and political uncertainties and have contributed to global economic instability. Future terrorist activities, military or security operations, or natural disasters could further weaken the domestic / global economies and create additional uncertainties, which may negatively impact the businesses in which we invest directly or indirectly and, in turn, could have a material adverse impact on our business, operating results and financial condition. Losses from terrorist attacks and natural disasters are generally uninsurable. 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, the military conflict between Russia and Ukraine or the military conflict ~~between Israel and Hamas~~ **in the Middle East** , 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 may 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. The ongoing military conflict between Russia and Ukraine and the ongoing military conflict ~~between Israel and Hamas~~ **in the Middle East** may have a material adverse impact on us and our portfolio companies. In February 2022, Russian President Vladimir Putin commenced a military invasion of Ukraine, which has continued into 2023, and which has had, and may continue to have, a negative impact on the economy and business activity globally (including in the countries in which the Company invests), and therefore could adversely affect the performance of the Company' s investments. Furthermore, the conflict between the two nations remains ongoing and the varying involvement of the United States and other NATO countries has had, and may continue to have, an unpredictable impact on global economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Company and the performance of its investments or operations, and the ability of the Company to achieve its investment objectives. Additionally, to the extent that third parties, investors, or related customer bases have material operations or assets in Russia or Ukraine, they may have adverse consequences related to the ongoing conflict. In October 2023, Hamas (an organization which has been designated as a terrorist organization by the United States and several other nations), committed a terrorist attack within Israel which began an active armed conflict between Hamas and Israel. The conflict and measures taken in response could have a negative impact on the economy and business activity globally (including in countries in which the Company invests), and therefore could adversely affect the performance of the investments. The severity and duration of the conflict and its future impact on global economic and market conditions (including, for example, oil prices) present a material uncertainty and risk with respect to the economic stability and the performance of the investments and operations in the region. **The conflict has expanded to other countries in the Middle East and** ~~There~~ **there** is a risk that the armed conflict may expand **further** , which may exacerbate the risks described above. Similar risks exist to the extent that any service providers, vendors or certain other parties have material operations or assets in the Middle East, or the immediate surrounding areas. The United States has announced sanctions and other measures against Hamas- related persons and organizations in response to the terrorist attacks, and the United States (and / or other countries) may announce further sanctions related to the ongoing conflict in the future **. Economic sanction laws in the United States and other jurisdictions may prohibit us and our affiliates from transacting with certain countries, individuals and companies** . In the United States, the U. S. Department of the Treasury' s Office of Foreign Assets Control administers and enforces laws, executive orders and regulations establishing U. S. economic and trade sanctions, which prohibit, among other things, transactions with, and the provision of services to, certain non- U. S. countries, territories, entities and individuals. These types of sanctions may significantly restrict or completely prohibit investment activities in certain jurisdictions, and if we, our portfolio companies or other issuers in which we invest were to violate any such laws or regulations, we may face significant legal and monetary penalties. The Foreign Corrupt Practices Act, or FCPA, and other anti- corruption laws and regulations, as well as anti- boycott regulations, may also apply to and restrict our activities, our portfolio companies and other issuers of our investments. If an issuer or we were to violate any such laws or regulations, such issuer or we may face significant legal and monetary penalties. The U. S. government has indicated that it is particularly focused on FCPA enforcement, which may increase the risk that an issuer or us becomes the subject of such actual or threatened enforcement. In addition, certain commentators have suggested that private investment firms and the funds that they manage may face increased scrutiny and / or liability with respect to the activities of their underlying portfolio companies. As such, a violation of the FCPA or other applicable regulations by us or an issuer of our portfolio investments could have a material adverse effect on us. We are committed to complying with the FCPA and other anti- corruption laws and regulations, as well as anti- boycott regulations, to which it is subject. As a result, we may be adversely affected because of our unwillingness to enter into transactions that violate any such laws or regulations. Major public health issues **could have an adverse impact on our financial condition and results of operations and other aspects of our business. Major public health issues** have impacted and, in the future, may impact our business, financial condition, results of operations, liquidity or prospects and those of our portfolio companies in a number of ways. For instance, our investment portfolio (and, specifically, the valuations of investment assets we hold) was adversely affected as a result of market developments from the COVID- 19 pandemic, including disruptions to the businesses of our portfolio companies, global supply chain disruptions, and increased inflationary pressures nationally and globally. Moreover, changes in interest rates, reduced liquidity or a continued slowdown in U. S. or global economic conditions has, and may continue to, adversely affect our business, financial condition, results of operations, liquidity and / or prospects and those of our portfolio companies. Further, extreme market volatility may leave us and our portfolio companies unable to react to market events in a prudent manner consistent with our historical practices in dealing with more orderly markets. We will also continue to be negatively affected if our operations and effectiveness or the operations and effectiveness of a portfolio company (or any of the key personnel or service providers of the foregoing) is compromised or if necessary or beneficial systems and processes are disrupted. Any public health emergency, ~~including the COVID- 19 pandemic~~ or any outbreak of other existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty could have a significant adverse impact on us and the fair value of our investments. Our valuations, and particularly valuations of private investments and private companies, are inherently uncertain, may fluctuate over short periods of time and are often based on estimates, comparisons and qualitative evaluations of private information that may not show the complete impact of a public health emergency and the resulting measures taken in response thereto. These potential impacts, while uncertain, could adversely affect our and our portfolio companies' operating results. Even after any major public health emergency subsides, the U. S. economy

and most other major global economies may experience a recession, and we anticipate our business and operations could be materially adversely affected by a prolonged recession in the United States and other major markets. Our investments in the healthcare and pharmaceutical services industry sector are subject to extensive federal, state and local healthcare laws and regulations and certain other risks particular to that industry. We invest in healthcare and pharmaceutical services. Our investments in portfolio companies that operate in this sector are subject to certain significant risks particular to that industry. The laws and rules governing the business of healthcare companies and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Existing or future laws and rules could subject our portfolio companies engaged in healthcare to potential government inquiries, investigations and / or enforcement proceedings, and ultimately incur civil, criminal and administrative sanctions, including, without limitation, fines, penalties and exclusion from government programs. The application of such laws and regulations can also force these companies to change how they do business, restrict revenue, increase costs, change reserve levels and change business practices. Healthcare companies often must obtain and maintain regulatory approvals to market many of their products, change prices for certain regulated products and consummate some of their acquisitions and divestitures. Delays in obtaining or failing to obtain or maintain these approvals could reduce revenue or increase costs. Policy changes on the local, state and federal level, such as the expansion of the government' s role in the healthcare arena and alternative assessments and tax increases specific to the healthcare industry or healthcare products as part of federal health care reform initiatives, could fundamentally change the dynamics of the healthcare industry. In particular, as health insurance reform such as the Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act of 2010, has had a significant effect on companies in this industry sector, other current and future health insurance initiatives may force our portfolio companies in this industry sector to change how they do business. We can give no assurance that these portfolio companies will be able to adapt successfully to these changes. Any of these factors could materially adversely affect the operations of a portfolio company in this industry sector and, in turn, impair our ability to timely collect principal and interest payments owed to us. The U. S. capital markets have experienced extreme volatility and disruption over the past several years. Disruptions in the capital markets caused by inflation and rising interest rates, the military conflict between Ukraine and Russia and the military conflict between Israel and Hamas, health epidemics and pandemics and other globally significant trends and events have increased the spread between the yields realized on risk- free and higher risk securities, resulting in illiquidity in parts of the capital 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. 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, limit our ability to grow and have a material negative impact on our operating results and the fair values of our debt and equity investments. Further, current market conditions may make it difficult for us to obtain debt capital on favorable terms and any failure to do so could have a material adverse effect on our business. The debt capital that will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than what we would otherwise expect, including being at a higher cost in rising rate environments. If we are unable to raise debt, then our equity investors may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make or fund commitments to portfolio companies. An inability to obtain indebtedness could have a material adverse effect on our business, financial condition or results of operations. **Our ability to achieve our investment objective depends on the ability of the Investment Adviser to manage and support our investment process. If the Investment Adviser were to lose any members of their respective senior management teams, our ability to achieve our investment objective could be significantly harmed.** Since we have no employees, we depend on the investment expertise, skill and network of business contacts of the broader networks of the Investment Adviser and its affiliates. The Investment Adviser evaluates, negotiates, structures, executes, monitors and services our investments. Our future success depends to a significant extent on the continued service and coordination of the Investment Adviser and its senior management team. The departure of any members of the Investment Adviser' s senior management team could have a material adverse effect on our ability to achieve our investment objective. Our ability to achieve our investment objective depends on the Investment Adviser' s ability to identify and analyze, and to invest in, finance and monitor companies that meet our investment criteria. In addition to monitoring the performance of our existing investments, our Investment Adviser' s investment team may also be called upon, from time to time, to provide managerial assistance to some of our portfolio companies as well as other funds that they manage. These demands on their time may distract them or slow our rate of investment. See also " — Risks Related to the Investment Adviser and its Affiliates — There are significant potential conflicts of interest that could negatively affect our investment returns. " Even if we are able to grow and build upon our investment operations, any failure to manage our growth effectively could have a material adverse effect on our business, financial condition, results of operations and prospects. The results of our operations depend on many factors, including the availability of opportunities for investment, readily accessible short and long-term funding alternatives in the financial markets, and economic conditions. Furthermore, if we cannot successfully operate our business or implement our investment policies and strategies, it could negatively impact our ability to make distributions. The Investment Adviser' s capabilities in structuring the investment process, providing competent, attentive and efficient services to us, and facilitating access to financing on acceptable terms depend on the employment of investment professionals in an adequate number and of adequate sophistication to match the corresponding flow of transactions. To achieve our investment objective, the Investment Adviser may need to hire, train, supervise and manage new investment professionals to participate in our investment selection and monitoring process. The Investment Adviser may not be able to find investment professionals in a timely manner or at all. Failure to support our investment process could have a material adverse effect on our business, financial condition and results of operations. The Investment Advisory Agreement between the Investment Adviser and us has been approved pursuant to Section 15 of the 1940 Act. In addition, the Investment Advisory Agreement has termination provisions

that allow the parties to terminate the agreement. The Investment Advisory Agreement may be terminated at any time, without penalty, by us or by the Investment Adviser, upon 60 days' notice. If the agreement is terminated, we may not be able to find a new external investment adviser or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected **. Any inability of our Investment Adviser to maintain or develop strong referral relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business** . We depend upon our Investment Adviser to maintain its relationships with venture capital and private equity firms, placement agents, investment banks, management groups and other financial institutions, and we expect to rely to a significant extent upon these relationships to provide us with potential investment opportunities. If our Investment Adviser fails to maintain such relationships, or to develop new relationships with other sources of investment opportunities, we will not be able to grow our investment portfolio. In addition, individuals with whom our Investment Adviser has relationships are not obligated to provide us with investment opportunities, and we can offer no assurance that these relationships will generate investment opportunities for us in the future. We **operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses. We** compete for investments with other BDCs and investment funds (including private equity funds, venture lending funds, finance companies with venture lending units, banks focused on venture lending, mezzanine funds and funds that invest in CLOs, structured notes, derivatives and other types of collateralized securities and structured products), as well as traditional financial services companies such as commercial banks and other sources of funding. Moreover, alternative investment vehicles, such as hedge funds, have begun to invest in areas in which they have not traditionally invested, including making investments in small to mid- sized private U. S. companies. As a result of these new entrants, competition for investment opportunities in small and middle- market private U. S. companies may intensify. Many of our potential competitors are substantially larger and have considerably greater financial, technical and marketing resources than we have. For example, some competitors may have a lower cost of capital and access to funding sources that are not available to us. In addition, some of our competitors have higher risk tolerances or different risk assessments than we have. These characteristics might allow our competitors to consider a wider variety of investments, establish more relationships or offer better pricing and more flexible structuring than we are able to offer. We may lose investment opportunities if we do not match our competitors' pricing, terms or structure. If we are forced to match our competitors' pricing, terms or structure, we may not be able to achieve acceptable returns on our investments or may bear substantial risk of capital loss. We believe a significant part of our competitive advantage stems from the fact that the market for investments in lower and traditional middle- market companies is underserved by traditional commercial banks and other financing sources. A significant increase in the number and / or the size of our competitors in this target market could force us to accept less attractive investment terms. Furthermore, many of our potential competitors have greater experience operating under, or will not be subject to, the regulatory restrictions that the 1940 Act impose on us as a BDC. We may have difficulty sourcing investment opportunities. We cannot assure investors that we will be able to locate a sufficient number of suitable investment opportunities to allow us to deploy capital successfully. In addition, privately- negotiated investments in loans and illiquid securities of private middle market companies require substantial due diligence and structuring, and we cannot assure investors that we will achieve our anticipated investment pace. As a result, investors will be unable to evaluate any future portfolio company investments prior to purchasing shares of our common stock. Additionally, our Investment Adviser will select our investments, and our stockholders will have no input with respect to such investment decisions. These factors increase the uncertainty, and thus the risk, of investing in shares of our common stock. To the extent we are unable to deploy capital, our investment income and, in turn, our results of operations, will likely be materially adversely affected. There is no assurance that we will be able to consummate investment transactions or that such transactions will be successful. BC Partners, the Company and their affiliates may also face certain conflicts of interests in connection with any transaction, including any warehousing transaction involving an affiliate. Until such time we invest such capital in portfolio companies, we may invest these amounts in cash, cash equivalents, U. S. government securities and high- quality debt investments that mature in one year or less from the date of investment. We expect these temporary investments to earn yields substantially lower than the income that we expect to receive in respect of investments in secured debt (including senior secured, unitranche and second lien debt) and unsecured debt (including senior unsecured and subordinated debt), as well as related equity securities. As required by the 1940 Act, a significant portion of our investment portfolio is and will be recorded at fair value as determined by the Investment Adviser in its role as valuation designee, subject to the ultimate oversight of our Board and, as a result, there is and will be uncertainty as to the value of our portfolio investments. Under the 1940 Act, we are required to carry our portfolio investments at market value or, if there is no readily available market value, at fair value as determined by the Investment Adviser in its role as valuation designee, subject to the ultimate oversight of our Board. Typically, there will not be a public market for the securities of the privately held companies in which we invest. As a result, we value these securities quarterly at fair value as determined in good faith by the Investment Adviser, based on, among other things, input of third- party independent valuation firm (s), subject to the oversight of our Board. Certain factors that may be considered in determining the fair value of our investments include external events, such as private mergers, sales and acquisitions involving comparable companies. As a result, our determinations of fair value may differ materially from the values that would have been used if a ready market for these non- traded securities existed. Due to this uncertainty, our fair value determinations may cause our net asset value on a given date to materially differ from the value that we may ultimately realize upon the sale of one or more of our investments. As a result, investors purchasing our common stock based on an overstated net asset value would pay a higher price than the value of our investments might warrant. Conversely, investors selling shares during a period in which the net asset value understates the value of our investments would receive a lower price for their shares than the value of our investments might warrant. In addition, we may not be able to realize the values on our investments needed to pay interest on our borrowings. The involvement of our interested

directors in the valuation process may create conflicts of interest. We make many of our portfolio investments in the form of loans and securities that are not publicly traded and for which no market- based price quotation is available. As a result, our Investment Adviser determines the fair value of these loans and securities subject to the Board' s oversight, as described in the section titled " Valuation of Investments " in Note 2 to our consolidated financial statements. In connection with that determination, investment professionals from the Investment Adviser may provide our Board with valuations based upon the most recent portfolio company financial statements available and projected financial results of each portfolio company. While the valuation for certain portfolio investments is reviewed by an independent valuation firm quarterly, the Board remains ultimately responsibility for fair value determinations, including our interested directors, and not by such third- party valuation firm. The participation of the Investment Adviser' s investment professionals in our valuation process could result in conflicts of interest as the Investment Adviser' s management fee is based, in part, on the value of our gross assets, and its incentive fees will be based, in part, on realized and unrealized gains and depreciation **. There is a risk that investors in our equity securities may not receive distributions consistent with historical levels or at all, or that our distributions may not grow over time and a portion of our distributions may be a return of capital** . We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions. Our ability to pay distributions might be, and has in the past been, adversely affected by the impact of one or more of the risk factors described in this annual report or incorporated herein by reference, including recent macro- economic trends and events, such as geo- political conflicts and high levels of inflation. If we declare a distribution and if more 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 distribution payments. To the extent we make distributions to stockholders that include a return of capital, such portion of the distribution essentially constitutes a return of the stockholder' s investment. Although such return of capital may not be taxable, such distributions would generally decrease a stockholder' s basis in our common stock and may therefore increase such stockholder' s tax liability for capital gains upon the future sale of such stock. A return of capital distribution may cause a stockholder to recognize a capital gain from the sale of our common stock even if the stockholder sells its shares for less than the original purchase price. As a RIC, if we do not distribute a certain percentage of our income annually, we may suffer adverse tax consequences, including possibly losing the U. S. federal income tax benefits allowable to RICs. We cannot assure you that you will receive distributions at a particular level or at all. In certain cases, we may recognize income before or without receiving the accompanying cash. Depending on the amount of noncash income, this could result in difficulty satisfying the annual distributions requirement applicable to RICs. Accordingly, we may have to sell some portfolio investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investments to meet these distribution requirements. We have not established any limit on the amount of funds we may use from available sources, such as borrowings, if any, to fund distributions (which may reduce the amount of capital we ultimately invest in assets). Stockholders should understand that any distributions made from sources other than cash flow from operations or that are relying on fee or expense reimbursement waivers from the Investment Adviser or the Administrator are not based on our investment performance, and can only be sustained if we achieve positive investment performance in future periods and / or the Investment Adviser or the Administrator continues to make such expense reimbursements. Stockholders should also understand that our future repayments to the Investment Adviser will reduce the distributions that they would otherwise receive. There can be no assurance that we will achieve such performance in order to sustain these distributions, or be able to pay distributions at all. The Investment Adviser and the Administrator have no obligation to waive fees or receipt of expense reimbursements. Changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy. We and our portfolio companies are subject to regulation at the local, state and federal level. New legislation may be enacted, or new interpretations, rulings or regulations could be adopted, including those governing the types of investments we are permitted to make, any of which could harm us and our stockholders, potentially with retroactive effect. Additionally, any changes to the laws and regulations governing our operations relating to permitted investments may cause us to alter our investment strategy to avail ourselves of new or different opportunities. Such changes could result in material differences to our strategies and plans and may result in our investment focus shifting from the areas of expertise of the Investment Adviser to other types of investments in which the Investment Adviser may have less expertise or little or no experience. Thus, any such changes, if they occur, could have a material adverse effect on our financial condition and results of operations and the value of your investment. Changes to U. S. tariff and import / export regulations may have a negative effect on our portfolio companies and, in turn, harm us. There has been ongoing discussion and commentary regarding further potential significant changes to U. S. trade policies, treaties and tariffs. Since 2018, the U. S. has imposed various tariffs on Chinese goods, and China has retaliated by placing tariffs on various U. S. goods. ~~Both countries signed a phase~~ **Most recently, in February 2025, the U. S. government imposed an additional 10 % tariff** ~~one~~ **on** ~~trade agreement in January 2020 halting further~~ **imports from China, on top of existing tariff burdens, and the U. S. President has indicated that additional** tariffs **may be forthcoming** ~~and increasing sales of U. S. goods to China. The agreement left in place most tariffs, which remained in place as of the end of 2023. It is unclear what the final outcome of the negotiations and agreements will result in. These prior~~ **Prior** tariffs have resulted in, and may continue to trigger, retaliatory actions by affected countries, including the imposition of tariffs on the U. S. by other countries. These events have created significant uncertainty about the future relationship between the United States and other countries with respect to trade policies, treaties and tariffs. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the United States. Any of these factors could depress economic activity, restrict our portfolio companies' access to suppliers or customers, increase costs, decrease margins, reduce the competitiveness of products and services offered by current or future portfolio companies and have a material adverse effect on their business, financial condition and results of operations, which in turn would negatively impact us **. As a publicly traded**

company, we are subject to increasingly complex corporate governance, public disclosure and accounting requirements that are costly and could adversely affect our business and financial results . As a publicly traded company, we incur legal, accounting and other expenses, including costs associated with the periodic reporting requirements applicable to a company whose securities are registered under the 1934 Act, or the 1934 Act, as well as additional corporate governance requirements, including requirements under the Sarbanes Oxley Act, and other rules implemented by the SEC. Also, we are subject to changing rules and regulations of federal and state government as well as the stock exchange on which our common stock is listed. These entities, including the Public Company Accounting Oversight Board, the SEC and the NASDAQ Stock Market, have issued a significant number of new and increasingly complex requirements and regulations over the course of the last several years and continue to develop additional regulations and requirements in response to laws enacted by Congress. Our efforts to comply with these existing requirements, or any revised or amended requirements, have resulted in, and are likely to continue to result in, an increase in expenses and a diversion of management' s time from other business activities. If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, stockholders and noteholders could lose confidence in our financial and other public reporting, which would harm our business. Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our consolidated financial statements or identify other areas for further attention or improvement. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on our business. We are required to disclose changes made in our internal controls and procedures over financial reporting on a quarterly basis and our management is required to assess the effectiveness of these controls annually. An independent assessment of the effectiveness of our internal controls could detect problems that our management' s assessment might not. Undetected material weaknesses in our internal controls could lead to financial statement restatements and require us to incur the expense of remediation. As a public company, we may incur significant additional expenses in the near term, which may negatively impact our financial performance and our ability to make distributions to our stockholders. This process also will result in a diversion of management' s time and attention. We cannot be certain as to the timing of completion of any evaluation, testing and remediation actions or the impact of the same on our operations, and we may not be able to ensure that the process is effective or that our internal controls over financial reporting are or will be effective in a timely manner. In the event that we are unable to maintain or achieve compliance with Section 404 of the Sarbanes- Oxley Act and related rules, the market price of our common stock may be adversely affected. ~~In March 2024, we identified a material weakness in our internal controls over financial reporting related to our failure to satisfy the requirements to maintain our special tax status as a RIC for the years ended December 31, 2020, 2021 and 2022, and management has determined that, as of December 31, 2023, we did not maintain effective internal control over financial reporting. This material weakness and our remediation efforts are described in " Controls and Procedures. " Although management does not believe the misstatements are material to any of the impacted financial statements and thus no adjustment to any of the Company' s previously reported financial statements is considered necessary, we cannot assure you that we will adequately remediate the material weakness or that additional material weaknesses in our internal controls will not be identified in the future. Any failure to maintain or implement required new or improved controls, or any difficulties we encounter in their implementation, could result in additional material weaknesses, or could result in material misstatements in our financial statements. These misstatements could result in restatements of our financial statements, cause us to fail to meet our reporting obligations in addition to stock exchange listing requirements, investors may lose confidence in our reported financial information, our stock price may decline as a result, and we could be subject to litigation or regulatory enforcement actions. We are in the process of remediating the identified material weakness in our internal controls, but we are unable at this time to estimate when the remediation effort will be completed. If we fail to remediate this material weakness, there will continue to be an increased risk that our future financial statements could contain errors that will be undetected. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to avoid potential future material weaknesses. The potential consequences of any material weakness could have a material adverse effect on our business, results of operations and financial condition. Further and continued determinations that there are material weaknesses in the effectiveness of our internal controls could impact the operations of our business, including our ability to obtain financing, the cost of any financing we obtain or require additional expenditures of resources to comply with applicable requirements.~~ There is uncertainty surrounding potential legal, regulatory and policy changes by new presidential administrations in the United States that may directly affect financial institutions and the global economy. Changes in federal policy, including tax **and trading** policies, and at regulatory agencies may occur over time through policy and personnel changes, which may lead to changes involving the level of oversight and focus on the financial services industry or the tax rates paid by corporate entities **. President Trump' s election, coupled with Republican control of the Senate and the House of Representatives (albeit by narrow margins) could lead to new legislative and regulatory initiatives or the roll- back of initiatives of the previous presidential administration. In addition, uncertainty regarding legislation and regulations affecting the financial services industry or taxation could also adversely impact our business or the business of our portfolio companies** . The nature, timing and economic and political effects of potential changes to the current legal and regulatory framework affecting financial institutions remain highly uncertain. Uncertainty surrounding future changes may adversely affect our operating environment and therefore our business, financial condition, results of operations and growth prospects. The impact of financial reform legislation on us is uncertain. The Company and the portfolio companies in which it invests 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 come into effect. Accordingly, any change in law and regulations, changes in administration or control of U. S. Congress, changes in interpretations, or newly enacted laws or regulations could have a material adverse effect on the Company' s business or the business of the portfolio companies in which the Company invests. Over the past several years, there also has been increasing 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 may 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 lending could be materially adverse to the Company' s business, financial conditions and results of operation. We may experience fluctuations in our quarterly results. We may experience fluctuations in our quarterly and annual results. We may experience fluctuations in our quarterly and annual operating results due to a number of factors, including our ability or inability to make investments in companies that meet our investment criteria, any sales, dispositions or liquidity events of our portfolio companies, the interest rate payable on the debt securities we acquire, the level of portfolio dividend and fee income, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. Given that the portfolio is concentrated in a limited number of portfolio companies and industries, including healthcare, distributions, dispositions or liquidity events affecting a portfolio company or industry in which we own a significant position may adversely affect our net asset value and results of operations. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods. **Any unrealized depreciation we experience on our loan portfolio may be an indication of future realized losses, which could reduce our income available for distribution.** As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at the fair value as determined in good faith by our Adviser, in its role as valuation designee, subject to the oversight of our Board. Decreases in the market values or fair values of our investments will be recorded as unrealized depreciation. Any unrealized depreciation in our loan portfolio could be an indication of a portfolio company' s inability to meet its repayment obligations to us with respect to the affected loans. This could result in realized losses in the future and ultimately in reductions of our income available for distribution in future periods. In addition, decreases in the market value or fair value of our investments will reduce our net asset value. **The** ~~Recent legislation permits the~~ Company ~~to~~ **may** incur additional leverage. Prior to the Small Business Credit Availability Act being signed into law, a BDC generally was not permitted to incur indebtedness unless immediately after such borrowing it had an asset coverage for total borrowings of at least 200 % (i. e., a 1: 1 leverage- to- equity ratio). The Small Business Credit Availability Act, signed into law on March 23, 2018, contains a provision that grants a BDC the option, subject to certain conditions and disclosure obligations, to increase the leverage of its portfolio to a maximum of 2: 1. On November 1, 2018, the Board, including a " required majority " (as such term is defined in Section 57 (o) of the 1940 Act) approved the application of the modified asset coverage. As a result, we are permitted to incur additional indebtedness, and, therefore, the risk of an investment in our common stock may be greater than prior to November 2018. We are highly dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability to make distributions to our stockholders. Our business is highly dependent on the communications and information systems of the Investment Adviser. Certain of these systems are provided to the Investment Adviser by third- party service providers. Any failure or interruption of such systems, including as a result of the termination of an agreement with any such third- party service provider, sudden electrical or telecommunications outages, natural disasters such as earthquakes, tornadoes, and hurricanes, events arising from local or larger scale political or social matters, including terrorist attacks, and cyber- attacks could cause delays or other problems in our activities. Any of the above, 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 make distributions to our stockholders. We, the Investment Adviser and our portfolio companies are subject to cybersecurity risks and cyber incidents which may adversely affect our business, financial condition and operating results. Cyber security incidents and cyber- attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Despite careful security and controls design, implementation and updating, ours and our portfolio companies' information technology systems could become subject to cyber- attacks. Cyber- attacks include, but are not limited to, gaining unauthorized access to digital systems (e. g., through " hacking ", malicious software coding, social engineering or " phishing " attempts) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber- attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial- of service attacks on websites (i. e., efforts to make network services unavailable to intended users). The Investment Adviser, our and each of their and our affiliates and portfolio companies' and service providers' information and technology systems may be vulnerable to damage or interruption from cyber security breaches, computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and other security breaches, or usage errors by their respective professionals or service providers. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including non- public personal information related to stockholders (and their beneficial owners) and material non- public information. 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 related to cyber- attacks. The Investment Adviser' s employees have been and expect to continue to be the target of fraudulent calls, emails and other forms of activities. 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, regulatory fines or penalties, or other adverse effects on our business, financial condition or results of operations. The Investment Adviser' s and other service providers' increased use of mobile and cloud technologies

could heighten the risk of a cyber- attack as well as other operational risks, as certain aspects of the security of such technologies may be complex, unpredictable or beyond their control. The Investment Adviser' s and other service providers' reliance on mobile or cloud technology or any failure by mobile technology and cloud service providers to adequately safeguard their systems and prevent cyber- attacks could disrupt their operations and result in misappropriation, corruption or loss of personal, confidential or proprietary information. In addition, there is a risk that encryption and other protective measures against cyber- attacks may be circumvented, particularly to the extent that new computing technologies increase the speed and computing power available. Additionally, remote working environments may be less secure and more susceptible to cyber- attacks, including phishing and social engineering attempts. Accordingly, the risks associated with cyber- attacks are heightened under current conditions. Although the Investment Adviser implemented, and portfolio companies and service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. The Investment Adviser does not control the cyber security plans and systems put in place by third- party service providers, and such third- party service providers may have limited indemnification obligations to the Investment Adviser, their affiliates, the Company, the stockholders and / or a portfolio company, each of which could be negatively impacted as a result. Breaches, such as those involving covertly introduced malware, impersonation of authorized users, " phishing " attacks and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing them from being addressed appropriately. The failure of these systems and / or of disaster recovery plans for any reason could cause significant interruptions in the Investment Adviser, its affiliates', the Company' s and / or a portfolio company' s operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to stockholders (and their beneficial owners), material non- public information and the intellectual property and trade secrets and other sensitive information of the Investment Adviser, us and / or portfolio companies. The Investment Adviser, the Company and / or a portfolio company could be required to make significant investments to remedy the effects of any such failures, harm to their reputations, legal claims that they and their respective affiliates may be subjected to, regulatory action or enforcement arising out of applicable privacy and other laws, adverse publicity, and other events that may affect their business and financial performance. **Internal and external cyber threats, as well as other disasters, could impair our ability to conduct business effectively.** The occurrence of a disaster, such as a cyber- attack against us or against a third- party that has access to our data or networks, a natural catastrophe, an industrial accident, failure of our disaster recovery systems, or consequential employee error, could have an adverse effect on our ability to communicate or conduct business, negatively impacting our operations and financial condition. This adverse effect can become particularly acute if those events affect our electronic data processing, transmission, storage, and retrieval systems, or impact the availability, integrity, or confidentiality of our data. We depend heavily upon computer systems to perform necessary business functions. Despite our implementation of a variety of security measures, our computer systems, networks, and data, like those of other companies, could be subject to cyber- attacks and unauthorized access, use, alteration, or destruction, such as from physical and electronic break- ins or unauthorized tampering. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary, and other information processed, stored in, and transmitted through our computer systems and networks. Such an attack could cause interruptions or malfunctions in our operations, which could result in financial losses, litigation, regulatory penalties, client dissatisfaction or loss, reputational damage, and increased costs associated with mitigation of damages and remediation. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including non- public personal information related to stockholders (and their beneficial owners) and material non- public information. The systems we have implemented to manage risks relating to these types of events could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing them from being addressed appropriately. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in our and our Investment Adviser' s operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to stockholders, material non- public information and other sensitive information in our possession. A disaster or a disruption in the infrastructure that supports our business, including a disruption involving electronic communications or other services used by us or third parties with whom we conduct business, or directly affecting our headquarters, could have a material adverse impact on our ability to continue to operate our business without interruption. Our disaster recovery programs may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse us for our losses, if at all. Third parties with which we do business may also be sources of cybersecurity or other technological risk. We outsource certain functions and these relationships allow for the storage and processing of our information, as well as client, counterparty, employee and borrower information. While we engage in actions to reduce our exposure resulting from outsourcing, ongoing threats may result in unauthorized access, loss, exposure, destruction, or other cybersecurity incident that affects our data, resulting in increased costs and other consequences as described above. In addition, cybersecurity has become a top priority for regulators around the world, and some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. If we fail to comply with the relevant laws and regulations, we could suffer financial losses, a disruption of our businesses, liability to investors, regulatory intervention or reputational damage. **Inflation may adversely affect our business and operations and those of our portfolio companies.** Economic activity has continued to accelerate across sectors and regions. Nevertheless, due to global supply chain issues, a rise in energy prices and strong consumer demand as economies continue to reopen, inflation has ~~accelerated significantly over 2023~~ **fluctuated in**

recent periods in the U. S. and globally, and the U. S. Federal Reserve has responded by tightening monetary policy. Inflation is likely to continue in the near to medium- term, particularly in the U. S., with the possibility that monetary policy may further tighten in response. Certain of our portfolio companies may be impacted by inflation and persistent inflationary pressures could negatively affect our portfolio companies' profit margins. Inflation could become a serious problem in the future and have an adverse impact on the Company' s returns. ~~The~~ **Risks Related to the Investment Adviser and its AffiliatesThe** Investment Adviser may not be able to achieve the same or similar returns as those achieved for other funds it currently manages or by its investment team while they were employed at prior positions. The Investment Adviser manages other funds and may manage other entities in the future. The track record and achievements of these other entities are not necessarily indicative of future results that will be achieved by the Investment Adviser because these other entities may have investment objectives and strategies that differ from ours. The Investment Adviser and its affiliates, including our officers and some of our directors, face conflicts of interest caused by compensation arrangements with us and our affiliates, which could result in actions that are not in the best interests of our stockholders. The Investment Adviser and its affiliates will receive substantial fees from us in return for their services, including certain incentive fees based on the performance of our investments. These fees could influence the advice provided to us. Generally, the more equity we sell and the greater the risk assumed by us with respect to our investments, the greater the potential for growth in our assets and profits, and, correlatively, the fees payable by us to our Investment Adviser. These compensation arrangements could affect our Investment Adviser' s or its affiliates' judgment with respect to offerings of equity and investments made by us, which allow our Investment Adviser to earn increased asset management fees. Additionally, we pay to the Investment Adviser an incentive fee that is based on the performance of our portfolio and an annual base management fee that is based on the average value of our gross assets, which are the total assets reflected on the consolidated statements of assets and liabilities and includes any borrowings for investment purposes, at the end of the two most recently completed calendar quarters. Because the incentive fee is based on the performance of our portfolio, the Investment Adviser may be incentivized to make investments on our behalf that are riskier or more speculative than would be the case in the absence of such compensation arrangement. The way in which the incentive fee is determined may also encourage the Investment Adviser to use leverage to increase the return on our investments. In addition, because the base management fee is based on the average value of our gross assets at the end of the two most recently completed calendar quarters, which includes any borrowings for investment purposes, the Investment Adviser may be incentivized to recommend the use of leverage or the issuance of additional equity to make additional investments and increase the average value of our gross assets at the end of the two most recently completed calendar quarters. Under certain circumstances, the use of leverage may increase the likelihood of default, which could disfavor our stockholders. Our compensation arrangements could therefore result in our making riskier or more speculative investments, or relying more on leverage to make investments, than would otherwise be the case. This could result in higher investment losses, particularly during cyclical economic downturns **. There are significant potential conflicts of interest that could negatively affect our investment returns** . The members of the Investment Adviser' s investment team also monitor and service other affiliated investment funds. In addition, our executive officers and directors, as well as the current and future members of our Investment Adviser' s investment team may serve as officers, directors or principals of other entities that operate in the same or a related line of business as we do. Accordingly, they may have obligations to investors in those entities, the fulfillment of which obligations may not be in the best interests of us or our stockholders. In the course of our investing activities, we pay management and incentive fees to the Investment Adviser and reimburse the Investment Adviser for certain expenses it incurs. 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. Accordingly, there may be times when the management team of the Investment Adviser will have interests that differ from those of our stockholders, giving rise to a conflict. The Investment Adviser will not be reimbursed for any performance- related compensation for its employees. We pay our Administrator our allocable portion of overhead and other expenses incurred by our Administrator in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions, and our allocable portion of the compensation of our chief financial officer, chief compliance officer and their respective administrative support staff. These arrangements create conflicts of interest that our Board must monitor. The Investment Adviser and its affiliates may also manage other funds in the future that may have investment mandates that are similar, in whole or in part to ours. To the extent permitted by the 1940 Act and interpretation of the SEC staff, the Investment Adviser and its affiliates may determine that an investment is appropriate for us and for one or more of those other funds. In such event, depending on the availability of such investment and other appropriate factors, the Investment Adviser or its affiliates may determine that we should invest side- by- side with one or more other funds. Any such investments will be made only to the extent permitted by applicable law and interpretive positions of the SEC and its staff, and consistent with the Investment Adviser' s allocation procedures. As a BDC, we are substantially limited in our ability to co-invest in privately negotiated transactions with affiliated funds unless we obtain an exemptive order from the SEC. On April 10, 2023, superseding a prior exemptive order granted on October 23, 2018, the SEC issued an order granting an application for exemptive relief to us and certain of our affiliates that allows BDCs managed by the Investment Adviser, including Logan Ridge, to co- invest, subject to the satisfaction of certain conditions, in certain private placement transactions, with other funds managed by the Investment Adviser or its affiliates, certain proprietary accounts of the Investment Adviser or its affiliates and any future funds that are advised by the Investment Adviser or its affiliated investment advisers. Under the terms of the exemptive order, in order for the Company to participate in a co- investment transaction, a " required majority " (as defined in Section 57 (o) of the 1940 Act) of the Company' s independent directors must conclude that (i) the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair to the Company and its stockholders and do not involve overreaching with respect of the Company or its stockholders on the part of any person concerned, and (ii) the proposed transaction is consistent with the interests of the Company' s stockholders and is consistent with the Company' s investment

objectives and strategies and certain criteria established by the Board. We believe this relief may not only enhance our ability to further our investment objectives and strategies, but may also increase favorable investment opportunities for us, in part by allowing us to participate in larger investments, together with our co- investment affiliates, than would be available to us in the absence of such relief. In the ordinary course of business, we may enter into transactions with portfolio companies that may be considered related party transactions. In order to ensure that we do not engage in any prohibited transactions with any persons affiliated with us, we have implemented certain written policies and procedures whereby our executive officers screen each of our transactions for any possible affiliations between the proposed portfolio investment and us, companies controlled by us or our executive officers and directors. We will not enter into any agreements unless and until we are satisfied that doing so will not raise concerns under the 1940 Act or, if such concerns exist, we have taken appropriate actions to seek review and approval by our Board or exemptive relief for such transaction. Our Board will review these procedures on an annual basis. We may be obligated to pay the Investment Adviser incentive compensation even if we incur a net loss due to a decline in the value of our portfolio, and the incentive fee may be calculated using income that has not yet been received. Our Investment Advisory Agreement entitles the Investment Adviser to receive incentive compensation on income regardless of any capital losses. In such case, we may be required to pay the Investment Adviser incentive compensation for a fiscal quarter even if there is a decline in the value of our portfolio or if we incur a net loss for that quarter. Any incentive fee payable by us that relates to our net investment income may be computed and paid on income that may include interest that has been accrued, but not yet received, including original issue discount, which may arise if we receive fees in connection with the origination of a loan or possibly in other circumstances, or contractual " payment- in- kind, " or PIK, interest, which represents contractual interest added to the loan balance and due at the end of the loan term. To the extent we do not distribute accrued PIK interest, the deferral of PIK interest has the simultaneous effects of increasing the assets under management and increasing the base management fee at a compounding rate, while generating investment income and increasing the incentive fee at a compounding rate. In addition, the deferral of PIK interest would also increase the loan- to- value ratio at a compounding rate if the issuer' s assets do not increase in value, and investments with a deferred interest feature, such as PIK interest, may represent a higher credit risk than loans on which interest must be paid in full in cash on a regular basis. For example, if a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously included in the calculation of the incentive fee will become uncollectible. The Investment Adviser is not under any obligation to reimburse us for any part of the incentive fee it received that was based on accrued income that we never received as a result of a default by an entity on the obligation that resulted in the accrual of such income, and such circumstances would result in our paying an incentive fee on income we never received. **The Investment Adviser is not obligated to reimburse us for any part of the incentive fee it receives that is based on accrued income that we never receive.** Part of the incentive fee payable by us to our Investment Adviser that relates to our net investment income is computed and paid on income that may include interest that has been accrued but not yet received in cash, such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities. If a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously used in the calculation of the incentive fee will become uncollectible. Our Investment Adviser will not be under any obligation to reimburse us for any part of the incentive fees it received that was based on accrued income that we never receive as a result of a default by an entity on the obligation that resulted in the accrual of such income. There may be conflicts of interest related to obligations that the Investment Adviser' s senior management and investment team has to other clients. As of April 2021, we are advised by Mount Logan Management LLC, our Investment Adviser. The members of the senior management and investment team of the Investment Adviser serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as we do, or of investment funds managed by the same personnel. In serving in these multiple capacities, they may have obligations to other clients or investors in those entities, the fulfilment of which may not be in our best interests or in the best interest of our stockholders. Our investment objective may overlap with the investment objectives of such investment funds, accounts or other investment vehicles. In particular, we rely on the Investment Adviser to manage our day- to- day activities and to implement our investment strategy. The Investment Adviser and certain of its affiliates are presently, and plan in the future to continue to be, involved with activities that are unrelated to us. As a result of these activities, the Investment Adviser, its officers and employees and certain of its affiliates will have conflicts of interest in allocating their time between us and other activities in which they are or may become involved, including the management of its affiliated funds. The Investment Adviser and its officers and employees will devote only as much of its or their time to our business as the Investment Adviser and its officers and employees, in their judgment, determine is reasonably required, which may be substantially less than their full time. We rely, in part, on the Investment Adviser to assist with identifying and executing upon investment opportunities and on the Board to review and approve the terms of our participation in co- investment transactions with the Investment Adviser and its affiliates. The Investment Adviser and its affiliates are not restricted from forming additional investment funds, entering into other investment advisory relationships or engaging in other business activities. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of the Investment Adviser, its affiliates and their officers and employees will not be devoted exclusively to our business but will be allocated between us and such other business activities of the Investment Adviser and its affiliates in a manner that the Investment Adviser deems necessary and appropriate. An affiliate of the Investment Adviser manages BC Partners Lending Corporation and Portman Ridge Finance Corporation, each of which is a BDC that invests primarily in debt and equity of privately- held middle- market companies, similar to our targets for investment. Therefore, there may be certain investment opportunities that satisfy the investment criteria for those BDCs and us. Each of BC Partners Lending Corporation and Portman Ridge Finance Corporation operates as a distinct and separate company and any investment in our common stock will not be an investment in either of those BDCs. In addition, certain of our executive officers serve in substantially similar capacities for BC Partners Lending Corporation and Portman Ridge Finance Corporation, and three of our independent directors serve as

independent directors of those BDCs. The time and resources that individuals employed by the Investment Adviser devote to us may be diverted and we may face additional competition due to the fact that individuals employed by the Investment Adviser are not prohibited from raising money for or managing other entities that make the same types of investments that we target. Neither the Investment Adviser nor individuals employed by the Investment Adviser are generally prohibited from raising capital for and managing other investment entities that make the same types of investments as those we target. As a result, the time and resources that these individuals may devote to us may be diverted. In addition, we may compete with any such investment entity for the same investors and investment opportunities. On April 10, 2023, superseding a prior exemptive order granted on October 23, 2018, the SEC issued an order granting an application for exemptive relief to us and certain of our affiliates that allows BDCs managed by the Investment Adviser, including Logan Ridge, to co- invest, subject to the satisfaction of certain conditions, in certain private placement transactions, with other funds managed by the Investment Adviser or its affiliates, certain proprietary accounts of the Investment Adviser or its affiliates and any future funds that are advised by the Investment Adviser or its affiliated investment advisers. Our base management and incentive fees may induce the Investment Adviser to make speculative investments or to incur leverage. The incentive fee payable by us to the Investment Adviser may create an incentive for our Investment Adviser to make investments on our behalf that are risky or more speculative than would be the case in the absence of such compensation arrangement. The way in which the incentive fee payable to the Investment Adviser is determined may encourage our Investment Adviser to use leverage to increase the leveraged return on our investment portfolio. The part of the management and incentive fees payable to the Investment Adviser that relates to our net investment income is computed and paid on income that may include interest income that has been accrued but not yet received in cash, such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities. This fee structure may be considered to involve a conflict of interest for the Investment Adviser to the extent that it may encourage the Investment Adviser to favor debt financings that provide for deferred interest, rather than current cash payments of interest. In addition, the fact that our base management fee is payable based upon our gross assets, which would include any borrowings for investment purposes, may encourage the Investment Adviser to use leverage to make additional investments. Under certain circumstances, the use of leverage may increase the likelihood of defaulting on our borrowings, which would disfavor holders of our common stock. Such a practice could result in us investing in more speculative securities than would otherwise be in our best interests, which could result in higher investment losses, particularly during cyclical economic downturns. Shares of our common stock may be purchased by the Investment Adviser or its affiliates. The Investment Adviser and its affiliates may purchase shares of our common stock for any reason deemed appropriate. The Investment Adviser and its affiliates will not acquire any shares of our common stock with the intention to resell or re- distribute such shares. The purchase of common stock by the Investment Adviser and its affiliates could create certain risks, including, but not limited to, the following: • the Investment Adviser and its affiliates may have an interest in disposing of our assets at an earlier date so as to recover their investment in our common stock; and • substantial purchases of shares by the Investment Adviser and its affiliates may limit the Investment Adviser' s ability to fulfill any financial obligations that it may have to us or incurred on our behalf. We depend **upon our Investment Adviser' s key personnel for our future success. We depend** on the diligence, skill and network of business contacts Ted Goldthorpe, Matthias Ederer, Henry Wang **, Ivelin Dimitrov,** and ~~Raymond Svider~~ **Patrick Schafer** , each experienced members of the Investment Adviser' s investment personnel, who serve as the members of the investment committee of the Investment Adviser. Our success depends on the continued service of these individuals and the other senior investment professionals available to the Investment Adviser. We cannot assure you that unforeseen business, medical, personal or other circumstances would not lead any of these individuals to terminate his relationship with us. Additionally, we cannot assure you that a reduction in revenue to the Investment Adviser, including as a result of fee waivers or a decrease in our assets, would not lead to a loss of investment professionals in the future. Such loss of members of the Investment Adviser' s investment committee and other investment professionals 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. In addition, we can offer no assurance that the Investment Adviser will continue indefinitely as our investment adviser. The members of the Investment Adviser' s investment team are and may in the future become affiliated with entities engaged in business activities similar to those intended to be conducted by us and may have conflicts of interest in allocating their time. The Investment Adviser may retain additional consultants, advisers and / or operating partners to provide services to the Company, and such additional personnel will perform similar functions and duties for other organizations which may give rise to conflicts of interest. The Investment Adviser may work with or alongside one or more consultants, advisers (including senior advisers and CEOs) and / or operating partners who are retained by the Investment Adviser on a consultancy or retainer or other basis, to provide services to the Company and other entities sponsored by the Investment Adviser including the sourcing of investments and other investment- related and support services. The functions undertaken by such persons with respect to the Company and any of its investments will not be exclusive and such persons may perform similar functions and duties for other organizations which may give rise to conflicts of interest. Such persons may also be appointed to the board of directors of companies and have other business interests which give rise to conflicts of interest with the interests of the Company or a portfolio entity of the Company. Stockholders should note that such persons may retain compensation that will not offset the base management fee payable to the Investment Adviser, including that: (i) such persons are permitted to retain all directors' fees, monitoring fees and other compensation received by them in respect of acting as a director or officer of, or providing other services to, a portfolio entity and such amounts shall not be credited against the base management fee; and (ii) certain of such persons may be paid a deal fee, a consultancy fee or other compensation where they are involved in a specific project relating to the Company, which fee will be paid either by the Company or, if applicable, the relevant portfolio entity. The terms of the Investment Advisory Agreement and the Administration Agreement were determined without independent assessment on our behalf, and these terms may be less advantageous to us than if such terms had been the subject of arm' s- length negotiations. The Investment Advisory Agreement

and the Administration Agreement were negotiated between related parties. Consequently, their terms, including fees payable to the Investment Adviser and the Administrator, may not be as favorable to us as if they had been negotiated with an unaffiliated third- party. The Investment Adviser' s influence on conducting our operations gives it the ability to increase its fees, which may reduce the amount of cash flow available for distribution to our stockholders. The Investment Adviser is paid a base management fee calculated as a percentage of our gross assets and unrelated to net income or any other performance base or measure. The Investment Adviser may advise us to consummate transactions or conduct our operations in a manner that, in the Investment Adviser' s reasonable discretion, is in the best interests of our stockholders. These transactions, however, may increase the amount of fees paid to the Investment Adviser. The Investment Adviser' s ability to influence the base management fee paid to it by us could reduce the amount of cash flow available for distribution to our stockholders. Our Investment Adviser' s liability is limited under the Investment Advisory Agreement, and we have agreed to indemnify the Investment Adviser against certain liabilities, which may lead the Investment Adviser to act in a riskier manner on our behalf than it would when acting for its own account. Under the Investment Advisory Agreement, the Investment Adviser has not assumed any responsibility to us other than to render the services called for under that agreement. It is not responsible for any action of our Board in following or declining to follow the Investment Adviser' s advice or recommendations. Under the Investment Advisory Agreement, the Investment Adviser, its officers, members and personnel, and any person controlling or controlled by the Investment Adviser are not liable to us, any subsidiary of ours, our directors, our stockholders or any subsidiary' s stockholders or partners for acts or omissions performed in accordance with and pursuant to the Investment Advisory Agreement, except those resulting from acts constituting gross negligence, willful misfeasance, bad faith or reckless disregard of the duties that the Investment Adviser owes to us under the Investment Advisory Agreement. In addition, as part of the Investment Advisory Agreement, we have agreed to indemnify the Investment Adviser and each of its officers, directors, members, managers and employees from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the Investment Advisory Agreement, except where attributable to gross negligence, willful misfeasance, bad faith or reckless disregard of such person' s duties under the Investment Advisory Agreement. These protections may lead the Investment Adviser to act in a riskier manner when acting on our behalf than it would when acting for its own account. Our Investment Adviser has the right to resign on 60 days' notice, and we may not be able to find a suitable replacement within such time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations. Our Investment Adviser has the right, under the Investment Advisory Agreement, to resign at any time on 60 days' written notice, whether we have found a replacement or not. If our Investment Adviser resigns, we may not be able to find a new investment adviser or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected and the market price 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 and its affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our financial condition, business and results of operations. The investment committee and other investment professionals of the Investment Adviser may, from time to time, possess material non- public information about or related to our portfolio companies, limiting our investment discretion. Members of our Investment Adviser' s investment committee and other investment professionals of the Investment Adviser may serve as directors of, or in a similar capacity to, portfolio companies in which we invest. In the event that material non- public information is obtained with respect to such companies, or we become subject to trading restrictions under the internal trading policies of those companies or as a result of applicable law or regulations, we could be prohibited for a period of time from purchasing or selling the securities of such companies, and this prohibition may have an adverse effect on us. Risks Related to Business Development ~~Companies~~ **CompaniesThe** ~~The~~ requirement that we invest a sufficient portion of our assets in qualifying assets could preclude us from investing in accordance with our current business strategy; conversely, the failure to invest a sufficient portion of our assets in qualifying assets could result in our failure to maintain our status as a BDC. As a BDC, we may not acquire any assets other than " qualifying assets " unless, at the time of and after giving effect to such acquisition, at least 70 % of our total assets are qualifying assets. Therefore, we may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets. Conversely, if we fail to invest a sufficient portion of our assets in qualifying assets, we could lose our status as a BDC, which would have a material adverse effect on our business, financial condition and results of operations. Similarly, these rules could prevent us from making additional investments in existing portfolio companies, which could result in the dilution of our position, or could require us to dispose of investments at an inopportune time to comply with the 1940 Act. If we were forced to sell non- qualifying investments in the portfolio for compliance purposes, the proceeds from such sale could be significantly less than the current value of such investments. **Failure to maintain our status as a BDC would reduce our operating flexibility.** If we do not remain a BDC, whether because we withdrew our election or failed to maintain our status as a BDC, we might be regulated as a registered closed- end investment company under the 1940 Act, which would subject us to substantially more regulatory restrictions under the 1940 Act and correspondingly decrease our operating flexibility and potentially significantly increase our costs of doing business. **Regulations governing our operation as a BDC affect our ability to raise additional capital and the way in which we do so. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage.** We may issue 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 1940

Act. Under the provisions of the 1940 Act, we are permitted, as a BDC, to issue senior securities in amounts such that our asset coverage ratio, as defined in the 1940 Act, equals at least 150 %, if certain conditions are met, of gross 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. 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. 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, we would also be exposed to typical risks associated with leverage, including an increased risk of loss. As of December 31, ~~2023~~ **2024**, we had $ ~~15~~ **7**. ~~0~~ **5** million of ~~5~~ **6**. ~~25~~ **00** % fixed rate convertible notes due April 1, 2032 (the " 2032 Convertible Notes ") and $ 50. 0 million of ~~5~~ **6**. ~~25~~ **00** % fixed rate notes due October 30, 2026 (the " 2026 Notes ") outstanding. If we issue preferred stock, the preferred stock would rank " senior " to common stock in our capital structure, preferred stockholders would have separate voting rights on certain matters and might have other rights, preferences, or privileges more favorable than those of our common stockholders, and the issuance of 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 your best interests. We generally may not issue and sell our common stock at a price below net asset value 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 net asset value per share of our common stock if our Board determines that such sale is in our best interests and in the best interests of our stockholders, and our stockholders approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our Board, closely approximates the market value of such securities (less any commission or discount). 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 you may experience dilution. In certain limited circumstances, pursuant to an SEC staff interpretation, we may also issue shares at a price below net asset value in connection with a transferable rights offering so long as: (1) the offer does not discriminate among stockholders; (2) we use our best efforts to ensure an adequate trading market exists for the rights; and (3) the ratio of the offering does not exceed one new share for each three rights held. If we raise additional funds by issuing more common stock or senior securities convertible into, or exchangeable for, our common stock, the percentage ownership of our stockholders at that time would decrease and they may experience dilution. Moreover, we can offer no assurance that we will be able to issue and sell additional equity securities in the future, on favorable terms or at all. **Our ability to enter into new transactions with our affiliates, and to restructure or exit our investments in portfolio companies that we are deemed to " control " under the 1940 Act, will be restricted by the 1940 Act, which may limit the scope of investment opportunities available to us.** We are prohibited under the 1940 Act from participating in certain transactions with our affiliates 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 will be our affiliate for purposes of the 1940 Act and we are generally prohibited from buying or selling any security from or to such affiliate without the prior approval of our independent directors. The 1940 Act also prohibits certain " joint " transactions with certain of our affiliates, which could include concurrent investments in the same company, without prior approval of our independent directors and, in some cases, the SEC. We are prohibited from buying or selling any security from or to any person that controls us or who owns more than 25 % of our voting securities or certain of that person' s affiliates, or entering into prohibited joint transactions with such persons, absent the prior approval of the SEC. Similar restrictions limit our ability to transact business with our officers, directors, investment advisers, sub- advisers or their affiliates. As a result of these restrictions, we may be prohibited from buying or selling any security (other than any security of which we are the issuer) from or to any company that is advised or managed by our Investment Adviser or its affiliates without the prior approval of the SEC, which may limit the scope of investment opportunities that would otherwise be available to us. In the future, we may co- invest with investment funds, accounts and vehicles managed by our Investment Adviser or its affiliates when doing so is consistent with our investment strategy as well as applicable law and SEC staff interpretations. We generally will only be permitted to co- invest with such investment funds, accounts and vehicles where the only term that is negotiated is price. On April 10, 2023, superseding a prior exemptive order granted on October 23, 2018, the SEC issued an order granting an application for exemptive relief to us and certain of our affiliates that allows BDCs managed by the Investment Adviser, including Logan Ridge, to co- invest, subject to the satisfaction of certain conditions, in certain private placement transactions, with other funds managed by the Investment Adviser or its affiliates, certain proprietary accounts of the Investment Adviser or its affiliates and any future funds that are advised by the Investment Adviser or its affiliated investment advisers. Under the terms of the exemptive order, in order for the Company to participate in a co- investment transaction, a " required majority " (as defined in Section 57 (o) of the 1940 Act) of the Company' s independent directors must conclude that (i) the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair to the Company and its stockholders and do not involve overreaching with respect of the Company or its stockholders on the part of any person concerned, and (ii) the **proposed transaction is consistent with the interests of the Company' s stockholders and is consistent with the Company' s investment objectives and strategies and certain criteria established by the Board. We believe this relief may not only enhance our ability to further our investment objectives and strategies, but may also increase favorable investment opportunities for us, in part by allowing us to participate in larger investments, together with our co- investment affiliates, than would be available to us in the absence of such relief.** In addition, within our portfolio there are investments that may be deemed to be " controlled " investments under the 1940 Act. To the extent that our investments in such portfolio companies need to be restructured or that we choose to exit these investments in the future, our ability to do so may be limited if such restructuring or exit also involves the affiliates of our Investment Adviser because such a transaction could be considered a joint transaction prohibited by the 1940 Act in the absence of our receipt of relief from the SEC in connection with such

transaction. For example, if an affiliate of our Investment Adviser were required to approve a restructuring of an investment in the portfolio and the affiliate of our Investment Adviser was deemed to be our affiliate, such a restructuring transaction may constitute a prohibited joint transaction under the 1940 Act. We are uncertain of our sources for funding our future capital needs; if we cannot obtain debt or equity financing on acceptable terms, our ability to acquire investments and to expand our operations will be adversely affected. The net proceeds from the sale of common stock or other securities will be used for our investment opportunities, operating expenses and for payment of various fees and expenses such as base management fees, incentive fees and other expenses. Any working capital reserves we maintain may not be sufficient for investment purposes, and we may require debt or equity financing to operate. Accordingly, in the event that we develop a need for additional capital in the future for investments or for any other reason, these sources of funding may not be available to us. Consequently, if we cannot obtain debt or equity financing on acceptable terms, our ability to acquire investments and to expand our operations will be adversely affected. As a result, we would be less able to create and maintain a broad portfolio of investments and achieve our investment objective, which may negatively impact our results of operations and reduce our ability to make distributions to our stockholders. We are **a non- diversified investment company within the meaning of the 1940 Act, and therefore we are not limited with respect to the proportion of our assets that may be invested in securities of a single issuer. We are** classified as a non- diversified investment company within the meaning of the 1940 Act, which means that we are not limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. Beyond the asset diversification requirements associated with our RIC tax treatment under the Code, we do not have fixed guidelines for diversification. To the extent that we assume large positions in the securities of a small number of issuers or our investments are concentrated in relatively few industries, our net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market' s assessment of the issuer. For the same reason, we may be more susceptible to failure if a single loan fails. The disposition or liquidity of a significant investment may also adversely impact our net asset value and our results of operations. Similarly, the aggregate returns we realize may be significantly adversely affected if a small number of investments perform poorly or if we need to write down the value of any one investment **. Our portfolio may be concentrated in a limited number of industries, which may subject us to a risk of significant loss if there is a downturn in a particular industry in which a number of our investments are concentrated** . Our portfolio may be concentrated in a limited number of industries. Our portfolio will be considered to be concentrated in a particular industry when 25 % or greater of its total assets are invested in issuers that are a part of that industry. A downturn in any industry in which we are invested could significantly impact the aggregate returns we realize. We currently have investments concentrated in the healthcare industry. A downturn in any particular industry in which we are invested could significantly impact the aggregate returns we realize. If an industry in which we have significant investments suffers from adverse business or economic conditions, as these industries have to varying degrees, a material portion of our investment portfolio could be affected adversely, which, in turn, could adversely affect our financial position and results of operations. **If our portfolio companies are unable to protect their proprietary, technological and other intellectual property rights, our business and prospects could be harmed, and if portfolio companies are required to devote significant resources to protecting their intellectual property rights, the value of our investment could be reduced.** Our future success and competitive position will depend in part upon the ability of our portfolio companies to obtain, maintain and protect proprietary technology used in their products and services. The intellectual property held by our portfolio companies often represents a substantial portion of the collateral securing our investments and / or constitutes a significant portion of the portfolio companies' value that may be available in a downside scenario to repay our loans. Our portfolio companies will rely, in part, on patent, trade secret and trademark law to protect that technology, but competitors may misappropriate their intellectual property, and disputes as to ownership of intellectual property may arise. Portfolio companies may, from time to time, be required to institute litigation to enforce their patents, copyrights or other intellectual property rights, protect their trade secrets, determine the validity and scope of the proprietary rights of others or defend against claims of infringement. Such litigation could result in substantial costs and diversion of resources. Similarly, if a portfolio company is found to infringe or misappropriate a third- party' s patent or other proprietary rights, it could be required to pay damages to the third- party, alter its products or processes, obtain a license from the third- party and / or cease activities utilizing the proprietary rights, including making or selling products utilizing the proprietary rights. Any of the foregoing events could negatively affect both the portfolio company' s ability to service our debt investment and the value of any related debt and equity securities that we own, as well as any collateral securing our investment. The effect of global climate change may impact the operations of our portfolio companies ~~. There may be evidence of global climate change~~ . Climate change creates physical and financial risk and some of our portfolio companies may be adversely affected by climate change. For example, the needs of customers of energy companies vary with weather conditions, primarily temperature and humidity. To the extent weather conditions are affected by climate change, energy use could increase or decrease depending on the duration and magnitude of any changes. Increases in the cost of energy could adversely affect the cost of operations of our portfolio companies if the use of energy products or services is material to their business. A decrease in energy use due to weather changes may affect some of our portfolio companies' financial condition, through decreased revenues. Extreme weather conditions in general require more system backup, adding to costs, and can contribute to increased system stresses, including service interruptions. Energy companies could also be affected by the potential for lawsuits against or taxes or other regulatory costs imposed on greenhouse gas emitters, based on links drawn between greenhouse gas emissions and climate change. **Furthermore** ~~In December 2015 the United Nations, of which the U. S. is a member, adopted a climate accord (the " Paris Agreement ") with the long- term goal of limiting global warming and the short- term goal of significantly reducing greenhouse gas emissions. On November 4, 2016, the past administration announced that the U. S. would cease participation in the Paris Agreement with the withdrawal taking effect on November 4, 2020. However, on January 20, 2021, President Biden signed an executive order to rejoin the Paris Agreement. As a result~~ , some of our portfolio companies may become subject to

new or strengthened regulations or legislation **related to climate change** , which could increase their operating costs and / or decrease their revenues **. Risks Related to Our InvestmentsOur investments in prospective portfolio companies may be risky, and we could lose all or part of our investment** . Our strategy focuses primarily on originating and making loans to, and making debt and equity investments in, U. S. middle market companies, with a focus on originated transactions sourced through the networks of our Investment Adviser. First Lien Loans and Second Lien Loans. When we invest in senior secured term debt, including first lien loans and second lien loans, we generally take a security interest in the available assets of these portfolio companies, including the equity interests of their subsidiaries. We expect this security interest to help mitigate the risk that we will not be repaid. However, there is a risk that the collateral securing our loans may decrease in value over time or lose its entire value, may be difficult to sell in a timely manner, may be difficult to appraise and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio company to raise additional capital. Also, in some circumstances, our security interest could be subordinated to claims of other creditors. In addition, deterioration in a portfolio company' s financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the loan. Consequently, 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. Further, in connection with any " last out " first- lien loans in which we may invest, we enter into agreements among lenders. Under these agreements, our interest in the collateral of the first- lien loans may rank junior to those of other lenders in the loan under certain circumstances. This may result in greater risk and loss of principal on these loans. Unitranche Loans. We also invest in unitranche loans, which are loans that combine both senior and subordinated financing, generally in a first- lien position. Unitranche loans provide all of the debt needed to finance a leveraged buyout or other corporate transaction, both senior and subordinated, but generally in a first lien position, while the borrower generally pays a blended, uniform interest rate rather than different rates for different tranches. Unitranche debt generally requires payments of both principal and interest throughout the life of the loan. Unitranche debt generally has contractual maturities of five to six years and interest is typically paid quarterly. Generally, we expect these securities to carry a blended yield that is between senior secured and subordinated debt interest rates. Unitranche loans provide a number of advantages for borrowers, including the following: simplified documentation, greater certainty of execution and reduced decision- making complexity throughout the life of the loan. In addition, we may receive additional returns from any warrants we may receive in connection with these investments. In some cases, a portion of the total interest may accrue or be paid in kind. Because unitranche loans combine characteristics of senior and subordinated financing, unitranche loans have risks similar to the risks associated with senior secured debt, including first lien loans and second lien loans, and subordinated debt in varying degrees according to the combination of loan characteristics of the unitranche loan. Unsecured Debt. Our unsecured debt, including corporate bonds and subordinated, or mezzanine, investments generally rank junior in priority of payment to senior debt. This may result in a heightened level of risk and volatility or a loss of principal, which could lead to the loss of the entire investment. These investments may involve additional risks that could adversely affect our investment returns. To the extent interest payments associated with such debt are deferred, such debt may be subject to greater fluctuations in valuations, and such debt could subject us and our stockholders to non- cash income, including PIK interest and original issue discount. Loans structured with these features may represent a higher level of credit risk than loans that require interest to be paid in cash at regular intervals during the term of the loan. Since we generally will not receive any principal repayments prior to the maturity of some of our unsecured debt investments, such investments will have greater risk and may result in loss of principal. Equity Investments. To a limited extent, we make selected equity investments. In addition, when we invest in senior secured debt, including first lien loans and second lien loans, or unsecured debt, we may acquire warrants to purchase equity securities. Our goal is ultimately to dispose of these equity interests and realize gains upon our disposition of such interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, 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. Collateralized Securities, Structured Products and Other. To a limited extent, we invest in collateralized securities, structured products and other similar securities, which may include CDOs, CBOs, CLOs, structured notes and credit- linked notes. Investments in such securities and products involve risks, including, without limitation, credit risk and market risk. Certain of these securities and products may be thinly traded or have a limited trading market. Where our investments in collateralized securities, structured products and other similar securities are based upon the movement of one or more factors, including currency exchange rates, interest rates, reference bonds (or loans) and stock indices, depending on the factor used and the use of multipliers or deflators, changes in interest rates and movement of any factor may cause significant price fluctuations. Additionally, changes in the reference instrument or security may cause the interest rate on such a security or product to be reduced to zero, and any further changes in the reference instrument may then reduce the principal amount payable on maturity of the security or product. Collateralized securities, structured products and other similar securities may be less liquid than other types of securities and more volatile than the reference instrument or security underlying the product. Non- U. S. Securities. We may invest in non- U. S. securities, which may include securities denominated in U. S. dollars or in non- U. S. currencies, to the extent permitted by the 1940 Act. Because evidence of ownership of such securities usually are held outside the United States, we would be subject to additional risks if we invested in non- U. S. securities, which include possible adverse political and economic developments, seizure or nationalization of foreign deposits and adoption of governmental restrictions which might adversely affect or restrict the payment of principal and interest on the non- U. S. securities to investors located outside the country of the issuer, whether from currency blockage or otherwise. Since non- U. S. securities may be purchased with and payable in foreign currencies, the value of these assets as measured in U. S. dollars may be affected unfavorably by changes in current rates and exchange control regulations. In addition, we invest in debt securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Debt securities rated

below investment grade quality are generally regarded as having predominantly speculative characteristics and may carry a greater risk with respect to a borrower' s capacity to pay interest and repay principal. They may also be difficult to value and illiquid. Further, investing in lower middle- market and traditional middle- market companies involves a number of significant risks. See also " — Investment in private and middle market companies involves a number of significant risks. " If we make subordinated investments, the obligors or the portfolio companies may not generate sufficient cash flow to service their debt obligations to us. We have made, and may make, subordinated investments that rank below other obligations of the obligor in right of payment. Subordinated investments are subject to greater risk of default than senior obligations as a result of adverse changes in the financial condition of the obligor or economic conditions in general. If we make a subordinated investment in a portfolio company, the portfolio company may be highly leveraged, and its relatively high debt- to- equity ratio may create increased risks that its operations might not generate sufficient cash flow to service all of its debt obligations. If the assets securing the loans that we make decrease in value, then we may lack sufficient collateral to cover losses. To attempt to mitigate credit risks, we will typically take a security interest in the available assets of our portfolio companies. There is no assurance that we will obtain or properly perfect our liens. There is a risk that the collateral securing our loans may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of a portfolio company to raise additional capital. In some circumstances, our lien could be subordinated to claims of other creditors. Consequently, 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 that we will be able to collect on the loan should we be forced to enforce our remedies. In addition, because we may invest in technology- related companies, a substantial portion of the assets securing our investment may be in the form of intellectual property, if any, inventory and equipment and, to a lesser extent, cash and accounts receivable. Intellectual property, if any, that is securing our loan could lose value if, among other things, the company' s rights to the intellectual property are challenged or if the company' s license to the intellectual property is revoked or expires, the technology fails to achieve its intended results or a new technology makes the intellectual property functionally obsolete. Inventory may not be adequate to secure our loan if our valuation of the inventory at the time that we made the loan was not accurate or if there is a reduction in the demand for the inventory. Similarly, any equipment securing our loan may not provide us with the anticipated security if there are changes in technology or advances in new equipment that render the particular equipment obsolete or of limited value, or if the company fails to adequately maintain or repair the equipment. Any one or more of the preceding factors could materially impair our ability to recover principal in a foreclosure. **Our investments in securities rated below investment grade are speculative in nature and are subject to additional risk factors such as increased possibility of default, illiquidity of the security, and changes in value based on changes in interest rates.** The securities that we invest in are typically rated below investment grade. Securities rated below investment grade are often referred to as " leveraged loans, " " high yield " or " junk " securities and may be considered " high risk " compared to debt instruments that are rated investment grade. High yield securities are regarded as having predominantly speculative characteristics with respect to the issuer' s capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, high yield securities generally offer a higher current yield than that available from higher grade issues, but typically involve greater risk. These securities are especially sensitive to adverse changes in general economic conditions, to changes in the financial condition of their issuers and to price fluctuation in response to changes in interest rates. During periods of economic downturn or rising interest rates, issuers of below investment grade instruments may experience financial stress that could adversely affect their ability to make payments of principal and interest and increase the possibility of default. To the extent original issue discount and PIK interest constitute a portion of our income, we will be exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash representing such income. Our investments may include original issue discount instruments and contractual PIK interest, which represents contractual interest added to a loan balance and due at the end of such loan' s term. To the extent original issue discount or PIK interest constitute a portion of our income, we are exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash, including the following: • the higher interest rates on PIK instruments reflect the payment deferral and increased credit risk associated with these instruments, and PIK instruments generally represent a significantly higher credit risk than coupon loans ; • original issue discount and PIK instruments may have unreliable valuations because the accruals require judgments about collectability of the deferred payments and the value of any associated collateral ; • an election to defer PIK interest payments by adding them to the principal on such instruments increases our future investment income which increases our gross assets and, as such, increases the Investment Adviser' s future base management fees which, thus, increases the Investment Adviser' s future income incentive fees at a compounding rate ; • market prices of PIK instruments and other zero coupon instruments are affected to a greater extent by interest rate changes, and may be more volatile than instruments that pay interest periodically in cash. While PIK instruments are usually less volatile than zero coupon debt instruments, PIK instruments are generally more volatile than cash pay securities ; • the deferral of PIK interest on an instrument increases the loan- to- value ratio, which is a measure of the riskiness of a loan, with respect to such instrument ; • even if the conditions for income accrual under U. S. GAAP are satisfied, a borrower could still default when actual payment is due upon the maturity of such loan ; • for accounting purposes, cash distributions to investors representing original issue discount income do not come from paid- in capital, although they may be paid from the offering proceeds. Thus, although a distribution of original issue discount income may come from the cash invested by investors, the 1940 Act does not require that investors be given notice of this fact ; • the required recognition of original issue discount or PIK interest for U. S. federal income tax purposes may have a negative impact on liquidity, as it represents a non- cash component of our investment company taxable income that may require cash distributions to shareholders in order to maintain our ability to be subject to tax as a RIC ; and • original issue discount may create a risk of non- refundable cash payments to the Investment Adviser based on non- cash

accruals that may never be realized **. Our investments in leveraged portfolio companies may be risky, and we could lose all or part of our investment** . Investment in leveraged companies involves a number of significant risks. Leveraged companies in which we invest may have limited financial resources and may be unable to meet their obligations under their loans and debt securities that we hold. Such developments may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our realizing any guarantees that we may have obtained in connection with our investment. Smaller leveraged companies also may have less predictable operating results and may require substantial additional capital to support their operations, finance their expansion or maintain their competitive position. Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies. Our portfolio companies may have, or may be permitted to incur, other debt that ranks equally with, or in some cases senior to, the debt in which we invest. By their terms, such debt instruments may entitle the holders to receive payment of interest or principal on or before the dates on which we are entitled to receive payments with respect to the debt instruments 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. After repaying such senior creditors, such portfolio company may not have sufficient remaining assets to repay its obligation to us. In the case of debt ranking equally with debt instruments 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. Investment in private and middle market companies involves a number of significant risks **. Investment in private and middle market companies involves a number of significant risks** including: • such 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 any guarantees we may have obtained in connection with its investment; • such companies 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 to general economic downturns; • such companies 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 the portfolio company and, in turn, on us; • such companies generally have less predictable operating results, 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; • debt investments in such companies generally may have a significant portion of principal due at the maturity of the investment, which would result in a substantial loss to us if such borrowers are unable to refinance or repay their debt at maturity; • our executive officers, directors and the Adviser may, in the ordinary course of business, be named as defendants in litigation arising from our investments in such companies; • such companies generally have less publicly available information about their businesses, operations and financial condition and, if we are unable to uncover all material information about these companies, we may not make a fully informed investment decision; and • such companies 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 investments may be in portfolio companies which may have limited operating histories and financial resources** . We expect that our portfolio will continue to consist of investments that may have relatively limited operating histories. These companies may be particularly vulnerable to U. S. and foreign economic downturns such as the U. S. recession that began in mid- 2007, the European financial crisis, and the COVID- 19 related economic downturn, may have more limited access to capital and higher funding costs, may have a weaker financial position and may need more capital to expand or compete. These businesses also may experience substantial variations in operating results. They may face intense competition, including from companies with greater financial, technical and marketing resources. Furthermore, some of these companies do business in regulated industries and could be affected by changes in government regulation. Accordingly, these factors could impair their cash flow or result in other events, such as bankruptcy, which could limit their ability to repay their obligations to us, and may adversely affect the return on, or the recovery of, our investment in these companies. We cannot assure you that any of our investments in our portfolio companies will be successful. Our portfolio companies compete with larger, more established companies with greater access to, and resources for, further development in these new technologies. We may lose our entire investment in any or all of our portfolio companies. There may be circumstances where our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims. If one of our portfolio companies were to file for bankruptcy, depending on the facts and circumstances, including the extent to which we actually provided managerial assistance to that portfolio company, a bankruptcy court might recharacterize our debt investment and subordinate all or a portion of our claim to that of other creditors. We may also be subject to lender liability claims for actions taken by us with respect to a borrower' s business or instances where we exercise control over the borrower. We generally will not control our portfolio companies. Although we may do so in the future, we do not expect to control most of our portfolio companies, even though we may have board representation or board observation rights, and our debt agreements with such portfolio companies may contain certain restrictive covenants. If we do not hold a controlling equity position in a portfolio company, we are subject to the risk that the portfolio company may make business decisions with which we disagree, and that the management and / or stockholders of the portfolio company may take risks or otherwise act in ways that are adverse to our interests. Due to the lack of liquidity of the debt and equity 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. Our equity ownership in a portfolio company may represent a control investment. Our ability to exit a control investment in a timely manner could result in a realized loss on the investment. We ~~currently have, and~~ may acquire in the future, control investments in portfolio companies. Our ability to divest ourselves from a debt or equity investment in a controlled portfolio company could be restricted due to

illiquidity in a private stock, limited trading volume on a public company' s stock, inside information on a company' s performance, insider blackout periods, or other factors that could prohibit us from disposing of the investment as we would if it were not a control investment. Additionally, we may choose not to take certain actions to protect a debt investment in a control investment portfolio company. As a result, we could experience a decrease in the value of our portfolio company holdings and potentially incur a realized loss on the investment. We periodically invest through joint ventures, partnerships or other special purpose vehicles and investments through these vehicles may entail greater risks, or risks that we otherwise would not incur, if we otherwise made such investments directly. We periodically co- invest with third parties through funds, joint ventures or other entities. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that our co- venturer or partner may at any time have other business interests and investments other than the joint venture with us, or may have different economic or business goals. In addition, we may be liable for actions of our co- venturers or partners. Our ability to exercise control or significant influence over management in these cooperative efforts will depend upon the nature of the joint venture arrangement. In addition, such arrangements are likely to involve restrictions on the resale of our interest in the company. We will be exposed to risks associated with changes in interest rates. We are subject to financial market risks, including changes in interest rates. General interest rate fluctuations may have a substantial negative impact on our investments and investment opportunities and, accordingly, have a material adverse effect on our ability to achieve our investment objective and our target rate of return on invested capital. In addition, an increase in interest rates would make it more expensive to use debt for our financing needs, if any. See also " — To the extent we borrow money to finance our investments, changes in interest rates will affect our cost of capital and net investment income. " In ~~2022 and~~ 2023 **and early 2024** , the U. S. Federal Reserve tightened monetary policy by increasing interest rates aggressively to combat inflation. ~~The~~ **However, in 2024, the Federal Reserve lowered the target rate three times and in 2025, it is possible that the Federal Reserve will lower the** interest rates **further** ~~of some of our floating- rate loans to our portfolio companies may be priced using a spread over LIBOR, which was phased out on June 30, 2023~~ . **Additionally,** ~~We historically used the London Interbank Offered Rate (" LIBOR ")~~ as ~~a reference for setting the interest rates on our loans, including floating rate loans that we extend to portfolio companies. Certain LIBOR rates were generally phased out by the end of 2021, and some regulated entities have ceased to enter into new LIBOR- based contracts beginning January 1, 2022. Most U. S. dollar London Interbank Offered Rate, or LIBOR, loans are no longer published after June 30, 2023 although certain synthetic rates will be published through September 30, 2024. The U. S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U. S. financial institutions, supports replacing U. S.- dollar LIBOR with the Secured Overnight Financing Rate (" SOFR "). As~~ of December 31, ~~2023~~ **2024** , ~~primarily~~ all of our loan agreements with portfolio companies as well as our credit facilities either include fallback language to address a LIBOR replacement or such agreements have been amended to no longer utilize LIBOR as a factor in determining the interest rate. The **health** ~~transition away from LIBOR to alternative reference rates has been complex~~ and **performance** ~~the transition~~ of our ~~remaining loan agreements with~~ portfolio companies ~~to a LIBOR replacement~~ could **be** ~~have a material adverse~~ **adversely** ~~effect on our~~ **affected by political and economic conditions in the countries in which they conduct** business ~~, financial condition and results of operations, including as a result of any changes in the pricing of our investments, changes to the documentation for certain of our investments and the pace of such changes, disputes and other actions regarding the interpretation of current and prospective loan documentation or modifications to processes and systems~~ . Some of the products of our portfolio companies are developed, manufactured, assembled, tested or marketed outside the U. S. Any conflict or uncertainty in these countries, including due to natural disasters, public health concerns (including the COVID- 19 pandemic or a similar infectious disease outbreak), political unrest or safety concerns, could harm their business, financial condition and results of operations. In addition, if the government of any country in which their products are developed, manufactured or sold sets technical or regulatory standards for products developed or manufactured in or imported into their country that are not widely shared, it may lead some of their customers to suspend imports of their products into that country, require manufacturers or developers in that country to manufacture or develop products with different technical or regulatory standards and disrupt cross- border manufacturing, marketing or business relationships which, in each case, could harm their businesses. We may expose ourselves to risks if we engage in hedging transactions. We may seek to hedge against interest rate and currency exchange rate fluctuations and credit risk by using financial instruments such as futures, options, swaps, forward contracts, caps, collars and floors, subject to the requirements of the 1940 Act. These financial instruments may be purchased on exchanges or may be individually negotiated and traded in over- the- counter markets. Use of such financial instruments for hedging purposes may present significant risks, including the risk of loss of the amounts invested. Defaults by the other party to a hedging transaction can result in losses in the hedging transaction. Hedging activities also involve the risk of an imperfect correlation between the hedging instrument and the asset being hedged, which could result in losses both on the hedging transaction and on the instrument being hedged. 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 increase. It may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price. 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 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. Further, hedging transactions may reduce cash available to pay distributions to our shareholders. A derivative transaction is also subject to the risk that a counterparty will

default on its payment obligations thereunder or that we will not be able to meet our obligations to the counterparty. In some cases, we may post collateral to secure our obligations to the counterparty, and we may be required to post additional collateral upon the occurrence of certain events such as a decrease in the value of the reference security or other asset. In some cases, the counterparty may not collateralize any of its obligations to us. Derivative investments effectively add leverage to a portfolio by providing investment exposure to a security or market without owning or taking physical custody of such security or investing directly in such market. In addition to the risks described above, such arrangements are subject to risks similar to those associated with the use of leverage. See " Risk Factors — Risks Related to Debt Financing. " Our ability to enter into transactions involving derivatives and financial commitment transactions may be limited. Through comprehensive new global regulatory regimes impacting derivatives (e. g., the Dodd- Frank Act, European Market Infrastructure Regulation (" EMIR "), Markets in Financial Investments Regulation (" MIFIR ") / Markets in Financial Instruments Directive (" MIFID II ")), certain over- the- counter derivatives transactions in which we may engage are either now or will soon be subject to various requirements, such as mandatory central clearing of transactions which include additional margin requirements and in certain cases trading on electronic platforms, pre- and post- trade transparency reporting requirements and mandatory bi- lateral exchange of initial margin for non- cleared swaps. The Dodd- Frank Act also created new categories of regulated market participants, such as " swap dealers, " " security- based swap dealers, " " major swap participants, " and " major security- based swap participants " who are subject to significant new capital, registration, recordkeeping, reporting, disclosure, business conduct and other regulatory requirements. The EU and some other jurisdictions are implementing similar requirements. Because these requirements are new and evolving (and some of the rules are not yet final), their ultimate impact remains unclear. However, even if the Company itself is not located in a particular jurisdiction or directly subject to the jurisdiction' s derivatives regulations, we may still be impacted to the extent we enter into a derivatives transaction with a regulated market participant or counterparty that is organized in that jurisdiction or otherwise subject to that jurisdiction' s derivatives regulations. Based on information available as of the date of this annual report on Form 10- K, the effect of such requirements will be likely to (directly or indirectly) increase our overall costs of entering into derivatives transactions. In particular, new margin requirements, position limits and significantly higher capital charges resulting from new global capital regulations, even if not directly applicable to us, may cause an increase in the pricing of derivatives transactions entered into by market participants to whom such requirements apply or affect our overall ability to enter into derivatives transactions with certain counterparties. Such new global capital regulations and the need to satisfy the various requirements by counterparties are resulting in increased funding costs, increased overall transaction costs, and significantly affecting balance sheets, thereby resulting in changes to financing terms and potentially impacting our ability to obtain financing. Administrative costs, due to new requirements such as registration, recordkeeping, reporting, and compliance, even if not directly applicable to us, may also be reflected in our derivatives transactions. New requirements to trade certain derivatives transactions on electronic trading platforms and trade reporting requirements may lead to (among other things) fragmentation of the markets, higher transaction costs or reduced availability of derivatives, and / or a reduced ability to hedge, all of which could adversely affect the performance of certain of our trading strategies. In addition, changes to derivatives regulations may impact the tax and / or accounting treatment of certain derivatives, which could adversely impact us. In August 2022, new Rule 18f- 4 under the 1940 Act became effective. This rule relates to the ability of a BDC (or a registered investment company) to use derivatives and other transactions that create future payment or delivery obligations. 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 in the rule. Under an exemption included in the rule, a BDC may enter into an unfunded commitment agreement, such as an agreement to provide financing to a portfolio company, without treating the transaction as an derivatives transaction, provided that 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 the obligation becomes due. We currently operate and intend to continue to operate as a " limited derivatives user, " which may limit our ability to use derivatives and / or enter into certain other financial contracts. As a " limited derivatives user ", the Company will be subject to substantially fewer substantive requirements under the rule. However, there is no guarantee that the Company will meet or continue to meet the requirements to be a limited derivatives user, and, as a result, there is a risk that the Company may become subject to more onerous requirements under Rule 18f- 4 than currently intended. Second priority liens on collateral securing loans that we make to our portfolio companies may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and us. Certain loans that we make are secured by a second priority security interest in the same collateral pledged by a portfolio company to secure senior debt owed by the portfolio company to commercial banks or other traditional lenders. Often the senior lender has procured covenants from the portfolio company prohibiting the incurrence of additional secured debt without the senior lender' s consent. Prior to and as a condition of permitting the portfolio company to borrow money from us secured by the same collateral pledged to the senior lender, the senior lender may require assurances that it will control the disposition of any collateral in the event of bankruptcy or other default. In many such cases, the senior lender requires us to enter into an " intercreditor agreement " prior to permitting the portfolio company to borrow from us. Typically the intercreditor agreements we are requested to execute expressly subordinate our debt instruments to those held by the senior lender and further provide that the senior lender shall control: (i) the commencement of foreclosure or other proceedings to liquidate and collect on the collateral; (ii) the nature, timing and conduct of foreclosure or other collection proceedings; (iii) the amendment of any collateral document; (iv) the release of the security interests in respect of any collateral; and (v) the waiver of defaults under any security agreement. Because of the control we may cede to senior lenders under intercreditor agreements we may enter, we may be unable to realize the proceeds of any collateral securing some of our loans. Many of our loans are not

fully amortizing and if a borrower cannot repay or refinance such loans at maturity, our results will suffer. Most of the loans in which we invest are not structured to fully amortize during their lifetime. Accordingly, a significant portion of the principal amount of such a loan may be due at maturity. As of December 31, ~~2023~~ **2024** , generally all debt instruments in our portfolio will not fully amortize prior to maturity. In order to create liquidity to pay the final principal payment, borrowers typically must raise additional capital. If they are unable to raise sufficient funds to repay us or we have not elected to enter into a new loan agreement providing for an extended maturity, the loan will go into default, which will require us to foreclose on the borrower' s assets, even if the loan was otherwise performing prior to maturity. This will deprive the Company from immediately obtaining full recovery on the loan and prevent or delay the reinvestment of the loan proceeds in other, more profitable investments **. A covenant breach or other defaults by our portfolio companies may adversely affect our operating results** . A portfolio company' s failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans 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 securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting portfolio company. See also " — We may choose to waive or defer enforcement of covenants in the debt securities held in our portfolio, which may cause us to lose all or part of our investment in these companies. " Any extension or restructuring of our loans could adversely affect our cash flows. In addition, if one of our portfolio companies were to go bankrupt, even though we may have structured our interest as senior debt, depending on the facts and circumstances, including the extent to which we actually provided managerial assistance to that portfolio company, a bankruptcy court might recharacterize our debt holding and subordinate all or a portion of our claim to that of other creditors. If any of these occur, it could materially and adversely affect our operating results and cash flows. We **may choose to waive or defer enforcement of covenants in the debt securities held in our portfolio, which may cause us to lose all or part of our investment in these companies. We** structure the debt investments in our portfolio companies to include business and financial covenants placing affirmative and negative obligations on the operation of the company' s business and its financial condition. However, from time to time we may elect to waive breaches of these covenants, including our right to payment, or waive or defer enforcement of remedies, such as acceleration of obligations or foreclosure on collateral, depending upon the financial condition and prospects of the particular portfolio company. These actions may reduce the likelihood of the Company receiving the full amount of future payments of interest or principal and be accompanied by a deterioration in the value of the underlying collateral as many of these companies may have limited financial resources, may be unable to meet future obligations and may go bankrupt. This could negatively impact our ability to pay dividends, could adversely affect our results of operations and financial condition and cause the loss of all or part of your investment **. We may not realize gains from our equity investments** . Certain investments that we may make include warrants or other equity securities. In addition, we may from time to time make non- control, equity investments in portfolio companies. Investments in equity securities involve a number of significant risks, including the risk of further dilution as a result of additional issuances, inability to access additional capital and failure to pay current distributions. Investments in preferred securities involve special risks, such as the risk of deferred distributions, credit risk, illiquidity and limited voting rights. Our goal is ultimately to realize gains upon our disposition of such equity interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, 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. We also may be unable to realize any value if a portfolio company does not have a liquidity event, such as a sale of the business, recapitalization or public offering, which would allow us to sell the underlying equity interests. We will often seek puts or similar rights to give us the right to sell our equity securities back to the portfolio company issuer. We may be unable to exercise these put rights for the consideration provided in our investment documents if the issuer is in financial distress **. An investment strategy focused primarily on smaller privately held companies involves a high degree of risk and presents certain challenges, including the lack of available information about these companies, a dependence on the talents and efforts of only a few key portfolio company personnel and a greater vulnerability to economic downturns** . We intend to invest primarily in privately held companies. Investments in private companies pose significantly greater risks than investments in public companies. These companies often face intense competition from larger companies with greater financial, technical and marketing resources. Privately held companies also frequently have less diverse product lines and smaller market presence than larger competitors. Private companies have reduced access to the capital markets, resulting in diminished capital resources and the ability to withstand financial distress. The depth and breadth of experience of management in private companies tend to be less than that at public companies, which makes such companies more likely to depend on the management talents and efforts of a smaller group of persons and / or persons with less depth and breadth of experience. Therefore, the decisions made by such management teams and / or the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our investments and, in turn, on us. Also, the investments themselves tend to be less liquid. As such, we may have difficulty exiting an investment promptly or at a desired price prior to maturity or outside of a normal amortization schedule. As a result, the relative lack of liquidity and the potential diminished capital resources of our target portfolio companies may affect our investment returns. Further, some of these companies conduct business in regulated industries that are susceptible to regulatory changes. These factors could impair the cash flow of our portfolio companies and result in other events, such as bankruptcy. These events could limit a portfolio company' s ability to repay its obligations to us, which may have an adverse effect on the return on, or the recovery of, our investment in these businesses. Deterioration in a borrower' s financial condition and prospects may be accompanied by deterioration in the value of the loan' s collateral. Additionally, little public information generally exists about private companies. Further, these companies may not have third- party debt ratings or audited financial statements. We must therefore rely on the ability of the Adviser to obtain adequate information through due diligence to

evaluate the creditworthiness and potential returns from investing in these companies. These companies and their financial information will generally not be subject to the Sarbanes- Oxley Act and other rules that govern public companies. If we are 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. These factors could adversely affect our investment returns as compared to companies investing primarily in the securities of public companies **. The lack of liquidity in our investments may adversely affect our business** . We generally invest in companies whose securities are not publicly traded, and whose securities will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. There is no established trading market for the securities in which we invest. The illiquidity of these investments may make it difficult for us to sell these investments when desired. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we had previously recorded these investments. As a result, we do not expect to achieve liquidity in our investments in the near- term. Further, we may face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we have material non- public information regarding such portfolio company. **We may not have the funds or ability to make additional investments in our portfolio companies or to fund our unfunded debt commitments which may impair the value of our portfolio.** After our initial investment in a portfolio company, we may be called upon from time to time to provide additional funds to such company or have the opportunity to increase our investment through the exercise of a warrant to purchase common stock. we may make additional investments in that portfolio company as " follow- on " investments, in order to: (i) increase or maintain in whole or in part our equity ownership percentage; (ii) exercise warrants, options or convertible securities that were acquired in the original or a subsequent financing; or (iii) attempt to preserve or enhance the value of our investment. There is no assurance that we will make, or will have sufficient funds to make, follow- on investments. Any decisions not to make a follow- on investment or any inability on our part to make such an investment may have a negative impact on a portfolio company in need of such an investment, may result in a missed opportunity for us to increase our participation in a successful operation or may reduce the expected return on the 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 do not want to increase our concentration of risk, we prefer other opportunities, we are subject to BDC requirements that would prevent such follow- on investments, or the follow- on investment would affect our qualification as a RIC. For example, we may be prohibited under the 1940 Act from making follow- on investments in our portfolio companies that we may be deemed to " control " or in which affiliates of our Investment Adviser are also invested. **Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and reduce our return on equity.** We are subject to the risk that the investments we make in our portfolio companies may be repaid prior to maturity. When this occurs, we will generally reinvest these proceeds in temporary investments or repay any revolving credit facility, depending on expected future investment in new portfolio companies. Temporary investments will typically have substantially lower yields than the debt being prepaid, and we could experience significant delays in reinvesting these amounts. Any future investment in a new portfolio company may also be at lower yields than the debt that was repaid. As a result, our results of operations could be materially adversely affected if one or more of our portfolio companies elect to prepay amounts owed to us. Additionally, prepayments could negatively impact our return on equity, which could result in a decline in the market price of our common stock. The disposition of our investments may result in contingent liabilities. Substantially all of our investments involve loans and private securities. In connection with the disposition of an investment in loans and 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. **Disruptions to the global supply chain may have adverse impact on our portfolio companies and, in turn, harm us.** Recent supply chain disruptions, including the global microchip shortage, may have an adverse impact on the business of our portfolio companies. Potential adverse impacts to certain of our portfolio companies may include, among others, increased costs, inventory shortages, shipping and project completion delays, and inability to meet customer demand **. Risks Related to Debt FinancingWe borrow money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing in us. Borrowed money may also adversely affect the return on our assets, reduce cash available for distribution to our stockholders, and result in losses** . Leverage is generally considered a speculative investment technique. Our ability to service any debt that we incur will depend largely on our financial performance and will be subject to prevailing economic conditions and competitive pressures. The use of leverage magnifies the potential for gain or loss on amounts invested and, therefore, increases the risks associated with investing in our securities. If the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged. Similarly, any decrease in our income would cause net income to decline more sharply than it would have had we not borrowed. Such a decline could negatively affect our ability to make distributions to our stockholders. In addition, our stockholders will bear the burden of any increase in our expenses as a result of our use of leverage, including interest expenses and any increase in the management or incentive fees payable to the Investment Adviser. See also " — Our base management and incentive fees may induce the Investment Adviser to make speculative investments or to incur leverage. " We may use leverage to finance our investments. The amount of leverage that we employ will depend on the Investment Adviser' s and our Board' s assessment of market and other factors at the time of any proposed borrowing. There can be no assurance that leveraged financing will be available to us on favorable terms or at all. However, to the extent that we use leverage to finance our assets, our financing costs will reduce cash available for distributions to stockholders. Moreover, we may not be able to meet our financing obligations and, to the extent that we cannot, we risk the loss of some or all of our assets to liquidation or sale to satisfy the obligations. In such an event, we may be forced to sell assets at significantly depressed prices due to market conditions or otherwise, which may

result in losses. In addition to the 2032 Convertible Notes, the 2026 Notes and the KeyBank Credit Facility, we may borrow from and issue senior debt securities to banks, insurance companies and other lenders in the future. Holders of these senior securities will have fixed dollar claims on our assets that are superior to the claims of our common stockholders, and we would expect such lenders to seek recovery against our assets in the event of a default. The KeyBank Credit Facility, and any other credit facility into which we may enter, imposes financial and operating covenants that restrict our business activities, including limitations that could hinder our ability to finance additional loans and investments or to make the distributions required to maintain our tax treatment as a RIC under the Code. Even though our Board has approved a resolution permitting the Company to be subject to a 150 % asset coverage ratio, contractual leverage limitations under our existing KeyBank Credit Facility or future borrowings may limit our ability to incur additional indebtedness. The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing below. Assumed Return on Our Portfolio (1) (net of expenses) (10. 0) % (5. 0) % 0. 0 % 5. 0 % 10. 0 % Corresponding net return to common stockholder- ~~29~~ **30. 9 %- 19** . 6 %- ~~18~~ **8** . **3** ~~5 %- 7. 5~~ % 3. ~~6~~ **1** % 14. ~~6~~ **4** % **(1)** Assumes $ ~~197~~ **192** . ~~1~~ **7** million in total assets, $ ~~104~~ **106** . ~~6~~ **3** million in debt outstanding and $ ~~89~~ **85** . ~~2~~ **1** million in net assets as of December 31, ~~2023~~ **2024** . Assumes an average cost of funds of 6. ~~4~~ **6** % based on the stated interest rate as of December 31, ~~2023~~ **2024** . Actual interest payments may be different. We may default under our credit facilities. In the event we default under our credit facilities or other borrowings, our business could be adversely affected as we may be forced to sell a portion of our investments quickly and prematurely at what may be disadvantageous prices to us in order to meet our outstanding payment obligations and / or support working capital requirements under such borrowing facility, any of which would have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, following any such default, the agent for the lenders under such borrowing facility could assume control of the disposition of any or all of our assets, including the selection of such assets to be disposed and the timing of such disposition, which would have a material adverse effect on our business, financial condition, results of operations and cash flows. Provisions in a credit facility may limit our investment discretion. A credit facility may be backed by all or a portion of our loans and securities on which the lenders will have a security interest. We may pledge up to 100 % of our assets and may grant a security interest in all of our assets under the terms of any debt instrument we enter into with lenders. We expect that any security interests we grant will be set forth in a pledge and security agreement and evidenced by the filing of financing statements by the agent for the lenders. In addition, we expect that the custodian for our securities serving as collateral for such loan would include in its electronic systems notices indicating the existence of such security interests and, following notice of occurrence of an event of default, if any, and during its continuance, will only accept transfer instructions with respect to any such securities from the lender or its designee. If we were to default under the terms of any debt instrument, the agent for the applicable lenders would be able to assume control of the timing of disposition of any or all of our assets securing such debt, which would have a material adverse effect on our business, financial condition, results of operations and cash flows. In connection with one or more credit facilities entered into by the Company, distributions to stockholders may be subordinated to payments required in connection with any indebtedness contemplated thereby. In addition, any security interests and / or negative covenants required by a credit facility may limit our ability to create liens on assets to secure additional debt and may make it difficult for us to restructure or refinance indebtedness at or prior to maturity or obtain additional debt or equity financing. In addition, if our borrowing base under a credit facility were to decrease, we may be required to secure additional assets in an amount sufficient to cure any borrowing base deficiency. In the event that all of our assets are secured at the time of such a borrowing base deficiency, we could be required to repay advances under a credit facility or make deposits to a collection account, either of which could have a material adverse impact on our ability to fund future investments and to make distributions. In addition, we may be subject to limitations as to how borrowed funds may be used, which may include restrictions on geographic and industry concentrations, loan size, payment frequency and status, average life, collateral interests and investment ratings, as well as regulatory restrictions on leverage which may affect the amount of funding that may be obtained. There may also be certain requirements relating to portfolio performance, including required minimum portfolio yield and limitations on delinquencies and charge- offs, a violation of which could limit further advances and, in some cases, result in an event of default. An event of default under a credit facility could result in an accelerated maturity date for all amounts outstanding thereunder, which could have a material adverse effect on our business and financial condition. This could reduce our liquidity and cash flow and impair our ability to grow our business **. To the extent we borrow money to finance our investments, changes in interest rates will affect our cost of capital and net investment income** . To the extent we borrow money to finance our investments, our net investment income will depend, 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 in the event we borrow money to finance our investments. In periods of rising interest rates, our cost of funds would increase, which could reduce our net investment income. We expect that our long- term fixed- rate investments will be financed primarily with equity and long- term debt. We may use interest rate risk management techniques in an effort to limit our exposure to interest rate fluctuations. Such techniques may include various interest rate hedging activities to the extent permitted by the 1940 Act. Our Investment Adviser does not have significant experience with utilizing these techniques and did not implement these techniques to any significant extent with our portfolio. If we do not implement these techniques properly, we could experience losses on our hedging positions, which could be material. A general increase in interest rates will likely have the effect of making it easier for our Investment Adviser to receive incentive fees, without necessarily resulting in an increase in our net earnings. Under the structure of our Investment Advisory Agreement with our Investment Advisor, any general increase in interest rates will likely have the effect of making it easier for our Investment Adviser to meet the quarterly hurdle rate for payment of income incentive fees under the Investment Advisory Agreement without any additional increase in relative performance on the part of our Investment

Adviser. In addition, in view of the catch- up provision applicable to income incentive fees under the Investment Advisory Agreement, our Investment Adviser could potentially receive a significant portion of the increase in our investment income attributable to such a general increase in interest rates. If that were to occur, our increase in net earnings, if any, would likely be significantly smaller than the relative increase in our Investment Adviser' s income incentive fee resulting from such a general increase in interest rates. **Our common stockholders will bear the expenses associated with our borrowings, and the holders of our debt securities will have certain rights senior to our common stockholders.** All of the costs of offering and servicing our debt securities, including interest thereon, is borne by our common stockholders. The interests of the holders of any debt we may issue will not necessarily be aligned with the interests of our common stockholders. In particular, the rights of holders of our debt to receive interest or principal repayment will be senior to those of our common stockholders. In addition, we may grant a lender a security interest in a significant portion or all of our assets, even if the total amount we may borrow from such lender is less than the amount of such lender' s security interest in our assets. U. S. Federal Income Tax ~~Risks~~ **RisksWe will be subject to corporate- level U. S. federal income tax if we are unable to qualify or maintain our RIC tax treatment under the Code.** Although we have elected to be treated as a RIC, and believe we qualified as a RIC for the fiscal year ended December 31, ~~2023~~ **2024** , no assurance can be given that we will be able to continue to qualify for and maintain our RIC tax treatment under the Code. To continue to maintain our RIC tax treatment under the Code, we must meet the following source- of- income, asset diversification, and distribution requirements. The income source requirement will be satisfied if we obtain at least 90 % of our income for each year from dividends, interest, gains from the sale or other disposition of stock or securities or similar sources. The asset diversification requirement will be satisfied if we meet certain asset diversification requirements at the end of each quarter of our taxable year. Failure to meet those requirements may result in our having to dispose of certain investments quickly in order to prevent the loss of our RIC tax treatment under the Code. Because most of our investments will be in private companies, and therefore will be relatively illiquid, any such dispositions could be made at disadvantageous prices and could result in substantial losses. We may have difficulty complying with those requirements. In particular, if we have equity investments in portfolio companies that are treated as partnerships or other pass- through entities for tax purposes, we may not have control over, or receive accurate information about, the underlying income and assets of those portfolio companies that are taken into account in determining our compliance with the income source and asset diversification requirements. The annual distribution requirement for a RIC will be satisfied if we distribute to our stockholders on an annual basis at least 90 % of our ordinary income and net short- term capital gains in excess of our net long- term capital losses, if any. Because we may use debt financing, we are subject to certain asset coverage ratio requirements under the 1940 Act, as well as future financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the distribution requirement. If we are unable to obtain cash from other sources, we could fail to qualify for tax treatment as a RIC under the Code. If we fail to satisfy the income source or asset diversification requirements for any taxable year, we may nevertheless continue to qualify as a RIC for such year if certain relief provisions are applicable (which may, among other things, require us to pay certain corporate- level U. S. federal income taxes or to dispose of certain assets). If we fail to qualify for tax treatment as a RIC under the Code for any reason and remain or become subject to corporate- level U. S. federal income tax on all of our income, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution or reinvestment and the amount of our distributions. Due to potential disruptions in the economy, we may not be able to increase our dividends and may reduce or defer our dividends and choose to incur U. S. federal excise tax in order to preserve cash and maintain flexibility. As a BDC, we are not required to make any distributions to shareholders other than in connection with our election to be taxed as a RIC under subchapter M of the Code. In order to maintain our tax treatment as a RIC, we must distribute to shareholders for each taxable year at least 90. 0 % of our investment company taxable income (i. e., ordinary income plus realized net short- term capital gains in excess of realized net long- term capital losses). If we qualify for taxation as a RIC, we generally will not be subject to corporate- level U. S. federal income tax on our investment company taxable income and net capital gains (i. e., realized net long- term capital gains in excess of realized net short- term capital losses) that we timely distribute to shareholders. We will be subject to a non- deductible 4. 0 % U. S. federal excise tax on undistributed earnings of a RIC unless we distribute each calendar year at least the sum of (i) 98. 0 % of our ordinary income for the calendar year, (ii) 98. 2 % of our capital gains in excess of capital losses for the one- year period ending on October 31 of the calendar year, and (iii) any ordinary income and capital gain net income that we recognized for preceding years, but were not distributed during such years, and on which we paid no U. S. federal income tax. Under the Code, we may satisfy certain of our RIC distributions with dividends paid after the end of the current year. In particular, if we pay a distribution in January of the following year that was declared in October, November, or December of the current year and is payable to shareholders of record in the current year in such a month, the dividend will be treated for all U. S. federal income tax purposes as if it were paid on December 31 of the current year. In addition, under the Code, we may pay dividends, referred to as " spillover dividends, " that are paid during the following taxable year that will allow us to maintain our qualification for taxation as a RIC and eliminate our liability for corporate- level U. S. federal income tax. Under these spillover dividend procedures, we may defer distribution of income earned during the current year until December of the following year. For example, we may defer distributions of income earned during ~~2023~~ **2024** until as late as December 31, ~~2024~~ **2025** . If we choose to pay a spillover dividend, we will incur the 4. 0 % U. S. federal excise tax on some or all of the distribution. Due to disruptions in the economy, we may take certain actions with respect to the timing and amounts of our distributions in order to preserve cash and maintain flexibility. For example, the COVID- 19 pandemic had an impact on our ability to declare distributions. In addition, we may reduce our dividends and / or defer our dividends to the following taxable year. If we defer our dividends, we may choose to utilize the spillover dividend rules discussed above and incur the 4. 0 % U. S. federal excise tax on such amounts. To further preserve cash, we may combine these reductions or deferrals of dividends with one or more distributions that are payable partially in our common stock as discussed below under " We may in the future choose to pay

dividends in our own common stock, in which case you may be required to pay tax in excess of the cash you receive. ” We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income. For federal income tax purposes, we may be required to recognize taxable income in circumstances in which we do not receive a corresponding payment in cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with PIK interest or, in certain cases, increasing interest rates or debt instruments that were issued with warrants), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. In addition, we have elected to accrue market discount with respect to debt instruments acquired in the secondary market and include such amounts in our taxable income in the current year, instead of upon disposition of the debt instruments. We may also have to include in income other amounts that we have not yet received in cash, such as deferred loan origination fees that are paid after origination of the loan or are paid in non- cash compensation such as warrants or stock. Furthermore, we may invest in non- U. S. corporations (or other non- U. S. entities treated as corporations for U. S. federal income tax purposes) that could be treated under the Code and U. S. Treasury regulations as “ passive foreign investment companies ” and / or “ controlled foreign corporations. ” The rules relating to investment in these types of non- U. S. entities are designed to ensure that U. S. taxpayers are either, in effect, taxed currently (or on an accelerated basis with respect to corporate- level events) or taxed at increased tax rates at distribution or disposition. In certain circumstances this could require us to recognize income where we do not receive a corresponding payment in cash. Unrealized appreciation on derivatives, such as foreign currency forward contracts, may be included in taxable income while the receipt of cash may occur in a subsequent period when the related contract expires. Any unrealized depreciation on investments that the foreign currency forward contracts are designed to hedge are not currently deductible for tax purposes. This can result in increased taxable income whereby we may not have sufficient cash to pay distributions or we may opt to retain such taxable income and pay a 4 % excise tax. In such cases we could still rely upon the “ spillback provisions ” to maintain RIC tax treatment. We anticipate that a portion of our income may constitute original issue discount, market discount or other income required to be included in taxable income prior to receipt of cash. Because any original issue discount, market discount or other amounts accrued will be included in our investment company taxable income for the year of the accrual, we may be required to make a distribution to our stockholders in order to satisfy the annual distribution requirement, even though we will not have received any corresponding cash amount. As a result, we may have difficulty meeting the annual distribution requirement necessary to qualify for and maintain RIC tax treatment under the Code. We may have to sell some of our investments at times and / or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for or maintain RIC tax treatment and thus become subject to corporate- level income tax. We may **in the future choose to pay dividends in our own common stock, in which case you may be required to pay tax in excess of the cash you receive. We may** distribute taxable dividends that are payable in part in our common stock. In accordance with certain applicable U. S. Treasury regulations and published guidance issued by the IRS, a publicly offered RIC may treat a distribution of its own stock as fulfilling the RIC distribution requirements if each shareholder may elect to receive his or her entire distribution in either cash or stock of the RIC, subject to a limitation that the aggregate amount of cash available to be distributed to all shareholders must be at least 20. 0 % of the aggregate declared distribution. If too many shareholders elect to receive cash, the cash available for distribution must be allocated among the shareholders electing to receive cash (with the balance of the distribution paid in stock). In no event will any shareholder, electing to receive cash, receive less than 20. 0 % of its entire distribution in cash. If these and certain other requirements are met, for U. S. federal income tax purposes, the amount of the dividend paid in stock will be equal to the amount of cash that could have been received instead of stock. Taxable shareholders receiving such dividends will be required to include the amount of the dividends as ordinary income (or as long- term capital gain to the extent such distribution is properly reported as a capital gain dividend) to the extent of our current or accumulated earnings and profits for U. S. federal income tax purposes. As a result, a U. S. shareholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U. S. shareholder sells the stock 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 market price of our common stock at the time of the sale. Furthermore, with respect to non- U. S. shareholders, 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 shareholders 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 of our common stock. Non- U. S. stockholders may be subject to withholding of U. S. federal income tax on distributions 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 will generally 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 reported distributions are generally exempt from withholding of U. S. federal income tax where they 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 are at least a 10 % stockholder, reduced by expenses that are allocable to such income) or (ii) “ qualified short- term gains ” (generally, the excess of our net short- term capital gain over our net long- term capital loss for such taxable year), and certain other requirements are 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 REPORTED AS SUCH BY US. IN PARTICULAR, THIS EXEMPTION WILL NOT APPLY TO OUR DISTRIBUTIONS PAID IN RESPECT OF OUR NON- U. S. SOURCE INTEREST INCOME OR OUR DIVIDEND INCOME (OR ANY OTHER TYPE OF INCOME OTHER THAN GENERALLY OUR NON- CONTINGENT U. S. SOURCE

INTEREST INCOME RECEIVED FROM UNRELATED OBLIGORS AND OUR QUALIFIED SHORT- TERM GAINS). IN THE CASE OF OUR COMMON STOCK HELD THROUGH AN INTERMEDIARY, THE INTERMEDIARY MAY WITHHOLD U. S. FEDERAL INCOME TAX EVEN IF WE REPORT THE PAYMENT AS ATTRIBUTABLE TO QUALIFIED NET INTEREST INCOME OR QUALIFIED SHORT- TERM GAIN. Legislative or other actions relating to taxes could have a negative effect on us. The rules dealing with U. S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U. S. Treasury Department. New legislation and any U. S. Treasury regulations, administrative interpretations or court decisions interpreting such legislation could significantly and negatively affect our ability to qualify for tax treatment as a RIC or the U. S. federal income tax consequences to us and our investors of such qualification or could have other adverse consequences. Investors are urged to consult with their tax advisor regarding tax legislative, regulatory or administrative developments and proposals and their potential effect on an investment in our securities. Risks Relating to an Investment in Our Common ~~Stock~~ **StockWe will have broad discretion over the use of proceeds of any successful offering of securities.** We will have significant flexibility in applying the proceeds of any successful offering of our securities. We will also pay operating expenses and may pay other expenses such as due diligence expenses of potential new investments, from net proceeds. Our ability to achieve our investment objective may be limited to the extent that the net proceeds of any offering, pending full investment, are used to pay operating expenses. In addition, we can provide you no assurance that any offering will be successful, or that by increasing the size of our available equity capital, our aggregate expenses, and correspondingly, our expense ratio, will be lowered. Delays in investing the net proceeds raised in an offering of our securities may impair our performance. We cannot assure you that we will be able to identify any investments that meet our investment objective or that any investment that we make will produce a positive return. We may be unable to invest the net proceeds of any offering on acceptable terms within the time period that we anticipate or at all, which could adversely affect our financial condition and operating results. Even if we are able to raise significant proceeds, we will not be permitted to use such proceeds to co- invest with certain entities affiliated with the Investment Adviser in transactions originated by the Investment Adviser or their respective affiliates except pursuant to the exemptive order granted by the SEC or co- invest alongside the Investment Adviser or its respective affiliates in accordance with existing regulatory guidance. However, we will be permitted to and may co- invest in syndicated deals and secondary loan market transactions where price is the only negotiated point. Before making investments, we will invest the net proceeds of this offering primarily in cash, cash equivalents, U. S. government securities, repurchase agreements and high- quality debt instruments maturing in one year or less from the time of investment, which may produce returns that are significantly lower than the returns that we expect to achieve when our portfolio is fully invested in securities meeting our investment objective. As a result, any distributions that we pay while our portfolio is not fully invested in securities meeting our investment objective may be lower than the distributions that we may be able to pay when our portfolio is fully invested in securities meeting our investment objective. **A stockholder' s interest in us will be diluted if we issue additional shares of common stock, which could reduce the overall value of an investment in us.** Potential investors will not have preemptive rights to purchase any common stock we issue in the future. Our charter authorizes us to issue 100, 000, 000 shares of common stock. Pursuant to our charter, a majority of our entire Board may amend our charter to increase or decrease the number of authorized shares of common stock without stockholder approval. We intend to sell additional shares of common stock from time to time. To the extent that we issue additional shares of common stock at or below net asset value after an investor purchases shares of our common stock, an investor' s percentage ownership interest in us will be diluted. In addition, depending upon the terms and pricing of any additional offerings and the value of our investments, an investor may also experience dilution in the book value and fair value of his or her shares of common stock. We have adopted a dividend reinvestment plan pursuant to which we reinvest all cash distributions declared by the Board on behalf of investors who do not elect to receive their distributions in cash. As a result, if the Board declares a cash distribution, then our stockholders who have not opted out of our dividend reinvestment plan will have their cash distributions automatically reinvested in additional shares of our common stock, rather than receiving the cash distribution. As a result, our stockholders that do not participate in our dividend reinvestment plan will experience dilution in their ownership percentage of our common stock over time **. Your interest in the Company may be diluted if you do not fully exercise your subscription rights in any rights offering** . In the event we issue subscription rights to purchase shares of our common stock, stockholders who do not fully exercise their rights should expect that they will, at the completion of the offer, own a smaller proportional interest in the Company than would otherwise be the case if they fully exercised their rights. We cannot state precisely the amount of any such dilution in share ownership because we do not know at this time what proportion of the shares would be purchased as a result of a rights offering. In addition, if the subscription price in a rights offering is less than our net asset value per share, then our stockholders would experience an immediate dilution of the aggregate net asset value of their shares as a result of the rights offering. The amount of any decrease in net asset value is not predictable because it is not known at this time what the subscription price and net asset value per share will be on the expiration date of any rights offering or what proportion of the shares will be purchased as a result of such rights offering. Such dilution could be substantial. Our Board 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 Maryland General Corporation Law (the " MGCL ") and our charter, our Board 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, our Board will be 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, our Board could authorize the issuance of shares of preferred stock with terms and conditions that 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 common stockholders. Certain matters under the 1940 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 1940 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 preferred stock. The issuance of preferred shares convertible into shares of common stock may also reduce the net income and net asset value 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 1940 Act, including obtaining common stockholder approval. These effects, among others, could have an adverse effect on your investment in our common stock. **If we issue preferred stock, the net asset value and market value of our common stock will likely become more volatile.** We cannot assure you that the issuance of preferred stock would result in a higher yield or return to the holders of our common stock. The issuance of preferred stock would likely cause the net asset value and market value of the common stock to become more volatile. If the dividend rate on the preferred stock were to approach the net rate of return on our investment portfolio, the benefit of leverage to the holders of the common stock would be reduced. If the dividend rate on the preferred stock were to exceed the net rate of return on our portfolio, the leverage would result in a lower rate of return to the holders of common stock than if we had not issued preferred stock. Any decline in the net asset value of our investments would be borne entirely by the holders of common stock. Therefore, if the market value of our portfolio were to decline, the leverage would result in a greater decrease in net asset value to the holders of common stock than if we were not leveraged through the issuance of preferred stock. This greater net asset value decrease would also tend to cause a greater decline in the market price for the common stock. We might be in danger of failing to maintain the required asset coverage of the preferred stock or of losing our ratings, if any, on the preferred stock or, in an extreme case, our current investment income might not be sufficient to meet the dividend requirements on the preferred stock. In order to counteract such an event, we might need to liquidate investments in order to fund a redemption of some or all of the preferred stock. In addition, we would pay (and the holders of common stock would bear) all costs and expenses relating to the issuance and ongoing maintenance of the preferred stock, including higher advisory fees if our total return exceeds the dividend rate on the preferred stock. Holders of preferred stock may have different interests than holders of common stock and may at times have disproportionate influence over our affairs **. Holders of any preferred stock we might issue would have the right to elect members of our Board and class voting rights on certain matters** . Holders of any preferred stock we might issue, voting separately as a single class, would have the right to elect two members of our Board 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 1940 Act and by requirements imposed by rating agencies, if any, or the terms of our credit facilities, if any, might impair our ability to maintain our RIC tax treatment under the Code for U. S. 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. Provisions of the Maryland General Corporation Law and of our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock. The Maryland General Corporation Law and our charter and bylaws contain provisions that may discourage, delay or make more difficult a change in control of the Company or the removal of our directors. We are subject to the Maryland Business Combination Act, subject to any applicable requirements of the 1940 Act. Our Board has adopted a resolution exempting from the Maryland Business Combination Act any business combination between us and any other person, subject to prior approval of such business combination by our Board, including approval by a majority of our independent directors. If the resolution exempting business combinations is repealed or our Board does not approve a business combination, the Maryland Business Combination Act 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 (the " 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 Maryland Control Share Acquisition 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. The SEC staff has rescinded its position that, under the 1940 Act, an investment company may not avail itself of the Control Share Act. As a result, we will amend our bylaws to be subject to the Control Share Act only if our Board determines that it would be in our best interests. We have also adopted measures that may make it difficult for a third- party to obtain control of us **. Under our charter** , ~~including~~ **certain charter amendments and certain transactions such as a merger, conversion of the Company to an open- end company, liquidation, or other transactions that may result in a change of control of us, must be approved by stockholders entitled to cast at least 80 % of the votes entitled to be cast on such matter, unless the matter has been approved by either a majority or at least two- thirds of our " continuing directors, " as defined in our charter. Our charter also contains** provisions ~~of our charter~~ classifying our Board in three classes serving staggered three- year terms, **requiring a two- thirds vote and cause to remove a director, providing that our Board has the exclusive power to fill vacancies on our Board,** and authorizing our Board 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 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. The foregoing provisions are expected to discourage certain coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to negotiate first with our Board. However, these provisions may deprive a stockholder of the opportunity to sell such stockholder' s shares at a premium to a potential acquirer. We believe that the benefits of these provisions outweigh

the potential disadvantages of discouraging any such acquisition proposals because, among other things, the negotiation of such proposals may improve their terms. Our Board has considered both the positive and negative effects of the foregoing provisions and determined that they are in the best interest of our stockholders **. Investing in our common stock 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 common stock may not be suitable for investors with lower risk tolerance. The market price **of our common stock may fluctuate significantly. The market price** and liquidity of the expected market for shares of our common stock 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: • price and volume fluctuations in the overall stock market from time to time; • investor demand for our shares; • 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; • changes in regulatory policies or tax guidelines with respect to RICs, BDCs or SBICs; • failure to qualify as a RIC, or the loss of RIC tax treatment; • any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts; • changes in earnings or variations in operating results; • changes in accounting guidelines governing valuation of our investments; • changes, or perceived changes, in the value of our portfolio investments; • departure of either of our adviser or certain of its respective key personnel; • operating performance of companies comparable to us; and • general economic conditions and trends and other external factors **. We cannot assure you that the market price of shares of our common stock will not decline** . We cannot assure you that a public trading market will be sustained for such shares. We cannot predict the prices at which our common stock will trade. We cannot assure you that the market price of shares of our common stock will not decline at any time. In addition, our common stock has from time to time traded below its net asset value since our inception and if our common stock continues to trade below its net asset value, we will generally not be able to sell additional shares of our common stock to the public at its market price without first obtaining the approval of our stockholders (including our unaffiliated stockholders) and our independent directors for such issuance. 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. Sales of substantial amounts of our common stock** , or the availability of such common stock for sale, could adversely affect the prevailing market prices for our common stock. If this occurs and continues for a sustained period of time, it could impair our ability to raise additional capital through the sale of securities should we desire to do so **. Shares of our common stock have traded at a discount from net asset value and may do so in the future** . Shares of BDC' s have frequently traded at a market price that is less than the net asset value that is attributable to those shares. For example, as a result of the COVID- 19 pandemic, the stocks of BDCs as an industry, including shares of our common stock, traded below their NAV, at or near historic lows as a result of concerns over liquidity, leverage restrictions and distribution requirements. In part as a result of adverse economic conditions and increasing pressure within the financial sector of which we are a part, our common stock has at times traded below its net asset value per share since our IPO on September 30, 2013. Our shares could continue trade at a discount to net asset value. The possibility that our shares of common stock may trade at a discount from net asset value over the long term is separate and distinct from the risk that our net asset value will decrease. We cannot predict whether shares of our common stock will trade above, at or below its net asset value. If our common stock trades below its net asset value, we will generally not be able to issue additional shares of our common stock at its market price without first obtaining the approval for such issuance from our stockholders and our independent directors. If additional funds are not available to us, we could be forced to curtail or cease our new lending and investment activities, and our net asset value could decrease and our level of distributions could be impacted. **Our business and operation could be negatively affected if we become subject to any securities litigation or stockholder activism, which could cause us to incur significant expense, hinder execution of investment strategy and impact our stock price.** 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. Stockholder activism, which could take many forms or arise in a variety of situations, increased in the BDC space recently. Specifically, we are currently subject to class action litigation. In the ordinary course of business, the Company may directly or indirectly be a defendant or plaintiff in legal actions with respect to bankruptcy, insolvency or other types of proceedings. Such lawsuits may involve claims that could adversely affect the value of certain financial instruments owned by the Company or result in direct losses to the Company. The nature of litigation can make it difficult to predict the impact a particular lawsuit will have on the Company. There are many reasons that the Company cannot make these assessments, including, among others, one or more of the following: the proceeding is in its early stages; the damages sought are unspecified, unsupportable, unexplained or uncertain; discovery has not started or is not complete; there are significant facts in dispute; and there are other parties who may share in any ultimate liability. Securities litigation and corresponding stockholder activism, if any, including potential proxy contests, could result in substantial costs and divert management' s and our Board' s attention and resources from our business. Additionally, such securities litigation and stockholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist stockholder matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and stockholder activism.