

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

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

Risk Relating to the Current Environment • Capital markets may experience periods of disruption and instability. Such market conditions may materially and adversely affect the debt and equity capital markets in the United States and abroad, which may have a negative impact on our business and operations. • Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of our confidential information, a misappropriation of funds, and / or damage to our business relationships, all of which could negatively impact our financial results. • We are exposed to risks associated with changes in interest rates ~~including the current rising interest rate environment~~. • Inflation ~~has adversely affected~~ **and supply chain risks have had** and may continue to ~~have an adversely~~ **adverse affect the impact on our** business, results of operations and financial condition of our portfolio companies. • The ongoing armed conflicts as a result of the Russian invasion of Ukraine and the ~~war between Israel and Hamas~~ **conflict in the Middle East** may have a material adverse impact on us and our portfolio companies. • Price declines and illiquidity in the corporate debt markets have adversely affected, and may in the future adversely affect, the fair value of our portfolio investments, reducing our net asset value through increased net unrealized depreciation. • The current state of the economy and volatility in the global financial markets could have a material adverse effect on our business, financial condition and results of operations. • Uncertainty with respect to the financial stability of the United States and several countries in the EU could have a significant adverse effect on our business, financial condition, and results of operations. • We may form one or more Collateralized Loan Obligations (“CLOs”), which may subject us to certain structured financing risks ~~• The interest rates of some of our floating rate loans to our portfolio companies that extend beyond 2023 might be subject to change based on recent regulatory changes~~. • Changes in existing laws or regulations, the interpretations thereof or newly enacted laws or regulations may negatively impact our business. • The continued uncertainty relating to the U. S. and global economy could have a negative impact on our business. • Changes to U. S. federal income tax laws could materially and adversely affect us and our stockholders. Risks Relating to our Business and Structure • We may suffer credit losses. • We are dependent upon Apollo Investment Management’s key personnel for our future success and upon their access to **AGM’ Apollo Global Management, L. P.’** investment professionals and partners. • Our financial condition and results of operations depend on our ability to manage future growth effectively. • We operate in a highly competitive market for investment opportunities. • Any failure on our part to maintain our status as a **business development company (“BDC”)** would reduce our operating flexibility. • We will be subject to corporate- level income tax if we are unable to maintain our status as a **regulated investment company (“RIC”)**. • We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income. • Regulations governing our operation as a BDC affect our ability to raise, and the way in which we raise, additional capital. • Our business requires a substantial amount of capital to grow because we must distribute most of our income. • **Many As required by the Investment Company Act of 1940 (the “1940 Act”), a significant portion of our investment portfolio investments are is and will be** recorded at fair value as determined in good faith ~~by the Investment Advisor and under the direction of our Board of Directors~~ and, as a result, there is **and will be** uncertainty as to the value of our portfolio investments. • The lack of liquidity in our investments may adversely affect our business. • We may experience fluctuations in our periodic results. • Our ability to enter into transactions with our affiliates is restricted. • There are ~~significant~~ potential conflicts of interest which could adversely affect our investment returns. Risks Relating to our Investments • Our investments in portfolio companies are risky, and we could lose all or part of our investment. • Economic recessions or downturns could impair our portfolio companies and harm our operating results. • Our portfolio companies may be highly leveraged and a covenant breach by our portfolio companies may harm our operating results. • There may be circumstances where our debt investments could be subordinated to claims of other creditors or we could be subject to, among other things, lender liability or fraudulent conveyance claims. • If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a BDC or be precluded from investing according to our current business strategy. • Our portfolio contains a limited number of portfolio companies, which subjects us to a greater risk of significant loss if any of these companies defaults on its obligations under any of its debt securities. • An investment strategy focused primarily on privately- held companies 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. Risks Relating to our Debt Instruments • The trading market or market value of our debt securities may fluctuate. • Terms relating to redemption may materially adversely affect your return on any debt securities that we may issue. • Our credit ratings may not reflect all risks of an investment in our debt securities. Risks Relating to an Investment in our Common Stock • Investing in our securities involves a high degree of risk and is highly speculative. • There is a risk that investors in our equity securities may not receive distributions or that our distributions may not grow over time and that investors in our debt securities may not receive all of the interest income to which they are entitled. • We may be unable to invest the net proceeds raised from offerings on acceptable terms, which would harm our financial condition and operating results. • Sales of substantial amounts of our securities may have an adverse effect on the market price of our securities. Risks Relating to the Mergers • ~~Sales of shares of MFIC’s common stock after the completion of the Mergers may cause the trading price of MFIC’s common stock to decline. • The market price of MFIC common stock after the Mergers may be affected by factors different from those affecting such common stock currently. • Most MFIC stockholders will experience a reduction in percentage ownership and voting power in the combined company as a result of the Mergers. • MFIC may be unable to realize the benefits anticipated by the Mergers, including estimated cost savings, or it may take longer~~

than anticipated to achieve such benefits. PART I Item 1. Business In this report, the terms the “ Company ”, “ MidCap Investment ”, “ MFIC ”, “ we ”, “ us ”, and “ our ” refer to MidCap Financial Investment Corporation unless the context specifically states otherwise. General MidCap Financial Investment Corporation, a Maryland corporation organized on February 2, 2004, is a closed- end, externally managed, diversified management investment company that has elected to be treated as a ~~business development company (“BDC”)~~ under the ~~Investment Company Act of 1940 (the “1940 Act”)~~. In addition, for tax purposes we have elected to be treated as a ~~regulated investment company (“RIC”)~~ under Subchapter M of the Internal Revenue Code of 1986, as amended (the “ Code ”). We commenced operations on April 8, 2004 upon completion of our initial public offering that raised \$ 870 million in net proceeds from selling 62 million shares of common stock at a price of \$ 15. 00 per share (20. 7 million shares at a price of \$ 45. 00 per share adjusted for the one- for- three reverse stock split). Since then, and through December 31, ~~2023~~ **2024**, we have raised approximately \$ 2. ~~24~~ **68** billion in net proceeds from additional offerings of common stock and we have repurchased common stock for \$ 248. 1 million. On August 1, 2022, the Company changed its name from “ Apollo Investment Corporation ” to “ MidCap Financial Investment Corporation ”. Our common stock began to trade under the ticker “ MFIC ” on the NASDAQ Global Stock Market on August 12, 2022. Prior to August 12, 2022, the Company' s common stock traded on the NASDAQ Global Select Market under the ticker “ AINV ”. On November 7, 2023, the Company entered into (i) an Agreement and Plan of Merger (the “ AFT Merger Agreement ”) with Apollo Senior Floating Rate Fund Inc., a Maryland corporation (“ AFT ”), AFT Merger Sub, Inc., a Maryland corporation and a direct wholly- owned subsidiary of the Company (“ AFT Merger Sub ”), and, solely for the limited purposes set forth therein, the Adviser, and (ii) an Agreement and Plan of Merger (the “ AIF Merger Agreement ” and, together with the AFT Merger Agreement, the “ Merger Agreements ”) with Apollo Tactical Income Fund Inc., a Maryland corporation (“ AIF ”), AIF Merger Sub, Inc., a Maryland corporation and a direct wholly- owned subsidiary of the Company (“ AIF Merger Sub ”), and, solely for the limited purposes set forth therein, the Adviser. The Merger Agreements provide that, subject to the terms and conditions set forth in the applicable Merger Agreement, at the effective time of such merger, AFT (the “ AFT Effective Time ”) and AIF (the “ AIF Effective Time ”) will, through a two- step merger process, merge with and into the Company, with the Company continuing as the surviving company (each, the “ AFT Merger ” or the “ AIF Merger ”, and collectively, the “ Mergers ”). Each of the Company' s **board of directors (the “ Board of Directors ”)**, and AFT' s and AIF' s board of directors, including all of the respective independent directors, in each case, on the recommendation of special committees comprised solely of certain independent directors of the Company or AFT and AIF, as applicable, ~~have~~ **approved** the applicable Merger Agreement and the transactions contemplated thereby. **The Consummation of the Mergers, which is currently anticipated to occur in the first half of 2024, is subject to certain closing conditions, including requisite approvals of the Company' s, AFT' s and AIF' s stockholders approved the necessary proposal related to the mergers of AFT and certain AIF with and into the Company at a special meeting of stockholders held on May 28, 2024. AFT and AIF received stockholder approval of the necessary proposals related to other their closing conditions previously announced mergers with and into the Company at the AFT and AIF special meetings of stockholders reconvened on June 21, 2024. On July 22, 2024, the Company completed its acquisition of AFT and AIF.** For more information on the Mergers, please see **Note 13 “ Mergers with AFT Management’ s Discussion and AIF Analysis of Financial Condition and Results of Operations- Recent Developments.” to our consolidated financial statements included in this report.** This Annual Report on Form 10- K covers the twelve- month period from January 1, ~~2023~~ **2024** to December 31, ~~2023~~ **2024** (the “ Annual Report ”). On November 3, 2022, the Company' s Board changed the Company' s fiscal year end from March 31 to December 31, effective December 31, 2022. Prior to this Annual Report, we filed a ~~Transition Report on Form 10- KT for the nine- month transition period ended December 31, 2022, which reflected our financial results for the nine- month period from April 1, 2022 through December 31, 2022 (the “ Transition Period ”).~~ **Prior to this Annual Report and an Transition Report, our most recent Annual Report on Form 10- K covers for the fiscal year ended March-December 31, 2022-2023 and reflects financial results for . Unless otherwise noted, all references to “ fiscal years ” in this Annual Report refers to the twelve- month fiscal year ended on December** period from April 1 to March 31. Our investment objective is to generate current income and, to a lesser extent, long- term capital appreciation. We invest primarily in directly originated and privately negotiated first lien senior secured loans to privately held U. S. middle- market companies, which we generally define as companies with less than \$ 75 million in EBITDA, as may be adjusted for market disruptions, mergers and acquisitions- related charges and synergies, and other items. To a lesser extent, we may invest in other types of securities including, first lien unitranche, second lien senior secured, unsecured, subordinated, and mezzanine loans, and equities in both private and public middle market companies. Our portfolio is comprised primarily of investments in debt, including secured and unsecured debt of private middle- market companies that, in the case of senior secured loans, generally are not broadly syndicated and whose aggregate tranche size is typically less than \$ 300 million. Our portfolio may also include equity interests such as common stock, preferred stock, warrants or options. Most of the debt instruments we invest in are unrated or rated below investment grade, which is often an indication of size, credit worthiness and speculative nature relative to the capacity of the borrower to pay interest and principal. Generally, if the Company' s unrated investments were rated, they would be rated below investment grade. These securities, which are often referred to as “ junk ” or “ high yield, ” have predominantly speculative characteristics with respect to the issuer' s capacity to pay interest and repay principal. They may also be difficult to value and are illiquid. During the year ended December 31, ~~2023~~ **2024**, we invested **\$ 1. 6 billion across 167 new and 130 existing portfolio companies primarily through a combination of primary and secondary debt investments. This compares to \$ 0. 4 billion across 32 new and 84 existing portfolio companies primarily through a combination of primary and secondary debt investments. This compares to \$ 0. 5 billion across 12 new and 78 existing portfolio companies during the nine months ended December 31, 2022. Investments sold or repaid during the year ended December 31, 2023 . Investments sold or repaid during the year ended December 31, 2024** totaled \$ 0. ~~5~~ **9** billion versus \$ 0. ~~6~~ **5** billion during the **year nine months ended December 31, 2022-2023**. The weighted average yields on our secured debt portfolio, unsecured debt portfolio, total debt

portfolio and total portfolio as of December 31, ~~2023-2024~~ at our current cost basis were **10.8 %, 9.5 %, 10.8 % and 9.5 %, respectively. As of December 31, 2023, the yields were** 12.1 %, – %, 12.1 % and 10.1 %, respectively. As of December 31, 2022, the yields were 10.9 %, 10.0 %, 10.9 % and 9.3 %, respectively. The portfolio yields may be higher than an investor's yield on an investment in us due to sales load and other expenses. For the year ended December 31, ~~2023-2024~~ and the **year nine months** ended December 31, ~~2022-2023~~, the total return based on the change in market price per share and taking into account dividends and distributions, if any, reinvested in accordance with the dividend reinvestment plan was **11.1 % and 34.9 % and -5.4 %**, respectively. Such returns do not reflect any sales load that stockholders may have paid in connection with their purchase of shares of our common stock. As of December 31, ~~2023-2024~~, our portfolio consisted of ~~152-233~~ portfolio companies and was invested ~~90-93~~ % in secured debt, 0 % in unsecured debt, ~~2-1~~ % in structured products and other, 1 % in preferred equity, and ~~7-5~~ % in common equity / interests and warrants measured at fair value. As of December 31, ~~2022-2023~~, our portfolio consisted of ~~135-152~~ portfolio companies and was invested ~~92-90~~ % in secured debt, 0 % in unsecured debt, ~~0-2~~ % in structured products and other, ~~2-1~~ % in preferred equity, and ~~6-7~~ % in common equity / interests and warrants measured at fair value. Since the initial public offering of the Company in April 2004 and through December 31, ~~2023-2024~~, invested capital totaled \$ ~~23-25.9-5~~ billion in ~~627-794~~ portfolio companies. Over the same period, the Company completed transactions with more than 100 different financial sponsors. As of December 31, ~~2023-2024~~, ~~100-99~~ % of the corporate lending portfolio is floating rate debt, measured at fair value. On a cost basis, ~~100-99~~ % is floating rate debt. As of December 31, ~~2022-2023~~, 100 % of the corporate lending portfolio is floating rate debt, measured at fair value. On a cost basis, 100 % is floating rate debt. The interest rate type information is calculated using the Company's corporate debt portfolio and excludes ~~aviation, oil and gas, structured credit, renewables, shipping, commodities and~~ investments on non-accrual status. Apollo Investment Management, L.P. Apollo Investment Management, L.P. (the "Investment Adviser" or "AIM") is our investment adviser and an affiliate of Apollo Global Management, Inc. and its consolidated subsidiaries ("AGM"). The Investment Adviser, subject to the overall supervision of our Board of Directors, manages the day-to-day operations of, and provides investment advisory services to the Company. AGM and other affiliates manage other funds that may have investment mandates that are similar, in whole or in part, with ours. AIM and its affiliates may determine that an investment is appropriate both 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, AIM may determine that we should invest on a side-by-side basis with one or more other funds. We make all such investments subject to compliance with applicable regulations and interpretations, and our allocation procedures. Certain types of negotiated co-investments may be made only in accordance with the terms of the exemptive order we received from the Securities and Exchange Commission ("SEC") permitting us to do so. AIM is led by Howard Widra, Tanner Powell, Ted McNulty and Patrick Ryan. Potential investment and disposition opportunities are generally approved by one or more committees composed of personnel across AGM, including Messrs. Widra, Powell, McNulty and Ryan, by all or a majority of Messrs. Widra, Powell, McNulty or Ryan depending on the underlying investment type and / or the amount of such investment. The composition of such committees and the overall approval process for the Company's investments may change from time to time. AIM draws upon AGM's 30 year history and benefits from the broader firm's significant capital markets, trading and research expertise developed through investments in many core sectors in over 200 companies since inception. Apollo Investment Administration, LLC Apollo Investment Administration, LLC (the "Administrator" or "AIA"), an affiliate of AGM, provides, among other things, administrative services and facilities for the Company. In addition to furnishing us with office facilities, equipment, and clerical, bookkeeping and recordkeeping services, AIA also oversees our financial records as well as prepares our reports to stockholders and reports filed with the SEC. AIA also performs the calculation and publication of our net asset value, the payment of our expenses and oversees the performance of various third-party service providers and the preparation and filing of our tax returns. Furthermore, AIA provides on our behalf managerial assistance to those portfolio companies to which we are required to provide such assistance. Operating and Regulatory Structure Our investment activities are managed by AIM and supervised by our Board of Directors, a majority of whom are independent of AGM and its affiliates. AIM is an investment adviser that is registered under the Investment Advisers Act of 1940. Under our investment advisory management agreement, we pay AIM an annual base management fee ~~based on our average gross assets~~ as well as an incentive fee. As a BDC, we are required to comply with certain regulatory requirements. Also, while we are permitted to finance investments using debt, our ability to use debt is limited in certain significant respects, see "Item 1A. Risk Factors". We have elected to be treated for federal income tax purposes as a RIC under Subchapter M of the Code. The Company seeks to create a portfolio of primarily debt investments, including secured and unsecured debt of private middle-market companies that, in the case of senior secured loans, generally are not broadly syndicated and whose aggregate tranche size is typically less than \$ 300 million. Our portfolio may also include equity interests such as common stock, preferred stock, warrants or options. The average investment size will vary as the size of our capital base varies. Our target portfolio consists primarily of long-term secured debt, as well as unsecured and mezzanine positions of private middle-market companies. Structurally, unsecured and mezzanine debt usually ranks subordinate in priority of payment to senior debt, such as bank debt, and is characterized as unsecured. As such, other creditors may rank senior to us in the event of an insolvency. However, unsecured and mezzanine debt ranks senior to common and preferred equity in a borrower's capital structure. Unsecured and mezzanine debt may have a fixed or floating interest rate. Additional income can be generated from upfront fees, call protections including call premiums, equity co-investments or warrants. Our principal focus is to provide capital to middle-market companies in a variety of industries. We generally seek to target companies that generate positive free cash flows or that may support debt investments with strong asset coverage, and we may provide debtor-in-possession or reserve financing. Additionally, we may acquire investments in the secondary market if we believe the risk-adjusted returns are attractive. The following is a representative list of the industries in which we have invested as of December 31, ~~2023-2024~~: • Advertising, Printing & Publishing • Automotive • Aviation and Consumer Transport • Beverage, Food & Tobacco • Business Services • Chemicals, Plastics & Rubber • Construction & Building • Consumer Goods

— Durable • Consumer Goods – Non- durable • Consumer Services • **Containers, Packaging & Glass** • Diversified Investment Vehicles, Banking, Finance, Real Estate • Energy – Electricity • **Environmental Industries** Energy – Oil & Gas • Healthcare & Pharmaceuticals • High Tech Industries • Hotel, Gaming, Leisure, Restaurants • Insurance • Manufacturing, Capital Equipment • **Media – Diversified & Production** • Retail • Telecommunications • Transportation – Cargo, Distribution • Utilities – Electric • Wholesale We may also invest in other industries if we are presented with attractive opportunities. In an effort to increase our returns and the number of investments that we can make, we may in the future seek to securitize our debt investments. To the extent we elect to include higher quality portfolio holdings in the securitization vehicle and retain lower quality holdings in our portfolio, investing in our shares may be riskier. To securitize debt investments, we may create a wholly owned subsidiary and contribute a pool of loans to the subsidiary. We may sell debt of or interests in the subsidiary on a non-recourse basis to purchasers whom we would expect to be willing to accept a lower interest rate to invest in investment- grade securities. We may use the proceeds of such sales to reduce indebtedness or to fund additional investments. We may also invest through special purpose entities or other arrangements, including total return swaps and repurchase agreements, in order to obtain non- recourse financing or for other purposes. We may invest, to the extent permitted by law, in the securities and instruments of other investment companies and in private funds. We may also co- invest on a concurrent basis with affiliates of ours, subject to compliance with applicable regulations and our allocation procedures. Certain types of negotiated co- investments may be made only in accordance with the terms of the exemptive order we received from the SEC permitting us to do so. On ~~December 29, 2021, as amended on January 10-14, 2023~~ **2025**, we received an exemptive order from the SEC (the “Order”) permitting us greater flexibility to negotiate the terms of co- investment transactions with certain of our affiliates, including investment funds managed by AIM or its affiliates, subject to the conditions included therein. Under the terms of the Order, a “required majority” (as defined in Section 57 (o) of the 1940 Act) of our independent directors must be able to reach certain conclusions in connection with a co- investment transaction, including that (1) the terms of the proposed transaction are reasonable and fair to us and our stockholders and do not involve overreaching of us or our stockholders on the part of any person concerned, and (2) the transaction is consistent with the interests of our stockholders and is consistent with our Board of ~~Directors~~ approved criteria. In certain situations where co- investment with one or more funds managed by AIM or its affiliates is not covered by the Order, the personnel of AIM or its affiliates will need to decide which fund will proceed with the investment. Such personnel will make these determinations based on allocation policies and procedures, which are designed to reasonably ensure that investment opportunities are allocated fairly and equitably among affiliated funds over time and in a manner that is consistent with applicable laws, rules and regulations. The Order is subject to certain terms and conditions so there can be no assurance that we will be permitted to co- invest with certain of our affiliates other than in the circumstances currently permitted by regulatory guidance and the Order. The following table summarizes our top ten portfolio companies and industries based on fair value as of December 31, **2024: Portfolio Company % of Portfolio Industry % of Portfolio** **Merx Aviation Finance, LLC 6.1 % High Tech Industries 20.5 % ChyronHego Corporation 4.7 % Healthcare & Pharmaceuticals 15.8 % LashCo 1.5 % Business Services 10.4 % Lending Point 1.5 % Aviation and Consumer Transport 7.7 % Beacon Mobility 1.3 % Diversified Investment Vehicles, Banking, Finance, Real Estate 6.3 % Medical Guardian 1.2 % Consumer Goods – Non- durable 5.1 % IPS 1.1 % Consumer Services 4.6 % US Legal Support 1.1 % Transportation – Cargo, Distribution 3.5 % Berner Foods 1.1 % Construction & Building 3.4 % Thomas Scientific 1.1 % Wholesale 3.4 % Total 20.7 % Total 80.7 %** **The following table summarizes our top ten portfolio companies and industries based on fair value as of December 31, 2023: Portfolio Company % of Portfolio Industry % of Portfolio** **Merx Aviation Finance, LLC 8.2 % High Tech Industries 19.3 % ChyronHego Corporation 5.5 % Healthcare & Pharmaceuticals 17.5 % Lending Point 1.9 % Business Services 11.9 % LashCo 1.9 % Aviation and Consumer Transport 8.4 % Beacon Mobility 1.6 % Consumer Services 8.1 % PSI Services, LLC 1.5 % Beverage, Food & Tobacco 4.8 % UpStack 1.4 % Consumer Goods – Non- durable 3.6 % Activ 1.4 % Transportation – Cargo, Distribution 3.1 % Rise Baking 1.4 % Manufacturing, Capital Equipment 2.9 % Truck- Lite Co., LLC 1.3 % Automotive 2.6 % Total 26.1 % Total 82.1 %** **The following table summarizes our top ten portfolio companies and industries based on fair value as of December 31, 2022: Portfolio Company % of Portfolio Industry % of Portfolio** **Merx Aviation Finance, LLC 10.9 % Healthcare & Pharmaceuticals 19.5 % ChyronHego Corporation 5.1 % High Tech Industries 17.4 % Lending Point 1.9 % Aviation and Consumer Transport 11.6 % LashCo 1.8 % Business Services 11.1 % NFA Group 1.5 % Consumer Services 6.8 % Relation Insurance 1.5 % Beverage, Food & Tobacco 4.3 % PSI Services, LLC 1.5 % Insurance 3.5 % Electro Rent Corporation 1.4 % Consumer Goods – Non- durable 3.1 % Carbonfree Chemicals SPE I LLC (f/k/a Maxus Capital Carbon SPE I LLC) 1.4 % Transportation – Cargo, Distribution 2.6 % New Era Technology, Inc. 1.4 % Automotive 2.5 % Total 28.4 % Total 82.4 %**

Investment Selection and Due Diligence We are committed to a value- oriented philosophy of, among other things, capital preservation and commit resources to managing risks associated with our investment portfolio. Our Investment Adviser conducts due diligence on prospective portfolio companies. In conducting its due diligence, our Investment Adviser uses information provided by the company and its management team, publicly available information, as well as information from their extensive relationships with former and current management teams, consultants, competitors and investment bankers and the direct experience of the senior partners of our affiliates. Our Investment Adviser’s due diligence will typically include: • review of historical and prospective financial information; • on- site visits; • interviews with management, employees, customers and vendors of the potential portfolio company; • review of loan documents; • background checks; and • research relating to the company’s management, industry, markets, products and services, and competitors. Upon the completion of due diligence and a decision to seek approval for an investment in a company, the professionals leading the proposed investment generally present the investment opportunity to and seek approval in accordance with our investment approval process. Additional due diligence with respect to any investment may be conducted on our behalf by attorneys and accountants prior to the closing of the investment, as well as other outside advisers, as appropriate. Investment Structure Once we have determined that a prospective portfolio company is suitable for investment,

we work with the management of that company and its other capital providers, including senior, junior and equity capital providers, to structure an investment. We generally seek to structure our investments as secured loans with a direct lien on the assets or cash flows of the company that provide for increased downside protection in the event of insolvency while maintaining attractive risk-adjusted returns and current interest income. We generally seek for these secured loans to obtain security interests in the assets of our portfolio companies that serve as collateral in support of the repayment of these loans. This collateral may take the form of first or second priority liens on the assets of a portfolio company. In some cases, we may enter into debt investments that, by their terms, convert into equity or additional debt securities or defer payments of interest after our investment. Also, in some cases our debt investments may be collateralized by a subordinated lien on some or all of the assets of the borrower. Typically, our loans have maturities of three to ten years. We seek to tailor the terms of our investments to the facts and circumstances of the transaction and the prospective portfolio company, negotiating a structure that protects our rights and manages our risk while creating incentives for the portfolio company to achieve its business plan and improve its profitability. For example, in addition to seeking a senior position in the capital structure of our portfolio companies, we seek to limit the downside potential of our investments by: • requiring an expected total return on our investments (including both interest and potential equity appreciation) that compensates us for credit risk; • generally incorporating call protection into the investment structure where possible; and • negotiating covenants and information rights in connection with our investments that afford our portfolio companies flexibility in managing their businesses, but which are still consistent with our goal of preserving our capital. Such restrictions may include affirmative and negative covenants, default penalties, lien protection, change of control provisions and board rights, including either observation or participation rights. Our investments may include equity features, such as warrants or options to buy a minority interest in the portfolio company. Any warrants we receive with our debt securities generally require only a nominal cost to exercise, and thus, as a portfolio company appreciates in value, we may achieve additional investment return from this equity interest. We may structure the warrants to provide provisions protecting our rights as a minority-interest holder, as well as puts, or rights to sell such securities back to the company, upon the occurrence of specified events. In many cases, we may also seek to obtain registration rights in connection with these equity interests, which may include demand and “piggyback” registration rights. We expect to hold most of our investments to maturity or repayment, but we may sell certain of our investments sooner if a liquidity event takes place such as a sale or recapitalization or worsening of credit quality of a portfolio company, among other reasons.

Investment Valuation Process The Board has designated the Investment Adviser as its “valuation designee” pursuant to Rule 2a-5 under the 1940 Act, and in that role the Investment 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. Even though the** Company’s Board of Directors (the “Board”). ~~Even though the Company’s Board of Directors~~ designated the Company’s Investment Adviser as “valuation designee,” the Company’s Board of Directors continues to be responsible for overseeing the processes for determining fair valuation. Under the Company’s valuation policies and procedures, the Investment Adviser values investments, including certain secured debt, unsecured debt and other debt securities with maturities greater than 60 days, for which market quotations are readily available, at such market quotations (unless they are deemed not to represent fair value). We attempt to obtain market quotations from at least two brokers or dealers (if available, otherwise from a principal market maker, primary market dealer or other independent pricing service). We utilize mid-market pricing as a practical expedient for fair value unless a different point within the range is more representative. If and when market quotations are unavailable or are deemed not to represent fair value, we typically utilize independent third party valuation firms to assist us in determining fair value. Accordingly, such investments go through our multi-step valuation process as described below. In each case, our independent third party valuation firms consider observable market inputs together with significant unobservable inputs in arriving at their valuation recommendations for such investments. Investments purchased within the quarter before the valuation date and debt investments with remaining maturities of 60 days or less may each be valued at cost with interest accrued or discount accreted / premium amortized to the date of maturity (although they are typically valued at available market quotations), unless such valuation, in the judgment of our Investment Adviser, does not represent fair value. In this case such investments shall be valued at fair value as determined in good faith by or under the direction of the Investment Adviser including using market quotations where available. Investments that are not publicly traded or whose market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Investment Adviser. Such determination of fair values may involve subjective judgments and estimates. With respect to investments for which market quotations are not readily available or when such market quotations are deemed not to represent fair value, our Investment Adviser undertakes a multi-step valuation process each quarter, as described below: 1. Our quarterly valuation process begins with independent valuation firms conducting independent appraisals and assessments for all the investments they have been engaged to review. If an independent valuation firm is not engaged during a particular quarter, the valuation may be conducted by the Investment Adviser. 2. Preliminary valuation conclusions are then documented and discussed with senior management of our Investment Adviser. 3. The Investment Adviser discusses valuations and determines in good faith the fair value of each investment in our portfolio based on the input of the applicable independent valuation firm. 4. For Level 3 investments entered into within the current quarter, the cost (purchase price adjusted for accreted original issue discount / amortized premium) or any recent comparable trade activity on the security investment shall be considered to reasonably approximate the fair value of the investment, provided that no material change has since occurred in the issuer’s business, significant inputs or the relevant environment. Investments determined by these valuation procedures which have a fair value of less than \$ 1 million during the prior fiscal quarter may be valued based on inputs identified by the Investment Adviser without the necessity of obtaining valuation from an independent valuation firm, if once annually an independent valuation firm using the procedures described herein provides valuation. In addition, some of our investments provide for payment-in-kind (“PIK”) interest or dividends.

Such amounts of accrued PIK interest or dividends are added to the cost of the investment on the respective capitalization dates and generally become due at maturity of the investment or upon the investment being called by the issuer. Upon capitalization, PIK is subject to the fair value estimates associated with their related investments. Ongoing Relationships with Portfolio Companies Monitoring AIM monitors our portfolio companies on an ongoing basis and also monitors the financial trends of each portfolio company to determine if each is meeting its respective business plans and to assess the appropriate course of action for each company. In addition, senior investment professionals of AIM may take board seats or obtain board observation rights for our portfolio companies. AIM has several methods of evaluating and monitoring the performance and fair value of our investments, which can include, but are not limited to, the assessment of success of the portfolio company in adhering to its 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 other portfolio companies in the industry; attendance at and participation in board meetings; and review of monthly and quarterly financial statements and financial projections for portfolio companies. AIM also uses an investment rating system to characterize and monitor our expected level of returns on each investment in our portfolio. These ratings are just one of several factors that AIM uses to monitor our portfolio, but they are not in and of themselves a determinative of fair value. AIM grades the credit risk of all investments on a scale of 1 to 5 no less frequently than quarterly. This system is intended primarily to reflect the underlying risk of a portfolio investment relative to our initial cost basis in respect of such portfolio investment (i. e., at the time of acquisition), although it may also take into account under certain circumstances the performance of the portfolio company' s business, the collateral coverage of the investment and other relevant factors. Under this system, investments with a grade of 1 involve the least amount of risk to our initial cost basis. The trends and risk factors for this investment since origination or acquisition are generally favorable, which may include the performance of the portfolio company or a potential exit. Investments graded 2 involve a level of risk to our initial cost basis that is similar to the level of risk underwritten at the time of origination or acquisition. This portfolio company is generally performing in accordance with our analysis of its business and the full return of principal and interest or dividend is expected. Investments graded 3 indicate that the risk to our ability to recoup the cost of such investment has increased since origination or acquisition, but full return of principal and interest or dividend is expected. A portfolio company with an investment grade of 3 requires closer monitoring. Investments graded 4 indicate that the risk to our ability to recoup the cost of such investment has increased significantly since origination or acquisition, including as a result of factors such as declining performance and noncompliance with debt covenants, and we expect some loss of interest, dividend or capital appreciation, but still expect an overall positive internal rate of return on the investment. Investments graded 5 indicate that the risk to our ability to recoup the cost of such investment has increased materially since origination or acquisition and the portfolio company likely has materially declining performance. Loss of interest or dividend and some loss of principal investment is expected, which would result in an overall negative internal rate of return on the investment. For investments graded 4 or 5, AIM enhances its level of scrutiny over the monitoring of such portfolio company. AIM monitors and, when appropriate, changes the investment ratings assigned to each investment in our portfolio. In connection with our valuation process, AIM reviews these investment ratings on a quarterly basis, and the Audit Committee of the Board of Directors monitors such ratings. It is possible that the grade of certain of these portfolio investments may be reduced or increased over time. Managerial Assistance As a BDC, we must offer, and must provide upon request, significant managerial assistance to certain of our portfolio companies. This assistance could involve, among other things, monitoring the operations of our portfolio companies, participating in board and management meetings, consulting with and advising officers of portfolio companies and providing other organizational and financial guidance. We may receive fees for these services. Competition Our primary competitors in providing financing to middle- market companies include public and private funds, commercial and investment banks, commercial financing companies, other BDCs or hedge funds, and, to the extent they provide an alternative form of financing, private equity funds. Some of our existing and potential competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a lower cost of funds and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or the restrictions that the Code imposes on us as a RIC. We also expect to use the industry information of AGM' s investment professionals to which we have access to assess investment risks and determine appropriate pricing for our investments in portfolio companies. In addition, we believe that the relationships of the senior managers of AIM and those of our affiliates enable us to learn about, and compete effectively for, financing opportunities with attractive middle- market companies in the industries in which we seek to invest. Staffing The Company has no employees. All of the services we utilize are provided by third parties. Our Chief Financial Officer, Chief Legal Officer and Chief Compliance Officer and additional personnel assisting them in such functions are employees of AIA and perform their respective functions under the terms of the administration agreement with AIA. Certain of our other executive officers are managing partners of our Investment Adviser. Our day- to- day investment operations are managed by our Investment Adviser, which draws on the broader capabilities of the Opportunistic Credit segment of AGM' s credit business. In addition, we generally reimburse AIA for our allocable portion of expenses incurred by it in performing its obligations under the administration agreement, including rent and our allocable portion of the cost of our Chief Financial Officer, Chief Legal Officer and Chief Compliance Officer and their respective staffs. Investment Advisory Management Agreement Management Services AIM serves as our investment adviser and is a wholly- owned direct subsidiary of Apollo Global Management. AIM is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the " Advisers Act "). Subject to the overall supervision of our Board of Directors, the Investment Adviser manages the day- to- day operations of, and provides investment advisory and management services to, the Company. Under the terms of the investment advisory management

agreement, AIM: • 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); and • closes and monitors the investments we make. AIM's services under the investment advisory management 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. Management and Incentive Fee Pursuant to the investment advisory management agreement, we incur a fee payable to AIM for investment advisory and management services consisting of two components- a base management fee and an incentive fee. For the fiscal year-years ended December 31, **2024, December 31, 2023, and** for the nine months ended December 31, 2022, ~~and for the fiscal year ended March 31, 2022,~~ we incurred \$ **19.45 million, \$ 17.37 million, and** \$ 26.62 million ~~and \$ 36.14 million,~~ respectively, in base management fees and incurred \$ **21.55 million, \$ 24.57 million, and** \$ 5.69 million ~~and \$ 12 million,~~ respectively, in performance- based incentive fees. Base Management Fee The base management fee is calculated at an annual rate of 1.75 % (0.4375 % per quarter) of the Company's net asset value as of the final business day of the prior calendar quarter; provided, however, that the base management fee shall not be greater than 1.50 % (0.375 % per quarter) of the lesser of (i) the average of the value of the Company's gross assets (excluding cash or cash equivalents but including other assets purchased with borrowed amounts) at the end of each of the two most recently completed calendar quarters and (ii) the average monthly value (measured as of the last day of each month) of the Company's gross assets (excluding cash or cash equivalents but including other assets purchased with borrowed amounts) during the most recently completed calendar quarter. The base management fee is payable quarterly in arrears. The value of the Company's gross assets is calculated in accordance with the Company's valuation procedures. For the period from April 1, 2018 to December 31, 2022, the base management fee was calculated initially at an annual rate of 1.50 % (0.375 % per quarter) of the lesser of (i) the average of the value of the Company's gross assets (excluding cash or cash equivalents but including other assets purchased with borrowed amounts) at the end of each of the two most recently completed calendar quarters and (ii) the average monthly value (measured as of the last day of each month) of the Company's gross assets (excluding cash or cash equivalents but including other assets purchased with borrowed amounts) during the most recently completed calendar quarter; provided, however, in each case, the base management fee was calculated at an annual rate of 1.00 % (0.250 % per quarter) of the average of the value of the Company's gross assets (excluding cash or cash equivalents but including other assets purchased with borrowed amounts) that exceeds the product of (A) 200 % and (B) the value of the Company's net asset value at the end of the prior calendar quarter. The base management fee was payable quarterly in arrears. The value of the Company's gross assets was calculated in accordance with the Company's valuation procedures. Performance-based **Based** Incentive Fee The incentive fee (the " Incentive Fee ") consists of two components that are determined independent of each other, with the result that one component may be payable even if the other is not. A portion of the Incentive Fee is based on income and a portion is based on capital gains, each as described below: (i) Incentive Fee on Pre- Incentive Fee Net Income-effective January 1, 2023 The Incentive Fee on pre- incentive fee net investment income is determined and paid quarterly in arrears by calculating the amount by which (x) the aggregate amount of the pre- incentive fee net investment income with respect of the current calendar quarter and each of the eleven preceding calendar quarters (in either case, the " Trailing Twelve Quarters ") exceeds (y) the preferred return amount in respect of the Trailing Twelve Quarters; provided, however, that the pre- incentive fee net investment income in respect of the current calendar quarter exceeds the multiple of (A) 1.75 % and (B) the Company's net asset value at the beginning of such calendar quarter. For the purposes of the Incentive Fee calculations, each calendar quarter comprising the relevant Trailing Twelve Quarters that commenced prior to January 1, 2023 shall be known as a " Legacy Fee Quarter " while a calendar quarter that commenced on or after January 1, 2023 shall be known as a " Current Fee Quarter. " The preferred return amount is determined on a quarterly basis, and is calculated by summing the amounts obtained by multiplying 1.75 % by the Company's net asset value at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Quarters. The preferred return amount is calculated after making appropriate adjustments to the Company's net asset value at the beginning of each applicable calendar quarter for Company capital issuances and distributions during the applicable calendar quarter. The amount of the Incentive Fee on Income that is paid to the Investment Adviser for a particular quarter equals the excess of the incentive fee on pre- incentive fee net investment income, so calculated less the aggregate incentive fee on pre- incentive fee net investment income that were paid to the Investment Adviser (excluding waivers, if any) in the preceding eleven calendar quarters comprising the relevant Trailing Twelve Quarters. The Company will pay the Investment Adviser an incentive fee with respect to our pre- incentive fee net investment income in each calendar quarter as follows: (1) no incentive fee in any calendar quarter in which our pre- incentive fee net investment income for the Trailing Twelve Quarters does not exceed the preferred return amount. (2) 100 % of our pre- incentive fee net investment income for the Trailing Twelve Quarters, if any, that exceeds the preferred return amount but is less than or equal to the catch-up amount, which shall be the sum of (i) the product of 2.1875 % multiplied by the Company's net asset value at the beginning of each applicable Legacy Fee Quarter included in the relevant Trailing Twelve Quarters and (ii) the product of 2.1212 % multiplied by the Company's net asset value at the beginning of each applicable Current Fee Quarter included in the relevant Trailing Twelve Quarters. (3) for any quarter in which the Company's pre- incentive fee net investment income for the Trailing Twelve Quarters exceeds the catch- up amount, the incentive fee shall equal 20.00 % for each Legacy Fee Quarter and 17.50 % otherwise of the amount of the Company's pre- incentive fee net investment income for such Trailing Twelve Quarters, provided, however, that the incentive fee on income for any quarter shall not be greater than 20.00 % or 17.50 %, as applicable, of the amount of the Company's current quarter's pre- incentive fee net investment income. The Incentive Fee on Income as calculated is subject to the Incentive Fee Cap. The Incentive Fee Cap in any quarter is an amount equal to (a) 20.00 % of the Cumulative Pre- Incentive Fee Net Return (as defined below) during the relevant Legacy Fee Quarters included in the relevant Trailing Twelve Quarters and 17.50 % of the Cumulative Pre- Incentive Fee Net Return during the relevant Current Fee Quarters included in the relevant Trailing Twelve Quarters less (b) the aggregate Incentive Fees on Income that were paid to the

Investment Adviser (excluding waivers, if any) in the preceding eleven calendar quarters (or portion thereof) comprising the relevant Trailing Twelve Quarters. (ii) Incentive Fee on Pre- Incentive Fee Net Income- (January 1, 2019- December 31, 2022) For the period from January 1, 2019 to December 31, 2022, the incentive fee on pre- incentive fee net investment income was determined and paid quarterly in arrears by calculating the amount by which (x) the aggregate amount of the pre- incentive fee net investment income with respect of the applicable calendar quarter and each of the eleven preceding calendar quarters beginning with the calendar quarter that commences on or after April 1, 2018 (the “ trailing twelve quarters ”) exceeds (y) the preferred return amount in respect of the trailing twelve quarters. The preferred return amount was determined on a quarterly basis, and was calculated by summing the amounts obtained by multiplying 1.75 % by the Company’ s net asset value at the beginning of each applicable calendar quarter comprising the relevant trailing twelve quarters. The preferred return amount was calculated after making appropriate adjustments to the Company’ s net asset value at the beginning of each applicable calendar quarter for Company capital issuances and distributions during the applicable calendar quarter. The amount of the Incentive Fee on Income that was paid to the Investment Adviser for a particular quarter equaled the excess of the incentive fee on pre- incentive fee net investment income, so calculated less the aggregate incentive fee on pre- incentive fee net investment income that were paid to the Investment Adviser (excluding waivers, if any) in the preceding eleven calendar quarters comprising the relevant trailing twelve quarters. The Company paid the Investment Adviser an incentive fee with respect to our pre- incentive fee net investment income in each calendar quarter as follows: (1) no incentive fee in any calendar quarter in which our pre- incentive fee net investment income for the trailing twelve quarters did not exceed the preferred return amount. (2) 100 % of our pre- incentive fee net investment income for the trailing twelve quarters, if any, that exceeded the preferred return amount but is less than or equal to an amount (the “ catch- up amount ”) determined by multiplying 2.1875 % by the Company’ s net asset value at the beginning of each applicable calendar quarter comprising the relevant trailing twelve quarters. (3) for any quarter in which the Company’ s pre- incentive fee net investment income for the trailing twelve quarters exceeded the catch- up amount, the incentive fee should equal 20 % of the amount of the Company’ s pre- incentive fee net investment income for such trailing twelve quarters. The Incentive Fee on Income as calculated was subject to a cap (the “ Incentive Fee Cap ”). The Incentive Fee Cap in any quarter was an amount equal to (a) 20 % of the Cumulative Pre- Incentive Fee Net Return (as defined below) during the relevant trailing twelve quarters less (b) the aggregate Incentive Fees on Income that were paid to the Investment Adviser (excluding waivers, if any) in the preceding eleven calendar quarters (or portion thereof) comprising the relevant trailing twelve quarters. For this purpose, “ Cumulative Pre- Incentive Fee Net Return ” during the relevant trailing twelve quarters means (x) Pre- Incentive Fee Net Investment Income in respect of the trailing twelve quarters less (y) any Net Capital Loss, since April 1, 2018, in respect of the trailing twelve quarters. If, in any quarter, the Incentive Fee Cap was zero or a negative value, the Company shall pay no Incentive Fee on Income to the Investment Adviser in that quarter. If, in any quarter, the Incentive Fee Cap is a positive value but is less than the Incentive Fee on Income calculated in accordance with the calculation described above, the Company shall pay the Investment Adviser the Incentive Fee Cap for such quarter. If, in any quarter, the Incentive Fee Cap was equal to or greater than the Incentive Fee on Income calculated in accordance with the calculation described above, the Company shall pay the Investment Adviser the Incentive Fee on Income for such quarter. “ Net Capital Loss ” in respect of a particular period means the difference, if positive, between (i) aggregate capital losses, whether realized or unrealized, in such period and (ii) aggregate capital gains, whether realized or unrealized, in such period.

B. Incentive Fee Based on Cumulative Net Realized Gains The Incentive Fee on Capital Gains is determined and payable in arrears as of the end of each calendar year (or upon termination of the investment advisory management agreement). This fee shall equal 17.50 % of the sum of the Company’ s realized capital gains on a cumulative basis, calculated as of the end of each calendar year (or upon termination of investment advisory management agreement), computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any Incentive Fees on Capital Gains previously paid to the Investment Adviser. The aggregate unrealized capital depreciation of the Company shall be calculated as the sum of the differences, if negative, between (a) the valuation of each investment in the Company’ s portfolio as of the applicable calculation date and (b) the accreted or amortized cost basis of such investment. Prior to January 1, 2023, the Incentive Fee on Capital Gains was determined and paid in arrears as of the end of each calendar year (or upon termination of the investment advisory management agreement). This fee equaled 20.0 % of the sum of the Company’ s realized capital gains on a cumulative basis, calculated as of the end of each calendar year (or upon termination of investment advisory management agreement), computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any Incentive Fees on Capital Gains previously paid to the Investment Adviser. The aggregate unrealized capital depreciation of the Company was calculated as the sum of the differences, if negative, between (a) the valuation of each investment in the Company’ s portfolio as of the applicable calculation date and (b) the accreted or amortized cost basis of such investment. For accounting purposes only, we are required under GAAP to accrue a theoretical capital gains incentive fee based upon net realized capital gains and unrealized capital gain and loss on investments held at the end of each period. The accrual of this theoretical capital gains incentive fee assumes all unrealized capital gain and loss is realized in order to reflect a theoretical capital gains incentive fee that would be payable to the Investment Adviser at each measurement date. There was no accrual for theoretical capital gains incentive fee for the **years twelve months ended December 31, 2024 and 2023 and nine months ended December 31, 2022**. It should be noted that a fee so calculated and accrued would not be payable under the Investment Advisers Act of 1940 (the “ Advisers Act ”) or the investment advisory management agreement, and would not be paid based upon such computation of capital gains incentive fees in subsequent periods. Amounts actually paid to the Investment Adviser will be consistent with the Advisers Act and formula reflected in the investment advisory management agreement which specifically excludes consideration of unrealized capital gain. On January 16, 2019, we entered into a fee offset agreement with AIM in connection with revenue realized by AIM and its affiliates for the management of certain aircraft assets. We received an offsetting credit against total incentive fees otherwise due to AIM under the investment advisory management agreement. The amount offset was initially 20 % of the

management fee revenue earned and incentive fee revenue realized by AIM and its affiliates in connection with managing aircraft assets on related insurance balance sheets (“ New Balance Sheet Investments ”), new aircraft managed account capital (“ New Managed Accounts ”) and new dedicated aircraft funds (“ New Aircraft Funds ”). Once the aggregate capital raised by New Aircraft Funds or New Managed Accounts and capital invested by the New Balance Sheet Investments exceeded \$ 3 billion cumulatively, the fee offset would step down to 10 % of the amount of incremental management fee revenue earned and incentive fee revenue realized by AIM and its affiliates. The fee offset was supposed to be in place for seven years, however the incentive fees realized by AIM and its affiliates after this seven- year period from applicable investments that were raised or made within the seven- year period would also be used to offset incentive fees payable to AIM by us. The offset would be limited to the amount of incentive fee payable by the us to AIM and any unapplied fee offset which exceeds the incentive fees payable in a given quarter will carry forward to be credited against the incentive fees payable by us in subsequent quarters. In 2022, we announced our plans to reduce our aviation leasing platform that is operating through Merx. Effective February 21, 2023, as a result of the planned reduction and the pending departure of certain Merx personnel, Merx and Apollo agreed to **an Amended Servicing Agreement and to terminate the fee offset Research Support agreement Agreement , the Technical Support Agreement and the Fee Offset Agreement** in exchange for a termination fee of \$ 7. 5 million . **Under the Amended Servicing Agreement and the subservicing agreement with an affiliate, as part of the February 21, 2023 termination payment, Merx will continue to service certain legacy Apollo aircraft investments during its reduction** . Please see Part II of this Annual Report, Item 8. Consolidated Financial Statements and Supplementary Data for subsequent events relating to the Company's fee offset agreement with AIM. Payment of Our Expenses All investment professionals of the 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 AIM. We bear all other costs and expenses of our operations and transactions, including those relating to: calculation of our net asset value (including the cost and expenses of any independent valuation firm); expenses incurred by AIM payable to third parties, including agents, consultants or other advisers, in monitoring our financial and legal affairs and in monitoring our investments and performing due diligence on our prospective portfolio companies; interest payable on debt, if any, incurred to finance our investments; offerings of our common stock and other securities; investment advisory and management fees; fees payable to third parties, including agents, consultants or other advisers, relating to, or associated with, evaluating and making investments; transfer agent and custodial fees; registration fees; listing fees; taxes; independent directors' fees and expenses; costs of preparing and filing reports or other documents of the SEC; the costs of any reports, proxy statements or other notices to stockholders, including printing costs; our allocable portion of the fidelity bond, directors' and officers' errors and omissions liability insurance, and any other insurance premiums; direct costs and expenses of administration, including auditor and legal costs; and all other expenses incurred by us or Apollo Administration in connection with administering our business, such as our allocable portion of overhead under the administration agreement, including rent and our allocable portion of the cost of our Chief Financial Officer, Chief Legal Officer and Chief Compliance Officer and their respective staffs. Duration and Termination The continuation of our investment advisory management agreement was approved by our Board ~~of Directors~~ on May 2-7, 2023 **2024** . Unless terminated earlier as described below, it will remain in effect from year to year if approved annually by our Board ~~of Directors~~ or by the affirmative vote of the holders of a majority of our outstanding voting securities, including, in either case, approval by a majority of our directors who are not “ interested persons ” as defined in the 1940 Act. The investment advisory management agreement will automatically terminate in the event of its assignment. Either party may terminate the investment advisory management agreement without penalty upon not more than 60 days' written notice to the other party. See “ Risk Factors- Risks Relating to our Business and Structure. ” Indemnification The investment advisory management agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or reckless disregard of its duties and obligations, AIM 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 AIM' s services under the investment advisory management agreement or otherwise as an investment adviser of the Company. Administrative Agreement Pursuant to a separate administration agreement, AIA furnishes us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities. Under the administration agreement, AIA 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 and reports filed with the SEC. In addition, AIA 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 AIA' s overhead in performing its obligations under the administration agreement, including rent and our allocable portion of the cost of our Chief Financial Officer, Chief Legal Officer and Chief Compliance Officer and their respective staffs. Under the administration agreement, AIA also provides on our behalf managerial assistance to those portfolio companies to which we are required to provide such assistance. Either party may terminate the administration agreement without penalty upon 60 days' written notice to the other party. At the fiscal year ~~years~~ ended December 31, **2024, 2023, and** at the nine months ended December 31, 2022, ~~and at the fiscal year ended March 31, 2022,~~ expenses incurred (net of reimbursements) under the administration agreement were **\$ 4. 1 million, \$ 5. 6 million , and \$ 4 million and \$ 5. 5 million**, respectively. For administrative expenses incurred during the most recently completed fiscal quarter, please see “ Management' s Discussion and Analysis of Financial Condition and Results of Operations- Results of Operations; Expenses. ” The administration agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or reckless disregard of its duties and obligations, AIA and its officers,

managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of AIA's services under the administration agreement or otherwise as administrator for us.

License Agreement We have entered into a license agreement with AGM pursuant to which AGM has agreed to grant us a non-exclusive, royalty-free license to use the name "Apollo." Under this agreement, we have the right to use the "Apollo" name, for so long as AIM or one of its affiliates remains our Investment Adviser. Other than with respect to this limited license, we will have no legal right to the "Apollo" name. This license agreement will remain in effect for so long as the investment advisory management agreement with our Investment Adviser is in effect. On August 2, 2022, we entered into a license agreement with AGM pursuant to which AGM agreed to grant us a non-exclusive, non-transferable royalty-free license to use the name "MidCap Financial" (the "Licensed Mark"). Under this agreement, we have the right to use the "MidCap Financial" name, for so long as AIM or one of its affiliates remains our Investment Adviser. AGM has the right to use and license the "Licensed Mark" for use in connection with financial services pursuant to the Investment Management Agreement among MidCap FinCo Holdings Limited, MidCap FinCo Limited (now known as MidCap FinCo Designated Activity Company) (collectively with MidCap FinCo Holdings Limited, "MidCap"), and Apollo Capital Management, L.P. MidCap is a wholly-owned subsidiary of AGM. Other than with respect to this limited license, we will have no legal right to the "MidCap" name. This license agreement will remain in effect for so long as the investment advisory management agreement with our Investment Adviser is in effect.

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 under the Securities Exchange Act of 1934 (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 must prepare a report regarding its assessment of our internal control over financial reporting.
- 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 or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to material weaknesses. The Sarbanes-Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated thereunder. We will continue to monitor our compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we are in compliance therewith.

Available Information We file with or submit to the SEC annual, quarterly and current periodic reports, proxy statements, codes of ethics and other information meeting the informational requirements of the 1934 Act. The SEC maintains [a website](#) ~~an Internet site~~ that contains reports, proxy and information statements, and other information filed electronically by us with the SEC which are available on the SEC's [website](#) ~~Internet site~~ at <http://www.sec.gov>. In addition, information specifically regarding how we voted proxies relating to portfolio securities for the fiscal year ended December 31, ~~2023~~ **2024** is available without charge, upon request, by calling 212-515-3450. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov. Our [website](#) ~~Internet address~~ is www.midcapfinancial.com. We make available free of charge on our website our annual reports 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 practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on our website is not incorporated by reference into this Annual Report, and you should not consider information contained on our website to be part of this Annual Report.

Item 1A. Risk Factors Investing in the Company involves a number of significant risks relating to the current environment, our business and structure, our investments, issuance of our preferred stock, and an investment in our common stock. As a result, there can be no assurance that we will achieve our investment objective. You should carefully consider the risks described below, together with all of the other information included in this report, before you decide whether to invest in the Company. The risks set forth below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may have a material adverse effect on our business, financial condition and / or operating results.

Risks Relating to the Current Environment ~~Environment~~ **Capital markets may experience periods of disruption and instability. Such market conditions may materially and adversely affect the debt and equity capital markets in the United States and abroad, which may have a negative impact on our business and operations.** From time to time, capital markets may experience periods of disruption and instability. Such disruptions may result in, amongst other things, write-offs, the re-pricing of credit risk, the failure of financial institutions or worsening general economic conditions, any of which could materially and adversely impact the broader financial and credit markets and reduce the availability of debt and equity capital for the market as a whole and financial services firms in particular. There can be no assurance these market conditions will not occur or worsen in the future, including **economic and political events in or affecting the world's major economies, such as the ongoing war between Russia and Ukraine and conflicts in the Middle East. Sanctions imposed by the U. S. and other countries in connection with hostilities between Russia and Ukraine and the tensions between China and Taiwan have caused additional financial market volatility and affected the global economy. Concerns over future increases in inflation, economic recession, as well as interest rate volatility and fluctuations in oil and gas prices resulting from global production and demand levels, as well as geopolitical tension, have exacerbated market volatility. Market uncertainty and volatility have also been magnified as a result of the Russia-Ukraine war** ~~2024 U. S. presidential and more recently congressional elections and resulting uncertainties regarding actual and potential shifts in U. S. and foreign, trade, economic and the other policies~~ **Israel-Hamas war, including with respect to health epidemics and pandemics, rising interest rates** ~~treaties and tariffs, or renewed inflationary pressure~~. Volatility and dislocation in the capital markets can also

create a challenging environment in which to raise or access debt capital. Such conditions could make it difficult to extend the maturity of or refinance our existing indebtedness or obtain new indebtedness with similar terms and any failure to do so could have a material adverse effect on our business. The debt capital that we have raised over the last year has been at higher rates than we have raised debt at in the past due to the higher interest rate environment we have been experiencing. The debt capital that will be available to us in the future, if at all, may continue to be at a higher cost, including as a result of the current interest rate environment, and on less favorable terms and conditions than what we have historically experienced. If we are unable to raise or refinance 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 new commitments or to fund existing commitments to our portfolio companies. Significant disruption or volatility in the capital markets may also have a negative effect on the valuations of our investments. While most of our investments are not publicly traded, applicable accounting standards require us to assume as part of our valuation process that our investments are sold in a principal market to market participants (even if we plan on holding an investment through its maturity). Significant disruption or volatility in the capital markets may also affect the pace of our investment activity and the potential for liquidity events involving our investments. Thus, the illiquidity of our investments may make it difficult for us to sell such investments to access capital if required, and as a result, we could realize significantly less than the value at which we have recorded our investments if we were required to sell them for liquidity purposes. An inability to raise or access capital could have a material adverse effect on our business, financial condition or results of operations. AIM monitors developments and seeks to manage our investments in a manner consistent with achieving our investment objective, but there can be no assurance that it will be successful in doing so; and AIM may not timely anticipate or manage existing, new or additional risks, contingencies or developments, including regulatory developments in the current or future market environment.

Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of our confidential information, a misappropriation of funds, and / or damage to our business relationships, all of which could negatively impact our financial results. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The risk of a security breach or disruption, particularly through cyber- attacks or cyber intrusions, including by computer hackers, nation- state affiliated actors, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased, and will likely continue to increase in the future. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer “ hackers, ” threat actors, “ hacktivists, ” organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation- state- supported actors. Some actors now engage and are expected to continue to engage in cyber- attacks, including, without limitation, nation- state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we and the third- party service providers upon which we rely may be vulnerable to a heightened risk of these attacks, including retaliatory cyberattacks. The result of these incidents could include disrupted operations, misstated or unreliable financial data, disrupted market price of our common stock, misappropriation of assets, liability for stolen assets or information, increased cybersecurity protection and insurance costs, regulatory enforcement, litigation and damage to our investor relationships. These risks require continuous and likely increasing attention and other resources from us, AGM and third- party service providers to, among other actions, identify and quantify these risks, upgrade and expand our technologies, systems and processes to adequately address them and provide periodic training for the Adviser' s employees to assist them in detecting phishing, malware and other schemes. Such attention diverts time and other resources from other activities and there is no assurance that such efforts will be effective. Additionally, the cost of maintaining such systems and processes, procedures and internal controls may increase from its current level. In the normal course of business, we and our third- party service providers collect and retain certain personal information provided by borrowers, employees and vendors. We also rely extensively on computer systems to process transactions and manage our business. We can provide no assurance that the data security measures designed to protect confidential information on our systems established by us and our service providers will be able to prevent unauthorized access to this personal information. Even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed not be detected and, in fact, may not be detected. Accordingly, we and our service providers may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us and our service providers to entirely mitigate this risk. Remote work has become more common among the employees and personnel of the Investment Adviser, AGM and other third- party service providers and has increased risks to the information technology systems and confidential, proprietary, and sensitive data of the Investment Adviser, AGM and other third- party service providers as more of those employees utilize network connections, computers, and devices outside of the employer' s premises or network, including working at home, while in transit, and in public locations. Those employees working remotely could expose the Investment Adviser, AGM and other third- party service providers to additional cybersecurity risks and vulnerabilities as their systems could be negatively affected by vulnerabilities present in external systems and technologies outside of their control. Our business depends on the communications and information systems of AGM and other third- party service providers. Such systems may fail to operate properly or become disabled as a result of cyber incidents. Any failure or interruption of the systems of AGM or any other counterparties that we rely on could cause delays or other problems and could have a material adverse effect on our operating results. None of us, the Investment Adviser or AGM have experienced any material breach of cybersecurity. However, we can provide no assurance that the networks and systems that we, the Investment Adviser, AGM or our third- party service providers have established or use will be effective. As our reliance on technology has

increased, so have the risks posed to our communications and information systems, both internal and those provided by the Investment Adviser, AGM and third- party service providers. AGM' s processes, procedures and internal controls that are designed to mitigate cybersecurity risks and cyber intrusions do not guarantee that a cyber incident will not occur or that our financial results, operations or confidential information will not be negatively impacted by such an incident. Despite the security policies and procedures, AGM has implemented that were designed to safeguard our systems and confidential, proprietary, and sensitive data and to manage cybersecurity risk, there can be no assurance that these measures will be effective. AGM takes steps to monitor and develop our information technology networks and infrastructure and invest in the development and enhancement of our controls designed to prevent, detect, respond to, and mitigate the risk of unauthorized access, misuse, computer viruses, and other events that could have a security impact. Even if we are not targeted directly, cyberattacks on the U. S. and foreign governments, financial markets, financial institutions, or other businesses, including borrowers, vendors, software creators, cybersecurity service providers, and other third parties with whom we do business and rely, may occur, and such events could disrupt our normal business operations and networks in the future. **We are 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 **ability to make investments, the value of our common stock investments and our ability to realize gains from the disposition of investments and, accordingly, have a material adverse effect on our investment objectives** and our rate of return on invested capital. On one hand, a reduction in the interest rates on new investments relative to interest rates on current investments could have an adverse impact on our net investment income, which also could be negatively impacted by our borrowers making prepayments on their loans. On the other hand, an increase in interest rates could increase the interest repayment obligations of our borrowers and result in challenges to their financial performance and ability to repay their obligations, adversely affecting the credit quality of our investments. **In addition, an increase in interest rates would make it more expensive to use debt for our financing needs.** An increase in interest rates could also decrease the value of any investments we hold that earn fixed interest rates, including subordinated loans, senior and junior secured and unsecured debt securities and loans and high yield bonds, and also could increase our interest expense, thereby decreasing our net income. Moreover, an increase in interest rates available to investors could make investment in our common stock less attractive if we are not able to increase our dividend rate, which could reduce the value of our common stock. Federal Reserve policy, including with respect to certain interest rates and the decision to end its quantitative easing policy, may also adversely affect the value, volatility and liquidity of dividend- and interest- paying securities. From time to time, we may also enter into certain hedging transactions to mitigate our exposure to changes in interest rates. In the past, we have entered into certain hedging transactions, such as interest rate swap agreements, to mitigate our exposure to adverse fluctuations in interest rates, and we may do so again in the future. However, we cannot assure you that such transactions will be successful in mitigating our exposure to interest rate risk. There can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. The majority of our debt investments are based on **fixed and floating rates, such as Euro Interbank Offer Rate (“ EURIBOR ”), Term Secured Overnight Financing Rate (“ SOFR ”), the Federal Funds Rate or the Prime Rate.** Market prices tend to fluctuate more for fixed- rate securities that have longer maturities. Although we have no policy governing the maturities of our investments, under current market conditions we expect that we will invest in a portfolio of debt generally having maturities of up to 10 years. Market prices for debt that pays a fixed rate of return tend to decline as interest rates rise. This means that we are subject to greater risk (other things being equal) than a fund invested solely in shorter- term, fixed- rate securities. Market prices for floating rate investments may also fluctuate in rising rate environments with prices tending to decline when credit spreads widen. A decline in the prices of the debt we own could adversely affect our net assets resulting from operations and the market price of our common stock. Rising interest rates may also increase the cost of debt for our underlying portfolio companies, which could adversely impact their financial performance and ability to meet ongoing obligations to us. Also, an increase in interest rates available to investors could make an investment in our common stock less attractive if we are not able to pay dividends at a level that provides a similar return, which could reduce the value of our common stock. **Certain Inflation and supply chain risks have had and may continue to have an adverse impact on our business, results of operations and financial condition** of our portfolio companies . **Globally, inflation and rapid fluctuations in inflation rates have in the past had negative effects on economies and financial markets, particularly in emerging economies, and may do so in the future. Wages and prices of inputs increase during periods of inflation which can negatively impact returns on our investments. In an attempt to stabilize inflation, governments may impose wage and price controls, or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on levels of economic activity. Economic and trade sanctions could make it more difficult or costly for us to conduct our operations or achieve our business objectives. Economic and trade sanctions laws in the United States and other jurisdictions may prohibit us from transacting with or in certain countries and with certain individuals, companies and industry sectors. In the United States, the U. S. Department of the Treasury’ s Office of Foreign Assets Control (“ OFAC ”), administers and enforces laws, Executive Orders and regulations establishing U. S. sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. In addition, certain sanctions programs prohibit dealing with individuals or entities in certain countries, or certain securities and certain industry sectors regardless of whether relevant individuals or entities appear on the lists maintained by OFAC, which may make it more difficult for us to comply with applicable sanctions. These types of sanctions may significantly restrict or limit our investment activities in certain countries (in particular, certain emerging market countries). We may from time to time be subject to trade sanctions laws and regulations of other jurisdictions, which may be inconsistent with or even seek to prohibit compliance with certain sanctions programs administered by**

OFAC. The legal uncertainties arising from those conflicts may make it more difficult or costly for us to navigate investment activities that are subject to sanctions administered in industries that have been impacted by OFAC inflation. Although the U. S. inflation rate has decreased in the fourth quarter, it remains well above the historic levels over the past several decades. Such inflationary pressures have increased the costs of labor, energy and raw materials and have adversely affected consumer spending, economic growth and our **or the laws and regulations of other jurisdictions. Some jurisdictions where the Company or its portfolio companies do business from time to time have adopted measures prohibiting compliance with certain U. S. sanctions programs, which may make compliance with all applicable sanctions impossible. At the same time, the Company may be obligated to comply with certain anti- boycott laws and regulations that prevent us from engaging in certain discriminatory practices that may be allowed or required in certain jurisdictions. the Company's operations. If its refusal to discriminate in this manner could make it more difficult for us to pursue certain investments and engage in certain business activities, and any compliance with such practices could subject us to fines, penalties, and adverse legal and reputational consequences. The ongoing armed conflicts as a result of the Russian invasion of Ukraine and the conflict in the Middle East may have a material adverse impact on us and our portfolio companies . The Russian invasion of Ukraine and the conflict in the Middle East have led, are currently leading** unable to pass any increases in their costs of operations along to their customers, it could adversely affect their operating results and impact their ability to pay interest and principal on our loans, particularly if interest rates rise in response to inflation. In addition, any projected future decreases in our portfolio companies' operating results due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of our investments could result in future realized or **for** unrealized losses and therefore reduce our net assets resulting from operations. Additionally, the Federal Reserve has raised certain benchmark interest rates in an **unknown period** effort to combat inflation. See "Item 1A. Risk Factors — Risks Relating to the Current Environment — We are exposed to risks associated with changes in interest rates, including the current rising interest rate environment." On February 24, 2022, Russian President Vladimir Putin commenced a full- scale invasion of Russia's pre- positioned forces into Ukraine **time may continue to lead to disruptions in local, regional, national, and global markets and economies affected thereby and** could 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 . **The Russian invasion of Ukraine and the war between Israel and Hamas in the Middle East have led, are currently leading, and for an unknown period of time may continue to lead to disruptions in local, regional, national, and global markets and economies affected thereby.** Furthermore, the aforementioned conflicts and the varying involvement of the United States and other NATO countries could preclude prediction as to their ultimate adverse 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 such conflict zones, they may have adverse consequences related to the ongoing conflict. **Price declines and illiquidity in the corporate debt markets have adversely affected, and may in the future adversely affect, the fair value of our portfolio investments, reducing our net asset value through increased net unrealized depreciation.** As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by the Investment ~~Advisor~~ **Advisor** and under the direction of our Board. Decreases in the market values or fair values of our investments are recorded as unrealized depreciation, which reduces our net asset value. Depending on market conditions, we could incur substantial realized losses and may suffer additional unrealized losses in future periods, which could have a material adverse impact on our business, financial condition and results of operations. The current state of economy and volatility in the global financial markets could have a material adverse effect on our business, financial condition and results of operations. The U. S. and global capital markets experienced extreme volatility and disruption in recent years, leading to periods of recessionary conditions and depressed levels of consumer and commercial spending. For instance, monetary policies of the Federal Reserve and political uncertainty resulting from recent events, including changes to U. S. trade policies, the impact of the end of the transition period following United Kingdom's exit from the European Union in January 2020 ("Brexit"), the provisional application of the EU- UK Trade and Cooperation Agreement and ongoing conflicts between Russia and Ukraine and **Israel and Hamas in the Middle East** and related responses, has led to, from time to time, disruption and instability in the global markets. Disruptions in the capital markets increased the spread between the yields realized on risk- free and higher risk securities, resulting in illiquidity in parts of the capital markets. We cannot assure you that these conditions will not worsen. If conditions worsen, a prolonged period of market illiquidity could have a material adverse effect on our business, financial condition and results of operations. Unfavorable economic conditions also could 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 could limit our investment originations, limit our ability to grow and negatively impact our operating results. The occurrence of any of these above event (s) could have a significant adverse impact on the value and risk profile of the Company's portfolio. The Company does not know how long the securities markets may be affected by similar events and cannot predict the effects of similar events in the future on the U. S. economy and securities markets. Non- investment grade and equity securities tend to be more volatile than investment- grade fixed income securities; therefore, these events and other market disruptions may have a greater impact on the prices and volatility of non- investment grade and equity securities than on investment- grade fixed income securities. There can be no assurances that similar events and other market disruptions will not have other material and adverse implications. Should the U. S economy be adversely impacted by increased volatility in the global financial markets caused by continued contagion from the Eurozone crisis, further turbulence in Chinese stock markets and global commodity markets, Brexit, the war in Ukraine and Russia, health epidemics and pandemics or for any other reason, loan and asset growth and liquidity conditions at U. S. financial institutions, including us, may deteriorate. **Uncertainty with respect to the financial stability of the United States and several countries in the EU**

could have a significant adverse effect on our business, financial condition, and results of operations. Due to federal budget deficit concerns, S & P downgraded the federal government's credit rating from AAA to AA for the first time in history on August 5, 2011. Further, in 2023, Fitch downgraded the federal government's credit rating from AAA to AA. Further downgrades or warnings by S & P, Moody's or other rating agencies, and the government's credit and deficit concerns in general, could cause interest rates and borrowing costs to rise, which may negatively impact both the perception of credit risk associated with our debt portfolio and our ability to access the debt markets on favorable terms. In addition, a decreased credit rating could create broader financial turmoil and uncertainty, which may weigh heavily on our financial performance and the value of our common stock. Also, to the extent uncertainty regarding any economic recovery in Europe and Brexit continue to negatively impact consumer confidence and consumer credit factors, our business and results of operations could be significantly and adversely affected. After raising the target range for the federal funds rate in 2017 and 2018, the Federal Reserve lowered the target rate three times in 2019 and two times in 2020. Following recent heightened inflation, the Federal Reserve raised the target rate four times in 2023, raising the fed funds rate by about three percentage points in a six month period. **In However, in 2024, it is possible that interest rates began to decline, with the first Federal Reserve will raise the interest rates- rate reduction in September 2024 and further reductions in November 2024 and December 2024.** Further changes in key economic indicators, such as the unemployment rate or inflation, could lead to additional changes to the target range for the federal funds rate that may cause instability or may negatively impact our ability to access the debt markets on favorable terms. **The election As a result of the 2022- a new U. S. election- president for a term that commenced in 2025, the Democratic- coupled with a consolidation of Party party currently controls- control the executive branch of both chambers government and the Senate, while the Republican Party controls the House of Representatives. The divided U. S.- Congress makes passage of, has led to new legislative and that could significantly affect the regulation- regulatory initiatives and of U. S. financial markets less likely. Despite the reduced likelihood roll- back of congressional action with respect to financial services- certain initiatives of the previous presidential administration, which may impact our business and our clients' businesses in unpredictable ways. areas- Areas** subject to potential change or amendment include the Wall Street Reform and Consumer Protection Act, or the Dodd- Frank Act, and the authority of the Federal Reserve and the Financial Stability Oversight Council. Additionally, under the **narrowly** divided control of the Congress, the likelihood of a failure to increase the debt ceiling and a default by the federal government is increased. The ~~United States- U. S.~~ **U. S.** may also **increase tariffs and** potentially withdraw from, renegotiate or enter into various trade agreements and take other actions that would change current trade policies of the ~~United States- U. S.~~ **U. S.** We cannot predict which, if any, of these actions will be taken or, if taken, their effect on the financial stability of the ~~United States- U. S.~~ **U. S.** Such actions could have a significant adverse effect on our business, financial condition and results of operations. We may form one or more CLOs, which may subject us to certain structured financing risks. To finance investments, we have and may continue to securitize certain of our investments, including through the formation of one or more CLOs, while retaining all or most of the exposure to the performance of these investments. This involves contributing a pool of assets to a special purpose entity, and selling debt interests in such entity on a non- recourse or limited- recourse basis to purchasers and retaining a debt and / or equity interest in the special purpose entity. Any interest in any such CLO held by us will be considered a " non- qualifying asset " for purposes of Section 55 of the 1940 Act. If we create a CLO, we will depend in part on distributions from the CLO's assets out of its earnings and cash flows to enable us to make distributions to our stockholders. The ability of a CLO to make distributions or pay dividends will be subject to various limitations, including the terms and covenants of the debt it issues. For example, tests based on interest coverage or other financial ratios or other criteria may restrict the CLO's ability to pay us as holder of a CLO's debt and / or equity interests. There is no assurance any such performance tests will be satisfied. Also, a CLO may take actions that delay distributions in order to preserve ratings and to keep the cost of present and future financings lower or the CLO may be obligated to retain cash or other assets to satisfy over- collateralization requirements commonly provided for holders of the CLO's debt. As a result, there may be a lag, which could be significant, between the repayment or other realization on a loan or other assets in, and the distribution of cash out of, a CLO, or cash flow may be completely restricted for the life of the CLO. If we do not receive cash flow from any such CLO that is necessary to satisfy the annual distribution requirement for maintaining our RIC status, and we are unable to obtain cash from other sources necessary to satisfy this requirement, we could fail to maintain our qualification as a RIC, which would have a material adverse effect on our financial performance. In addition, a decline in the credit quality of loans in a CLO due to poor operating results of the relevant borrower, declines in the value of loan collateral or increases in defaults, among other things, may force a CLO to sell certain assets at a loss, reducing their earnings and, in turn, cash potentially available for distribution to us for distribution to our stockholders. To the extent that any losses are incurred by the CLO in respect of any collateral, such losses will be borne first by us as owner of equity interests. Finally, any equity interests that we retain in a CLO will not be secured by the assets of the CLO and we will rank behind all creditors of the CLO. On November 2, 2023, the Company completed a \$ 402, 360 term debt securitization (the " Bethesda CLO 1 "), a form of secured financing incurred by MFIC Bethesda CLO 1 LLC (the " Bethesda CLO 1 Issuer "), an indirect wholly owned, consolidated subsidiary of the Company. The notes offered by **the Bethesda CLO 1** Issuer in connection with ~~the Bethesda CLO 1~~ consisted of \$ 232, 000 of AAA (sf) Class A- 1 Senior Secured Floating Rate Notes due 2035, which bear interest at the three- month SOFR plus 2. 40 %, \$ 16, 000 of AAA (sf) Class A- 2 Senior Secured Floating Rate Notes due 2035, which bear interest at three- month SOFR plus 2. 90 % and \$ 154, 360 of Subordinated notes due 2135, which do not bear interest. **On February 24, 2025, the Company completed a \$ 529, 600 term debt securitization (the " Bethesda CLO 2 " and, together with Bethesda CLO 1, the" CLO Transactions"), a form of secured financing incurred by MFIC Bethesda CLO 2 LLC (the " Bethesda CLO 2 Issuer " and, together with Bethesda CLO 1 Issuer, the" CLO Issuers"), an indirect wholly owned, consolidated subsidiary of the Company. The notes offered by Bethesda CLO 2 Issuer in connection with Bethesda CLO 2 consist of \$ 304, 500 of AAA (sf) Class A- 1 Senior Secured Floating Rate Notes due 2037, which bear interest at the three- month**

SOFR plus 1.48%, \$21,000 of AAA (sf) Class A-2 Senior Secured Floating Rate Notes due 2037, which bear interest at three-month SOFR plus 1.70%, \$31,500 of AA (sf) Class B Senior Secured Floating Rate Notes due 2037, which bear interest at three-month SOFR plus 1.85%, \$42,000 of A (sf) Class C Senior Secured Floating Rate Notes due 2037, which bear interest at three-month SOFR plus 2.30%, \$31,500 of BBB- (sf) Class D Senior Secured Floating Rate Notes due 2037, which bear interest at three-month SOFR plus 3.75% and \$99,100 of Subordinated notes due 2125, which do not bear interest.

For a more detailed discussion of Bethesda CLO 1-2, see **Note 14 Subsequent Events** “Item 7- Management’s Discussion and Analysis of Financial Condition and Results of Operations — Recent Developments” in this Annual Report. Changes in interest rates may adversely affect the value of our portfolio investments which could have an adverse effect on our business, financial condition and results of operations. Our debt investments may be based on floating rates, such as SOFR, the Euro Interbank Offered Rate (“EURIBOR”), the federal funds rate or the prime rate. General interest rate fluctuations may have a substantial negative impact on our investments, the value of our common stock and our rate of return on invested capital. Most of the debt instruments we invest in are unrated or rated below investment grade, which is often an indication of size, credit worthiness and speculative nature relative to the capacity of the borrower to pay interest and principal. These securities, which are often referred to as “junk” or “high yield,” have predominantly speculative characteristics with respect to the issuer’s capacity to pay interest and repay principal. These securities are especially sensitive to adverse changes in general economic conditions 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. A reduction in the interest rates on new investments relative to interest rates on current investments could also have an adverse impact on our net interest income. An increase in interest rates could decrease the value of any investments we hold which earn fixed interest rates, including subordinated loans, senior and junior secured and unsecured debt securities and loans, and also could increase our interest expense, thereby decreasing our net income. Also, an increase in interest rates available to investors could make investment in our common stock less attractive if we are not able to increase our dividend rate, which could reduce the value of our common stock. Because we have borrowed money, and may issue preferred stock to finance investments, our net investment income depends, in part, upon the difference between the rate at which we borrow funds or pay distributions on preferred stock and the rate that our investments yield. 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. Declining interest rates also can adversely affect our overall performance, because we may be forced to re-deploy principal and interest payments from existing investments into lower-yielding investments. This “reinvestment risk” can be exacerbated to the extent borrowers can prepay their loans without significant penalties, particularly because such prepayments tend to increase as interest rates decline. You should also be aware that a change in the general level of interest rates can be expected to lead to a change in the interest rate we receive on many of our debt investments. Accordingly, a change in the interest rate could make it easier for us to meet or exceed the performance threshold and may result in a substantial increase in the amount of incentive fees payable to our Investment Adviser with respect to the portion of the incentive fee based on income.

~~Most U. S. dollar 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 SOFR. As of December 31, 2023, all of our loan agreements with portfolio companies as well as our credit facilities and interest rate swap agreements 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.~~ If MFIC can no longer claim exemption from being deemed a “commodity pool operator” pursuant to Commodity Futures Trading Commission (the “CFTC”) rules, MFIC and AIM could be subject to additional regulatory requirements. In December 2019, the CFTC amended certain rules to require BDCs that trade “commodity interests” (as defined under CFTC rules) to a de minimis extent to file an electronic notice of exclusion to not be deemed a “commodity pool operator” pursuant to CFTC regulations. This exclusion allows BDCs that trade commodity interests to forgo regulation under the CEA and the CFTC. AIM has claimed this exclusion which relieves AIM from registering with the CFTC as the commodity pool operator (“CPO”) of MFIC, provided that MFIC (i) continues to be regulated by the SEC as a BDC, (ii) allocates no more than a designated percentage of its liquidation value to futures contracts, certain swap contracts and certain other derivative instruments that are within the jurisdiction of the Commodity Exchange Act (collectively, “CEA-regulated products”), and (iii) is not marketed to the public as a commodity pool or as a vehicle for trading in CEA-regulated products. If MFIC is unable to claim this exclusion, or fails to do so in the future, with respect to us, AIM would become subject to registration and regulation as a commodity pool operator under the CEA. This additional regulation would subject AIM and MFIC to additional registration and regulatory requirements, along with increasing operating expenses which could have a material adverse effect on our business, results of operations or financial condition. **The continued uncertainty relating to the U. S. and global economy could have a negative impact on our business.** The Company’s business is directly influenced by the economic cycle, and has been and could further be negatively impacted by a downturn in economic activity in the U. S. as well as globally. Fiscal and monetary actions taken by U. S. and non- U. S. government and regulatory authorities could have a material adverse impact on our business. To the extent uncertainty regarding the U. S. or global economy negatively impacts consumer confidence and consumer credit factors, our business, financial condition and results of operations could be adversely affected. Moreover, Federal Reserve policy, including with respect to certain interest rates and the decision to end its quantitative easing policy, may also adversely affect the value, volatility and liquidity of dividend and interest paying securities. Market volatility, rising interest rates and / or a return to unfavorable economic conditions could adversely affect our business. **Changes to U. S. federal income tax laws could materially and adversely affect us and our stockholders.** The present U. S. federal income tax laws may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time, which

could affect the U. S. federal income tax treatment of us or an investment in our shares. For example, the Tax Cuts and Jobs Act enacted in 2017 made substantial changes to the Code. Among those changes are a significant permanent reduction in the generally applicable corporate tax rate, changes in the taxation of individuals and other non- corporate taxpayers that generally but not universally reduce their taxes on a temporary basis subject to ‘ ‘ sunset’ ’ provisions, the elimination or modification of various previously allowed deductions (including substantial limitations on the deductibility of interest and, in the case of individuals, the deduction for personal state and local taxes), certain preferential rates of taxation on certain dividends and certain business income derived by non- corporate taxpayers in comparison to other ordinary income recognized by such taxpayers, and significant changes to the international tax rules. On August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022, which includes numerous provisions that impact corporations, including the implementation of a corporate alternative minimum tax and a 1 % excise tax on certain stock repurchases and economically similar transactions. However, RICs are excluded from the definition of an " applicable corporation" and therefore are not subject to the corporate alternative minimum tax. Additionally, stock repurchases by RICs are specifically exempted from the 1 % excise tax -

~~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.~~ We are subject to risks associated with artificial intelligence, including the application of various forms of artificial intelligence such as machine learning technology. Recent technological advances in artificial intelligence, including machine learning technology (“ Machine Learning Technology ”), pose risks to us and our portfolio companies. We and our portfolio companies could be exposed to the risks of Machine Learning Technology if third- party service providers or any counterparties use Machine Learning Technology in their business activities. We and the Investment Adviser are not in a position to control the use of Machine Learning Technology in third- party products or services. Use of Machine Learning Technology could include the input of confidential information in contravention of applicable policies, contractual or other obligations or restrictions, resulting in such confidential information becoming partly accessible by other third- party Machine Learning Technology applications and users. Machine Learning Technology and its applications continue to develop rapidly, and we cannot predict the risks that may arise from such developments. Machine Learning Technology is generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that Machine Learning Technology utilizes to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of Machine Learning Technology. To the extent we or our portfolio companies are exposed to the risks of Machine Learning Technology use, any such inaccuracies or errors could adversely impact us or our portfolio companies. Certain of our portfolio companies’ businesses could be adversely affected by the effects of health pandemics or epidemics, which could have a negative impact on our and our portfolio companies’ businesses and operations. Certain of our portfolio companies’ businesses could be adversely affected by the effects of health pandemics or epidemics. Another severe health pandemic or epidemic can disrupt our and our portfolio companies’ businesses and materially and adversely impact our and / or their financial results. We and / or our portfolio companies may be materially and adversely impacted by global climate change. Climate change is widely considered to be a significant threat to the global economy. Our business operations and our portfolio companies may face risks associated with climate change, including risks related to the impact of climate- related legislation and regulation (both domestically and internationally), risks related to climate- related business trends (such as the process of transitioning to a lower- carbon economy), and risks stemming from the physical impacts of climate change, such as the increasing frequency or severity of extreme weather events and rising sea levels and temperatures. **Risks Relating to our Business and Structure We may suffer credit losses.** Investment in small and middle- market companies is highly speculative and involves a high degree of risk of credit loss. These risks are likely to increase during volatile economic periods, as the U. S. and many other economies have experienced. See “ Risks Relating to our Investments. ” **We are dependent upon Apollo Investment Management’ s key personnel for our future success and upon their access to AGM’ s investment professionals and partners.** We depend on the diligence, skill and network of business contacts of the senior management of AIM specifically and AGM generally. Members of our senior management may depart at any time. We also depend, to a significant extent, on AIM’ s access to the investment professionals and partners of AGM and the information and deal flow generated by the AGM investment professionals in the course of their investment and portfolio management activities. The senior management of AIM evaluates, negotiates, structures, closes and monitors our investments. Our future success depends on the continued service of senior members of AGM’ s credit platform, including the senior management team of AIM. The departure of our senior management, any senior managers of AIM, or of a significant number of the investment professionals or partners of AGM, could have a material adverse effect on our ability to achieve our investment objective. In addition, we can offer no assurance that AIM will remain our Investment Adviser or that we will continue to have access to AGM’ s partners and investment professionals or its information and deal flow. Our **financial condition and results of operations depend on our ability to manage future growth effectively. Our** ability to achieve our investment objective depends, in part, on our ability to grow, which depends, in turn, on AIM’ s ability to identify, invest in and monitor companies that meet our investment criteria. Accomplishing this result on a cost- effective basis is largely a function of AIM’ s structuring of the investment process, its ability to provide competent, attentive and efficient services to us and our access to financing on acceptable terms. The senior management team of AIM has substantial responsibilities under the investment advisory management agreement, and with respect to certain members, in connection with their roles as officers of other AGM funds. They may also be called upon to provide managerial assistance to our portfolio companies. These demands on their time may distract them or slow the rate of investment. In order to grow, we and AIM may need to hire, train, supervise and manage new employees. Any failure to manage our future growth effectively could have a material adverse effect on our business, financial

condition and results of operations. **We operate in a highly competitive market for investment opportunities.** A number of entities compete with us to make the types of investments that we make. We compete with public and private funds, commercial and investment banks, commercial financing companies, other BDCs and, to the extent they provide an alternative form of financing, private equity funds. Competition for investment opportunities intensifies from time to time and may intensify further in the future. Some of our existing and potential competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a lower cost of funds and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions and valuation requirements that the 1940 Act imposes on us as a BDC and that the Code imposes on us as a RIC. We cannot assure you that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations. Also, as a result of this existing and potentially increasing competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we can offer no assurance that we will be able to identify and make investments that are consistent with our investment objective. We do not seek to compete primarily based on the interest rates we offer, and we believe that some of our competitors make loans with interest rates that are comparable to or lower than the rates we offer. We may lose investment opportunities if we do not match our competitors' pricing, terms and structure. The loss of such investment opportunities may limit our ability to grow or cause us to have to shrink the size of our portfolio, which could decrease our earnings. If we match our competitors' pricing, terms and structure, we may experience decreased net interest income and increased risk of credit loss.

Any failure on our part to maintain our status as a BDC would reduce our operating flexibility. If we do not remain a BDC, we might be regulated as a 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. **We will be subject to corporate- level income tax if we are unable to maintain our status as a RIC.** To maintain our RIC status under the Code, we must meet certain source- of- income, asset diversification and annual distribution requirements. The annual distribution requirement for a RIC generally is satisfied if we distribute at least 90 % of our " investment company taxable income " (generally, our ordinary income and the excess, if any, of our net short- term capital gains over our net long- term capital losses), if any, to our stockholders on an annual basis. To the extent we use debt financing, we are subject to certain asset coverage ratio requirements and other financial covenants under loan and credit agreements, and could in some circumstances also become subject to such requirements under the 1940 Act, that could, under certain circumstances, restrict us from making distributions necessary to maintain our status as a RIC. If we are unable to obtain cash from other sources, we may fail to maintain our status as a RIC and, thus, may be subject to corporate- level income tax. To maintain our status as a RIC, we must also meet certain asset diversification requirements at the end of each calendar quarter. Failure to meet these tests may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC status. Because most of our investments are in private companies, any such dispositions could be made at disadvantageous prices and may result in substantial losses. If we fail to maintain our status as a RIC for any reason and become subject to corporate- level income tax, the resulting corporate- level taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions. Such a failure would have a material adverse effect on us and our stockholders. To maintain our status as a RIC in a subsequent year, we would be required to distribute to our stockholders our earnings and profits attributable to non- RIC years. In addition, if we failed to maintain our status as a RIC for a period greater than two taxable years, then we would be required to elect to recognize and pay tax on any net built- in gain (the excess of aggregate gain, including items of income, over aggregate loss that would have been realized if we had been liquidated) or, alternatively, be subject to taxation on such built- in gain recognized for a period of five years, in order to qualify as a RIC in a subsequent year. **We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.** For U. S.

federal income tax purposes, we include in income certain amounts that we have not yet received in cash, such as original issue discount (" OID "), which may arise if, for example, we receive warrants in connection with the making of a loan or payment- in- kind interest, which represents contractual interest added to the loan balance and typically due at the end of the loan term, or possibly in other circumstances. Such OID is included in income before we receive any corresponding cash payments and could be significant relative to our overall investment activities. Loans structured with these features may represent a higher level of credit risk than loans the interest on which must be paid in cash at regular intervals. We also may be required to include in income certain other amounts that we do not receive in cash. The incentive fee payable by us that relates to our net investment income is computed and paid on income that may include some interest that has been accrued but not yet received in cash. If a portfolio company defaults on a loan, it is possible that accrued interest previously used in the calculation of the incentive fee will become uncollectible. Consequently, while we may make incentive fee payments on income accruals that we may not collect in the future and with respect to which we do not have a formal clawback right against our Investment Adviser per se, the amount of accrued income written off in any period will reduce the income in the period in which such write- off was taken and thereby reduce such period' s incentive fee payment. Since in certain cases we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the tax requirement to distribute at least 90 % of our investment company taxable income to maintain our status as a RIC. Accordingly, we may have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investment originations in order to meet distribution and / or leverage requirements. **Regulations governing our operation as a BDC affect our ability to raise, and the way in which we raise, additional capital.** 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. As a BDC, we currently are required to meet an asset coverage ratio of total assets to total borrowings and other senior securities, which include all of our borrowings and any preferred stock we may issue in the future,

of at least 200 %. This means that for every \$ 100 of net assets, we may raise \$ 100 from senior securities, such as borrowings or issuing preferred stock. If this ratio declines below 200 %, the contractual arrangements governing these securities may require us 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. On March 23, 2018, the President signed into law the SBCAA, which included various changes to regulations under the federal securities laws that impact BDCs, including changes to the 1940 Act to allow BDCs to decrease their asset coverage requirement to 150 % from 200 % under certain circumstances. On April 4, 2018, the Board of Directors approved the application of the modified asset coverage requirements for the Company. Accordingly, effective April 4, 2019, for every \$ 100 of net assets, we may raise \$ 200 from senior securities, such as borrowings or issuing preferred stock. As of April 4, 2019, if the asset coverage ratio declines below 150 %, the contractual arrangements governing these securities may require us 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. BDCs may issue and sell common stock at a price below net asset value per share only in limited circumstances, one of which is during the one- year period after stockholder approval. In the past, our stockholders have approved a plan so that during the subsequent 12 month period we could, in one or more public or private offerings of our common stock, sell or otherwise issue shares of our common stock at a price below the then current net asset value per share, subject to certain conditions including parameters on the level of permissible dilution, approval of the sale by a majority of our independent directors and a requirement that the sale price be not less than approximately the market price of the shares of our common stock at specified times, less the expenses of the sale. Although we currently do not have such authority, we may in the future seek to receive such authority on terms and conditions set forth in the corresponding proxy statement. There is no assurance such approvals will be obtained. In the event we sell, or otherwise issue, shares of our common stock at a price below net asset value per share, existing stockholders will experience net asset value dilution and the investors who acquire shares in such offering may thereafter experience the same type of dilution from subsequent offerings at a discount. For example, if we sell an additional 10 % of our common shares at a 5 % discount from net asset value, a stockholder who does not participate in that offering for its proportionate interest will suffer net asset value dilution of up to 0.5 % or \$ 5 per \$ 1,000 of net asset value. In addition to issuing securities to raise capital as described above, we may in the future securitize our loans to generate cash for funding new investments. To securitize loans, we may create a wholly- owned subsidiary, contribute a pool of loans to the subsidiary and have the subsidiary issue primarily investment grade debt securities to purchasers who we would expect would be willing to accept a substantially lower interest rate than the loans earn. We would retain all or a portion of the equity in the securitized pool of loans. Our retained equity would be exposed to any losses on the portfolio of loans before any of the debt securities would be exposed to such losses. An inability to successfully securitize our loan portfolio could limit our ability to grow our business and fully execute our business strategy and adversely affect our earnings, if any. Moreover, the successful securitization of our loan portfolio might expose us to losses as the residual loans in which we do not sell interests will tend to be those that are riskier and more apt to generate losses. We currently use borrowed funds to make investments and are exposed to the typical risks associated with leverage. We are exposed to increased risk of loss due to our use of debt to make investments. A decrease in the value of our investments will have a greater negative impact on the value of our common stock than if we did not use debt. Our ability to make distributions will be restricted if we fail to satisfy certain of our asset coverage ratios and other financial covenants and any amounts that we use to service our indebtedness are not available for distributions to our common stockholders. The agreements governing certain of our debt instruments require us to comply with certain financial and operational covenants. These covenants require us to, among other things, maintain certain financial ratios, including asset coverage and minimum stockholders' equity. As of December 31, 2023, we were in compliance with these covenants. However, our continued compliance with these covenants depends on many factors, some of which are beyond our control. In the event of deterioration in the capital markets and pricing levels subsequent to this period, net unrealized loss in our portfolio may increase in the future. Absent an amendment to our senior secured credit facility, continued unrealized loss in our investment portfolio could result in non- compliance with certain covenants. Accordingly, there are no assurances that we will continue to comply with these covenants. Failure to comply with these covenants would result in a default which, if we were unable to obtain a waiver from the debt holders, could accelerate repayment under the instruments and thereby have a material adverse impact on our liquidity, financial condition, results of operations and ability to make distributions. Our current and future debt securities are and may be governed by an indenture or other instrument containing covenants restricting our operating flexibility. We, and indirectly our stockholders, bear the cost of issuing and servicing such securities. Any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock. We fund a portion of our investments with borrowed money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing in us. Borrowings and other types of financing, also known as leverage, magnify the potential for gain or loss on amounts invested and, therefore, increase the risks associated with investing in our securities. Our lenders and debt holders have fixed dollar claims on our assets that are superior to the claims of our common stockholders or any preferred stockholders. If the value of our assets increases, then leveraging would cause the net asset value to increase more sharply than it would have had we not leveraged. Conversely, 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 increase in our income in excess of consolidated interest payable on the borrowed funds would cause our net income to increase more than it would without the leverage, while 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 common stockholders. Leverage is generally considered a speculative investment technique. Effective April 4, 2019, we are allowed to borrow amounts such that our asset coverage, as calculated pursuant to the 1940 Act, equals at least 150 % after such borrowing. (i. e., we would be able to borrow up to two dollars for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us).

Accordingly, our interest expense as a percentage of our total assets will be higher if we use increased leverage as permitted under our modified asset coverage requirement. As of December 31, 2023-2024, we had approximately \$ 683-970. 0-1 million of outstanding borrowings under our senior secured credit facility, \$ 232. 0 million outstanding Class A- 1 Notes under the Bethesda CLO 1, \$ 350. 0 million in aggregate amount outstanding of the 2025 Notes, \$ 125. 0 million aggregate principal amount of our 2026 Notes and \$ 80. 0 million in aggregate amount outstanding of the 2028 Notes. In order for us to cover our annual interest payments on our outstanding indebtedness at December 31, 2023-2024, we must achieve annual returns on our December 31, 2023-2024 total assets of at least 3. 93-51 %. The weighted average stated interest rate charged on our principal amount of outstanding indebtedness as of December 31, 2023-2024 was 6. 69-38 %. We intend to continue borrowing under our senior secured credit facility in the future and we may increase the size of it or issue additional debt securities or other evidences of indebtedness (although there can be no assurance that we will be successful in doing so). For more information on our indebtedness, see “ Management’s Discussion and Analysis of Financial Condition and Results of Operations- Financial Condition, Liquidity and Capital Resources. ” Our ability to service our debt depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures. The amount of leverage that we employ at any particular time will depend on our Investment Adviser’s and our Boards board of directors’ assessments of market and other factors at the time of any proposed borrowing. Our senior secured credit facility, the CLO Transactions, the 2025 Notes, the 2026 Notes and the 2028 Notes impose 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 status as a RIC. A failure to renew our senior secured credit facility or to add new or replacement debt facilities or to issue additional debt securities or other evidences of indebtedness could have a material adverse effect on our business, financial condition and results of operations. The following table illustrates the effect on return to a holder of our common stock of the leverage created by our use of borrowing at the weighted average stated interest rate of 6. 69-38 % as of December 31, 2023-2024, together with (a) our total value of net assets as of December 31, 2023-2024; (b) approximately \$ 1, 470-757. 0-1 million in aggregate principal amount of indebtedness outstanding as of December 31, 2023-2024 and (c) hypothetical annual returns on our portfolio of minus 10 % to plus 10 %. Assumed Return on Portfolio (Net of Expenses) (1) (10) % (5 — % Corresponding Return to Common Stockholders (2) (35-31 (22-19 (8 The assumed portfolio return is required by SEC regulations and is not a prediction of, and does not represent, our projected or actual performance. Actual returns may be greater or less than those appearing in the table. Pursuant to SEC regulations, this table is calculated as of December 31, 2023-2024. As a result, it has not been updated to take into account any changes in assets or leverage since December 31, 2023-2024. In order to compute the “ Corresponding Return to Common Stockholders, ” the “ Assumed Return on Portfolio ” is multiplied by the total value of our assets at December 31, 2023-2024 to obtain an assumed return to us. From this amount, the interest expense (calculated by multiplying the weighted average stated interest rate of 6. 69-38 % by the approximately \$ 1, 470-757. 0-1 million of principal debt outstanding) is subtracted to determine the return available to stockholders. The return available to stockholders is then divided by the total value of our net assets as of December 31, 2023-2024 to determine the “ Corresponding Return to Common Stockholders. ” Effective April 4, 2019, our asset coverage requirement was reduced from 200 % to 150 %, which may increase the risk of investing with us. On April 4, 2018, our Board of Directors, including a “ required majority ” of our Board of Directors, approved the application of the modified asset coverage requirements set forth in Section 61 (a) (2) of the 1940 Act, as amended by the SBCAA. As a result, effective April 4, 2019, our asset coverage requirement applicable to senior securities was reduced from 200 % to 150 % (i. e., the revised regulatory leverage limitation permits BDCs to double the amount of borrowings, such that we would be able to borrow up to two dollars for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us), and the risks associated with an investment in us may have increased. We may in the future determine to fund a portion of our investments with preferred stock, which would magnify the potential for gain or loss and the risks of investing in us in the same way as our borrowings. Preferred stock, which is another form of leverage, has the same risks to our common stockholders as borrowings because the dividends on any preferred stock we issue must be cumulative. Payment of such dividends and repayment of the liquidation preference of such preferred stock must take preference over any dividends or other payments to our common stockholders, and preferred stockholders are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference. Changes in interest rates may affect our cost of capital and net investment income. Because we borrow money, and may issue preferred stock to finance investments, our net investment income will depend, in part, upon the difference between the rate at which we borrow funds or pay dividends on preferred stock and the rate at which we invest these 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 periods of rising interest rates, our cost of funds would increase except to the extent we have issued fixed rate debt or preferred stock, which could reduce our net investment income. Our long- term fixed- rate investments are generally 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 and applicable commodities laws. Interest rate hedging activities do not protect against credit risk. We have analyzed the potential impact of changes in interest rates on interest income net of interest expense. Assuming no changes to our balance sheet as of December 31, 2023-2024, a hypothetical one percent increase in SOFR on our floating rate assets and liabilities would increase our earnings by fourteen thirteen cents per average share over the next twelve months. Assuming no changes to our balance sheet as of December 31, 2023-2024, a hypothetical two percent increase in SOFR on our floating rate assets and liabilities would increase our earnings by twenty nine seven cents per average share over the next twelve months. Assuming no changes to our balance sheet as of December 31, 2023-2024, a hypothetical three percent increase in SOFR on our floating rate assets and liabilities would increase our earnings by forty cents per average share over the next twelve months. Assuming no changes to our balance sheet as of December 31, 2024, a hypothetical four percent increase in SOFR on our

floating rate assets and liabilities would increase our earnings by fifty three cents per average share over the next twelve months. Assuming no changes to our balance sheet as of December 31, ~~2023~~ **2024**, ~~a hypothetical four percent increase in SOFR on our floating rate assets and liabilities would increase our earnings by fifty seven cents per average share over the next twelve months. Assuming no changes to our balance sheet as of December 31, 2023~~, a hypothetical one percent decrease in SOFR on our floating rate assets and liabilities would decrease our earnings by ~~fourteen~~ **thirteen** cents per average share over the next twelve months. In addition, we believe that our interest rate matching strategy and our ability to hedge mitigates the effects any changes in interest rates may have on our investment income. Although management believes that this is indicative of our sensitivity to interest rate changes, it does not adjust for potential changes in credit quality, size and composition of the assets on the balance sheet and other business developments that could affect net increase or decrease in net assets resulting from operations, or net income. Accordingly, no assurances can be given that actual results would not differ materially from the potential outcome simulated by this estimate. A portion of our floating rate investments may include features such as SOFR floors. To the extent we invest in credit instruments with SOFR floors, we may lose some of the benefits of incurring leverage. Specifically, if we issue preferred stock or debt (or otherwise borrow money), our costs of leverage will increase as rates increase. However, we may not benefit from the higher coupon payments resulting from increased interest rates if our investments in SOFR floors and rates do not rise to levels above the SOFR floors. In this situation, we will experience increased financing costs without the benefit of receiving higher income. This in turn may result in the potential for a decrease in the level of income available for dividends or distributions made by us. You should also be aware that a change in the general level of interest rates can be expected to lead to a change in the interest rates we receive on many of our debt investments. Accordingly, a change in interest rates could make it easier for us to meet or exceed the performance threshold and may result in a substantial increase in the amount of incentive fees payable to our Investment Adviser with respect to pre- incentive fee net investment income. Our business requires a substantial amount of capital **to grow because we must distribute most of our income. Our business requires a substantial amount of capital**. We have issued equity securities and have borrowed from financial institutions. A reduction in the availability of new capital could limit our ability to grow. We must distribute at least 90 % of our investment company taxable income to maintain our RIC status. As a result, any such cash earnings may not be available to fund investment originations. We expect to continue to borrow from financial institutions and issue additional debt and equity securities. If we fail to obtain funds from such sources or from other sources to fund our investments, it could limit our ability to grow, which may have an adverse effect on the value of our securities. In addition, as a BDC, our ability to borrow or issue additional preferred stock may be restricted if our total assets are less than 150 % of our total borrowings and preferred stock **!**

As required by the 1940 Act, a significant portion of our investment portfolio is and will be recorded at fair value as determined in good faith and, as a result, there is and will be uncertainty as to the value of our portfolio investments. A large percentage of our portfolio investments are not publicly traded. The fair value of these investments may not be readily determinable. We value these investments quarterly at fair value (based on ASC 820, its corresponding guidance and the principal markets in which these investments trade) as determined in good faith by the Investment ~~Adviser~~ **Adviser** and under the direction of our Board ~~of Directors~~ pursuant to a written valuation policy and a consistently applied valuation process utilizing the input of our Investment Adviser, independent valuation firms, third party pricing services and the Audit Committee of the Board ~~of Directors~~. Our Board ~~of Directors~~ utilizes the services of independent valuation firms to aid it in determining the fair value of these investments. The types of factors that may be considered in fair value pricing of these investments include the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings, the markets in which the portfolio company does business, comparison to more liquid securities, indices and other market- related inputs, discounted cash flow, our principal market and other relevant factors. For these securities for which a quote is either not readily available or deemed not to represent fair value, we utilize independent valuation firms to assist with valuation of these Level 3 investments. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a readily available market for these investments existed and may differ materially from the amounts we realize on any disposition of such investments. Our net asset value could be adversely affected if our determinations regarding the fair value of these investments were materially higher than the values that we ultimately realize upon the disposal of such investments. In addition, decreases in the market values or fair values of our investments are recorded as unrealized loss. Unprecedented declines in prices and liquidity in the corporate debt markets have resulted in significant net unrealized loss in our portfolio, as well as a reduction in NAV, in the past. Depending on market conditions, we could incur substantial realized losses and may continue to suffer additional unrealized losses in future periods, which could have a material adverse impact on our business, financial condition and results of operations **!**

The lack of liquidity in our investments may adversely affect our business. We generally make investments in private companies. Substantially all of these securities are subject to legal and other restrictions on resale or are otherwise less liquid than publicly traded securities. The illiquidity of our investments may make it difficult for us to sell such investments if the need arises. 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 have previously recorded our investments. Furthermore, we may face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we or an affiliated manager of AGM has material non- public information regarding such portfolio company **!**

We may experience fluctuations in our periodic results. We could experience fluctuations in our periodic operating results due to a number of factors, including the interest rates payable on the debt securities we acquire, the default rate on such securities, the level of our expenses (including the interest rates payable on our borrowings), the dividend rates on preferred stock we issue, 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. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods. **Our ability to enter into**

transactions with our affiliates is restricted. We are prohibited under the 1940 Act from knowingly participating in certain transactions with certain of our affiliates without the prior approval of our independent directors and, in some cases, of 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 (other than our securities) from or to such affiliate, absent the prior approval of our independent directors. The 1940 Act also prohibits certain “ joint ” transactions with certain of our affiliates, which could include investments in the same portfolio company (whether at the same or different times), without prior approval of our independent directors and, in some cases, of the SEC. We are prohibited from buying or selling any security from or to any person 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 through an exemptive order (the “ Order ”) (other than in certain limited situations pursuant to current regulatory guidance). The analysis of whether a particular transaction constitutes a joint transaction requires a review of the relevant facts and circumstances then existing. Similar restrictions limit our ability to transact business with our officers or directors or their affiliates. **Under the terms of the Order, a “ required majority ” (as defined in Section 57 (o) of the 1940 Act) of our independent directors must be able to reach certain conclusions in connection with a co- investment transaction, including that (1) the terms of the proposed transaction are reasonable and fair to us and our stockholders and do not involve overreaching of us or our stockholders on the part of any person concerned, and (2) the transaction is consistent with the interests of our stockholders and is consistent with our Board approved criteria. In certain situations where co- investment with one or more funds managed by AIM or its affiliates is not covered by the Order, the personnel of AIM or its affiliates will need to decide which fund will proceed with the investment. Such personnel will make these determinations based on allocation policies and procedures, which are designed to reasonably ensure that investment opportunities are allocated fairly and equitably among affiliated funds over time and in a manner that is consistent with applicable laws, rules and regulations. The Order is subject to certain terms and conditions so there can be no assurance that we will be permitted to co- invest with certain of our affiliates other than in the circumstances currently permitted by regulatory guidance and the Order. There are potential conflicts of interest which could adversely affect our investment returns.** Allocation of **Personnel** Potential investment and disposition opportunities are generally approved by one or more investment committees composed of personnel across AGM including Messrs. Widra, Powell, **McNulty** and Ryan and / or by all or a majority of Messrs. Widra, Powell, **McNulty** and Ryan depending on the underlying investment type and / or the amount of such investment. Our executive officers and directors, and the partners of our Investment Adviser, AIM, 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 our affiliates. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in the best interests of us or our stockholders. Moreover, we note that, notwithstanding the difference in principal investment objectives between us and other AGM funds, such other AGM sponsored funds, including new affiliated potential pooled investment vehicles or managed accounts not yet established (whether managed or sponsored by AGM or AIM itself), have and may from time to time have overlapping investment objectives with us and, accordingly, invest in, whether principally or secondarily, asset classes similar to those targeted by us. To the extent such other investment vehicles have overlapping investment objectives, the scope of opportunities otherwise available to us may be adversely affected and / or reduced. As a result, certain partners of AIM may face conflicts in their time management and commitments as well as in the allocation of investment opportunities to other AGM funds. In addition, in the event such investment opportunities are allocated among us and other investment vehicles managed or sponsored by, or affiliated with, AIM our desired investment portfolio may be adversely affected. Although AIM endeavors to allocate investment opportunities in a fair and equitable manner, it is possible that we may not be given the opportunity to participate in certain investments made by investment funds managed by AIM or investment managers affiliated with AIM. **No Information Barriers** ~~Barriers~~ **AGM** ~~There are no~~ **has established certain one-way and / or two- way** information barriers amongst in respect of discrete investment strategies (based on established policies and procedures in respect of information barriers). However, **AGM** and certain of **generally operates without the permanent information barriers within** its asset management business affiliates. If AIM were to receive material non-public information about a particular company, or have an interest in investing in a particular company, AGM or certain of its affiliates may be prevented from investing in such company. Conversely, if AGM or certain of its affiliates were to receive material non- public information about a particular company, or have an interest in investing in a particular company, we may be prevented from investing in such company. This risk may affect us more than **that some** it does other investment **management** vehicles, as AIM generally does not use information barriers that many firms implement **to separate business units and / or** to separate persons who make investment decisions from others who might possess material, non- public information that could influence such decisions. **AIM** **If AGM were to receive material non- public information about a particular company, or have an interest in investing in a particular company, AGM or certain of its affiliates may be prevented from investing in or disposing of investments in such company. Conversely, if we or certain of our affiliates were to receive material non- public information about a particular company or have an interest in investing in a particular company we may be prevented from investing in or disposing of investments in such company. AGM’s approach** decision not to implement these barriers could prevent its **AIM’s** investment professionals from undertaking certain transactions such as advantageous investments or dispositions that would be permissible for them otherwise. In addition, **AIM** **AGM** could in the future decide to establish **other** information barriers **within its asset management business**, particularly as its **it** business expands and diversifies. **In such event, AGM’s ability to operate as an integrated asset management platform will be restricted and AIM’s resources may be limited.** Co- Investment Activity and Allocation of Investment Opportunities **Opportunities** In certain circumstances, negotiated co- investments may be made only in accordance with the terms of the exemptive order we received from the SEC permitting us to do so. The Order is subject to certain terms and

conditions so there can be no assurance that we will be permitted to co- invest with certain of our affiliates other than in the circumstances currently permitted by regulatory guidance and the Order. AGM and its affiliated investment managers, including AIM, may determine that an investment is appropriate both for us and for one or more other funds. In such event, depending on the availability of such investment and other appropriate factors, AIM may determine that we should invest on a side- by- side basis with one or more other funds. We may make all such investments subject to compliance with applicable regulations and interpretations, and our allocation procedures. AGM has adopted allocation procedures that are intended to ensure that each fund or account managed by AGM or certain of its affiliates (“ Apollo- advised funds ”) is treated in a manner that, over time, is fair and equitable. Allocations generally are made pro rata based on order size. In certain circumstances, the allocation policy provides for the allocation of investments pursuant to a predefined arrangement that is other than pro rata. As a result, in situations where a security is appropriate for us but is limited in availability, we may receive a lower allocation than may be desired by our portfolio managers or no allocation if it is determined that the investment is more appropriate for a different Apollo- advised fund because of its investment mandate. Investment opportunities may be allocated on a basis other than pro rata to the extent it is done in good faith and does not, or is not reasonably expected to, result in an improper disadvantage or advantage to one participating Apollo- advised fund as compared to another participating Apollo- advised fund. In the event investment opportunities are allocated among us and other Apollo- advised funds, we may not be able to structure our investment portfolio in the manner desired. Although AGM endeavors to allocate investment opportunities in a fair and equitable manner, it is possible that we may not be given the opportunity to participate in certain investments made by other Apollo- advised funds or portfolio managers affiliated with AIM. Furthermore, we and the other Apollo- advised funds may make investments in securities where the prevailing trading activity may make impossible the receipt of the same price or execution on the entire volume of securities purchased or sold by us and such other Apollo- advised funds. When this occurs, the various prices may be averaged, and we will be charged or credited with the average price. Thus, the effect of the aggregation may operate on some occasions to our disadvantage. In addition, under certain circumstances, we may not be charged the same commission or commission equivalent rates in connection with a bunched or aggregated order. It is possible that other Apollo- advised funds may make investments in the same or similar securities at different times and on different terms than we do. From time to time, we and the other Apollo- advised funds may make investments at different levels of an issuer’ s capital structure or otherwise in different classes of an issuer’ s securities. Such investments may inherently give rise to conflicts of interest or perceived conflicts of interest between or among the various classes of securities that may be held by such entities. Conflicts may also arise because portfolio decisions regarding us may benefit such other Apollo- advised funds. For example, the sale of a long position or establishment of a short position by us may impair the price of the same security sold short by (and therefore benefit) one or more Apollo- advised funds, and the purchase of a security or covering of a short position in a security by us may increase the price of the same security held by (and therefore benefit) one or more Apollo- advised funds. In these circumstances AIM and its affiliates will seek to resolve each conflict in a manner that is fair to the various clients involved in light of the totality of the circumstances. In some cases the resolution may not be in our best interests. AGM and its clients may pursue or enforce rights with respect to an issuer in which we have invested, and those activities may have an adverse effect on us. As a result, prices, availability, liquidity and terms of our investments may be negatively impacted by the activities of AGM or its clients, and transactions for us may be impaired or effected at prices or terms that may be less favorable than would otherwise have been the case. Fees and Expenses In the course of our investing activities, we pay management and incentive fees to AIM, and reimburse AIM 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, among other things, a lower rate of return than one might achieve through direct investments. As a result of this arrangement, there may be times when the management team of AIM has interests that differ from those of our common stockholders, giving rise to a conflict. Effective April 4, 2019, we are allowed to borrow amounts such that our asset coverage, as calculated pursuant to the 1940 Act, equals at least 150 % after such borrowing (i. e., we are able to borrow up to two dollars for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us). Accordingly, the Investment Adviser may have conflicts of interest in connection with decisions to use increased leverage permitted under our modified asset coverage requirement applicable to senior securities, as the incurrence of such additional indebtedness would result in an increase in the base management fees payable to the Investment Adviser and may also result in an increase in the income based fees and capital gains incentive fees payable to the Investment Adviser. AIM receives a quarterly incentive fee based, in part, on our pre- incentive fee income, if any, for the immediately preceding calendar quarter. This incentive fee will not be payable to AIM unless the pre- incentive net investment income exceeds the performance threshold. To the extent we or AIM are able to exert influence over our portfolio companies, the quarterly pre- incentive fee may provide AIM with an incentive to induce our portfolio companies to prepay interest or other obligations in certain circumstances. Allocation of Expenses We We have entered into a royalty- free license agreement with AGM, pursuant to which AGM has agreed to grant us a non- exclusive license to use the name “ MidCap Financial ”. Under the license agreement, we have the right to use the “ MidCap Financial ” name for so long as AIM or one of its affiliates remains the Investment Adviser. In addition, we rent office space from AIA, an affiliate of AIM, and pay AIA our allocable portion of overhead and other expenses incurred by AIA in performing its obligations under the administration agreement, including our allocable portion of the compensation, rent and other expenses of our Chief Financial Officer, Chief Legal Officer and Chief Compliance Officer and their respective staffs, which can create conflicts of interest that our Board of Directors must monitor. In the past following periods of volatility in the market price of a company’ s securities, securities class action litigation has, from time to time, been brought against that company. If our stock price fluctuates significantly, we may be the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management’ s attention and resources from our business. To the extent OID 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 OID and PIK interest arrangements, which represents contractual interest added to a loan balance and due at the end of such loan's term. To the extent OID 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 of OID and PIK instruments reflect the payment deferral and increased credit risk associated with these instruments, and OID and PIK instruments generally represent a significantly higher credit risk than coupon loans.
- Even if the accounting conditions for income accrual are met, the borrower could still default when our actual collection is supposed to occur at the maturity of the obligation.
- OID and PIK instruments may have unreliable valuations because their continuing accruals require continuing judgments about the collectability of the deferred payments and the value of any associated collateral. OID and PIK income may also create uncertainty about the source of our cash distributions.
- Capitalizing PIK interest to loan principal increases our gross assets, thus increasing our Investment Adviser's future base management fees, and increases future investment income, thus increasing our Investment Adviser's future income incentive fees at a compounding rate.
- Market prices of zero-coupon or PIK securities may be affected to a greater extent by interest rate changes and may be more volatile than securities that pay interest periodically and in cash.
- For accounting purposes, any cash distributions to stockholders representing OID and PIK income are not designated as paid-in capital, even if the cash to pay them derives from offering proceeds. As a result, despite the fact that a distribution representing OID and PIK income could be paid out of amounts invested by our stockholders, the 1940 Act does not require that stockholders be given notice of this fact by reporting it as a return of capital. Changes in the laws or regulations governing our business or the businesses of our portfolio companies and any failure by us or our portfolio companies to comply with these laws or regulations, could negatively affect the profitability of our operations or of our portfolio companies. We are subject to changing rules and regulations of federal and state governments, 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 Global Select 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. In particular, changes in the laws or regulations or the interpretations of the laws and regulations that govern BDCs, RICs or non-depository commercial lenders could significantly affect our operations and our cost of doing business. We are subject to federal, state and local laws and regulations and are subject to judicial and administrative decisions that affect our operations, including our loan originations, maximum interest rates, fees and other charges, disclosures to portfolio companies, the terms of secured transactions, collection and foreclosure procedures and other trade practices. If these laws, regulations or decisions change, or if we expand our business into jurisdictions that have adopted more stringent requirements than those in which we currently conduct business, we may have to incur significant expenses in order to comply, or we might have to restrict our operations. In addition, if we do not comply with applicable laws, regulations and decisions, we may lose licenses needed for the conduct of our business and be subject to civil fines and criminal penalties, any of which could have a material adverse effect upon our business, financial condition and results of operations. 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, our charter and our bylaws contain provisions that may discourage, delay or make more difficult a change in control or the removal of our directors. We are subject to Subtitle 6 of Title 3 of the Maryland General Corporate Law, the Maryland Business Combination Act, subject to any applicable requirements of the 1940 Act. Our Board of Directors has adopted a resolution exempting from the Business Combination Act any business combination between us and any other person, subject to prior approval of such business combination by our Board of Directors, including approval by a majority of our disinterested directors. If the resolution exempting business combinations is repealed or our Board of Directors does not approve a business combination, the Business Combination Act may discourage third parties from trying to acquire control of us and increase the difficulty of consummating such an offer. We are subject to Subtitle 7 of Title 3 of the Maryland General Corporate Law, the Maryland Control Share Acquisition Act. Our bylaws exempt from the Maryland Control Share Acquisition Act acquisitions of our common stock by any person. If we amend our bylaws to repeal the exemption from the Control Share Acquisition Act, the 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 an offer. We intend to give the SEC prior notice should our Board of Directors elect to amend our bylaws to repeal the exemption from the Control Share Acquisition Act. We have also adopted other measures that may make it difficult for a third party to obtain control of us, including provisions of our charter classifying our Board of Directors in three classes serving staggered three-year terms, and provisions of our charter authorizing our Board of Directors to classify or reclassify shares of our stock in one or more classes or series, to cause the issuance of additional shares of our stock, and to amend our charter, without stockholder approval, 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. We may choose to pay dividends in our own common stock, in which case you may be required to pay federal income taxes in excess of the cash dividends you receive. We may distribute taxable dividends that are payable in cash and shares of our common stock at the election of each stockholder. The Internal Revenue Service has issued guidance on cash / stock dividends paid by publicly traded RICs where certain requirements are satisfied, including that the cash component is at least 20 %. Stockholders receiving such dividends will be required to include the full amount of the dividend (including the portion payable in stock) as ordinary income (or, in certain circumstances, long-term capital gain) to the extent of our current and accumulated earnings and profits for federal income tax purposes. As a result, stockholders may be required to pay income taxes with respect to such dividends in excess of the cash dividends received. If a U. S. stockholder sells the common stock that it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to non-U. S. stockholders, we may be

required to withhold U. S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in common stock. In addition, if a significant number of our stockholders 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. It is unclear whether and to what extent we would choose to pay taxable dividends in cash and common stock. 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 could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common stock. 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, or the subsequent testing by our independent registered public accounting firm (when undertaken, as noted below), 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 and lenders to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock. We and our portfolio companies may experience cyber security incidents and are subject to cyber security risks. Our business and the business of our portfolio companies relies upon secure information technology systems for data processing, storage and reporting. Despite careful security and controls design, implementation and updating, our and our portfolio company' s 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). Our employees and the Investment Adviser' s employees have been and expect to continue to be the target of fraudulent calls, emails and other forms of activities. Network, system, application and data breaches could result in operational disruptions or information misappropriation, which could have a material adverse effect on our business, results of operations and financial condition or the business, results of operations and financial conditions of our portfolio companies. Cyber security failures or breaches by the Investment Adviser and other service providers (including, but not limited to, accountants, custodians, transfer agents and administrators), and the issuers of securities in which we invest, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with our ability to calculate its net asset value, impediments to trading, the inability of our stockholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While we have established a business continuity plan in the event of, and risk management systems to prevent, such cyber- attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, we cannot control the cyber security plans and systems put in place by our service providers and issuers in which we invest. We and our stockholders could be negatively impacted as a result. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. In addition, cyber- security 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. The failure in cyber security systems, as well as the occurrence of events unanticipated in our disaster recovery systems and management continuity planning could impair our ability to conduct business effectively. The occurrence of a disaster such as a cyber- attack, a natural catastrophe, an industrial accident, a terrorist attack or war, events unanticipated in our disaster recovery systems, or a support failure from external providers, could have an adverse effect on our ability to conduct business and on our results of operations and financial condition, particularly if those events affect our computer- based data processing, transmission, storage, and retrieval systems or destroy data. If a significant number of our managers were unavailable in the event of a disaster, our ability to effectively conduct our business could be severely compromised. We depend heavily upon computer systems to perform necessary business functions. Despite our implementation of a variety of security measures, our computer systems could be subject to cyber- attacks and unauthorized access, such as physical and electronic break- ins or unauthorized tampering. Like other companies, we may experience threats to our data and systems, including malware and computer virus attacks, unauthorized access, system failures and disruptions. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our operations, which could result in damage to our reputation, financial losses, litigation, increased costs, and / or regulatory penalties. We are 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 pay dividends. Our business is dependent on our Investment Adviser and third parties' communications and information systems. Any failure or interruption of those systems, including as a result of the termination of an agreement with any third- party service providers, could cause delays or other problems in our activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. There could be: • sudden electrical or telecommunications outages; • natural disasters such as earthquakes, tornadoes and hurricanes; • disease pandemics; • events arising from local or larger scale political or social matters, including terrorist acts; and • **cyber- attacks.** These events, in turn, could have a material adverse effect on our

operating results and negatively affect the market price of our common stock and our ability to pay dividends to our stockholders. The effect of global climate change may impact the operations of our portfolio companies. There is 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. Increased energy use due to weather changes may require additional investments by our portfolio companies engaged in the energy business in more pipelines and other infrastructure to serve increased demand. Increases in the cost of energy also 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. Our Investment Adviser and Administrator have the right to resign on 60 days' notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our business, financial condition and results of operations. Our Investment Adviser and Administrator have the right, under our investment management agreement and administration agreement, respectively, to resign at any time upon not less than 60 days' written notice, whether we have found a replacement or not. If our Investment Adviser or our Administrator resigns, we may not be able to find a replacement or hire internal management or administration 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 business, financial condition 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 or our internal administration activities, as applicable, 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 or our Administrator and its affiliates. Even if we are able to retain comparable management or administration, whether internal or external, the integration of such management or administration and their lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our business, financial condition and results of operations. The Company's investment adviser sources originated loans from MidCap FinCo **LLC Designated Activity Company** ("MidCap FinCo"). MidCap FinCo's success in originating loans depends to a significant extent on the services provided by its personnel and the personnel of its manager. If MidCap FinCo and its manager are unsuccessful in originating loans, the Company's ability to reach its investment objectives may be adversely affected. MidCap FinCo is discretionarily managed by Apollo Capital Management, L. P., an affiliate of our Investment **Adviser**. As a result, MidCap FinCo is currently under common control with us. Additionally, MidCap FinCo originates a significant amount of senior secured first lien loans in which we participate pursuant to our co-investment order. Our Investment Adviser reviews, evaluates and negotiates, as applicable, each such potential investment to ensure it is appropriate for us. While Apollo's investment management relationship with MidCap FinCo currently allows us to access MidCap FinCo's origination volume, Apollo and MidCap FinCo are distinct and separate legal entities with different businesses and interests. Thus, if MidCap FinCo were to terminate its investment management agreement with Apollo, we may no longer have the same access to MidCap FinCo's origination volume. MidCap FinCo is not an investment adviser, subadviser or fiduciary to us or to our Investment Adviser. MidCap FinCo is not obligated to take into account our interests (or those of other potential participants in its originations) when originating loans across its platform. Various factors, including its ability to retain and attract personnel with origination experience, relationships and expertise, will affect MidCap FinCo's business. There can be no guarantee that MidCap FinCo will continue to originate loans at its historic levels of quality or volume. **Risks Relating to our Investments****Our investments in portfolio companies are risky, and we could lose all or part of our investment.** Investment in middle-market companies is speculative and involves a number of significant risks including a high degree of risk of credit loss. Middle-market 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 our investment. In addition, they typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. Middle-market 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 our portfolio company and, in turn, on us. Middle-market companies also generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. In addition, our executive officers, directors and our Investment Adviser may, in the ordinary course of business, be named as defendants in litigation arising from our investments in the portfolio companies. **Investments in the energy sector are subject to many risks. We have made certain investments in and relating to the energy sector. The operations of energy companies are subject to many risks inherent in the transporting, processing, storing, distributing, mining or marketing of natural gas, natural gas liquids, crude oil, coal, refined petroleum products or other hydrocarbons, or in the exploring, managing or producing of such commodities, including, without limitation: damage to pipelines, storage tanks or related equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters or by acts of terrorism, inadvertent damage from construction and farm equipment, leaks of natural gas, natural gas liquids, crude oil, refined**

petroleum products or other hydrocarbons, and fires and explosions. These risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage, and may result in the curtailment or suspension of their related operations, any and all of which could adversely affect our portfolio companies in the energy sector. In addition, the energy sector has experienced significant volatility at times, which may occur in the future, and which could negatively affect the returns on any investment made by the Company in this sector. In addition, valuation of certain investments includes the probability weighting of future events which are outside of management's control. The final outcome of such events could increase or decrease the fair value of the investment in a future period. Crude oil and natural gas prices are volatile. A substantial and / or extended decline in crude oil and natural gas prices could have a material adverse effect on some of our portfolio companies in the energy sector. Crude oil and natural gas prices historically have been volatile and likely will continue to be volatile given current geopolitical conditions and the recent significant increase in oil prices during 2022 and 2023. The prices for crude oil and natural gas are subject to a variety of factors beyond our control, such as the domestic and foreign supply of crude oil and natural gas; consumer demand for crude oil and natural gas, and market expectations regarding supply and demand. These factors and the volatility of the energy markets make it extremely difficult to predict price movements. Accordingly, our portfolio companies in the energy sector are at risk for the volatility in crude oil and natural gas prices. A prolonged increase or decline in crude oil and / or natural gas prices may have an adverse effect on our business, financial condition and / or operating results. Cyclical nature within the energy sector may adversely affect our business. Industries within the energy sector are cyclical with fluctuations in commodity prices and demand for commodities driven by a variety of factors. The highly cyclical nature of the industries within the energy sector may lead to volatile changes in commodity prices, which may adversely affect the earnings of energy companies in which we may invest. A prolonged continuation of depressed oil and natural gas prices could negatively impact the energy and power industry and energy-related investments within our investment portfolio. A prolonged continuation of depressed oil and natural gas prices would adversely affect the credit quality and performance of certain of our debt and equity investments in energy and power and related companies. A decrease in credit quality and performance would, in turn, negatively affect the fair value of these investments, which would consequently negatively affect our net asset value. Should a prolonged period of depressed oil and natural gas prices occur, the ability of certain of our portfolio companies in the energy and power and related industries to satisfy financial or operating covenants imposed by us or other lenders may be adversely affected, which could, in turn, negatively impact their financial condition and their ability to satisfy their debt service and other obligations. Likewise, should a prolonged period of depressed oil and natural gas prices occur, it is possible that the cash flow and profit generating capacity of these portfolio companies could also be adversely affected thereby negatively impacting their ability to pay us dividends or distributions on our investments. Commodities are subject to many risks that may adversely affect some of our portfolio companies. The prices of commodities are subject to a variety of factors such as political and regulatory changes, seasonal variations, weather, technology and market conditions. These factors and the volatility of the commodities markets make it extremely difficult to predict price movements. Accordingly, the commodities industry has experienced significant volatility at times, which may occur in the future, and which could negatively affect the returns on any investment made by the Company in this industry. **Economic recessions or downturns could impair our portfolio companies and harm our operating results.** The current macroeconomic environment is characterized by labor shortages, high interest rates, persistent inflation, foreign currency exchange volatility, volatility in global capital markets and growing recession risk. The risks associated with our and our portfolio companies' businesses are more severe during periods of economic slowdown or recession. Many of our portfolio companies may be susceptible to economic slowdowns or recessions and may be unable to repay our loans during these periods. See "Item 1A. Risk Factors — Risks Relating to the Current Environment — Certain of our portfolio companies' businesses could be adversely affected by the effects of health pandemics or epidemics, which could have a negative impact on our and our portfolio companies' businesses and operations." Therefore, our non-performing assets may increase and the value of our portfolio may decrease during these periods if we are required to write down the values of our investments. Adverse economic conditions also may decrease the value of collateral securing some of our loans and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could prevent us from increasing investments and harm 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, acceleration of the time when the loans are due and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize the portfolio company's ability to meet its obligations under the debt that we hold. We may incur additional expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. **Our portfolio companies may be highly leveraged and a covenant breach by our portfolio companies may harm our operating results.** Some of our portfolio companies may be highly leveraged, which may have adverse consequences to these companies and to us as an investor. These companies may be subject to restrictive financial and operating covenants and the leverage may impair these companies' ability to finance their future operations and capital needs. As a result, these companies' flexibility to respond to changing business and economic conditions and to take advantage of business opportunities may be limited. Further, a leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used. 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 a portfolio company's ability to meet its obligations under the debt or equity 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. **There may be circumstances where our debt investments could be subordinated to**

claims of other creditors or we could be subject to, among other things, lender liability or fraudulent conveyance claims.

We could, in certain circumstances, become subject to potential liabilities that may exceed the value of our original investment in a portfolio company that experiences severe financial difficulties. For example, we may be adversely affected by laws related to, among other things, fraudulent conveyances, voidable preferences, lender liability, and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions. **If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a**

BDC or be precluded from investing according to our current business strategy. 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. We believe that most of the investments that we may acquire in the future will constitute qualifying assets. However, we may be precluded from investing in what we believe are attractive investments, if such investments are not qualifying assets for purposes of the 1940 Act. If we do not invest a sufficient portion of our assets in qualifying assets, we could be found to be in violation of the 1940 Act provisions applicable to BDCs. This would have a material adverse effect on our business, financial condition and results of operations. Similarly, these rules could prevent us from making follow-on investments in existing portfolio companies (which could result in the dilution of our position) or could require us to dispose of investments at inappropriate times in order to come into compliance with the 1940 Act. 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. **Our portfolio contains a limited number of portfolio companies, which subjects us to a**

greater risk of significant loss if any of these companies defaults on its obligations under any of its debt securities. A

consequence of the limited number of investments in our portfolio is that the aggregate returns we realize may be significantly adversely affected if one or more of our significant portfolio company investments perform poorly or if we need to write down the value of any one significant investment. Beyond our income tax diversification requirements, we do not have fixed guidelines for diversification, and our portfolio could contain relatively few portfolio companies. Our failure to make follow-on investments in our portfolio companies could impair the value of our portfolio. Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as "follow-on" investments, in order to: (1) increase or maintain in whole or in part our equity ownership percentage; (2) exercise warrants, options or convertible securities that were acquired in the original or subsequent financing; or (3) attempt to preserve or enhance the value of our investment. We may elect not to make follow-on investments, may be constrained in our ability to employ available funds, or otherwise may lack sufficient funds to make those investments. We have the discretion to make any follow-on investments, subject to the availability of capital resources. The failure to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment, or may result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make a follow-on investment because we may not want to increase our concentration of risk, because we prefer other opportunities, or because we are inhibited by compliance with BDC requirements or the desire to maintain our tax status. When we do not hold controlling equity interests in our portfolio companies, we may not be in a position to exercise control over our portfolio companies or to prevent decisions by management of our portfolio companies that could decrease the value of our investments. We do not generally take controlling equity positions in our portfolio companies. To the extent that we do not hold a controlling equity interest in a portfolio company, we are subject to the risk that a portfolio company may make business decisions with which we disagree, and the stockholders and management of a portfolio company may take risks or otherwise act in ways that are adverse to our interests. Due to the lack of liquidity for 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. **An investment strategy focused**

primarily on privately-held companies 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 have invested and will continue to invest primarily in privately-held companies.

Generally, little public information exists about these companies, and we are required to rely on the ability of AIM's investment professionals to obtain adequate information to evaluate the potential returns from investing in these 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. Also, privately-held companies frequently have less diverse product lines and smaller market presence than public company competitors, which often are larger. These factors could affect our investment returns.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies. We have invested and intend to invest primarily in ~~mezzanine and~~ senior debt securities issued by our portfolio companies. The portfolio companies usually have, or may be permitted to incur, other debt that ranks equally with, or senior to, the debt securities in which we invest. By their terms, such debt instruments may provide that the holders are entitled to receive payment of interest or principal on or before the dates on which we are entitled to receive payments in respect of the debt securities in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying such senior creditors, such portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with debt securities in which we invest, we would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company. In addition, we may not be in a position to control any portfolio company by investing in its debt securities. As a result, we are subject to the risk that a portfolio company in which we invest may make business decisions with which we disagree and the management of such company, as representatives of the holders of their common equity, may take risks or otherwise act in ways

that do not serve our interests as debt investors. Our incentive fee may induce AIM to make certain investments, including speculative investments. The incentive fee payable by us to AIM may create an incentive for AIM 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 AIM is determined, which is calculated separately in two components as a percentage of the net investment income (subject to a performance threshold) and as a percentage of the realized gain on invested capital, may encourage our Investment Adviser to use leverage to increase the return on our investments. Under certain circumstances, the use of leverage may increase the likelihood of default, which would disfavor the holders of our common stock, including investors in offerings of common stock, securities convertible into our common stock or warrants representing rights to purchase our common stock or securities convertible into our common stock. In addition, AIM receives the incentive fee based, in part, upon net capital gains realized on our investments. Unlike the portion of the incentive fee based on net investment income, there is no performance threshold applicable to the portion of the incentive fee based on net capital gains. As a result, AIM may have a tendency to invest more in investments that are likely to result in capital gains as compared to income producing securities. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during economic downturns. The incentive fee payable by us to AIM also may create an incentive for AIM to invest on our behalf in instruments that have a deferred interest feature such as investments with PIK provisions. Under these investments, we would accrue the interest over the life of the investment but would typically not receive the cash income from the investment until the end of the term or upon the investment being called by the issuer. Our net investment income used to calculate the income portion of our incentive fee, however, includes accrued interest. The payment of incentive fees to AIM is made on accruals of expected cash interest. If a portfolio company defaults on a loan, it is possible that accrued interest previously used in the calculation of the incentive fee will become uncollectible. Thus, while a portion of this incentive fee would be based on income that we have not yet received in cash and with respect to which we do not have a formal claw-back right against our Investment Adviser per se, the amount of accrued income to the extent written off in any period will reduce the income in the period in which such write-off was taken and thereby reduce such period's incentive fee payment. However, even if a loan is put on non-accrual status, its capitalized interest will not be reversed and may continue to be included in the calculation of the base management fee based on an estimation of the loan's fair value. We may invest, to the extent permitted by law, in the securities and instruments of other investment companies, including private funds, and, to the extent we so invest, will bear our ratable share of any such investment company's expenses, including management and performance fees. We will also remain obligated to pay management and incentive fees to AIM with respect to the assets invested in the securities and instruments of other investment companies. With respect to each of these investments, each of our common stockholders will bear his or her share of the management and incentive fee of AIM as well as indirectly bearing the management and performance fees and other expenses of any investment companies in which we invest. Our investments in foreign securities may involve significant risks in addition to the risks inherent in U. S. investments. Our investment strategy contemplates that a portion of our investments may be in securities of foreign companies. Investing in foreign companies may expose us to additional risks not typically associated with investing in U. S. companies. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. These risks are likely to be more pronounced for investments in companies located in emerging markets and particularly for middle-market companies in these economies. Although most of our investments are denominated in U. S. dollars, our investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency may change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. We may employ hedging techniques to minimize these risks, but we can offer no assurance that we will, in fact, hedge currency risk or, that if we do, such strategies will be effective. Hedging transactions may expose us to additional risks. If we engage in hedging transactions, we may expose ourselves to risks associated with such transactions. We may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions should increase. Moreover, 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. Our ability to engage in hedging transactions may also be adversely affected by recent rules adopted by the CFTC. While we may enter into transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency exchange rates or interest rates may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the 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. Our ability to engage in hedging transactions may also be adversely affected by

recent rules adopted by the CFTC. In addition, tax rules governing our transactions in hedging instruments may affect whether gains and losses recognized by us are treated as ordinary or capital, accelerate our recognition of income or gain, defer losses, and cause adjustments in our holding periods of securities, thereby affecting, among other things, whether capital gains and losses are treated as short- term or long- term. These rules could therefore affect the amount, timing and / or character of distributions to stockholders. New market structure requirements applicable to derivatives could significantly increase the costs of utilizing over- the- counter (“OTC”) derivatives. The Dodd- Frank Act, as amended, made broad changes to the OTC derivatives market, granted significant new authority to the Commodity Futures Trading Commission, or CFTC, and the SEC to regulate OTC derivatives (swaps and security- based swaps) and participants in these markets. These changes include, but are not limited to: requirements that many categories of the most liquid OTC derivatives (currently limited to specified interest rate swaps and index credit default swaps) be executed on qualifying, regulated exchanges and be submitted for clearing; real- time public and regulatory reporting of specified information regarding OTC derivative transactions; and enhanced documentation requirements and recordkeeping requirements. Margin requirements for uncleared OTC derivatives and position limits are also expected to be adopted by the CFTC and other regulators in the future. The CFTC has implemented mandatory clearing and exchange- trading of certain OTC derivatives contracts including many standardized interest rate swaps and credit default index swaps. The CFTC continues to approve contracts for central clearing. Exchange- trading and central clearing are expected to reduce counterparty credit risk by substituting the clearinghouse as the counterparty to a swap and increase liquidity, but exchange- trading and central clearing do not make swap transactions risk- free. Uncleared swaps, such as nondeliverable foreign currency forwards, are subject to certain margin requirements that mandate the posting and collection of minimum margin amounts. This requirement may result in the portfolio and its counterparties posting higher margin amounts for uncleared swaps than would otherwise be the case. Certain rules require centralized reporting of detailed information about many types of cleared and uncleared swaps. Reporting of swap data may result in greater market transparency, but may subject a portfolio to additional administrative burdens, and the safeguards established to protect trader anonymity may not function as expected. While these changes are intended to mitigate systemic risk and to enhance transparency and execution quality in the OTC derivative markets, the impact of these changes is not known at this time. Furthermore, “financial end users,” such as us, that enter into OTC derivatives that are not cleared will, pending finalization of the applicable regulations, generally be required to provide margin to collateralize their obligations under such derivatives. Under current proposed rules, the level of margin that would be required to be collected in connection with uncleared OTC derivatives is in many cases substantially greater than the level currently required by market participants or clearinghouses. Lastly, future CFTC or SEC rulemakings to implement the Dodd- Frank Act requirements could potentially limit or completely restrict our ability to use certain instruments as a part of our investment strategy, increase the costs of using these instruments or make them less effective. The SEC has also indicated that it may adopt new policies on the use of derivatives by registered investment companies. Such policies could affect the nature and extent of our use of derivatives. These changes could significantly increase the costs to us of utilizing OTC derivatives, reduce the level of exposure that we are able to obtain (whether for risk management or investment purposes) through OTC derivatives, and reduce the amounts available to us to make non- derivative investments. These changes could also impair liquidity in certain OTC derivatives and adversely affect the quality of execution pricing that we are able to obtain, all of which could adversely impact our investment returns. Furthermore, the margin requirements for cleared and uncleared OTC derivatives may require that AIM, in order to maintain its relief from the CFTC’ s CPO registration requirements, limit our ability to enter into hedging transactions or to obtain synthetic investment exposures, in either case adversely affecting our ability to mitigate risk. Our ability to enter into transactions involving derivatives and financial commitment transactions may be limited. In August 2022, Rule 18f- 4 under the Investment Company Act, regarding the ability of a BDC (or a registered investment company) to use derivatives and other transactions that create future payment or delivery obligations (except reverse repurchase agreements and similar financing transactions), became effective. Under the new rule, BDCs that make significant use of derivatives are required to operate subject to a value- at- risk leverage limit, adopt a derivatives risk management program and appoint a derivatives risk manager, and comply with various testing and board reporting requirements. These new requirements apply unless the BDC qualifies as a “limited derivatives user,” as defined under the adopted rules. Under the new rule, a BDC may enter into an unfunded commitment agreement that is not a derivatives transaction, such as an agreement to provide financing to a portfolio company, if the BDC has, among other things, a reasonable belief, at the time it enters into such an agreement, that it will have sufficient cash and cash equivalents to meet its obligations with respect to all of its unfunded commitment agreements, in each case as it becomes due. We currently operate as a “limited derivatives user” which may limit our ability to use derivatives and / or enter into certain other financial contracts. The effects of various environmental regulations may negatively affect the aviation industry and some of our portfolio companies. The effects of various environmental regulations may negatively affect the airline industry. This may adversely affect some of our portfolio companies. Governmental regulations regarding aircraft and engine noise and emissions levels apply based on where the relevant aircraft is registered and operated. For example, jurisdictions throughout the world have adopted noise regulations which require all aircraft to comply with noise level standards. In addition to the current requirements, the United States and the International Civil Aviation Organization (“ICAO”) adopted a more stringent set of standards for noise levels which applies to engines manufactured or certified on or after January 1, 2006. In addition to more stringent noise restrictions, the United States and other jurisdictions are beginning to impose more stringent limits on nitrogen oxide, carbon monoxide and carbon dioxide emissions from engines, consistent with current ICAO standards. Concerns over global warming also could result in more stringent limitations on the operation of aircraft. The United States aviation industry is extensively regulated by government agencies, particularly the Federal Aviation Administration and the National Transportation Safety Board. New air travel regulations have been, and management anticipates will continue to be, implemented that could have a negative impact on airline and airport revenues. Continued increased regulations of the aviation industry, or a continued downturn in the aviation industry’ s economic situation, could have a material adverse effect on the

Company. European countries generally have relatively strict environmental regulations that can restrict operational flexibility and decrease aircraft productivity. The European Parliament has confirmed that all emissions from flights within the EU are subject to the EU's Emissions Trading Scheme ("ETS") requirement, even those emissions that are emitted outside of the EU. The EU suspended the enforcement of the ETS requirements for international flights outside of the EU due to a proposal issued by the ICAO in October 2013 to develop a global program to reduce international aviation emissions. In 2016, the ICAO passed a resolution adopting the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA"), which is a global, market-based emissions offset program to encourage carbon-neutral growth beyond 2020. CORSIA is being implemented in phases beginning with a voluntary pilot which began in 2021 and will continue through 2023, in which countries may voluntarily participate, and full mandatory participation is scheduled to begin in 2027. ICAO continues to develop details regarding implementation, but compliance with CORSIA will increase operating costs for affected portfolio companies. Any of these regulations could limit the economic life of the aircraft and engines, reduce their value, limit our portfolio companies' ability to lease or sell the non-compliant aircraft and engines or, if engine modifications are permitted, require our portfolio companies to make significant additional investments in the aircraft and engines to make them compliant. In addition, compliance with current or future regulations, taxes or duties imposed to deal with environmental concerns could cause our portfolio companies to incur higher costs, thereby generating lower net revenues and resulting in an adverse impact on the financial condition of such portfolio companies. Our investments in the healthcare and pharmaceutical services industry sector are subject to extensive government regulation 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 force our portfolio companies engaged in healthcare 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, health insurance reform, including The Patient Protection and Affordable Care Act and The Health Care and Education Reconciliation Act of 2010, or Health Insurance Reform Legislation, could have a significant effect on our portfolio companies in this industry sector. As Health Insurance Reform Legislation is implemented, our portfolio companies in this industry sector may be forced to change how they do business. We can give no assurance that these portfolio companies will be able to adapt successfully in response 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.

Our Risks Relating to our Debt Instruments Our senior secured credit facility begins amortizing in ~~December 2027~~ **October 2028** and any inability to renew, extend or replace the facility could adversely impact our liquidity and ability to find new investments or maintain distributions to our stockholders. The Company has a senior secured credit facility. **On October 17, 2024, the Company amended and restated its senior secured, multi-currency, revolving credit facility (the "Senior Secured Facility"), previously amended and restated as of April 19, 2023, December 22, 2020 and November 19, 2018. The amended and restated agreement extended the final maturity date through October 17, 2029.** Lender commitments under the Senior Secured Facility ~~were~~ **will increase from** \$ 1, 810-705, 000 ~~prior to November 19, 2022 and decreased to~~ \$ 1, 815 705, 000 ~~as non-extending commitments were paid down. The total lender commitments will remain~~ \$ 1, 705-, 000 until December 22, 2024 and will decrease to \$ 1, 550-660, 000 thereafter. The Senior Secured Facility includes an "accordion" feature that allows the Company to increase the size of the Facility to \$ 2, 325-722, 000-500. The Senior Secured Facility is secured by substantially all of the assets in the Company's portfolio, including cash and cash equivalents. Commencing ~~April 19 2027~~ **October 17, 2027-2028**, the Company is required to repay, ~~in twelve consecutive monthly installments of equal size,~~ the outstanding amount under the Senior Secured Facility as of ~~April 19 2027~~ **October 17, 2027-2028 out of the proceeds of certain asset sales and other recovery events and equity and debt issuances**. The stated interest rates on outstanding borrowings under the Senior Secured Facility depend on the type of borrowing and the "gross borrowing base" at the time. USD borrowings accrue at (a) either Term SOFR plus 1.85% per annum or Term SOFR plus 1.975% per annum, or (b) either Alternate Base Rate plus 0.75% per annum or Alternate Base Rate plus 0.875% per annum. The Company is required to pay a commitment fee of 0.375% per annum on any unused portion of the Senior Secured Facility and fronting fees **(which fronting fee is exclusive of up to 2% the applicable margin) of 0.25%** per annum on the letters of credit issued. There can be no assurance that we will be able to renew, extend or replace the ~~senior Senior secured Secured credit facility Facility~~ **senior Senior secured Secured credit facility Facility** upon the termination of the lenders' obligations to make new loans or the ~~senior Senior secured Secured credit facility Facility~~ **senior Senior secured Secured credit facility Facility**'s final maturity on terms that are favorable to us, if at all. Our ability to renew, extend or replace the ~~senior Senior secured Secured credit facility Facility~~ **senior Senior secured Secured credit facility Facility** will be constrained by then-current economic conditions affecting the credit markets. In the event that we are not able to renew, extend or replace the ~~senior Senior secured Secured credit facility Facility~~ **senior Senior secured Secured credit facility Facility** at the time of the termination of the lenders' obligations to make new loans or the ~~senior Senior secured Secured credit facility Facility~~ **senior Senior secured Secured credit facility Facility**'s final maturity, this could have a material adverse effect on our liquidity and ability to fund new investments, our ability to make distributions to our stockholders and our ability to qualify as a RIC. Our unsecured notes mature in 2025, 2026 and 2028, and any inability to replace or repay our unsecured notes could adversely impact our liquidity and ability to fund new investments or maintain distributions to our stockholders. On March 3, 2015, we issued \$ 350 million aggregate principal amount of 5.25% senior unsecured notes due March 3, 2025 (the "2025 Notes"). On July 16, 2021, we issued \$ 125 million aggregate principal

amount of 4.500% senior unsecured notes due July 16, 2026 (the “2026 Notes”). On December 13, 2023, we issued \$80 million aggregate principal amount of 8.00% notes due December 15, 2028 (the “2028 Notes”). There can be no assurance that we will be able to replace the 2025 Notes, the 2026 Notes or the 2028 Notes upon their maturity on terms that are favorable to us, if at all. Our ability to replace the 2025 Notes, the 2026 Notes or the 2028 Notes will be constrained by then-current economic conditions affecting the credit markets. In the event that we are not able to replace or repay the 2025 Notes, the 2026 Notes or the 2028 Notes at the time of their maturity, this could have a material adverse effect on our liquidity and ability to fund new investments, our ability to make distributions to our stockholders and our ability to qualify as a RIC. **The trading market or market value of our debt securities may fluctuate.** Our publicly issued debt securities may or may not have an established trading market. We cannot assure you that a trading market for debt securities will ever develop or be maintained if developed. In addition to our creditworthiness, many factors may materially adversely affect the trading market for, and market value of, debt securities we may issue. These factors include, but are not limited to, the following: • the time remaining to the maturity of these debt securities; • the outstanding principal amount of debt securities with terms identical to these debt securities; • the ratings assigned by national statistical ratings agencies • the general economic market environment; • the supply of debt securities trading in the secondary market, if any; • the redemption or repayment features, if any, of these debt securities; • the level, direction and volatility of market interest rates generally; and • market rates of interest higher or lower than rates borne by the debt securities. You should also be aware that there may be a limited number of buyers if and when you decide to sell your debt securities. This too may materially adversely affect the market value of the debt securities or the trading market for the debt securities. **Terms relating to redemption may materially adversely affect your return on any debt securities that we may issue.** If our noteholders’ debt securities are redeemable at our option, we may choose to redeem your debt securities at times when prevailing interest rates are lower than the interest rate paid on your debt securities. In addition, if our noteholders’ debt securities are subject to mandatory redemption, we may be required to redeem such debt securities also at times when prevailing interest rates are lower than the interest rate paid on such debt securities. In this circumstance, a noteholder may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the debt securities being redeemed. Our credit ratings **may not reflect all risks of an investment in our debt securities. Our credit ratings** are an assessment by third parties of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of our debt securities. Our credit ratings, however, may not reflect the potential impact of risks related to market conditions generally or other factors discussed above on the market value of or trading market for the publicly issued debt securities. We are subject to certain risks as a result of our interests in the membership interests in the CLO ~~Issuer Issuers~~. Under the terms of the master loan sale ~~agreement agreements~~ governing the CLO ~~Issuer Issuers~~, we sold and / or contributed to the CLO ~~Issuer Issuers~~ all of our ownership interest in our portfolio loans and participations for the purchase price and other consideration set forth in such master loan sale ~~agreement agreements~~ (including an increase in the value of the "Membership Interests"). As a result of the CLO ~~Transaction Transactions~~, we hold all of the Membership Interests, which comprise 100% of the equity interests, in the CLO ~~Issuer Issuers~~. As a result, we expect to consolidate the financial statements of the CLO ~~Issuer Issuers~~, as well as our other subsidiaries, in our consolidated financial statements. However, once contributed to a CLO, the underlying loans and participation interests have been securitized and are no longer our direct investment, and the risk return profile has been altered. In general, rather than holding interests in the underlying loans and participation interests, the CLO ~~Transaction Transactions~~ resulted in us holding membership interests in ~~a the CLO issuer (i. e., the CLO Issuer Issuers)~~, with ~~the each~~ CLO holding the underlying loans. As a result, we are subject both to the risks and benefits associated with the equity interests of ~~the each~~ CLO (i. e., the Membership Interests) and the risks and benefits associated with the underlying loans and participation interests held by the CLO ~~Issuer Issuers~~. We have ~~no limited~~ prior experience managing CLOs. The performance of the CLO ~~Issuer Issuers~~ will be largely dependent on the analytical and managerial expertise of our investment professionals. Although we and our investment professionals and affiliates have prior experience investing in loans and other debt obligations, the CLO ~~Issuer Issuers~~ ~~are~~ ~~will be~~ ~~the~~ ~~first~~ ~~only~~ CLO ~~CLOs~~ managed by us. Accordingly, we have ~~no limited~~ performance history of managing CLOs for potential investors to consider in evaluating the potential impact of the CLO ~~Transaction Transactions~~ on our overall performance. We are subject to significant restrictions on our ability to advise the CLO ~~Issuer Issuers~~. We will manage the assets of the CLO ~~Issuer Issuers~~ pursuant to a collateral management agreement with ~~the Bethesda CLO Issuer 1 (the “ Bethesda CLO Issuer 1 Collateral Management Agreement ”) and a collateral management agreement with Bethesda CLO Issuer 2 (the “ Bethesda CLO Issuer 2 Collateral Management Agreement ” and, together with the Bethesda CLO Issuer 1 Collateral Management Agreement,~~ the “ Collateral Management Agreement ”). The ~~indenture indentures~~ governing the notes (“CLO Notes”) issued by the CLO ~~Transactions~~ (the “CLO Indenture”) and the Collateral Management Agreement place significant restrictions on our ability to advise the CLO ~~Issuer Issuers~~ to buy and sell ~~Collateral collateral Obligations obligations~~, and we are subject to compliance with the CLO Indenture and the Collateral Management Agreement. As a result of the restrictions contained in the CLO Indenture and the Collateral Management Agreement, the CLO ~~Issuer Issuers~~ may be unable to buy or sell collateral obligations or to take other actions that we might consider in the interest of the CLO ~~Issuer Issuers~~ and the holders of CLO Notes, and we may be required to make investment decisions on behalf of the CLO ~~Issuer Issuers~~ that are different from those made for our other clients. In addition, we may pursue any strategy consistent with the CLO Indenture and the Collateral Management Agreement, and there can be no assurance that such strategy will not change from time to time in the future. Further, for so long as we manage the assets of the CLO ~~Issuer Issuers~~ pursuant to the Collateral Management Agreement, we will elect to not charge any collateral management fee to which we may be entitled under such Collateral Management Agreement. In our role as collateral manager of the CLO ~~Issuer Issuers~~, we will be acting solely in the best interests of the CLO ~~Issuer Issuers~~ as a whole and not solely in the best interests of the Membership Interests of the CLO ~~Issuer Issuers~~ that we hold. As the interests of the holders of the CLO Notes are senior in the CLO Issuer’s capital structure to our Membership Interests, we may incur losses if

we are required to dispose of a portion of the portfolio of the CLO ~~Issuer~~ **Issuers** at inopportune times in order to satisfy the outstanding obligations of the holders of the CLO Notes. The subordination of the Membership Interests will affect our right to payment. The Membership Interests are subordinated to the CLO Notes and certain fees and expenses. If any Coverage Test (defined below) is not satisfied as of a determination date, cash flows (if any) and proceeds otherwise payable to the CLO ~~Issuer~~ **Issuers** (which the CLO ~~Issuer~~ **Issuers** could have otherwise distributed with respect to the Membership Interests) will be diverted to the payment of principal on the CLO Notes. Although these tests generally compare the principal balance of the collateral obligations to the aggregate outstanding principal amount of the CLO Notes, certain reductions are applied to the principal balance of ~~Collateral~~ **collateral Obligations** ~~obligations~~ in connection with certain events, such as defaults or ratings downgrades to “CCC” levels or below, in each case that may increase the likelihood that one or more Overcollateralization Ratio Tests may not be satisfied. On the scheduled maturity of the CLO Notes or if acceleration of the CLO Notes occurs after an event of default, proceeds available after the payment of certain administrative expenses) will be applied to pay both principal of and interest on the CLO Notes until the CLO Notes are paid in full before any further payment will be made on the Membership Interests. As a result, the Membership Interests would not receive any payments until the CLO Notes are paid in full. In addition, if an event of default occurs and is continuing, the holders of the CLO Notes will be entitled to determine the remedies to be exercised under the CLO Indenture. Remedies pursued by the holders of the CLO Notes could be adverse to our interests as the holder of the Membership Interests, and the holders of the CLO Notes will have no obligation to consider any possible adverse effect on such other interests. See “Item 1A. Risk Factors — Risks Relating to the Current Environment — The holders of certain of the CLO Notes will control many rights under the CLO Indenture and therefore, we will have limited rights in connection with an event of default or distributions thereunder.” **The holders of certain of the CLO Notes will control many rights under the CLO Indenture and therefore, we will have limited rights in connection with an event of default or distributions thereunder.** Under the CLO Indenture, many of our rights as the holder of the Membership Interests will be controlled by the holders of certain of the CLO Notes. Remedies pursued by such holders upon an event of default could be adverse to our interests. If the CLO Notes are accelerated following an event of default, proceeds of any realization on the assets will be allocated to the CLO Notes (in order of seniority) and certain other amounts owing by the CLO ~~Issuer~~ **Issuers** will be paid in full before any allocation to us as the holder of the Membership Interests. Although we as the holder of the Membership Interests will have the right, subject to the conditions set forth in the CLO Indenture, to purchase the assets in a sale by the trustee, if an event of default (or otherwise, an acceleration of the CLO Notes following an event of default) has occurred and is continuing, we will not have any creditors’ rights against the CLO ~~Issuer~~ **Issuers** and will not have the right to determine the remedies to be exercised under the CLO Indenture. There is no guarantee that any funds will remain to make distributions to us as the holder of the Membership Interests following any liquidation of the assets and the application of the proceeds from the assets to pay the CLO Notes and the fees, expenses, and other liabilities payable by the CLO ~~Issuer~~ **Issuers**. The ability of the holders of the CLO Notes to direct the sale and liquidation of the assets is subject to certain limitations. As set forth in the CLO Indenture, notwithstanding any acceleration, if an event of default occurs and is continuing and the trustee has not commenced remedies under the CLO Indenture, we as the collateral manager of the CLO ~~Issuer~~ **Issuers** may continue to direct dispositions and purchases of collateral obligations to the extent permitted under the CLO Indenture. If an event of default has occurred and is continuing (unless the trustee has commenced remedies pursuant to the CLO Indenture), then (x) we as the collateral manager of the CLO ~~Issuer~~ **Issuers** may continue to direct sales and other dispositions, and purchases, of collateral obligations in accordance with and to the extent permitted pursuant to the CLO Indenture and (y) the trustee will retain the assets securing the CLO Notes intact, collect and cause the collection of the proceeds thereof and make and apply all payments and deposits and maintain all accounts in respect of the assets and the CLO Notes in accordance with the CLO Indenture, unless: (i) the trustee, pursuant to the CLO Indenture and in consultation with us as the collateral manager of the CLO ~~Issuer~~ **Issuers**, determines that the anticipated proceeds of a sale or liquidation of the assets (after deducting the anticipated reasonable expenses of such sale or liquidation) would be sufficient to discharge in full the amounts then due (or, in the case of interest, accrued) and unpaid on the CLO Notes for principal and interest (including accrued and unpaid deferred interest), and all other amounts payable pursuant to the priority of distributions prior to payment of principal on such CLO Notes (including amounts due and owing, and amounts anticipated to be due and owing, as administrative expenses (without regard to any applicable limitation on such expenses)), and we as the collateral manager of the CLO ~~Issuer~~ **Issuers** and the holders of at least a majority of the most senior outstanding class of the CLO Notes agrees with such determination; (ii) in the case of certain events of default, a majority of the most senior outstanding class of the CLO Notes directs the sale and liquidation of the assets; or (iii) 66 2 / 3 % of each class of the CLO Notes (voting separately by class) directs the sale and liquidation of the assets. The CLO Indenture requires mandatory redemption of the CLO Notes for failure to satisfy Coverage Tests. Under the documents governing the CLO ~~Issuer~~ **Issuers**, there are two coverage tests (the “Coverage Tests”) applicable to the CLO Notes. The first such test (the “Interest Coverage Test”) compares the amount of interest proceeds received on the portfolio loans held by the CLO ~~Issuer~~ **Issuers** to the amount of interest due and payable on the CLO Notes. To meet this first test, for each class of CLO Notes, interest received on the portfolio loans must equal at the minimum interest coverage ratio for such class of CLO Notes. The second such test (the “Overcollateralization Ratio Test”) compares the adjusted collateral principal amount of the portfolio of ~~Collateral~~ **Transactions** to the aggregate outstanding principal amount of the CLO Notes. To meet this second test at any time, for each class of CLO Notes, the adjusted collateral principal amount of such ~~Collateral~~ **Obligations** must equal at least the minimum outstanding principal amount of such CLO Notes. If a Coverage Test is not met on any determination date on which such Coverage Test is applicable, the CLO ~~Issuer~~ **Issuers** shall apply available amounts to redeem the CLO Notes in an amount necessary to cause such tests to be satisfied. This could result in an elimination, deferral or reduction in the payments of distributions to the CLO ~~Issuer~~ **Issuers** (and as such, to us as the holder of the Membership Interests and indirect beneficiary of any such payments to the CLO ~~Issuer~~ **Issuers**). We may resign or be removed or terminated as collateral manager of the CLO

Issuer-Issuers. We may resign or be removed or terminated as collateral manager of the CLO **Issuer-Issuers** in a number of circumstances, including the breach of certain terms of the CLO Indenture and the Collateral Management Agreement. In addition, because a new collateral manager may not be able to manage the CLO **Issuer-Issuers** according to the standards of the CLO Indenture and the Collateral Management Agreement, any transfer of the collateral management functions to another entity could result in reduced or delayed collections, delays in processing loan transfers and information regarding the loans and a failure to meet all of the applicable procedures required by the Collateral Management Agreement. Consequently, the termination or removal of us as collateral manager of the CLO **Issuer-Issuers** could have material and adverse effects on our performance.

Changes in existing laws or regulations, the interpretations thereof or newly enacted laws or regulations may negatively impact our business. Changes in laws or regulations governing our operations or the operations of our portfolio companies, or newly enacted laws or regulations, such as the Dodd- Frank Wall Street Reform and Consumer Protection Act (the “Dodd- Frank Act”), Public Law No. 115- 97 (the “ Tax Cuts and Jobs Act ”), the Coronavirus Aid, Relief, and Economic Security Act and the Small Business Credit Availability Act (the “ SBCAA ”), could require changes to certain of our business, practices or that of our portfolio companies. These changes could negatively impact the operations, cash flows or financial condition of us or our portfolio companies, impose additional costs on us or our portfolio companies or otherwise adversely affect our business, or business of our portfolio companies. Some areas identified as subject to potential change, amendment or repeal include the Dodd- Frank Act, including the Volcker Rule, the interpretation of those rules relating to capital, margin, trading and clearance and settlement of derivatives and various swaps and derivatives regulations, credit risk retention requirements and the authorities of the Federal Reserve, the Financial Stability Oversight Council and the SEC. Although we cannot predict the impact, if any, of these changes to our business, they could adversely affect our business, financial condition, operating results and cash flows. Until we know what policy changes are made and how those changes impact our business and the business of our competitors over the long term, we will not know if, overall, we will benefit from them or be negatively affected by them.

Risks Relating to an Investment in our Common Stock Investing in our securities involves a high degree of risk and is highly speculative. 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, therefore, an investment in our securities may not be suitable for someone with a low risk tolerance.

There is a risk that investors in our equity securities may not receive distributions or that our distributions may not grow over time and that investors in our debt securities may not receive all of the interest income to which they are entitled. We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year- to- year increases in cash distributions. In addition, due to the asset coverage test applicable to us as a BDC, we may in the future be limited in our ability to make distributions. Also, our revolving credit facility may limit our ability to declare dividends if we default under certain provisions or fail to satisfy certain other conditions. If we do not distribute a certain percentage of our income annually, we will suffer adverse tax consequences, including possible loss of the tax benefits available to us as a RIC. In addition, in accordance with U. S. generally accepted accounting principles and tax regulations, we include in income certain amounts that we have not yet received in cash, such as contractual payment- in- kind interest, which represents contractual interest added to the loan balance that becomes due at the end of the loan term, or the accrual of original issue or market discount. Since we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the requirement to distribute at least 90 % of our investment company taxable income to obtain tax benefits as a RIC. As a RIC, we will be subject to a 4 % non- deductible federal excise tax on certain undistributed income unless we distribute in a timely manner for each calendar year an amount at least equal to the sum of (1) 98 % of our ordinary income for that 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 income recognized, but not distributed, in preceding years. We will not be subject to excise taxes on amounts on which we are required to pay corporate income taxes (such as retained net capital gains). Finally, if more stockholders opt to receive cash distributions rather than participate in our dividend reinvestment plan, we may be forced to liquidate some of our investments and raise cash in order to make cash distribution payments. Our shares may trade at discounts from net asset value or at premiums that are unsustainable over the long term. Shares of BDCs may trade at a market price that is less than the net asset value that is attributable to those shares. This characteristic of closed- end investment companies is separate and distinct from the risk that our net asset value per share may decline. The possibility that our shares of common stock will trade at a discount from net asset value or at a premium that is unsustainable over the long term are separate and distinct from the risk that our net asset value will decrease. It is not possible to predict whether shares will trade at, above, or below net asset value. The market price of our securities may fluctuate significantly. The market price and liquidity of the market for our securities 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:

- volatility in the market price and trading volume of securities of business development companies 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, particularly with respect to RICs or business development companies;
- the inclusion or exclusion of our common stock from certain indices;
- changes in law, regulatory policies or tax guidelines, or interpretations thereof, particularly with respect to RICs or BDCs;
- loss of RIC status;
- changes in earnings or variations in operating results;
- changes in the value of our portfolio of investments;
- any shortfall in investment income or net investment income or any increase in losses from levels expected by investors or securities analysts;
- departure of AIM’ s key personnel;
- operating performance of companies comparable to us;
- short- selling pressure with respect to shares of our common stock or BDCs generally;
- uncertainty surrounding the strength of the U. S. economic recovery;
- concerns regarding volatility in the Chinese stock market and Chinese currency;
- concerns regarding continued volatility of oil prices;
- uncertainty between the U. S. and other countries with respect to trade policies, treaties and tariffs;
- general economic trends

and other external factors; and • loss of a major funding source. **We may be unable to invest the net proceeds raised from offerings on acceptable terms, which would harm our financial condition and operating results.** Until we identify new investment opportunities, we intend to either invest the net proceeds of future offerings in interest-bearing deposits or other short-term instruments or use the net proceeds from such offerings to reduce then-outstanding obligations under our credit facility. We cannot assure you that we will be able to find enough appropriate investments that meet our investment criteria or that any investment we complete using the proceeds from an offering will produce a sufficient return. **Sales of substantial amounts of our securities may have an adverse effect on the market price of our securities.** Sales of substantial amounts of our securities, or the availability of such securities for sale, could adversely affect the prevailing market prices for our securities. If this occurs and continues, it could impair our ability to raise additional capital through the sale of securities should we desire to do so. If you do not fully exercise your subscription rights in any rights offering of our common stock, your interest in us may be diluted and, if the subscription price is less than our net asset value per share, you may experience an immediate dilution of the aggregate net asset value of your shares. In the event we issue subscription rights to acquire shares of our common stock, stockholders who do not fully exercise their subscription rights should expect that they will, at the completion of the rights offering, own a smaller proportional interest in us than would be the case if they fully exercised their rights. In addition, if the subscription price is less than the net asset value per share of our common stock, a stockholder who does not fully exercise its subscription rights may experience an immediate dilution of the aggregate net asset value of its shares as a result of the offering. We would not be able to state the amount of any such dilution prior to knowing the results of the offering. Such dilution could be substantial. Stockholders may experience dilution in their ownership percentage if they do not participate in our dividend reinvestment plan. All distributions declared in cash payable to stockholders that are participants in our dividend reinvestment plan are generally automatically reinvested in shares of our common stock. As a result, stockholders that do not participate in the dividend reinvestment plan may experience dilution over time. Stockholders who do not elect to receive distributions in shares of common stock may experience accretion to the net asset value of their shares if our shares are trading at a premium and dilution if our shares are trading at a discount. The level of accretion or discount would depend on various factors, including the proportion of our stockholders who participate in the plan, the level of premium or discount at which our shares are trading and the amount of the distribution payable to a stockholder. **Risks Relating to Issuance of our Preferred Stock** ~~Stock~~ **Stock** If we issue preferred stock, the net asset value and market value of our common stock may 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 the 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 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. The issuance of shares of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could adversely affect the market price for our common stock by making an investment in the common stock less attractive. In addition, the dividends on any preferred stock we issue must be cumulative. Payment of dividends and repayment of the liquidation preference of preferred stock must take preference over any dividends or other payments to our common stockholders, and holders of preferred stock are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference (other than convertible preferred stock that converts into common stock). In addition, under the 1940 Act, preferred stock constitutes a “senior security” for purposes of the 200% asset coverage test. Holders of any preferred stock we might issue would have the right to elect members of the Board of Directors 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 the Board of Directors at all times and in the event dividends become two full years in arrears would have the right to elect a majority of the directors until such arrearage is completely eliminated. In addition, preferred stockholders have class voting rights on certain matters, including changes in fundamental investment restrictions and conversion to open-end status, and accordingly can veto any such changes. Restrictions imposed on the declarations and payment of dividends or other distributions to the holders of our common stock and preferred stock, both by the 1940 Act and by requirements imposed by rating agencies or the terms of our credit facilities, might impair our ability to maintain our qualification as a RIC for federal income tax purposes. While we would intend to redeem our preferred stock to the extent necessary to enable us to distribute our income as required to maintain our qualification as a RIC, there can be no assurance that such actions could be effected in time to meet the tax requirements. **For illustrative purposes, based on the number of shares of MFIC’s common stock issued and outstanding and the NAVs of MFIC and AFT as of December 31, 2023 (and adjusted for estimated transaction costs), MFIC would issue approximately 0.9756 shares of MFIC common stock for each share of AFT common stock outstanding, resulting in pro forma ownership of 81.11% for current MFIC stockholders and 18.89% for current AFT stockholders. Likewise, based on the**

number of shares of MFIC's common stock issued and outstanding and the NAVs of MFIC and AIF as of December 31, 2023 (and adjusted for estimated transaction costs), MFIC would issue approximately 0.9584 shares of MFIC common stock for each share of AIF common stock outstanding, resulting in pro forma ownership of 82.48% for current MFIC stockholders and 17.52% for current AIF stockholders. These pro forma ownership percentages assume that both the AFT Merger and AIF Merger are consummated. Former AFT stockholders and AIF stockholders may be required to or decide to sell the shares of MFIC's common stock that they receive pursuant to the Merger Agreements. In addition, MFIC stockholders may decide not to hold their shares of MFIC common stock after completion of the Mergers. In each case, such sales of MFIC common stock could have the effect of depressing the trading price for MFIC common stock and may take place promptly following the completion of the Mergers. If this occurs, it could impair MFIC's ability to raise additional capital through the sale of equity securities should MFIC desire to do so. MFIC's, AFT's and AIF's business differ in some respects. For example, MFIC's investment objective is to generate current income and, to a lesser extent, long-term capital appreciation, while AFT's and AIF's investment objective is to seek current income with a secondary objective of preservation of capital. Accordingly, the results of operations of the combined company and the market prices of MFIC common stock, AFT common stock and AIF common stock after the Mergers may be affected by factors different from those currently affecting the independent results of operations and trading price of each of MFIC, AFT and AIF, such as a larger stockholder base, a different portfolio composition and a different capital structure. Accordingly, MFIC's, AFT's and AIF's respective historical trading prices and financial results may not be indicative of these matters for the combined company following the Mergers. MFIC stockholders will experience a substantial reduction in their percentage ownership interests and effective voting power in respect of the combined company relative to their percentage ownership interests in MFIC prior to the Mergers unless they hold a comparable or greater percentage ownership in AFT or AIF. Consequently, MFIC 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 MFIC. In addition, prior to completion of the Mergers, subject to certain restrictions in the Merger Agreements and certain restrictions under the 1940 Act for issuances at prices below the then-current NAV per share of MFIC common stock, AIF common stock and AFT common stock, MFIC, AFT and AIF may issue additional shares of MFIC common stock, AFT common stock and AIF common stock, respectively, which would further reduce the percentage ownership of the combined company to be held by current MFIC stockholders, AFT stockholders and AIF stockholders. The realization of certain benefits anticipated as a result of the Mergers will depend in part on the integration of AFT's and AIF's investment portfolios with MFIC's investment portfolio and the integration of AFT's and AIF's businesses with MFIC's business. Though MFIC believes it can integrate MFIC, AFT and AIF given the significant overlap in investment portfolios, operations and governance structure, there can be no assurance that AFT's and AIF's investment portfolios or businesses can be operated profitably or integrated successfully into MFIC's operations in a timely fashion or at all. The dedication of management resources to such integration may detract attention from the day-to-day business of the combined company and there can be no assurance that there will not be substantial costs associated with the transition process or there will not be other material adverse effects as a result of these integration efforts. Such effects, including incurring unexpected costs or delays in connection with such integration and failure of AFT's and AIF's investment portfolios to perform as expected, could have a material adverse effect on the financial results of the combined company. MFIC also expects to achieve certain synergies and cost savings from the Mergers when the companies have fully integrated their portfolios. It is possible that the estimates of these synergies and potential cost savings could ultimately be incorrect. The cost savings estimates also assume MFIC will be able to combine its operations and AFT's and AIF's operations in a manner that permits those cost savings to be fully realized. If the estimates turn out to be incorrect or if MFIC is not able to successfully combine AFT's and AIF's investment portfolios or businesses with its operations, the anticipated synergies and cost savings may not be fully realized or realized at all or may take longer to realize than expected. The announcement and pendency of the proposed Mergers could adversely affect MFIC's, AFT's and AIF's business, financial results and operations, and, by extension, the business, financial results and operations of the combined company after the Mergers. The announcement and pendency of the proposed Mergers could cause disruptions in and create uncertainty surrounding MFIC's, AFT's and AIF's business, 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, MFIC, AFT and AIF have diverted, and will continue to divert, management resources towards the completion of the Mergers, which could have a negative impact on each of their future revenues and results of operations. MFIC, AFT and AIF are also subject to restrictions on the conduct of each of their businesses prior to the completion of the Mergers as provided in the Merger Agreements, generally requiring MFIC, AFT and AIF to conduct their 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 their organizational documents and enter into or modify certain material contracts. These restrictions could prevent MFIC, AFT or AIF from pursuing otherwise attractive business opportunities, industry developments and future opportunities and may otherwise have a significant negative impact on their future investment income and results of operations. If either or both of the Mergers does not close, MFIC will not benefit from the time and expenses incurred in pursuit of the Mergers. The Mergers may not be completed. If the Mergers are not completed, MFIC will have incurred substantial time and expenses for which no ultimate benefit will have been received. MFIC 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. Upon the closing of each Merger, an affiliate of Apollo has agreed to reimburse MFIC, AFT and AIF for all merger-related expenses incurred and payable in connection with the transactions. If a Merger does not close, a portion of the merger-related expenses of MFIC, AFT or AIF, as applicable, will be reimbursed by an affiliate of Apollo (with the remainder to be borne by MFIC, AFT or AIF, as applicable). It is anticipated that the Investment Adviser or its affiliate will bear expenses of

approximately \$ 7, 235 in connection with the Mergers, if consummated. While it is anticipated that the Investment Adviser will reimburse MFIC for all merger-related expenses if the Mergers do not close, MFIC still would have spent significant time and resources for which no ultimate benefit will be received. The termination of either or both of the Merger Agreements could negatively impact MFIC. If either or both of the Merger Agreements is terminated, there may be various consequences, including: the business of MFIC 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; and MFIC will not realize the anticipated benefits of the Mergers. The Merger Agreements limit the ability of MFIC, AFT and AIF to pursue alternatives to the Mergers. The Merger Agreements include restrictions on the ability of MFIC, AFT and AIF 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 AFT Merger Agreement contains certain termination rights, including if the requisite approvals of MFIC's and AFT's stockholders are not obtained. The AIF Merger Agreement also contains certain termination rights, including if the requisite approvals of MFIC's and AIF's stockholders are not obtained. 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 MFIC. The Mergers are subject to closing conditions, including certain approvals of MFIC stockholders, AFT stockholders and /or AIF stockholders that, if not satisfied, will prevent the Mergers from being completed. If AFT stockholders and /or AIF stockholders do not approve the applicable AFT merger proposal and AIF merger proposal and either or both of the Mergers is not completed, the resulting failure could have a material adverse impact on MFIC's respective businesses and operations. The closing of the AFT Merger is not contingent on the closing of the AIF Merger, and vice versa. If MFIC stockholders do not approve the issuance of MFIC common stock (the "MFIC Share Issuance Proposal") and the Mergers are not completed, the resulting failure of the Mergers could have a material adverse impact on MFIC's respective businesses and operations. In addition to the required approvals of MFIC stockholders, AFT stockholders and AIF stockholders, the Mergers are subject to a number of other conditions beyond the control of MFIC, AFT and AIF that may prevent, delay or otherwise materially adversely affect completion of the Mergers. MFIC cannot predict whether and when these other conditions will be satisfied. The failure to complete the Mergers would result in MFIC and MFIC stockholders failing to realize the anticipated benefits of the Mergers. MFIC, AFT and /or AIF may, to the extent legally allowed, waive one or more conditions to the AFT Merger and /or the AIF Merger, as applicable, without resoliciting stockholder approval. Certain conditions to MFIC's, AFT's and AIF's respective obligations to complete the AFT Merger and /or the AIF Merger, as applicable, may be waived, in whole or in part, to the extent legally allowed, either unilaterally or by mutual agreement. In the event that any such waiver does not require resolicitation of stockholders, MFIC, AFT and /or AIF will each have the discretion to complete the AFT Merger and /or the AIF Merger, as applicable, without seeking further stockholder approval. The conditions requiring the approval of MFIC stockholders, AFT stockholders and AIF stockholders, as applicable, however, cannot be waived. MFIC, AFT and AIF 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 on MFIC, AFT and /or AIF and, consequently, on the combined company following completion of the Mergers. These uncertainties may cause those that deal with MFIC, AFT and /or AIF to seek to change their existing business relationships with them. In addition, the Merger Agreement restricts MFIC, AFT and AIF from taking actions that each might otherwise consider to be in its best interests. These restrictions may prevent MFIC, AFT and /or AIF from pursuing certain business opportunities that may arise prior to the completion of the Mergers. Litigation filed against MFIC, AFT and /or AIF in connection with the Mergers could result in substantial costs and could delay or prevent either or both of the Mergers from being completed. From time to time, MFIC, AFT and /or AIF 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 MFIC, AFT, AIF and /or the combined company following the Mergers or could prevent either or both of the Mergers from being completed. The Mergers may trigger certain "change of control" provisions and other restrictions in contracts of MFIC, AFT and /or AIF or their affiliates and the failure to obtain any required consents or waivers could adversely impact the combined company. Certain agreements of MFIC, AFT, AIF or their affiliates may require by their terms the consent or waiver of one or more counterparties in connection with the Mergers. The failure to obtain any such consent or waiver may permit such counterparties to terminate, or otherwise increase their rights or MFIC's, AFT's or AIF's obligations under, any such agreement because the Mergers or other transactions contemplated by the Merger Agreements may violate an anti-assignment, change of control or similar provision relating to any of such transactions. If this occurs, MFIC may have to seek to replace that agreement with a new agreement or seek an amendment to such agreement. MFIC, AFT and AIF cannot assure you that MFIC will be able to replace or amend any such agreement on comparable terms or at all. If any such agreement is material, the failure to obtain consents, amendments or waivers under, or to replace on similar terms or at all, any of these agreements could adversely affect the financial performance or results of operations of the combined company following the Mergers, including preventing MFIC from operating a material part of AFT's or AIF's businesses. In addition, the consummation of the Mergers may violate, conflict with, result in a breach of provisions of, or the loss of any benefit under, constitute a default (or an event that, with or without notice or lapse of time or both, would constitute a default) under, or result in the termination, cancellation, acceleration or other change of any right or obligation (including any payment obligation) under, certain agreements of MFIC, AFT and AIF. Any such violation, conflict, breach, loss, default or other effect could, either individually or in the aggregate, have a material adverse effect on the financial condition, results of operations, assets or business of the combined company following completion of the Mergers. 67

