

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-K

- ☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the Year Ended December 31, 2024
- ☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File Number: 814-00899

BLACKROCK TCP CAPITAL CORP.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

2951 28th Street, Suite 1000
Santa Monica, California
(Address of Principal Executive Offices)

56-2594706
(IRS Employer Identification No.)

90405
(Zip Code)

(310) 566-1000

(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value \$0.001 per share
(Title of each class)

TCPC
(Trading Symbol(s))

NASDAQ Global Select Market
(Name of each exchange where registered)

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller Reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with a new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. Yes ☐ No ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). Yes ☐ No ☒

The aggregate market value of the Registrant's common stock held by non-affiliates of the Registrant at June 30, 2024 (the last business day of the Registrant's most recently completed second quarter) was \$924.4 million based upon the last sales price reported for such date on The NASDAQ Global Select Market. For purposes of this disclosure, shares of common stock beneficially owned by executive officers and directors of the Registrant and members of their families have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily conclusive for other purposes. The Registrant has no non-voting common stock.

The number of shares of the Registrant's common stock, \$0.001 par value, outstanding as of February 27, 2025 was 85,077,297.

Documents Incorporated by Reference: Portions of the Registrant's Proxy Statement relating to the Registrant's 2025 Annual Meeting of Shareholders to be filed not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K are incorporated by reference into Part III of this Report.

BLACKROCK TCP CAPITAL CORP.
FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2024

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Part I

Summary of Risk Factors

The risk factors described below are a summary of the principal risk factors associated with an investment in us. These are not the only risks we face. You should carefully consider these risk factors, together with the risk factors set forth in Item 1A of this Annual Report on Form 10-K and the other reports and documents filed by us with the SEC.

Risks related to our business

- Market disruptions and other geopolitical or macroeconomic events could create market volatility that negatively impacts our business, financial condition and earnings.
- Economic recessions or downturns could impair our portfolio companies and harm our operating results.
- We are subject to risks related to inflation.
- Changes in legal, tax and regulatory regimes could negatively impact our business, financial condition and earnings.
- 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.
- We may not replicate the historical performance of other investment companies and funds with which our investment professionals have been affiliated.
- We may suffer credit losses.
- Our use of borrowed funds, including under our leverage program, to make investments exposes us to risks typically associated with leverage.
- Incurring additional indebtedness could increase the risk in investing in shares of our common stock.
- The lack of liquidity in our investments may adversely affect our business.
- A substantial portion of our portfolio investments are recorded at fair value as determined using a consistently applied valuation process in accordance with our documented valuation policy that has been reviewed and approved by our Board of Directors and, as a result, there may be uncertainty regarding the value of our portfolio investments.
- Our use of borrowed funds to make investments exposes us to risks typically associated with leverage.
- To the extent “original issue discount”, or OID and payment-in-kind (“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 Advisor and its affiliates and employees may have certain conflicts of interest.
- We are dependent upon senior management personnel of the Advisor for our future success.
- We may in the future determine to fund a portion of our investments by issuing preferred stock, which would magnify the potential gains or losses and the risks of investing in us in the same manner as our borrowings.
- We may experience fluctuations in our periodic operating results.
- Because we intend to distribute substantially all of our income to our shareholders to maintain our status as a RIC, we will continue to need additional capital to finance growth. If additional funds are unavailable or not available on favorable terms, our ability to grow will be impaired.
- The highly competitive market in which we operate may limit our investment opportunities.

Risks related to our investments

- Our investments are risky and highly speculative, and we could lose all or part of our investment.
- Because our investments are generally not in publicly traded securities, there will be uncertainty regarding the value of our investments, which could adversely affect the determination of our net asset value.
- We and the Advisor may be a party to legal proceedings in connection with our investments 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.
- Our portfolio companies may be highly leveraged.
- Our investments in foreign securities may involve significant risks in addition to the risks inherent in U.S. investments.
- Our investments in the financial services sector are subject to various risks including volatility and extensive government regulation.
- Our investments in the software, internet & catalog retail, and IT services sector are subject to various risks, including intellectual property infringement issues and rapid technological changes, which may adversely affect our performance. Each industry contains certain industry related credit risks.

Risks related to our operations as a BDC

- While our ability to enter into transactions with our affiliates is restricted under the Investment Company Act of 1940 (the “1940 Act”), we have received an exemptive order from the SEC permitting certain affiliated investments subject to certain conditions. As a result, the Advisor may face conflicts of interests and investments made pursuant to the exemptive order conditions could in certain circumstances adversely affect the price paid or received by us or the availability or size of the position purchased or sold by us.
- Regulations governing our operation as a BDC may limit our ability to, and the way in which we raise additional capital, which could have a material adverse impact on our liquidity, financial condition and results of operations and may hinder the Advisor's ability to take advantage of attractive investment opportunities and to achieve our investment objective.
- There is a risk that you may not receive distributions or that our distributions may not grow over time and a portion of our distributions may be a return of capital.
- We may experience cybersecurity incidents and are subject to cybersecurity risks.
- We are subject to the cybersecurity risks of our Service Providers, which could negatively impact the Company and its shareholders.
- 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.

Risks Related to our common stock and other securities

- Our shares of common stock have traded at a discount from net asset value and may do so again in the future, which could limit our ability to raise additional equity capital.
- Investing in our common stock may involve an above average degree of risk.
- The market price of our common stock may fluctuate significantly.
- Shareholders will likely incur dilution if we sell or otherwise issue shares of our common stock or securities to subscribe for or convertible into shares of our common stock at prices below the then current net asset value per share of our common stock.
- If we issue preferred stock, the net asset value and market value of our common stock may become more volatile.
- We may in the future determine to issue preferred stock, which could adversely affect the market value of our common stock.
- Certain provisions of the Delaware General Corporation Law and our certificate of incorporation and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.
- Your interest in us may be diluted if you do not fully exercise your subscription rights in any rights offering we may conduct. In addition, if the subscription price is less than our net asset value per share, then you will experience an immediate dilution of the aggregate net asset value of your shares.
- Terms relating to redemption may materially adversely affect your return on any debt securities that we may issue.

Item 1. Business

General

In this annual report in Form 10-K, except as otherwise indicated, the terms:

“Company,” “we,” “us” and “our” refer to Special Value Continuation Fund, LLC, a Delaware limited liability company, for the periods prior to the consummation of the Conversion described elsewhere in this report and to BlackRock TCP Capital Corp., formerly known as TCP Capital Corp., for the periods after the consummation of the Conversion;

“SVCP” refers to Special Value Continuation Partners LLC, a Delaware limited liability company;

“TCPC Funding” refers to TCPC Funding I, LLC, a Delaware limited liability company;

“TCPC Funding II” refers to TCPC Funding II, LLC, a Delaware limited liability company;

The “SBIC” refers to TCPC SBIC, LP, a Delaware limited partnership;

“Merger Sub” refers to BCIC Merger Sub, LLC, a Delaware limited liability company;

The “Advisor” refers to Tennenbaum Capital Partners, LLC, a Delaware limited liability company and the investment manager; and

“Administrator” refers to Series H of SVOF/MM, LLC, a series of a Delaware limited liability company, an affiliate of the Advisor and administrator of the Company.

The Company is a Delaware corporation formed on April 2, 2012 and is an externally managed, closed-end, non-diversified management investment company. We have elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). Our investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. We seek to achieve our investment objective primarily through investments in debt securities of middle-market companies, which we typically define as those with enterprise values between \$100 million and \$1.5 billion. While we intend to primarily focus on privately negotiated investments in debt of middle-market companies, we may make investments of all kinds and at all levels of the capital structure, including in equity interests such as preferred or common stock and warrants or options received in connection with our debt investments. Our investment activities will benefit from what we believe are the competitive advantages of our Advisor, including its diverse in-house skills, proprietary deal flow, and consistent and rigorous investment process focused on established, middle-market companies. We expect to generate returns through a combination of the receipt of contractual interest payments on debt investments and origination and similar fees, and, to a lesser extent, equity appreciation through options, warrants, conversion rights or direct equity investments.

Investment operations are conducted through the Company’s wholly-owned subsidiaries, SVCP, TCPC Funding, TCPC Funding II and the SBIC. SVCP was organized as a limited partnership and had elected to be regulated as a BDC under the 1940 Act through July 31, 2018. On August 1, 2018, SVCP withdrew its election to be regulated as a BDC under the 1940 Act and withdrew the registration of its common limited partner interests under Section 12(g) of the Securities Exchange Act of 1934 and, on August 2, 2018, terminated its general partner, Series H of SVOF/MM, LLC, and converted to a Delaware limited liability company. The managing member of SVOF/MM is Tennenbaum Capital Partners, LLC (the “Advisor”), which serves as the investment manager to the Company, TCPC Funding, TCPC Funding II and the SBIC. On August 1, 2018, the Advisor merged with and into a wholly-owned subsidiary of BlackRock Capital Investment Advisors, LLC, an indirect wholly-owned subsidiary of BlackRock, Inc. with the Advisor as the surviving entity. BlackRock, Inc., along with its subsidiaries is referred to herein as “BlackRock”.

The Company has elected to be treated as a regulated investment company (“RIC”) for U.S. federal income tax purposes. As a RIC, we will not be taxed on our income to the extent that we distribute such income each year and satisfy other applicable income tax requirements. SVCP was treated as a partnership for U.S. federal income tax purposes through August 1, 2018, and upon its conversion to a limited liability company on August 2, 2018 and thereafter is and will be treated as a disregarded entity.

On April 2, 2012, the Company converted from a limited liability company to a corporation (the “Conversion”). At the time of the Conversion, all limited liability company interests of Special Value Continuation Fund, LLC (“SVCF”) were exchanged for 15,725,635 shares of common stock in the Company. As a result of the Conversion, the books and records of SVCF became the books and records of the Company.

On April 3, 2012, the Company priced its initial public offering (the “Offering”), selling 5,750,000 shares of its common stock at a public offering price of \$14.75 per share.

On March 18, 2024, the Company completed its previously announced acquisition of BlackRock Capital Investment Corporation, a Delaware corporation (“BCIC”), pursuant to the Amended and Restated Agreement and Plan of Merger (the “Merger Agreement”), dated as of January 10, 2024, by and among the Company, BCIC, Merger Sub, and solely for the limited purposes set forth therein, BlackRock Capital Investment Advisors, LLC, a Delaware limited liability company and investment advisor to BCIC (“BCIA”), and the Advisor. Pursuant to the Merger Agreement, BCIC merged with and into Merger Sub, with Merger Sub continuing as the surviving company and as a subsidiary of SVCP and an indirect wholly-owned subsidiary of the Company (the “Merger”). As a result of, and as of the effective time of, the Merger, BCIC’s separate corporate existence ceased. See “Note 12 – Proposed Merger with BlackRock Capital Investment Corporation” for further information regarding the Merger Agreement and the Merger.

To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements and timely distribute to our shareholders generally at least 90% of our investment company taxable income, as defined by the Internal Revenue Code of 1986, as amended (the “Code”), for each year. Pursuant to this election, we generally will not have to pay corporate level taxes on any income that we distribute to our shareholders provided that we satisfy those requirements.

The Advisor

Our investment activities are managed by the Advisor, a wholly-owned indirect subsidiary of BlackRock, Inc. (together with its subsidiaries, including but not limited to the Advisor, “BlackRock”) and a limited liability company registered as an investment advisor under the Investment Advisers Act of 1940. BlackRock is a leader in investment management, risk management and advisory services for institutional and retail clients worldwide. At December 31, 2024, BlackRock’s assets under management were \$11.6 trillion. BlackRock helps clients meet their goals and overcome challenges with a range of products that include separate accounts, mutual funds, iShares® (exchange-traded funds), and other pooled investment vehicles. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through BlackRock Solutions®. Headquartered in New York City, as of December 31, 2024, the firm had approximately 21,100 employees in more than 30 countries who serve clients in over 100 countries across the globe, providing a broad range of investment management and technology services to institutional and retail clients worldwide.

The investment professionals of the Advisor have significant industry experience, including experience investing in middle-market companies. Together, they have invested approximately \$52.6 billion in 958 companies since the Advisor’s inception in 1999, through multiple business and credit cycles, across all segments of the capital structure and through a broad set of credit-oriented strategies including leveraged loan origination, secondary investments of discounted debt securities, and distressed and control opportunities. We believe that the Advisor’s investment perspectives, complementary skills, and collective investment experience along with BlackRock’s resources, relationships and global platform provide the Advisor with a strategic and competitive advantage in middle-market investing.

As our investment advisor, the Advisor is responsible for sourcing potential investments, conducting research, analyzing investment opportunities and structuring our investments and monitoring our portfolio companies on an ongoing basis. We believe that the Advisor has a proven long-term track record of positive performance, notwithstanding some periods during which losses were incurred, of sourcing deals, originating loans and successfully investing in middle-market companies and that the relationships of its investment professionals are integral to the Advisor’s success. The Advisor’s investment professionals have long-term working relationships with key sources of investment opportunities and industry expertise, including investment bankers, financial advisors, attorneys, private equity sponsors, other senior lenders, high-yield bond specialists, research analysts, accountants, and senior management teams. Additionally, BlackRock’s broad and established sourcing network along with the Advisor’s board of advisors and senior executive advisors from a variety of industries extend the reach of the Advisor’s relationships and can enhance our deal sourcing and due diligence activities.

We also benefit from the existing infrastructure and administrative capabilities of an established investment manager. The Administrator, an affiliate of the Advisor, provides us with office space, equipment and office services. The tasks of our Administrator include overseeing our financial records, preparing reports to our shareholders and reports filed with the SEC and generally monitoring the payment of our expenses and the performance of administrative and professional services rendered to us by others.

Since the beginning of 2011, the Advisor executed across its funds approximately \$40.4 billion in direct origination leveraged loans primarily to middle-market companies, of which approximately \$6.5 billion was for our account. There can be no assurance that similar deal flow or terms will be available in the future for loans in which we may invest.

Operating and Regulatory Tax Structure

The Company elected to be treated for U.S. federal income tax purposes as a RIC under the Code. As a RIC, the Company generally does not have to pay corporate-level federal income taxes on any net ordinary income or capital gain that we distribute to our shareholders as dividends if we meet certain source-of-income, distribution and asset diversification requirements. The Company has elected to be regulated as a BDC under the 1940 Act. As a BDC we are required to invest at least 70% of our total assets primarily in securities of private and certain public U.S. companies (other than investment companies and certain financial institutions), cash, cash equivalents, U.S. Government securities, and other high-quality debt investments that mature in one year or less and to comply with other regulatory requirements, including limitations on our use of debt.

Investment Strategy

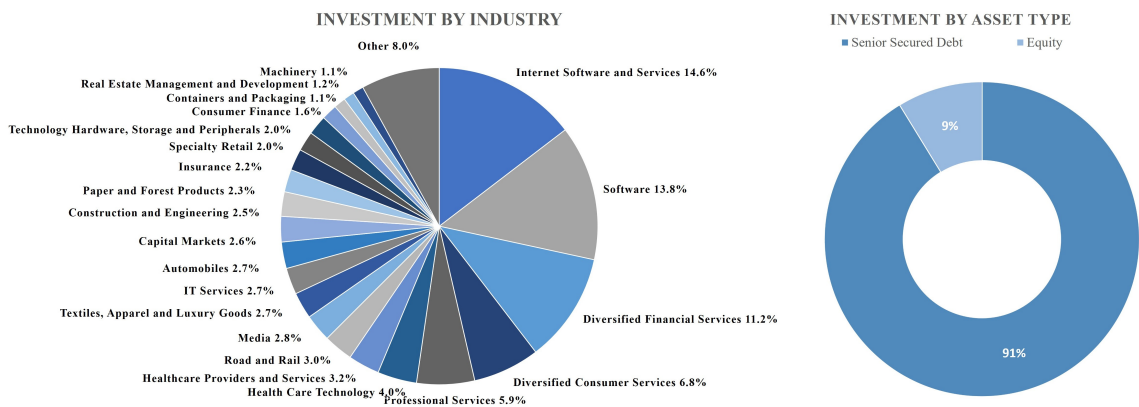
To achieve our investment objectives, we intend to focus on a subset of the broader investment strategies historically pursued by the Advisor. Our primary investment focus is the ongoing origination of and investments in leveraged loans of performing middle-market companies, building on the Advisor’s established track record of origination and participation in the original syndication of approximately \$44.1 billion of leveraged loans to 733 companies since 1999, of which we invested over \$7.1 billion in 413 companies. For the purposes of this filing, the term “leveraged loans” refers to senior debt investments that rank ahead of subordinated debt and that generally have the benefit of security interests in the assets of the borrower. Our investments generally range from \$10 million to \$50 million per company, the size of which may grow over time in proportion with our capital base. We expect to generate current returns through a combination of the receipt of contractual interest payments on debt investments and origination and similar fees, and, to a lesser extent, equity appreciation through options, warrants, conversion rights or direct equity investments. We often receive equity interests such as preferred or common stock and warrants or options in connection with our debt investments. From time to time we may also use other investment strategies, which are not our primary focus, to attempt to enhance the overall return of our portfolio. These investment strategies may include, but are not limited to, the purchase of discounted debt, opportunistic investments, and financial instruments to hedge currency or interest rate risk associated with our portfolio.

Our typical investments are in performing middle-market companies. We believe that middle-market companies are generally less able to secure financing than larger companies and thus offer better return opportunities for those able to conduct the necessary diligence to appropriately evaluate these companies. We focus primarily on U.S. companies where we believe our Advisor’s perspective, complementary skills and investment experience provides us with a competitive advantage and in industries where our Advisor sees an attractive risk reward profile due to macroeconomic trends and existing Advisor industry expertise.

Investment Portfolio

At December 31, 2024, our consolidated investment portfolio of \$1,794.8 million (at fair value) consisted of 154 portfolio companies and was invested 91.5% in debt investments, primarily in senior secured debt. In aggregate, our investment portfolio was invested 87.9% in senior secured loans, 3.3% in senior secured notes, 0.3% in unsecured debt and 8.5% in equity investments. Our average portfolio company investment at fair value was approximately \$11.7 million. Our largest portfolio company investment based on fair value was approximately 6.2% of our portfolio and our five largest portfolio company investments by value comprised approximately 18.3% of our portfolio at December 31, 2024.

The following charts summarize our portfolio mix by industry and type based on the fair value of our investments as of December 31, 2024.



Investment Process

The Advisor's investment process is designed to maximize its strategic advantages: a strong brand name as a specialty lender to the middle-market and diverse in-house expertise and skills. The Advisor seeks out opportunities by conducting a rigorous and disciplined investment process that combines the following characteristics:

Deal Sourcing

As a leading middle-market corporate debt investment manager with approximately \$26.0 billion in committed capital as of December 31, 2024 (approximately 9.3% of which consists of the Company's committed capital) and which has invested on behalf of institutions since 1999, the Advisor is active in new deal financing opportunities in the middle-market segment. However, we believe that the Advisor's real deal flow advantage comes from the proprietary network of established relationships of its investment professionals and synergies among its professionals and portfolio companies. Members of the Advisor's Investment Committee for the Company (the "Investment Committee") have long-term relationships with deal sources including investment bankers, restructuring professionals, bankruptcy attorneys, senior lenders, high yield bond specialists, research analysts, accountants, fund management teams, the Advisor's advisory board, senior executive advisors, board members of former clients, former colleagues and other operating professionals to facilitate deal flow. The Investment Committee is currently comprised of four voting members. In total, the Investment Committee consists of approximately 47 members from the Advisor. The number of voting and non-voting members of the Investment Committee is subject to increase or decrease in the sole discretion of the Advisor. All members of the Investment Committee attend investment meetings and are encouraged to participate in discussions. In addition, members of the Investment Committee have relationships with other investors, including insurance companies, bond funds, mezzanine funds, private equity funds, hedge funds and other funds which invest in similar assets. Further, the Advisor regularly calls on both active and recently retired senior executives from the relevant industries to assist with the due diligence of potential investments. Historically, these relationships with retired senior executives have also been a valuable source of transactions and information. The Advisor anticipates that they will continue to provide future opportunities. We believe the Advisor's strong relationships with its portfolio companies facilitate positive word-of-mouth recommendations to other companies seeking the Advisor's expertise. The Advisor's relationships often result in the ability to access investment opportunities earlier than many of its competitors and in some cases on an exclusive basis.

Due Diligence Process

The foundation of the Advisor's investment process is intensive investment research and analysis by its experienced staff of investment professionals. The Advisor's senior professionals have worked together for numerous years and we believe that they have a superior level of credit investing knowledge relative to other credit investors. The Advisor supplements its in-house knowledge with industry experts, including CEO/CFO-level executives, with direct management experience in the industries under consideration. The Advisor prefers these industry experts to consultants because of the practical business advice that comes from having managed businesses. The Advisor rigorously and comprehensively analyzes issuers of securities of interest. The process includes a quantitative and qualitative assessment of the issuer's business, an evaluation of its management, an analysis of the business strategy and industry trends, and an in-depth examination of the company's capital structure, financial results and projections. The Advisor's due diligence process includes:

- an assessment of the outlook for the industry and general macroeconomic trends;
- discussions with issuer management and other industry executives, including the assessment of management/board strengths and weaknesses;
- an analysis of the fundamental asset values and the enterprise value of the issuer;
- review of the issuer's key assets, core competencies, competitive advantages, historical and projected financial statements, capitalization, financial flexibility, debt amortization requirements, and tax, environmental, legal and regulatory contingencies;
- review of the issuer's existing credit documents, including credit agreements, indentures, intercreditor agreements, and security agreements; and
- review of documents governing the issuer, including charter, by-laws, and key contracts.

As a part of its due diligence process, the Advisor considers sustainability-related factors that can affect the future prospects of the issuer. Since sustainable investment options have the potential to offer better outcomes, the Advisor integrates sustainability considerations into the way it manages risk, constructs portfolios, designs products, and engages with companies.

Structuring Originations

As an early non-bank participant in the leveraged loan market, we believe that loan origination is a core competency of the Advisor. Supplementing industry deal teams' experience and competency, the Advisor has a number of professionals with legal experience, including significant experience in bankruptcy and secured credit. Deal teams work with the Advisor's in-house legal specialists and outside counsel to structure over-collateralized loans with what we believe to be strong creditor protections and contractual controls over borrower operations. In many cases, the Advisor works to obtain contractual governance rights and board observer seats to protect principal and maximize post-investment returns. Deals usually include original issue discounts, upfront fees, exit fees and/or equity participations through warrants or direct equity stakes.

Trading and Secondary Market Purchases

A key element in maximizing investment returns in secondary purchases is buying and selling investments at the best available prices. The Advisor has a dedicated trading staff for both the highly specialized traded loan market and for high-yield bonds. Through its trading operations, the Advisor maintains its established relationships with a network of broker-dealers in the debt securities markets. These relationships provide the Advisor with access to the trading dynamics of existing or potential investments and assist it in effectively executing transactions. These relationships may also lead to the early identification of potential investment opportunities for the Company.

Portfolio Management & Monitoring

The Advisor actively monitors the financial performance of its portfolio companies and market developments. This constant monitoring permits the Advisor to update position risk assessments, seek to address potential problems early, refine exit plans, and make follow-on investment decisions quickly. We view active portfolio monitoring as a vital part of our investment process.

We consider board observation and information rights, regular dialogue with company management and sponsors, and detailed internally generated monitoring reports to be critical to our performance. We have developed a monitoring template that seeks to ensure compliance with these standards and that is used as a tool by the Investment Committee to assess investment performance relative to plan.

- Deal teams maintain contact with portfolio company management through regularly scheduled and *ad hoc* conference calls and onsite visits.
- Deal teams review portfolio company progress relative to plan and pre-determined performance benchmarks.
- Adverse or unexpected developments, as well as consequential routine updates, are reported to the Investment Committee and thoroughly discussed at regularly scheduled weekly meetings. If merited, the Investment Committee will hold *ad hoc* meetings as necessary to address urgent issues.
- Deal teams, with Investment Committee approval, encourage portfolio company managers to catalyze events to monetize holdings for greater return, or where needed, take corrective actions to address shortfalls to plan or benchmarks.
- All existing portfolio holdings are formally reviewed in detail by the entire Investment Committee once per quarter at the Advisor's quarterly portfolio review.

Investment Committee and Decision Process

The Advisor's investment process is organized around the Investment Committee that provides for a centralized, repeatable decision process. The Investment Committee meets weekly and, with respect to each fund the Advisor advises, certain members of the Investment Committee are voting members. The voting members of the Investment Committee for the Company are currently Philip Tseng, Jason Mehring, Rob DiPaolo and Dan Worrell. Approval by a simple majority vote of the voting members of the Investment Committee for each respective fund is required for the purchase or sale of any investment, with certain de-minimis exceptions. No voting member has veto power. The Advisor's investment process is designed to maximize risk-adjusted returns and preserve downside protection.

Regulation

We have filed an election to be regulated as a BDC under the 1940 Act. The 1940 Act contains prohibitions and restrictions relating to transactions between BDCs and their affiliates (including any investment advisors or co-advisors), principal underwriters and affiliates of those affiliates or underwriters and requires that a majority of the directors be persons other than “interested persons,” as that term is defined in the 1940 Act. In addition, the 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a BDC unless approved by “a majority of our outstanding voting securities”, which is defined in the 1940 Act as the lesser of a majority of the outstanding voting securities or 67% or more of the securities voting if a quorum of a majority of the outstanding voting securities is present.

We may invest up to 100% of our assets in securities acquired directly from issuers in privately negotiated transactions. With respect to such securities, we may, for the purpose of public resale, be deemed an “underwriter” as that term is defined in the Securities Act of 1933 (the “Securities Act”), or the Securities Exchange Act of 1934. We do not intend to acquire securities issued by any investment company that exceed the limits imposed by the 1940 Act. Under these limits, except for registered money market funds we generally cannot acquire more than 3% of the voting stock of any investment company, invest more than 5% of the value of our total assets in the securities of one investment company or invest more than 10% of the value of our total assets in the securities of more than one investment company. With regard to that portion of our portfolio invested in securities issued by investment companies, it should be noted that such investments might indirectly subject our shareholders to additional expenses as they will indirectly be responsible for the costs and expenses of such companies. None of our investment policies are fundamental and any may be changed without shareholder approval.

Qualifying Assets

Under the 1940 Act, a BDC may not acquire any asset other than assets of the type listed in section 55(a) of the 1940 Act, which are referred to as qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company’s total assets. The principal categories of qualifying assets relevant to our proposed business are the following:

- Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the 1940 Act as any issuer which:
 - is organized under the laws of, and has its principal place of business in, the United States;
 - is not an investment company (other than a small business investment company wholly owned by the BDC) or a company that would be an investment company but for certain exclusions under the 1940 Act; and satisfies either of the following:
 - has a market capitalization of less than \$250.0 million or does not have any class of securities listed on a national securities exchange; or
 - is controlled by a BDC or a group of companies including a BDC, the BDC actually exercises a controlling influence over the management or policies of the eligible portfolio company, and, as a result thereof, the BDC has an affiliated person who is a director of the eligible portfolio company.
- Securities of any eligible portfolio company which we control.
- Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements.
- Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60% of the outstanding equity of the eligible portfolio company.
- Securities received in exchange for or distributed on or with respect to securities described above, or pursuant to the exercise of warrants or rights relating to such securities.
- Cash, cash equivalents, U.S. Government securities or high-quality debt securities maturing in one year or less from the time of investment.

Asset Coverage Requirement

Under Section 61(a) of the 1940 Act, prior to March 23, 2018, a BDC was generally not permitted to issue senior securities unless after giving effect thereto the BDC met a coverage ratio of total assets, less liabilities and indebtedness not represented by senior securities, to total senior securities, which includes all borrowings of the BDC, of at least 200%. On March 23, 2018, the Small Business Credit Availability Act (“SBCAA”) was signed into law, which among other things, amended Section 61(a) of the 1940 Act to add a new Section 61(a)(2) that reduces the asset coverage requirement applicable to BDCs from 200% to 150% so long as the BDC meets certain disclosure requirements and obtains certain approvals. The reduced asset coverage requirement permits a BDC to have a ratio of total outstanding indebtedness to equity of 2:1 as compared to a maximum of 1:1 under the 200% asset coverage requirement.

In accordance with the 1940 Act, with certain limited exceptions, we were allowed to borrow amounts such that our asset coverage ratio, as defined in the 1940 Act, equaled at least 200% after such borrowing. Effective November 7, 2018, the Company's Board of Directors, including a “required majority” (as such term is defined in Section 57(o) of the 1940 Act) 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 (the “Asset Coverage Ratio Election”), which would have resulted (had the Company not received earlier shareholder approval) in our asset coverage requirement applicable to senior securities being reduced from 200% to 150%, effective on November 7, 2019. On February 8, 2019, the shareholders of the Company approved the Asset Coverage Ratio Election, and, as a result, effective on February 9, 2019, our asset coverage requirement applicable to senior securities was reduced from 200% to 150%.

Managerial assistance to portfolio companies

A BDC must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described in “Qualifying assets” above. However, in order to count portfolio securities as qualifying assets for the purpose of the 70% test, the BDC must either control the issuer of the securities or must offer to make available to the issuer of the securities significant managerial assistance. Where the BDC purchases such securities in conjunction with one or more other persons acting together, the BDC will satisfy this test if one of the other persons in the group makes available such managerial assistance, although reliance on other investors may not be the sole method by which the BDC satisfies the requirement to make available managerial assistance. Making available managerial assistance means, among other things, any arrangement whereby the BDC, through its investment manager, directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company.

Small Business Administration Regulations

On April 22, 2014, the SBIC received a license from the Small Business Administration (the “SBA”) to operate as a small business investment company. The SBIC license allows us to borrow funds from the SBA against eligible investments. The Small Business Investment Company regulations currently limit the amount that is available to borrow by any SBIC to \$175.0 million. There is no assurance that we will draw up to the maximum limit available under the Small Business Investment Company program.

Small business investment companies are designed to stimulate the flow of private equity capital to eligible small businesses. Under present Small Business Administration regulations, eligible small businesses include businesses that have a tangible net worth not exceeding \$24.0 million and have average annual fully taxed net income not exceeding \$8 million for the two most recent fiscal years. In addition, a small business investment company must devote 25% of its investment activity to “smaller” concerns as defined by the Small Business Administration. A smaller concern is one that has a tangible net worth not exceeding \$6.0 million and has average annual fully taxed net income not exceeding \$2.0 million for the two most recent fiscal years. Small Business Administration regulations also provide alternative size standard criteria to determine eligibility, which depend on the industry in which the business is engaged and are based on such factors as the number of employees and gross sales. According to Small Business Administration regulations, small business investment companies may make long-term loans to small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services. We plan to provide long-term loans to qualifying small businesses, and in connection therewith, make equity investments.

The SBIC is periodically examined and audited by the Small Business Administration’s staff to determine its compliance with small business investment company regulations.

Taxation of the Company

We have elected to be taxed as a RIC under Subchapter M of the Code. To continue to qualify as a RIC, we must, among other things, (a) derive in each taxable year at least 90 percent of our gross income from dividends, interest (including tax-exempt interest), payments with respect to certain securities loans, gains from the sale or other disposition of stock, securities or foreign currencies, other income (including but not limited to gain from options, futures and forward contracts) derived with respect to our business of investing in stock, securities or currencies, or net income derived from an interest in a “qualified publicly traded partnership” (a “QPTP”); and (b) diversify our holdings so that, at the end of each quarter of each taxable year (i) at least 50 percent of the market value of our total assets is represented by cash and cash items, U.S. Government securities, the securities of other RICs and other securities, with other securities limited, in respect of any one issuer, to an amount not greater than five percent of the value of our total assets and not more than 10 percent of the outstanding voting securities of such issuer (subject to the exception described below), and (ii) not more than 25 percent of the market value of our total assets is invested in the securities (other than U.S. Government securities and the securities of other regulated investment companies) (A) of any issuer, (B) of any two or more issuers that we control and that are determined to be engaged in the same business or similar or related trades or businesses, or (C) of one or more QPTPs. The Code provides for certain exceptions to the foregoing diversification requirements. We may generate certain income that might not qualify as good income for purposes of the 90% annual gross income requirement described above. We monitor our transactions to endeavor to prevent our disqualification as a RIC.

If we fail to satisfy the 90% annual gross income requirement or the asset diversification requirements discussed above in any taxable year, we may be eligible for relief provisions if the failures are due to reasonable cause and not willful neglect and if a penalty tax is paid with respect to each failure to satisfy the applicable requirements. Additionally, relief is provided for certain de minimis failures of the asset diversification requirements where we correct the failure within a specified period. If the applicable relief provisions are not available or cannot be met, all of our income would be subject to corporate-level U.S. federal income tax as described below. We cannot provide assurance that we would qualify for any such relief should we fail the 90% annual gross income requirement or the asset diversification requirements discussed above.

As a RIC, in any taxable year with respect to which we timely distribute at least 90% of the sum of our (i) investment company taxable income (which includes, among other items, dividends, interest and the excess of any net short-term capital gain over net long-term capital loss and other taxable income (other than any net capital gain), reduced by deductible expenses) determined without regard to the deduction for dividends and distributions paid and (ii) net tax exempt interest income (which is the excess of our gross tax exempt interest income over certain disallowed deductions) (the “Annual Distribution Requirement”), we (but not our shareholders) generally will not be subject to U.S. federal income tax on investment company taxable income and net capital gain (generally, net long-term capital gain in excess of short-term capital loss) that we distribute to our shareholders. We intend to distribute annually all or substantially all of such income on a timely basis. To the extent that we retain our net capital gain for investment or any investment company taxable income, we will be subject to U.S. federal income tax at the regular corporate income tax rates. We may choose to retain our net capital gains for investment or any investment company taxable income, and pay the associated federal corporate income tax, including the federal excise tax described below.

Certain amounts not distributed during a calendar year are subject to a nondeductible four percent U.S. federal excise tax payable by us. To avoid this tax, we would need to distribute (or be deemed to have distributed) during each calendar year an amount equal to the sum of:

- (1) at least 98 percent of our ordinary income (not taking into account any capital gains or losses) for the calendar year;
- (2) at least 98.2 percent of the amount by which our capital gains exceed our capital losses (adjusted for certain ordinary losses) for a one-year period generally ending on October 31 of the calendar year (unless an election is made by us to use our taxable year); and
- (3) certain undistributed amounts from previous years on which we paid no U.S. federal income tax.

While we intend to distribute any income and capital gains in the manner necessary to minimize imposition of the four percent federal excise tax, sufficient amounts of our taxable income and capital gains may not be distributed to avoid entirely the imposition of the tax. In that event, we will be liable for the tax only on the amount by which we do not meet the foregoing distribution requirement.

If, in any particular taxable year, we do not satisfy the Annual Distribution Requirement or otherwise were to fail to qualify as a RIC (for example, because we fail the 90% annual gross income requirement described above), and relief is not available as discussed above, all of our taxable income (including our net capital gains) will be subject to tax at regular corporate rates without any deduction for distributions to shareholders, and distributions generally will be taxable to the shareholders as ordinary dividends to the extent of our current and accumulated earnings and profits.

We may decide to be taxed as a regular corporation even if we would otherwise qualify as a RIC if we determine that treatment as a corporation for a particular year would be in our best interests.

As a RIC, we are permitted to carry forward a net capital loss realized in a taxable year beginning on or after December 23, 2010 to offset capital gain indefinitely. For net capital losses realized in taxable years beginning on or after December 23, 2010, the excess of our net short-term capital loss over our net long-term capital gain is treated as a short-term capital loss arising on the first day of our next taxable year and the excess of our net long-term capital loss over our net short-term capital gain is treated as a long-term capital loss arising on the first day of our next taxable year. If future capital gain is offset by carried forward capital losses, such future capital gain is not subject to fund-level U.S. federal income tax, regardless of whether they are distributed to shareholders. Accordingly, we do not expect to distribute any such offsetting capital gain. A RIC cannot carry back or carry forward any net operating losses.

Investment Structure

Once we determine that a prospective portfolio company is suitable for a direct investment, we work with the management of that company and its other capital providers, including senior and junior lenders, and equity holders, to structure an investment. We negotiate among these parties to agree on how our investment is expected to be structured relative to the other capital in the portfolio company's capital structure.

Leveraged Loans

We structure our investments primarily as secured leveraged loans. Leveraged loans are generally senior debt instruments that rank ahead of subordinated debt of the portfolio company. Leveraged loans generally have the benefit of security interests on the assets of the portfolio company, which may rank ahead of, or be junior to, other security interests.

High-Yield Securities

The Company's portfolio currently includes high-yield securities and the Company may invest in high-yield securities in the future. High-yield securities have historically experienced greater default rates than has been the case for investment grade securities and are generally rated below investment grade by one or more nationally recognized statistical rating organizations or will be unrated but of comparable credit quality to obligations rated below investment grade, and have greater credit and liquidity risk than more highly rated obligations. High-yield securities are generally unsecured and may be subordinate to other obligations of the obligor and are often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. The Company's portfolio may also include mezzanine investments which are generally unsecured and rated below investment grade. Mezzanine investments of the type in which the Company invests in are primarily privately negotiated subordinated debt securities often issued in connection with leveraged transactions, such as management buyouts, acquisitions, re-financings, recapitalizations and later stage growth capital financings, and are generally accompanied by related equity participation features such as options, warrants, preferred and common stock. In some cases, our debt investments may provide for a portion of the interest payable to be paid-in-kind interest. To the extent interest is paid-in-kind, it will be payable through the increase of the principal amount of the obligation by the amount of interest due on the then-outstanding aggregate principal amount of such obligation.

Warrants, Options and Minority Equity

In some cases, we will also receive nominally priced warrants or options to buy a minority equity interest in the portfolio company in connection with a loan. As a result, if a portfolio company appreciates in value, we may achieve additional investment return from this equity interest. We may structure such warrants to include provisions protecting our rights as a minority-interest holder, as well as a "put," or right to sell such securities back to the issuer, 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.

Distressed Debt

The Company's portfolio currently includes distressed debt investments and the Company is authorized to continue to invest in the securities and other obligations of distressed and bankrupt issuers, including debt obligations that are in covenant or payment default. As of December 31, 2024, debt investments in twelve portfolio companies were on non-accrual status. The Company does not anticipate distressed debt to be a significant part of its investment strategy. Such investments generally trade significantly below par and are considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments. Typically such workout or bankruptcy proceedings result in only partial recovery of cash payments or an exchange of the defaulted obligation for other debt or equity securities of the issuer or its affiliates, which may in turn be illiquid or speculative.

Opportunistic Investments

Opportunistic investments may include, but are not limited to, investments in debt securities of all kinds and at all levels of the capital structure and may include equity securities of public companies that are thinly traded, emerging market debt, structured finance vehicles such as collateralized loan obligation, or CLO, funds and debt of middle-market companies located outside the United States. We do not intend such investments to be our primary focus.

We tailor the terms of each investment 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 operating results. We seek to limit the downside potential of our investments by:

- requiring a total return on our investments (including both interest and potential equity appreciation) that we believe will compensate us appropriately for credit risk;
- negotiating covenants in connection with our investments that afford our portfolio companies as much flexibility in managing their businesses as possible, consistent with the preservation of 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 rights to a seat on the Board of Directors under some circumstances; and
- selecting investments that we believe have a very low probability of loss.

We expect to hold most of our investments to maturity or repayment, but we may sell some of our investments earlier if a liquidity event occurs, such as a sale, recapitalization or worsening of the credit quality of the portfolio company.

Available Information

We file annual, quarterly and current reports, proxy statements and all amendments to these reports and other information with the SEC. We make available free-of-charge, on or through our website at <http://investors.tccapital.com/>, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and all amendments to those filings, as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. We also make available on our website the charters for the Audit Committee and the Governance and Compensation Committee, as well as our Code of Ethics required under the 1940 Act and our Code of Ethics and Business Conduct required under the Sarbanes-Oxley Act (our "SOX Code of Ethics"). Further, we will provide, without charge, upon written request, a copy of the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and all amendments to those filings as well as the committee charters, our Code of Ethics and our SOX Code of Ethics. Requests for copies should be addressed to: BlackRock TCP Capital Corp., 2951 28th Street, Suite 1000, Santa Monica, CA 90405, Attention: Investor Relations. Reports, proxy statements and other information regarding issuers that file electronically with the SEC, including our filings, are also available to the public from the SEC's website at <http://www.sec.gov>.

Compliance Policies and Procedures

We and the Advisor have adopted and implemented written policies and procedures reasonably designed to detect and prevent violation of the federal securities laws. We are required to review these compliance policies and procedures annually for their adequacy and the effectiveness of their implementation and to designate a chief compliance officer to be responsible for their administration. Ariel Hazzard currently serves as our chief compliance officer.

Proxy Voting Policies and Procedures

We have delegated our proxy voting responsibility to our investment adviser. A summary of the Proxy Voting Policies and Procedures of the Advisor are set forth below. The guidelines are reviewed periodically by the adviser and our non-interested directors, and, accordingly, are subject to change.

The Advisor is registered under the Investment Advisers Act of 1940 and has a fiduciary duty to act solely in the best interests of its clients. As part of this duty, it recognizes that it must vote securities held by its clients in a timely manner free of conflicts of interest. These policies and procedures for voting proxies for investment advisory clients are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

Our investment adviser votes proxies relating to our portfolio securities in the best interest of our shareholders. The Advisor reviews on a case-by-case basis each proposal submitted for a proxy vote to determine its impact on our investments. Although it generally votes against proposals that may have a negative impact on our investments, it may vote for such a proposal if there exist compelling long-term reasons to do so.

The proxy voting decisions of the Advisor are made by the senior officers who are responsible for monitoring each of our investments. To ensure that our vote is not the product of a conflict of interest, it requires that: (i) anyone involved in the decision making process disclose to the managing member any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (ii) employees involved in the decision making process or vote administration are generally prohibited from revealing how we intend to vote on a proposal in order to reduce any attempted influence from interested parties.

You may obtain information about how we voted proxies by making a written request for proxy voting information to: BlackRock TCP Capital Corp., 2951 28th Street, Suite 1000, Santa Monica, CA 90405, Attention: Investor Relations.

Privacy Principles

We are committed to maintaining the privacy of our shareholders and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information we collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, we do not receive any non-public personal information relating to our shareholders, although certain non-public personal information of our shareholders may become available to us. We do not disclose any non-public personal information about our shareholders or former shareholders to anyone, except as permitted by law or as is necessary in order to service shareholder accounts (for example, to a transfer agent or third-party administrator).

We restrict access to non-public personal information about our shareholders to employees of the Advisor and its affiliates with a legitimate business need for the information. We maintain physical, electronic and procedural safeguards designed to protect the non-public personal information of our shareholders.

Investment Management Agreement

The Company has entered into an investment management agreement with the Advisor, under which the Advisor, subject to the overall supervision of our Board of Directors, manages the day-to-day operations and provides investment advisory services to the Company. For providing these services, the Advisor receives a base management fee and may receive incentive compensation. Prior to August 1, 2018, SVCP was regulated as a BDC and was also party to an investment management agreement with the Advisor. On January 29, 2018, SVCP amended and restated its limited partnership agreement (the "LPA"), effective as of January 1, 2018, to convert its then existing incentive compensation structure from a profit allocation and distribution to its general partner into a fee payable to the Advisor pursuant to such investment management agreement. The amendment had no impact on the amount of the incentive compensation paid or services received by the Company. Accordingly, prior to January 1, 2018, incentive compensation was allocated to SVCP's general partner as a distribution. Our Board of Directors held in-person meetings on October 30, 2024, in order to consider and reapprove our investment management agreement.

Prior to August 1, 2018, the base management fee and the incentive compensation, if any, were paid by SVCP to the Advisor. The Company, therefore, indirectly bore these amounts, which are reflected in our consolidated financial statements.

Under the terms of our investment management agreement, the Advisor:

- 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, monitors and administers the investments we make, including the exercise of any voting or consent rights.

The Advisor's services under the investment 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.

Pursuant to our investment management agreement, we pay the Advisor compensation for investment advisory and management services consisting of base management compensation and a two-part incentive compensation.

Management Fee. The base management fee is calculated at an annual rate of 1.25% on total assets (excluding cash and cash equivalents) equal to or below 200% of the net asset value of the Company, and 1.00% thereafter, payable quarterly in arrears. Prior to the Merger, the Advisor's base management fee rate for managing the Company was calculated at an annual rate of 1.50% on total assets (excluding cash and cash equivalents) up to an amount equal to or below 200% of the net asset value of the Company, and 1.00% thereafter. For purposes of calculating the base management fee, "total assets" is determined without deduction for any borrowings or other liabilities. The base management fee is calculated based on the value of our total assets and net asset value (in each case, excluding cash and cash equivalents) at the end of the most recently completed calendar quarter. The base management fee for any partial quarter is appropriately prorated.

Incentive Compensation. We also pay incentive compensation to the Advisor pursuant to the investment management agreement. Prior to January 1, 2018, incentive compensation was allocated to SVCP's general partner as a distribution under the LPA. Under the then-existing investment management agreements and the LPA (pursuant to which incentive compensation was distributed to SVCP's general partner prior to January 1, 2018), no incentive compensation was incurred until after January 1, 2013.

Incentive Compensation pursuant to investment management agreements prior to February 9, 2019

Beginning January 1, 2013, the incentive compensation equaled the sum of (1) 20% of all ordinary income since that date and (2) 20% of all net realized capital gains (net of any net unrealized capital depreciation) since that date, with each component being subject to a total return requirement of 8% of contributed common equity annually. Through December 31, 2017, the incentive compensation was an equity allocation to SVCP's general partner under the LPA. Effective as of January 1, 2018, the LPA was amended to remove the incentive compensation distribution provisions therein, and the incentive compensation became payable as a fee to the Advisor pursuant to the then-existing investment management agreements. The amendment had no impact on the amount of the incentive compensation paid or services received by the Company.

The incentive compensation had two components, ordinary income and capital gains. Each component was payable or distributable quarterly in arrears (or upon termination of the Advisor as the investment manager or SVCP's general partner as its general partner, as of the termination date) beginning January 1, 2013 and calculated as follows:

Each of the two components of incentive compensation was separately subject to a total return limitation. Thus, notwithstanding the following provisions, we were not obligated to pay or distribute any ordinary income incentive compensation or any capital gains incentive compensation if our cumulative total return did not exceed an 8% annual return on daily weighted average contributed common equity. If our cumulative annual total return was above 8%, the total cumulative incentive compensation we paid was not more than 20% of our cumulative total return, or, if lower, the amount of our cumulative total return that exceeded the 8% annual rate.

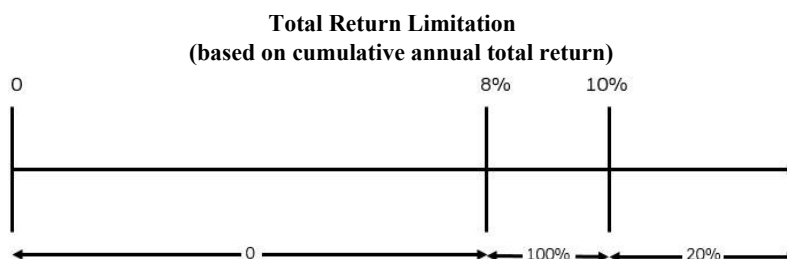
Subject to the above limitation, the ordinary income component was the amount, if positive, equal to 20% of the cumulative ordinary income before incentive compensation, less cumulative ordinary income incentive compensation previously paid or distributed.

Subject to the above limitation, the capital gains component was the amount, if positive, equal to 20% of the cumulative realized capital gains (computed net of cumulative realized losses and cumulative net unrealized capital depreciation), less cumulative capital gains incentive compensation previously paid or distributed. For assets held on January 1, 2013, capital gain, loss and depreciation are measured on an asset by asset basis against the value as of December 31, 2012. The capital gains component was paid or distributed in full prior to payment or distribution of the ordinary income component.

For purposes of the foregoing computations and the total return limitation, the following definitions apply:

- “cumulative” means amounts for the period commencing January 1, 2013 and ending as of the applicable calculation date.
- “contributed common equity” means the value of net assets attributable to our common stock as of December 31, 2012 plus the proceeds to us of all issuances of common stock less (A) offering costs of any of our securities or leverage facilities, (B) all distributions by us representing a return of capital and (C) the total cost of all repurchases of our common stock by us, in each case after December 31, 2012 and through the end of the preceding calendar quarter in question, in each case as determined on an accrual and consolidated basis.
- “ordinary income before incentive compensation” means our interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial assistance and consulting fees or other fees that we receive from portfolio companies) during the period, (i) minus our operating expenses during the period (including the base management fee, expenses payable under the administration agreement, any interest expense and any dividends paid on any issued and outstanding preferred stock), (ii) plus increases and minus decreases in net assets not treated as components of income, operating expense, gain, loss, appreciation or depreciation and not treated as contributions or distributions in respect of common equity, and (iii) without reduction for any incentive compensation and any organization or offering costs, in each case determined on an accrual and consolidated basis.
- “total return” means the amount equal to the combination of ordinary income before incentive compensation, realized capital gains and losses and unrealized capital appreciation and depreciation of the Company for the period, in each case determined on an accrual and consolidated basis.

If our total return did not exceed the total return limitation, the limitation would not have had the effect of eliminating the possibility of paying such incentive compensation, but rather would have postponed any incentive compensation until our cumulative annual total return exceeded the 8% threshold. The nature of the total return limitation may have also made it easier for the Advisor to earn incentive compensation in higher interest rate environments or if our net asset value had increased.

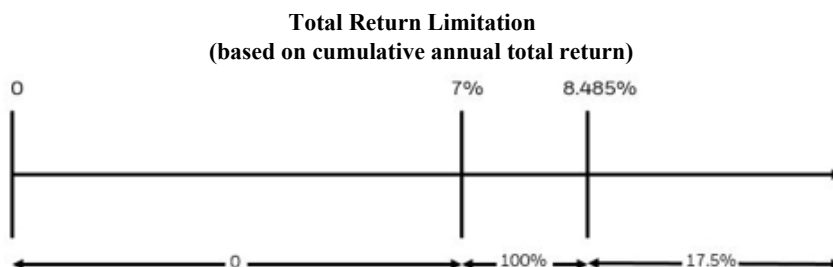


Percentage of ordinary income and net realized capital gain separately payable at various levels of total return.

The financial highlights in the notes to our financial statements for the relevant periods include a calculation of total return based on the change in the market value of our shares. The financial highlights in the notes to our financial statements for the relevant periods also include a calculation of total return based on the change in our net asset value from period to period. The total return limitation for purposes of the incentive compensation calculations was based on the stated elements of return: ordinary income before incentive compensation, realized capital gain and loss and unrealized capital appreciation and depreciation. It differs from the total return based on the market value or net asset value of our shares in that it was a cumulative measurement that is compared to our daily weighted-average contributed common equity rather than a periodic measurement that is compared to our net asset value or market value, and in that it excludes incentive compensation.

Incentive Compensation pursuant to the current investment management agreement

Under the current investment management agreement, dated February 9, 2019, the incentive compensation equals the sum of (1) 20% of all ordinary income since January 1, 2013 through February 8, 2019 and 17.5% thereafter and (2) 20% of all net realized capital gains (net of any net unrealized capital depreciation) since January 1, 2013 through February 8, 2019 and 17.5% thereafter, less ordinary income incentive compensation and capital gains incentive compensation previously paid. However, incentive compensation will only be paid to the extent the cumulative total return of the Company after incentive compensation and including such payment would equal or exceed a 7% annual return on daily weighted average contributed common equity.



Percentage of ordinary income and net realized capital gain separately payable at various levels of total return.

The incentive compensation is payable quarterly in arrears (or upon termination of the Advisor as the investment manager, as of the termination date).

For assets held on January 1, 2013, capital gain, loss and depreciation are measured on an asset by asset basis against the value as of December 31, 2012. The capital gains component is paid or distributed in full prior to payment or distribution of the ordinary income component.

For purposes of the foregoing computations, the following definitions apply:

- “cumulative” means amounts for the period commencing January 1, 2013 and ending as of the applicable calculation date.
- “contributed common equity” means the value of net assets attributable to our common stock as of December 31, 2012 plus the proceeds to us of all issuances of common stock less (A) offering costs of any of our securities or leverage facilities, (B) all distributions by us representing a return of capital and (C) the total cost of all repurchases of our common stock by us, in each case after December 31, 2012 and through the end of the preceding calendar quarter in question, in each case as determined on an accrual and consolidated basis.
- “ordinary income before incentive compensation” means our interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial assistance and consulting fees or other fees that we receive from portfolio companies) during the period, (i) minus our operating expenses during the period (including the base management fee, expenses payable under the administration agreement, any interest expense and any dividends paid on any issued and outstanding preferred stock), (ii) plus increases and minus decreases in net assets not treated as components of income, operating expense, gain, loss, appreciation or depreciation and not treated as contributions or distributions in respect of common equity, and (iii) without reduction for any incentive compensation and any organization or offering costs, in each case determined on an accrual and consolidated basis.
- “total return” means the amount equal to the combination of ordinary income before incentive compensation, realized capital gains and losses and unrealized capital appreciation and depreciation of the Company and any other items affecting net asset value per share of the Company for the period (other than incentive compensation), in each case determined on an accrual and consolidated basis.

The financial highlights in the notes to our financial statements include a calculation of total return based on the change in the market value of our shares. The financial highlights in the notes to our financial statements also include a calculation of total return based on the change in our net asset value from period to period. The total return hurdle for purposes of the incentive compensation calculations is based on the stated elements of return as defined above, and differs from the total return based on the market value or net asset value of our shares in that it is a cumulative measurement that is compared to our daily weighted-average contributed common equity rather than a periodic measurement that is compared to our net asset value or market value, and in that it excludes incentive compensation.

Examples of Incentive Compensation Calculation

Example 1: Income Portion of Incentive Compensation:

Assumptions

- Total return hurdle⁽¹⁾ = 7%

Alternative 1

a. Additional Assumptions

- i. cumulative gross ordinary income (including interest, dividends, fees, etc.) = 11.5%
 - ii. cumulative ordinary income before incentive compensation (gross ordinary income - (management fee + other expenses)) = 9%
 - iii. cumulative annual total return = 6%
- b. Cumulative total return does not exceed total return hurdle, therefore there is no income incentive compensation.

Alternative 2

a. Additional Assumptions

- i. cumulative gross ordinary income (including interest, dividends, fees, etc.) = 10%
 - ii. cumulative ordinary income before incentive compensation (gross ordinary income - (management fee + other expenses)) = 7.5%
 - iii. cumulative annual total return = 8.5%
- b. Tentative incentive compensation = 17.5% x ordinary income before incentive compensation
= 17.5% x 7.5%
= 1.3%
- c. Total return after incentive compensation = 8.5% - 1.3%
= 7.2%
- d. Cumulative ordinary income before incentive compensation is positive and the cumulative total return after incentive compensation exceeds the total return hurdle, therefore incentive compensation is fully payable.

Alternative 3

a. Additional Assumptions

- i. cumulative gross ordinary income (including interest, dividends, fees, etc.) = 10%
 - ii. cumulative ordinary income before incentive compensation (gross ordinary income — (management fee + other expenses)) = 7.5%
 - iii. cumulative annual total return = 8.0%
- (1) Represents 7.0% annualized total return hurdle.
- Management fee = 1.5%

Represents 1.5% annualized management fee, assuming no liabilities and no leverage above 1.0x debt to equity.

- Other expenses (legal, accounting, custodian, transfer agent, etc.) = 1%

Excludes organizational and offering costs.

- b. Tentative incentive compensation = 17.5% x ordinary income before incentive compensation
= 17.5% x 7.5%
= 1.3%

c. Total return after tentative incentive compensation = 8.0% - 1.3%

= 6.7%

d. Cumulative ordinary income before incentive compensation is positive and the total return hurdle is less than total return but greater than total return after tentative incentive compensation, therefore incentive compensation is partially payable and = Total return – total return hurdle

= 8.0% - 7.0%

= 1.0%

Example 2: Capital Gains Portion of Incentive Compensation:

Alternative 1:

a. Assumptions

i. Year 1: \$20 million investment made in Company A (“**Investment A**”), and \$30 million investment made in Company B (“**Investment B**”).

ii. Year 2: Investment A sold for \$50 million and fair market value, or fair market value (“FMV”), of Investment B determined to be \$32 million. Cumulative annual total return of 40%.

iii. Year 3: FMV of Investment B determined to be \$25 million. Cumulative annual total return of 15%.

iv. Year 4: Investment B sold for \$31 million. Cumulative annual total return of 10%.

b. The capital gains portion of the incentive compensation would be:

i. Year 1: None.

ii. Year 2: Capital gains incentive compensation of \$5.25 million (\$5.25 million = \$30 million realized capital gains on sale of Investment A multiplied by 17.5% and total return hurdle satisfied).

iii. Year 3: None; no realized capital gains.

iv. Year 4: Capital gains incentive compensation of \$0.175 million (\$31 million cumulative realized capital gains multiplied by 17.5%, less \$5.25 million of capital gains incentive compensation paid in year 2 and total return hurdle satisfied).

Alternative 2

a. Assumptions

i. Year 1: \$20 million investment made in Company A (“**Investment A**”), \$30 million investment made in Company B (“**Investment B**”) and \$25 million investment made in Company C (“**Investment C**”).

ii. Year 2: Investment A sold for \$50 million, FMV of Investment B determined to be \$25 million and FMV of Investment C determined to be \$25 million. Cumulative annual total return of 15%.

iii. Year 3: FMV of Investment B determined to be \$27 million and Investment C sold for \$30 million. Cumulative annual total return of 6%.

iv. Year 4: FMV of Investment B determined to be \$35 million. Cumulative annual total return of 20%.

v. Year 5: Investment B sold for \$40 million. Cumulative annual total return of 20%.

b. The capital gains portion of the incentive compensation would be:

i. Year 1: None.

ii. Year 2: Capital gains incentive compensation of \$4.375 million; 17.5% multiplied by \$25 million (\$30 million realized capital gains on Investment A less \$5 million unrealized capital depreciation on Investment B, and the total return hurdle is satisfied).

- iii. Year 3: None as the total return hurdle is not satisfied.
- iv. Year 4: Capital gains incentive compensation of \$1.75 million (\$35 million cumulative realized capital gains (including \$5 million of realized capital gains from year 3 at a time when the total return hurdle was not satisfied and no cumulative unrealized capital depreciation) multiplied by 17.5%, less \$4.375 million capital gains incentive compensation paid in year 2, and the total return hurdle is satisfied).
- v. Year 5: Capital gains incentive compensation of \$1.75 million (\$45 million cumulative realized capital gains multiplied by 17.5%, less \$6.125 million in capital gains incentive compensation paid in years 2 and 4, and the total return hurdle is satisfied).

Payment of our expenses

All investment professionals and staff of the Advisor, 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 (including health insurance, 401(k) plan benefits, payroll taxes and other compensation related matters), are provided and paid for by the Advisor. We bear all other costs and expenses of our operations and transactions, including those relating to:

- our organization;
- calculating our net asset value and net asset value per share (including the cost and expenses of any independent valuation firm);
- expenses, including travel expense, incurred by the Advisor or payable to third parties in performing due diligence on prospective portfolio companies, monitoring our investments and, if necessary, enforcing our rights;
- interest payable on debt, if any, incurred to finance our investments;
- the costs of all future offerings of common stock and other securities, if any;
- the base management fee and any incentive compensation;
- distributions on our shares;
- administration fees payable under our administration agreement;
- transfer agent and custody fees and expenses;
- the allocated costs incurred by our Administrator in providing managerial assistance to those portfolio companies that request it;
- amounts payable to third parties relating to, or associated with, evaluating, making and disposing of investments;
- brokerage fees and commissions;
- registration fees;
- listing fees;
- taxes;
- director fees and expenses;
- costs of preparing and filing reports or other documents with the SEC;
- the costs of any reports, proxy statements or other notices to our shareholders, including printing costs;
- costs of holding shareholder meetings;
- our fidelity bond;
- directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- litigation, indemnification and other non-recurring or extraordinary expenses;

- direct costs and expenses of administration and operation, including audit and legal costs;
- dues, fees and charges of any trade association of which we are a member; and
- all other expenses reasonably incurred by us or the Administrator in connection with administering our business, such as the allocable portion of overhead under our administration agreement, including rent and other allocable portions of the cost of certain of our officers and their respective staffs.

From time to time, the Advisor may pay amounts owed by us to third party providers of goods or services. We will subsequently reimburse the Advisor for such amounts paid on our behalf.

Limitation of liability and indemnification

The investment management agreement provides that the Advisor and its officers, directors, employees and affiliates are not liable to us or any of our shareholders for any act or omission by it or its employees in the supervision or management of our investment activities or for any loss sustained by us or our shareholders, except that the foregoing exculpation does not extend to any act or omission constituting willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations under the investment management agreement. The investment management agreement also provides for indemnification by us of the Advisor's members, directors, officers, employees, agents and control persons for liabilities incurred by it in connection with their services to us, subject to the same limitations and to certain conditions.

Board and shareholder approval of the investment management agreement

Our Board of Directors held in-person meetings on October 30, 2024, in order to consider and reapprove our investment management agreement. In its consideration of the investment management agreement, the Board of Directors focused on information it had received relating to, among other things: (a) the nature, quality and extent of the advisory and other services to be provided to us by the Advisor; (b) comparative data with respect to advisory fees or similar expenses paid by other business development companies with similar investment objectives; (c) our financial performance, operating expenses and expense ratio compared to business development companies with similar investment objectives; (d) any existing and potential sources of indirect income to the Advisor from its relationships with us and the profitability of those relationships; (e) information about the services performed and the personnel performing such services under the investment management agreement; (f) the organizational capability and financial condition of the Advisor and its affiliates; (g) the Advisor's practices regarding the selection and compensation of brokers that execute our portfolio transactions and the brokers' provision of brokerage and research services to our investment advisor; and (h) the possibility of obtaining similar services from other third party service providers or through an internally managed structure.

Based on the information reviewed and the discussions, the Board of Directors, including a majority of the non-interested directors, concluded that the investment management fee rates are reasonable in relation to the services to be provided.

Duration and termination

The investment management agreement will remain in effect for a period of two years from the date of shareholder approval and thereafter 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. The investment management agreement will automatically terminate in the event of its assignment. The investment management agreement may be terminated by either party without penalty upon not less than 60 days written notice to the other. Any termination by us must be authorized either by our Board of Directors or by vote of our shareholders. See "Risk Factors — Risks related to our business — We are dependent upon senior management personnel of the Advisor for our future success, and if the Advisor is unable to retain qualified personnel or if the Advisor loses any member of its senior management team, our ability to achieve our investment objective could be significantly harmed."

Administration Agreement

We have entered into an administration agreement with the Administrator, which we refer to as the administration agreement, under which the Administrator provides administrative services to us. The Administrator provides services including, but not limited to, the arrangement for the services of, and the overseeing of, custodians, depositories, transfer agents, dividend disbursing agents, other shareholder servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks, shareholders and such other persons in any such other capacity deemed to be necessary or desirable. The Administrator also makes reports to the board of its performance of obligations under the administration agreement and furnishes advice and recommendations with respect to such other aspects of our business and affairs that we determine to be desirable. The Administrator is responsible for our financial and other records that are required to be maintained and prepares all reports and other materials required by any agreement or to be filed with the Securities and Exchange Commission or any other regulatory authority, including reports on Forms 8-K, 10-Q, 10-K and periodic reports to shareholders, determining the amounts available for distribution as dividends and distributions to be paid by us to our shareholders, reviewing and implementing any share purchase programs authorized by the board, maintaining or overseeing the maintenance of our books and records as required under the 1940 Act, and maintaining (or overseeing maintenance by other persons) such other books and records required by law or for our proper operation. For providing these services, facilities and personnel, we reimburse the Administrator for expenses incurred by the Administrator in performing its obligations under the administration agreement, including our allocable portion of overhead under the administration agreement and the cost of certain of our officers and the Administrator's administrative staff and providing, at our request and on our behalf, significant managerial assistance to our portfolio companies to which we are required to provide such assistance. From time to time, the Administrator may pay amounts owed by us to third-party providers of goods or services. We subsequently reimburse the Administrator for such amounts paid on our behalf.

Leverage

Our leverage program is comprised of \$300.0 million in available debt under a revolving, multi-currency credit facility issued by SVCP (the "Operating Facility"), \$200.0 million in available debt under a senior secured revolving credit facility issued by TPCF Funding II ("Funding Facility II"), amounts outstanding under a senior secured revolving credit facility originally issued by BCIC and assumed by Merger Sub ("Merger Sub Facility"), unsecured notes due December 2025 originally issued by BCIC and assumed by Merger Sub (the "2025 Notes"), \$325.0 million in senior unsecured notes issued by the Company maturing in 2026 (the "2026 Notes"), \$325.0 million in senior unsecured notes issued by the Company maturing in 2029 (the "2029 Notes") and \$141.5 million in committed leverage from the SBA (the "SBA Program" and, together with the Operating Facility, Funding Facility II, Merger Sub Facility, the 2025 Notes, the 2026 Notes and the 2029 Notes, the "Leverage Program"). Prior to being repaid on March 1, 2022, debt included \$140.0 million in Convertible unsecured notes due March 2022 issued by the Company (the "2022 Convertible Notes"). Prior to being repaid on August 23, 2024, debt included \$250.0 million in unsecured notes due August 2024 issued by the Company (the "2024 Notes").

The Operating Facility matures on May 6, 2026, subject to extension by the lenders at the request of SVCP, and bears interest at (a) LIBOR plus an applicable margin equal to either 1.75% or 2.00%, or (b) in the case of ABR borrowings, generally the prime rate in effect plus an applicable margin of either 0.75% or 1.00% depending on a ratio of the borrowing base to the facility commitments in both cases, and (iii) reduce commitment fees on the undrawn portion of the Operating Facility above the minimum utilization amount from 0.50% per annum to 0.375% per annum. In addition to amounts due on outstanding debt, the Operating Facility accrues commitment fees of 0.375% per annum on the unused portion above the minimum utilization of the facility, or 0.50% per annum on the unused portion that is below the minimum utilization of the total facility until March 1, 2022, the date on which the March 2022 Convertible Notes were terminated in full, after which time they accrue at a rate of 2.00% per annum. The Operating Facility includes a \$100 million accordion feature which allows for expansion of the facility to up to \$400.0 million subject to consent from the lender and other customary conditions.

On June 15, 2023, the Operating Facility was amended to update the terms of the interest rate from LIBOR to SOFR plus a credit spread adjustment of 0.11%, plus a margin equal to either 1.75% or 2.00%, depending on a ratio of the borrowing base to the facility commitments.

On August 1, 2024, the Operating Facility was amended to (i) extend the expiration date of the Operating Facility and the maturity date with respect to loans made thereunder from May 6, 2025 and May 6, 2026 to August 1, 2028 and August 1, 2029, respectively, (ii) delete references to the 2022 Notes, (iii) remove certain borrowing base restrictions, (iv) lower the SOFR credit spread adjustment to 0.10% for one month contracts and 0.15% for three month contracts, respectively, (v) update the minimum amount of stockholder's equity figure, (vi) update the "change in control" provisions to account for personnel changes and structuring variations and (vii) update certain mechanical/administrative provisions, including provisions for replacing CDOR and other reference rates. The Operating Facility may be terminated, and any outstanding amounts there under may become due and payable, should SVCP fail to satisfy certain financial or other covenants.

The Funding Facility II matures on August 4, 2027, subject to extension by the lender at the request of TCPC Funding II, and contains an accordion feature which allows for expansion of the facility up to \$250.0 million subject to consent from the lender and other customary conditions. Borrowings under Funding Facility II bear interest at a rate of LIBOR plus 2.00% per annum, subject to certain funding requirements, plus a 0.35% fee on drawn amounts and an administrative fee of 0.15% per annum on the facility. The facility also accrues commitment fees of 0.35% per annum on the unused portion of the facility.

Since February 28, 2023, borrowings under Funding Facility II bore interest at a rate of SOFR plus a credit spread adjustment of 0.15%, plus a margin of 2.00% per annum, which is subject to increase after the end of the revolving period or under other customary circumstances. The facility also accrues a 0.35% fee on drawn amounts and an administrative fee of 0.15% per annum on the facility. The facility also accrues commitment fees of 0.35% per annum on the unused portion of the facility.

On August 4, 2023, the Funding Facility II was amended to extend the maturity date from August 4, 2025 to August 4, 2027, and updated interest to a rate of SOFR plus a credit spread adjustment of 0.15%, plus a margin of 2.05%. The facility may be terminated, and any outstanding amounts thereunder may become due and payable, should TCPC Funding II fail to satisfy certain financial or other covenants.

On March 18, 2024, Merger Sub entered into an assumption agreement (the "Credit Assumption Agreement"), effective as of the Closing. The Credit Assumption Agreement relates to Merger Sub's assumption of that certain Second Amended and Restated Senior Secured Revolving Credit Agreement, originally entered into on February 19, 2016, as amended as of August 8, 2016, June 5, 2017, March 15, 2018, August 30, 2019, May 22, 2020, April 23, 2021, April 26, 2023 and September 6, 2023 (as further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Merger Sub Facility"), by and among BCIC (the "Initial Borrower"), Citibank, N.A., as administrative agent and the other parties thereto.

The Merger Sub Facility provides for amounts to be drawn up to \$265.0 million, by which Merger Sub may seek an increase in the commitments to \$325.0 million in the aggregate (subject to satisfaction of certain conditions, including obtaining commitments). The Merger Sub Facility matures on September 6, 2028. Amounts outstanding under the Merger Sub Facility bear interest at a rate based on, at Merger Sub's election, (i) in the case of ABR loans, a base reference rate equal to the highest of (a) the federal funds effective rate plus 0.50%, (b) the "Prime Rate" in effect on such day and (c) the adjusted term SOFR rate plus 1.00%, plus a margin ranging from 0.75% to 1.00% per annum, in the case of ABR loans, and 1.75% to 2.00% per annum, in the case of eurocurrency loans or SOFR loans, (ii) in the case of eurocurrency loans, a rate per annum equal to the adjusted CDOR rate or the adjusted EURIBOR rate, for loans denominated in Canadian dollars or in euros, respectively, plus, in either case, the Applicable Margin (as defined in the Merger Sub Facility) or (iii) in the case of SOFR loans, a rate per annum equal to the adjusted term SOFR rate plus the Applicable Margin. The Merger Sub Facility is secured by all of the assets held by Merger Sub as successor to BCIC.

On August 30, 2016, the Company issued \$140.0 million of convertible senior unsecured notes that matured on March 1, 2022. The 2022 Convertible Notes were general unsecured obligations of the Company, and ranked structurally junior to the Operating Facility, the Funding Facility II and the SBA Debentures, and ranked pari passu with the 2022 Notes and 2024 Notes. The Company did not have the right to redeem the 2022 Convertible Notes prior to maturity. The 2022 Convertible Notes bore interest at an annual rate of 4.625%, payable semi-annually. In certain circumstances, the 2022 Convertible Notes could have been converted into cash, shares of the Company's common stock or a combination of cash and shares of common stock (such combination to be at the Company's election), at an initial conversion rate of 54.5019 shares of common stock per one thousand dollar principal amount of the 2022 Convertible Notes, which is equivalent to an initial conversion price of approximately \$18.35 per share of common stock, subject to customary anti-dilutional adjustments. The initial conversion price was approximately 10.0% above the \$16.68 per share closing price of the Company's common stock on August 30, 2016. Prior to its maturity on March 1, 2022, the principal amount of the 2022 Convertible Notes exceeded the value of the conversion rate multiplied by the per share closing price of the Company's common stock. Therefore, no additional shares were added to the calculation of diluted earnings per common share and weighted average common shares outstanding.

On August 4, 2017, the Company issued \$125.0 million of unsecured notes with a maturity date of August 11, 2022, unless previously repurchased or redeemed in accordance with their terms. On November 3, 2017, the Company issued an additional \$50.0 million of unsecured notes as a follow-on issuance of the 2022 Notes for a total aggregate principal amount of \$175.0 million. The 2022 Notes bore interest at an annual rate of 4.125% and were redeemed at a price equal to par plus a "make whole" premium, and accrued and unpaid interest on September 17, 2021.

On August 23, 2019, the Company issued \$150.0 million of unsecured notes. On November 26, 2019, the Company issued an additional \$50.0 million of unsecured notes as a follow-on issuance of the 2024 Notes and on October 2, 2020, the Company issued an additional \$50.0 million of the 2024 Notes for a total outstanding aggregate principal amount of \$250.0 million. The 2024 Notes were general unsecured obligations of the Company and ranked structurally junior to the Operating Facility, Funding Facility II and the SBA Debentures, and ranked pari passu with the 2026 Notes. The 2024 Notes were issued at a discount to the principal amount and bore interest at an annual rate of 3.900%, payable semi-annually. On August 23, 2024, the 2024 Notes matured and all principal was repaid.

On March 18, 2024, Merger Sub entered into an assumption agreement (the “Note Assumption Agreement”), effective as of the Closing. The Note Assumption Agreement relates to Merger Sub’s assumption of (a) \$35.0 million aggregate principal amount of BCIC’s 6.85% Series 2022A Senior Notes, Tranche A, due December 9, 2025 (the “Tranche A Notes”) and (b) \$57.0 million aggregate principal amount of BCIC’s Floating Rate Series 2022A Senior Notes, Tranche B due December 9, 2025 (the “Tranche B Notes” and, collectively with the Tranche A Notes, the “2025 Notes”) and other obligations of BCIC under the Master Note Purchase Agreement, dated as of April 21, 2022 (as amended by the First Amendment to the Master Note Purchase Agreement, dated as of March 13, 2024 (the “First Amendment”), and as further amended, supplemented or otherwise modified from time to time, the “Note Purchase Agreement”), among BCIC and certain institutional investors.

Pursuant to the Note Assumption Agreement, Merger Sub expressly assumed on behalf of BCIC the due and punctual payment of the principal of (and premium, if any) and interest on all the 2025 Notes outstanding, and the due and punctual performance and observance of every covenant and every condition of the Note Purchase Agreement and the 2025 Notes, to be performed or observed by BCIC.

The Tranche A Notes bear interest at a fixed rate equal to 6.85% per annum (which was increased from 5.82% per annum effective as of the Closing) that is payable semi-annually. The Tranche B Notes bear interest at a rate equal to the SOFR plus 3.14% that is payable quarterly. The 2025 Notes will be due on December 9, 2025 unless redeemed, purchased or prepaid prior to such date by Merger Sub or its affiliates in accordance with their terms. Merger Sub may prepay the 2025 Notes at its option, subject to a prepayment premium, in an amount equal to 1% on or before June 9, 2024, 0.5% after June 9, 2024 but on or before June 9, 2025 and zero after June 9, 2025. In addition, Merger Sub will be obligated to offer to repay the 2025 Notes at par if certain change in control events occur.

On February 9, 2021, the Company issued \$175.0 million of unsecured notes that mature on February 6, 2026, unless previously repurchased or redeemed in accordance with their terms. On August 27, 2021, the Company issued an additional \$150.0 million of the 2026 Notes, at a premium to par, for a total outstanding aggregate principal amount of \$325.0 million. The 2026 Notes are general unsecured obligations of the Company and rank structurally junior to the Operating Facility, Funding Facility II and the SBA Debentures, and rank pari passu with the 2024 Notes. The 2026 Notes may be redeemed in whole or part at the Company's option at a redemption price equal to par plus a "make whole" premium, as determined pursuant to the indenture governing the 2026 Notes, and any accrued and unpaid interest. The 2026 Notes bear interest at an annual rate of 2.850%, payable semi-annually.

On May 30, 2024, the Company issued \$325.0 million of unsecured notes that mature on May 30, 2029, unless previously repurchased or redeemed in accordance with their terms. The 2029 Notes were issued at a discount to the principal amount. The 2029 Notes bear interest at an annual rate of 6.95%, payable semi-annually, and all principal is due upon maturity. The 2029 Notes may be redeemed in whole or part at the Company's option at a redemption price equal to par plus a "make whole" premium, as determined pursuant to the indenture governing the 2029 Notes, and any accrued and unpaid interest.

The SBIC is able to issue up to \$141.5 million in debt under the SBA Debentures, subject to funded regulatory capital and other customary regulatory requirements. SVCP has committed \$87.5 million of regulatory capital to the SBIC, all of which had been funded at December 31, 2024. Debt issued under the SBA Debentures is non-recourse and may be prepaid at any time without penalty. The interest rate on such debt is fixed at the time of issuance at a market-driven spread over 10-year U.S. Treasury Notes.

The Leverage Program is subject to certain financial or other covenants. As of December 31, 2024, we were in full compliance with such covenants.

Sarbanes-Oxley Act of 2002

The Sarbanes-Oxley Act of 2002 imposes a wide variety of regulatory requirements on publicly-held companies and their insiders. Many of these requirements affect us. For example:

- Pursuant to Rule 13a-14 of the 1934 Act, our Chief Executive Officer and Chief Financial Officer must certify the accuracy of the financial statements contained in our periodic reports;
- Pursuant to Item 307 of Regulation S-K, our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures;
- Pursuant to Rule 13a-15 of the 1934 Act, our management must prepare a report regarding its assessment of our internal control over financial reporting; and
- 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 significant deficiencies and material weaknesses.

The Sarbanes-Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated thereunder. We will continue to monitor our compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we are in compliance therewith.

Item 1A. Risk Factors

Investing in our securities may be speculative and involves a high degree of risk. You should carefully consider these risk factors, together with all of the other information included in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes thereto. The risks set out below are not the only risks we face. If any of the following events occur, our business, financial condition and results of operations could be materially adversely affected. In such case, our net asset value and the trading price of our common stock could decline, and you may lose all or part of your investment in us.

Risks related to our business

Market disruptions and other geopolitical or macroeconomic events could create market volatility that negatively impacts our business, financial condition and earnings.

General economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, supply chain disruptions, labor shortages, energy and other resource shortages, changes in laws, trade barriers, currency exchange controls and national and international political circumstances, may have long-term negative effects on the U.S. and worldwide financial markets and economy. These conditions have resulted in, and in many cases continue to result in, greater price volatility, less liquidity, widening credit spreads and a lack of price transparency, with many securities remaining illiquid and of uncertain value. Such market conditions may adversely affect the Company, including by making valuation of some of the Company's securities uncertain and/or result in sudden and significant valuation increases or declines in the Company's holdings. If there is a significant decline in the value of the Company's portfolio, this may impact the asset coverage levels for the Company's outstanding leverage.

Risks resulting from any future debt or other economic crisis could also have a detrimental impact on the global economy, the financial condition of financial institutions and our business, financial condition and results of operation. Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. 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 significantly and adversely affected. Downgrades to the credit ratings of major banks could result in increased borrowing costs for such banks and negatively affect the broader economy. Moreover, Federal Reserve policy, including with respect to certain interest rates, may also adversely affect the value, volatility and liquidity of dividend- and interest-paying securities. Market volatility, an increase in interest rates and/or a return to unfavorable economic conditions could impair the Company's ability to achieve its investment objective.

The occurrence of events similar to those in recent years, such as localized wars, instability, new and ongoing pandemics, epidemics or outbreaks of infectious diseases in certain parts of the world, and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics, terrorist attacks in the U.S. and around the world, social and political discord, debt crises sovereign debt downgrades, increasingly strained relations between the U.S. and a number of foreign countries, new and continued political unrest in various countries, the exit or potential exit of one or more countries from the EU or the EMU, continued changes in the balance of political power among and within the branches of the U.S. government, government shutdowns, among others, may result in market volatility, may have long term effects on the U.S. and worldwide financial markets, and may cause further economic uncertainties in the U.S. and worldwide.

In particular, the impact on inflation and increased disruption to supply chains and energy resources may impact our portfolio companies, result in an economic downturn or recession either globally or locally in the U.S. or other economies, reduce business activity, spawn additional conflicts (whether in the form of traditional military action, reignited "cold" wars or in the form of virtual warfare such as cyberattacks) with similar and perhaps wider ranging impacts and consequences and have an adverse impact on the Company's returns and net asset value. In response to the conflict between Russia and Ukraine, the U.S. and other countries have imposed sanctions or other restrictive actions against Russia, Russian-backed separatist regions in Ukraine, and certain banks, companies, government officials and other individuals in Russia and Belarus. In addition, the ongoing conflict between Israel and Palestine may cause exacerbated volatility and disruptions to both the domestic and global economy, spawn additional conflicts, result in possible sanctions and countersanctions, and trigger retaliatory cyberattacks. Any of the above factors, as well as other governmental actions, could have an adverse impact on macroeconomic factors that affect the Company and our portfolio companies' businesses, financial conditions, cashflows, and operations. We cannot predict the nature, magnitude and duration of the hostilities stemming from these conflicts. Prolonged unrest, military activities, or broad-based sanctions could have a material adverse effect on our portfolio companies. Such consequences also may increase our funding cost or limit our access to the capital markets.

The current political climate has intensified concerns about potential trade wars between China and the U.S., as each country has imposed tariffs on the other country's products, and between the U.S. and other nations, with additional tariffs under the new administration in the U.S. also under discussion. These actions may trigger a significant reduction in international trade, the oversupply of certain manufactured goods, substantial price reductions of goods and possible failure of individual companies and/or large segments

of China's export industry, which could have a negative impact on our performance. U.S. companies that source material and goods from China and those that make large amounts of sales in China would be particularly vulnerable to an escalation of trade tensions. Uncertainty regarding the outcome of the trade tensions and the potential for a trade war could cause the U.S. dollar to decline against safe haven currencies, such as the Japanese yen and the euro. Events such as these and their consequences are difficult to predict and it is unclear whether further tariffs may be imposed or other escalating actions may be taken in the future. Any of these effects could have a material adverse effect on our business, financial condition and results of operations.

The impact of the events described above on our portfolio companies could impact their ability to make payments on their loans on a timely basis and may impact their ability to continue making their loan payments on a timely basis or meeting their loan covenants. The inability of portfolio companies to make timely payments or meet loan covenants may in the future require us to undertake amendment actions with respect to our investments or to restructure our investments, which may include the need for us to make additional investments in our portfolio companies (including debt or equity investments) beyond any existing commitments, exchange debt for equity, or change the payment terms of our investments to permit a portfolio company to pay a portion of its interest through payment-in-kind, which would defer the cash collection of such interest and add it to the principal balance, which would generally be due upon repayment of the outstanding principal.

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

Many of our portfolio companies may be susceptible to economic slowdowns or recessions and may be unable to repay our loans during these periods. Therefore, our non-performing assets may increase and the value of our portfolio may decrease during these periods as we are required to record 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, termination of its loans and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize our portfolio company's ability to meet its obligations under the debt securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, if one of our portfolio companies were to go bankrupt, even though we or one of our affiliates may have structured our interest in such portfolio company as senior debt, depending on the facts and circumstances, including the extent to which we actually provided managerial assistance to that portfolio company, a bankruptcy court might re-characterize our debt holding as equity and subordinate all or a portion of our claim to claims of other creditors.

Inflationary pressures have been elevated in recent years, and there is a risk of the economy entering a recession.

Any such recession would negatively impact the businesses in which we invest and our business. These impacts may include:

- severe declines in the market price of our securities or net asset value;
- inability of the Company to accurately or reliably value its portfolio;
- inability of the Company to comply with certain asset coverage ratios that would prevent the Company from paying dividends to our shareholders and that could result breaches of covenants or events of default under our credit agreement or debt indentures;
- inability of the Company to pay any dividends and distributions or service its debt;
- inability of the Company to maintain its status as a RIC under the Code;
- declines in the value of our investments;
- increased risk of default or bankruptcy by the companies in which we invest;
- increased risk of companies in which we invest being unable to weather an extended cessation of normal economic activity and thereby impairing their ability to continue functioning as a going concern;
- limited availability of new investment opportunities;
- inability for us to replace our existing leverage when it becomes due or replace it on terms as favorable as our existing leverage; and

- general threats to the Company's ability to continue investment operations and to operate successfully as a BDC.

We are subject to risks related to inflation.

Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. Inflation rates may change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy and changes in economic policies, and the Company's investments may not keep pace with inflation, which may result in losses to shareholders. If inflation increases, the real value of our shares and dividends therefore may decline. In addition, during any periods of rising inflation, interest rates of any debt securities issued by the Company would likely increase, which would tend to further reduce returns to shareholders. This risk is greater for fixed-income instruments with longer maturities.

Capital markets may experience periods of disruption and instability. Such market conditions may materially and adversely affect debt and equity capital markets in the U.S. 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, which may be evidenced by a lack of liquidity in debt capital markets, write-offs in the financial services sector, re-pricing of credit risk and failure of certain major financial institutions.

Equity capital may be difficult to raise because, subject to some limited exceptions, as a BDC, we are generally not able to issue additional shares of common stock at a price less than net asset value without first obtaining approval for such issuance from our shareholders and our independent directors. We generally seek approval from our shareholders so that we have the flexibility to issue up to 25% of our then outstanding shares of our common stock immediately prior to any such sale at a price below net asset value, but in some years we may not obtain such approval. In addition, our ability to incur indebtedness (including by issuing preferred stock) is limited by applicable regulations such that our asset coverage ratio, as calculated in accordance with the 1940 Act, must equal at least 150% immediately after each time we incur indebtedness. The debt capital that will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than our current leverage, due to higher inflation that is still cooling or that may increase again. Any inability to raise capital could have a negative effect on our business, financial condition and results of operations.

Market conditions may in the future make it difficult to extend the maturity of or refinance our existing indebtedness and any failure to do so could have a material adverse effect on our business. The debt capital that will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than what we currently experience. Further, 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.

The illiquidity of our investments may make it difficult for us to sell such investments if required. As a result, we may realize significantly less than the value at which we have recorded 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) In addition, significant changes in the capital markets, including disruption and volatility, have had, and may in the future have, a negative effect on the valuations of our investments and on the potential for liquidity events involving our investments. An inability to raise capital, and any required sale of our investments for liquidity purposes, could have a material adverse impact on our business, financial condition and results of operations.

The U.S. and global capital markets are subject to systemic risk that could adversely affect our business, financial condition and results of operations.

Issuers, national and regional banks, financial institutions and other participants in the U.S. and global capital markets are closely interrelated as a result of credit, trading, clearing, technology and other relationships. A significant adverse development (such as a bank run, insolvency, bankruptcy or default) with one or more national or regional banks, financial institutions or other participants in the financial or capital markets may spread to others and lead to significant concentrated or market-wide problems (such as defaults, liquidity problems, impairment charges, additional bank runs and/or losses) for other participants in these markets. Future developments, including actions taken by the U.S. Department of Treasury, FDIC, Federal Reserve Board, and systemic risk in the U.S. and global banking sectors and broader economies in general, are difficult to assess and quantify, and the form and magnitude of such developments or other actions of the U.S. Department of Treasury, FDIC and Federal Reserve Board may remain unknown for significant periods of time and could have an adverse effect on the Company.

For example, the financial markets recently experienced volatility in connection with concerns that some banks, especially small and regional banks, may have significant investment-related losses that might make it difficult to fund demands to withdraw deposits and other liquidity needs. This and similar developments could in the future lead to further rules and regulations for public companies, banks, financial institutions and other participants in the U.S. and global capital markets, including business development companies

such as us, and complying with the requirements of any such rules or regulations may be burdensome. Even if not adopted, evaluating and responding to any such proposed rules or regulations could result in increased costs and require significant attention from our Advisor.

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.

Pursuant to Rule 2a-5 under the 1940 Act, the Company's Board of Directors designated the Advisor as the Company's valuation designee (the "Valuation Designee") to perform certain fair value functions, including performing fair value determinations (see Note 2 to the Company's consolidated financial statements for further information). 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 Valuation Designee. 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.

Changes in legal, tax and regulatory regimes could negatively impact our business, financial condition and earnings.

Changes enacted by the current or future presidential administration could significantly impact the regulation of financial markets in U.S. Areas subject to potential change, amendment or repeal include trade and foreign policy, corporate tax rates, energy and infrastructure policies, the environment and sustainability, criminal and social justice initiatives, immigration, healthcare and the oversight of certain federal financial regulatory agencies and the Federal Reserve. Certain of these changes can be, and have been, effectuated through executive order. It is not possible to predict which, if any, actions will be taken or, if taken, their effect on the economy, securities markets or the financial stability of the U.S. The Company may be affected by governmental action in ways that are not foreseeable, and there is a possibility that such actions could have a significant adverse effect on the Company and its ability to achieve its investment objective.

Additional risks arising from the differences in expressed policy preferences among the various constituencies in the branches of the U.S. government has led in the past, and may lead in the future, to short-term or prolonged policy impasses, which could, and has, resulted in shutdowns of the U.S. federal government. U.S. federal government shutdowns, especially prolonged shutdowns, could have a significant adverse impact on the economy in general and could impair the ability of issuers to raise capital in the securities markets. Any of these effects could have a material adverse effect on our business, financial condition and results of operations.

In addition, the rules dealing with the U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department. The effect of any changes to such rules is uncertain, both in terms of the direct effect on the taxation of an investment in the Company's shares and their indirect effect on the value of the Company's assets, the Company's shares or market conditions generally.

Changes to U.S. tariff and import/export regulations may have a negative effect on our portfolio companies and, in turn, harm us.

There has been ongoing discussion and commentary regarding potential significant changes to U.S. trade policies, treaties and tariffs. For example, more significant tariffs have been proposed by the new administration in the U.S., although it is not possible to predict the extent or focus of any such tariffs at this time. As a result, there remains uncertainty about the future relationship between the U.S. and other countries with respect to the trade policies, treaties and tariffs. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the U.S. Any of these factors could depress economic activity and restrict our portfolio companies' access to suppliers or customers and have a material adverse effect on their business, financial condition and results of operations, which in turn would negatively impact us.

Uncertainty regarding the implementation of the EU and UK's Trade and Cooperation Agreement could negatively impact our business, financial condition and earnings.

The EU and UK's Trade and Cooperation Agreement ("UK/EU Trade Agreement") was implemented starting on May 1, 2021 and set out the economic and legal framework for trade between the United Kingdom and the EU after the United Kingdom's 2020 withdrawal from the EU. As the UK/EU Trade Agreement is still a fairly new legal framework, the continuing implementation of the UK/EU Trade Agreement may result in uncertainty in its application and periods of volatility in both the United Kingdom and wider European markets. Furthermore, there is the possibility that either party may impose tariffs on trade in the future in the event that regulatory standards between the EU and the UK diverge. The terms of the future relationship may cause continued uncertainty in the global financial markets, and adversely affect our ability, and the ability of our portfolio companies, to execute our respective strategies and to receive attractive returns.

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 are generally based on floating rates, such as EURIBOR, Secured Overnight Financing Rate ("SOFR"), 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.

If interest rates rise, the cost of borrowing for the companies in which we invest will increase and may make them less profitable, which generally would decrease the value of our investments in them. In addition, although we generally expect to invest a limited percentage of our assets in instruments with a fixed interest rate, including subordinated loans, senior and junior secured and unsecured debt securities and loans in high yield bonds, an increase in interest rates could decrease the value of those fixed rate investments. 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 the Company. 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 dividends 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. During periods of high interest rates, our cost of funds may increase except to the extent we have issued fixed rate debt or preferred stock, which could reduce our net investment income.

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 Advisor with respect to the portion of the Incentive Fee based on income.

We are subject to risks associated with artificial intelligence and machine learning technology.

Recent technological advances in artificial intelligence and machine learning technology pose risks to our Company and our portfolio investments. Our Company and our portfolio investments could be exposed to the risks of artificial intelligence and machine learning technology if third-party service providers or any counterparties, whether or not known to our Company, also use artificial intelligence and machine learning technology in their business activities. We and our portfolio companies may not be in a position to control the use of artificial intelligence and machine learning technology in third-party products or services.

Use of artificial intelligence and 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 part accessible by other third-party artificial intelligence and machine learning technology applications and users.

Independent of its context of use, artificial intelligence and 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 artificial intelligence and machine learning technology utilizes to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error—potentially materially so—and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of artificial intelligence and machine learning technology. To the extent that we or our portfolio investments are exposed to the risks of artificial intelligence and machine learning technology use, any such inaccuracies or errors could have adverse impacts on our Company or our investments.

Artificial intelligence and machine learning technology and its applications, including in the private investment and financial sectors, continue to develop rapidly, and it is impossible to predict the future risks that may arise from such developments.

We may not replicate the historical performance of other investment companies and funds with which our investment professionals have been affiliated.

The 1940 Act imposes numerous constraints on the investment activities of BDCs. For example, BDCs are required to invest at least 70% of their total assets primarily in securities of U.S. private companies or thinly traded public companies (public companies with a market capitalization of less than \$250 million), cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. These constraints may hinder our Advisor's ability to take advantage of attractive investment opportunities and to achieve our investment objectives. In addition, the investment philosophy and techniques used by our Advisor may differ from those used by other investment companies and funds advised by our Advisor. Accordingly, we can offer no assurance that we will replicate the historical performance of other investment companies and funds with which our investment professionals have

been affiliated, and we caution that our investment returns could be substantially lower than the returns achieved by such other companies.

We are not managed by BlackRock, but rather one of its subsidiaries and may not replicate the success of that entity or BlackRock.

Our investment strategies differ from those of BlackRock or its affiliates. As a BDC, we are subject to certain investment restrictions that do not apply to BlackRock. Our performance may be lower or higher than the performance of other entities managed by BlackRock or its affiliates and their past performance is no guarantee of our future results.

Our business model depends upon the development and maintenance of strong referral relationships with other asset managers and investment banking firms.

We are substantially dependent on our informal relationships, which we use to help identify and gain access to investment opportunities. If we fail to maintain our relationships with key firms, or if we fail to establish strong referral relationships with other firms or other sources of investment opportunities, we will not be able to grow our portfolio of investments and achieve our investment objective. In addition, persons with whom we have informal relationships are not obligated to inform us of investment opportunities, and therefore such relationships may not lead to the origination of equity or other investments. Any loss or diminishment of such relationships could effectively reduce our ability to identify attractive portfolio companies that meet our investment criteria, either for direct investments or for investments through private secondary market transactions or other secondary transactions.

The Advisor's liability is limited under the investment management agreement, and we are required to indemnify the Advisor against certain liabilities, which may lead the Advisor to act in a riskier manner on our behalf than it would when acting for its own account.

The Advisor has not assumed any responsibility to us other than to render the services described in the investment management agreement, and it will not be responsible for any action of our Board of Directors in declining to follow the Advisor's advice or recommendations. Pursuant to the investment management agreement, the Advisor and its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other person or entity affiliated with it will not be liable to us for their acts under the investment management agreement, absent willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties. We have agreed to indemnify, defend and protect the Advisor and its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other person or entity affiliated with it with respect to all damages, liabilities, costs and expenses resulting from acts of the Advisor not arising out of willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties under the investment management agreement. These protections may lead the Advisor to act in a riskier manner when acting on our behalf than it would when acting for its own account.

We may suffer credit losses.

Investment in middle-market companies is highly speculative and involves a high degree of risk of credit loss, and therefore our securities may not be suitable for someone with a low tolerance for risk. These risks are likely to increase during an economic recession.

Our use of borrowed funds, including under the Leverage Program, to make investments exposes us to risks typically associated with leverage.

The Company borrows money, both directly and indirectly through its subsidiaries. As a result:

- our common stock is exposed to incremental risk of loss and a decrease in the value of our investments would have a greater negative impact on the value of our common stock than if we did not use leverage;
- adverse changes in interest rates could reduce or eliminate the incremental income we make with the proceeds of leverage;
- we, and indirectly our common shareholders, bear the entire cost of issuing and paying interest or dividends on any borrowed funds issued by us or our subsidiaries; and
- our ability to pay dividends on our common stock will be restricted if our asset coverage ratio is not at least 150% and any amounts used to service indebtedness would not be available for such dividends.

The use of leverage creates increased risk of loss and is considered a speculative investment technique. The use of leverage magnifies the potential gains and losses from an investment and increases the risk of loss of capital. To the extent that income derived by us from investments purchased with borrowed funds is greater than the cost of borrowing, our net income will be greater than if borrowing had not been used. Conversely, if the income from investments purchased from these sources is not sufficient to cover the cost of the leverage, our net investment income will be less than if leverage had not been used, and the amount available for ultimate distribution to the holders of common stock will be reduced. The extent to which the gains and losses associated with leveraged investing are increased will generally depend on the degree of leverage employed. We may, under some circumstances, be required to dispose of

investments under unfavorable market conditions in order to maintain our leverage, thus causing us to recognize a loss that might not otherwise have occurred. In the event of a sale of investments upon default under our borrowing arrangements, secured creditors will be contractually entitled to direct such sales and may be expected to do so in their interest, rather than in the interests of the holders of common stock. Holders of common stock will incur losses if the proceeds from a sale in any of the foregoing circumstances are insufficient, after payment in full of amounts due and payable on leverage, including administrative expenses, to repay such holders investments in our common stock. As a result, you could experience a total loss of your investment. Any decrease in our revenue would cause our net income to decline more than it would have had we not borrowed funds and could negatively affect our ability to make distributions on our common stock. The ability to service any debt that we have or may have outstanding depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures. There is no limitation on the percentage of portfolio investments that can be pledged to secure borrowings. The amount of leverage that we employ at any particular time will depend on our Advisor's and our board of director's assessments of market and other factors at the time of any proposed borrowing.

In addition to regulatory restrictions that restrict our ability to raise capital, the Leverage Program contains various covenants which, if not complied with, could accelerate repayment under the Operating Facility, Funding Facility II and the Merger Sub Facility (collectively, the "Credit Facilities"), thereby materially and adversely affecting our liquidity, financial condition and results of operations.

Under the Leverage Program, we must comply with certain financial and operational covenants. These covenants include:

- restrictions on the level of indebtedness that we are permitted to incur in relation to the value of our assets;
- restrictions on our ability to make distributions and other restricted payments under certain circumstances;
- restrictions on extraordinary events, such as mergers, consolidation and sales of assets;
- restrictions on our ability to incur liens and incur indebtedness; and
- maintenance of a minimum level of stockholders' equity.

In addition, by limiting the circumstances in which borrowings may occur under the Credit Facilities, the credit agreements related to such facilities (the "Credit Agreements") in effect provide for various asset coverage, credit quality and diversification limitations on our investments. Such limitations may cause us to be unable to make or retain certain potentially attractive investments or to be forced to sell investments at an inappropriate time and consequently impair our profitability or increase losses or result in adverse tax consequences.

As of February 27, 2025, 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. Accordingly, there are no assurances that we will continue to comply with the covenants in the Credit Agreements. Failure to comply with these covenants would result in a default under our debt arrangements which, if we were unable to obtain a waiver from the applicable creditors, would enable the applicable creditors to accelerate outstanding balances under our debt and terminate their commitments to lend to us. This would be expected to have a material adverse impact on our financial condition and results of operations and place limitations on our operational flexibility.

The Operating Facility also has certain "key man" provisions. For example, it is an event of default if the Advisor is controlled by any person or group other than (i) BlackRock, Inc. or a wholly-owned subsidiary of BlackRock, Inc. or (ii) any two of listed individuals (or any replacement manager or individual reasonably acceptable to the administrative agent and approved by the required lenders), provided that if the Advisor is no longer under the control of at least two of such four individuals (or their previously approved replacements) through an event resulting in the death or disability of such individuals, the Advisor has 60 calendar days to replace such individuals with other managers or individuals reasonably acceptable to the administrative agent and approved by the required lenders, provided further that a default (but not an event of default) shall be deemed to exist during such period.

The Funding Facility II matures on August 4, 2027, subject to extension by the lender at the request of TCPC Funding II, the Merger Sub Facility matures on September 6, 2028, and the Operating Facility matures on August 1, 2029, subject to extension by the lenders at the request of SVCP. Any inability to renew, extend or replace the Funding Facility II, the Merger Sub Facility and/or the Operating Facility could adversely impact our liquidity and ability to find new investments or maintain distributions to our shareholders.

Funding Facility II matures on August 4, 2027, subject to extension by the lender at the request of TCPC Funding II. Borrowings under the Funding Facility II generally bear interest at a rate of SOFR plus a credit spread adjustment of 0.15%, plus a margin of 2.05%, subject to certain funding requirements, plus an administrative fee of 0.15% per annum. The Merger Sub Facility matures on September 6, 2028. Borrowings under the Merger Sub Facility generally bear interest at a rate of SOFR plus a credit spread adjustment of 0.10%, plus a margin equal to either 1.75% or 2.00%, depending on a ratio of the borrowing base to the facility commitments, subject to certain

limitations. The Operating Facility matures on August 1, 2029, subject to extension by the lenders at the request of SVCP. Borrowings under the Operating Facility generally bear interest at a rate of SOFR plus a credit spread adjustment of 0.10% for one month contracts and 0.15% for three month contracts, respectively, plus a margin equal to either 1.75% or 2.00%, depending on a ratio of the borrowing base to the facility commitments, subject to certain limitations.

We do not currently know whether we will renew, extend or replace the Credit Facilities upon their maturities or whether we will be able to do so on terms that are as favorable as the Credit Facilities. In addition, we will be required to liquidate assets to repay amounts due under the Credit Facilities if we do not renew, extend or replace the Credit Facilities prior to their respective maturities.

Upon the termination of the Credit Facilities, there can be no assurance that we will be able to enter into a replacement facility on terms that are as favorable to us, if at all. Our ability to replace the Credit Facilities may be constrained by then-current economic conditions affecting the credit markets. In the event that we are not able to replace the Credit Facilities 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 shareholders and our ability to qualify as a RIC.

The creditors under the Credit Facilities have a first claim on all of the Company's assets included in the collateral for the respective facilities.

Lenders have fixed dollar claims on our assets that are superior to the claims of our common shareholders. Substantially all of our current assets have been pledged as collateral under the Credit Facilities. If an event of default occurs under any of the Credit Facilities, the respective lenders would be permitted to accelerate amounts due under the respective facilities and liquidate our assets to pay off amounts owed under the respective facilities and limitations would be imposed on us with respect to the purchase or sale of investments. Such limitations may cause us to be unable to make or retain certain potentially attractive investments or to be forced to sell investments at an inappropriate time and consequently impair our profitability or increase our losses or result in adverse tax consequences.

In the event of the dissolution of the Company or otherwise, if the proceeds of the Company's assets (after payment in full of obligations to any such debtors) are insufficient to repay capital invested in us by the holders of the common stock, no other assets will be available for the payment of any deficiency. None of our Board of Directors, the Advisor or any of their respective affiliates, have any liability for the repayment of capital contributions made to the Company by the holders of common stock. Holders of common stock could experience a total loss of their investment in the Company.

Lenders under the Operating Facility may have a veto power over the Company's investment policies.

If a default has occurred under the Operating Facility, the lenders under the Operating Facility may veto changes in investment policies. The Operating Facility and the Merger Sub Facility also has certain limitations on unusual types of investments such as commodities, real estate and speculative derivatives, which are not part of the Company's investment strategy or policies in any event.

The SBIC may be unable to make distributions to us that will enable us to meet or maintain RIC status, which could result in the imposition of an entity-level tax.

In order for us to continue to qualify for RIC tax treatment and to minimize corporate-level taxes, we will be required to distribute substantially all of our net ordinary income and net capital gain income, including income from certain of our subsidiaries, which includes the income from the SBIC. We will be partially dependent on the SBIC for cash distributions to enable us to meet the RIC distribution requirements. The SBIC may be limited by the Small Business Investment Act of 1958, and SBA regulations governing SBICs, from making certain distributions to us that may be necessary to enable us to maintain our status as a RIC. We may have to request a waiver of the SBA's restrictions for the SBIC to make certain distributions to maintain our eligibility for RIC status. We cannot assure you that the SBA will grant such a waiver and if the SBIC is unable to obtain a waiver, compliance with the SBA regulations may result in loss of RIC tax treatment and a consequent imposition of an entity-level tax on us.

The SBIC is subject to SBA regulations, and any failure to comply with SBA regulations could have an adverse effect on our operations.

On April 22, 2014, the SBIC received an SBIC license from the SBA. The SBIC license allows the SBIC to obtain leverage by issuing SBA-guaranteed debentures, subject to the issuance of a capital commitment by the SBA and other customary procedures. SBA-guaranteed debentures are non-recourse, interest only debentures with interest payable semi-annually and have a ten year maturity. The principal amount of SBA-guaranteed debentures is not required to be paid prior to maturity but may be prepaid at any time without penalty. The interest rate of SBA-guaranteed debentures is fixed on a semi-annual basis at a market-driven spread over U.S. Treasury Notes with 10-year maturities. The SBA, as a creditor, will have a superior claim to the SBIC's assets over our shareholders in the event

we liquidate the SBIC or the SBA exercises its remedies under the SBA-guaranteed debentures issued by the SBIC upon an event of default.

Under current SBA regulations, a licensed SBIC can provide capital to those entities that have a tangible net worth not exceeding \$24 million and an average annual net income after Federal income taxes not exceeding \$8.0 million for the two most recent fiscal years. In addition, a licensed SBIC must devote 25% of its investment activity to those entities that have a tangible net worth not exceeding \$6.0 million and an average annual net income after Federal income taxes not exceeding \$2.0 million for the two most recent fiscal years. The SBA regulations also provide alternative size standard criteria to determine eligibility, which depend on the industry in which the business is engaged and are based on factors such as the number of employees and gross sales. The SBA regulations permit licensed SBICs to make long term loans to small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services. The SBA also places certain limitations on the financing terms of investments by SBICs in portfolio companies and prohibits SBICs from providing funds for certain purposes or to businesses in a few prohibited industries. Compliance with SBA requirements may cause the SBIC to forego attractive investment opportunities that are not permitted under SBA regulations.

Further, the SBA regulations require that a licensed SBIC be periodically examined and audited by the SBA to determine its compliance with the relevant SBA regulations. The SBA prohibits, without prior SBA approval, a “change of control” of an SBIC or any transfers of the capital stock of a licensed SBIC. If the SBIC fails to comply with applicable SBA regulations, the SBA could, depending on the severity of the violation, limit or prohibit its use of debentures, declare outstanding debentures immediately due and payable, and/or limit it from making new investments. In addition, the SBA can revoke or suspend a license for willful or repeated violation of, or willful or repeated failure to observe, any provision of the Small Business Investment Act of 1958 or any rule or regulation promulgated thereunder. The Advisor, as the SBIC’s investment adviser, does not have any previous experience managing an SBIC. Its limited experience in complying with SBA regulations may hinder its ability to take advantage of the SBIC’s access to SBA-guaranteed debentures. Any failure to comply with SBA regulations could have an adverse effect on our operations.

SBA regulations limit the outstanding dollar amount of SBA-guaranteed debentures that may be issued by an SBIC or group of SBICs under common control.

The SBA regulations currently limit the dollar amount of SBA-guaranteed debentures that can be issued by any one SBIC to \$175.0 million or to a group of SBICs under common control to \$350.0 million.

An SBIC may not borrow an amount in excess of two times (and in certain cases, up to three times) its regulatory capital. As of December 31, 2024, the SBIC had \$131.5 million in SBA-guaranteed debentures outstanding. If we reach the maximum dollar amount of SBA-guaranteed debentures permitted, and if we require additional capital, our cost of capital may increase, and there is no assurance that we will be able to obtain additional financing on acceptable terms.

Moreover, the current status of the SBIC as an SBIC does not automatically assure that the SBIC will continue to receive SBA-guaranteed debenture funding. Receipt of SBA leverage funding is dependent upon the SBIC continuing to be in compliance with SBA regulations and policies and available SBA funding. The amount of SBA leverage funding available to SBICs is dependent upon annual Congressional authorizations and in the future may be subject to annual Congressional appropriations. There can be no assurance that there will be sufficient debenture funding available at the times desired by the SBIC.

The debentures guaranteed by the SBA have a maturity of ten years and require semi-annual payments of interest. The SBIC will need to generate sufficient cash flow to make required interest payments on the debentures. If the SBIC is unable to meet their financial obligations under the debentures, the SBA, as a creditor, will have a superior claim to the SBIC’s assets over our shareholders in the event we liquidate the SBIC or the SBA exercises its remedies under such debentures as the result of a default by us.

The disposition of our investments may result in contingent liabilities.

Most of our investments will involve private securities. In connection with the disposition of an investment in private securities, we may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. We may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate or with respect to certain potential liabilities. These arrangements may result in contingent liabilities that ultimately yield funding obligations that must be satisfied through our return of certain distributions previously made to us. As of December 31, 2024, the Company is not aware of any contingent liabilities.

Incurring additional indebtedness could increase the risk in investing in shares of our common stock.

As a BDC regulated under the 1940 Act, we are generally required to maintain a certain asset coverage for senior securities representing indebtedness (i.e., debt) or stock (i.e., preferred stock).

Following receipt of the necessary shareholder and Board approvals, effective February 9, 2019, the minimum asset coverage ratio requirement was reduced from 200% to 150%, pursuant to Section 61(a)(2) of the 1940 Act, as amended by the Small Business Credit Availability Act (the "SBCAA") (i.e., from a 1:1 debt to equity ratio to a 2:1 debt to equity ratio). Therefore, we may be able to issue an increased amount of senior securities and incur additional indebtedness in the future and, therefore, your risk of an investment in shares of our common stock may increase.

If our asset coverage falls below the required limit, we will not be able to incur additional debt until we are able to comply with the asset coverage applicable to us. This could have a material adverse effect on our operations, and we may not be able to make distributions to shareholders. The actual amount of leverage that we employ will depend on our and our Board of Directors' assessment of market and other factors at the time of any proposed borrowing. We cannot assure you that we will be able to obtain credit at all or on terms acceptable to us.

We have indebtedness outstanding pursuant to the Leverage Program and expect, in the future, to borrow additional amounts under the Credit Facilities and may increase the size of the Credit Facilities or enter into other borrowing arrangements.

In the case of a liquidation event, those lenders would receive proceeds before our shareholders. In addition, borrowings, also known as leverage, magnify the potential for gain or loss on amounts invested and, therefore, increase the risks associated with investing in our common stock. Leverage is generally considered a speculative investment technique. If the value of our assets increases, then leveraging would cause the net asset value attributable to our common stock to increase more than it otherwise would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause the net asset value attributable to our common stock to decline more than it otherwise would have had we not leveraged. Similarly, any increase in our revenue in excess of interest expense on our borrowed funds would cause our net income to increase more than it would without the leverage. Any decrease in our revenue would cause our net income to decline more than it would have had we not borrowed funds and could negatively affect our ability to make distributions on our common stock. Our ability to service any debt that we incur depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures.

Illustration. The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing below. The calculation is based on our level of leverage at December 31, 2024, which represented borrowings equal to 58.6% of our total assets. On such date, we also had \$1,923.0 million in total assets; \$1,794.8 million in total investments; an average cost of funds of 5.19% based on contractual terms at December 31, 2024; \$1,126.3 million aggregate principal amount of debt outstanding; and \$785.1 million of total net assets. In order to compute the "Corresponding Return to Common Shareholders," the "Assumed Return on Portfolio (Net of Expenses Other than Interest)" is multiplied by the total value of our investment portfolio at December 31, 2024 to obtain an assumed return to us. From this amount, interest expense (calculated by multiplying the weighted-average interest rate of 5.19% by the \$1,126.3 million of debt) is subtracted to determine the return available to shareholders. The return available to shareholders is then divided by the total value of our net assets at December 31, 2024 to determine the "Corresponding Return to Common Shareholders." Actual interest payments may vary.

Assumed Return on Portfolio (Net of Expenses Other than Interest)	(10)%	(5)%	—%	5%	10%
Corresponding Return to Common Shareholders	(30)%	(19)%	(7)%	4%	15%

The assumed portfolio return in the table is based on SEC regulations and is not a prediction of, and does not represent, our projected or actual performance. The table also assumes that we will maintain a constant level of leverage. The amount of leverage that we use will vary from time to time.

The lack of liquidity in our investments may adversely affect our business.

We make investments in private companies. A portion of these investments may be subject to legal and other restrictions on resale, transfer, pledge or other disposition or will otherwise be 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. In addition, we face other restrictions on our ability to liquidate an investment in a business entity to the extent that we or the Advisor has or could be deemed to have material non-public information regarding such business entity.

A substantial portion of our portfolio investments are recorded at fair value as determined using a consistently applied valuation process in accordance with our documented valuation policy that has been reviewed and approved by our Board of Directors and, as a result, there may be uncertainty regarding the value of our portfolio investments.

The debt and equity investments that we make for which market quotations are not readily available will be valued at fair value as determined using a consistently applied valuation process in accordance with our documented valuation policy that has been reviewed and approved by our Board of Directors. The Valuation Designee approves in good faith the valuation of such securities. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material. Our net asset value could be adversely affected if determinations regarding the fair value of these investments were materially higher than the values ultimately realized upon the disposal of such investments.

Our use of borrowed funds to make investments exposes us to risks typically associated with leverage.

We borrow money and may issue additional debt securities or preferred stock to leverage our capital structure. As a result:

- our common stock is exposed to incremental risk of loss and a decrease in the value of our investments would have a greater negative impact on the value of our common stock than if we did not use leverage;
- adverse changes in interest rates could reduce or eliminate the incremental income we make with the proceeds of any leverage;
- such securities are governed by an indenture or other instrument containing covenants restricting our operating flexibility;
- we, and indirectly our shareholders, bear the cost of issuing and paying interest or making distributions on such securities;
- any convertible or exchangeable securities that we issue may have rights, preferences and privileges more favorable than those of our common stock; and
- our ability to make distributions on our common stock will be restricted if our asset coverage ratio is not at least 150% and any amounts used to service indebtedness or preferred stock may not be available for such distributions.

A portion of our distributions to shareholders may include a return of shareholder capital.

We intend to make distributions on a quarterly basis to our shareholders out of assets legally available for distribution. A portion of such distributions may include a return of shareholder capital. Distributions in excess of our current and accumulated earnings and profits are considered non-taxable distributions and serve to reduce the basis of our shares in the hands of the shareholders rather than being currently taxable, and as a result of the reduction of the basis of our shares, shareholders may incur additional capital gains taxes or may have lower capital losses.

We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.

In accordance with U.S. GAAP and tax regulations, we include in income certain amounts that we have not yet received in cash, such as PIK interest, which represents contractual interest added to the loan balance and due at the end of the loan term. The increases in loan balances as a result of contracted PIK arrangements are included in income for the period in which such PIK interest was received, which is often in advance of receiving cash payment. We also may be required to include in income certain other amounts that we will not receive in cash. Any warrants that we receive in connection with our debt investments are generally valued as part of the negotiation process with the particular portfolio company. As a result, a portion of the aggregate purchase price for the debt investments and warrants are allocated to the warrants that we receive. This will generally result in “original issue discount,” or OID, for tax purposes, which we must recognize as ordinary income, increasing the amounts we are required to distribute to qualify for the federal income tax benefits applicable to RICs. Because such original issue discount income would not be accompanied by cash, we would need to obtain cash from other sources to satisfy such distribution requirements. If we are unable to obtain cash from other sources to satisfy such distribution requirements, we may fail to qualify for favorable tax treatment as a RIC and, thus, could become subject to a corporate-level income tax on all of our income. Other features of the debt instruments that we hold may also cause such instruments to generate original issue discount, resulting in a distribution requirement in excess of current cash received. Similarly, newly enacted tax legislation contains rules that may in certain other circumstances require the recognition of non-cash taxable income or may limit the deductibility of certain of our cash expenses. Since in certain cases we may recognize income before or without receiving cash representing such income or may be subject to limitations on the deductibility of cash expenses, we may have difficulty meeting the requirement to distribute at least 90% of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. If we are unable to meet these distribution requirements, we will not qualify for favorable tax treatment as a RIC or, even if such distribution requirements are satisfied, we may be subject to tax on the amount that is undistributed. Accordingly, we may have to sell some of our

assets, raise additional debt or equity capital or reduce new investment originations to meet these distribution requirements and avoid tax.

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 instruments 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.
- For accounting purposes, any cash distributions to shareholders representing OID and PIK income are not treated as coming from paid-in capital, even if the cash to pay them comes 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 shareholders, the 1940 Act does not require that shareholders be given notice of this fact by reporting it as a return of capital.
- PIK interest has the effect of generating investment income at a compounding rate, thereby further increasing the Incentive Fees payable to the Advisor. Similarly, all things being equal, the deferral associated with PIK interest also decreases the loan-to-value ratio at a compounding rate.

Any unrealized losses we experience on our investment portfolio may be an indication of future realized losses, which could reduce our income available for distribution.

Decreases in the market values or fair values of our investments will be recorded as unrealized depreciation. Any unrealized losses in our investment portfolio could be an indication of a portfolio company's inability to meet its repayment obligations to us with respect to the affected investments. This could result in realized losses in the future and ultimately in reductions of our income available for distribution in future periods.

We may be unable to realize the benefits anticipated by the Merger, including estimated cost savings, or it may take longer than anticipated to achieve such benefits.

The realization of certain benefits anticipated as a result of the Merger will depend in part on our ability to realize estimated cost savings. It is possible that our estimates of the potential Merger-related cost savings ultimately could be incorrect. If our estimates turn out to be incorrect, the anticipated cost savings may not be fully realized or realized at all or may take longer to realize than expected.

Our Advisor and its affiliates and employees may have certain conflicts of interest.

As a global provider of investment management, risk management and advisory services to institutional and retail clients, BlackRock, the Advisor and their respective affiliates (for purposes of this discussion of potential conflicts, the "BlackRock Entities"), engage in a broad spectrum of activities, including sponsoring and managing a variety of public and private investment funds, funds of funds and separate accounts across fixed income, liquidity, equity, alternative investment and real estate strategies; providing financial advisory services; providing technology infrastructure and analytics under the BlackRock Solutions® brand and engaging in certain broker-dealer activities and other activities. Although the relationships and activities of the BlackRock Entities should help enable these entities to offer attractive opportunities and services to the Company, such relationships and activities create certain inherent actual and potential conflicts of interest. In the ordinary course of business, the BlackRock Entities engage in activities where their interests or the interests of their clients may conflict with the interests of the Company, certain investors or a group of investors, or the Company's investments. The following discussion enumerates certain potential and actual conflicts of interest.

Allocation of Investment Opportunities. The BlackRock Entities manage and advise numerous accounts for clients around the world, such as registered and unregistered funds and owners of separately managed accounts (collectively, "Client Accounts"). Client Accounts include funds and accounts in which the BlackRock Entities or their personnel have an interest ("BlackRock Accounts"). Certain of

these Client Accounts have investment objectives, and utilize investment strategies, that are similar to the Company's. As a result, certain investments may be appropriate for the Company and also for other Client Accounts. The BlackRock Entities' allocation of investment opportunities among various Client Accounts presents inherent potential and actual conflicts of interest, particularly where an investment opportunity is limited. These potential conflicts are exacerbated in situations where BlackRock is entitled to higher fees and incentive compensation from certain Client Accounts than from other Client Accounts (including the Company), where the portfolio managers making an allocation decision are entitled to an incentive fee, carried interest or other similar compensation from such other Client Accounts, or where there are differences in proprietary investments in the Company and other Client Accounts. The prospect of achieving higher compensation or greater investment return from another investment vehicle or separate account than from the Company provides incentives for the Advisor or other BlackRock Entities to favor the other investment vehicle or separate account over the Company when, for example, allocating investment opportunities that the Advisor believes could result in favorable performance. It is the policy of BlackRock not to make decisions based on the foregoing interests or greater fees or compensation.

Any person that owns, directly or indirectly, 5% or more of our outstanding voting securities or is managed by the Advisor will generally be an affiliate of the Company for purposes of the 1940 Act and the Company is generally prohibited from participating in certain transactions such as co-investing with, or buying or selling any security from or to, such affiliate, absent the prior approval of the Independent Directors and, in some cases, of the SEC. However, the Advisor and the funds managed by the Advisor have received an order providing an exemption from certain SEC regulations prohibiting transactions with affiliates (the "Order"). The Order requires that certain procedures be followed prior to making an investment subject to the Order and such procedures could in certain circumstances adversely affect the price paid or received by the Company or the availability or size of the position purchased or sold by the Company. The Advisor may also face conflicts of interest in making investments pursuant to the Order.

The 1940 Act also prohibits certain "joint" transactions with certain of the Company's affiliates, which could include investments in the same portfolio company (whether at the same or different times), without prior approval of the Independent Directors and, in some cases, of the SEC. The Company is prohibited from buying or selling any security from or to any person who owns more than 25% of the Company's voting securities and from or to certain of that person's affiliates, or entering into prohibited joint transactions with such persons, absent the prior approval of the SEC (other than 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 relating to the particular transaction. Similar restrictions limit the Company's ability to transact business with its officers or directors or their affiliates.

To address actual and potential conflicts associated with allocation of investments, BlackRock has developed an investment allocation policy (the "Investment Allocation Policy") and related guidelines. In addition, certain BlackRock Entities and business units have supplemental allocation policies for making allocation decisions among Client Accounts managed by such BlackRock Entities (together with the Investment Allocation Policy and related guidelines, the "Allocation Policy"). The Allocation Policy is intended to ensure that investment opportunities are allocated on a fair and equitable basis among Client Accounts over time, taking into account various factors including the Client Account's investment objective, guidelines and restrictions and other portfolio construction considerations; available capital and liquidity needs; tax, regulatory and contractual considerations; risk or investment concentration parameters; supply or demand for a security at a given price level; size of available investment; unfunded capital commitments or cash availability and liquidity requirements; leverage limitations; regulatory restrictions; contractual restrictions (including with other clients); minimum investment size; relative size; and such other factors as may be relevant to a particular transaction or Client Account. The BlackRock Entities reserve the right to allocate investment opportunities appropriate for the investment objectives of the Company and other Client Accounts in any other manner deemed fair and equitable by the BlackRock Entities consistent with the Allocation Policy, the Order and applicable law. The application of the Allocation Policy, the Order and the foregoing considerations may result in a particular Client Account, including the Company, not receiving an allocation of an investment opportunity that has been allocated to other Client Accounts following the same or similar strategy, or receiving a smaller allocation than other Client Accounts or an allocation on an other than pro rata basis. Furthermore, as the investment programs of the Company and the other applicable Client Accounts change and develop over time, additional issues and considerations may affect the Allocation Policy and the expectations of the BlackRock Entities with respect to the allocation of investment opportunities to the Company and other Client Accounts. BlackRock and the Advisor reserve the right to change the Allocation Policy and guidelines relating thereto from time to time without the consent of or notice to shareholders, subject to the disclosure requirements of applicable law.

As a general matter, it is expected the Company will participate in investments deemed appropriate for the Company's strategy and either sourced by the investment personnel directly responsible for managing the Company (though investments sourced by such personnel may also be allocated to other Client Accounts that may be managed by other investment teams) or made available for investment by the Company pursuant to the terms of the Order.

Allocation of Expenses. Side-by-side management by the BlackRock Entities of the Company and Client Accounts raises other potential and actual conflicts of interest, including those associated with allocating expenses attributable to the Company and one or more other Client Accounts. The Advisor and its affiliates will attempt to make such allocations on a basis that they consider to be fair

and equitable to the Company under the circumstances over time and considering such factors as it deems relevant. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of Client Accounts or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has a greater benefit to the Company, other Client Accounts or the Advisor and/or its affiliates.

Activities of Other Client Accounts. The BlackRock Entities will, from time to time, be actively engaged in transactions on behalf of other Client Accounts in the same investments, securities, derivatives and other instruments in which the Company will directly or indirectly invest. Trading for certain other Client Accounts is carried out without reference to positions held directly or indirectly by the Company and may have an effect on the value or liquidity of the positions so held or may result in another Client Account having an interest in an issuer adverse to that of the Company.

Under certain circumstances and subject to the Order and applicable law, the Company may invest directly or indirectly in a transaction in which one or more other Client Accounts are expected, or seek, to participate or already have made, or concurrently will make or seek to make, an investment. The Company and the other Client Accounts may have conflicting interests and objectives in connection with such investments, including with respect to views on the operations or activities of the project or company involved, the targeted returns from the investment and the timeframe for, and method of, exiting the investment. For example, the Advisor's decisions on behalf of other Client Accounts to sell, redeem from or otherwise liquidate a security in which the Company is invested may adversely affect the Company, including by causing such investment to be less liquid or more concentrated, or by causing the Company to no longer participate in a controlling position in the investment or to lose the benefit of certain negotiated terms, including, without limitation, fee discounts. Conflicts will also arise in cases where the Company, directly or indirectly, and other Client Accounts invest in different parts of an issuer's capital structure, including circumstances in which one or more Client Accounts may own private securities or obligations of an issuer and other Client Accounts may own public securities of the same issuer. If an issuer in which the Company, directly or indirectly, and one or more other Client Accounts hold different classes of securities (or other assets, instruments or obligations issued by such issuer) encounters financial problems, decisions over the terms of any workout will raise potential conflicts of interests (including, for example, conflicts regarding the terms of recapitalizations and proposed waivers, amendments or enforcement of debt covenants). As a result, one or more Client Accounts may pursue or enforce rights with respect to a particular issuer in which the Company has directly or indirectly invested, and those activities may have an adverse effect on the Company. Because of the different legal rights associated with debt and equity of the same portfolio company, BlackRock expects to face a potential conflict of interest in respect of the advice given to, and the actions taken on behalf of, the Company versus another Client Account (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). For example, if the Company holds debt securities of an issuer and a Client Account directly or indirectly holds equity securities of the same issuer, then, if the issuer experiences financial or operational challenges, the Company may seek a liquidation of the issuer in which it may be paid in full, whereas the Client Account, as a direct or indirect equity holder, might prefer a reorganization that holds the potential to create value for the equity holders. Similarly, if additional capital is necessary as a result of financial or other difficulties, or to finance growth of other opportunities, subject to the Order and applicable law and regulation, a Client Account may not provide such additional capital and the Company may do so, or vice versa. In the event of an insolvency, bankruptcy or similar proceeding of an issuer, the Company may be limited (by applicable law, courts or otherwise) in the positions or actions it may be permitted to take due to other interests held or actions or positions taken by other Client Accounts. In negotiating the terms and conditions of any such investments, or any subsequent amendments or waivers, the Advisor and the other BlackRock Entities may find that their own interests, the interests of the Company and/or the interests of one or more other Client Accounts could conflict. Any of the foregoing conflicts of interest will be discussed and resolved on a case-by-case basis. The resolution of such conflicts will take into consideration the interests of the relevant parties, the circumstances giving rise to the conflict, the Order to the extent applicable and applicable law. Shareholders should be aware that conflicts will not necessarily be resolved in favor of the Company and that the Company could be adversely affected by the actions taken by BlackRock Entities on behalf of Client Accounts.

In order to avoid or reduce the conflicts that may arise in cases where the Company, directly or indirectly, and other Client Accounts invest in different parts of an issuer's capital structure, or for other reasons, the Company may choose not to invest in issuers in which other Client Accounts hold an existing investment, even if the Advisor believes such investment opportunity to be attractive and otherwise appropriate for the Company and is permitted under applicable law and regulation, which may adversely affect the performance of the Company.

Other transactions by one or more Client Accounts also may have the effect of diluting the values or prices of investments held directly or indirectly by the Company or otherwise disadvantaging the Company. This may occur when portfolio decisions regarding the Company are based on research or other information that is also used to support portfolio decisions for other Client Accounts. When a BlackRock Entity implements a portfolio decision or strategy on behalf of a Client Account other than the Company ahead of, or contemporaneously with, similar portfolio decisions or strategies for the Company (whether or not the portfolio decisions emanate from the same research analysis or other information), market impact, liquidity constraints or other factors could result in the Company receiving less favorable investment results, and the cost of implementing such portfolio decisions or strategies for the Company could increase, or the Company could otherwise be disadvantaged.

Additionally, if the Company makes an investment in a portfolio company in conjunction with an investment made by another Client Account, the Company may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other Client Account. This likely will result in differences in investment cost, investment terms, leverage and associated expenses between the Company and any other Client Account. There can be no assurance that the Company and the other Client Accounts will exit the investment at the same time or on the same terms, and there can be no assurance that the Company's return on such an investment will be the same as the returns achieved by any other Client Accounts participating in the transactions. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Company.

The BlackRock Entities may also, in certain circumstances and subject to the Order and applicable law and regulation, pursue or enforce rights or take other actions with respect to a particular issuer or investment jointly on behalf of the Company and other Client Accounts. In such circumstances, the Company may be adversely impacted by the other Client Accounts' activities, and transactions for the Company may be impaired or effected at prices or terms that may be less favorable than would otherwise have been the case had the other Client Accounts not pursued a particular course of action with respect to the issuer or investment. For example, one or more Client Accounts may dispose of or make an in kind distribution of its portion of an investment that is also held by the Company and other Client Accounts, and such action may adversely affect the Company and such other Client Accounts that continue to hold such investment.

Conflicts may also arise because portfolio decisions made by the Advisor on behalf of the Company may benefit other BlackRock Entities or Client Accounts, including BlackRock Accounts. For example, subject to the Order and applicable law and regulation, the Company may invest directly or indirectly in the securities, bank loans or other obligations of issuers in which a Client Account has an equity, debt or other interest, or vice versa. In certain circumstances, the Advisor may be incentivized not to undertake certain actions on behalf of the Company in connection with such investments, in view of a BlackRock Entity's or Client Account's involvement with the relevant issuer or investment. Further, the Company may also engage in investment transactions that result in other Client Accounts being relieved of obligations or otherwise divesting of investments that the Company also holds or which cause the Company to have to divest certain investments. The purchase, holding and sale of investments by the Company may enhance the profitability of another Client Account's own investments in and activities with respect to such investments.

Without limiting the generality of the foregoing, the Company may invest, directly or indirectly, in equity of investments or issuers affiliated with the BlackRock Entities or in which a BlackRock Entity or a Client Account has a direct or indirect debt or other interest, or vice versa, and may acquire such equity or debt either directly or indirectly through public or private acquisitions. Such investments may benefit the BlackRock Entities or Client Accounts. In addition, the Advisor may be incentivized not to undertake certain actions on behalf of the Company in connection with such investments, in view of a BlackRock Entity's or Client Account's involvement with the relevant issuer or investment.

Moreover, the Advisor's investment professionals, its senior management and employees serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as the Company. Accordingly, these individuals may have obligations to investors in those entities or funds, the fulfillment of which might not be in the best interests of the Company or shareholders. In addition, certain of the personnel employed by the Advisor or focused on the Company's business may change in ways that are detrimental to the Company's business.

Transactions Between Client Accounts. Each of the BlackRock Entities and the Advisor reserve the right to conduct cross trades between the Company and other Client Accounts in accordance with applicable legal and regulatory requirements. The Advisor may cause the Company to purchase securities or other assets from or sell securities or other assets to, or engage in other transactions with, other Client Accounts or vehicles when the Advisor believes such transactions are appropriate and in the participants' best interest, subject to applicable law and regulation. The Company may enter into "agency cross transactions," in which a BlackRock Entity may act as broker for the Company and for the other party to the transaction, to the extent permitted under applicable law and regulation and the relevant Client Account governing documents. In such cases, the Advisor and such other Client Accounts or BlackRock Entities, as applicable, may have a potentially conflicting division of loyalties and responsibilities regarding both parties to the transaction. To the extent that any provision of Section 11(a) of the Exchange Act, or any of the rules promulgated thereunder, is applicable to any transactions effected by the Advisor, such transactions will be effected in accordance with the requirements of such provisions and rules.

Proxy Voting. The Board of Directors has delegated to the Advisor discretion with respect to voting and consent rights of the assets of the Company. Consistent with applicable rules under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), BlackRock has adopted and implemented written proxy voting policies and procedures with respect to individual securities held by the Company that are reasonably designed: (i) to ensure that proxies are voted, consistent with its fiduciary obligations, in the best interests of Client Accounts under the circumstances over time; and (ii) to prevent conflicts of interest from influencing proxy voting decisions made on behalf of clients. Nevertheless, when votes are cast in accordance with BlackRock's proxy voting policy and in a manner that BlackRock believes to be consistent with its fiduciary obligations, actual proxy voting decisions made on behalf of one Client Account

may have the effect of favoring or harming the interests of other Client Accounts, including the Company. Shareholders may receive a copy of BlackRock's proxy voting policy, upon request, and may also obtain a copy at: <http://www.blackrock.com/corporate/en-us/about-us/responsible-investment/responsible-investment-reports>.

Investment Terms of Other Client Accounts. The investment terms offered to other Client Accounts or to investors in other Client Accounts with similar investment objectives as the Company may be different than those applicable to our shareholders and may create conflicts. In particular, with respect to investors in other Client Accounts that are managed as dedicated funds or with respect to other Client Accounts investing through separate accounts with similar investment objectives to the Company, information sharing may, to the extent permitted under applicable law and regulation, be more extensive, detailed and timely as compared to information available to our shareholders, and the other Client Accounts' liquidity may not be subject to the restrictions that apply to our shareholders.

Management of the Company. In connection with the management of the Company, the Board of Directors and/or the Advisor will have the right to make certain determinations on behalf of the Company, in its discretion. Any such determinations may affect shareholders differently and some shareholders may be adversely affected by such determinations by the Board of Directors or Advisor. Shareholders may be situated differently in a number of ways, including being resident of, or organized in, various jurisdictions, being subject to different tax rules or regulatory structures and/or having different internally- or externally-imposed investment policies, restrictions or guidelines. As a result, conflicts of interest may arise in connection with decisions made by the Board of Directors or the Advisor that may be more beneficial for certain shareholders. In making determinations on behalf of the Company, including in structuring and completing investments, the Advisor intends to consider the investment and tax objectives of the Company and the shareholders as a whole, not the investment, tax or other objectives of any shareholder individually.

Subject to applicable law, including the 1940 Act, and the terms of the applicable contracts with the Company, BlackRock Entities may from time to time, and without notice to the Company or shareholders, insource or outsource to third-parties, including parties which are affiliated with BlackRock, certain processes or functions in connection with a variety of services that they provide to the Company in their administrative or other capacities. Such in-sourcing or outsourcing may give rise to potential conflicts of interest.

Limited Access to Information; Information Advantage of Certain BlackRock Clients. As a result of receiving client reports, service on a Client Account's advisory board, affiliation with the Advisor or otherwise, one or more BlackRock clients may have access to different information regarding the BlackRock Entities' transactions, strategies or views, and may act on such information in accounts not controlled by the BlackRock Entities, which may have a material adverse effect on the performance of the Company. The Company and its investments may also be adversely affected by market movements or by decreases in the pool of available securities or liquidity arising from purchases and sales by, as well as increases of capital in, and withdrawals of capital from, other Client Accounts and other accounts of BlackRock clients not controlled by BlackRock. These effects can be more pronounced in respect of investments with limited capacity and in thinly traded securities and less liquid markets.

Furthermore, our shareholders' rights to information regarding the Advisor or the Company generally will be limited to applicable reporting obligations and information requirements under the Exchange Act and applicable state law. It is anticipated that the Advisor and its affiliates will obtain certain types of material information from or relating to the Company's investments that will not be disclosed to shareholders because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of BlackRock's control. Such limitations on the disclosure of such information may have adverse consequences for shareholders in a variety of circumstances and may make it difficult for a shareholder to monitor the Advisor and its performance.

Advisor Decisions May Benefit BlackRock Entities and BlackRock Accounts. BlackRock Entities may derive ancillary benefits from certain decisions made on behalf of the Company. While the Advisor will make decisions for the Company in accordance with its obligations to manage the Company appropriately, the fees, allocations, compensation and other benefits to the BlackRock Entities (including benefits relating to business relationships of the BlackRock Entities) may be greater as a result of certain portfolio, investment, service provider or other decisions made by the Advisor for the Company than they would have been had other decisions been made which also might have been appropriate for the Company. In addition, BlackRock Entities may invest in Client Accounts and therefore may indirectly derive ancillary benefits from certain decisions made by the Advisor. The Advisor may also make decisions and exercise discretion with respect to the Company that could benefit BlackRock Entities that have invested in the Company.

Temporary Investments in Cash Management Products. Subject to applicable law, the Company may invest, on a temporary basis, in short-term, high-grade assets or other cash management products, including SEC-registered investment funds (open-end or closed-end) or unregistered funds, including any such funds that are sponsored, managed or serviced by advisory BlackRock Entities. In connection with any of these investments, the Company will bear all fees pertaining to the investment, including advisory, administrative or 12b-1 fees, and no portion of any fees otherwise payable by the Company will be offset against fees payable in accordance with any of these investments (i.e., there could be “double fees” involved in making any of these investments which would not arise in connection with a shareholder’s direct investment in such money market or liquidity funds, because a BlackRock Entity could receive fees with respect to both the management of the Company, on one hand, and such cash management products, on the other). In these circumstances, as well as in other circumstances in which any BlackRock Entities receive any fees or other compensation in any form relating to the provision of services, subject to the Company’s Governing Documents, no accounting, repayment to the Company or offset of the Advisory Fee will be required.

Management Responsibilities. The employees and directors of the Advisor or its affiliates are not under any obligation to devote all of their professional time to the affairs of the Company, but will devote such time and attention to the affairs of the Company as BlackRock determines in its discretion is necessary to carry out the operations of the Company effectively. Employees and directors of the Advisor engage in other activities unrelated to the affairs of the Company, including managing or advising other Client Accounts, which presents potential conflicts in allocating management time, services and functions among the Company and other Client Accounts. These potential conflicts will be exacerbated in situations where employees may be entitled to greater incentive compensation or other remuneration from certain Client Accounts than from other Client Accounts (including the Company).

The Advisor may, subject to applicable law, utilize the personnel or services of its affiliates in a variety of ways to make available to the Company BlackRock’s global capabilities. Although the Advisor believes this practice generally is in the best interests of its clients, it is possible that conflicts with respect to allocation of investment opportunities, portfolio execution, client servicing or other matters may arise due to differences in regulatory requirements in various jurisdictions, time differences or other reasons. The Advisor will seek to ameliorate any conflicts that arise and may determine not to utilize the personnel or services of a particular affiliate in circumstances where it believes the potential conflict outweighs the potential benefits.

Investments by Directors, Officers and Employees of BlackRock Entities. The directors, officers and employees of BlackRock Entities are permitted to buy and sell public or private securities, commingled vehicles or other investments held by the Company for their own accounts, or accounts of their family members and in which such BlackRock Entity personnel may have a pecuniary interest, including through accounts (or investments in funds) managed by BlackRock Entities, in accordance with BlackRock’s personal trading policies. As a result of differing trading and investment strategies or constraints, positions taken by BlackRock Entity directors, officers, and employees may be the same as or different from, or made contemporaneously or at different times than, positions taken for the Company.

Such persons and/or investment vehicles they manage also may invest in companies in the same industries as companies in which the Company expects to invest, and may compete with the Company for investment opportunities, and their investments may compete with the Company’s investments.

In addition, BlackRock personnel may serve on the boards of directors of companies in the same industries as companies in which the Company expects to invest, which can give rise to conflicting obligations and interests.

As these situations may involve potential conflicts of interest, BlackRock has adopted policies and procedures relating to personal securities transactions, insider trading and other ethical considerations. These policies and procedures are intended to identify and reduce actual conflicts of interest with clients and to resolve such conflicts appropriately if they do occur.

Issues Relating to the Valuation of Assets. While securities and other property held by the Company generally will be valued by reference to an independent third-party source, in certain circumstances holdings may be valued at fair value based upon the principles and methods of valuation set forth in policies adopted by the Advisor as Valuation Designee under the supervision of our Board of Directors. Moreover, a significant portion of the assets in which the Company may directly or indirectly invest may not have a readily ascertainable market value and, subject to applicable law, may be valued at fair value based upon the principles and methods of valuation set forth in policies adopted by the Advisor as Valuation Designee under the supervision of our Board of Directors.

Potential Restrictions on the Advisor's Activities on Behalf of the Company. From time to time, the Advisor expects to be restricted from purchasing or selling securities or taking other actions on behalf of the Company because of regulatory and legal requirements applicable to BlackRock Entities, other Client Accounts and/or the Advisor's internal policies designed to comply with or limit the applicability of, or which otherwise relate to, such requirements. An investment fund not advised by BlackRock Entities may not be subject to the same considerations. There may be periods when the Advisor (on behalf of the Company) may not initiate or recommend certain types of transactions, may limit or delay purchases, may sell or redeem existing investments, forego transactions or other investment opportunities, restrict or limit the exercise of rights (including voting rights), or may otherwise restrict or limit their advice with respect to securities or instruments issued by or related to issuers for which BlackRock Entities are performing advisory or other services. Such policies may restrict the Company's activities more than required by applicable law. For example, when BlackRock Entities are engaged to provide advisory or risk management services for an issuer, the Company may be prohibited from or limited in purchasing or selling interests of that issuer, particularly in cases where BlackRock Entities have or may obtain material non-public information about the issuer. Similar prohibitions or limitations could also arise if: (i) BlackRock Entity personnel serve as directors or officers of issuers, the securities or other interests of which the Company wishes to purchase or sell, (ii) the Advisor on behalf of the Company participates in a transaction (including a controlled acquisition of a U.S. public company) that results in the requirement to restrict all purchases, sales and voting of equity securities of such target issuer, or (iii) regulations, including portfolio affiliation rules or stock exchange rules, prohibit participation in offerings by an issuer when other Client Accounts have prior holdings of such issuer's securities or desire to participate in such a public offering, or where other Client Accounts have or may have short positions in such issuer's securities. However, where permitted by applicable law, and where consistent with the BlackRock Entities' policies and procedures, the BlackRock Entities may, but are not obligated to, seek to avoid such prohibitions or limitations (such as through the implementation of appropriate information barriers), and in such cases, the Advisor on behalf of the Company may purchase or sell securities or instruments that are issued by such issuers. In addition, certain activities and actions may also be considered to result in reputational risk or disadvantage for the management of the Company and/or for the Advisor and its affiliates, and the Advisor may decline or limit an investment opportunity or dispose of an existing investment as a result.

In addition, in regulated industries and in certain markets, and in certain futures and derivative transactions, there are limits on the aggregate amount of investment by affiliated investors that may not be exceeded without a regulatory filing, the grant of a license or other regulatory or corporate consent. For example, the U.S. Commodity Futures Trading Commission ("CFTC"), the U.S. commodities exchanges and certain non-U.S. exchanges have established limits referred to as "speculative position limits" or "position limits" on the maximum long or short (or, for some commodities, the gross) positions which any person or group of persons may own, hold or control in certain futures or options on futures contracts, and such rules generally require aggregation of the positions owned, held or controlled by related entities. Any such limits may prevent the Company from acquiring positions that might otherwise have been desirable or profitable. Under certain circumstances, the Advisor may restrict a purchase or sale of securities, derivative instruments or other assets on behalf of Client Accounts in anticipation of a future conflict that may arise if such purchase or sale would be made. Any such determination will take into consideration the interests of the relevant Client Accounts, the circumstances that would give rise to the future conflict and applicable law. Such determination will be made on a case by case basis.

Other Services and Activities of the BlackRock Entities. The BlackRock Entities (including the Advisor) will, from time to time, provide financial, consulting and other services to, and receive compensation from, an entity which is the issuer of a security or other investment held by the Company, counterparties to transactions with the Company or third parties that also provide services to the Company. In addition, the BlackRock Entities (including the Advisor) may purchase property (including securities) from, sell property (including securities) or lend funds to, or otherwise deal with, any entity which is the issuer of a security held by the Company, counterparties to transactions with the Company or third parties that also provide services to the Company. It is also likely that the Company will have multiple business relationships with and will invest in, engage in transactions with, make voting decisions with respect to, or obtain services from entities for which BlackRock Entities perform or seek to perform certain financial services. Conflicts are expected to arise in connection with the foregoing.

The BlackRock Entities may derive ancillary benefits from providing investment advisory, administrative and other services to the Company, and providing such services to the Company may enhance the BlackRock Entities' relationships with various parties, facilitate additional business development, and enable the BlackRock Entities to obtain additional business and generate additional revenue.

Potential Restrictions and Issues Relating to Information Held by BlackRock. The Advisor may not have access to information and personnel of all BlackRock Entities, including as a result of informational barriers constructed between different investment teams and groups within BlackRock focusing on alternative investments and otherwise. Therefore, the Advisor may not be able to manage the Company with the benefit of information held by one or more other investment teams and groups within the BlackRock Entities. However, although it is under no obligation to do so, if it is permitted to do so, the Advisor may consult with personnel on other investment teams and in other groups within BlackRock, or with persons unaffiliated with BlackRock, or may form investment policy committees composed of such personnel, and in certain circumstances, personnel of affiliates of the Advisor may have input into, or make determinations regarding, portfolio management transactions for the Company, and may receive information regarding the Advisor's proposed investment activities for the Company that generally is not available to the public. There will be no obligation on the part of such persons to make available for use by the Company any information or strategies known to them or developed in connection with their own client, proprietary or other activities. In addition, BlackRock will be under no obligation to make available any research or analysis prior to its public dissemination.

The Advisor makes decisions for the Company based on the Company's investment program. The Advisor from time to time may have access to certain fundamental analysis, research and proprietary technical models developed by BlackRock Entities and their personnel. There will be no obligation on the part of the BlackRock Entities to make available for use by the Company, or to effect transactions on behalf of the Company on the basis of, any such information, strategies, analyses or models known to them or developed in connection with their own proprietary or other activities. In certain cases, such personnel will be prohibited from disclosing or using such information for their own benefit or for the benefit of any other person, including the Company and other Client Accounts. In other cases, fundamental analyses, research and proprietary models developed internally may be used by various BlackRock Entities and their personnel on behalf of different Client Accounts, which could result in purchase or sale transactions in the same security at different times (and could potentially result in certain transactions being made by one portfolio manager on behalf of certain Client Accounts before similar transactions are made by a different portfolio manager on behalf of other Client Accounts), or could also result in different purchase and sale transactions being made with respect to the same security. The Advisor may also effect transactions for the Company that differ from fundamental analysis, research or proprietary models issued by the BlackRock Entities or by the Advisor itself in various contexts. The foregoing transactions may negatively impact the Company and its direct and indirect investments through market movements or by decreasing the pool of available securities or liquidity, which effects can be more pronounced in thinly traded securities and less liquid markets.

The BlackRock Entities and different investment teams and groups within the Advisor have no obligation to seek information or to make available to or share with the Company any third-party manager with which the Company invests any information, research, investment strategies, opportunities or ideas known to BlackRock Entity personnel or developed or used in connection with other clients or activities. The BlackRock Entities and different investment teams and groups within the Advisor may compete with the Company or any third-party manager with which the Company invests for appropriate investment opportunities on behalf of their other Client Accounts. The results of the investment activities of the Company may differ materially from the results achieved by BlackRock Entities for other Client Accounts. BlackRock Entities may give advice and take action with respect to other Client Accounts that may compete or conflict with the advice the Advisor may give to the Company, including with respect to their view of the operations or activities of an investment, the return of an investment, the timing or nature of action relating to an investment or the method of exiting an investment.

BlackRock Entities may restrict transactions for themselves, but not for the Company, or vice versa. BlackRock Entities and certain of their personnel, including the Advisor's personnel or other BlackRock Entity personnel advising or otherwise providing services to the Company, may be in possession of information not available to all BlackRock Entity personnel, and such personnel may act on the basis of such information in ways that have adverse effects on the Company. The Company could sustain losses during periods in which BlackRock Entities and other Client Accounts achieve significant profits.

Material, Non-Public Information. The Advisor and its personnel may not trade for the Company or other Client Accounts or for their own benefit or recommend trading in financial instruments of a company while they are in possession of material, non-public or price sensitive information ("Inside Information") concerning such company, or disclose such Inside Information to any person not entitled to receive it. The BlackRock Entities (including the Advisor) may have access to Inside Information. The Advisor has instituted an internal information barrier policy designed to prevent securities laws violations based on access to Inside Information. Accordingly, there may be certain cases where the Advisor may be restricted from effecting purchases and/or sales of interests in securities or other financial instruments, or entering into certain transactions or exercising certain rights under such transactions on behalf of the Company and/or the other Client Accounts. There can be no assurance that the Advisor will not receive Inside Information and that such restrictions will not occur. At times, the Advisor, in an effort to avoid restriction for the Company or the other Client Accounts, may elect not to receive Inside Information, which may be relevant to the Company's portfolio, that other market participants are eligible to receive or have received and could affect decisions that would have otherwise been made.

Any partner, officer or employee of the BlackRock Entities may serve as an officer, director, advisor or in comparable management functions for the investments of other Client Accounts, and any such person may obtain Inside Information in connection therewith, or in connection with such partner's, officer's or employee's other activities in the financial markets. In an effort to manage possible risks arising from the internal sharing of material non-public information, BlackRock maintains a list of restricted securities with respect to which it has access to material non-public information and in which Client Accounts are restricted from trading. If partners, officers or employees of BlackRock obtain such material nonpublic information about a portfolio company which is an investment of a Client Account, the Company may be prohibited by law, policy or contract, for a period of time, from (i) unwinding a position in such company, (ii) establishing an initial position or taking any greater position in such company and/or (iii) pursuing other investment opportunities, which could impact the returns to the Company. In addition, in certain circumstances, particularly during the liquidation of a Client Account, the Company may be prohibited from trading a position that it holds, directly or indirectly, in the Client Account because BlackRock determines that one or more partners, officers or employees of BlackRock holds material non-public information with respect to one or more remaining positions held by the Client Account.

Transactions with Certain Shareholders. The Company is permitted to enter into transactions with certain shareholders, subject to applicable law. For example, the Advisor may be presented with opportunities to receive financing and/or other services in connection with the Company's operations and/or the Company's investments from certain shareholders or their affiliates that are engaged in lending or related business, which subjects the Advisor to conflicts of interest.

The Company's Use of Investment Consultants and BlackRock's Relationship with Investment Consultants. Shareholders may work with pension or other institutional investment consultants (collectively, "Investment Consultants"). Investment Consultants provide a wide array of services to pension plans and other institutions, including assisting in the selection and monitoring of investment advisers such as the Advisor. From time to time, Investment Consultants who recommend the Advisor to, and provide oversight of the Advisor for, shareholders may also provide services to or purchase services from the BlackRock Entities. For example, the BlackRock Entities purchase certain index and performance-related databases and human resources-related information from Investment Consultants and their affiliates. The BlackRock Entities also utilize brokerage execution services of Investment Consultants or their affiliates, and BlackRock Entities personnel may attend conferences sponsored by Investment Consultants. Conversely, from time to time, the BlackRock Entities may be hired by Investment Consultants and their affiliates to provide investment management and/or risk management services, creating possible conflicts of interest.

Other Relationships with BlackRock Entities, Clients and Market Participants. The BlackRock Entities have developed, and will in the future develop, relationships with (or may invest in) a significant number of clients and other market participants (e.g., financial institutions, service providers, managers of investment funds, banks, brokers, advisors, joint venturers, consultants, finders (including executive finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio investment executives, as well as certain family members or close contacts of these persons), including those that may hold or may have held investments similar to the investments intended to be made by the Company, that may themselves represent appropriate investment opportunities for the Company, or that may compete with the Company for investment opportunities. Furthermore, the Advisor generally exercises its discretion to recommend to the Company or to an investment thereof that it contracts for services with such clients and market participants, and/or with other BlackRock Entities. It is difficult to predict the circumstances under which these relationships could become material conflicts for the Company, but it is possible that as a result of such relationships (or agreements with other Client Accounts) the Advisor may refrain from making all or a portion of any investment or a disposition on behalf of the Company, which may materially adversely affect the performance of the Company. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the BlackRock Entities and/or Client Accounts and/or their affiliates. BlackRock expects to be subject to a potential conflict of interest with the Company in recommending the retention or continuation of a third-party service provider to such Company or a portfolio investment if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in the Company or one or more Client Accounts, will provide the BlackRock Entities information about markets and industries in which the BlackRock Entities operate (or are contemplating operations) or will provide other services that are beneficial to the BlackRock Entities, the Company or one or more Client Accounts. The Advisor expects to be subject to a potential conflict of interest in making such recommendations, in that Advisor has an incentive to maintain goodwill between it and clients and other market participants, while the products or services recommended may not necessarily be the best available or most cost effective to the Company or its investments.

Legal Representation. The Company, as well as the Advisor and/or other BlackRock Entities, have engaged several counsel to represent them. In connection with such representation, counsel has relied upon certain information furnished to them by the Advisor and the BlackRock Entities, and has not investigated or verified the accuracy or completeness of such information. Such counsel's engagement is limited to the specific matters as to which they are consulted and, therefore, there may exist facts or circumstances that could have a bearing on the Company's or BlackRock's financial condition or operations with respect to which counsel has not been consulted and for which they expressly disclaim any responsibility. Counsel has not represented and will not be representing shareholders. No independent counsel has been retained (or is expected to be retained) to represent shareholders. No attorney-client

relationship exists between any counsel and any shareholder solely by such shareholder making an investment in the Company. As a result, shareholders are urged to retain their own counsel.

Resolution of Conflicts. Any conflicts of interest that arise between the Company or particular shareholders, on the one hand, and other Client Accounts or BlackRock Entities or affiliates thereof, on the other hand, will be discussed and resolved on a case-by-case basis by business, legal and compliance officers of the Advisor and its affiliates, as applicable. Any such discussions will take into consideration the interests of the relevant parties and the circumstances giving rise to the conflicts. Shareholders should be aware that conflicts will not necessarily be resolved in favor of the interests of the Company or any affected shareholder. There can be no assurance that any actual or potential conflicts of interest will not result in the Company receiving less favorable investment or other terms with respect to investments, transactions or services than if such conflicts of interest did not exist.

Potential Impact on the Company. It is difficult to predict the circumstances under which one or more of the foregoing conflicts could become material, but it is possible that such relationships could require the Company to refrain from making all or a portion of any investment or a disposition in order for BlackRock to comply with its fiduciary duties, the 1940 Act, the Advisers Act or other applicable law. The Advisor may, under certain circumstances, seek to have conflicts or transactions involving conflicts approved in accordance with the governing agreements of the Company. Copies of Part 2A of the Advisor's Form ADV, which includes additional detail regarding conflicts of interest that are relevant to BlackRock's investment management business, are available at www.sec.gov and will be provided to current and prospective shareholders upon request.

The foregoing list of potential and actual conflicts of interest does not purport to be a complete enumeration of the conflicts attendant to an investment in the Company. Additional conflicts may exist that are not presently known to the Advisor, BlackRock or their respective affiliates or are deemed immaterial. Prospective investors should consult with their independent advisors before deciding whether to invest in the Company. In addition, as the investment program of the Company develops and changes over time, an investment in the Company may be subject to additional and different actual and potential conflicts of interest.

Our incentive compensation may induce our Advisor to make certain investments, including speculative investments.

The incentive compensation payable by us to the Advisor may create an incentive for the Advisor 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 compensation is determined may encourage the Advisor to increase the use of leverage or take additional risk 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, or of securities convertible into our common stock or warrants representing rights to purchase our common stock or securities convertible into our common stock. A rise in the general level of interest rates can be expected to lead to higher interest rates applicable to certain of our debt investments and may accordingly result in a substantial increase in the amount of incentive compensation payable to the Advisor with respect to our cumulative investment income. Although the incentive compensation is subject to a total return hurdle, the Advisor may have some ability to accelerate the realization of gains to obtain incentive compensation earlier than it otherwise would when it may be in our best interests to not yet realize gains. Our directors monitor our use of leverage and the Advisor's management of our investment program in the best interests of our common shareholders.

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, we 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 compensation to the Advisor 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 shareholders will bear his or her share of our management and incentive compensation as well as indirectly bear the management and performance fees and other expenses of any investment companies in which we invest.

We may be obligated to pay the Advisor incentive compensation payments in excess of the amounts we would have paid if such compensation was subject to clawback arrangements.

The Advisor is entitled to incentive compensation for each fiscal quarter after January 1, 2013 in an amount equal to a percentage of our ordinary income (before deducting incentive compensation) since that date and, separately, a percentage of our realized capital gains (net of realized capital losses and unrealized depreciation) since that date, in each case subject to a cumulative total return requirement. If we pay incentive compensation and thereafter experience additional realized capital losses or unrealized capital depreciation such that we would no longer have been required to provide incentive compensation, we will not be able to recover any portion of the incentive compensation previously paid or distributed because our incentive compensation arrangements do not contain any clawback provisions. As a result, the incentive compensation could exceed 17.5% of our cumulative total return, depending on the timing of unrealized appreciation, net unrealized depreciation and net realized capital losses. For example, part of the incentive compensation payable or distributable by us that relates to our ordinary income is computed on income that may include 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 compensation will become uncollectible. Similarly, the income component is measured against a total return limitation that includes unrealized gains. Such gains may not be realized or may be realized at a lower amount. Consequently, we may have paid incentive compensation on income in circumstances where we otherwise would not have done so and with respect to which we do not have a clawback right against the Advisor.

Our Advisor's liability is limited under the investment management agreement, and we are required to indemnify our Advisor against certain liabilities, which may lead our Advisor to act in a riskier manner on our behalf than it would when acting for its own account.

Our Advisor has not assumed any responsibility to us other than to render the services described in the investment management agreement, and it will not be responsible for any action of our Board of Directors in declining to follow our Advisor's advice or recommendations. Pursuant to the investment management agreement, our Advisor and its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other person or entity affiliated with it will not be liable to us for their acts under the investment management agreement, absent willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties. We have agreed to indemnify, defend and protect our Advisor and its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other person or entity affiliated with it with respect to all damages, liabilities, costs and expenses resulting from acts of our Advisor not arising out of willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties under the investment and management agreement. These protections may lead our Advisor to act in a riskier manner when acting on our behalf than it would when acting for its own account.

We are dependent upon senior management personnel of the Advisor for our future success; if the Advisor is unable to retain qualified personnel or if the Advisor loses any member of its senior management team, our ability to achieve our investment objective could be significantly harmed.

The success of the Company is highly dependent on the financial and managerial expertise of the Advisor. The loss of one or more of the voting members of the Investment Committee could have a material adverse effect on the performance of the Company. Although the Advisor and the voting members of the Investment Committee devote a significant amount of their respective efforts to the Company, they actively manage investments for other clients and are not required to (and will not) devote all of their time to the Company's affairs. In addition, in connection with the acquisition of the Advisor by BlackRock in August 2018, certain senior members of the Advisor's investment team and other key advisory personnel were granted retention bonuses. As the last of such retention bonuses have been paid, there may be less economic incentive for certain senior investment team members and certain other key personnel to remain with the Advisor than in prior periods. The loss of key members of the Advisor's investment team, or a material portion of other key advisory personnel, could have a material adverse effect on the performance of the Company if the Advisor were unable to replace such persons in a timely manner.

The Advisor can 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 financial condition, business and results of operations.

The Advisor has the right, under our investment management agreement, to resign at any time upon not more than 60 days' written notice, whether we have found a replacement or not. If the Advisor resigns, we may not be able to find a new investment advisor or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected and the market price of our common stock may decline. In addition, the coordination of our internal management and investment activities is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by the Advisor and its affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our financial condition, business and results of operations.

We may in the future determine to fund a portion of our investments by issuing preferred stock, which would magnify the potential gains or losses and the risks of investing in us in the same manner as our borrowings.

Preferred stock, which is another form of leverage, has the same risks to our common shareholders 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 shareholders and preferred shareholders 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.

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 shareholders, 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 asset coverage test.

We may experience fluctuations in our periodic operating 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 payable 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.

If we fail to maintain our status as a BDC, our business and operating flexibility could be significantly reduced.

We qualify as a BDC under the 1940 Act. The 1940 Act imposes numerous constraints on the operations of business development companies. For example, BDCs are prohibited from making any unqualifying investments unless at least 70% of their total assets are invested in qualifying investments which are primarily securities of private or thinly-traded U.S. companies, cash, cash equivalents, U.S. government securities and other high quality debt investments that mature in one year or less. Failure to comply with the requirements imposed on business development companies by the 1940 Act could cause the SEC to bring an enforcement action against us and/or expose us to claims of private litigants. In addition, any such failure could cause an event of default under the Leverage Program, which could have a materially adverse effect on our business, financial conditions or results of operations.

Because we intend to distribute substantially all of our income to our shareholders to maintain our status as a RIC, under the Code we will continue to need additional capital to finance growth. If additional funds are unavailable or not available on favorable terms, our ability to grow will be impaired.

We have elected to be treated for federal income tax purposes as a RIC under Subchapter M of the Code. If we can meet certain requirements, including source of income, asset diversification and distribution requirements, and if we continue to qualify as a BDC, we will continue to qualify to be a RIC under the Code and will not have to pay corporate-level taxes on income we distribute to our shareholders, allowing us to substantially reduce or eliminate our corporate-level tax liability. As a result, we intend to distribute to our shareholders substantially all of our annual taxable income, except that we may retain certain net capital gains for reinvestment in common interests of SVCP, and treat such amounts as deemed distributions to our shareholders. If we elect to treat any amounts as deemed distributions, we must pay income taxes at the corporate rate on such deemed distributions on behalf of our shareholders and our shareholders will receive a tax credit for such amounts and an increase in basis. A shareholder that is not subject to U.S. federal income tax or otherwise is not required to file a U.S. federal income tax return would be required to file a U.S. federal income tax return on the appropriate form in order to claim a refund for the taxes we paid. As a result of these requirements, we will likely need to raise capital from other sources to grow our business. Unfavorable economic or capital market conditions may increase our funding costs, limit our access to the capital markets or could result in a decision by lenders not to extend credit to us. An inability to successfully access the capital markets could limit our ability to grow our business and fully execute our business strategy and could decrease our earnings, if any.

As a BDC, we are not able to incur senior securities unless after giving effect thereto we meet a coverage ratio of total assets, less liabilities and indebtedness not represented by senior securities, to total senior securities, which includes all of our borrowings, of at least 150%. This means that for every \$100 of net assets, we may raise \$200 from senior securities, such as borrowings or issuing preferred stock. These requirements limit the amount that we may borrow. On July 13, 2015, we obtained exemptive relief from the SEC to permit us to exclude the debt of TCPC SBIC LP guaranteed by the SBA from our 150% asset coverage test under the 1940 Act. The exemptive relief provides us with increased flexibility under the 150% asset coverage test by permitting the SBIC to borrow up to \$141.5 million more than it would otherwise be able to absent the receipt of this exemptive relief.

Because we will continue to need capital to grow our investment portfolio, these limitations may prevent us from incurring debt and require us to raise additional equity at a time when it may be disadvantageous to do so. While we expect we will be able to borrow and to issue additional debt securities and expect that we will be able to issue additional equity securities, we cannot assure you that debt and equity financing will be available to us on favorable terms, or at all. In addition, as a BDC, we generally will not be permitted to issue equity securities priced below net asset value without shareholder approval. If additional funds are not available to us, we could be forced to curtail or cease new investment activities and our net asset value or common stock price could decline.

The highly competitive market in which we operate may limit our investment opportunities.

A number of entities compete with us to make the types of investments that we make. We compete with other BDCs, public and private funds, commercial and investment banks, commercial financing companies, and, to the extent they provide an alternative form of financing, private equity funds. Additionally, because competition for investment opportunities generally has increased among alternative investment vehicles, such as hedge funds, those entities now invest in areas in which they have not traditionally invested, including making investments in middle-market private companies. As a result of these new entrants, competition for investment opportunities intensified over the past several years 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. If we match our competitors' pricing, terms and structure, we may experience decreased net interest income and increased risk of credit loss. As a result of operating in such a competitive environment, we may make investments that are on better terms to our portfolio companies than what we may have originally anticipated, which may impact our return on these investments.

Our Board of Directors may change our investment objective, operating policies and strategies without prior notice or shareholder approval, the effect of which may be adverse.

Our Board of Directors has the authority to modify or waive certain of our investment objective, operating policies and strategies without prior notice and without shareholder approval (except as required by the 1940 Act). However, absent shareholder approval, we may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC. We cannot predict the effect any changes to our current operating policies and strategies would have on our business, operating results or value of our common stock. Nevertheless, the effects could adversely affect our business and impact our ability to make distributions to our shareholders.

BlackRock Acquisition of HPS.

On December 3, 2024, BlackRock entered into an agreement with HPS LLC for BlackRock to acquire 100% of the business and assets of HPS LLC (the "BlackRock/HPS Transaction"). The BlackRock/HPS Transaction remains subject to a number of conditions, including the receipt of certain HPS LLC investor consents, regulatory approvals and satisfaction of other customary closing conditions. There can be no assurances that the BlackRock/HPS Transaction will take place. However, the operation of BlackRock and the Advisor may nonetheless be adversely affected as a result of efforts expended pursuing the completion of the BlackRock/HPS Transaction.

If the BlackRock/HPS Transaction occurs, HPS LLC will be owned by BlackRock. There is no guarantee that BlackRock will be able to successfully maintain and continue to build its business after the BlackRock/HPS Transaction or that BlackRock or the Advisor will be able to successfully optimize their business operations following the completion of the BlackRock/HPS Transaction. In particular, as with any business combination, BlackRock and the Advisor will be subject to substantial risks, including with respect to the long-term retention of key employees, the successful consolidation of corporate, technological and administrative infrastructures and the retention of existing business and operational relationships. It is possible that employees currently involved in the operation of the Advisor may not continue with the Advisor after the BlackRock/HPS Transaction and the operations and business relationships of BlackRock and the Advisor may be disrupted following the BlackRock/HPS Transaction. The integration of HPS LLC into BlackRock will be a complex, costly and time-consuming process and if BlackRock experiences difficulties in this process, the anticipated benefits may not be realized fully or at all, or may take longer to realize than expected, which could have an adverse effect on BlackRock and the Advisor for an undetermined period. There can be no assurances that BlackRock or the Advisor will realize the potential operating efficiencies, synergies and other benefits currently anticipated from the BlackRock/HPS Transaction, and a failure to obtain such synergies may adversely affect the operations of BlackRock or the Advisor. Some of the challenges presented by the integration of the businesses are outside of BlackRock's control, and any of them could result in delays, increased costs, decreases in the amount of potential synergies and diversion of management's time and energy, which could materially affect BlackRock or the Advisor. In the

event that the BlackRock/HPS Transaction has an adverse impact on the Advisor, including for the foregoing reasons, our operations and investment results may be adversely affected.

Risks related to our investments

Our investments are risky and highly speculative, and we could lose all or part of our investment.

We invest primarily in middle-market companies primarily through leveraged loans.

Risks Associated with Middle-market Companies. Investing in private middle-market companies involves a number of significant risks, including:

- these companies may have limited financial resources and may be unable to meet their obligations under their debt securities that we hold, which may be accompanied by a deterioration in the value of any collateral;
- they typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- they are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the portfolio company and, in turn, on us;
- they generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;
- our executive officers, directors and the Advisor may, in the ordinary course of business, be named as defendants in litigation arising from our investments in the portfolio companies;
- changes in laws and regulations, as well as their interpretations, may adversely affect their respective businesses, financial structures or prospects; and
- they may have difficulty accessing the capital markets to meet future capital needs.

Limited public information exists about private middle-market companies, and we expect to rely on the Advisor's investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. These companies and their financial information are not subject to the Sarbanes-Oxley Act of 2002 and other rules that govern disclosures and financial controls of public companies. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and we may lose money on our investment.

Lower Credit Quality Obligations. Most of our debt investments are likely to be in lower grade obligations. The lower grade investments in which we invest may be rated below investment grade by one or more nationally-recognized statistical rating agencies at the time of investment or may be unrated but determined by the Advisor to be of comparable quality. Debt securities rated below investment grade are commonly referred to as "junk bonds" and are considered speculative with respect to the issuer's capacity to pay interest and repay principal. The debt that we invest in typically is not rated prior to our investment by any rating agency, but we believe that if such investments were rated, they would be below investment grade (rated lower than "Baa3" by Moody's Investors Service, lower than "BBB-" by Fitch Ratings or lower than "BBB-" by Standard & Poor's). We may invest without limit in debt of any rating, as well as debt that has not been rated by any nationally recognized statistical rating organization.

Investment in lower grade investments involves a substantial risk of loss. Lower grade securities or comparable unrated securities are considered predominantly speculative with respect to the issuer's ability to pay interest and principal and are susceptible to default or decline in market value due to adverse economic and business developments. The market values for lower grade debt tend to be very volatile and are less liquid than investment grade securities. For these reasons, your investment in our company is subject to the following specific risks:

- increased price sensitivity to a deteriorating economic environment;
- greater risk of loss due to default or declining credit quality;
- adverse company specific events are more likely to render the issuer unable to make interest and/or principal payments; and
- if a negative perception of the lower grade debt market develops, the price and liquidity of lower grade securities may be depressed. This negative perception could last for a significant period of time.

Adverse changes in economic conditions are more likely to lead to a weakened capacity of a lower grade issuer to make principal payments and interest payments than an investment grade issuer. The principal amount of lower grade securities outstanding has proliferated in the past decade as an increasing number of issuers have used lower grade securities for corporate financing. An economic downturn could severely affect the ability of highly leveraged issuers to service their debt obligations or to repay their obligations upon maturity. Similarly, downturns in profitability in specific industries could adversely affect the ability of lower grade issuers in that industry to meet their obligations. The market values of lower grade debt tend to reflect individual developments of the issuer to a greater extent than do higher quality investments, which react primarily to fluctuations in the general level of interest rates. Factors having an adverse impact on the market value of lower grade debt may have an adverse effect on our net asset value and the market value of our common stock. In addition, we may incur additional expenses to the extent we are required to seek recovery upon a default in payment of principal or interest on our portfolio holdings. In certain circumstances, we may be required to foreclose on an issuer's assets and take possession of its property or operations. In such circumstances, we would incur additional costs in disposing of such assets and potential liabilities from operating any business acquired.

The secondary market for lower grade debt is unlikely to be as liquid as the secondary market for more highly rated debt, a factor which may have an adverse effect on our ability to dispose of a particular instrument. There are fewer dealers in the market for lower grade securities than investment grade obligations. The prices quoted by different dealers may vary significantly and the spread between the bid and asked price is generally larger than for higher quality instruments. Under adverse market or economic conditions, the secondary market for lower grade debt could contract further, independent of any specific adverse changes in the condition of a particular issuer, and these instruments may become highly illiquid. As a result, we could find it more difficult to sell these instruments or may be able to sell the securities only at prices lower than if such instruments were widely traded. Prices realized upon the sale of such lower rated or unrated securities, under these circumstances, may be less than the prices used in calculating our net asset value.

Since investors generally perceive that there are greater risks associated with lower grade debt of the type in which we may invest a portion of our assets, the yields and prices of such debt may tend to fluctuate more than those for higher rated instruments. In the lower quality segments of the fixed income markets, changes in perceptions of issuers' creditworthiness tend to occur more frequently and in a more pronounced manner than do changes in higher quality segments of the income securities market, resulting in greater yield and price volatility.

Distressed Debt Securities Risk. At times, distressed debt obligations may not produce income and may require us to bear certain extraordinary expenses (including legal, accounting, valuation and transaction expenses) in order to protect and recover our investment. Therefore, to the extent we invest in distressed debt, our ability to achieve current income for our shareholders may be diminished. We also will be subject to significant uncertainty as to when and in what manner and for what value the distressed debt we invest in will eventually be satisfied (e.g., through a liquidation of the obligor's assets, an exchange offer or plan of reorganization involving the distressed debt securities or a payment of some amount in satisfaction of the obligation). In addition, even if an exchange offer is made or plan of reorganization is adopted with respect to distressed debt we hold, there can be no assurance that the securities or other assets received by us in connection with such exchange offer or plan of reorganization will not have a lower value or income potential than may have been anticipated when the investment was made. Moreover, any securities received by us upon completion of an exchange offer or plan of reorganization may be restricted as to resale. As a result of our participation in negotiations with respect to any exchange offer or plan of reorganization with respect to an issuer of distressed debt, we may be restricted from disposing of such securities.

Payment-in-kind Interest Risk. Our loans may contain a payment-in-kind, or PIK, interest provision. PIK investments carry additional risk as holders of these types of securities receive no cash until the cash payment date unless a portion of such securities is sold. If the issuer defaults the Company may obtain no return on its investment. The PIK interest, computed at the contractual rate specified in each loan agreement, is added to the principal balance of the loan and recorded as interest income. To avoid the imposition of corporate-level tax on us, this non-cash source of income needs to be paid out to shareholders in cash distributions or, in the event that we determine to do so and in certain cases, in shares of our common stock, even though we have not yet collected and may never collect the cash relating to the PIK interest. As a result, we may have to distribute a taxable stock dividend to account for PIK interest even though we have not yet collected the cash.

Preferred Stock Risk. To the extent we invest in preferred securities, there are special risks, including:

Deferral. Preferred securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If we own a preferred security that is deferring its distributions, we may be required to report income for tax purposes although we have not yet received such income.

Subordination. Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure in terms of priority to corporate income and liquidation payments, and therefore will be subject to greater credit risk than more senior debt instruments.

Liquidity. Preferred securities may be substantially less liquid than many other securities, such as common stocks or U.S. Government securities.

Limited Voting Rights. Generally, preferred security holders have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may elect a number of directors to the issuer's board. Generally, once all the arrearages have been paid, the preferred security holders no longer have voting rights.

Equity Security Risk. We may have exposure to equity securities. Although equity securities have historically generated higher average total returns than fixed-income securities over the long term, equity securities also have experienced significantly more volatility in those returns. The equity securities that we acquire may fail to appreciate and may decline in value or become worthless.

A trading market or market value of our debt securities may fluctuate.

In the event we issue debt securities, they 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 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.

We may expose ourselves to risks if we engage in hedging transactions.

We may enter into hedging transactions, which could expose us to risks associated with such transactions. We may utilize instruments such as forward contracts and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions and amounts due under our debt arrangements from changes in market interest rates. Use of these hedging instruments may include counterparty credit risk. Utilizing such hedging instruments does not eliminate the possibility of fluctuations in the values of such positions and amounts due under our debt arrangements 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 interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price. The Dodd-Frank Act has made broad changes to the OTC derivatives market, granted significant new authority to the CFTC and the SEC to regulate OTC derivatives (swaps and security-based swaps) and participants in these markets. The Dodd-Frank Act is intended to regulate the OTC derivatives market by requiring many derivative transactions to be cleared and traded on an exchange, expanding entity registration requirements, imposing business conduct requirements on dealers and requiring banks to move some derivatives trading units to a non-guaranteed affiliate separate from the deposit-taking bank or divest them altogether. 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 non-deliverable 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. Future CFTC or SEC rulemakings to implement the Dodd-Frank Act requirements could potentially limit or completely restrict our ability to use these instruments as a part of our investment strategy, increase the costs of using these instruments or make them less effective. Limits or restrictions applicable to the counterparties with which we engage in derivative transactions could also prevent us from using these instruments or affect the pricing or other factors relating to these instruments, or may change availability of certain investments. Rule 18f-4 under the 1940 Act requires the Company to implement and comply with limits on the amount of derivatives the Company can enter into and treat derivatives as senior securities so that a failure to comply with the limits would result in a statutory violation and require the Company, if the Company's use of derivatives is more than a limited specified exposure amount (10% of net assets), to establish and maintain a comprehensive derivatives risk management program and appoint a derivatives risk manager.

The success of our hedging transactions will depend on our ability to correctly predict movements and interest rates. Therefore, while we may enter into such transactions to seek to reduce interest rate risks, unanticipated changes in 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 or debt arrangements being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss.

We are subject to credit risk related to investments in our portfolio companies and with our financial institutions and counterparties.

The Company has investments in lower rated and comparable quality unrated senior and junior secured, unsecured and subordinated debt securities and loans, which are subject to a greater degree of credit risk than more highly rated investments. The risk of loss due to default by the issuer is significantly greater for holders of such securities and loans, particularly in cases where the investment is unsecured or subordinated to other creditors of the issuer.

The Company may be exposed to counterparty credit risk, or the risk that an entity with which the Company has unsettled or open transactions may fail to or be unable to perform on its commitments. The Company manages counterparty risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Company to market, issuer and counterparty credit risks, consist principally of investments in portfolio companies. The extent of the Company's exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their fair value recorded in the Consolidated Statements of Assets and Liabilities. The Company is also exposed to credit risk related to maintaining all of its cash at a major financial institution.

Because our investments are generally not in publicly traded securities, there will be uncertainty regarding the value of our investments, which could adversely affect the determination of our net asset value.

Our portfolio investments will generally not be in publicly traded securities. As a result, although we expect that some of our equity investments may trade on private secondary marketplaces, the fair value of our direct investments in portfolio companies will often not be readily determinable. Under the 1940 Act, investments for which there are no readily available market quotations, including securities that while listed on a private securities exchange have not actively traded, will be valued at fair value as determined using a consistently applied valuation process in accordance with our documented valuation policy that has been reviewed and approved by our Board of Directors. The Valuation Designee determines the value of our investments in accordance with such valuation policy. In connection with such determination, the Valuation Designee utilizes the services of an independent valuation firm, which prepares valuation reports on a quarterly basis for most of our portfolio investments that are not publicly traded or for which we do not have readily available market quotations, including securities that while listed on a private securities exchange, have not actively traded. However, the Valuation Designee retains ultimate authority as to the appropriate valuation of each such investment. The types of factors that the Valuation Designee takes into account in approving fair value with respect to such non-traded investments includes, as relevant and, to the extent available, the portfolio company's earnings, the markets in which the portfolio company does business, comparison to valuations of publicly traded companies, comparisons to recent sales of comparable companies, the discounted value of the cash flows of the portfolio company and other relevant factors. This information may not be available because it is difficult to obtain financial and other information with respect to private companies, and even where we are able to obtain such information, there can be no assurance that it is complete or accurate. Because such valuations are inherently uncertain and may be based on estimates, our determinations of fair value may differ materially from the values that would be assessed if a readily available market for these securities existed. Due to this uncertainty, our fair value determinations with respect to any non-traded investments we hold may cause our net asset value on a given date to materially understate or overstate the value that we may ultimately realize on one or more of our investments. As a result, investors purchasing our securities based on an overstated net asset value may pay a higher market price than the value of our investments might warrant. Conversely, investors selling securities based on a net asset value that understates the value of our investments may receive a lower market price for their securities than the value of our investments might warrant.

We and the Advisor may be a party to legal proceedings in connection with our investments in our portfolio companies.

From time to time, we and the Advisor may be a party to certain legal proceedings incidental to the normal course of our business, including the enforcement of our rights under contracts with our portfolio companies. While we cannot predict the outcome of these legal proceedings with certainty, we do not expect that these proceedings will have a material effect on our consolidated financial statements.

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 intend to 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 such portfolio company may make business decisions with which we disagree, and the shareholders and management of such 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.

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 portfolio companies may incur debt that ranks equally in right of payment with, or senior to, our investments in such companies.

The portfolio companies we invest in usually have, or may be permitted to incur, other debt that ranks equally in right of payment 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 in right of payment with debt securities in which we invest, we would have to share any distributions on an equal and ratable basis with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

Additionally, certain loans that we make to portfolio companies may be secured on a second priority basis by the same collateral securing senior secured debt of such companies. The first priority liens on the collateral will secure the portfolio company's obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by the portfolio company under the agreements governing the loans. The holders of obligations secured by the first priority liens on the collateral will generally control the liquidation of and be entitled to receive proceeds from any realization of the collateral to repay their obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from the sale or sales of all of the collateral would be sufficient to satisfy the loan obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds are not sufficient to repay amounts outstanding under the loan obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the portfolio company's remaining assets, if any.

The rights we may have with respect to the collateral securing the loans we make to our portfolio companies with senior debt outstanding may also be limited pursuant to the terms of one or more intercreditor agreements, including agreements governing "first out" and "last out" structures, that we enter into with the holders of senior debt. Under such an intercreditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be in good faith under the direction of the holders of the obligations secured by the first priority liens: the ability to cause the commencement of enforcement proceedings against the collateral; the ability to control the conduct of such proceedings; the approval of amendments to collateral documents; releases of liens on the collateral; and waivers of past defaults under collateral documents. We may not have the ability to control or direct such actions, even if our rights are adversely affected.

When we are a debt or minority equity investor in a portfolio company, we are often not in a position to exert influence on the entity, and other equity holders and management of the company may make decisions that could decrease the value of our portfolio holdings.

When we make debt or minority equity investments, we are subject to the risk that a portfolio company may make business decisions with which we disagree and the other equity holders and management of such company may take risks or otherwise act in ways that do not serve our interests. As a result, a portfolio company may make decisions that could decrease the value of our investment.

We may also make unsecured loans to portfolio companies, meaning that such loans will not benefit from any interest in collateral of such companies. Liens on such portfolio companies' collateral, if any, will secure the portfolio company's obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by the portfolio company under its secured loan agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before us. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy our unsecured loan obligations after payment in full of all secured loan obligations. If such proceeds were not sufficient to repay the outstanding secured loan obligations, then our unsecured claims would rank equally in right of payment with the unpaid portion of such secured creditors' claims against the portfolio company's remaining assets, if any.

There may be circumstances in which our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims.

If one of our portfolio companies were to go bankrupt, even though we may have structured our interest as senior debt, depending on the facts and circumstances, a bankruptcy court might recharacterize our debt holding as an equity investment and subordinate all or a portion of our claim to that of other creditors. In addition, lenders can be subject to lender liability claims for actions taken by them where they become too involved in the borrower's business or exercise control over the borrower. For example, we could become subject to a lender's liability claim, if, among other things, we actually render significant managerial assistance. Additionally, these companies may not be able to get a full tax deduction for such borrowings.

Our portfolio companies may be highly leveraged.

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.

Our portfolio companies may prepay loans, which prepayment may reduce stated yields in the future if capital returned cannot be invested in transactions with equal or greater expected yields.

Certain of the loans we make are prepayable at any time, some of them at no premium to par. We cannot predict when such loans may be prepaid. Whether a loan is prepaid will depend both on the continued positive performance of the portfolio company and the existence of favorable financing market conditions that permit such company to replace existing financing with less expensive capital. As market conditions change frequently, it is unknown when, and if, this may be possible for each portfolio company. In the case of some of these loans, having the loan prepaid early may reduce the achievable yield for the Company in the future below the current yield disclosed for our portfolio if the capital returned cannot be invested in transactions with equal or greater expected yields.

Concentration of our assets in an issuer, industry or sector may present more risks than if we were more broadly diversified over numerous issuers, industries and sectors of the economy.

We are classified as a non-diversified investment company within the meaning of the 1940 Act, which means that we are not limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. To the extent that we assume large positions in the securities of a small number of issuers, our net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market's assessment of the issuer. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company.

In addition, we may, from time to time, invest a substantial portion of our assets in the securities of issuers in any single industry or sector of the economy or in only a few issuers. We cannot predict the industries or sectors in which our investment strategy may cause us to concentrate and cannot predict the level of our diversification among issuers to ensure that we satisfy diversification requirements for qualification as a RIC for U.S. federal income tax purposes. A downturn in an industry or sector in which we are concentrated would have a larger impact on us than on a company that does not concentrate in that particular industry or sector. Furthermore, the Advisor has not made and does not intend to make any determination as to the allocation of assets among different classes of securities. At any

point in time we may be highly concentrated in a single type of asset, such as junior unsecured loans or distressed debt. Consequently, events which affect a particular asset class disproportionately could have an equally disproportionate effect on us.

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 initial investment.

We may elect not to make follow-on investments or otherwise lack sufficient funds to make those investments. Our 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 such follow-on investment because we may not want to increase our concentration of risk, because we prefer other opportunities, because we are inhibited by compliance with BDC requirements or because we desire to maintain our tax status.

Our investments in the software, internet software & services, and IT services and internet & catalog retail sectors are subject to various risks, including intellectual property infringement issues and rapid technological changes, which may adversely affect our performance. Each industry contains certain industry related credit risks.

General risks of companies in the Software, Internet & Catalog Retail, and IT Services sectors include intellectual property infringement liability issues, the inability to protect Internet software and other propriety technology, extensive competition and limited barriers to entry. Generally, the market for Internet software and services is categorized by rapid technological change, evolving industry standards, changes in customer requirements and frequent new product introduction and enhancements. If a portfolio company in the Internet software and services sector cannot develop new products and enhance its current products in response to technological changes and competing products, its business and operating results will be negatively affected. In addition, there has been a substantial amount of litigation in the Internet software and services relating to intellectual property rights. Regardless of whether claims that a company is infringing patents or other intellectual property have any merit, these claims are time-consuming and costly. Moreover, an Internet software and services company must monitor the unauthorized use of its intellectual property, which may be difficult and costly. A company’s failure to protect its intellectual property could put it at a disadvantage to its competitors and harm its business, results of operations and financial condition. If an internet software and services company in which we invest is unable to navigate these risks, our performance may be adversely affected.

Our investments in the financial services sector are subject to various risks including volatility and extensive government regulation.

These risks include the effects of changes in interest rates on the profitability of financial services companies, the rate of corporate and consumer debt defaults, price competition, governmental limitations on a company’s loans, other financial commitments, product lines and other operations and recent ongoing changes in the financial services industry (including consolidations, development of new products and changes to the industry’s regulatory framework). Insurance companies have additional risks, such as heavy price competition, claims activity and marketing competition, and can be particularly sensitive to specific events such as man-made and natural disasters (including weather catastrophes), terrorism, mortality risks and morbidity rates.

Our investments in non-U.S. portfolio companies and 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 in order to provide diversification or to complement our U.S. investments, although we are required generally to invest at least 70% of our assets in companies organized and having their principal place of business within the U.S. and its possessions. Accordingly, we may invest on an opportunistic basis in certain non-U.S. companies, including those located in emerging markets, that otherwise meet our investment criteria. In regards to the regulatory requirements for business development companies, some of these investments may not qualify as investments in “eligible portfolio companies,” and thus may not be considered “qualifying assets.” “Eligible portfolio companies” generally include U.S. companies that are not investment companies and that do not have securities listed on a national exchange or, if they have listed securities, they have a market capitalization of less than \$250 million. If at any time less than 70% of our gross assets are comprised of qualifying assets, including as a result of an increase in the value of any non-qualifying assets or decrease in the value of any qualifying assets, we would generally not be permitted to acquire any additional non-qualifying assets until such time as 70% of our then current gross assets were comprised of qualifying assets. We would not be required, however, to dispose of any non-qualifying assets in such circumstances. In addition, investing in foreign companies, and particularly those in emerging markets, 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 may be more pronounced for portfolio companies located or operating primarily in emerging markets, whose economies, markets and legal systems may be less developed. Further, we may have difficulty enforcing our rights as equity holders in foreign jurisdictions. In addition, to the extent we invest in non-U.S. companies, we may face greater exposure to foreign economic developments.

Although it is anticipated that most of our investments will be denominated in U.S. dollars, our investments that are denominated in a foreign currency will be subject to the risk that the value of a particular currency may change in relation to the U.S. dollar. 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. As a result, a change in currency exchange rates may adversely affect our profitability.

The effect of global climate change may impact the operations of our portfolio companies.

There may be evidence of global climate change. Climate change creates physical and financial risk and some of our portfolio companies may be adversely affected by climate change. For example, the needs of customers of energy companies vary with weather conditions, primarily temperature and humidity. To the extent weather conditions are affected by climate change, energy use could increase or decrease depending on the duration and magnitude of any changes. Increases in the cost of energy could adversely affect the cost of operations of our portfolio companies if the use of energy products or services is material to their business. A decrease in energy use due to weather changes may affect some of our portfolio companies' financial condition, through decreased revenues. Extreme weather conditions in general require more system backup, adding to costs, and can contribute to increased system stresses, including service interruptions. Other risks associated with climate change include risks related to the impact of climate-related legislation and regulation (both domestically and internationally), as well as risks related to climate-related business trends.

We may invest in "covenant-lite" loans, which could have limited investor protections, and expose us to different and increased risks.

We may invest in, or obtain exposure to, obligations that may be "covenant-lite," which means such obligations lack, or possess fewer, financial covenants that protect lenders. Covenant-lite agreements feature incurrence covenants, as opposed to more restrictive maintenance covenants. Under a maintenance covenant, the borrower would need to meet regular, specific financial tests, while under an incurrence covenant, the borrower only would be required to comply with the financial tests at the time it takes certain actions (e.g., issuing additional debt, paying a dividend, making an acquisition). A covenant-lite obligation contains fewer maintenance covenants than other obligations, or no maintenance covenants, and may not include terms that allow the lender to monitor the performance of the borrower and declare a default if certain criteria are breached. Furthermore, in the event of default, covenant-lite loans may exhibit diminished recovery values as the lender may not have the opportunity to negotiate with the borrower prior to default. As a result, our exposure to losses from these loans may be increased.

Risks related to our operations as a BDC

While our ability to enter into transactions with our affiliates is restricted under the 1940 Act, we have received an exemptive order from the SEC permitting certain affiliated investments subject to certain conditions. As a result, the Advisor may face conflicts of interests and investments made pursuant to the exemptive order conditions could in certain circumstances adversely affect the price paid or received by us or the availability or size of the position purchased or sold by us.

Any person that is an affiliate of ours for purposes of the 1940 Act generally is prohibited from participating in certain transactions such as co-investing with, or buying or selling any security from or to us, absent the prior approval of our independent directors and, in some cases, of the SEC. However, the Advisor and the funds managed by the Advisor have received an exemption from certain SEC regulations prohibiting transactions with affiliates. The exemptive order requires that certain procedures be followed prior to making an investment subject to the order and such procedures could in certain circumstances adversely affect the price paid or received by us or the availability or size of the position purchased or sold by us. The Advisor may also face conflicts of interest in making investments pursuant to the exemptive order.

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 and from or to certain of that person's affiliates, or entering into prohibited joint transactions with such persons, absent the prior approval

of the SEC (other than 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 relating to the particular transaction. Similar restrictions limit our ability to transact business with our officers or directors or their affiliates.

Regulations governing our operation as a BDC may limit our ability to, and the way in which we raise additional capital, which could have a material adverse impact on our liquidity, financial condition and results of operations and may hinder the Advisor's ability to take advantage of attractive investment opportunities and to achieve our investment objective.

Our business requires a substantial amount of capital. We may acquire additional capital from the issuance of additional shares of our common stock or from the additional issuance of senior securities (including debt and preferred stock). However, we may not be able to raise additional capital in the future on favorable terms or at all. We may issue debt securities or preferred securities, which we refer to collectively as “senior securities,” and we may borrow money from banks or other financial institutions, up to the maximum amount permitted by the 1940 Act. The 1940 Act permits us to issue senior securities or incur indebtedness only in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 150% after such issuance or incurrence. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to liquidate a portion of our investments and repay a portion of our indebtedness at a time when such sales may be disadvantageous. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to liquidate a portion of our investments and repay a portion of our indebtedness at a time when such sales may be disadvantageous.

- ***Senior Securities.*** As a result of issuing senior securities, we would also be exposed to typical risks associated with leverage, including an increased risk of loss. If we issue preferred securities they would rank “senior” to common stock in our capital structure, preferred shareholders would have separate voting rights and may have rights, preferences or privileges more favorable than those of our common shareholders. Furthermore, the issuance of preferred securities could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for our common shareholders or otherwise be in the best interests of our common shareholders.
- ***Additional Common Stock.*** Our Board of Directors may decide to issue common stock to finance our operations rather than issuing debt or other senior securities. As a BDC, we are generally not able to issue our common stock at a price below net asset value, or issue securities convertible into common stock, without first obtaining the required approvals from our shareholders and our independent directors. If our common stock trades at a discount to net asset value, those restrictions could adversely affect our ability to raise equity capital. Except in connection with the exercise of warrants or the conversion of convertible securities, in any such case the price at which our securities are to be issued and sold may not be less than a price, that in the determination of our Board of Directors, closely approximates the market value of such securities at the relevant time. We may also make rights offerings to our shareholders. If we raise additional capital by issuing more common stock or senior securities convertible into, or exchangeable for, our common stock, the percentage ownership of our common shareholders at that time would decrease, and our common shareholders may experience dilution.

Changes in the laws or regulations governing our business or the business of our portfolio companies, or changes in the interpretations thereof or newly enacted legislation and regulations, and any failure by us or our portfolio companies to comply with these laws or regulations, could have a material adverse effect on our business, results of operations or financial condition of us or our portfolio companies.

We are subject to changing rules and regulations of federal and state governments, as well as the stock exchange in 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. For example, the listing standards of the national securities exchanges require us to implement and disclose “clawback” policies mandating the recovery of incentive compensation paid to executive officers in connection with accounting restatements.

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 may be subject to civil fines and criminal penalties, any of which could have a material adverse effect upon our business, results of operations or financial condition.

If we do not invest a sufficient portion of our assets in qualifying assets, we could be precluded from investing in certain assets or could be required to dispose of certain assets, which could have a material adverse effect on our business, financial condition and results of operations.

As a BDC, we are prohibited from acquiring 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. As of December 31, 2024, approximately \$324.0 million, or approximately 16.9%, of our adjusted total assets were not “qualifying assets.” If we do not invest a sufficient portion of our assets in qualifying assets, we will be prohibited from investing in additional non-qualifying assets, which could 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 inopportune times in order to come into compliance with the 1940 Act. If we need to dispose of these investments quickly, it may be difficult to dispose of such investments on favorable terms. For example, we may have difficulty in finding a buyer and, even if a buyer is found, we may have to sell the investments at a substantial loss.

We will be subject to corporate-level U.S. federal income tax on all of our income if we are unable to qualify as a RIC under the Code, which could have a material adverse effect on our financial performance.

Although we are currently qualified as a RIC, no assurance can be given that we will be able to maintain RIC status. To maintain RIC status and be relieved of U.S. federal income taxes on income and gains distributed to its shareholders, we generally must meet the annual distribution, source-of-income and asset diversification requirements described below.

To qualify as a RIC under the Code, we generally must meet certain source-of-income, asset diversification and annual distribution requirements. The annual distribution requirement for a RIC will generally be satisfied if we distribute at least 90% of our ordinary income and net short-term capital gain in excess of net long-term capital loss, if any, to our shareholders. Since we use debt financing, we are subject to certain asset coverage ratio requirements and other financial covenants under the terms of our Credit Facility, and we are, in some circumstances, also subject to similar requirements under the 1940 Act. The requirements could, under certain circumstances, restrict us from making distributions necessary to qualify as a RIC. If we are unable to obtain cash from other sources, we may fail to qualify as a RIC and, thus, may be subject to corporate-level income tax. To qualify as a RIC, we generally 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 we anticipate that most of our investments will be in private companies, any such dispositions could be made at disadvantageous prices and may result in substantial losses.

If we fail to qualify as a RIC for any reason and become subject to corporate-level income tax, the resulting corporate-level income taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions.

There is a risk that you may not receive distributions or that our distributions may not grow over time and a portion of our distributions may be a return of capital.

We intend to make distributions on a quarterly basis to our shareholders 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. Our ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in this filing. Due to the asset coverage test applicable to us under the 1940 Act as a BDC, we may be limited in our ability to make distributions. Additionally, a portion of such distributions may include a return of shareholder capital. Distributions in excess of our current and accumulated earnings and profits are considered nontaxable distributions and serve to reduce the basis of our shares in the hands of the common shareholders rather than being currently taxable. As a result of the reduction of the basis of our shares, common shareholders may incur additional capital gains taxes or may have lower capital losses.

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, shareholders 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, 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 may experience cybersecurity incidents and are subject to cybersecurity risks.

Our business operations rely upon secure information technology systems for data processing, storage and reporting. Despite careful security and controls design, implementation and updating, our 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” or malicious software coding) 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). 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.

Cybersecurity failures or breaches by the Advisor, any sub-adviser(s) and other third-party 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 our net asset value, impediments to trading, the inability of our shareholders 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 cyberattacks, such plans and systems could prove to be inadequate, and, if compromised, could become inoperable for extended periods of time, cease to function properly, fail to adequately secure private information or have other risks that have not been identified. Furthermore, we cannot control the cyber security plans and systems put in place by our third-party service providers and issuers in which we invest. We and our shareholders could be negatively impacted as a result.

We are subject to the cybersecurity risks of our Service Providers, which could negatively impact the Company and its shareholders.

The Company relies on the information and technology systems of the custodian, the Advisor, and the Company’s other service providers and counterparties (the “Service Providers”), each of which could be directly or indirectly adversely affected by information systems interruptions, cybersecurity incidents or other disruptions, which in turn could have a material adverse effect on the Company.

The Company and the Service Providers are susceptible to operational, information security and related cybersecurity risks both directly and through their own service providers. Cyber incidents can result from deliberate attacks or unintentional events. They include, but are not limited to, gaining unauthorized access to systems, corrupting or destroying data, and causing operational disruption. Geopolitical tensions may increase the scale and sophistication of deliberate attacks, particularly those from nation-states or from entities with nation-state backing.

Cybersecurity incidents may cause disruptions and impact business operations. They may result in any of the following: financial losses (including loss or theft of Company assets), interference with the Company’s ability to calculate its NAV, disclosure of confidential information, impediments to trading, submission of erroneous trades or erroneous creation or redemption orders, the inability of the Company or the Service Providers to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and other legal and compliance costs. In addition, cyber incidents may render records of Company assets and transactions, shareholder ownership of Company shares, and other data integral to the functioning of the Company inaccessible, inaccurate or incomplete. The Company may incur substantial costs in order to resolve or prevent cyber incidents.

The Advisor, an indirect subsidiary of BlackRock, is responsible for the overall management of the Company. The Advisor relies on BlackRock’s enterprise risk management framework for the Company’s cybersecurity risk management and strategy. Although BlackRock has implemented policies and controls and takes protective measures involving significant expense to prevent and address potential data breaches, inadvertent disclosures and sophisticated cyber-attacks and cyber-related fraud, there can be no assurance that any of these measures proves fully effective. In addition, a successful cyber-attack may persist for an extended period of time before being detected, and it may take a considerable amount of time for an investigation to be completed and the severity and potential impact to be known. Furthermore, the Company cannot control the cybersecurity plans and systems of its Service Providers. The Company and its shareholders could be negatively impacted as a result.

The failure in cybersecurity 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 pandemic, 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, regulatory penalties and/or customer dissatisfaction or loss.

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 and third parties' communications and information systems. Further, in the ordinary course of our business we or the Advisor may engage certain third party service providers to provide us with services necessary for our business. Any failure or interruption of those systems or services, including as a result of the termination or suspension of an agreement with any third-party service providers, could cause delays or other problems in our business 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 shareholders.

Risks related to our common stock and other securities

Our shares of common stock have traded at a discount from net asset value and may do so again in the future, which could limit our ability to raise additional equity capital.

Shares of closed-end investment companies, including BDCs, may trade at a market discount from net asset value. This characteristic of closed-end investment companies and BDCs is separate and distinct from the risk that our net asset value per share may decline. In the past, the stocks of BDCs as an industry, including shares of our common stock, have traded below net asset value as a result of concerns over liquidity, leverage restrictions and distribution requirements. When our common stock is trading below its net asset value per share, we will generally not be able to issue additional shares of our common stock at its market price without first obtaining approval for such issuance from our shareholders and our independent directors. We generally seek approval from our shareholders so that we have the flexibility to issue up to 25% of our then outstanding shares of our common stock immediately prior to any such sale at a price below net asset value, but in some years we may not obtain such approval.

Investing in our common stock may involve an above average degree of risk.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and a higher risk of volatility or loss of principal. Our investments in portfolio companies involve higher levels of risk, and therefore, an investment in our common stock may not be suitable for someone with lower risk tolerance.

The market price of our common stock may fluctuate significantly.

The market price and liquidity of the market for our common stock may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- volatility in the market price and trading volume of securities of BDCs or other companies in the sector in which we operate, which are not necessarily related to the operating performance of these companies;

- price and volume fluctuations in the overall stock market from time to time;
- changes in law, regulatory policies or tax guidelines, particularly with respect to SBICs, RICs or BDCs;
- loss of RIC status or the SBIC's loss of SBIC status;
- changes in earnings or variations in operating results;
- changes in the value of our portfolio of investments;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- departure of key personnel from the Advisor;
- operating performance of companies comparable to us;
- short-selling pressure with respect to shares of our common stock or BDCs generally;
- future sales of our securities convertible into or exchangeable or exercisable for our common stock or the conversion of such securities;
- uncertainty surrounding the strength of the U.S. economic recovery;
- general economic trends and other external factors; and
- loss of a major funding source.

Shareholders will likely incur dilution if we sell or otherwise issue shares of our common stock or securities to subscribe for or convertible into shares of our common stock at prices below the then current net asset value per share of our common stock.

We generally seek approval from our shareholders so that we have the flexibility to issue up to 25% of our then outstanding shares of our common stock immediately prior to any such sale at a price below net asset value, but in some years we may not obtain such approval. We received authority from our shareholders at our 2013 annual meeting to issue warrants, options or other rights to subscribe for, convert to, or purchase shares of our common stock, which may include convertible preferred stock and convertible debentures. This authorization has no expiration date.

In addition, we may also issue shares of common stock in certain limited circumstances under our dividend reinvestment plan and under interpretive advice issued by the Internal Revenue Service, and we may also issue subscription rights exercisable for shares of common stock at a price below net asset value per share in accordance with the requirements of the 1940 Act. Any sale or other issuance of shares of our common stock at a price below net asset value per share would result in an immediate dilution to the net asset value per share. This dilution would occur as a result of a proportionately greater decrease in a shareholder's interest in our earnings and assets and voting interest in us than the increase in our assets resulting from such issuance. Because the number of shares of common stock that could be so issued and the timing of any issuance is not currently known, the actual dilutive effect cannot be predicted. Such effects may be material, and we undertake to describe material risks and dilutive effects of any offering that we make at a price below our then current net asset value in the future in a prospectus supplement issued in connection with any such offering. We cannot predict whether shares of our common stock will trade above, at or below our net asset value. If we were to sell our common stock at prices below net asset value for a sustained period of time, such sales may result in an increased risk of our common stock trading at a discount to its net asset value.

Our capital-raising activities may have an adverse effect on the market price of our common stock.

When we issue securities or incur debt, we generally obtain cash or cash equivalents. Any increase in our holdings of cash or cash equivalents could adversely affect the prevailing market prices for our common stock, especially if we are unable to timely deploy the capital in suitable investments. The adverse impact on the prevailing market prices for our common stock could be greater if we issue debt securities or other securities requiring the payment of interest and are unable to timely deploy the capital in suitable investments.

We may choose to pay dividends in our own stock, in which case you may be required to pay tax in excess of the cash you receive.

We may distribute taxable dividends that are payable to our shareholders in part through the issuance of shares of our common stock. Under certain applicable provisions of the Code and the Treasury regulations and a revenue procedure issued by the Internal Revenue Service, a RIC may treat a distribution of its own stock as fulfilling its RIC distribution requirements if each shareholder may elect to receive his or her entire distribution in either cash or stock of the RIC, subject to a limitation that the aggregate amount of cash to be distributed to all shareholders must be at least 20% of the aggregate declared distribution. If too many shareholders elect to receive their distributions in cash, we must allocate the cash available for distribution among the shareholders electing to receive cash (with the

balance of the distribution paid in shares of our common stock). If we decide to make any distributions consistent with this revenue procedure that are payable in part in our stock, U.S. taxable shareholders receiving such dividends generally will be required to include the full amount of the dividend (whether received in cash, our stock, or a combination thereof) as ordinary income (or as long-term capital gain to the extent such distribution is properly reported as a capital gain dividend) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. shareholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. shareholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale.

Furthermore, with respect to non-U.S. shareholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. If a significant number of our shareholders determine to sell shares of our stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our stock. In addition, to the extent our stock is trading below our net asset value per share, our net asset value per share will be diluted.

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 our common stock. The issuance of preferred stock would likely cause the net asset value and market value of our 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 our 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 our common stock than if we had not issued preferred stock. Any decline in the net asset value of our investment would be borne entirely by the holders of our 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 our 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 of our 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 our common stock would bear) all costs and expenses relating to the issuance and ongoing maintenance of the preferred stock, including higher Incentive 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.

We may in the future determine to issue preferred stock, which could adversely affect the market value of our common stock.

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 shareholders, 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 asset coverage test.

Holders of any preferred stock we might issue would have the right to elect members of our 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 our 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 shareholders have class voting rights on certain matters, including changes in fundamental investment restrictions and conversion to open-end status, and accordingly can veto any 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, 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 affected in time to meet the tax requirements.

Certain provisions of the Delaware General Corporation Law and our certificate of incorporation and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

The Delaware General Corporation Law, our amended certificate of incorporation and our amended and restated bylaws contain provisions that may have the effect of discouraging a third party from making an acquisition proposal for us. These anti-takeover provisions may inhibit a change in control in circumstances that could give the holders of our common stock the opportunity to realize a premium over the market price of our common stock. Our certificate of incorporation and bylaws also provide that special meetings of the shareholders may only be called by our Board of Directors, Chairman, Chief Executive Officer or Secretary. These provisions, as well as other provisions of our amended certificate of incorporation and our amended and restated bylaws, may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of our shareholders.

Your interest in us may be diluted if you do not fully exercise your subscription rights in any rights offering we may conduct. In addition, if the subscription price is less than our net asset value per share, then you will experience an immediate dilution of the aggregate net asset value of your shares.

In the event we issue subscription rights, shareholders who do not fully exercise their subscription rights should expect that they will, at the completion of a rights offering, own a smaller proportional interest in us than would otherwise be the case if they fully exercised their rights. We cannot state precisely the amount of any such dilution in share ownership because we do not know at this time what proportion of the shares will be purchased as a result of such rights offering.

In addition, if the subscription price is less than the net asset value per share of our common stock, then our shareholders would experience an immediate dilution of the aggregate net asset value of their shares as a result of the offering. The amount of any decrease in net asset value is not predictable because it is not known at this time what the subscription price and net asset value per share will be on the expiration date of a rights offering or what proportion of the shares will be purchased as a result of such rights offering. Such dilution could be substantial.

Terms relating to redemption may materially adversely affect your return on any debt securities that we may issue.

If your 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 your debt securities are subject to mandatory redemption, we may be required to redeem your debt securities also at times when prevailing interest rates are lower than the interest rate paid on your debt securities. In this circumstance, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as your debt securities being redeemed.

Our credit ratings are subject to change and 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 and are subject to change. For example, our credit ratings were changed several times during the most recent fiscal year and are subject to further change. Such fluctuations in our credit ratings may adversely affect the market value of our debt securities. In addition, our credit ratings may not reflect the potential impact of risks related to market conditions generally or other factors on the market value of or trading market for the publicly issued debt securities.

Item 1B. Unresolved Staff Comments

None

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

The Company is externally managed by the Advisor and has no employees or internal information systems. Thus, the Company relies on the Advisor, BlackRock, Inc. (“BlackRock”) as well as the custodian and other service providers to protect the Company's information from cybersecurity threats. The Company's chief compliance officer (the “CCO”) oversees the Company's risk management policies and procedures related to cybersecurity risks, subject to the oversight of the Board of Directors. The CCO and the Advisor also review key Company service providers' compliance and risk management policies and procedures related to cybersecurity matters, evaluate such service providers' use of information systems, which have the potential to subject the Company

to information technology vulnerabilities, and receive reports from the Company's service providers regarding any cybersecurity threats and incidents.

Specifically, the Company relies on the enterprise risk management ("ERM") framework of BlackRock, Inc. ("BlackRock") for the Company's cybersecurity risk management and strategy. The Board of Directors of the Company periodically receives reports from BlackRock and from the Advisor regarding BlackRock's cybersecurity program. Key aspects of the ERM framework are summarized below.

BlackRock's Enterprise Risk Management Framework

BlackRock recognizes the importance of identifying, assessing, and managing material risks associated with cybersecurity threats. Cybersecurity represents an important component of BlackRock's approach to ERM. BlackRock leverages a multi-lines-of-defense model with cybersecurity operational processes executed by global information security and other teams and dedicated internal audit technology and technology risk management ("TRM") teams that independently review technology risks. BlackRock's cybersecurity program is fully integrated into its ERM framework and is aligned with recognized frameworks, including NIST CSF, FFIEC CAT, FedRAMP, SOC 1/2, ISO 27001/2 and others. BlackRock aims to inform and continuously improve its cybersecurity program through engagement with regulatory, client, insurer, vendor, partner, peer, government and industry organizations and associations, as well as external audit, technology risk, information security and other assessments.

BlackRock seeks to address cybersecurity risks through a global, multilayered strategy of control programs that is designed to preserve the confidentiality, integrity and availability of the information that BlackRock collects and stores by identifying, preventing and mitigating cybersecurity threats and incidents. As one of the critical elements of BlackRock's overall ERM framework, BlackRock's cybersecurity program is focused on the following key areas:

- **Governance:** As discussed in more detail under the heading "BlackRock's Cybersecurity Governance" below, the oversight by BlackRock's Board of Directors (BlackRock's Board") of cybersecurity risk management is supported by BlackRock's Risk Committee, which regularly interacts with BlackRock's risk management function, BlackRock's Chief Risk Officer ("CRO") and Chief Information Security Officer ("CISO"), along with other members of management. In addition, technology and cybersecurity risks are formally overseen by a dedicated management risk governance committee, the Technology Risk and Cybersecurity Committee ("TRCC"), which is a sub-committee of the firmwide Enterprise Risk Committee ("ERC").
- **Cross-Functional Approach:** BlackRock has implemented a global, cross-functional approach to identifying, preventing, and mitigating cybersecurity threats and incidents, while also implementing layered preventative, detective, reactive and recovery controls to identify and manage cybersecurity risks.
- **Safeguards:** BlackRock deploys a range of people, process and technical controls that are designed to protect BlackRock's information systems from cybersecurity threats, which may include, among others: physical security controls; perimeter controls, including technical assessments, firewalls, network segregation, intrusion detection and prevention; tabletop exercises, ongoing vulnerability and patch management; vendor due diligence; multi-factor authentication; device encryption; application security, code testing and penetration testing; endpoint security, including anti-malware protection, threat intel and response, managed detection and response, security configuration management, portable storage device lockdown, restricted administrative privileges; employee awareness, training, and phishing testing; data loss prevention program and monitoring; information security incident reporting and monitoring; and layered and comprehensive access controls.
- **Incident Response and Recovery Planning:** BlackRock has established and maintains incident response and recovery plans that address the Company's response to a cybersecurity incident, including processes designed to assess, escalate, contain, investigate and remediate the incident, as well as to comply with applicable legal obligations and mitigate potential reputational damage. Such plans are evaluated on a periodic basis.
- **Third-Party Risk Management:** BlackRock maintains a risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including vendors, service providers, counterparties and clients, as well as the systems of third parties that could significantly and adversely impact BlackRock's business in the event of a cybersecurity incident affecting those third-party systems. Operational incidents can arise as a result of failures by third parties with which BlackRock does business, such as failures by internet, communication technology and cloud service providers or other vendors to adequately follow processes and procedures, safeguard their systems or prevent system disruptions or cyber-attacks. Third-party risks are included within BlackRock's ERM framework, and risk identification and mitigation are supported by BlackRock's cybersecurity program. BlackRock also performs diligence on certain third parties and monitors cybersecurity threats and risks identified through such diligence.

- **Education and Awareness:** BlackRock's employees and contractors are required to complete an annual information security training to equip them with effective tools to address cybersecurity threats, and to receive communications on BlackRock's evolving information security policies and procedures.

BlackRock's global information security team, in collaboration with the technology risk and internal audit teams, engages in the periodic assessment and testing of BlackRock's cyber risks and cybersecurity program. These efforts may include a wide range of activities, including audits, assessments, wargames and "tabletop" exercises, threat modeling, vulnerability testing and other exercises focused on evaluating the effectiveness of our cybersecurity measures and planning. BlackRock also participates in financial services industry and government forums in an effort to improve both internal and sector cybersecurity defense. BlackRock regularly engages third parties and advisors to assess its cybersecurity control environment. The results of certain program and control assessments are reported to the Risk Committee, and BlackRock adjusts its cybersecurity program as appropriate based on the information provided by these assessments.

As of December 31, 2024, the Company is not aware of any cybersecurity risks that have materially affected or are reasonably likely to materially affect the Company's business strategy, results of operations, or financial condition.

Cybersecurity Governance

The Board of Directors of the Company periodically receives reports from BlackRock and from the Advisor regarding BlackRock's cybersecurity program. The CCO delivers quarterly reports to the Board of Directors of the Company. Team members who support the Company's information security program have relevant educational and industry experience.

At the BlackRock parent level, BlackRock's Board is actively engaged in the oversight of BlackRock's risk management program. The Risk Committee assists the Board with its oversight of BlackRock's levels of risk, risk assessment, risk management and related policies and processes, including risks arising from cybersecurity threats. The Risk Committee receives regular reports on BlackRock's cybersecurity program, technology resilience risk management and related developments from members of our information security team, including the CISO. The Board and the Risk Committee also receive information regarding cybersecurity incidents that meet certain reporting thresholds. On an annual basis, senior members of BlackRock's technology, risk and information security teams provide a comprehensive overview of BlackRock's cyber risk and related programs to a joint session of the Board's Risk and Audit Committees.

Technology and cybersecurity risks at BlackRock are also overseen by the TRCC, a dedicated management risk governance committee and sub-committee of the firmwide ERC. The chair of the TRCC is appointed by the head of Enterprise Risk Management at BlackRock and its members include the CISO as well as a broad range of senior business stakeholders across BlackRock. The TRCC is responsible for oversight of BlackRock's technology and cybersecurity risk management practices and helps ensure that technology and cybersecurity risks remain within firmwide risk tolerances and technology and cybersecurity risk issues are escalated as appropriate to the ERC and other committees. The TRCC also reviews any relevant technology and cybersecurity risk related issues and helps ensure that they are appropriately escalated, reported, and remediated.

BlackRock's cybersecurity risk management and strategy processes, which are discussed in greater detail above, are led by BlackRock's CISO. As of December 31, 2024, the CISO had over 30 years of experience in information technology with a 25-year concentration in information security, including previously serving as the CISO at several global financial institutions, and held the Certified Information Systems Security Professional certification. The CISO works closely with the leadership team and other subject matter experts in the global cybersecurity group, who collectively have extensive prior work experience in various roles involving managing information security, developing cybersecurity strategy, implementing effective information and cybersecurity programs and overseeing cybersecurity controls in technology risk and audit functions, as well as having relevant degrees and industry-leading certifications.

The CISO and members of the TRCC monitor the prevention, detection, mitigation and remediation of cybersecurity incidents through their management of, and participation in, the cybersecurity risk management processes described above, including the operation of BlackRock's incident response plan.

Item 2. Properties

We do not own any real estate or other physical properties materially important to our operation. Our executive offices are located at 2951 28th Street Suite 1000, Santa Monica, CA 90405, and are provided by the Advisor in accordance with the terms of the Administration Agreement. We believe that our office facilities are suitable and adequate for our business as it is contemplated to be conducted.

Item 3. Legal Proceedings

From time to time, the Company and the Advisor may be parties to certain legal proceedings incidental to the normal course of our business, including with respect to our investments in our portfolio companies. On September 13, 2023, the Company was named as a defendant, together with the Advisor and certain other funds managed by the Advisor, as well as certain other defendants, in a lawsuit filed in the United States Bankruptcy Court for the Southern District of New York. The suit relates to a third-party sponsored collateralized loan obligation in which the Company and certain other defendants invested. The suit alleges that the Company and the other defendants knew or should have known of certain fraudulent activities of the third-party manager relating to its management of the collateralized loan obligation that caused the plaintiffs to suffer investment losses. The suit seeks to recover from the Company approximately \$15 million, plus interest, additional amounts from the other defendants, and attorneys' fees and costs from all defendants. The Company, the affiliated funds and the Advisor intend to vigorously defend against these claims and filed a motion to dismiss the lawsuit on November 6, 2023, which was argued in court on March 6, 2024. On November 8, 2024, the court issued a decision, granting in part and denying in part the motion to dismiss. As a result, on December 6, 2024, the plaintiffs filed an amended complaint containing substantially similar allegations but without the claims dismissed by the court. On January 23, 2025, the Company, the Advisor and the funds managed by it, along with other defendants, filed a motion to dismiss one of the counts in the amended complaint, which remains

pending. At this time, the Company and the Advisor cannot predict with a reasonable degree of certainty the likelihood of an unfavorable outcome, including any potential losses that could result.

Item 4: Mine Safety Disclosures.

Not applicable.

Item 5. Market for Registrant’s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Price Range of Common Stock

Our common stock began trading on April 5, 2012 and is currently traded on The Nasdaq Global Select Market under the symbol “TCPC.” The following table lists the high and low closing sale price for our common stock, the closing sale price as a percentage of net asset value, or NAV, and quarterly distributions per share in each fiscal quarter for the years ended December 31, 2024 and 2023. Our common stock historically has traded at prices both above and below its net asset value. There can be no assurance, however, that such premium or discount ranges, as applicable, to net asset value will be maintained.

	NAV ⁽¹⁾	Stock Price		Premium/ (Discount) of High Sales Price to NAV ⁽³⁾	Premium/ (Discount) of Low Sales Price to NAV ⁽³⁾	Declared Distributions
		High ⁽²⁾	Low ⁽²⁾			
Fiscal Year ended December 31, 2024						
First Quarter	\$ 11.14	\$ 11.99	\$ 9.90	7.6%	(11.1)%	\$ 0.34
Second Quarter	\$ 10.20	\$ 11.48	\$ 9.93	12.5%	(2.7)%	\$ 0.34
Third Quarter	\$ 10.11	\$ 11.02	\$ 8.08	9.0%	(20.1)%	\$ 0.34
Fourth Quarter	\$ 9.23	\$ 9.54	\$ 7.80	3.4%	(15.5)%	\$ 0.44
Fiscal Year ended December 31, 2023						
First Quarter	\$ 13.00	\$ 13.37	\$ 9.73	2.8%	(25.2)%	\$ 0.32
Second Quarter	\$ 12.94	\$ 11.42	\$ 9.76	(11.7)%	(24.6)%	\$ 0.34
Third Quarter	\$ 12.72	\$ 12.89	\$ 11.00	1.3%	(13.5)%	\$ 0.44
Fourth Quarter	\$ 11.90	\$ 12.41	\$ 10.37	4.3%	(12.9)%	\$ 0.59

- (1) NAV per share is determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAVs shown are based on outstanding shares at the end of each period.
- (2) The High/Low Stock Price is calculated as of the closing price on a given day in the applicable quarter.
- (3) Calculated as the respective High/Low Stock Price minus the quarter end NAV, divided by the quarter end NAV.

As of February 26, 2025, we had approximately 56,000 beneficial owners whose shares are held in the names of the brokers, dealers and clearing agencies, and we had 164 shareholders of record. On February 26, 2025, the last reported sales price of our common stock was \$9.34 per share.

The table below sets forth each class of our outstanding securities as of February 27, 2025.

Title of Class	Amount Authorized	Amount Held by Registrant or for its Account	Amount Outstanding
Common Stock	200,000,000	-	85,077,297

Distributions

Our quarterly dividends and distributions to common shareholders are recorded on the ex-dividend date and are determined by our Board of Directors. Distributions are declared considering our estimate of annual taxable income available for distribution to shareholders and the amount of taxable income carried over from the prior year for distribution in the current year. We do not have a policy to pay distributions at a specific level and expect to continue to distribute substantially all of our taxable income. Changes in investment results or focus, expense levels and other factors may have an effect on the amount of distributions we pay in the future. We cannot assure shareholders that they will receive any distributions or distributions at a particular level.

The following table summarizes the Company's dividends declared and paid for the year ended December 31, 2024:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount	Reinvested Amount ⁽¹⁾
February 29, 2024	March 14, 2024	March 29, 2024	Regular	\$ 0.34	\$ 19,640,870	\$ —
May 1, 2024	June 14, 2024	June 28, 2024	Regular	0.34	29,100,986	771,651
August 7, 2024	September 16, 2024	September 30, 2024	Regular	0.34	29,100,986	722,140
November 6, 2024	December 17, 2024	December 31, 2024	Regular	0.34	28,929,237	637,485
November 6, 2024	December 17, 2024	December 31, 2024	Special	0.10	8,508,599	187,495
				<u>\$ 1.46</u>	<u>\$ 115,280,678</u>	<u>\$ 2,318,771</u>

(1) Dividends reinvested through purchase of shares in the open market.

In addition, the Company paid \$7,257,191 of dividends payable assumed in the Merger that were declared on March 4, 2024 by the BCIC Board of Directors for the benefit of former BCIC shareholders of record as of March 15, 2024. Such amount was paid from BCIC cash and cash equivalents acquired by the Company in the Merger.

The following table summarizes the Company's dividends declared and paid for the year ended December 31, 2023:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount	Reinvested Amount ⁽¹⁾
February 28, 2023	March 17, 2023	March 31, 2023	Regular	\$ 0.32	\$ 18,485,524	\$ —
May 4, 2023	June 16, 2023	June 30, 2023	Regular	0.34	19,640,870	—
August 3, 2023	September 15, 2023	September 29, 2023	Regular	0.34	19,640,870	—
August 3, 2023	September 15, 2023	September 29, 2023	Special	0.10	5,776,726	—
November 2, 2023	December 15, 2023	December 29, 2023	Regular	0.34	19,640,870	—
November 2, 2023	December 15, 2023	December 29, 2023	Special	0.25	14,441,816	—
				<u>\$ 1.69</u>	<u>\$ 97,626,676</u>	<u>\$ —</u>

(1) No dividend reinvestment plan was effective for the year ended December 31, 2023.

Tax characteristics of all dividends are reported to shareholders on Form 1099-DIV or Form 1042-S after the end of the calendar year.

We have elected to be taxed as a RIC under Subchapter M of the Code. In order to maintain favorable RIC tax treatment, we must distribute annually to our shareholders at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, out of the assets legally available for distribution. In order to avoid certain excise taxes imposed on RICs, we must distribute during each calendar year an amount at least equal to the sum of:

- 98% of our ordinary income (not taking into account any capital gains or losses) for the calendar year;
- 98.2% of the amount by which our capital gains exceed our capital losses (adjusted for certain ordinary losses) for the one-year period generally ending on October 31 of the calendar year; and
- certain undistributed amounts from previous years on which we paid no U.S. federal income tax.

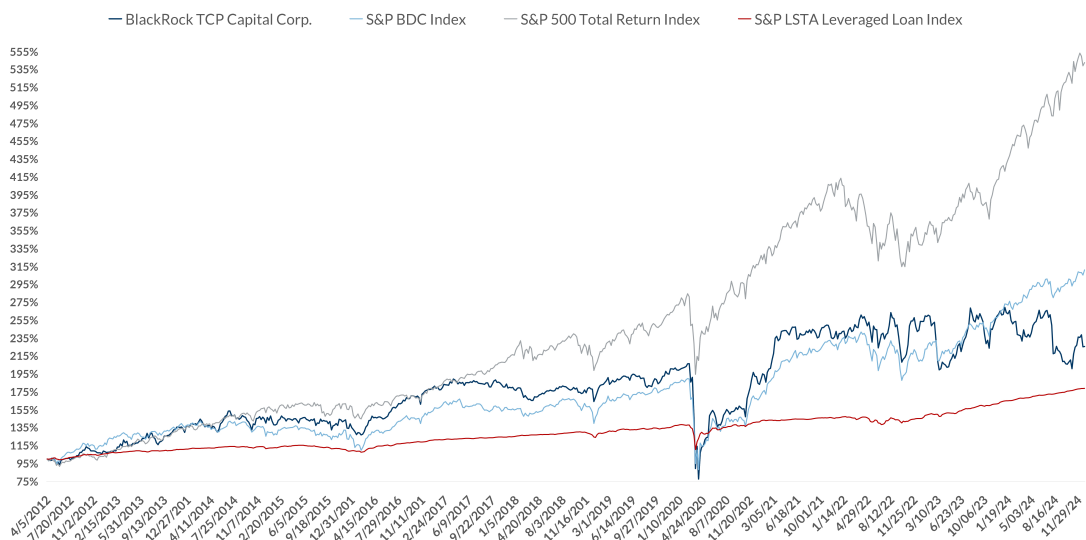
We may, at our discretion, carry forward taxable income in excess of calendar year distributions and pay a 4% excise tax on this income. If we choose to do so, all other things being equal, this would increase expenses and reduce the amounts available to be distributed to our shareholders. We will accrue excise tax on estimated taxable income as required. In addition, although we currently intend to distribute realized net capital gains (i.e., net long-term capital gains in excess of short-term capital losses), if any, at least annually, out of the assets legally available for such distributions, we may in the future decide to retain such capital gains for investment.

We may not be able to achieve operating results that will allow us to make dividends and distributions at a specific level or to increase the amount of these dividends and distributions from time to time. Also, we may be limited in our ability to make dividends and distributions due to the asset coverage test applicable to us as a BDC under the 1940 Act and due to provisions in our existing and future credit facilities. If we do not distribute a certain percentage of our income annually, we will suffer adverse tax consequences, including possible loss of favorable RIC tax treatment. 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 PIK 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 and may be subject to an excise tax.

In order to satisfy the annual distribution requirement applicable to RICs, we have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash. As long as a portion of such dividend is paid in cash (which portion can be as low as 10% for dividends paid with respect to any taxable year) and certain requirements are met, the entire distribution would be treated as a dividend for U.S. federal income tax purposes.

COMPARISON OF CUMULATIVE TOTAL RETURN AMONG BLACKROCK TCP CAPITAL CORP., S&P 500 TOTAL RETURN INDEX, S&P LSTA LEVERAGED LOAN INDEX AND S&P BUSINESS DEVELOPMENT COMPANY INDEX

Total Return Performance



NOTES: Assumes \$100 invested April 4, 2012 in BlackRock TCP Capital Corp., the S&P 500 Total Return Index, the S&P LSTA Leveraged Loan Index and the S&P Business Development Company Index. Assumes all dividends are reinvested on the respective dividend payment dates without commissions.

Fees and Expenses

The following table is intended to assist you in understanding the costs and expenses that an investor in a potential offering of our common stock would bear directly or indirectly. The following table and example should not be considered a representation of our future expenses. Actual expenses may be greater or less than shown. The following table and example represent our best estimate of the fees and expenses that we expect to incur during the next twelve months.

Shareholder Transaction Expenses		
Sales Load (as a percentage of offering price)	—	(1)
Offering Expenses (as a percentage of offering price)	—	(2)
Dividend Reinvestment Plan Fees	—	(3)
Total Shareholder Transaction Expenses (as a percentage of offering price)		
Annual Expenses (as a Percentage of Net Assets Attributable to Common Stock) (4)		
Base Management Fees	2.70 %	(5)
Incentive Compensation Payable Under the Investment Management Agreement	2.81 %	(6)
Interest Payments on Borrowed Funds	6.80 %	(7)
Other Expenses	1.13 %	(8)
Total Annual Expenses	13.44 %	

- (1) In the event that securities are sold to or through underwriters, a corresponding prospectus supplement will disclose the applicable sales load.
- (2) The related prospectus supplement will disclose the estimated amount of offering expenses, the offering price and the estimated offering expenses borne by us as a percentage of the offering price.
- (3) The expenses of the dividend reinvestment plan are included in “other expenses.”
- (4) The “net assets attributable to common stock” used to calculate the percentages in this table is our average net assets of \$992.7 million for the year ended December 31, 2024.
- (5) The base management fee is calculated at an annual rate of 1.25% of our total assets (excluding cash and cash equivalents) up to an amount equal to 200% of the net asset value of the Company and 1.00% thereafter, payable quarterly in arrears, as provided in the Amended and Restated Investment Advisory Agreement (as defined below) which was executed in connection with the Merger. The percentage shown in the table, which assumes all capital and leverage is invested at the maximum level, is calculated by determining the ratio that the aggregate base management fee bears to our net assets attributable to common stock and not total assets. We make this conversion because all of our interest is indirectly borne by our common shareholders. If we borrow money or issue preferred stock and invest the proceeds other than in cash and cash equivalents, our base management fees will increase. The base management fee for any partial quarter is appropriately prorated.
- (6) Incentive compensation equals the sum of (1) 20% of all ordinary income since January 1, 2013 through February 8, 2019 and 17.5% thereafter and (2) 20% of all net realized capital gains (net of any net unrealized capital depreciation) since January 1, 2013 through February 8, 2019 and 17.5% thereafter, less ordinary income incentive compensation and capital gains incentive compensation previously paid. However, incentive compensation will only be paid to the extent the cumulative total return of the Company after incentive compensation and including such payment would equal or exceed a 7% annual return on daily weighted average contributed common equity. The incentive compensation is payable quarterly in arrears (or upon termination of the Advisor as the investment manager, as of the termination date). For assets held on January 1, 2013, capital gain, loss and depreciation are measured on an asset by asset basis against the value thereof as of December 31, 2012. The capital gains component is paid or distributed in full prior to payment or distribution of the ordinary income component.

- (7) “Interest Payments on Borrowed Funds” represents interest and fees estimated to be accrued on the Credit Facilities and amortization of debt issuance costs, and assumes the Credit Facilities are fully drawn (subject to asset coverage limitations under the 1940 Act) and that the interest rate on the debt issued is the rate in effect as of December 31, 2024 (i) under the Operating Facility, which was 6.58%, (ii) under the Funding Facility II which was 6.60% and (iii) under the Merger Sub Facility which was 6.63%. “Interest Payments on Borrowed Funds” additionally represents interest and fees estimated to be accrued on our \$92.0 million in aggregate principal amount of notes due 2025, which bear interest at an annual rate of 6.85% on the fixed tranche and 7.71% on the floating tranche, payable semi-annually and quarterly, respectively, \$325.4 million in aggregate principal amount of notes due 2026, which bear interest at an annual rate of 2.85%, payable semi-annually, our \$321.7 million in aggregate principal amount of notes due 2029, which bear interest at an annual rate of 6.95%, payable semi-annually and our \$141.5 million of committed leverage from the SBA, which SBA debentures, once drawn, bear an interim interest rate of LIBOR plus 30 basis points, are non-recourse and may be prepaid at any time without penalty, and assumes that the committed leverage from the SBA is fully drawn. When we borrow money or issue preferred stock, all of our interest and preferred stock dividend payments are indirectly borne by our common shareholders.
- (8) “Other Expenses” includes our estimated overhead expenses, including expenses of our Advisor reimbursable under the investment management agreement and of the Administrator reimbursable under the administration agreement except for certain administration overhead costs which are not currently contemplated to be charged to us. Such expense estimate, other than the Administrator expenses, is based on actual other expenses for the year ended December 31, 2024.

Example

The following example demonstrates the projected dollar amount of total cumulative expenses (including shareholder transaction expenses and annual expenses) that would be incurred over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed that our annual operating expenses remain at the levels set forth in the table above.

	1 year	3 years	5 years	10 years
You would pay the following expenses on a \$1,000 investment, assuming a 5% annual return resulting entirely from net investment income ⁽¹⁾	\$ 127	\$ 311	\$ 476	\$ 812
You would pay the following expenses on a \$1,000 investment, assuming a 5% annual return resulting entirely from net realized capital gains ⁽²⁾	\$ 127	\$ 311	\$ 476	\$ 812

- (1) All incentive compensation (on both net investment income and net realized gains) is subject to a total return hurdle of 7%. Consequently, no incentive compensation would be incurred in this scenario.
- (2) All incentive compensation (on both net investment income and net realized gains) is subject to a total return hurdle of 7%. Consequently, no incentive compensation would be incurred in this scenario. Assumes no unrealized capital depreciation.

While the example assumes, as required by the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. There is no incentive compensation either on income or on capital gains under our investment management agreement assuming a 5% annual return and therefore it is not included in the example. If we achieve sufficient returns on our investments, including through the realization of capital gains, to trigger an incentive compensation of a material amount, our distributions to our common shareholders and our expenses would likely be higher. In addition, the example assumes reinvestment of all dividends and distributions at net asset value.

Item 6. [Reserved]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The information contained in this section should be read in conjunction with our audited consolidated financial statements and related notes thereto appearing elsewhere in this annual report on Form 10-K. Some of the statements in this report (including in the following discussion) constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which relate to future events or the future performance or financial condition of BlackRock TCP Capital Corp. (the “Company,” “we,” “us” or “our”), formerly known as TCP Capital Corp. The forward-looking statements contained in this report involve a number of risks and uncertainties, including statements concerning:

- our, or our portfolio companies’, future business, operations, operating results or prospects;
- the return or impact of current and future investments;
- the impact of a protracted decline in the liquidity of credit markets on our business;
- the impact of fluctuations in interest rates on our business;
- the impact of changes in laws or regulations governing our operations or the operations of our portfolio companies;
- our contractual arrangements and relationships with third parties;
- the general economy and its impact on the industries in which we invest;
- the financial condition of and ability of our current and prospective portfolio companies to achieve their objectives;
- our expected financings and investments;
- the adequacy of our financing resources and working capital;
- the ability of our investment advisor to locate suitable investments for us and to monitor and administer our investments;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the timing, form and amount of any dividend distributions;
- our ability to maintain our qualification as a RIC and as a BDC; and
- the ability to realize benefits anticipated by the Merger; and
- the impact of information technology system failures, data security breaches, data privacy compliance, network disruptions, and cybersecurity attacks.

We use words such as “anticipate,” “believe,” “expect,” “intend,” “will,” “should,” “could,” “may,” “plan” and similar words to identify forward-looking statements. The forward looking statements contained in this quarterly report involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth as “Risk Factors” in this report.

We have based the forward-looking statements included in this report on information available to us on the date of this report, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the SEC, including annual reports on Form 10-K, registration statements on Form N-2, quarterly reports on Form 10-Q and current reports on Form 8-K.

Overview

The Company is a Delaware corporation formed on April 2, 2012 and is an externally managed, closed-end, non-diversified management investment company. The Company was formed through the conversion of a pre-existing closed-end investment company. The Company elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). Our investment objective is to seek to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. We invest primarily in the debt of middle-market companies as well as small businesses, including senior secured loans, junior loans, mezzanine debt and bonds. Such investments may include an equity component, and, to a lesser extent, we may make equity investments directly. Certain investment operations are conducted through the Company’s wholly-owned subsidiaries, Special Value Continuation Partners LLC, a Delaware limited liability company (“SVCP”), TCPC Funding I, LLC (“TCPC Funding”), TCPC Funding II, LLC (“TCPC Funding II”), TCPC SBIC, LP, a Delaware limited partnership (the “SBIC”) and BCIC Merger Sub, LLC, a Delaware limited liability company and a wholly-owned subsidiary of SVCP (“Merger Sub”). SVCP was organized as a limited partnership and had elected to be regulated as a BDC under the 1940 Act through July 31, 2018. On August 1, 2018, SVCP withdrew its election to be regulated as a BDC under the 1940 Act and withdrew the registration of its common limited partner interests under Section 12(g) of the 1934 Act and, on August 2, 2018, terminated its general partner, Series H of SVOF/MM, LLC, and converted to a Delaware limited liability company. Series H of SVOF/MM, LLC (“SVOF/MM”) serves as the administrator (the “Administrator”) of the Company. The managing member of SVOF/MM is Tennenbaum Capital Partners, LLC (the “Advisor”), which serves as the investment manager to the Company, TCPC Funding, TCPC Funding II and the SBIC. On August 1, 2018, the Advisor merged with and into a wholly owned subsidiary of BlackRock Capital Investment Advisors, LLC (“BCIA”), an indirect wholly owned subsidiary of BlackRock, Inc. with the Advisor as the surviving entity. The SBIC was organized as a Delaware limited partnership in June 2013. On April 22, 2014, the SBIC received a license from the United States Small Business Administration (the “SBA”) to operate as a small business investment company under the provisions of Section 301(c) of the Small Business Investment Act of 1958.

The Company has elected to be treated as a RIC for U.S. federal income tax purposes. As a RIC, the Company will not be taxed on its income to the extent that it distributes such income each year and satisfies other applicable income tax requirements. All of the subsidiaries of the Company are treated as disregarded entities.

Our leverage program is comprised of \$300.0 million in available debt under a revolving, multi-currency credit facility issued by SVCP (the “Operating Facility”), \$200.0 million in available debt under a senior secured revolving credit facility issued by TCPC Funding II (“Funding Facility II”), amounts outstanding under a senior secured revolving credit facility originally issued by BlackRock Capital Investment Corporation, a Delaware corporation (“BCIC”), and assumed by Merger Sub (“Merger Sub Facility”), unsecured notes due December 2025 originally issued by BCIC and assumed by Merger Sub (the “2025 Notes”), \$325.0 million in senior unsecured notes issued by the Company maturing in 2026 (the “2026 Notes”), \$325.0 million in senior unsecured notes issued by the Company maturing in 2029 (the “2029 Notes”) and \$141.5 million in committed leverage from the SBA (the “SBA Program” and, together with the Operating Facility, Funding Facility II, Merger Sub Facility, the 2025 Notes, the 2026 Notes and the 2029 Notes, the “Leverage Program”). Prior to being repaid on March 1, 2022, debt included \$140.0 million in Convertible unsecured notes due March 2022 issued by the Company (the “2022 Convertible Notes”). Prior to being repaid on August 23, 2024, debt included \$250.0 million in unsecured notes due August 2024 issued by the Company (the “2024 Notes”).

To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements and timely distribute to our shareholders generally at least 90% of our investment company taxable income, as defined by the Internal Revenue Code of 1986, as amended, for each year. Pursuant to this election, we generally will not have to pay corporate level taxes on any income that we distribute to our shareholders provided that we satisfy those requirements.

On September 6, 2023, the Company entered into an agreement and plan of merger with BCIC, Merger Sub, and, solely for the limited purposes set forth therein, BCIA and the Advisor (such agreement, as amended, the “Merger Agreement”). On March 18, 2024, BCIC merged with and into Merger Sub, with Merger Sub continuing as the surviving company and as a subsidiary of SVCP and an indirect wholly-owned subsidiary of the Company (the “Merger”). As a result of the Merger, BCIC’s separate existence ceased.

In accordance with the terms of the Merger Agreement, at the closing of the Merger, each outstanding share of BCIC’s common stock was converted into the right to receive 0.3834 shares (the “Exchange Ratio”) of common stock, par value \$0.001 per share of the Company (with BCIC shareholders receiving cash in lieu of fractional shares of the Company’s common stock). As a result of the Merger, the Company issued 27,823,870 shares of its common stock to former BCIC shareholders, after adjustment for BCIC’s shareholders receiving cash in lieu of fractional shares.

See “Note 12 – Merger with BlackRock Capital Investment Corporation” for further information regarding the Merger Agreement and the Merger.

Investments

Our level of investment activity can and does vary substantially from period to period depending on many factors, including the amount of debt and equity capital available to middle-market companies, the level of merger and acquisition activity, the general economic environment and the competitive environment for the types of investments we make.

As a BDC, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in “qualifying assets,” including securities and indebtedness of private U.S. companies, public U.S. operating companies whose securities are not listed on a national securities exchange or registered under the Securities Exchange Act of 1934, as amended, public domestic operating companies having a market capitalization of less than \$250.0 million, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. We are also permitted to make certain follow-on investments in companies that were eligible portfolio companies at the time of initial investment but that no longer meet the definition. As of December 31, 2024, 83.1% of our total assets were invested in qualifying assets.

Revenues

We generate revenues primarily in the form of interest on the debt we hold. We also generate revenue from dividends on our equity interests, capital gains on the disposition of investments, and certain lease, fee, and other income. Our investments in fixed income instruments generally have an expected maturity of three to five years, although we have no lower or upper constraint on maturity. Interest on our debt investments is generally payable quarterly or semi-annually. Payments of principal of our debt investments may be amortized over the stated term of the investment, deferred for several years or due entirely at maturity. In some cases, our debt investments and preferred stock investments may defer payments of cash interest or dividends or PIK. Any outstanding principal amount of our debt investments and any accrued but unpaid interest will generally become due at the maturity date. In addition, we may generate revenue in the form of prepayment fees, commitment, origination, structuring or due diligence fees, end-of-term or exit fees, fees for providing significant managerial assistance, consulting fees and other investment related income.

Expenses

Our primary operating expenses include the payment of a base management fee and, depending on our operating results, incentive compensation, expenses reimbursable under the management agreement, administration fees and the allocable portion of overhead under the administration agreement. The base management fee and incentive compensation remunerates the Advisor for work in identifying, evaluating, negotiating, closing and monitoring our investments. Our administration agreement with the Administrator provides that the Administrator may be reimbursed for costs and expenses incurred by the Administrator for office space rental, office equipment and utilities allocable to us under the administration agreement, as well as any costs and expenses incurred by the Administrator or its affiliates relating to any non-investment advisory, administrative or operating services provided by the Administrator or its affiliates to us. We also bear all other costs and expenses of our operations and transactions (and the Company’s common shareholders indirectly bear all of the costs and expenses of the Company, SVCP, TCPC Funding II, the SBIC and Merger Sub), which may include those relating to:

- our organization;
- calculating our net asset value (including the cost and expenses of any independent valuation firms);
- interest payable on debt, if any, incurred to finance our investments;
- costs of future offerings of our common stock and other securities, if any;
- the base management fee and any incentive compensation;
- dividends and distributions on our preferred shares, if any, and common shares;
- administration fees payable under the administration agreement;
- fees payable to third parties relating to, or associated with, making investments;
- transfer agent and custodial fees;
- registration fees;
- listing fees;
- taxes;
- director fees and expenses;

- costs of preparing and filing reports or other documents with the SEC;
- costs of any reports, proxy statements or other notices to our shareholders, including printing costs;
- our fidelity bond;
- directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- indemnification payments;
- direct costs and expenses of administration, including audit and legal costs; and
- all other expenses reasonably incurred by us and the Administrator in connection with administering our business, such as the allocable portion of overhead under the administration agreement, including rent and other allocable portions of the cost of certain of our officers and their respective staffs.

Prior to the Closing, the investment management agreement provided that the base management fee be calculated at an annual rate of 1.5% of our total assets (excluding cash and cash equivalents) payable quarterly in arrears; provided, however, that, effective as of February 9, 2019, the base management fee was calculated at an annual rate of 1.0% of our total assets (excluding cash and cash equivalents) that exceed an amount equal to 200% of the net asset value of the Company. For purposes of calculating the base management fee, "total assets" is determined without deduction for any borrowings or other liabilities. The base management fee is calculated based on the value of our total assets and net asset value (excluding cash and cash equivalents) at the end of the most recently completed calendar quarter.

In connection with the Merger, the Company and the Advisor entered into an amended and restated investment advisory agreement (the "Amended and Restated Investment Advisory Agreement"), pursuant to which the Advisor reduced its base management fee rate for managing the Company from 1.50% to 1.25% on assets equal to or below 200% of the net asset value of the Company with no change to the basis of calculation. Prior to the Closing, the Advisor's base management fee rate for managing the Company was 1.50% on assets equal to or below 200% of the net asset value of the Company. The base management fee rate on assets that exceed 200% of the net asset value of the Company remains 1.00%. The Company also entered into a fee waiver agreement with the Advisor (the "Fee Waiver Agreement"). The Fee Waiver Agreement provided that the Advisor will waive all or a portion of its advisory fees to the extent the adjusted net investment income of the Company on a per share basis (determined by dividing the adjusted net investment income of the Company by the weighted average outstanding shares of the Company during the relevant quarter) is less than \$0.32 per share in any of the first four (4) fiscal quarters ending after the Closing (the first of which will be the quarter in which the Closing occurred) to the extent there are sufficient advisory fees to cover such deficit (the waiver amount in a given quarter cannot exceed the total advisory fees for such quarter).

Additionally, the previous investment management agreement dated February 9, 2019 and the Amended and Restated Investment Advisory Agreement each provide that the Advisor or its affiliates may be entitled to incentive compensation under certain circumstances. According to the terms of such agreements, no incentive compensation was incurred prior to January 1, 2013. Under the previous investment management agreement, dated February 9, 2019, and as continued under the Amended and Restated Investment Advisory Agreement, the incentive compensation equals the sum of (1) 20% of all ordinary income since January 1, 2013 through February 8, 2019 and 17.5% thereafter and (2) 20% of all net realized capital gains (net of any net unrealized capital depreciation) since January 1, 2013 through February 8, 2019 and 17.5% thereafter, less ordinary income incentive compensation and capital gains incentive compensation previously paid. However, incentive compensation will only be paid to the extent the cumulative total return of the Company after incentive compensation and including such payment would equal or exceed a 7% annual return on daily weighted-average contributed common equity. The determination of incentive compensation is subject to limitations under the 1940 Act and the Investment Advisers Act of 1940.

Critical accounting policies and estimates

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Changes in the economic environment, financial markets and any other parameters used in determining such estimates could cause actual results to differ. Management considers the following critical accounting policies important to understanding the financial statements. In addition to the discussion below, our critical accounting policies are further described in the notes to our financial statements.

Valuation of portfolio investments

Pursuant to Rule 2a-5 (the “Rule”) under the 1940 Act, the Board of Directors designated the Advisor as the Company’s valuation designee (the “Valuation Designee”) to perform certain fair value functions, including performing fair value determinations and has approved policies and procedures adopted by the Advisor to seek to ensure compliance with the requirements of the Rules.

We value our portfolio investments at fair value based upon the principles and methods of valuation set forth in policies and procedures reviewed and approved by a committee established by the Valuation Designee (the “Valuation Committee”). Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Market participants are buyers and sellers in the principal (or most advantageous) market for the asset that (i) are independent of us, (ii) are knowledgeable, having a reasonable understanding about the asset based on all available information (including information that might be obtained through due diligence efforts that are usual and customary), (iii) are able to transact for the asset, and (iv) are willing to transact for the asset or liability (that is, they are motivated but not forced or otherwise compelled to do so).

Investments for which market quotations are readily available are valued at such market quotations unless the quotations are deemed not to represent fair value. We generally obtain market quotations from recognized exchanges, market quotation systems, independent pricing services or one or more broker-dealers or market makers. However, short term debt investments with original maturities of generally three months or less are valued at amortized cost, which approximates fair value. Debt and equity securities for which market quotations are not readily available, which is the case for many of our investments, or for which market quotations are deemed not to represent fair value, are valued at fair value using a consistently applied valuation process in accordance with our documented valuation policies and procedures reviewed and approved by the Valuation Committee. The policies were adopted by the Valuation Designee and approved by the Board. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from the values that we may ultimately realize. In addition, changes in the market environment and other events may have differing impacts on the market quotations used to value some of our investments than on the fair values of our investments for which market quotations are not readily available. Market quotations may be deemed not to represent fair value in certain circumstances where we believe that facts and circumstances applicable to an issuer, a seller or purchaser, or the market for a particular security cause current market quotations to not reflect the fair value of the security. Examples of these events could include cases where a security trades infrequently causing a quoted purchase or sale price to become stale, where there is a “forced” sale by a distressed seller, where market quotations vary substantially among market makers, or where there is a wide bid-ask spread or significant increase in the bid-ask spread.

The valuation process adopted by the Valuation Designee with respect to investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value is as follows:

- The investment professionals of the Valuation Designee provide recent portfolio company financial statements and other reporting materials to independent valuation firms approved by the Valuation Committee.
- Such firms evaluate this information along with relevant observable market data to conduct independent appraisals each quarter, and their preliminary valuation conclusions are documented and discussed with senior management of the Valuation Designee.
- The fair value of smaller investments comprising in the aggregate less than 5% of our total capitalization may be determined by the Valuation Designee in good faith in accordance with our valuation policy without the employment of an independent valuation firm.
- The Valuation Designee determines the fair value of the remainder of investments in our portfolio in good faith based on the input of the Valuation Committee and the respective independent valuation firms.

Those investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value are valued utilizing one or more methodologies, including the market approach, the income approach, or in the case of recent investments, the cost approach, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that the Valuation Designee may take into account in determining the fair value of our investments include, as relevant and among other factors: available current market data, including relevant and applicable market trading and transaction comparable, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company’s ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, merger and acquisition comparable, our principal market (as the reporting entity) and enterprise values.

When valuing all of our investments, we strive to maximize the use of observable inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of us. Unobservable inputs are inputs that reflect our assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances.

Our investments may be categorized based on the types of inputs used in their valuation. The level in the GAAP valuation hierarchy in which an investment falls is based on the lowest level input that is significant to the valuation of the investment in its entirety. Investments are classified by GAAP into the three broad levels as follows:

Level 1 — Investments valued using unadjusted quoted prices in active markets for identical assets.

Level 2 — Investments valued using other unadjusted observable market inputs, e.g. quoted prices in markets that are not active or quotes for comparable instruments.

Level 3 — Investments that are valued using quotes and other observable market data to the extent available, but which also take into consideration one or more unobservable inputs that are significant to the valuation taken as a whole.

As of December 31, 2024, 0.0% of our investments were categorized as Level 1, 1.6% were categorized as Level 2, 98.3% were categorized as Level 3 investments valued based on valuations by independent third-party sources, and 0.1% were categorized as Level 3 investments valued based on valuations by the Valuation Designee.

As of December 31, 2023, 0.0% of our investments were categorized as Level 1, 3.0% were categorized as Level 2, 96.9% were categorized as Level 3 investments valued based on valuations by independent third-party sources, and 0.1% were categorized as Level 3 investments valued based on valuations by the Valuation Designee.

Determination of fair value involves subjective judgments and estimates. Accordingly, the notes to our consolidated financial statements express the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on the financial statements.

Revenue recognition

Interest and dividend income, including income paid in kind, is recorded on an accrual basis, when such amounts are considered collectible. Origination, structuring, closing, commitment and other upfront fees, including original issue discounts, earned with respect to capital commitments are generally amortized or accreted into interest income over the life of the respective debt investment, as are end-of-term or exit fees receivable upon repayment of a debt investment. Other fees, including certain amendment fees, prepayment fees and commitment fees on broken deals, are recognized as earned. Prepayment fees and similar income due upon the early repayment of a loan or debt security are recognized when earned and are included in interest income.

Certain of our debt investments are purchased at a discount to par as a result of the underlying credit risks and financial results of the issuer, as well as general market factors that influence the financial markets as a whole. Discounts on the acquisition of corporate bonds are generally amortized using the effective-interest or constant-yield method assuming there are no questions as to collectability. When principal payments on a loan are received in an amount in excess of the loan's amortized cost, the excess principal payments are recorded as interest income.

Debt investments are generally placed on non-accrual status when it is probable that principal or interest will not be collected according to the contractual terms. When a debt investment is placed on non-accrual status, accrued and unpaid interest (including any accrued PIK interest) is generally reversed, and discount accretion or premium amortization is discontinued. The Company does not reverse previously capitalized PIK income. Payments received on non-accrual investments may either be recognized as income or applied to principal depending upon the Company's judgment regarding collectability of the outstanding principal and interest. Non-accrual investments are restored to accrual status if past due principal and interest are paid or, in the Company's judgment, the repayment of the remaining contractual principal and interest is expected. The Company may opt not to place a distressed debt investment on non-accrual status if principal and interest are secured through sufficient collateral value and are in the process of collection through legal actions or other efforts that are expected to result in repayment of principal and interest.

Net realized gains or losses and net change in unrealized appreciation or depreciation

We measure realized gains or losses by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized. Realized gains and losses are computed using the specific identification method. Net change in unrealized appreciation or depreciation reflects the change in portfolio investment values during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

Portfolio and investment activity

During the year ended December 31, 2024, we invested approximately \$930.2 million, of which \$587.0 million of investments were acquired as a result of the Merger which were comprised of 95.8% in senior secured loans, 3.1% in unsecured or subordinated debt securities and 1.1% in equity investments. The remaining \$343.2 million of investments made by the Company during the year ended December 31, 2024, included new investments in 24 new and 20 existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, \$324.5 million, or 94.5% of total acquisitions, were in senior secured loans and \$7.6 million, or 2.3% of total acquisitions, were in senior secured notes. The remaining \$11.1 million, or 3.2% of total acquisitions, was comprised of equity investments. Additionally, we received approximately \$517.1 million in proceeds from sales or repayments of investments during the year ended December 31, 2024.

During the year ended December 31, 2023, we invested approximately \$226.1 million, comprised of new investments in 19 new and 9 existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, \$219.6 million, or 97.1% of total acquisitions, were in senior secured loans, \$2.2 million, or 1.0% of total acquisitions, were in senior secured notes. The remaining \$4.3 million, or 1.9% of total acquisitions, was comprised of equity investments. Additionally, we received approximately \$218.7 million in proceeds from sales or repayments of investments during the year ended December 31, 2023.

At December 31, 2024, our consolidated investment portfolio of \$1,794.8 million (at fair value) consisted of 154 portfolio companies and was invested 91.5% in debt investments, primarily in senior secured debt. In aggregate, our investment portfolio was invested 87.9% in senior secured loans, 3.3% in senior secured notes, 0.3% in unsecured debt and 8.5% in equity investments. Our average portfolio company investment at fair value was approximately \$11.7 million. Our largest portfolio company investment based on fair value was approximately 6.2% of our portfolio and our five largest portfolio company investments by value comprised approximately 18.3% of our portfolio at December 31, 2024.

At December 31, 2023, our investment portfolio of \$1,554.9 million (at fair value) consisted of 142 portfolio companies and was invested 89.3% in debt investments, primarily in senior secured debt. In aggregate, our investment portfolio was invested 86.0% in senior secured loans, 3.3% in senior secured notes and 10.7% in equity investments. Our average portfolio company investment at fair value was approximately \$11.0 million. Our largest portfolio company investment based on fair value was approximately 6.6% of our portfolio and our five largest portfolio company investments by value comprised approximately 19.8% of our portfolio at December 31, 2023.

The industry composition of our portfolio at fair value at December 31, 2024 was as follows:

Industry	Percent of Total Investments
Internet Software and Services	14.6 %
Software	13.8 %
Diversified Financial Services	11.2 %
Diversified Consumer Services	6.8 %
Professional Services	5.9 %
Health Care Technology	4.0 %
Healthcare Providers and Services	3.2 %
Road and Rail	3.0 %
Media	2.8 %
Textiles, Apparel and Luxury Goods	2.7 %
IT Services	2.7 %
Automobiles	2.7 %
Capital Markets	2.6 %
Construction and Engineering	2.5 %
Paper and Forest Products	2.3 %
Insurance	2.2 %
Specialty Retail	2.0 %
Technology Hardware, Storage and Peripherals	2.0 %
Consumer Finance	1.6 %
Real Estate Management and Development	1.2 %
Containers and Packaging	1.1 %
Machinery	1.1 %
Other	8.0 %
Total	100.0 %

The weighted average effective yield of our debt portfolio based on fair value was 12.4% at December 31, 2024 and 14.1% at December 31, 2023, excluding non-accrual and non-income producing loans. The weighted average effective yield of our total portfolio based on fair value was 11.1% at December 31, 2024 and 13.3% at December 31, 2023. At December 31, 2024, 94.5% of debt investments in our portfolio bore interest based on floating rates, such as SOFR, EURIBOR, the Federal Funds Rate or the Prime Rate, and 5.5% bore interest at fixed rates. The percentage of floating rate debt investments in our portfolio that were subject to an interest rate floor was 97.5% at December 31, 2024. Debt and preferred equity investments in twelve portfolio companies were on non-accrual status as of December 31, 2024, representing 5.6% of the portfolio at fair value and 14.4% at cost. At December 31, 2023, 95.6% of debt investments in our portfolio bore interest based on floating rates, such as SOFR, EURIBOR, the Federal Funds Rate or the Prime Rate, and 4.4% bore interest at fixed rates. The percentage of floating rate debt investments in our portfolio that were subject to an interest rate floor was 94.0% at December 31, 2023. Debt and preferred equity investments in four portfolio companies were on non-accrual status as of December 31, 2023, representing 2.0% of the portfolio at fair value and 3.7% at cost.

Results of operations

Investment income

Investment income totaled \$259.4 million, \$209.3 million and \$181.0 million, respectively, for the years ended December 31, 2024, 2023 and 2022, of which \$251.4 million, \$205.1 million and \$172.8 million were attributable to interest and fees on our debt investments, \$7.9 million, \$3.8 million and \$7.2 million to dividend income and \$0.1 million, \$0.4 million and \$1.0 million to other income, respectively. Included in interest and fees on our debt investments were \$16.5 million, \$1.8 million and \$8.3 million of non-recurring income related to prepayments and \$1.1 million, \$0.9 million and \$0.5 million in amendment fees for the years ended December 31, 2024, 2023 and 2022, respectively. The increase in investment income for the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily reflects an increase in interest income due to additional investment income earned on investments acquired as a result of the Merger and higher SOFR rates during the year ended December 31, 2024. The increase in investment income for the year ended December 31, 2023 compared to the year ended December 31, 2022 primarily reflects an increase in interest income due to the rise in LIBOR/SOFR rates, partially offset by the lower dividend income and other income received during the year ended December 31, 2023.

Expenses

Total operating expenses for the years ended December 31, 2024, 2023 and 2022 were \$127.2 million, \$102.5 million and \$92.6 million, respectively, comprised of \$72.2 million, \$47.8 million and \$39.4 million in interest expense and related fees, \$24.5 million, \$24.0 million and \$26.3 million in base management fees, \$19.2 million, \$22.6 million and \$18.8 million in incentive fee expense, \$3.2 million, \$2.2 million and \$1.8 million in professional fees, \$2.4 million, \$1.5 million and \$1.8 million in administrative expenses and \$5.7 million, \$4.4 million and \$4.5 million in other expenses, respectively. The increase in operating expenses for the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily reflects an increase in interest expense as a result of the higher debt outstanding assumed as a result of the Merger and the issuance of the 2029 Notes during the year ended December 31, 2024. The increase in operating expenses for the year ended December 31, 2023 compared to the year ended December 31, 2022 reflects an increase in interest expense due to the rise in LIBOR/SOFR rates and an increase in incentive fee expense, partially offset by the lower management fees during the year ended December 31, 2023.

Net investment income

Net investment income was \$131.8 million, \$106.6 million and \$88.4 million, respectively, for the years ended December 31, 2024, 2023 and 2022. The increase in net investment income for the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily reflects the increase in total investment income, partially offset by the increase in expenses during the year ended December 31, 2024. The increase in net investment income for the year ended December 31, 2023 compared to the year ended December 31, 2022 primarily reflects the increase in total investment income, partially offset by the increase in expenses during the year ended December 31, 2023.

Net realized and unrealized gain or loss

Net realized gain (loss) for the years ended December 31, 2024, 2023 and 2022 was \$(67.1) million, \$(31.6) million and \$(18.2) million, respectively. Net realized losses for the year ended December 31, 2024 were comprised primarily of \$24.1 million, \$22.8 million, \$12.6 million and \$7.4 million in losses from the restructuring of our investments in Pluralsight, Thras.io, Hylan and McAfee, respectively. Net realized losses for the year ended December 31, 2023 were comprised primarily of a \$30.7 million loss from reorganization of our investment in Autoalert. Net realized losses for the year ended December 31, 2022 were comprised primarily of a \$13.8 million loss from reorganization of our investment in Fishbowl, a \$13.3 million loss from the restructuring of our investment in Avanti, partially offset by a \$11.2 million gain from the exit of our debt investment in CORE Entertainment.

For the years ended December 31, 2024, 2023 and 2022, the change in net unrealized appreciation (depreciation) was \$(127.8) million, \$(36.4) million and \$(79.4) million, respectively. The change in unrealized depreciation of \$(127.8) million is net of \$21.3 million in unrealized appreciation resulting from a reduction of the cost basis of investments acquired as a result of the Merger from allocation of the purchase discount paid by the Company. The change in net unrealized depreciation for the year ended December 31, 2024 primarily reflects a \$63.7 million unrealized loss on our investment in Razor, a \$21.9 million unrealized loss on our investment in Edmentum, an \$20.6 million unrealized loss on our investment in Seller-X, a \$16.0 million unrealized loss on our investment in Lithium, a \$12.0 million unrealized loss on our investment in Astra, and a \$11.4 million unrealized loss on our investment in Securus, partially offset by \$17.1 million, \$10.2 million, \$6.3 million, and \$5.5 million reversals of previous unrealized losses from the restructuring of our investments in Thras.io, Hylan, Perch and McAfee, respectively. The change in net unrealized appreciation (depreciation) for the year ended December 31, 2023 primarily reflects an \$18.2 million unrealized loss on our investment in Edmentum, a \$12.3 million unrealized loss on our investment in Thras.io, a \$9.3 million unrealized loss on our investment in Hylan, an \$8.6 million unrealized loss

on our investment in Magenta Buyer, a \$6.3 million unrealized loss on our investment in Astra, a \$6.0 million unrealized loss on our investment in 36th Street Capital, a \$5.5 million unrealized loss on our investment in Khoros, a \$4.8 million unrealized loss on our investment in Perch, offset by a \$36.2 million reversal of previously recognized unrealized losses from the reorganization of our investment in Autoalert. The change in net unrealized appreciation (depreciation) for the year ended December 31, 2022 primarily reflects \$34.3 million in unrealized losses from Autoalert, \$14.9 million reversal of previously recognized unrealized gains from the disposition of our investment in CORE Entertainment, \$11.1 million of unrealized losses on Edmentum, as well as unrealized losses across the portfolio from widening market spreads, offset by \$20.9 million in unrealized gains on our investment in 36th Street Capital, \$13.9 million reversal of previously recognized unrealized losses from the restructuring of our investment in Fishbowl and \$12.3 million reversal of previously recognized unrealized losses from the restructuring of our investment in Avanti.

Incentive compensation

Incentive fees, included in operating expenses for the years ended December 31, 2024, 2023 and 2022 were \$19.2 million, \$22.6 million and \$18.8 million. The decrease in incentive fee expense for the year ended December 31, 2024 compared to the year ended December 31, 2023 was primarily due to the Company not accruing incentive fees in the three months ended December 31, 2024 as a result of the cumulative total return not exceeding the total return hurdle.

Income tax expense, including excise tax

The Company has elected to be treated as a RIC under Subchapter M of the Code and operates in a manner so as to qualify for the tax treatment applicable to RICs. To qualify as a RIC, the Company must, among other things, timely distribute to its shareholders generally at least 90% of its investment company taxable income, as defined by the Code, for each year. The Company has made and intends to continue to make the requisite distributions to its shareholders which will generally relieve the Company from U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income. Any excise tax expense is recorded at year end as such amounts are known. For the year ended December 31, 2024, an excise tax expense of \$0.5 million was recorded, based on the amount of tax-basis ordinary income for the years ended December 31, 2024 and 2023. For the year ended December 31, 2023, an excise tax expense of \$0.2 million was recorded, based on the amount of tax-basis ordinary income for the years ended December 31, 2023 and 2022. No excise tax was incurred for the year ended December 31, 2022.

On March 18, 2024, the Company completed its previously announced Merger with BCIC. Pursuant to the Merger Agreement, BCIC was merged with and into Merger Sub, with Merger Sub continuing as the surviving company and as a subsidiary of SVCP. The Merger was considered a tax-free reorganization and the Company has elected to carry forward the historical cost basis of the acquired BCIC investments for tax purposes. As a result of the Merger, BCIC's separate existence ceased.

Net increase (decrease) in net assets resulting from operations

The net increase (decrease) in net assets applicable to common shareholders resulting from operations was \$(63.1) million, \$38.5 million and \$(9.2) million for the years ended December 31, 2024, 2023 and 2022, respectively. The net decrease in net assets resulting from operations during the year ended December 31, 2024 was primarily due to the higher net realized and unrealized losses, partially offset by higher net investment income compared to the year ended December 31, 2023. The higher net increase in net assets resulting from operations during the year ended December 31, 2023 was primarily due to the higher net investment income and the lower realized and unrealized losses compared to the year ended December 31, 2022.

Supplemental Non-GAAP information

On March 18, 2024, the Company completed its previously announced Merger with BCIC. The Merger has been accounted for as an asset acquisition of BCIC by the Company in accordance with the asset acquisition method of accounting as detailed in ASC 805-50 ("ASC 805"), Business Combinations-Related Issues. The Company determined the fair value of the shares of the Company's common stock that were issued to former BCIC shareholders pursuant to the Merger Agreement plus transaction costs to be the consideration paid in connection with the Merger under ASC 805. The consideration paid to BCIC shareholders was less than the aggregate fair values of the BCIC assets acquired and liabilities assumed, which resulted in a purchase discount (the "purchase discount"). The consideration paid was allocated to the individual BCIC assets acquired and liabilities assumed based on the relative fair values of net identifiable assets acquired other than "non-qualifying" assets and liabilities (for example, cash) and did not give rise to goodwill. As a result, the purchase discount was allocated to the cost basis of the BCIC investments acquired by the Company on a pro-rata basis based on their relative fair values as of the effective time of the Merger. Immediately following the Merger, the investments were marked to their respective fair values in accordance with ASC 820 which resulted in immediate recognition of net unrealized appreciation in the Consolidated Statement of Operations as a result of the Merger. The purchase discount allocated to the BCIC debt investments acquired will amortize over the remaining life of each respective debt investment through interest income, with a corresponding adjustment recorded to unrealized appreciation or depreciation on such investment acquired through its ultimate disposition. The purchase discount allocated to BCIC equity investments acquired will not amortize over the life of such investments through interest income and, assuming no subsequent change to the fair value of the equity investments acquired and disposition of such equity investments at fair value, the Company may recognize a realized gain with a corresponding reversal of the unrealized appreciation on disposition of such equity investments acquired.

As a supplement to the Company's reported GAAP financial measures, we have provided the following non-GAAP financial measures that we believe are useful:

- "Adjusted net investment income" – excludes the amortization of purchase accounting discount from net investment income calculated in accordance with GAAP;
- "Adjusted net realized and unrealized gain (loss)" – excludes the unrealized appreciation resulting from the purchase discount and the corresponding reversal of the unrealized appreciation from the amortization of the purchase discount from the determination of net realized and unrealized gain (loss) determined in accordance with GAAP; and
- "Adjusted net increase (decrease) in net assets resulting from operations" – calculates net increase (decrease) in net assets resulting from operations based on Adjusted net investment income and Adjusted net realized and unrealized gain (loss).

	Year ended December 31,			
	2024		2023	
	Amount	Per Share	Amount	Per Share
Net investment income	\$ 131,757,870	1.65	\$ 106,556,758	1.84
Less: Purchase accounting discount amortization	10,303,754	0.13	—	—
Adjusted net investment income	<u>\$ 121,454,116</u>	<u>1.52</u>	<u>\$ 106,556,758</u>	<u>1.84</u>
Net realized and unrealized gain (loss)	\$ (194,895,042)	(2.45)	\$ (68,082,326)	(1.18)
Less: Realized gain (loss) due to the allocation of purchase discount	9,798,978	0.12	—	—
Less: Net change in unrealized appreciation (depreciation) due to the allocation of purchase discount	1,784,116	0.02	—	—
Adjusted net realized and unrealized gain (loss)	<u>\$ (206,478,136)</u>	<u>(2.59)</u>	<u>\$ (68,082,326)</u>	<u>(1.18)</u>
Net increase (decrease) in net assets resulting from operations	\$ (63,137,172)	(0.79)	\$ 38,474,432	0.67
Less: Purchase accounting discount amortization	10,303,754	0.13	—	—
Less: Realized gain (loss) due to the allocation of purchase discount	9,798,978	0.12	—	—
Less: Net change in unrealized appreciation (depreciation) due to the allocation of purchase discount	1,784,116	0.02	—	—
Adjusted net increase (decrease) in assets resulting from operations	<u>\$ (85,024,020)</u>	<u>(1.06)</u>	<u>\$ 38,474,432</u>	<u>0.67</u>

We believe that the adjustment to exclude the full effect of purchase discount accounting under ASC 805 from these financial measures is meaningful because of the potential impact on the comparability of these financial measures that we and investors use to assess our financial condition and results of operations period over period. Although these non-GAAP financial measures are intended to enhance investors' understanding of our business and performance, these non-GAAP financial measures should not be considered an alternative to GAAP. The aforementioned non-GAAP financial measures may not be comparable to similar non-GAAP financial measures used by other companies.

Liquidity and capital resources

Since our inception, our liquidity and capital resources have been generated primarily through the initial private placement of common shares of Special Value Continuation Fund, LLC (the predecessor entity) which were subsequently converted to common stock of the Company, the net proceeds from the initial and secondary public offerings of our common stock, amounts outstanding under our Leverage Program, and cash flows from operations, including investments sales and repayments and income earned from investments and cash equivalents. The primary uses of cash have been investments in portfolio companies, cash distributions to our equity holders, payments to service our Leverage Program and other general corporate purposes.

On February 27, 2024, the Board of Directors approved a new dividend reinvestment plan (the "DRIP") for the Company. The DRIP was effective as of, and will apply to the reinvestment of cash distributions with a record date after March 18, 2024. Under the DRIP, shareholders will automatically receive cash dividends and distributions unless they "opt in" to the DRIP and elect to have their dividends and distributions reinvested in additional shares of the Company's common stock. Notwithstanding the foregoing, the former shareholders of BCIC that participated in the BCIC dividend reinvestment plan at the time of the Merger have been automatically enrolled in the Company's DRIP and will have their shares reinvested in additional shares of the Company's common stock on future distributions, unless they "opt out" of the DRIP. For the year ended December 31, 2024, approximately \$2.3 million of cash distributions were reinvested for electing Participants through purchase of shares in the open market in accordance with the terms of the DRIP.

On February 24, 2015, the Company's Board of Directors approved a stock repurchase plan (the "Company Repurchase Plan") to acquire up to \$50.0 million in the aggregate of the Company's common stock at prices at certain thresholds below the Company's net asset value per share, in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the 1934 Act. The Company Repurchase Plan is designed to allow the Company to repurchase its common stock at times when it otherwise might be prevented from doing so under insider trading laws. The Company Repurchase Plan requires an agent selected by the Company to repurchase shares of common stock on the Company's behalf if and when the market price per share is at certain thresholds below the most recently reported net asset value per share. Under the plan, the agent will increase the volume of purchases made if the price of the Company's common stock declines, subject to volume restrictions. The timing and amount of any stock repurchased depends on the terms and conditions of the Company Repurchase Plan, the market price of the common stock and trading volumes, and no assurance can be given that any particular amount of common stock will be repurchased. The Company Repurchase Plan was re-approved on April 24, 2024, to be in

effect through the earlier of April 30, 2025, unless further extended or terminated by the Company's Board of Directors, or such time as the approved \$50.0 million repurchase amount has been fully utilized, subject to certain conditions.

The following table summarizes the total shares repurchased and amounts paid by the Company under the Company Repurchase Plan, including broker fees, for the year ended December 31, 2024:

	2024	2023
Shares Repurchased	510,687	—
Price Per Share *	\$ 8.86	—
Total Cost	\$ 4,524,639	—

* Weighted-average price per share

No shares were repurchased by the Company under the Company Repurchase plan for the year ended December 31, 2023.

Total leverage outstanding and available under the combined Leverage Program at December 31, 2024 were as follows:

	Maturity	Rate	Carrying Value ⁽¹⁾	Available	Total Capacity
Operating Facility	2029	SOFR+2.00% ⁽²⁾	\$ 120,670,788	\$ 179,329,212	\$ 300,000,000 ⁽³⁾
Funding Facility II	2027	SOFR+2.05% ⁽⁴⁾	75,000,000	125,000,000	200,000,000 ⁽⁵⁾
Merger Sub Facility ⁽⁶⁾	2028	SOFR+2.00% ⁽⁷⁾	60,000,000	205,000,000	265,000,000 ⁽⁸⁾
SBA Debentures	2025–2031	2.45% ⁽⁹⁾	131,500,000	10,000,000	141,500,000
2025 Notes (\$92 million par) ⁽⁶⁾	2025	Fixed/Variable ⁽¹⁰⁾	92,000,000	—	92,000,000
2026 Notes (\$325 million par)	2026	2.85%	325,398,402	—	325,398,402
2029 Notes (\$325 million par)	2029	6.95%	321,745,636	—	321,745,636
Total leverage			1,126,314,826	\$ 519,329,212	\$ 1,645,644,038
Unamortized issuance costs			(7,974,601)		
Debt, net of unamortized issuance costs			\$ 1,118,340,225		

(1) Except for the 2026 Notes and 2029 Notes all carrying values are the same as the principal amounts outstanding.

(2) As of December 31, 2024, \$113.0 million of the outstanding amount was subject to a SOFR credit adjustment of 0.10%. \$7.7 million of the outstanding amount bore interest at a rate of EURIBOR + 2.00%.

(3) Operating Facility includes a \$100.0 million accordion which allows for expansion of the facility to up to \$400.0 million subject to consent from the lender and other customary conditions.

(4) Subject to certain funding requirements and a SOFR credit adjustment of 0.15%.

(5) Funding Facility II includes a \$50.0 million accordion which allows for expansion of the facility to up to \$250.0 million subject to consent from the lender and other customary conditions.

(6) Debt assumed by the Company as a result of the Merger with BCIC.

(7) The applicable margin for SOFR-based borrowings could be either 1.75% or 2.00% depending on a ratio of the borrowing base to certain committed indebtedness, and is also subject to a credit spread adjustment of 0.10%. If Merger Sub elects to borrow based on the alternate base rate, the applicable margin could be either 0.75% or 1.00% depending on a ratio of the borrowing base to certain committed indebtedness.

(8) Merger Sub Facility includes a \$60.0 million accordion which allows for expansion of the facility to up to \$325.0 million subject to consent from the lender and other customary conditions.

(9) Weighted-average interest rate, excluding fees of 0.35% or 0.36%.

(10) The 2025 Notes consist of two tranches: \$35.0 million aggregate principal amount with a fixed interest rate of 6.85% and \$57.0 million aggregate principal amount bearing interest at a rate equal to SOFR plus 3.14%.

Under Section 61(a) of the 1940 Act, prior to March 23, 2018, a BDC was generally not permitted to issue senior securities unless after giving effect thereto the BDC met a coverage ratio of total assets, less liabilities and indebtedness not represented by senior securities, to total senior securities, which includes all borrowings of the BDC, of at least 200%. On March 23, 2018, the Small Business Credit Availability Act ("SBCAA") was signed into law, which among other things, amended Section 61(a) of the 1940 Act to add a new Section 61(a)(2) that reduces the asset coverage requirement applicable to BDCs from 200% to 150% so long as the BDC meets certain disclosure requirements and obtains certain approvals. The reduced asset coverage requirement would permit a BDC to have a ratio of total outstanding indebtedness to common equity of 2:1 as compared to a maximum of 1:1 under the 200% asset coverage requirement.

Effective November 7, 2018, the Company's Board of Directors, including a "required majority" (as such term is defined in Section 57(o) of the 1940 Act) 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 (the "Asset Coverage Ratio Election"), which would have resulted (had

the Company not received earlier shareholder approval) in our asset coverage requirement applicable to senior securities being reduced from 200% to 150%, effective on November 7, 2019. On February 8, 2019, the shareholders of the Company approved the Asset Coverage Ratio Election, and, as a result, effective on February 9, 2019, our asset coverage requirement applicable to senior securities was reduced from 200% to 150%. As of December 31, 2024, the Company's asset coverage ratio was 178.9%.

On July 13, 2015, we obtained exemptive relief from the SEC to permit us to exclude debt outstanding under the SBA Debentures from our asset coverage test under the 1940 Act. The exemptive relief provides us with increased flexibility under the 150% asset coverage test by permitting the SBIC to borrow up to \$141.5 million more than it would otherwise be able to absent the receipt of this exemptive relief.

Net cash provided by operating activities during the year ended December 31, 2024 was \$293.1 million, consisting primarily of \$107.1 million in net investment income (net of non-cash income and expenses) and the settlement of dispositions of investments (net of acquisitions) of \$186.0 million.

Net cash used by financing activities was \$313.8 million during the year ended December 31, 2024, consisting primarily of a \$250.0 million repayment of the 2024 Notes, \$249.7 million in net credit facility repayments, \$122.5 million in dividends paid to common shareholders (including \$7.3 million of dividends declared by BCIC prior to the Merger and paid to former BCIC shareholders out of cash and cash equivalents acquired), \$8.4 million in payments of associated debt issuance costs and a \$4.5 million repurchase of shares, offset by \$321.4 million in proceeds from the issuance of the 2029 Notes.

At December 31, 2024, we had \$91.6 million in cash and cash equivalents.

The Operating Facility, Funding Facility II and Merger Sub Facility (in the aggregate) are secured by substantially all of the assets in our portfolio, including cash and cash equivalents, and are subject to compliance with customary affirmative and negative covenants, including the maintenance of a minimum stockholders' equity, the maintenance of a ratio of not less than 150% of total assets (less total liabilities other than indebtedness) to total indebtedness, and restrictions on certain payments and issuance of debt. Unfavorable economic conditions may result in a decrease in the value of our investments, which would affect both the asset coverage ratios and the value of the collateral securing the Operating Facility, Funding Facility II and Merger Sub Facility, and may therefore impact our ability to borrow under the Operating Facility, Funding Facility II and Merger Sub Facility. In addition to regulatory restrictions that restrict our ability to raise capital, the Leverage Program contains various covenants which, if not complied with, could accelerate repayment of debt, thereby materially and adversely affecting our liquidity, financial condition and results of operations. At December 31, 2024, we were in compliance with all financial and operational covenants required by the Leverage Program.

Unfavorable economic conditions, while potentially creating attractive opportunities for us, may decrease liquidity and raise the cost of capital generally, which could limit our ability to renew, extend or replace the Leverage Program on terms as favorable as are currently included therein. If we are unable to renew, extend or replace the Leverage Program upon the various dates of maturity, we expect to have sufficient funds to repay the outstanding balances in full from our net investment income and sales of, and repayments of principal from, our portfolio company investments, as well as from anticipated debt and equity capital raises, among other sources. Unfavorable economic conditions may limit our ability to raise capital or the ability of the companies in which we invest to repay our loans or engage in a liquidity event, such as a sale, recapitalization or initial public offering. The Operating Facility, Funding Facility II, Merger Sub Facility, the 2025 Notes, the 2026 Notes and the 2029 Notes, mature in August 2029, August 2027, September 2028, December 2025, February 2026 and May 2029, respectively. Any inability to renew, extend or replace the Leverage Program could adversely impact our liquidity and ability to find new investments or maintain distributions to our shareholders.

Challenges in the market are intensified for us by certain regulatory limitations under the Code and the 1940 Act. To maintain our qualification as a RIC, we must satisfy, among other requirements, an annual distribution requirement to pay out at least 90% of our ordinary income and short-term capital gains to our shareholders. Because we are required to distribute our income in this manner, and because the illiquidity of many of our investments may make it difficult for us to finance new investments through the sale of current investments, our ability to make new investments is highly dependent upon external financing. While we anticipate being able to continue to satisfy all covenants and repay the outstanding balances under the Leverage Program when due, there can be no assurance that we will be able to do so, which could lead to an event of default.

Contractual obligations

In addition to obligations under our Leverage Program, we have entered into several contracts under which we have future commitments. Pursuant to an investment management agreement, the Advisor manages our day-to-day operations and provides investment advisory services to us. Payments under the investment management agreement are equal to a percentage of the value of our total assets (excluding cash and cash equivalents) and an incentive compensation, plus reimbursement of certain expenses incurred by the Advisor. Under our administration agreement, the Administrator provides us with administrative services, facilities and personnel. Payments under the administration agreement are equal to an allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to us and may include rent and our allocable portion of the cost of certain of our officers and their respective staffs. We are responsible for reimbursing the Advisor for due diligence and negotiation expenses, fees and expenses of custodians, administrators, transfer and distribution agents, counsel and directors, insurance, filings and registrations, proxy expenses, expenses of communications to investors, compliance expenses, interest, taxes, portfolio transaction expenses, costs of responding to regulatory inquiries and reporting to regulatory authorities, costs and expenses of preparing and maintaining our books and records, indemnification, litigation and other extraordinary expenses and such other expenses as are approved by the directors as being reasonably related to our organization, offering, capitalization, operation or administration and any portfolio investments, as applicable. The Advisor is not responsible for any of the foregoing expenses and such services are not investment advisory services under the 1940 Act. Either party may terminate each of the investment management agreement and administration agreement without penalty upon not less than 60 days' written notice to the other.

Distributions

Our quarterly dividends and distributions to common shareholders are recorded on the ex-dividend date. Distributions are declared considering our estimate of annual taxable income available for distribution to shareholders and the amount of taxable income carried over from the prior year for distribution in the current year. We do not have a policy to pay distributions at a specific level and expect to continue to distribute substantially all of our taxable income. We cannot assure shareholders that they will receive any distributions or distributions at a particular level.

The following tables summarize dividends declared for the year ended December 31, 2024 and 2023:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount	Reinvested Amount ⁽¹⁾
February 29, 2024	March 14, 2024	March 29, 2024	Regular	\$ 0.34	\$ 19,640,870	\$ —
May 1, 2024	June 14, 2024	June 28, 2024	Regular	0.34	29,100,986	771,651
August 7, 2024	September 16, 2024	September 30, 2024	Regular	0.34	29,100,986	722,140
November 6, 2024	December 17, 2024	December 31, 2024	Regular	0.34	28,929,237	637,485
November 6, 2024	December 17, 2024	December 31, 2024	Special	0.10	8,508,599	187,495
				<u>\$ 1.46</u>	<u>\$ 115,280,678</u>	<u>\$ 2,318,771</u>

(2) Dividends reinvested through purchase of shares in the open market.

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount	Reinvested Amount ⁽¹⁾
February 28, 2023	March 17, 2023	March 31, 2023	Regular	\$ 0.32	\$ 18,485,524	\$ —
May 4, 2023	June 16, 2023	June 30, 2023	Regular	0.34	19,640,870	—
August 3, 2023	September 15, 2023	September 29, 2023	Regular	0.34	19,640,870	—
August 3, 2023	September 15, 2023	September 29, 2023	Special	0.10	5,776,726	—
November 2, 2023	December 15, 2023	December 29, 2023	Regular	0.34	19,640,870	—
November 2, 2023	December 15, 2023	December 29, 2023	Special	0.25	14,441,816	—
				<u>\$ 1.69</u>	<u>\$ 97,626,676</u>	<u>\$ —</u>

(2) No dividend reinvestment plan was effective for the year ended December 31, 2023.

In addition, the Company paid \$7.3 million of dividends payable assumed in the Merger that were declared on March 4, 2024 by the BCIC Board of Directors for the benefit of former BCIC shareholders of record as of March 15, 2024. Such amount was paid from BCIC cash and cash equivalents acquired by the Company in the Merger.

We have elected to be taxed as a RIC under Subchapter M of the Code. In order to maintain favorable RIC tax treatment, we must distribute annually to our shareholders at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, out of the assets legally available for distribution. In order to avoid certain excise taxes imposed on RICs, we must distribute during each calendar year an amount at least equal to the sum of:

- 98% of our ordinary income (not taking into account any capital gains or losses) for the calendar year;
- 98.2% of the amount by which our capital gains exceed our capital losses (adjusted for certain ordinary losses) for the one-year period generally ending on October 31 of the calendar year; and
- certain undistributed amounts from previous years on which we paid no U.S. federal income tax.

We may, at our discretion, carry forward taxable income in excess of calendar year distributions and pay a 4% excise tax on this income. If we choose to do so, all other things being equal, this would increase expenses and reduce the amounts available to be distributed to our shareholders. We will accrue excise tax on estimated taxable income as required. In addition, although we currently intend to distribute realized net capital gains (i.e., net long-term capital gains in excess of short-term capital losses), if any, at least annually, out of the assets legally available for such distributions, we may in the future decide to retain such capital gains for investment.

We may not be able to achieve operating results that will allow us to make dividends and distributions at a specific level or to increase the amount of these dividends and distributions from time to time. Also, we may be limited in our ability to make dividends and distributions due to the asset coverage test applicable to us as a BDC under the 1940 Act and due to provisions in our existing and future credit facilities. If we do not distribute a certain percentage of our income annually, we will suffer adverse tax consequences, including possible loss of favorable RIC tax treatment. 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 PIK 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 and may be subject to an excise tax.

In order to satisfy the annual distribution requirement applicable to RICs, we have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash. As long as a portion of such dividend is paid in cash and certain requirements are met, the entire distribution would be treated as a dividend for U.S. federal income tax purposes.

Related Parties

We have entered into a number of business relationships with affiliated or related parties, including the following:

- Each of the Company, TCPC Funding II, and the SBIC has entered into an investment management agreement with the Advisor.
- The Administrator provides us with administrative services necessary to conduct our day-to-day operations. For providing these services, facilities and personnel, the Administrator may be reimbursed by us for expenses incurred by the Administrator in performing its obligations under the administration agreement, including our allocable portion of the cost of certain of our officers and the Administrator's administrative staff and providing, at our request and on our behalf, significant managerial assistance to our portfolio companies to which we are required to provide such assistance. The Administrator is an affiliate of the Advisor and certain other series and classes of SVOF/MM, LLC serve as the general partner or managing member of certain other funds managed by the Advisor.
- We have entered into a royalty-free license agreement with BlackRock and the Advisor, pursuant to which each of BlackRock and the Advisor has agreed to grant us a non-exclusive, royalty-free license to use the name "BlackRock" and "TCP."

The Advisor and its affiliates, employees and associates currently do and in the future may manage other funds and accounts. The Advisor and its affiliates may determine that an investment is appropriate for us and for one or more of those other funds or accounts. Accordingly, conflicts may arise regarding the allocation of investments or opportunities among us and those accounts. In general, the Advisor will allocate investment opportunities pro rata among us and the other funds and accounts (assuming the investment satisfies the objectives of each) based on the amount of committed capital each then has available. The allocation of certain investment opportunities in private placements is subject to independent director approval pursuant to the terms of the co-investment exemptive order applicable to us. In certain cases, investment opportunities may be made other than on a pro rata basis. For example, we may desire to retain an asset at the same time that one or more other funds or accounts desire to sell it or we may not have additional capital to invest at a time the other funds or accounts do. If the Advisor is unable to manage our investments effectively, we may be unable to achieve our investment objective. In addition, the Advisor may face conflicts in allocating investment opportunities between us and certain other entities that could impact our investment returns. While our ability to enter into transactions with our affiliates is restricted under the 1940 Act, we have received an exemptive order from the SEC permitting certain affiliated investments subject to certain conditions. As a result, we may face conflict of interests and investments made pursuant to the exemptive order conditions which could in certain circumstances affect adversely the price paid or received by us or the availability or size of the position purchased or sold by us.

Recent Developments

On February 25, 2025, the Advisor voluntarily agreed to waive one-third of its base management fee with respect to the Company for three calendar quarters beginning on January 1, 2025 and ending on September 30, 2025.

On February 27, 2025, the Company's Board of Directors declared a first quarter regular dividend of \$0.25 per share and a special dividend of \$0.04 per share, both payable on March 31, 2025 to shareholders of record as of the close of business on March 17, 2025.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including changes in interest rates. At December 31, 2024, 94.5% of debt investments in our portfolio bore interest based on floating rates, such as SOFR, EURIBOR, the Federal Funds Rate or the Prime Rate. The interest rates on such investments generally reset by reference to the current market index after one to six months. At December 31, 2023, the percentage of floating rate debt investments in our portfolio that were subject to an interest rate floor was 95.6%. Floating rate investments subject to a floor generally reset by reference to the current market index after one to six months only if the index exceeds the floor.

Interest rate sensitivity refers to the change in earnings that may result from changes in the level of interest rates. Because we fund a portion of our investments with borrowings, our net investment income is affected by the difference between the rate at which we invest and the rate at which we borrow. As a result, 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. We assess our portfolio companies periodically to determine whether such companies will be able to continue making interest payments in the event that interest rates increase. There can be no assurances that the portfolio companies will be able to meet their contractual obligations at any or all levels of increases in interest rates.

Based on our December 31, 2024 statement of assets and liabilities, the following table shows the annual impact on net investment income (excluding the related incentive compensation impact) of base rate changes in interest rates (considering interest rate floors for variable rate instruments and the fact that our assets and liabilities may not have the same base rate period as assumed in this table) assuming no changes in our investment and borrowing structure. Projected amounts in the table do not include the impact of interest rate changes on the Company's Interest Rate Swap.

Basis Point Change	Net Investment Income	Net Investment Income Per Share
Up 300 basis points	\$ 40,800,662	\$ 0.48
Up 200 basis points	27,200,441	0.32
Up 100 basis points	13,600,221	0.16
Down 100 basis points	(13,600,221)	(0.16)
Down 200 basis points	(26,966,107)	(0.32)
Down 300 basis points	(39,076,186)	(0.46)

Item 8. Financial Statements and Supplementary Data

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of BlackRock TCP Capital Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of assets and liabilities of BlackRock TCP Capital Corp. and subsidiaries (the “Company”), including the consolidated schedules of investments, as of December 31, 2024 and 2023, the related consolidated statements of operations, changes in net assets, and cash flows for each of the three years in the period then ended, consolidated financial highlights (in Note 10) for each of the five years in the period then ended, and the related consolidated notes and consolidating schedules and statements listed in Index Item 15(a) (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations, changes in net assets, and cash flows for each of the three years in the period then ended, and financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of investments owned as of December 31, 2024 and 2023, by correspondence with the custodian, loan agents, and borrowers; when replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Investment Valuation — Level 3 Investments — Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company held investments classified as Level 3 investments under accounting principles generally accepted in the United States of America. These investments included bank debt, other corporate debt, and equity, which are valued based on quotations or other affirmative pricing from independent third-party sources, or priced directly by Tennenbaum Capital Partners, LLC (the “Advisor”), each of which was determined using quotes and other observable market data to the extent such data are available, but which also required the use of one or more unobservable inputs significant to the valuation taken as a whole. Fair valuations of investments in each asset class are determined using one or more methodologies including market quotations, the market approach, income approach,

or, in the case of recent investments, the cost approach, as appropriate. The fair value of the Company's Level 3 investments was \$1,765,787,785 as of December 31, 2024.

We identified the valuation of Level 3 investments as a critical audit matter because of the judgments necessary for management to select valuation methodologies and to select significant unobservable inputs to estimate the fair value. This required a high degree of audit judgement and increased effort, including the need to involve our fair value specialists who possess significant quantitative and modeling expertise, to audit and evaluate the appropriateness of these models and unobservable inputs.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the valuation methodologies and unobservable inputs used by management to estimate the fair value of Level 3 investments included the following, among others:

- We tested the effectiveness of controls over management's valuation of Level 3 investments, including those related to selection of valuation methodologies and significant unobservable inputs.
- We evaluated the appropriateness of the selected valuation methodologies used for Level 3 investments and tested the related significant unobservable inputs by comparing these inputs to external sources. We evaluated the reasonableness of any significant changes in valuation methodologies or significant unobservable inputs for those investments from the prior year-end. For selected investments, we used the assistance of our fair value specialists.
- For selected investments, with the assistance of our fair value specialists, we developed an independent estimate of the fair value and compared our estimate to management's estimate.
- We evaluated management's ability to reasonably estimate fair value by comparing management's historical estimates to subsequent transactions, taking into account changes in market- or investment- specific conditions, where applicable.

Accounting for the Merger with BlackRock Capital Investment Corporation ("BCIC") – Refer to Note 12 to the Financial Statements

Critical Audit Matter Description

On March 18, 2024, the Company completed its merger with BCIC for the purchase price of \$282.83 million of its common stock (the "Merger"). The Company accounted for the Merger as an asset acquisition under accounting principles generally accepted in the United States of America and the fair value of the consideration paid by the Company was allocated to the assets acquired and liabilities assumed based on their respective fair values as of the date of the transaction.

We identified the accounting for the Merger as a critical audit matter because of judgments necessary for management to apply the merger accounting. This required a high degree of auditor judgement and extensive audit effort, when performing audit procedures to audit management's application of the merger accounting.

How the Critical Audit Matter Were Addressed in the Audit:

Our audit procedures related to the application of the merger accounting included the following, among others:

- We tested the effectiveness of management's controls over the Merger, including those related to the determination and application of appropriate accounting policies for asset acquisition.
- We evaluated the appropriateness of the merger accounting based on the significant terms of the merger agreement, the determination of net asset value of BCIC on the merger date, and the allocation of the merger considerations to the assets acquired and liabilities assumed, including the Level 3 investments acquired through the Merger.

/s/ Deloitte & Touche LLP
Los Angeles, California
February 27, 2025

We have served as the Company's auditor since 2015.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of BlackRock TCP Capital Corp.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of BlackRock TCP Capital Corp. and subsidiaries (the “Company”) as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated February 27, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP
Los Angeles, California
February 27, 2025

BlackRock TCP Capital Corp.
Consolidated Statements of Assets and Liabilities

	December 31, 2024	December 31, 2023
Assets		
Investments, at fair value:		
Non-controlled, non-affiliated investments (cost of \$1,737,804,418 and \$1,389,865,889, respectively)	\$ 1,565,603,753	\$ 1,317,691,543
Non-controlled, affiliated investments (cost of \$59,606,472 and \$63,188,613, respectively)	49,444,695	65,422,375
Controlled investments (cost of \$221,803,172 and \$198,335,511, respectively)	179,709,888	171,827,192
Total investments (cost of \$2,019,214,062 and \$1,651,390,013, respectively)	1,794,758,336	1,554,941,110
Cash and cash equivalents	91,589,702	112,241,946
Interest, dividends and fees receivable	22,784,825	25,650,684
Deferred debt issuance costs	6,235,009	3,671,727
Receivable for investments sold	4,487,697	—
Due from broker	817,969	—
Prepaid expenses and other assets	2,357,825	2,266,886
Total assets	1,923,031,363	1,698,772,353
Liabilities		
Debt (net of deferred issuance costs of \$7,974,601 and \$3,355,221, respectively)	1,118,340,225	985,200,609
Interest and debt related payables	8,306,126	10,407,570
Management fees payable	5,750,971	5,690,105
Reimbursements due to the Advisor	932,224	844,664
Interest Rate Swap, at fair value	731,830	—
Payable for investments purchased	99,494	960,000
Incentive fees payable	—	5,347,711
Accrued expenses and other liabilities	3,746,826	2,720,148
Total liabilities	1,137,907,696	1,011,170,807
Commitments and contingencies (Note 5)		
Net assets	\$ 785,123,667	\$ 687,601,546
Composition of net assets applicable to common shareholders		
Common stock, \$0.001 par value; 200,000,000 shares authorized, 85,080,447 and 57,767,264 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	\$ 85,080	\$ 57,767
Paid-in capital in excess of par	1,731,057,459	967,643,255
Distributable earnings (loss)	(946,018,872)	(280,099,476)
Total net assets	785,123,667	687,601,546
Total liabilities and net assets	\$ 1,923,031,363	\$ 1,698,772,353
Net assets per share	\$ 9.23	\$ 11.90

See accompanying notes to the consolidated financial statements.

BlackRock TCP Capital Corp.
Consolidated Statements of Operations

	Year Ended December 31,		
	2024	2023	2022
Investment income			
Interest income (excluding PIK):			
Non-controlled, non-affiliated investments	\$ 223,638,775	\$ 183,528,944	\$ 157,012,042
Non-controlled, affiliated investments	1,475,521	1,046,044	148,805
Controlled investments	10,469,100	10,061,227	7,710,565
PIK interest income:			
Non-controlled, non-affiliated investments	14,084,097	9,422,286	7,899,134
Non-controlled, affiliated investments	89,620	410,074	—
Controlled investments	1,653,364	651,700	—
Dividend income:			
Non-controlled, non-affiliated investments	1,549,846	1,133,826	1,017,828
Non-controlled, affiliated investments	3,725,827	2,652,918	2,357,066
Controlled investments	2,606,160	—	3,794,889
Other income:			
Non-controlled, non-affiliated investments	145,080	376,214	881,611
Non-controlled, affiliated investments	—	45,650	180,520
Total investment income	<u>259,437,390</u>	<u>209,328,883</u>	<u>181,002,459</u>
Operating expenses			
Interest and other debt expenses	72,164,042	47,810,740	39,358,896
Management fees	24,541,027	24,020,766	26,259,584
Incentive fees	19,236,336	22,602,949	18,759,613
Professional fees	3,196,682	2,173,123	1,767,652
Administrative expenses	2,389,479	1,532,284	1,760,905
Director fees	821,219	936,819	1,090,654
Insurance expense	783,631	558,020	638,006
Custody fees	380,582	365,107	339,886
Other operating expenses	3,643,968	2,525,002	2,589,090
Total operating expenses	<u>127,156,966</u>	<u>102,524,810</u>	<u>92,564,286</u>
Net investment income before taxes	<u>132,280,424</u>	<u>106,804,073</u>	<u>88,438,173</u>
Excise tax expense	522,554	247,315	—
Net investment income	<u>131,757,870</u>	<u>106,556,758</u>	<u>88,438,173</u>
Realized and unrealized gain (loss) on investments and foreign currency			
Net realized gain (loss):			
Non-controlled, non-affiliated investments	(54,300,808)	(31,648,232)	(29,278,589)
Non-controlled, affiliated investments	(12,810,138)	—	11,172,439
Controlled investments	—	—	(124,801)
Net realized gain (loss)	<u>(67,110,946)</u>	<u>(31,648,232)</u>	<u>(18,230,951)</u>
Net change in unrealized appreciation (depreciation) ⁽¹⁾ :			
Non-controlled, non-affiliated investments	(99,794,086)	(2,036,190)	(72,517,792)
Non-controlled, affiliated investments	(12,395,543)	(28,656,798)	(27,307,855)
Controlled investments	(15,584,976)	(5,741,106)	20,393,093
Interest Rate Swap	(9,491)	—	—
Net change in unrealized appreciation (depreciation)	<u>(127,784,096)</u>	<u>(36,434,094)</u>	<u>(79,432,554)</u>
Net realized and unrealized gain (loss)	<u>(194,895,042)</u>	<u>(68,082,326)</u>	<u>(97,663,505)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ (63,137,172)</u>	<u>\$ 38,474,432</u>	<u>\$ (9,225,332)</u>
Basic and diluted earnings (loss) per share	<u>\$ (0.79)</u>	<u>\$ 0.67</u>	<u>\$ (0.16)</u>
Basic and diluted weighted average common shares outstanding	<u>79,670,868</u>	<u>57,767,264</u>	<u>57,767,264</u>

(1) Includes \$21,347,357 change in unrealized appreciation from application of Merger accounting under ASC 805 for the year ended December 31, 2024 (see Note 12).
See accompanying notes to the consolidated financial statements.

BlackRock TCP Capital Corp.
Consolidated Statements of Changes in Net Assets

	<u>Common Stock</u>		<u>Paid in Capital in Excess of Par</u>	<u>Distributable earnings (loss)</u>	<u>Total Net Assets</u>
	<u>Shares</u>	<u>Par Amount</u>			
Balance at December 31, 2021	<u>57,767,264</u>	<u>\$ 57,767</u>	<u>\$ 966,409,911</u>	<u>\$ (137,011,042)</u>	<u>\$ 829,456,636</u>
Cumulative effect adjustment for the adoption of ASU 2020-06 ⁽¹⁾	—	—	(3,309,596)	3,196,507	(113,089)
Net investment income	—	—	—	88,438,173	88,438,173
Net realized and unrealized gain (loss)	—	—	—	(97,663,505)	(97,663,505)
Dividends paid to shareholders	—	—	—	(73,364,425)	(73,364,425)
Tax reclassification of shareholders' equity in accordance with generally accepted accounting principles	—	—	4,790,255	(4,790,255)	—
Balance at December 31, 2022	<u>57,767,264</u>	<u>\$ 57,767</u>	<u>\$ 967,890,570</u>	<u>\$ (221,194,547)</u>	<u>\$ 746,753,790</u>
Net investment income	—	—	—	106,556,758	106,556,758
Net realized and unrealized gain (loss)	—	—	—	(68,082,326)	(68,082,326)
Dividends paid to shareholders	—	—	—	(97,626,676)	(97,626,676)
Tax reclassification of shareholders' equity in accordance with generally accepted accounting principles	—	—	(247,315)	247,315	—
Balance at December 31, 2023	<u>57,767,264</u>	<u>\$ 57,767</u>	<u>\$ 967,643,255</u>	<u>\$ (280,099,476)</u>	<u>\$ 687,601,546</u>
Issuance of common stock in connection with the Merger (Note 12)	27,823,870	27,824	280,436,786	—	280,464,610
Repurchase of common stock	(510,687)	(511)	(4,524,128)	—	(4,524,639)
Net investment income	—	—	—	131,757,870	131,757,870
Net realized and unrealized gain (loss)	—	—	—	(194,895,042)	(194,895,042)
Dividends paid to shareholders	—	—	—	(115,280,678)	(115,280,678)
Tax reclassification of shareholders' equity in accordance with generally accepted accounting principles	—	—	487,501,546	(487,501,546)	—
Balance at December 31, 2024	<u>85,080,447</u>	<u>\$ 85,080</u>	<u>\$ 1,731,057,459</u>	<u>\$ (946,018,872)</u>	<u>\$ 785,123,667</u>

(1) See Note 2 and Note 4 for further information related to the adoption of ASU 2020-06.

See accompanying notes to the consolidated financial statements.

BlackRock TCP Capital Corp.
Consolidated Statements of Cash Flows

	Year Ended December 31,		
	2024	2023	2022
Operating activities			
Net increase (decrease) in net assets resulting from operations	\$ (63,137,172)	\$ 38,474,432	\$ (9,225,332)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:			
Net realized (gain) loss	67,110,946	31,648,232	18,230,951
Change in net unrealized (appreciation) depreciation of investments	127,718,167	36,256,621	79,727,077
Net amortization of investment discounts and premiums	(21,849,303)	(5,835,136)	(9,558,688)
Amortization of original issue discount on debt	371,015	214,762	199,265
Interest and dividend income paid in kind	(15,827,081)	(10,392,996)	(7,899,134)
Amortization of deferred debt issuance costs	4,678,811	3,037,427	3,011,599
Cash acquired in the Merger	11,670,610	—	—
Merger costs capitalized into purchase price	(2,366,408)	—	—
Changes in assets and liabilities ⁽¹⁾ :			
Purchases of investments ⁽²⁾	(325,794,590)	(215,700,132)	(330,408,650)
Proceeds from disposition of investments	517,085,063	218,669,941	481,458,510
Decrease (increase) in interest, dividends and fees receivable	11,673,902	(4,746,887)	(842,693)
Decrease (increase) in due from broker	1,274,539	—	—
Decrease (increase) in receivable for investments sold	(3,816,255)	—	6,024,981
Decrease (increase) in prepaid expenses and other assets	208,345	559,118	(159,893)
Increase (decrease) in payable for investments purchased	(1,454,570)	(977,465)	(27,056,925)
Increase (decrease) in incentive fees payable	(6,711,336)	464,136	1,141,132
Increase (decrease) in interest and debt related payables	(3,029,629)	1,146,832	(1,602,945)
Increase (decrease) in Interest Rate Swap, at fair value	(996,337)	—	—
Increase (decrease) in reimbursements due to the Advisor	87,560	(654,069)	556,639
Increase (decrease) in management fees payable	(1,827,798)	(394,097)	(219,974)
Increase (decrease) in accrued expenses and other liabilities	(1,946,403)	682,979	572,604
Net cash provided by (used in) operating activities	293,122,075	92,453,698	203,948,524
Financing activities			
Draws on credit facilities	372,843,137	292,695,015	572,601,699
Repayments of credit facility draws	(622,500,000)	(253,416,188)	(503,191,263)
Payments of debt issuance costs	(8,440,948)	(1,410,711)	—
Dividends paid to shareholders ⁽³⁾	(122,537,869)	(100,515,039)	(70,476,062)
Repurchase of shares	(4,524,639)	—	—
Repayment of convertible notes	—	—	(140,000,000)
Repayment of unsecured notes	(250,000,000)	—	—
Proceeds from issuance of unsecured notes	321,386,000	—	—
Net cash provided by (used in) financing activities	(313,774,319)	(62,646,923)	(141,065,626)
Net increase (decrease) in cash and cash equivalents (including restricted cash)	(20,652,244)	29,806,775	62,882,898
Cash and cash equivalents (including restricted cash) at beginning of period	112,241,946	82,435,171	19,552,273
Cash and cash equivalents (including restricted cash) at end of period	\$ 91,589,702	\$ 112,241,946	\$ 82,435,171
Supplemental cash flow information			
Interest payments	\$ 68,818,965	\$ 42,591,908	\$ 36,920,429
Excise tax payments	\$ 165,495	\$ 48,604	\$ —
Distributions payable	\$ —	\$ —	\$ 2,888,363
Non-cash operating and financing activities from the Merger			
Acquisition of Merger Sub assets and liabilities ⁽⁴⁾			
Non-cash assets acquired:			
Investments ⁽⁵⁾	\$ 586,983,708	\$ —	\$ —
Interest, dividends and fees receivable	10,373,421	—	—
Due from broker	2,048,141	—	—
Other assets	3,731,006	—	—
Total non-cash assets acquired	\$ 603,136,276	\$ —	\$ —
Liabilities assumed:			
Debt	\$ 315,296,749	\$ —	\$ —
Dividends payable	7,257,191	—	—
Management fees payable	1,888,664	—	—
Interest Rate Swap, at fair value	1,674,309	—	—
Incentive fees payable	1,363,625	—	—
Other liabilities	4,495,330	—	—
Total liabilities assumed	\$ 331,975,868	\$ —	\$ —
Issuance of shares in connection with the Merger	\$ 280,464,610	\$ —	\$ —
Merger costs capitalized into purchase price	\$ 2,366,408	\$ —	\$ —

- (1) Adjusted for assets acquired and liabilities assumed as a result of the Merger (as defined in Note 1 “Organization and Nature of Operations”), as applicable.
- (2) Excludes \$586,983,708 of cost of investments acquired in connection with the Merger.
- (3) Includes payment of dividends payable of \$7,257,191 assumed in the Merger declared on March 4, 2024 by the BCIC Board of Directors for the benefit of former BCIC shareholders of record as of March 15, 2024.
- (4) On March 18, 2024, in connection with the Merger, the Company acquired net assets in exchange for shares issued of the Company's common stock with a market value of \$280,464,610 plus \$2,366,408 in merger costs capitalized into the purchase price.
- (5) Investments acquired were recorded at fair value at the date of the acquisition, which is also the Company's initial cost basis in the investments, and reflects the impact of a \$21,886,848 purchase discount.

See accompanying notes to the consolidated financial statements

BlackRock TCP Capital Corp.
Consolidated Schedule of Investments
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Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments⁽⁴⁾											
Aerospace & Defense											
Skydio, Inc	First Lien Delayed Draw Term Loan B	SOFR(M)	2.50%	2.75% Cash + 2.75% PIK	10.02%	12/4/2029	\$ —	\$ (129,218)	\$ (131,250)	-0.01 %	K/N
Skydio, Inc	First Lien Term Loan	SOFR(M)	2.50%	2.75% Cash + 2.75% PIK	10.02%	12/4/2029	\$ 13,125,000	12,995,270	12,993,750	0.69 %	N
								12,866,052	12,862,500	0.68 %	
Automobiles											
ALCV Purchaser, Inc. (AutoLenders)	First Lien Term Loan	SOFR(Q)	1.00%	7.01%	11.34%	2/25/2026	\$ 7,734,970	7,640,976	7,688,560	0.41 %	G/N
ALCV Purchaser, Inc. (AutoLenders)	Sr Secured Revolver	SOFR(Q)	1.00%	7.01%	11.34%	2/25/2026	\$ 896,404	886,220	891,025	0.05 %	G/N
AutoAlert, LLC	First Lien Incremental Term Loan	SOFR(Q)	1.00%	5.40%	9.99%	3/31/2028	\$ 18,812,631	18,812,631	18,812,631	1.00 %	F/N
AutoAlert, LLC	Second Lien Incremental Term Loan	SOFR(Q)	1.00%	9.40% PIK	13.99%	3/31/2029	\$ 10,718,897	10,718,897	10,718,897	0.57 %	F/N
								38,058,724	38,111,113	2.03 %	
Building Products											
Air Distribution Technologies Inc	First Lien Term Loan	SOFR(M)	1.00%	6.00%	10.55%	8/1/2030	\$ 2,000,421	1,961,606	1,976,416	0.10 %	N
Porcelain Acquisition Corporation (Paramount)	First Lien Term Loan	SOFR(Q)	1.00%	6.10%	10.43%	4/30/2027	\$ 9,452,421	9,215,178	8,422,107	0.45 %	N
Trulite Holding Corp.	First Lien Term Loan	SOFR(Q)	1.00%	6.00%	10.59%	2/22/2030	\$ 1,635,417	1,579,667	1,633,372	0.09 %	N
								12,756,451	12,031,895	0.64 %	
Capital Markets											
Pico Quantitative Trading, LLC	First Lien Term Loan	SOFR(Q)	1.50%	7.51%	12.17%	2/8/2027	\$ 22,291,007	22,198,712	22,268,716	1.18 %	N
Pico Quantitative Trading, LLC	First Lien Incremental Term Loan	SOFR(Q)	1.50%	7.51%	12.10%	2/8/2027	\$ 17,285,388	17,165,438	17,129,820	0.91 %	N
PMA Parent Holdings, LLC	First Lien Term Loan	SOFR(Q)	0.75%	5.25%	9.58%	1/31/2031	\$ 5,236,875	4,986,030	5,247,349	0.28 %	N
PMA Parent Holdings, LLC	Sr Secured Revolver	SOFR(Q)	0.75%	5.25%	9.58%	1/31/2031	\$ —	(13,344)	—	0.00 %	K/N
								44,336,836	44,645,885	2.37 %	
Commercial Services & Supplies											
Apollo Group Holdco, LLC (Topsail)	First Lien Term Loan	SOFR(Q)	1.00%	6.00%	10.33%	12/26/2030	\$ 500,000	490,006	490,000	0.03 %	N
Kellermeyer Bergensons Services, LLC	First Lien Term Loan	SOFR(Q)	1.00%	1.90% Cash + 3.50% PIK	9.99%	11/6/2028	\$ 1,333,891	1,299,716	1,333,891	0.07 %	N
Kellermeyer Bergensons Services, LLC	Subordinated Term Loan	SOFR(Q)	1.00%	1.15% Cash + 7.00% PIK	12.74%	11/6/2028	\$ 588,214	373,598	588,214	0.03 %	N
Modigent, LLC (Pueblo)	First Lien Term Loan	SOFR(Q)	0.75%	6.50%	10.83%	8/23/2028	\$ 1,693,151	1,625,755	1,671,292	0.09 %	N
Modigent, LLC (Pueblo)	First Lien Delayed Draw Term Loan	SOFR(Q)	0.75%	6.50%	10.83%	8/23/2028	\$ 1,174,408	1,131,768	1,159,247	0.06 %	N
Modigent, LLC (Pueblo)	First Lien Incremental Delayed Draw Term Loan	SOFR(Q)	0.75%	6.50%	10.83%	8/23/2028	\$ 707,766	659,082	678,788	0.04 %	N
Modigent, LLC (Pueblo)	Sr Secured Revolver	SOFR(Q)	0.75%	6.50%	10.83%	8/23/2027	\$ 425,793	413,629	419,925	0.02 %	N
Thermostat Purchaser III, Inc. (Reedy Industries)	Second Lien Term Loan	SOFR(Q)	0.75%	7.10%	11.91%	8/31/2029	\$ 10,383,054	10,152,539	10,383,054	0.55 %	N
								16,146,093	16,724,411	0.89 %	
Communications Equipment											
Plate Newco 1 Limited (Avanti) (United Kingdom)	Subordinated E1 Term Loan	Fixed	—	12.50% PIK	12.50%	6/30/2025	\$ 88,455	58,350	—	0.00 %	C/H/N

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Consolidated Schedule of Investments (Continued)
December 31, 2024

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Plate Newco 1 Limited (Avanti) (United Kingdom)	Subordinated E2 Term Loan	Fixed	—	12.50% PIK	12.50%	6/30/2025	\$ 265,368	\$ 174,283	\$ -	0.00 %	C/H/N
Plate Newco 1 Limited (Avanti) (United Kingdom)	Subordinated F Term Loan	Fixed	—	12.50% PIK	12.50%	6/30/2025	\$ 1,071,041	650,880	—	0.00 %	C/H/N
Plate Newco 1 Limited (Avanti) (United Kingdom)	Subordinated G Term Loan	Fixed	—	12.50% PIK	12.50%	6/30/2025	\$ 315,185	198,154	—	0.00 %	C/H/N
								1,081,667	—	0.00 %	
Construction and Engineering											
Homernew Buyer, Inc. (Renovo)	First Lien Term Loan	SOFR(M)	1.00%	8.60% PIK	12.96%	11/23/2027	\$ 8,894,358	7,953,937	3,193,859	0.17 %	C/N
Homernew Buyer, Inc. (Renovo)	First Lien Term Loan	SOFR(M)	1.00%	9.10% PIK	13.44%	11/23/2027	\$ 822,292	806,814	822,292	0.04 %	N
Homernew Buyer, Inc. (Renovo)	First Lien Delayed Draw Term Loan	SOFR(M)	1.00%	8.60% PIK	12.96%	11/23/2027	\$ 6,471,731	5,948,389	2,323,466	0.12 %	C/N
Homernew Buyer, Inc. (Renovo)	Sr Secured Revolver	SOFR(M)	1.00%	8.60% PIK	12.94%	11/23/2027	\$ 2,091,019	1,885,901	750,429	0.04 %	C/N
Homernew Buyer, Inc. (Renovo)	First Lien Term Loan	SOFR(M)	2.50%	11.10% PIK	15.44%	3/13/2025	\$ 1,802,075	1,509,083	1,802,075	0.10 %	N
Homernew Buyer, Inc. (Renovo)	First Lien Term Loan	SOFR(M)	2.50%	9.10% PIK	13.54%	3/13/2025	\$ 367,667	363,290	367,667	0.02 %	N
Homernew Buyer, Inc. (Renovo)	First Lien Term Loan	SOFR(M)	2.50%	11.10% PIK	15.46%	3/13/2025	\$ 1,008,793	889,617	1,008,793	0.05 %	N
Hylan Intermediate Holding II, LLC	First Lien Term Loan	SOFR(M)	2.00%	6.25%	10.80%	4/5/2029	\$ 11,709,782	11,575,692	11,376,522	0.60 %	B/N
LJ Avalon Holdings, LLC (Ardurra)	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00%	5.00%	9.51%	2/1/2030	\$ 2,782,103	2,743,656	2,793,231	0.15 %	N
LJ Avalon Holdings, LLC (Ardurra)	First Lien Term Loan	SOFR(Q)	1.00%	5.00%	9.53%	2/1/2030	\$ 6,796,324	6,593,218	6,823,509	0.36 %	N
PlayPower, Inc	First Lien Term Loan	SOFR(Q)	0.75%	5.25%	9.58%	8/28/2030	\$ 8,665,152	8,538,830	8,621,826	0.46 %	N
PlayPower, Inc	Sr Secured Revolver	SOFR(Q)	0.75%	5.25%	9.58%	8/28/2030	\$ —	(18,610)	(17,333)	0.00 %	K/N
Titan Home Improvement, LLC (Renuity)	First Lien Term Loan	SOFR(Q)	1.00%	5.75%	10.26%	5/31/2030	\$ 1,855,814	1,809,419	1,857,670	0.10 %	N
Titan Home Improvement, LLC (Renuity)	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00%	5.75%	10.26%	5/31/2030	\$ —	—	349	0.00 %	N
Vortex Companies, LLC	First Lien Term Loan	SOFR(M)	1.00%	5.00%	9.36%	9/4/2029	\$ 1,539,980	1,485,512	1,524,580	0.08 %	N
Vortex Companies, LLC	First Lien Delayed Draw Term Loan	SOFR(M)	1.00%	5.00%	9.36%	9/4/2029	\$ 1,281,179	1,280,384	1,268,367	0.07 %	N
Vortex Companies, LLC	Sr Secured Revolver	SOFR(M)	1.00%	5.00%	9.36%	9/4/2029	\$ 15,411	14,863	13,848	0.00 %	N
								53,379,995	44,531,150	2.36 %	
Consumer Finance											
Freedom Financial Network Funding, LLC	First Lien Term Loan	SOFR(S)	1.00%	9.25%	13.53%	9/21/2027	\$ 12,376,001	12,000,219	12,066,601	0.64 %	N
Freedom Financial Network Funding, LLC	First Lien Delayed Draw Term Loan	SOFR(S)	1.00%	9.25%	13.66%	9/21/2027	\$ 4,125,334	4,000,528	4,022,200	0.21 %	N
Lucky US BuyerCo, LLC (Global Payments)	Sr Secured Revolver	SOFR(Q)	1.00%	7.50%	11.83%	3/30/2029	\$ 333,500	323,357	322,806	0.02 %	N
Lucky US BuyerCo, LLC (Global Payments)	First Lien Term Loan	SOFR(Q)	1.00%	7.50%	11.83%	3/30/2029	\$ 4,276,012	4,125,110	4,193,741	0.22 %	N
Money Transfer Acquisition Inc.	First Lien Term Loan	SOFR(M)	1.00%	8.35%	12.92%	12/14/2027	\$ 8,249,426	8,083,104	8,166,931	0.43 %	N
								28,532,318	28,772,279	1.52 %	
Containers & Packaging											
BW Holding, Inc. (Brook & Whittle)	Second Lien Term Loan	SOFR(Q)	0.75%	7.65%	12.16%	12/14/2029	\$ 17,639,207	16,860,816	15,116,800	0.80 %	N
PVHC Holding Corp.	First Lien Term Loan	SOFR(Q)	2.50%	6.15% Cash + 0.75% PIK	11.18%	2/17/2027	\$ 5,037,221	4,902,190	5,075,000	0.27 %	N
								21,763,006	20,191,800	1.07 %	
Diversified Consumer Services											
Fusion Holding Corp. (Finalsite)	First Lien Term Loan	SOFR(Q)	0.75%	6.25%	10.58%	9/14/2029	\$ 3,589,924	\$ 3,456,341	\$ 3,528,788	0.19 %	N
Fusion Holding Corp. (Finalsite)	Sr Secured Revolver	SOFR(Q)	0.75%	6.25%	10.58%	9/15/2027	\$ —	(2,326)	(4,085)	0.00 %	K/N
Razor Group Holdings II, Inc. (Germany)	First Lien A Term Loan	Fixed	—	2.50% Cash + 5.00% PIK	7.50%	9/30/2028	\$ 61,293,641	59,486,911	23,230,290	1.23 %	C/H/N

BlackRock TCP Capital Corp.
Consolidated Schedule of Investments (Continued)
December 31, 2024

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Razor Group Holdings II, Inc. (Germany)	First Lien C Term Loan	Fixed	—	3.50% Cash + 3.50% PIK	7.00%	9/30/2028	\$ 6,669,599	6,114,187	—	0.00 %	C/H/N
Razor Group Holdings II, Inc. (Germany)	First Out Delayed Draw Term Loan	Fixed	0.00%	15.00%	15.00%	9/15/2027	\$ 1,353,054	1,353,054	2,018,756	0.11 %	H/N
SellerX Germany GmbH (Germany)	Sr Secured Revolver	SOFR(Q)	0.00%	5.00%	9.57%	10/28/2026	\$ 807,613	795,100	807,613	0.04 %	H/N
SellerX Germany GmbH (Germany)	Sr Secured Revolver	SOFR(Q)	0.00%	9.00%	13.49%	11/22/2029	\$ 1,346,023	1,346,022	1,346,022	0.07 %	H/N
SellerX Germany GmbH (Germany)	First Lien A1 Term Loan	SOFR(Q)	2.00%	4.50% Cash + 4.50% PIK	14.33%	5/23/2026	\$ 25,602,703	24,990,837	16,206,511	0.86 %	C/H/N
SellerX Germany GmbH (Germany)	First Lien A2 Term Loan	SOFR(Q)	2.00%	4.50% Cash + 4.50% PIK	14.33%	5/23/2026	\$ 29,374,777	28,655,901	18,594,234	0.99 %	C/H/N
Thras.io, LLC	First Out Term Loan	SOFR(Q)	1.00%	10.26% PIK	14.55%	6/18/2029	\$ 5,701,730	5,571,982	5,701,730	0.30 %	N
Thras.io, LLC	Second Out Term Loan	SOFR(Q)	1.00%	10.26% PIK	14.55%	6/18/2029	\$ 16,540,161	13,669,214	14,092,217	0.75 %	N
								145,437,223	85,522,076	4.54 %	
Diversified Financial Services											
36th Street Capital Partners Holdings, LLC	Senior Note	Fixed (Q)	—	12.00%	12.00%	11/30/2025	\$ 59,756,438	59,756,438	59,756,438	3.17 %	E/F/N
Accordian Partners LLC	Sr Secured Revolver	SOFR(Q)	0.75%	5.25%	9.58%	11/15/2031	\$ —	(3,220)	(3,281)	0.00 %	K/N
Accordian Partners LLC	First Lien Delayed Draw Term Loan	SOFR(Q)	0.75%	5.25%	9.58%	11/15/2031	\$ —	(4,830)	(4,921)	0.00 %	K/N
Accordian Partners LLC	First Lien Term Loan	SOFR(Q)	0.75%	5.25%	9.58%	11/15/2031	\$ 5,905,719	5,876,190	5,876,190	0.31 %	N
Accuserve Solutions, Inc.	First Lien Term Loan	SOFR(S)	1.00%	5.25%	10.03%	3/15/2030	\$ 2,041,751	2,030,049	2,058,085	0.11 %	N
Accuserve Solutions, Inc.	First Lien Delayed Draw Term Loan	SOFR (Q)	1.00%	5.25%	10.03%	3/15/2030	\$ —	(13,470)	18,185	0.00 %	K/N
Callodine Commercial Finance, LLC	First Lien Term Loan	SOFR(Q)	1.00%	11.26%	15.59%	11/3/2025	\$ 22,096,774	21,673,656	22,096,774	1.17 %	N
GC Champion Acquisition LLC (Numerix)	First Lien Term Loan	SOFR(Q)	1.00%	5.25%	9.87%	8/21/2028	\$ 7,723,086	7,388,545	7,616,430	0.40 %	N
GC Champion Acquisition LLC (Numerix)	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00%	5.25%	9.87%	8/21/2028	\$ 2,145,302	2,052,359	2,115,675	0.11 %	N
Gordon Brothers Finance Company	Unsecured Debt	LIBOR(M)	1.00%	11.00%	15.36%	10/31/2025	\$ 37,183,232	13,114,243	5,016,017	0.27 %	C/F/N
Libra Solutions Intermediate Holdco, LLC et al (Ika Oasis Financial, LLC)	Second Lien Term Loan	SOFR(M)	1.00%	8.62%	12.97%	7/5/2026	\$ 22,633,544	22,314,462	22,543,010	1.20 %	N
Rialto Management Group, LLC	Sr Secured Revolver	SOFR(M)	0.75%	5.00%	9.53%	12/5/2030	\$ —	(1,703)	(1,724)	0.00 %	I/K/N
Rialto Management Group, LLC	First Lien Term Loan	SOFR(M)	0.75%	5.00%	9.53%	12/5/2030	\$ 5,000,000	4,950,000	4,950,000	0.26 %	I/N
SitusAMC Holdings Corporation	First Lien Term Loan B	SOFR(Q)	0.75%	5.60%	9.93%	6/28/2025	\$ 796,371	794,161	802,742	0.04 %	N
SitusAMC Holdings Corporation	First Lien Term Loan	SOFR(Q)	0.75%	5.60%	9.93%	11/30/2027	\$ 1,687,182	1,678,746	1,700,679	0.09 %	N
								141,605,626	134,540,299	7.13 %	
Diversified Telecommunication Services											
Aventiv Technologies, Inc. (Securus)	Second Lien Term Loan	SOFR(Q)	1.00%	1.26% Cash + 8.05% PIK	13.92%	10/31/2025	\$ 29,001,528	24,900,884	1,044,055	0.06 %	C/N
Electrical Equipment											
Spark Buyer, LLC (Sparkstone)	First Lien Delayed Draw Term Loan	SOFR(Q)	0.75%	5.25%	9.77%	10/15/2031	\$ —	(65,281)	(53,793)	0.00 %	K/N
Spark Buyer, LLC (Sparkstone)	Sr Secured Revolver	SOFR(Q)	0.75%	5.25%	9.77%	10/15/2031	\$ —	—	(26,897)	0.00 %	K/N
Spark Buyer, LLC (Sparkstone)	First Lien Term Loan	SOFR(Q)	0.75%	5.25%	9.77%	10/15/2031	\$ 11,206,897	11,040,870	11,072,414	0.59 %	N
								10,975,589	10,991,724	0.59 %	
Electric Utilities											
Conergy Asia & ME Pte. Ltd. (Singapore)	First Lien Term Loan	Fixed	—	—	—	6/30/2025	\$ 2,110,141	2,110,141	—	0.00 %	D/F/H/N
Kawa Solar Holdings Limited (Conergy) (Cayman Islands)	Bank Guarantee Credit Facility	Fixed	—	—	—	6/30/2025	\$ 6,578,877	6,578,877	60,889	0.00 %	D/F/H/N
Kawa Solar Holdings Limited (Conergy) (Cayman Islands)	Revolving Credit Facility	Fixed	—	—	—	6/30/2025	\$ 5,535,517	5,535,517	1,235,527	0.07 %	D/F/H/N
								14,224,535	1,296,416	0.07 %	
Health Care Technology											
Appriss Health, LLC (PatientPing)	First Lien Term Loan	SOFR(S)	1.00%	7.25%	12.08%	5/6/2027	\$ 10,795,373	\$ 10,605,638	\$ 10,795,373	0.57 %	N

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Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Appriss Health, LLC (PatientPing)	Sr Secured Revolver	SOFR(S)	1.00%	7.25%	12.08%	5/6/2027	\$ —	(7,205)	—	0.00 %	K/N
CareATC, Inc.	First Lien Term Loan	SOFR(Q)	1.00%	7.35%	11.70%	3/14/2026	\$ 21,199,958	20,865,861	20,839,559	1.10 %	N
CareATC, Inc.	Sr Secured Revolver	SOFR(Q)	1.00%	7.35%	11.70%	3/14/2026	\$ —	(5,947)	(16,071)	0.00 %	K/N
ESO Solutions, Inc.	First Lien Term Loan	SOFR(Q)	1.00%	6.75%	11.27%	5/3/2027	\$ 32,182,664	31,560,852	31,860,837	1.69 %	N
ESO Solutions, Inc.	Sr Secured Revolver	SOFR(Q)	1.00%	6.75%	11.28%	5/3/2027	\$ 1,656,579	1,621,476	1,632,914	0.09 %	N
Gainwell Acquisition Corp.	Second Lien Term Loan	SOFR(Q)	1.00%	8.10%	12.68%	10/2/2028	\$ 7,744,557	7,598,405	6,815,210	0.36 %	N
								72,239,080	71,927,822	3.81 %	
Healthcare Providers and Services											
RecordX Technologies, LLC (Ontellus)	First Lien Term Loan	SOFR(Q)	1.00%	5.25%	9.58%	5/20/2030	\$ 2,481,250	2,456,438	2,493,656	0.13 %	N
INH Buyer, Inc. (IMA Health)	First Lien Term Loan (1.5% Exit Fee)	SOFR(Q)	1.00%	7.00%	11.43%	6/28/2028	\$ 8,313,711	6,584,206	3,599,837	0.19 %	C/L/N
PHC Buyer, LLC (Patriot Home Care)	First Lien Term Loan	SOFR(Q)	0.75%	6.00%	10.51%	5/4/2028	\$ 13,855,131	13,498,203	13,547,409	0.72 %	N
PHC Buyer, LLC (Patriot Home Care)	First Lien Delayed Draw Term Loan	SOFR(Q)	0.75%	6.00%	10.51%	5/4/2028	\$ 3,221,439	3,193,277	3,149,891	0.17 %	N
Team Services Group, LLC	Second Lien Term Loan	Prime	1.00%	9.11%	13.47%	11/13/2028	\$ 34,410,390	33,434,554	34,066,286	1.81 %	G/N
								59,166,678	56,857,079	3.02 %	
Hotels, Restaurants and Leisure											
OCM Luxembourg Baccarat BidCo S.À R.L. (Interblock) (Slovenia)	First Lien Term Loan	SOFR(Q)	2.00%	6.25%	10.69%	6/3/2027	\$ 5,355,802	5,155,794	5,312,260	0.28 %	H/N
OCM Luxembourg Baccarat BidCo S.À R.L. (Interblock) (Slovenia)	Second Lien Term Loan	SOFR(Q)	2.00%	6.25%	10.69%	6/3/2027	\$ 3,343,666	3,182,960	3,316,482	0.18 %	H/N
OCM Luxembourg Baccarat BidCo S.À R.L. (Interblock) (Slovenia)	Sr Secured Revolver	SOFR(M)	2.00%	6.25%	10.78%	6/3/2027	\$ 109,582	105,198	106,018	0.01 %	H/N
								8,443,952	8,734,760	0.47 %	
Household Durables											
Bad Boy Mowers JV Acquisition, LLC	First Lien Term Loan	SOFR(M)	1.00%	6.00%	10.45%	11/9/2029	\$ 5,088,792	4,874,571	5,114,236	0.27 %	N
Insurance											
AmeriLife Holdings, LLC	First Lien Term Loan	SOFR(S)	0.75%	5.00%	9.70%	8/31/2029	\$ 7,281,424	7,030,955	7,281,424	0.39 %	N
AmeriLife Holdings, LLC	Sr Secured Revolver	SOFR(S)	0.75%	5.00%	9.70%	8/31/2028	\$ —	(6,973)	—	0.00 %	K/N
Integrity Marketing Acquisition, LLC	First Lien Term Loan	SOFR(Q)	0.75%	5.00%	9.51%	8/25/2028	\$ 15,153,775	14,918,894	15,214,390	0.81 %	N
Integrity Marketing Acquisition, LLC	Sr Secured Revolver	SOFR(Q)	0.75%	5.00%	9.51%	8/25/2028	\$ —	(374,357)	—	0.00 %	K/N
IT Parent, LLC	First Lien Term Loan	SOFR(A)	1.00%	6.35%	10.60%	10/1/2026	\$ 6,629,659	6,490,358	6,629,659	0.35 %	N
IT Parent, LLC	Sr Secured Revolver	Prime	1.00%	5.25%	12.75%	10/1/2026	\$ 875,000	857,841	875,000	0.05 %	N
IT Parent, LLC	First Lien Term Loan	SOFR(A)	1.00%	6.35%	10.67%	10/1/2026	\$ 3,114,413	3,070,793	3,114,413	0.17 %	N
Peter C. Foy & Associates Insurance Services, LLC (PCF Insurance)	First Lien Delayed Draw Term Loan	SOFR(Q)	0.75%	5.50%	9.83%	11/1/2028	\$ 5,852,362	5,731,681	5,840,657	0.31 %	N
								37,719,192	38,955,543	2.08 %	
Internet and Catalog Retail											
Syndigo, LLC	Second Lien Term Loan	SOFR(Q)	0.75%	8.26%	12.89%	12/14/2028	\$ 16,815,342	16,347,562	16,584,131	0.88 %	G/N
								16,347,562	16,584,131	0.88 %	
Internet Software and Services											
Acquia, Inc.	Sr Secured Revolver	SOFR(Q)	1.00%	7.15%	11.75%	11/1/2025	\$ 1,059,141	1,053,670	1,059,141	0.06 %	N
Acquia, Inc.	First Lien Term Loan	SOFR(Q)	1.00%	7.15%	11.73%	11/1/2025	\$ 25,299,736	25,196,264	25,299,736	1.34 %	N
Astra Acquisition Corp. (Anthology)	Second Lien Term Loan	SOFR(Q)	0.75%	9.14%	13.47%	10/25/2029	\$ 27,879,880	20,344,734	390,318	0.02 %	C/N
Bynder Bidco, Inc. (Netherlands)	Sr Secured Revolver A	SOFR(Q)	1.00%	6.00%	10.62%	1/26/2029	\$ —	(6,383)	—	0.00 %	H/K/N
Bynder Bidco, Inc. (Netherlands)	First Lien Term Loan A	SOFR(Q)	1.00%	6.00%	10.62%	1/26/2029	\$ 4,283,754	4,157,095	4,290,094	0.23 %	H/N
Bynder Bidco B.V. (Netherlands)	Sr Secured Revolver B	SOFR(Q)	1.00%	6.00%	10.62%	1/26/2029	\$ —	(23,167)	—	0.00 %	H/K/N
Bynder Bidco B.V. (Netherlands)	First Lien Term Loan B	SOFR(Q)	1.00%	6.00%	10.62%	1/26/2029	\$ 15,528,609	15,069,469	15,551,592	0.82 %	H/N

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Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Domo, Inc.	First Lien Delayed Draw Term Loan (7.0% Exit Fee)	SOFR(Q)	1.50%	3.00% Cash + 5.00% PIK	12.49%	8/19/2028	\$ 59,930,639	\$ 59,907,358	\$ 59,930,639	3.18 %	L/N
Domo, Inc.	First Lien PIK Term Loan	Fixed (M)	—	9.50% PIK	9.50%	8/19/2028	\$ 3,769,734	1,279,857	3,445,537	0.18 %	N
e-Discovery Acquireco, LLC (Reveal)	Sr Secured Revolver	SOFR(Q)	1.00%	6.25%	10.76%	8/29/2029	\$ —	(10,648)	—	0.00 %	K/N
e-Discovery Acquireco, LLC (Reveal)	First Lien Term Loan	SOFR(Q)	1.00%	6.25%	10.76%	8/29/2029	\$ 5,500,000	5,258,817	5,610,000	0.30 %	N
Fishbowl, Inc.	First Lien Term Loan (7.5% Exit Fee)	SOFR(Q)	1.00%	2.63% Cash + 2.63% PIK	9.59%	5/27/2027	\$ 12,410,563	12,410,563	7,843,476	0.42 %	F/L/N
Gympass US, LLC	First Lien Term Loan	SOFR(M)	1.00%	3.25% Cash + 3.25% PIK	10.97%	8/29/2029	\$ 2,635,114	2,574,806	2,640,384	0.14 %	N
Gympass US, LLC	First Lien Delayed Draw Term Loan	SOFR(M)	1.00%	3.25% Cash + 3.25% PIK	10.97%	8/29/2029	\$ 4,841,068	4,859,379	4,850,750	0.26 %	N
InMoment, Inc.	First Lien Term Loan	SOFR(M)	0.75%	5.00% Cash + 2.50% PIK	11.95%	6/8/2028	\$ 20,089,415	19,325,057	13,044,057	0.69 %	C/N
Magenta Buyer, LLC (McAfee)	First Lien Term Loan	SOFR(Q)	0.75%	7.01%	11.60%	7/27/2028	\$ 2,318,424	2,010,891	2,144,542	0.11 %	N
Magenta Buyer, LLC (McAfee)	Second Lien Second Out Term Loan	SOFR(Q)	0.75%	1.76% Cash + 6.25% PIK	12.60%	7/27/2028	\$ 5,480,222	4,393,010	3,297,258	0.17 %	N
Magenta Buyer, LLC (McAfee)	Second Lien Third Out Term Loan	SOFR(Q)	0.75%	1.76% Cash + 5.50% PIK	11.85%	7/27/2028	\$ 15,316,797	11,298,021	5,388,220	0.29 %	C/N
Magenta Buyer, LLC (McAfee)	First Lien Term Loan	SOFR(Q)	0.75%	6.25%	10.84%	7/27/2028	\$ 873,530	862,954	891,275	0.05 %	N
Oranje Holdco, Inc. (KnowBe4)	First Lien Term Loan	SOFR(Q)	1.00%	7.75%	12.32%	2/1/2029	\$ 13,175,394	12,939,930	13,228,096	0.70 %	N
Oranje Holdco, Inc. (KnowBe4)	First Lien Incremental Term Loan	SOFR(Q)	1.00%	7.25%	11.82%	2/1/2029	\$ 10,178,938	9,975,359	10,046,612	0.53 %	N
Oranje Holdco, Inc. (KnowBe4)	Sr Secured Revolver	SOFR(Q)	1.00%	7.75%	12.32%	2/1/2029	\$ —	(21,114)	—	0.00 %	K/N
Persado, Inc.	First Lien Term Loan (6.575% Exit Fee)	SOFR(M)	1.80%	7.50%	12.05%	6/10/2027	\$ 16,285,946	15,798,508	15,401,028	0.82 %	L/N
Pluralsight, Inc.	First Lien Term Loan	SOFR(Q)	1.00%	3.00% Cash + 1.50% PIK	9.01%	8/22/2029	\$ 5,753,313	5,487,638	5,753,313	0.30 %	N
Pluralsight, Inc.	First Lien Term Loan	SOFR(Q)	1.00%	12.01% PIK	12.01%	8/22/2029	\$ 8,874,302	8,473,778	8,874,302	0.47 %	N
Pluralsight, Inc.	First Lien Term Loan	SOFR(Q)	1.00%	3.00% Cash + 1.50% PIK	9.01%	8/22/2029	\$ 3,031,905	3,031,905	3,031,905	0.16 %	N
ResearchGate GmBH (Germany)	First Lien Term Loan (4.0% Exit Fee)	EURIBOR (M)	—	8.55%	11.49%	10/30/2025	\$ 7,500,000	8,231,990	7,472,513	0.40 %	H/L/N/O
Sailpoint Technologies Holdings, Inc.	First Lien Term Loan	SOFR(Q)	0.75%	6.00%	10.52%	8/16/2029	\$ 2,991,914	2,910,650	2,991,914	0.16 %	N
Sailpoint Technologies Holdings, Inc.	Sr Secured Revolver	SOFR(Q)	0.75%	6.00%	10.52%	8/16/2028	\$ —	(456)	—	0.00 %	K/N
Spartan Bidco Pty Ltd (StarRez) (Australia)	Sr Secured Revolver	SOFR(M)	0.75%	6.90%	11.25%	1/24/2028	\$ —	(14,707)	(2,039)	0.00 %	H/K/N
Spartan Bidco Pty Ltd (StarRez) (Australia)	First Lien Term Loan	SOFR(M)	0.75%	6.90%	11.25%	1/24/2028	\$ 9,634,621	9,457,545	9,610,149	0.51 %	H/N
Spartan Bidco Pty Ltd (StarRez) (Australia)	First Lien Incremental Term Loan	SOFR(Q)	0.75%	0.90% Cash + 6.25% PIK	11.78%	1/24/2028	\$ 4,937,553	4,769,792	4,885,018	0.26 %	H/N
Suited Connector, LLC	Sr Secured Revolver	SOFR(Q)	1.00%	6.20% Cash + 1.00% PIK	11.63%	12/1/2027	\$ 870,965	804,486	649,740	0.03 %	N
Suited Connector, LLC	First Lien Term Loan	SOFR(Q)	1.00%	6.20% Cash + 2.00% PIK	12.72%	12/1/2027	\$ 5,641,222	5,223,409	4,208,352	0.22 %	N
								277,030,460	241,827,922	12.82 %	
IT Services											
Avalara, Inc.	First Lien Term Loan	SOFR(Q)	0.75%	6.25%	10.58%	10/19/2028	\$ 2,700,000	2,648,914	2,720,250	0.14 %	N
Avalara, Inc.	Sr Secured Revolver	SOFR(Q)	0.75%	6.25%	10.58%	10/19/2028	\$ —	(718)	—	0.00 %	K/N
Crewline Buyer, Inc. (New Relic)	Sr Secured Revolver	SOFR(Q)	1.00%	6.75%	11.35%	11/8/2030	\$ —	(1,858)	—	0.00 %	K/N
Crewline Buyer, Inc. (New Relic)	First Lien Term Loan	SOFR(Q)	1.00%	6.75%	11.35%	11/8/2030	\$ 1,569,811	1,524,762	1,590,219	0.08 %	N
Intercept Bidco, Inc.	First Lien Term Loan	SOFR(Q)	1.00%	6.00%	10.47%	6/3/2030	\$ 1,805,556	1,759,722	1,767,639	0.09 %	N
Intercept Bidco, Inc.	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00%	6.00%	10.47%	6/3/2030	\$ —	—	(8,750)	0.00 %	K/N
Intercept Bidco, Inc.	Sr Secured Revolver	SOFR(Q)	1.00%	6.00%	10.47%	6/3/2030	\$ —	—	(5,833)	0.00 %	K/N
Idera, Inc.	Second Lien Term Loan	SOFR(Q)	0.75%	6.75%	11.47%	2/4/2029	\$ 1,923,186	1,821,864	1,872,703	0.10 %	G/N

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Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Madison Logic Holdings, Inc.	Sr Secured Revolver	SOFR(M)	1.00%	7.50%	11.84%	12/30/2027	\$ —	\$ (15,114)	\$ (29,341)	0.00 %	K/N
Madison Logic Holdings, Inc.	First Lien Term Loan	SOFR(M)	1.00%	5.59% Cash + 1.51% PIK	11.84%	12/29/2028	\$ 19,674,810	18,986,911	18,907,492	1.00 %	N
Serrano Parent, LLC (Sumo Logic)	Sr Secured Revolver	SOFR(S)	1.00%	6.50%	10.92%	5/13/2030	\$ —	(2,767)	—	0.00 %	K/N
Serrano Parent, LLC (Sumo Logic)	First Lien Term Loan	SOFR(S)	1.00%	6.50%	10.92%	5/13/2030	\$ 6,979,701	6,747,736	7,014,600	0.37 %	N
Xactly Corporation	First Lien Incremental Term Loan	SOFR(Q)	1.00%	6.35%	10.86%	7/31/2027	\$ 14,671,682	14,671,682	14,642,338	0.78 %	N
Xactly Corporation	Sr Secured Revolver	SOFR(Q)	1.00%	6.35%	10.86%	7/31/2027	\$ —	—	(1,710)	0.00 %	K/N
								48,141,134	48,469,607	2.56 %	
Leisure Products											
Blue Star Sports Holdings, Inc.	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00%	5.90% Cash + 3.50% PIK	13.92%	6/15/2026	\$ 78,258	78,258	76,673	0.00 %	N
Blue Star Sports Holdings, Inc.	Sr Secured Revolver	SOFR(Q)	1.00%	5.90% Cash + 3.50% PIK	13.99%	6/15/2026	\$ 156,038	155,877	152,877	0.01 %	N
Blue Star Sports Holdings, Inc.	First Lien Term Loan	SOFR(Q)	1.00%	5.90% Cash + 3.50% PIK	13.99%	6/15/2026	\$ 2,148,003	2,147,749	2,104,485	0.11 %	N
								2,381,884	2,334,035	0.12 %	
Life Sciences Tools & Services											
Alcami Corporation	First Lien Delayed Draw Term Loan	SOFR(M)	1.00%	7.10%	11.55%	12/21/2028	\$ 631,605	617,706	636,026	0.03 %	N
Alcami Corporation	Sr Secured Revolver	SOFR(M)	1.00%	7.10%	11.44%	12/21/2028	\$ 87,575	67,110	87,575	0.00 %	N
Alcami Corporation	First Lien Term Loan	SOFR(Q)	1.00%	7.15%	11.66%	12/21/2028	\$ 8,582,346	8,390,263	8,642,420	0.46 %	N
DNAnexus, Inc	First Lien Delayed Draw Term Loan	SOFR(M)	3.00%	5.25%	9.62%	12/20/2029	\$ 1,312,500	1,116,844	1,115,625	0.06 %	N
DNAnexus, Inc	First Lien Term Loan	SOFR(M)	3.00%	5.25%	9.62%	12/20/2029	\$ 6,562,500	6,496,879	6,496,875	0.34 %	N
								16,688,802	16,978,521	0.89 %	
Machinery											
Sonny's Enterprises, LLC	First Lien Term Loan	SOFR(Q)	1.00%	5.65%	10.17%	8/5/2028	\$ 19,557,127	19,207,809	18,794,399	1.00 %	N
Sonny's Enterprises, LLC	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00%	5.65%	10.17%	8/5/2028	\$ 203,153	200,923	195,230	0.01 %	N
Sonny's Enterprises, LLC	Sr Secured Revolver	SOFR(M)	1.00%	5.60%	10.05%	8/5/2027	\$ 44,313	44,313	37,400	0.00 %	N
								19,453,045	19,027,029	1.01 %	
Media											
NEP Group, Inc. et al	First Lien Term Loan (2.0% Exit Fee)	SOFR(M)	1.00%	3.36% Cash + 1.50% PIK	9.22%	8/19/2026	\$ 668,568	618,476	612,743	0.03 %	L/N
NEP Group, Inc. et al	Second Lien Term Loan	SOFR(M)	—	7.00%	11.47%	10/19/2026	\$ 17,631,760	16,917,972	14,350,930	0.76 %	G/N
Khoros, LLC (Lithium)	First Lien Incremental Term Loan	SOFR(Q)	1.00%	4.50% Cash + 4.50% PIK	15.59%	1/3/2025	\$ 33,745,227	29,766,996	8,031,364	0.43 %	C/N
Streamland Media Midco LLC	First Lien Term Loan	SOFR(M)	1.00%	9.76% PIK	14.09%	3/31/2025	\$ 28,490	28,375	28,490	0.00 %	N
Streamland Media Midco LLC	First Lien Term Loan	SOFR(Q)	1.00%	9.76% PIK	14.09%	3/31/2025	\$ 43,644	43,641	43,644	0.00 %	N
Streamland Media Midco LLC	First Lien Term Loan	SOFR(Q)	1.00%	9.76% PIK	14.09%	3/31/2025	\$ 43,644	43,644	43,644	0.00 %	N
Streamland Media Midco LLC	First Lien Term Loan	SOFR(Q)	1.00%	9.76% PIK	14.09%	3/31/2025	\$ 743,288	743,288	446,716	0.02 %	N
Terraboost Media Operating Company, LLC	First Lien Term Loan	SOFR(Q)	1.00%	4.73%	10.98%	8/23/2026	\$ 13,777,956	13,426,875	13,474,841	0.71 %	N
TL Voltron Purchaser, LLC (GES)	First Lien Term Loan	SOFR(M)	1.00%	5.25%	9.61%	12/31/2030	\$ 12,142,857	11,900,034	11,900,000	0.63 %	N
								73,489,301	48,932,372	2.58 %	
Oil, Gas and Consumable Fuels											
Iracore International Holdings, Inc.	First Lien Term Loan	SOFR(Q)	1.00%	9.15%	13.48%	4/12/2026	\$ 842,642	842,642	842,642	0.04 %	B/N
Palmdale Oil Company, LLC	First Lien Term Loan	SOFR(M)	1.00%	6.75%	11.23%	10/2/2029	\$ 3,293,178	3,140,991	3,280,005	0.17 %	N
								3,983,633	4,122,647	0.21 %	
Paper and Forest Products											
Alpine Acquisition Corp II (48Forty)	First Lien Term Loan	SOFR(M)	1.00%	1.00 Cash + 5.33% PIK	10.65%	11/30/2026	\$ 31,071,415	30,279,880	27,026,848	1.43 %	N
Alpine Acquisition Corp II (48Forty)	Sr Secured Revolver	SOFR(M)	1.00%	1.00 Cash + 5.33% PIK	10.65%	11/30/2026	\$ 365,117	337,220	254,588	0.01 %	N
FSK Pallet Holding Corp. (Kamps)	First Lien Term Loan	SOFR(Q)	1.25%	6.65%	11.33%	12/23/2026	\$ 13,771,747	13,413,087	13,783,178	0.73 %	N
								44,030,187	41,064,614	2.17 %	

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Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Professional Services											
Applause App Quality, Inc.	Sr Secured Revolver	SOFR(Q)	1.50%	6.00%	10.33%	10/24/2029	\$ —	\$ (25,202)	\$ (24,847)	0.00 %	K/N
Applause App Quality, Inc.	First Lien Term Loan	SOFR(Q)	1.50%	6.00%	10.33%	10/24/2029	\$ 13,077,192	12,820,778	12,828,725	0.68 %	N
Lighthouse Parent Holdings, Inc (Aperture)	First Lien Delayed Draw Term Loan	SOFR(M)	0.75%	5.00%	9.37%	12/20/2031	\$ —	(72,490)	(72,834)	0.00 %	K/N
Lighthouse Parent Holdings, Inc (Aperture)	Sr Secured Revolver	SOFR(M)	0.75%	5.00%	9.37%	12/20/2031	\$ —	(28,996)	(29,134)	0.00 %	K/N
Lighthouse Parent Holdings, Inc (Aperture)	First Lien Term Loan	SOFR(M)	0.75%	5.00%	9.37%	12/20/2031	\$ 12,041,942	11,891,418	11,891,418	0.63 %	N
CIBT Solutions, Inc.	Second Lien Term Loan	SOFR(M)	1.00%	6.75% PIK	11.11%	12/31/2027	\$ 8,146,376	7,567,314	57,025	0.00 %	C/N
Huckabee Acquisition, LLC (MOREgroup)	First Lien Term Loan	SOFR(Q)	1.00%	5.25%	9.58%	1/16/2030	\$ 1,472,742	1,415,822	1,466,851	0.08 %	N
Huckabee Acquisition, LLC (MOREgroup)	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00%	5.25%	9.58%	1/16/2030	\$ —	(2,643)	(1,290)	0.00 %	K/N
Huckabee Acquisition, LLC (MOREgroup)	Sr Secured Revolver	SOFR(Q)	1.00%	5.25%	9.58%	1/16/2030	\$ —	(1,586)	(774)	0.00 %	K/N
ICIMS, Inc.	First Lien Term Loan	SOFR(Q)	0.75%	5.75%	10.38%	8/18/2028	\$ 16,380,862	15,911,506	15,928,750	0.84 %	N
ICIMS, Inc.	First Lien Incremental Term Loan	SOFR(Q)	0.75%	6.25%	10.88%	8/18/2028	\$ 4,449,002	4,392,093	4,393,167	0.23 %	N
ICIMS, Inc.	Sr Secured Revolver	SOFR(Q)	0.75%	5.75%	10.34%	8/18/2028	\$ 290,032	278,222	250,008	0.01 %	N
JobandTalent USA, Inc. (United Kingdom)	First Lien Delayed Draw Term Loan (3.0% Exit Fee)	SOFR(M)	1.00%	8.86%	13.22%	8/17/2025	\$ 22,108,019	21,940,945	21,533,210	1.14 %	H/L/N
JobandTalent USA, Inc. (United Kingdom)	First Lien Term Loan (3.0% Exit Fee)	SOFR(M)	1.00%	8.86%	13.22%	8/17/2025	\$ 33,593,280	33,294,162	32,719,855	1.73 %	H/L/N
TLE Holdings, LLC	First Lien Term Loan	SOFR(M)	1.00%	5.60%	9.96%	6/28/2026	\$ 957,738	924,215	956,541	0.05 %	N
TLE Holdings, LLC	First Lien Delayed Draw Term Loan	SOFR(M)	1.00%	5.60%	9.96%	6/28/2026	\$ 3,740,360	3,609,349	3,735,685	0.20 %	N
								113,914,907	105,632,356	5.59 %	
Real Estate Management and Development											
Community Merger Sub Debt LLC (CINC Systems)	First Lien Term Loan	SOFR(M)	0.75%	5.75%	10.11%	1/18/2030	\$ 1,571,429	1,502,844	1,547,590	0.08 %	N
Community Merger Sub Debt LLC (CINC Systems)	Sr Secured Revolver	SOFR(M)	0.75%	5.75%	10.11%	1/18/2030	\$ —	(4,137)	(6,501)	0.00 %	K/N
Greystone Affordable Housing Initiatives, LLC	First Lien Delayed Draw Term Loan	SOFR(S)	1.25%	6.43%	11.57%	3/2/2026	\$ 6,533,333	6,464,091	6,526,800	0.35 %	I/N
Greystone Select Company II, LLC (Passco)	First Lien Term Loan	SOFR(M)	1.50%	6.61%	10.97%	3/21/2027	\$ 12,843,151	12,589,778	12,768,275	0.68 %	N
								20,552,576	20,836,164	1.11 %	
Road and Rail											
Motive Technologies, Inc. (Keep Trucking)	First Lien Term Loan (1.0% Exit Fee)	SOFR(M)	1.00%	7.36%	11.72%	4/8/2027	\$ 53,000,000	52,400,270	52,735,000	2.80 %	L/N
Motive Technologies, Inc. (Keep Trucking)	First Lien Incremental 3 Term Loan (1.0% Exit Fee)	SOFR(M)	1.00%	7.36%	11.72%	4/8/2027	\$ 2,000,000	1,941,731	1,990,000	0.11 %	L/N
								54,342,001	54,725,000	2.91 %	
Semiconductors and Semiconductor Equipment											
Emerald Technologies (U.S.) AcquisitionCo, Inc.	First Lien Term Loan	SOFR(M)	1.00%	6.35%	10.71%	12/29/2027	\$ 7,017,191	6,776,288	5,613,753	0.30 %	G/N
Emerald Technologies (U.S.) AcquisitionCo, Inc.	Sr Secured Revolver	SOFR(M)	1.00%	6.10%	10.44%	12/29/2026	\$ 1,799,856	1,603,486	1,166,555	0.06 %	G/N
								8,379,774	6,780,308	0.36 %	

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Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Software											
AlphaSense, Inc.	First Lien Term Loan	SOFR(Q)	2.00%	6.25%	10.58%	6/27/2029	\$ 23,208,319	\$ 22,946,913	\$ 22,951,263	1.22 %	N
Aras Corporation	Sr Secured Revolver	SOFR(M)	1.00%	5.25%	9.59%	4/13/2029	\$ 452,133	445,848	449,774	0.02 %	N
Aras Corporation	First Lien Term Loan	SOFR(M)	1.00%	5.25%	9.58%	4/13/2029	\$ 17,906,260	17,568,039	17,870,448	0.95 %	N
Bluefin Holding, LLC (Allvue)	Sr Secured Revolver	SOFR(Q)	1.00%	6.25%	10.64%	9/12/2029	\$ —	(9,558)	—	0.00 %	K/N
Bluefin Holding, LLC (Allvue)	First Lien Term Loan	SOFR(Q)	1.00%	6.25%	10.64%	9/12/2029	\$ 11,307,053	10,931,006	11,318,360	0.60 %	N
Bonterra LLC (fka CyberGrants Holdings, LLC)	First Lien Term Loan	SOFR(Q)	0.75%	7.00%	11.43%	9/8/2027	\$ 420,392	414,749	416,567	0.02 %	N
Bonterra LLC (fka CyberGrants Holdings, LLC)	First Lien Term Loan	SOFR(Q)	0.75%	7.00%	11.33%	9/8/2027	\$ 5,832,706	5,670,708	5,779,628	0.31 %	N
Bonterra LLC (fka CyberGrants Holdings, LLC)	Sr Secured Revolver	SOFR(Q)	0.75%	7.00%	11.33%	9/8/2027	\$ 355,556	352,148	350,500	0.02 %	N
Bonterra LLC (fka CyberGrants Holdings, LLC)	First Lien Incremental Term Loan	SOFR(Q)	0.75%	7.75% PIK	12.08%	9/27/2027	\$ 1,977,185	1,932,927	1,982,127	0.11 %	N
Cart.Com, Inc.	First Lien Term Loan (2.5% Exit Fee)	SOFR(M)	1.50%	7.75%	12.11%	5/22/2029	\$ 26,250,000	25,987,500	25,935,000	1.37 %	L/N
Clever Devices Ltd.	Sr Secured Revolver	SOFR(M)	1.00%	6.00%	10.36%	6/12/2030	\$ 294,118	275,735	294,118	0.02 %	N
Clever Devices Ltd.	First Lien Term Loan	SOFR(Q)	1.00%	6.00%	10.66%	6/12/2030	\$ 1,755,882	1,711,985	1,773,441	0.09 %	N
Disco Parent, Inc. (Duck Creek Technologies)	Sr Secured Revolver	SOFR(Q)	1.00%	7.50%	12.01%	3/30/2029	\$ —	(4,133)	—	0.00 %	K/N
Disco Parent, Inc. (Duck Creek Technologies)	First Lien Term Loan	SOFR(Q)	1.00%	7.50%	12.01%	3/30/2029	\$ 7,217,706	6,987,763	7,246,577	0.38 %	N
Douglas Holdings, Inc (Docupace)	First Lien Term Loan	SOFR(Q)	1.00%	5.75% Cash + 0.38% PIK	10.45%	8/27/2030	\$ 15,259,318	15,037,497	15,045,688	0.80 %	N
Douglas Holdings, Inc (Docupace)	First Lien Delayed Draw Term Loan A	SOFR(Q)	1.00%	5.75% Cash + 0.38% PIK	10.45%	8/27/2030	\$ —	(25,853)	(51,086)	0.00 %	K/N
Douglas Holdings, Inc (Docupace)	First Lien Delayed Draw Term Loan B	SOFR(Q)	1.00%	5.75% Cash + 0.38% PIK	10.45%	8/27/2030	\$ —	(23,503)	(46,441)	0.00 %	K/N
Douglas Holdings, Inc (Docupace)	First Lien PIK Delayed Draw Term Loan	SOFR(Q)	1.00%	5.75% Cash + 0.38% PIK	10.45%	8/27/2030	\$ 294,566	294,566	268,187	0.01 %	N
Douglas Holdings, Inc (Docupace)	Sr Secured Revolver	SOFR(Q)	1.00%	5.75% Cash + 0.38% PIK	10.45%	8/27/2030	\$ —	(18,796)	(18,577)	0.00 %	K/N
Elastic Path Software, Inc. (Canada)	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00%	7.76%	12.28%	1/6/2026	\$ 3,719,435	3,682,746	3,748,633	0.20 %	H/N
Elastic Path Software, Inc. (Canada)	First Lien Term Loan	SOFR(Q)	1.00%	7.76%	12.35%	1/6/2026	\$ 7,326,537	7,257,544	7,384,050	0.39 %	H/N
Fusion Risk Management, Inc.	Sr Secured Revolver	SOFR(Q)	1.00%	3.00% Cash + 3.25% PIK	11.08%	5/22/2029	\$ —	(10,389)	(9,643)	0.00 %	K/N
Fusion Risk Management, Inc.	First Lien Term Loan	SOFR(Q)	1.00%	3.00% Cash + 3.25% PIK	11.08%	5/22/2029	\$ 5,670,157	5,428,312	5,585,104	0.30 %	N
GTY Technology Holdings Inc.	First Lien Term Loan	SOFR(Q)	1.00%	2.58% Cash + 4.30% PIK	11.21%	7/9/2029	\$ 2,419,263	2,293,674	2,355,975	0.12 %	N
GTY Technology Holdings Inc.	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00%	2.58% Cash + 4.30% PIK	11.21%	7/9/2029	\$ 1,871,167	1,778,246	1,822,217	0.10 %	N
GTY Technology Holdings Inc.	First Lien Incremental Delayed Draw Term Loan	SOFR(Q)	0.75%	2.67% Cash + 4.55% PIK	11.68%	7/9/2029	\$ 429,487	386,974	404,859	0.02 %	N
GTY Technology Holdings Inc.	Sr Secured Revolver	SOFR(Q)	1.00%	2.58% Cash + 4.30% PIK	11.21%	7/9/2029	\$ —	(10,580)	(10,331)	0.00 %	K/N
Honey Intermediate, Inc. (iLobby) (Canada)	First Lien Term Loan	SOFR(M)	1.00%	2.88% Cash + 3.38% PIK	10.61%	9/26/2030	\$ 17,799,702	17,538,706	17,568,306	0.93 %	H/N
Honey Intermediate, Inc. (iLobby) (Canada)	Sr Secured Revolver	SOFR(M)	1.00%	2.88% Cash + 3.38% PIK	10.61%	9/26/2030	\$ —	(33,803)	(30,588)	0.00 %	H/K/N
Integrate.com, Inc.	First Lien Term Loan	SOFR(Q)	1.00%	4.65% Cash + 2.25% PIK	11.23%	12/17/2027	\$ 5,976,918	5,837,139	5,783,983	0.31 %	N
Integrate.com, Inc.	First Lien Incremental Term Loan	SOFR(Q)	1.00%	4.65% Cash + 2.25% PIK	11.56%	12/17/2027	\$ 298,779	282,915	289,135	0.02 %	N
Integrate.com, Inc.	Sr Secured Revolver	SOFR(Q)	1.00%	4.65% Cash + 2.25% PIK	11.23%	12/17/2027	\$ 460,549	454,049	445,230	0.02 %	N
JOBVITE, Inc. (Employ, Inc.)	First Lien Term Loan	SOFR(Q)	0.75%	7.50%	12.02%	8/5/2028	\$ 8,017,052	7,692,397	7,890,543	0.42 %	N
Logiemonitor, Inc	Sr Secured Revolver	SOFR(Q)	0.75%	5.50%	9.99%	11/19/2031	\$ —	(624)	(625)	0.00 %	K/N
Logiemonitor, Inc	First Lien Term Loan	SOFR(Q)	0.75%	5.50%	9.99%	11/19/2031	\$ 405,983	400,951	400,985	0.02 %	N

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Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity/Expiration	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Thunder Purchaser, Inc. (Vector Solutions)	First Lien Incremental Delayed Draw Term Loan	SOFR(Q)	1.00%	5.25%	9.58%	6/30/2028	\$ —	(25,808)	(93,157)	0.00 %	K/N
Thunder Purchaser, Inc. (Vector Solutions)	First Lien Incremental Term Loan	SOFR(Q)	1.00%	5.25%	9.58%	6/30/2028	\$ 2,272,120	2,250,270	2,232,994	0.12 %	N
Kaseya, Inc.	First Lien Term Loan	SOFR(Q)	0.75%	5.50%	10.09%	6/25/2029	\$ 9,228,521	\$ 8,974,649	\$ 9,228,521	0.49 %	N
Kaseya, Inc.	First Lien Delayed Draw Term Loan	SOFR(Q)	0.75%	5.50%	10.09%	6/25/2029	\$ 108,233	106,774	108,233	0.01 %	N
Kaseya, Inc.	First Lien Incremental Delayed Draw Term Loan	SOFR(Q)	0.75%	5.50%	10.09%	6/25/2029	\$ 34,368	33,278	34,368	0.00 %	N
Kaseya, Inc.	Sr Secured Revolver	SOFR(Q)	0.75%	5.50%	9.83%	6/25/2029	\$ 140,252	136,634	140,251	0.01 %	N
Kong Inc.	First Lien Term Loan	SOFR(M)	1.00%	5.50% Cash + 3.25% PIK	13.42%	11/1/2027	\$ 10,039,397	9,841,626	10,034,578	0.53 %	N
Nvest, Inc. (SigFig)	First Lien Term Loan	SOFR(S)	1.00%	7.50%	12.50%	9/15/2025	\$ 7,318,167	7,245,434	7,220,542	0.38 %	N
SEP Raptor Acquisition, Inc. (Loopio) (Canada)	First Lien Term Loan	SOFR(S)	1.00%	5.50%	9.93%	3/31/2027	\$ 16,273,539	16,016,631	16,224,718	0.86 %	H/N
SEP Raptor Acquisition, Inc. (Loopio) (Canada)	Sr Secured Revolver	SOFR(S)	1.00%	5.50%	9.93%	3/31/2027	\$ —	—	(5,724)	0.00 %	H/K/N
SEP Eiger BidCo Ltd. (Beqom) (Switzerland)	First Lien Term Loan	SOFR(Q)	1.00%	3.00% Cash + 3.50% PIK	11.02%	5/9/2028	\$ 24,969,887	24,547,067	24,897,224	1.32 %	H/N
SEP Eiger BidCo Ltd. (Beqom) (Switzerland)	Sr Secured Revolver	SOFR(Q)	1.00%	6.00%	10.52%	5/9/2028	\$ 730,053	709,380	723,680	0.04 %	H/N
Trintech, Inc.	Sr Secured Revolver	SOFR(M)	1.00%	5.50%	9.86%	7/25/2029	\$ 60,857	54,533	55,473	0.00 %	N
Trintech, Inc.	First Lien Term Loan	SOFR(M)	1.00%	5.50%	9.86%	7/25/2029	\$ 2,741,310	2,611,479	2,672,010	0.14 %	N
Zendesk Inc.	First Lien Term Loan	SOFR(Q)	0.75%	5.00%	9.33%	11/22/2028	\$ 5,703,590	5,564,578	5,760,626	0.31 %	N
Zendesk Inc.	First Lien Delayed Draw Term Loan	SOFR(Q)	0.75%	5.00%	9.33%	11/22/2028	\$ —	10,220	13,931	0.00 %	N
Zendesk Inc.	Sr Secured Revolver	SOFR(Q)	0.75%	5.00%	9.33%	11/22/2028	\$ —	(572)	—	0.00 %	K/N
Zilliant Incorporated	Sr Secured Revolver	SOFR(M)	0.75%	2.00% Cash + 5.00% PIK	11.36%	12/21/2027	\$ —	(3,273)	(13,037)	0.00 %	K/N
Zilliant Incorporated	First Lien Term Loan (0.25% Exit Fee)	SOFR(M)	0.75%	2.00% Cash + 5.00% PIK	11.36%	12/21/2027	\$ 4,043,766	3,895,391	3,865,840	0.20 %	L/N
								245,422,089	248,294,478	13.18 %	
Specialty Retail											
Calceus Acquisition, Inc. (Cole Haan)	First Lien Term Loan	SOFR(Q)	2.00%	6.75%	11.08%	8/15/2028	\$ 24,782,510	24,132,689	24,782,510	1.31 %	G/N
Hanna Andersson, LLC	First Lien Term Loan	SOFR(M)	1.00%	6.35%	10.71%	7/2/2026	\$ 10,568,138	10,291,947	10,441,320	0.55 %	N
								34,424,636	35,223,830	1.86 %	
Technology Hardware, Storage & Peripherals											
SumUp Holdings Luxembourg S.A.R.L. (Luxembourg)	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00%	6.50%	11.01%	4/25/2031	\$ 34,673,627	34,341,438	35,150,390	1.86 %	H/N
Textiles, Apparel and Luxury Goods											
James Perse Enterprises, Inc.	First Lien Term Loan	SOFR(S)	1.00%	6.35%	10.50%	9/8/2027	\$ 25,417,903	25,010,731	25,417,903	1.35 %	N
James Perse Enterprises, Inc.	Sr Secured Revolver	SOFR(A)	1.00%	6.25%	10.34%	9/8/2027	\$ 410,030	426,214	410,030	0.02 %	N
PSEB, LLC (Eddie Bauer)	First Lien Incremental Term Loan	SOFR(S)	1.00%	6.75%	11.49%	12/30/2026	\$ 24,312,500	24,154,229	23,388,625	1.24 %	N
WH Borrower, LLC (WHP)	First Lien Term Loan	SOFR(Q)	0.50%	5.50%	10.15%	2/15/2027	\$ 99,494	99,494	100,986	0.01 %	N
								49,690,668	49,317,544	2.62 %	
Wireless Telecommunication Services											
OpenMarket, Inc. (Infobip) (United Kingdom)	First Lien Term Loan	SOFR(Q)	—	6.51%	10.84%	9/17/2026	\$ 14,512,500	14,259,245	14,417,008	0.76 %	H/N
Total Debt Investments - 209.2% of Net Assets								1,825,381,814	1,642,572,999	87.08 %	

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Issuer	Instrument	Ref	Total Coupon	Expiration	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities									
Automobiles									
AA Acquisition Aggregator, LLC (AutoAlert)	Common Stock				540,248	\$ 9,085,917	\$ 9,513,635	0.50 %	D/E/F/N
Capital Markets									
Pico Quantitative Trading Holdings, LLC	Warrants to Purchase Membership Units			2/7/2030	7,191	673,788	1,182,309	0.06 %	D/E/N
Chemicals									
AGY Equity, LLC	Class A Preferred Stock				5,982,385	485,322	—	0.00 %	D/E/N
AGY Equity, LLC	Class B Preferred Stock				4,187,669	—	—	0.00 %	D/E/N
AGY Equity, LLC	Class C Common Stock				3,290,312	—	—	0.00 %	D/E/N
						485,322	—	0.00 %	
Communications Equipment									
Plate Newco 1 Limited (Avanti) (United Kingdom)	Common Stock				364	—	—	0.00 %	D/E/H/N/O
Commercial Services & Supplies									
Kellermeyer Bergensons Services, LLC	Preferred Stock				171,813	285,933	61,128	0.00 %	D/N
Kellermeyer Bergensons Services, LLC	Common Stock				171,813	—	—	0.00 %	D/N
						285,933	61,128	0.00 %	
Construction & Engineering									
Hylan Global LLC	Common Stock				738,447	738,447	298,333	0.02 %	B/D/E/N
Diversified Consumer Services									
SellerX Germany GMBH & Co. KG (Germany)	Warrants to Purchase Common Stock			7/25/2030	3,980	73,107	—	0.00 %	D/E/H/N
SellerX Germany GMBH & Co. KG (Germany)	Warrants to Purchase Preferred New Super Senior Shares			7/25/2030	15,793	287,104	—	0.00 %	D/E/H/N
MXP Prime Platform GmbH (SellerX) (Germany)	Warrants to Purchase Common Stock			7/25/2030	5,430	66,734	—	0.00 %	D/E/H/N
Razor US LP	Common Units				263,206	—	—	0.00 %	D/N
Razor US LP	Class A Preferred Units	Fixed	3.00%		26,320,670	22,711,306	—	0.00 %	D/E/N
Razor Group GmbH (Germany)	Warrants to Purchase Preferred Series A1 Shares			4/28/2028	698	13,654	—	0.00 %	D/E/H/N
Razor Group GmbH (Germany)	Warrants to Purchase Series C Shares			12/23/2029	213	20,680	—	0.00 %	D/E/H/N
TVG-Edmentum Holdings, LLC	Series B-1 Common Units	Fixed	12.00%		17,858,122	23,363,434	14,458,626	0.77 %	B/E/N
TVG-Edmentum Holdings, LLC	Series B-2 Common Units				17,858,122	13,421,162	14,458,626	0.77 %	B/D/E/N
TVG-Edmentum Holdings, LLC	Series C-2 Preferred Units	Fixed	15.00%		2,542	5,487,386	6,959,570	0.37 %	B/E/N
Thras.io, LLC	Common Units				291,605	—	—	0.00 %	D/E/N
						65,444,567	35,876,822	1.91 %	
Diversified Financial Services									
36th Street Capital Partners Holdings, LLC	Membership Units				28,277,397	28,277,397	51,054,000	2.73 %	E/F/N
Conventional Lending TCP Holdings, LLC	Membership Units				17,800,591	17,675,790	14,543,083	0.77 %	E/F/L/N

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Issuer	Instrument	Ref	Total Coupon	Expiration	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities (continued)									
Gordon Brothers Finance Company	Common Stock				10,612	\$ -	\$ -	0.00 %	D/F/N
Gordon Brothers Finance Company	Preferred Stock	Fixed	13.50%		34,285	—	—	0.00 %	D/F/N
Worldremit Group Limited (United Kingdom)	Series X Shares				3,721	373,524	395,762	0.02 %	D/E/H/N
Worldremit Group Limited (United Kingdom)	Warrants to Purchase Series D Stock			2/11/2031	42,482	28,022	97,445	0.01 %	D/E/H/N
Worldremit Group Limited (United Kingdom)	Warrants to Purchase Series E Stock			8/17/2031	508	61	58	0.00 %	D/E/H/N
						<u>46,354,794</u>	<u>66,090,348</u>	<u>3.53 %</u>	
Electric Utilities									
Conergy Asia Holdings Limited (United Kingdom)	Class B Shares				1,000,000	1,000,000	—	0.00 %	D/E/F/H/N
Conergy Asia Holdings Limited (United Kingdom)	Ordinary Shares				5,318,860	7,833,333	—	0.00 %	D/E/F/H/N
Kawa Solar Holdings Limited (Conergy) (Cayman Islands)	Ordinary Shares				2,332,594	—	—	0.00 %	D/E/F/H/N
Kawa Solar Holdings Limited (Conergy) (Cayman Islands)	Series B Preferred Shares				93,023	1,395,349	—	0.00 %	D/E/F/H/N
Utilidata, Inc.	Common Stock				29,593	216,336	211	0.00 %	D/E/N
Utilidata, Inc.	Series A-2 Preferred Stock				257,369	153,398	50,143	0.00 %	D/E/N
Utilidata, Inc.	Series A-1 Preferred Stock				500,000	500,000	6,425	0.00 %	D/E/N
						<u>11,098,416</u>	<u>56,779</u>	<u>0.00 %</u>	
Energy Equipment and Services									
GlassPoint, Inc.	Warrants to Purchase Common Stock			9/12/2029	2,088,152	275,200	1,610,592	0.09 %	D/E/N
Healthcare Providers and Services									
INH Buyer, Inc. (IMA Health)	Preferred Stock				\$ 3,977,966	—	—	0.00 %	D/E/N
Household Durables									
Stitch Holdings, L.P.	Limited Partnership/Limited Liability Company Interests				5,910	—	—	0.00 %	D/N/E
Internet Software and Services									
Domo, Inc.	Common Stock				49,792	1,543,054	352,527	0.02 %	D
Domo, Inc.	Warrants to Purchase Common Stock			2/17/2028	94,136	—	995,959	0.05 %	D/N
Domo, Inc.	Warrants to Purchase Class B Common Stock			2/17/2028	482,404	—	3,772,399	0.20 %	D/N
Fishbowl, Inc.	Common Membership Units				604,479	787,032	—	0.00 %	D/E/F/N
Foursquare Labs, Inc.	Warrants to Purchase Series E Preferred Stock			5/4/2027	2,187,500	508,805	139,519	0.01 %	D/E/N
InMobi, Inc. (Singapore)	Warrants to Purchase Common Stock			8/15/2027	1,327,869	212,360	2,246,381	0.11 %	D/E/H/N
InMobi, Inc. (Singapore)	Warrants to Purchase Series E Preferred Stock			9/18/2025	1,049,996	276,492	1,815,871	0.10 %	D/E/H/N
InMobi, Inc. (Singapore)	Warrants to Purchase Series E Preferred Stock			10/3/2028	1,511,002	93,407	2,318,220	0.12 %	D/E/H/N
Pluralsight, Inc.	Common Stock				2,865,672	7,995,225	3,887,269	0.21 %	D/E/N
ResearchGate Corporation (Germany)	Warrants to Purchase Series D Preferred Stock			10/30/2029	333,370	202,001	42,131	0.00 %	D/E/H/N/O
SuCo Investors, LP (Suited Connector)	Warrants to Purchase Class A Units			3/6/2033	44,928	—	—	0.00 %	D/E/N
SnapLogic, Inc.	Warrants to Purchase Series Preferred Stock			3/19/2028	1,860,000	377,722	5,197,770	0.28 %	D/E/N
						<u>11,996,098</u>	<u>20,768,046</u>	<u>1.10 %</u>	

BlackRock TCP Capital Corp.
Consolidated Schedule of Investments (Continued)
December 31, 2024

Issuer	Instrument	Ref	Total Coupon	Expiration	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities (continued)									
IT Services									
Fidelis (SVC), LLC	Preferred Unit-C				657,932	\$ 2,001,384	\$ —	0.00 %	D/E/N
Media									
MBS Parent, LLC	Limited Partnership/Limited Liability Company Interests				546	21,204	41,695	0.00 %	D/N
Quora, Inc.	Warrants to Purchase Series D Preferred Stock			4/11/2029	507,704	65,245	68,789	0.00 %	D/E/N
SoundCloud, Ltd. (United Kingdom)	Warrants to Purchase Preferred Stock			4/29/2025	946,498	79,082	572,593	0.03 %	D/E/H/N
						165,531	683,077	0.03 %	
Oil, Gas and Consumable Fuels									
Iracore Investments Holdings, Inc.	Class A Common Stock				16,207	4,177,710	1,050,376	0.06 %	B/D/E/N
Paper and Forest Products									
48forty Intermediate Holdings, Inc.	Common Stock				\$ 2,347	—	—	0.00 %	D/E/N
Pharmaceuticals									
Inotiv, Inc.	Common Stock				14,578	—	60,353	0.00 %	D/E
Professional Services									
Anacomp, Inc.	Class A Common Stock				1,255,527	26,711,048	1,155,295	0.06 %	D/E/F/N
Software									
Grey Orange International Inc.	Warrants to Purchase Common Stock			5/6/2032	10,538	546	2,108	0.00 %	D/E/N
Tradeshift, Inc.	Warrants to Purchase Series D Preferred Stock			3/6/2027	1,712,930	577,843	—	0.00 %	D/E/N
						578,389	2,108	0.00 %	
Trading Companies & Distributors									
Blackbird Holdeo, Inc. (Ohio Transmission Corp.)	Preferred Stock	Fixed	12.50%		9,586	13,759,704	13,776,136	0.73 %	E/N
Total Equity Securities - 19.4% of Net Assets						193,832,248	152,185,337	8.06 %	
Total Investments - 228.6% of Net Assets						\$ 2,019,214,062	\$ 1,794,758,336	95.14 %	
Cash and Cash Equivalents - 11.7% of Net Assets							\$ 91,589,702	4.86 %	
Total Cash and Investments - 240.3% of Net Assets							\$ 1,886,348,038	100.00 %	M

Interest Rate Swap as of December 31, 2024

	Company Receives Fixed	Company Pays Floating	Counterparty	Maturity Date	Payment Frequency	Notional Amount	Derivative Liability at Fair Value
Interest rate swap	2.633%	1 Day SOFR	CME	6/9/2025	Annual	35,000,000	\$ (731,830)

BlackRock TCP Capital Corp.
Consolidated Schedule of Investments (Continued)

December 31, 2024

Notes to Consolidated Schedule of Investments:

- (A) Debt investments include investments in bank debt that generally are bought and sold among institutional investors in transactions not subject to registration under the Securities Act of 1933 (the "Securities Act"). Such transactions are generally subject to contractual restrictions, such as approval of the agent or borrower.
- (B) Non-controlled affiliate – as defined under the Investment Company Act of 1940 (the "1940 Act") (ownership of between 5% and 25% of the outstanding voting securities of this issuer). See Consolidated Schedule of Changes in Investments in Affiliates.
- (C) Non-accruing debt investment.
- (D) Other non-income producing investment.
- (E) Restricted security. (See Note 2)
- (F) Controlled issuer – as defined under the 1940 Act (ownership of 25% or more of the outstanding voting securities of this issuer). Investment is not more than 50% of the outstanding voting securities of the issuer nor deemed to be a significant subsidiary. See Consolidated Schedule of Changes in Investments in Affiliates.
- (G) Investment has been segregated to collateralize certain unfunded commitments.
- (H) Non-U.S. company or principal place of business outside the U.S. and as a result the investment is not a qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- (I) Deemed an investment company under Section 3(c) of the 1940 Act and as a result the investment is not a qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- (J) Publicly traded company with a market capitalization greater than \$250 million and as a result the investment is not a qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- (K) Negative balances relate to an unfunded commitment that was acquired and/or valued at a discount.
- (L) In addition to the stated coupon, investment has an exit fee payable upon repayment of the loan in an amount equal to the percentage of the original principal amount shown.
- (M) All cash and investments, except those referenced in Note G above, are pledged as collateral under certain debt as described in Note 4 to the Consolidated Financial Statements.
- (N) Inputs in the valuation of this investment included certain unobservable inputs that were significant to the valuation as a whole.
- (O) Investment denominated in foreign currency. Amortized cost and fair value converted from foreign currency to U.S. dollars. Foreign currency denominated investments are generally hedged for currency exposure.

LIBOR/SOFR or EURIBOR resets monthly (M), quarterly (Q), semiannually (S), or annually (A).

Excluding \$586,983,708 of investments acquired in connection with the Merger, aggregate acquisitions and aggregate dispositions of investments, other than government securities, totaled \$343,187,049 and \$517,085,063, respectively, for the year ended December 31, 2024. Aggregate acquisitions include investment assets received as payment in kind. Aggregate dispositions include principal paydowns on and maturities of debt investments. The total value of restricted securities and bank debt as of December 31, 2024 was \$1,789,534,628 or 94.9% of total cash and investments of the Company. As of December 31, 2024, approximately 16.9% of the total assets of the Company were not qualifying assets under Section 55(a) of the 1940 Act.

See accompanying notes to the consolidated financial statements.

BlackRock TCP Capital Corp.
Consolidated Schedule of Investments
December 31, 2023

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments^(A)											
Automobiles											
ALCV Purchaser, Inc. (AutoLenders)	First Lien Term Loan	SOFR(Q)	1.00 %	6.75 %	12.39 %	4/15/2026	\$ 5,954,228	\$ 5,902,287	\$ 5,817,281	0.35 %	G/N
ALCV Purchaser, Inc. (AutoLenders)	Sr Secured Revolver	SOFR(Q)	1.00 %	6.75 %	12.39 %	4/15/2026	\$ 662,974	658,294	647,726	0.04 %	G/N
AutoAlert, LLC	First Lien Incremental Term Loan	SOFR(Q)	1.00 %	5.40 %	10.79 %	3/31/2028	\$ 18,812,631	18,812,631	18,812,631	1.13 %	F/N
AutoAlert, LLC	Second Lien Incremental Term Loan	SOFR(Q)	1.00 %	9.40 %	14.79 %	3/31/2029	\$ 9,256,229	9,256,229	9,256,229	0.55 %	F/N
								34,629,441	34,533,867	2.07 %	
Building Products											
Porcelain Acquisition Corporation (Paramount)	First Lien Term Loan	SOFR(Q)	1.00 %	6.10 %	11.45 %	4/30/2027	\$ 7,063,314	6,974,654	6,554,755	0.39 %	N
Capital Markets											
Pico Quantitative Trading, LLC	First Lien Term Loan (1.0% Exit Fee)	SOFR(Q)	1.50 %	7.51 %	12.88 %	2/7/2025	\$ 21,791,007	21,536,495	21,965,335	1.32 %	L/N
Pico Quantitative Trading, LLC	First Lien Incremental Term Loan (1.0% Exit Fee)	SOFR(Q)	1.50 %	7.51 %	12.89 %	2/7/2025	\$ 24,415,870	23,922,187	24,391,455	1.46 %	L/N
								45,458,682	46,356,790	2.78 %	
Commercial Services & Supplies											
Modigent, LLC (fka Pueblo Mechanical and Controls, LLC)	First Lien Term Loan	SOFR(Q)	0.75 %	6.25 %	11.63 %	8/23/2028	\$ 357,969	350,756	352,349	0.02 %	N
Modigent, LLC (fka Pueblo Mechanical and Controls, LLC)	First Lien Delayed Draw Term Loan	SOFR(Q)	0.75 %	6.25 %	11.60 %	8/23/2028	\$ 248,281	243,106	244,383	0.01 %	N
Modigent, LLC (fka Pueblo Mechanical and Controls, LLC)	Sr Secured Revolver	ABR	0.75 %	5.25 %	13.75 %	8/23/2027	\$ 19,583	18,469	18,684	—	N
Thermostat Purchaser III, Inc. (Reedy Industries)	Second Lien Term Loan	SOFR(Q)	0.75 %	7.40 %	12.79 %	8/31/2029	\$ 7,767,802	7,676,913	7,426,019	0.45 %	N
								8,289,244	8,041,435	0.48 %	
Communications Equipment											
Plate Newco 1 Limited (Avanti) (United Kingdom)	Subordinated E1 Term Loan	LIBOR(Q)	—	12.50% PIK	12.50 %	4/13/2024	\$ 88,455	58,350	—	—	C/H/N
Plate Newco 1 Limited (Avanti) (United Kingdom)	Subordinated E2 Term Loan	LIBOR(Q)	—	12.50% PIK	12.50 %	4/13/2024	\$ 265,368	174,283	—	—	C/H/N
Plate Newco 1 Limited (Avanti) (United Kingdom)	Subordinated F Term Loan	LIBOR(Q)	—	12.50% PIK	12.50 %	4/13/2024	\$ 1,071,041	650,880	—	—	C/H/N
Plate Newco 1 Limited (Avanti) (United Kingdom)	Subordinated G Term Loan	LIBOR(Q)	—	12.50% PIK	12.50 %	10/13/2024	\$ 315,185	198,154	—	—	C/H/N
								1,081,667	—	—	
Construction and Engineering											
CSG Buyer, Inc. (Core States)	Sr Secured Revolver	SOFR(Q)	1.00 %	6.26 %	11.61 %	3/31/2028	\$ —	(29,212)	(36,515)	—	K/N
CSG Buyer, Inc. (Core States)	First Lien Term Loan	SOFR(Q)	1.00 %	6.26 %	11.61 %	3/31/2028	\$ 8,825,389	8,648,881	8,604,754	0.51 %	N
CSG Buyer, Inc. (Core States)	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00 %	6.26 %	11.61 %	3/31/2028	\$ —	(58,423)	(73,029)	—	K/N
Homernew Buyer, Inc. (Project Dream)	First Lien Term Loan	SOFR(Q)	1.00 %	6.65 %	12.19 %	11/23/2027	\$ 2,481,621	2,438,418	2,352,577	0.14 %	N
Homernew Buyer, Inc. (Project Dream)	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00 %	6.65 %	12.18 %	11/23/2027	\$ 2,788,293	2,744,082	2,643,302	0.16 %	N
Homernew Buyer, Inc. (Project Dream)	Sr Secured Revolver	SOFR(Q)	1.00 %	6.65 %	12.19 %	11/23/2027	\$ 690,482	679,463	654,577	0.04 %	N
Hylan Intermediate Holding II, LLC	Second Lien Term Loan	SOFR(S)	1.00 %	10.00 %	15.47 %	3/11/2027	\$ 5,237,535	5,086,500	5,232,821	0.31 %	B/N
Hylan Intermediate Holding II, LLC	First Lien Term Loan	SOFR(S)	1.00 %	8.00 %	13.47 %	2/22/2026	\$ 4,983,707	4,983,707	4,979,720	0.30 %	B/N
LJ Avalon Holdings, LLC (Ardurra)	Sr Secured Revolver	SOFR(Q)	1.00 %	6.65 %	12.04 %	2/1/2030	\$ —	(21,388)	(12,565)	—	K/N
LJ Avalon Holdings, LLC (Ardurra)	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00 %	6.65 %	12.03 %	2/1/2030	\$ 816,228	761,052	784,845	0.05 %	N
LJ Avalon Holdings, LLC (Ardurra)	First Lien Term Loan	SOFR(Q)	1.00 %	6.65 %	12.04 %	2/1/2030	\$ 5,126,947	4,990,101	5,050,043	0.30 %	N
Vortex Companies, LLC	First Lien Delayed Draw Term Loan	SOFR(M)	1.00 %	6.00 %	11.36 %	9/4/2029	\$ 214,651	210,049	210,358	0.01 %	N
Vortex Companies, LLC	Sr Secured Revolver	SOFR(M)	1.00 %	6.00 %	11.36 %	9/4/2029	\$ 9,578	7,913	8,016	—	N
Vortex Companies, LLC	First Lien Term Loan	SOFR(M)	1.00 %	6.00 %	11.36 %	9/4/2029	\$ 331,201	324,038	324,577	0.02 %	N
								30,765,181	30,723,481	1.84 %	

BlackRock TCP Capital Corp.
Consolidated Schedule of Investments (Continued)
December 31, 2023

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Consumer Finance											
Freedom Financial Network Funding, LLC	First Lien Term Loan	SOFR(S)	1.00 %	9.00 %	14.50 %	9/21/2027	\$ 7,500,000	\$ 7,346,913	\$ 7,237,500	0.43 %	N
Freedom Financial Network Funding, LLC	First Lien Delayed Draw Term Loan	SOFR(S)	1.00 %	9.00 %	14.64 %	9/21/2027	\$ 2,500,000	2,450,322	2,412,500	0.14 %	N
Lucky US BuyerCo, LLC (Global Payments)	Sr Secured Revolver	SOFR(Q)	1.00 %	7.50 %	12.85 %	3/30/2029	\$ —	(7,333)	(4,947)	—	K/N
Lucky US BuyerCo, LLC (Global Payments)	First Lien Term Loan	SOFR(Q)	1.00 %	7.50 %	12.85 %	3/30/2029	\$ 2,159,767	2,100,379	2,121,323	0.13 %	N
Money Transfer Acquisition Inc.	First Lien Term Loan	SOFR(M)	1.00 %	8.35 %	13.71 %	12/14/2027	\$ 6,852,007	6,732,469	6,714,966	0.41 %	N
								18,622,750	18,481,342	1.11 %	
Containers & Packaging											
BW Holding, Inc. (Brook & Whittle)	Second Lien Term Loan	SOFR(Q)	0.75 %	7.50 %	13.04 %	12/14/2029	\$ 13,079,848	12,836,393	11,667,224	0.70 %	N
Distributors											
Colony Display, LLC	First Lien Term Loan (15% Exit Fee)	SOFR(Q)	1.00 %	6.76% Cash + 3.00% PIK	15.11 %	6/30/2026	\$ 7,037,045	6,962,201	6,389,637	0.38 %	L/N
Diversified Consumer Services											
Fusion Holding Corp. (Finalsite)	First Lien Term Loan	SOFR(Q)	0.75 %	6.25 %	11.72 %	9/14/2029	\$ 457,642	449,013	453,477	0.03 %	N
Fusion Holding Corp. (Finalsite)	Sr Secured Revolver	SOFR(Q)	0.75 %	6.25 %	11.72 %	9/15/2027	\$ —	(631)	(385)	—	K/N
Razor Group GmbH (Germany)	First Lien Delayed Draw Term Loan	SOFR(M)	2.00 %	5.00% Cash + 5.00% PIK	15.37 %	4/30/2025	\$ 43,330,478	43,409,327	41,632,537	2.50 %	H/N
Razor Group GmbH (Germany)	First Lien Sr Secured Convertible Term Loan	Fixed	—	3.50% Cash + 3.50% PIK	7.00 %	4/30/2025	\$ 4,818,557	4,818,557	4,659,545	0.28 %	H/N
SellerX Germany GmbH (Germany)	First Lien B Delayed Draw Term Loan	SOFR(Q)	2.00 %	4.50% Cash + 4.50% PIK	14.35 %	5/23/2026	\$ —	—	(55,380)	—	H/K/N
SellerX Germany GmbH (Germany)	First Lien A1 Term Loan	SOFR(Q)	2.00 %	4.50% Cash + 4.50% PIK	14.35 %	5/23/2026	\$ 18,438,731	18,438,731	18,235,905	1.09 %	H/N
SellerX Germany GmbH (Germany)	First Lien A2 Term Loan	SOFR(Q)	2.00 %	4.50% Cash + 4.50% PIK	14.35 %	5/23/2026	\$ 20,812,783	20,812,783	20,583,842	1.23 %	H/N
Thras.io, LLC	First Lien Term Loan	SOFR(Q)	1.00 %	9.26 %	14.61 %	12/18/2026	\$ 33,034,714	32,603,849	16,076,839	0.96 %	C
Whele, LLC (PerchHQ)	First Lien Incremental Term Loan	SOFR(M)	1.00 %	11.50% PIK	13.82 %	10/15/2025	\$ 19,398,793	19,438,393	13,171,781	0.79 %	C/N
								139,970,022	114,758,161	6.88 %	
Diversified Financial Services											
2-10 Holdco, Inc.	First Lien Term Loan	SOFR(M)	0.75 %	6.10 %	11.46 %	3/26/2026	\$ 8,082,534	8,071,292	7,952,405	0.48 %	N
2-10 Holdco, Inc.	Sr Secured Revolver	SOFR(M)	0.75 %	6.10 %	11.46 %	3/26/2026	\$ —	(841)	(11,651)	—	K/N
36th Street Capital Partners Holdings, LLC	Senior Note	Fixed	—	—	12.00 %	11/30/2025	\$ 52,318,937	52,318,937	52,318,937	3.13 %	E/F/N
Accordion Partners LLC	First Lien Term Loan	SOFR(Q)	0.75 %	6.00 %	11.35 %	8/29/2029	\$ 1,263,739	1,239,642	1,276,376	0.08 %	N
Accordion Partners LLC	First Lien Delayed Draw Term Loan A	SOFR(Q)	0.75 %	6.25 %	11.60 %	8/29/2029	\$ 101,227	99,281	102,239	0.01 %	N
Accordion Partners LLC	Sr Secured Revolver	SOFR(Q)	0.75 %	6.00 %	11.35 %	8/31/2028	\$ —	(1,973)	—	—	K/N
Accordion Partners LLC	First Lien Delayed Draw Term Loan B	SOFR(Q)	0.75 %	6.00 %	11.38 %	8/29/2029	\$ 154,375	151,371	155,919	0.01 %	N
GC Champion Acquisition LLC (Numerix)	First Lien Term Loan	SOFR(S)	1.00 %	6.25 %	11.71 %	8/21/2028	\$ 696,464	685,047	682,883	0.04 %	N
GC Champion Acquisition LLC (Numerix)	First Lien Delayed Draw Term Loan	SOFR(S)	1.00 %	6.25 %	11.71 %	8/21/2028	\$ 193,462	190,274	189,690	0.01 %	N
Libra Solutions Intermediate Holdco, LLC et al (fka Oasis Financial, LLC)	Second Lien Term Loan	SOFR(M)	1.00 %	8.62 %	13.97 %	7/5/2026	\$ 17,633,544	17,441,040	17,280,873	1.04 %	N
TransNetwork, LLC	First Lien Term Loan	SOFR(Q)	0.50 %	5.50 %	10.87 %	11/20/2030	\$ 1,000,000	960,000	997,500	0.06 %	N
Wealth Enhancement Group, LLC	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00 %	5.85 %	11.23 %	10/4/2027	\$ 399,109	397,266	393,271	0.02 %	N
Wealth Enhancement Group, LLC	Sr Secured Revolver	SOFR(Q)	1.00 %	6.25 %	11.63 %	10/4/2027	\$ —	(94)	(335)	—	K/N
Worldremit Group Limited (United Kingdom)	First Lien Term Loan (3.0% Exit Fee)	SOFR(M)	1.00 %	9.40 %	14.78 %	2/11/2025	\$ 43,629,951	43,288,691	42,102,902	2.52 %	H/L/N
								124,839,933	123,441,009	7.40 %	

BlackRock TCP Capital Corp.
Consolidated Schedule of Investments (Continued)
December 31, 2023

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Diversified Telecommunication Services											
Aventiv Technologies, Inc. (Securus)	Second Lien Term Loan	LIBOR(Q)	1.00 %	8.25 %	14.26 %	10/31/2025	\$ 26,345,954	\$ 26,259,652	\$ 13,831,626	0.83 %	
Electric Utilities											
Conergy Asia & ME Pte. Ltd. (Singapore)	First Lien Term Loan	Fixed	—	—	—	6/30/2024	\$ 2,110,141	2,110,141	—	—	D/F/H/N
Kawa Solar Holdings Limited (Conergy) (Cayman Islands)	Bank Guarantee Credit Facility	Fixed	—	—	—	12/31/2023	\$ 6,578,877	6,578,877	101,315	0.01 %	D/F/H/N
Kawa Solar Holdings Limited (Conergy) (Cayman Islands)	Revolving Credit Facility	Fixed	—	—	—	12/31/2023	\$ 5,535,517	5,535,517	1,367,273	0.08 %	D/F/H/N
								14,224,535	1,468,588	0.09 %	
Health Care Technology											
Apriss Health, LLC (PatientPing)	First Lien Term Loan	SOFR(Q)	1.00 %	6.90 %	12.32 %	5/6/2027	\$ 8,086,281	7,990,592	7,932,642	0.48 %	N
Apriss Health, LLC (PatientPing)	Sr Secured Revolver	SOFR(Q)	1.00 %	6.90 %	12.32 %	5/6/2027	\$ —	(6,114)	(10,346)	—	K/N
CareATC, Inc.	First Lien Term Loan	SOFR(Q)	1.00 %	7.85 %	13.23 %	3/14/2026	\$ 13,767,771	13,638,522	13,492,416	0.81 %	N
CareATC, Inc.	Sr Secured Revolver	SOFR(Q)	1.00 %	7.85 %	13.23 %	3/14/2026	\$ —	(4,367)	(12,146)	—	K/N
ESO Solutions, Inc.	First Lien Term Loan	SOFR(M)	1.00 %	7.00 %	12.36 %	5/3/2027	\$ 23,802,071	23,478,616	23,159,415	1.39 %	N
ESO Solutions, Inc.	Sr Secured Revolver	SOFR(M)	1.00 %	7.00 %	12.36 %	5/3/2027	\$ 1,050,166	1,029,786	1,002,909	0.06 %	N
Gainwell Acquisition Corp.	Second Lien Term Loan	SOFR(Q)	1.00 %	8.10 %	13.52 %	10/2/2028	\$ 5,727,820	5,707,000	5,584,624	0.33 %	N
Sandata Technologies, LLC	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00 %	6.15 %	11.51 %	7/23/2024	\$ 860,842	841,342	860,842	0.05 %	N
Sandata Technologies, LLC	First Lien Term Loan	SOFR(Q)	—	6.15 %	11.50 %	7/23/2024	\$ 20,250,000	20,206,261	20,169,000	1.21 %	N
Sandata Technologies, LLC	Sr Secured Revolver	SOFR(Q)	—	6.15 %	11.52 %	7/23/2024	\$ 1,200,000	1,195,468	1,191,000	0.07 %	N
								74,077,106	73,370,356	4.40 %	
Healthcare Providers and Services											
INH Buyer, Inc. (IMS Health)	First Lien Term Loan (1.5% Exit Fee)	SOFR(Q)	1.00 %	3.50% Cash + 3.50% PIK	12.45 %	6/28/2028	\$ 4,621,017	4,553,794	3,830,823	0.23 %	L/N
PHC Buyer, LLC (Patriot Home Care)	First Lien Term Loan	SOFR(Q)	0.75 %	6.00 %	11.50 %	5/4/2028	\$ 10,236,675	10,080,420	9,956,190	0.59 %	N
PHC Buyer, LLC (Patriot Home Care)	First Lien Delayed Draw Term Loan	SOFR(Q)	0.75 %	6.00 %	11.39 %	5/4/2028	\$ 692,838	635,134	584,359	0.04 %	N
Team Services Group, LLC	Second Lien Term Loan	SOFR(S)	1.00 %	9.00 %	14.88 %	11/13/2028	\$ 27,855,847	27,242,251	26,184,497	1.57 %	G/N
								42,511,599	40,555,869	2.43 %	
Hotels, Restaurants and Leisure											
Fishbowl, Inc.	First Lien Term Loan	SOFR(Q)	1.00 %	5.26 %	10.61 %	5/27/2027	\$ 12,089,579	12,089,579	12,089,579	0.73 %	F/N
Mesquite Bidco, LLC	Sr Secured Revolver	SOFR(Q)	1.00 %	7.00 %	12.48 %	11/30/2029	\$ —	(47,562)	(47,562)	—	K/N
Mesquite Bidco, LLC	First Lien Term Loan	SOFR(Q)	1.00 %	7.10 %	12.48 %	11/30/2029	\$ 26,159,150	25,382,587	25,374,376	1.52 %	N
OCM Luxembourg Baccarat BidCo S.À R.L. (Interblock) (Slovenia)	First Lien Term Loan	SOFR(Q)	0.75 %	5.75 %	11.11 %	6/3/2027	\$ 228,588	225,234	225,296	0.01 %	H/N
OCM Luxembourg Baccarat BidCo S.À R.L. (Interblock) (Slovenia)	Sr Secured Revolver	SOFR(M)	0.75 %	5.75 %	11.11 %	6/3/2027	\$ 18,519	18,257	18,252	—	H/N
Showtime Acquisition, L.L.C. (World Choice)	Sr Secured Revolver	SOFR(S)	1.00 %	7.60 %	12.98 %	8/7/2028	\$ —	(32,730)	(23,380)	—	K/N
Showtime Acquisition, L.L.C. (World Choice)	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00 %	7.60 %	12.97 %	8/7/2028	\$ —	(26,241)	(18,704)	—	K/N
Showtime Acquisition, L.L.C. (World Choice)	First Lien Term Loan	SOFR(Q)	1.00 %	7.60 %	12.98 %	8/7/2028	\$ 18,093,621	17,616,543	17,767,936	1.07 %	N
								55,225,667	55,385,793	3.33 %	
Household Durables											
Bad Boy Mowers JV Acquisition, LLC	First Lien Term Loan	SOFR(Q)	1.00 %	6.00 %	11.37 %	11/9/2029	\$ 666,667	650,234	640,000	0.04 %	Notes

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Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Insurance											
AmeriLife Holdings, LLC	First Lien Term Loan	SOFR(Q)	0.75 %	5.75 %	11.14 %	8/31/2029	\$ 1,800,000	\$ 1,769,190	\$ 1,782,000	0.11 %	N
AmeriLife Holdings, LLC	First Lien Delayed Draw Term Loan	SOFR(Q)	0.75 %	5.75 %	11.14 %	8/31/2029	\$ 375,115	367,470	370,601	0.02 %	N
AmeriLife Holdings, LLC	Sr Secured Revolver	SOFR(Q)	0.75 %	5.75 %	11.14 %	8/31/2028	\$ —	(3,563)	(2,273)	—	K/N
Integrity Marketing Acquisition, LLC	Sr Secured Revolver	SOFR(Q)	0.75 %	6.00 %	11.39 %	8/27/2026	\$ —	(535,197)	—	—	K/N
Integrity Marketing Acquisition, LLC	First Lien Term Loan	SOFR(Q)	0.75 %	6.50 %	11.89 %	8/27/2026	\$ 10,152,275	10,015,937	10,152,275	0.61 %	N
IT Parent, LLC (Insurance Technologies)	First Lien Term Loan	SOFR(M)	1.00 %	6.35 %	11.71 %	10/1/2026	\$ 4,784,799	4,733,187	4,540,774	0.27 %	N
IT Parent, LLC (Insurance Technologies)	Sr Secured Revolver	SOFR(M)	1.00 %	6.35 %	11.70 %	10/1/2026	\$ 520,833	514,360	488,958	0.03 %	N
Peter C. Foy & Associates Insurance Services, LLC (PCF Insurance)	First Lien Delayed Draw Term Loan	SOFR(M)	0.75 %	6.11 %	11.47 %	11/1/2028	\$ 2,957,002	2,922,362	2,945,174	0.18 %	N
								19,783,746	20,277,509	1.22 %	
Internet and Catalog Retail											
CommerceHub, Inc.	First Lien Term Loan	SOFR(Q)	0.75 %	6.40 %	11.79 %	12/29/2027	\$ 954,643	899,762	888,295	0.05 %	N
Syndigo, LLC	Second Lien Term Loan	SOFR(M)	0.75 %	8.00 %	13.48 %	12/14/2028	\$ 12,141,870	12,011,417	11,109,811	0.67 %	G/N
								12,911,179	11,998,106	0.72 %	
Internet Software and Services											
Acquia, Inc.	Sr Secured Revolver	SOFR(S)	1.00 %	7.25 %	12.72 %	10/31/2025	\$ 930,531	918,376	930,531	0.06 %	N
Acquia, Inc.	First Lien Term Loan	SOFR(S)	1.00 %	7.25 %	12.74 %	10/31/2025	\$ 25,299,736	25,087,954	25,299,736	1.52 %	N
Anaconda, Inc.	First Lien Term Loan	SOFR(M)	1.00 %	7.50 %	12.85 %	8/22/2027	\$ 5,717,940	5,670,100	5,609,300	0.34 %	N
Astra Acquisition Corp. (Anthology)	Second Lien Term Loan	SOFR(Q)	0.75 %	9.14 %	14.48 %	10/25/2029	\$ 20,715,038	20,393,463	12,429,023	0.75 %	G/N
Bynder Bidco, Inc. (Netherlands)	Sr Secured Revolver A	SOFR(Q)	1.00 %	7.25 %	12.63 %	1/26/2029	\$ —	(6,180)	(4,180)	—	H/K/N
Bynder Bidco, Inc. (Netherlands)	First Lien Term Loan A	SOFR(Q)	1.00 %	7.25 %	12.63 %	1/26/2029	\$ 3,000,000	2,920,136	2,948,400	0.18 %	H/N
Bynder Bidco B.V. (Netherlands)	Sr Secured Revolver B	SOFR(Q)	1.00 %	7.25 %	12.63 %	1/26/2029	\$ —	(22,430)	(15,170)	—	H/K/N
Bynder Bidco B.V. (Netherlands)	First Lien Term Loan B	SOFR(Q)	1.00 %	7.25 %	12.63 %	1/26/2029	\$ 10,875,000	10,585,492	10,687,950	0.64 %	H/N
Domo, Inc.	First Lien Delayed Draw Term Loan (7.0% Exit Fee)	SOFR(Q)	1.50 %	5.76% Cash + 2.50% PIK	13.64 %	4/1/2025	\$ 57,683,682	57,621,710	57,452,947	3.45 %	L/N
Domo, Inc.	First Lien PIK Term Loan	Fixed	—	9.50% PIK	9.50 %	4/1/2025	\$ 3,423,038	933,160	3,269,001	0.20 %	N
e-Discovery Acquireco, LLC (Reveal)	Sr Secured Revolver	SOFR(Q)	1.00 %	6.50 %	11.89 %	8/29/2029	\$ —	(1,970)	(2,058)	—	K/N
e-Discovery Acquireco, LLC (Reveal)	First Lien Term Loan	SOFR(Q)	1.00 %	6.50 %	11.89 %	8/29/2029	\$ 916,667	894,416	894,025	0.05 %	N
Gympass US, LLC	First Lien Term Loan	SOFR(M)	1.00 %	4.00% Cash + 4.00% PIK	13.47 %	7/8/2027	\$ 530,257	526,407	530,257	0.03 %	N
InMoment, Inc.	First Lien Term Loan	SOFR(Q)	0.75 %	5.00% cash + 2.50% PIK	12.96 %	6/8/2028	\$ 7,749,018	7,627,539	7,520,422	0.45 %	N
Magenta Buyer, LLC (McAfee)	First Lien Incremental Term Loan	Fixed	—	12.00 %	12.00 %	7/27/2028	\$ 4,196,286	3,854,119	3,252,122	0.20 %	G
Magenta Buyer, LLC (McAfee)	Second Lien Term Loan	SOFR(Q)	0.75 %	8.51 %	13.89 %	7/27/2029	\$ 20,000,000	19,770,718	8,000,000	0.48 %	G
Oranje Holdco, Inc. (KnowBe4)	Sr Secured Revolver	SOFR(Q)	1.00 %	7.75 %	13.13 %	2/1/2029	\$ —	(26,159)	—	—	K/N
Oranje Holdco, Inc. (KnowBe4)	First Lien Term Loan	SOFR(Q)	1.00 %	7.50 %	12.88 %	2/1/2029	\$ 9,838,988	9,620,806	9,947,217	0.60 %	N
Persado, Inc.	First Lien Term Loan (6.575% Exit Fee)	SOFR(M)	1.80 %	7.50 %	12.84 %	6/10/2027	\$ 12,171,367	12,078,305	11,209,829	0.67 %	L/N
Pluralsight, Inc.	First Lien Term Loan	SOFR(Q)	1.00 %	8.15 %	13.56 %	4/6/2027	\$ 32,582,872	32,162,182	31,768,301	1.91 %	N
Pluralsight, Inc.	Sr Secured Revolver	SOFR(Q)	1.00 %	8.15 %	13.56 %	4/6/2027	\$ 1,878,109	1,850,684	1,817,680	0.11 %	N
Quartz Holding Company (Quick Base)	Second Lien Term Loan	SOFR(M)	—	8.10 %	13.46 %	4/2/2027	\$ 9,903,019	9,797,435	9,903,019	0.59 %	N

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Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
ResearchGate GmBH (Germany)	First Lien Term Loan (4.0% Exit Fee)	EURIBO R(M)	—	8.55 %	12.55 %	10/1/2024	\$ 7,500,000	\$ 8,205,097	\$ 8,017,274	0.47 %	H/L/N/O
Sailpoint Technologies Holdings, Inc.	First Lien Term Loan	SOFR(M)	0.75 %	6.00 %	11.36 %	8/16/2029	\$ 462,462	454,559	462,092	0.03 %	N
Sailpoint Technologies Holdings, Inc.	Sr Secured Revolver	SOFR(M)	0.75 %	6.00 %	11.36 %	8/16/2028	\$ —	(580)	(83)	—	K/N
Spartan Bidco Pty Ltd (StarRez) (Australia)	First Lien Incremental Term Loan	SOFR(Q)	0.75 %	0.90% Cash + 6.25% PIK	12.53 %	1/24/2028	\$ 541,794	533,702	536,431	0.03 %	H/I/N
Suited Connector, LLC	Sr Secured Revolver	SOFR(Q)	1.00 %	6.20% Cash + 2.00% PIK	13.58 %	12/1/2027	\$ 584,388	576,331	383,359	0.02 %	N
Suited Connector, LLC	First Lien Term Loan	SOFR(Q)	1.00 %	6.20% Cash + 2.00% PIK	13.57 %	12/1/2027	\$ 3,629,082	3,577,053	2,380,678	0.14 %	N
								235,602,425	215,228,103	12.92 %	
IT Services											
Avalara, Inc.	Sr Secured Revolver	SOFR(Q)	0.75 %	7.25 %	12.60 %	10/19/2028	\$ —	(903)	—	—	K/N
Avalara, Inc.	First Lien Term Loan	SOFR(Q)	0.75 %	7.25 %	12.60 %	10/19/2028	\$ 450,000	440,589	456,750	0.03 %	N
Crewline Buyer, Inc. (New Relic)	Sr Secured Revolver	SOFR(Q)	1.00 %	6.75 %	12.10 %	11/8/2030	\$ —	(2,003)	(818)	—	K/N
Crewline Buyer, Inc. (New Relic)	First Lien Term Loan	SOFR(Q)	1.00 %	6.75 %	12.10 %	11/8/2030	\$ 784,906	765,420	777,057	0.05 %	N
Ensono, Inc.	Second Lien Term Loan B	SOFR(M)	—	8.11 %	13.47 %	5/28/2029	\$ 15,000,000	14,897,865	14,610,000	0.88 %	G/N
Madison Logic Holdings, Inc.	Sr Secured Revolver	SOFR(Q)	1.00 %	7.00 %	12.35 %	12/30/2027	\$ —	(25,722)	(29,959)	—	K/N
Madison Logic Holdings, Inc.	First Lien Term Loan	SOFR(Q)	1.00 %	7.00 %	12.35 %	12/29/2028	\$ 14,796,820	14,395,217	14,382,509	0.86 %	N
Serrano Parent, LLC (Sumo Logic)	Sr Secured Revolver	SOFR(Q)	0.75 %	6.50 %	11.88 %	5/13/2030	\$ —	(2,053)	(540)	—	K/N
Serrano Parent, LLC (Sumo Logic)	First Lien Term Loan	SOFR(Q)	1.00 %	6.50 %	11.88 %	5/13/2030	\$ 900,000	878,238	894,600	0.05 %	N
Xactly Corporation	Sr Secured Revolver	SOFR(Q)	1.00 %	7.35 %	12.74 %	7/31/2025	\$ —	—	—	—	N
Xactly Corporation	First Lien Incremental Term Loan	SOFR(Q)	1.00 %	7.35 %	12.74 %	7/31/2025	\$ 14,671,682	14,671,682	14,671,682	0.88 %	N
								46,018,330	45,761,281	2.75 %	
Leisure Products											
Blue Star Sports Holdings, Inc.	First Lien Delayed Draw Term Loan	SOFR(S)	1.00 %	6.00% cash + 3.50% PIK	14.92 %	6/15/2024	\$ 71,413	71,322	68,713	—	N
Blue Star Sports Holdings, Inc.	Sr Secured Revolver	SOFR(S)	1.00 %	6.00% cash + 3.50% PIK	14.94 %	6/15/2024	\$ 142,322	142,142	136,942	0.01 %	N
Blue Star Sports Holdings, Inc.	First Lien Term Loan	SOFR(Q)	1.00 %	6.00% cash + 3.50% PIK	14.95 %	6/15/2024	\$ 1,959,653	1,956,621	1,885,579	0.11 %	N
Peloton Interactive, Inc.	First Lien Term Loan	SOFR(S)	0.50 %	7.10 %	12.48 %	5/25/2027	\$ 98,500	95,531	99,214	0.01 %	G/J
								2,265,616	2,190,448	0.13 %	
Life Sciences Tools & Services											
Alcami Corporation	First Lien Delayed Draw Term Loan	SOFR(M)	1.00 %	7.10 %	12.46 %	12/21/2028	\$ —	(16,005)	10,925	—	K/N
Alcami Corporation	Sr Secured Revolver	SOFR(M)	1.00 %	7.10 %	12.46 %	12/21/2028	\$ —	(25,480)	—	—	K/N
Alcami Corporation	First Lien Term Loan	SOFR(M)	1.00 %	7.10 %	12.46 %	12/21/2028	\$ 6,489,635	6,287,606	6,619,428	0.40 %	N
								6,246,121	6,630,353	0.40 %	
Machinery											
Sonny's Enterprises, LLC	First Lien Term Loan	SOFR(Q)	1.00 %	6.90 %	12.28 %	8/5/2028	\$ 13,593,271	13,341,301	13,865,137	0.83 %	N
								13,341,301	13,865,137	0.83 %	
Media											
NEP Group, Inc. et al	Second Lien Term Loan	SOFR(M)	—	7.11 %	12.47 %	10/19/2026	\$ 14,500,000	14,189,402	11,672,500	0.70 %	G
Khoros, LLC (Lithium)	First Lien Incremental Term Loan	SOFR(Q)	1.00 %	4.50% Cash + 4.50% PIK	14.39 %	1/3/2024	\$ 29,509,107	29,369,194	23,666,304	1.42 %	N
Streamland Media Midco LLC	First Lien Term Loan	SOFR(Q)	1.00 %	7.01% Cash + 0.50% PIK	12.89 %	12/31/2024	\$ 375,800	372,235	355,131	0.02 %	N
Terraboot Media Operating Company, LLC	First Lien Term Loan	SOFR(Q)	1.00 %	6.65 %	12.00 %	8/23/2026	\$ 10,364,664	10,236,830	9,214,186	0.55 %	N
								54,167,661	44,908,121	2.69 %	
Oil, Gas and Consumable Fuels											
Iracore International Holdings, Inc.	First Lien Term Loan	SOFR(Q)	1.00 %	9.15 %	14.50 %	4/12/2024	\$ 1,324,151	1,324,151	1,324,151	0.08 %	B/N
Palmdale Oil Company, LLC	First Lien Term Loan	SOFR(Q)	1.00 %	6.75 %	12.06 %	10/2/2029	\$ 1,000,000	970,518	975,000	0.06 %	N
								2,294,669	2,299,151	0.14 %	
Paper and Forest Products											
Alpine Acquisition Corp II (48Forty)	First Lien Term Loan	SOFR(M)	1.00 %	6.10 %	11.44 %	11/30/2026	\$ 20,158,690	19,877,911	19,467,247	1.17 %	N
Alpine Acquisition Corp II (48Forty)	Sr Secured Revolver	SOFR(M)	1.00 %	6.10 %	11.44 %	11/30/2026	\$ 107,443	104,030	101,300	0.01 %	N
FSK Pallet Holding Corp. (Kamps)	First Lien Term Loan	SOFR(Q)	1.25 %	6.15 %	11.56 %	12/23/2026	\$ 10,413,534	10,166,872	10,038,647	0.60 %	N
								30,148,813	29,607,194	1.78 %	
Pharmaceuticals											
Nephron Pharmaceuticals Corp. et al	First Lien Term Loan B	SOFR(Q)	1.50 %	9.00 %	16.57 %	9/11/2026	\$ 23,709,677	22,839,598	20,508,871	1.23 %	N

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Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Professional Services											
Applause App Quality, Inc.	First Lien Term Loan	SOFR(S)	1.00 %	5.00 %	10.40 %	9/20/2025	\$ 15,127,466	\$ 15,097,104	\$ 15,127,466	0.91 %	N
Applause App Quality, Inc.	Sr Secured Revolver	SOFR(S)	1.00 %	5.00 %	10.40 %	9/20/2025	\$ —	(4,975)	—	—	K/N
CIBT Solutions, Inc.	Second Lien Term Loan	LIBOR(Q)	1.00 %	1.00% Cash + 6.75% PIK	7.75 %	6/1/2025	\$ 8,146,376	7,567,314	1,710,739	0.10 %	C/N
DTI Holdco, Inc. (Epiq Systems, Inc.)	Second Lien Term Loan	SOFR(Q)	0.75 %	7.75 %	13.13 %	4/26/2030	\$ 7,500,000	7,377,765	6,562,500	0.39 %	G/N
GI Consilio Parent, LLC	Second Lien Term Loan	SOFR(M)	0.50 %	7.50 %	12.97 %	5/14/2029	\$ 10,000,000	9,937,579	10,000,000	0.60 %	G/N
ICIMS, Inc.	First Lien Delayed Draw Term Loan	SOFR(Q)	0.75 %	3.38% Cash + 3.88% PIK	12.62 %	8/18/2028	\$ —	—	(5,760)	—	K/N
ICIMS, Inc.	Sr Secured Revolver	SOFR(Q)	0.75 %	6.75 %	12.10 %	8/18/2028	\$ 66,269	60,824	63,690	—	N
ICIMS, Inc.	First Lien Term Loan	SOFR(Q)	0.75 %	3.38% Cash + 3.88% PIK	12.62 %	8/18/2028	\$ 8,783,644	8,656,913	8,728,775	0.52 %	N
JobandTalent USA, Inc. (United Kingdom)	First Lien Delayed Draw Term Loan (3.0% Exit Fee)	SOFR(M)	1.00 %	8.86 %	14.22 %	2/17/2025	\$ 18,590,587	18,462,713	18,107,231	1.10 %	H/L/N
JobandTalent USA, Inc. (United Kingdom)	First Lien Term Loan (3.0% Exit Fee)	SOFR(M)	1.00 %	8.86 %	14.22 %	2/17/2025	\$ 26,409,413	26,210,523	25,722,768	1.54 %	H/L/N
								93,365,760	86,017,409	5.16 %	
Real Estate Management and Development											
Greystone Affordable Housing Initiatives, LLC	First Lien Delayed Draw Term Loan	SOFR(S)	1.25 %	6.43 %	11.84 %	3/2/2026	\$ 4,666,667	4,666,667	4,634,000	0.28 %	I/N
Greystone Select Company II, LLC (Passco)	First Lien Term Loan	SOFR(M)	1.50 %	6.61 %	11.97 %	3/21/2027	\$ 8,181,818	8,057,028	8,116,364	0.48 %	N
								12,723,695	12,750,364	0.76 %	
Road and Rail											
Motive Technologies, Inc. (fka Keep Truckin, Inc.)	First Lien Term Loan	SOFR(M)	1.00 %	7.68 %	13.18 %	4/8/2025	\$ 40,000,000	39,746,666	39,840,000	2.39 %	N
Semiconductors and Semiconductor Equipment											
Emerald Technologies (U.S.) AcquisitionCo, Inc.	First Lien Term Loan	SOFR(Q)	1.00 %	6.40 %	11.79 %	12/29/2027	\$ 5,354,918	5,276,269	4,872,975	0.29 %	G/N
Emerald Technologies (U.S.) AcquisitionCo, Inc.	Sr Secured Revolver	SOFR(M)	1.00 %	6.10 %	11.46 %	12/29/2026	\$ 1,422,037	1,241,272	1,166,324	0.07 %	G/N
								6,517,541	6,039,299	0.36 %	
Software											
Aerospike, Inc.	First Lien Term Loan (0.50% Exit Fee)	SOFR(M)	1.00 %	7.50 %	12.97 %	12/29/2025	\$ 9,958,261	9,867,485	9,878,595	0.59 %	L/N
AlphaSense, Inc.	First Lien Term Loan	SOFR(M)	1.00 %	7.00 %	12.47 %	3/11/2027	\$ 25,095,612	24,913,264	25,165,879	1.51 %	N
Aras Corporation	Sr Secured Revolver	SOFR(Q)	1.00 %	6.65 %	12.04 %	4/13/2027	\$ 756,022	746,002	728,107	0.04 %	N
Aras Corporation	First Lien Term Loan	SOFR(Q)	1.00 %	3.65% Cash + 3.25% PIK	12.20 %	4/13/2027	\$ 13,071,448	12,935,644	12,653,162	0.76 %	N
Backoffice Associates Holdings, LLC (Syniti)	Sr Secured Revolver	SOFR(Q)	1.00 %	7.75 %	13.14 %	4/30/2026	\$ 1,285,939	1,258,628	1,285,940	0.08 %	N
Backoffice Associates Holdings, LLC (Syniti)	First Lien Term Loan	SOFR(Q)	1.00 %	7.75 %	13.19 %	4/30/2026	\$ 11,299,209	11,115,593	11,412,201	0.68 %	N
Bluefin Holding, LLC (Allvue)	Sr Secured Revolver	SOFR(S)	1.00 %	7.25 %	12.72 %	9/12/2029	\$ —	(2,132)	(1,526)	—	K/N
Bluefin Holding, LLC (Allvue)	First Lien Term Loan	SOFR(S)	1.00 %	7.25 %	12.72 %	9/12/2029	\$ 910,256	888,370	894,782	0.05 %	N
Bonterra LLC (fka CyberGrants Holdings, LLC)	First Lien Term Loan	SOFR(Q)	0.75 %	7.25 %	12.60 %	9/8/2027	\$ 2,916,353	2,887,546	2,842,277	0.17 %	N
Bonterra LLC (fka CyberGrants Holdings, LLC)	Sr Secured Revolver	SOFR(Q)	0.75 %	7.25 %	12.60 %	9/8/2027	\$ 83,334	80,684	76,278	—	N
Bonterra LLC (fka CyberGrants Holdings, LLC)	First Lien Incremental Amendment 4 Term Loan	SOFR(Q)	0.75 %	8.00% PIK	13.35 %	9/8/2027	\$ 866,891	855,048	854,668	0.05 %	N
Disco Parent, Inc. (Duck Creek Technologies)	Sr Secured Revolver	SOFR(Q)	1.00 %	7.50 %	12.89 %	3/30/2029	\$ —	(1,995)	—	—	K/N
Disco Parent, Inc. (Duck Creek Technologies)	First Lien Term Loan	SOFR(Q)	1.00 %	7.50 %	12.89 %	3/30/2029	\$ 909,091	888,144	910,909	0.05 %	N
Elastic Path Software, Inc. (Canada)	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00 %	7.76 %	13.15 %	1/6/2026	\$ 2,758,041	2,739,098	2,738,734	0.16 %	H/N
Elastic Path Software, Inc. (Canada)	First Lien Term Loan	SOFR(Q)	1.00 %	7.76 %	13.18 %	1/6/2026	\$ 5,432,783	5,401,609	5,394,754	0.32 %	H/N
Fusion Risk Management, Inc.	Sr Secured Revolver	SOFR(Q)	1.00 %	3.50% Cash + 3.75% PIK	12.62 %	5/22/2029	\$ —	(1,938)	(2,250)	—	K/N

BlackRock TCP Capital Corp.
Consolidated Schedule of Investments (Continued)
December 31, 2023

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Fusion Risk Management, Inc.	First Lien Term Loan	SOFR(Q)	1.00 %	3.50% Cash + 3.75% PIK	12.62 %	5/22/2029	\$ 910,052	\$ 892,951	\$ 890,941	0.05 %	N
GTY Technology Holdings Inc.	First Lien Term Loan	SOFR(Q)	0.75 %	2.58% Cash + 4.30% PIK	12.22 %	7/9/2029	\$ 270,653	266,496	270,464	0.02 %	N
GTY Technology Holdings Inc.	First Lien Delayed Draw Term Loan	SOFR(Q)	0.75 %	2.58% Cash + 4.30% PIK	12.22 %	7/9/2029	\$ 209,142	205,823	208,996	0.01 %	N
GTY Technology Holdings Inc.	Sr Secured Revolver	PRIME(Q)	0.75 %	5.25 %	13.75 %	7/9/2029	\$ 4,616	3,880	4,583	—	N
Integrate.com, Inc. (Infinity Data, Inc.)	First Lien Term Loan	SOFR(S)	1.00 %	3.25% Cash + 3.00% PIK	11.43 %	12/17/2027	\$ 4,211,805	4,154,469	4,075,764	0.24 %	N
Integrate.com, Inc. (Infinity Data, Inc.)	Sr Secured Revolver	SOFR(Q)	1.00 %	6.15 %	11.52 %	12/17/2027	\$ 323,333	318,904	312,567	0.02 %	K/N
JOBVITE, Inc. (Employ, Inc.)	First Lien Term Loan	SOFR(S)	0.75 %	8.00 %	13.43 %	8/7/2028	\$ 1,000,000	979,213	985,100	0.06 %	N
Kaseya, Inc.	First Lien Term Loan	SOFR(Q)	0.75 %	3.50% Cash + 2.50% PIK	11.38 %	6/25/2029	\$ 1,649,934	1,629,453	1,641,684	0.10 %	N
Kaseya, Inc.	First Lien Delayed Draw Term Loan	SOFR(Q)	0.75 %	3.50% Cash + 2.50% PIK	11.38 %	6/25/2029	\$ 6,153	4,970	5,652	—	N
Kaseya, Inc.	Sr Secured Revolver	SOFR(M)	0.75 %	3.50% Cash + 2.50% PIK	11.38 %	6/25/2029	\$ 25,269	24,067	24,767	0.00 %	N
Kong Inc.	First Lien Term Loan	SOFR(M)	1.00 %	5.50% Cash + 3.25% PIK	14.21 %	11/1/2027	\$ 6,398,042	6,288,112	6,392,284	0.39 %	N
Nvest, Inc. (SigFig)	First Lien Term Loan	SOFR(S)	1.00 %	7.50 %	13.40 %	9/15/2025	\$ 5,438,594	5,402,895	5,315,138	0.32 %	N
Oversight Systems, Inc.	First Lien Incremental Delayed Draw Term Loan	SOFR(Q)	1.00 %	6.10 %	11.48 %	9/24/2026	\$ —	(3,460)	(2,318)	—	K/N
Oversight Systems, Inc.	First Lien Term Loan	SOFR(Q)	1.00 %	6.10 %	11.48 %	9/24/2026	\$ 4,679,002	4,623,559	4,628,001	0.28 %	N
SEP Raptor Acquisition, Inc. (Loopio) (Canada)	First Lien Term Loan	SOFR(Q)	1.00 %	7.15 %	12.50 %	3/31/2027	\$ 10,872,518	10,744,790	10,687,685	0.65 %	H/N
SEP Raptor Acquisition, Inc. (Loopio) (Canada)	Sr Secured Revolver	SOFR(Q)	1.00 %	7.15 %	12.51 %	3/31/2027	\$ 1,163,276	1,150,316	1,143,500	0.07 %	H/N
SEP Eiger BidCo Ltd. (Beqom) (Switzerland)	First Lien Term Loan	SOFR(Q)	1.00 %	3.00% Cash + 3.50% PIK	11.87 %	5/9/2028	\$ 16,706,836	16,454,610	16,636,667	1.01 %	H/N
SEP Eiger BidCo Ltd. (Beqom) (Switzerland)	Sr Secured Revolver	SOFR(Q)	1.00 %	0.065	11.87 %	5/9/2028	\$ —	(23,540)	(6,727)	—	H/K/N
Superman Holdings, LLC (Foundation Software)	First Lien Term Loan	SOFR(Q)	1.00 %	6.13 %	11.47 %	8/31/2027	\$ 10,073,776	9,928,598	9,993,186	0.60 %	N
Superman Holdings, LLC (Foundation Software)	Sr Secured Revolver	SOFR(Q)	1.00 %	6.13 %	11.47 %	8/31/2026	\$ —	(14,030)	(10,048)	—	K/N
Trintech, Inc.	Sr Secured Revolver	SOFR(M)	1.00 %	6.50 %	11.86 %	7/25/2029	\$ 17,388	15,674	15,635	—	N
Trintech, Inc.	First Lien Term Loan	SOFR(M)	1.00 %	6.50 %	11.86 %	7/25/2029	\$ 791,143	768,243	768,358	0.05 %	N
Zendesk Inc.	Sr Secured Revolver	SOFR(Q)	0.75 %	3.00% Cash + 3.25% PIK	11.61 %	11/22/2028	\$ —	(644)	—	—	K/N
Zendesk Inc.	First Lien Term Loan	SOFR(Q)	0.75 %	3.00% Cash + 3.25% PIK	11.61 %	11/22/2028	\$ 391,962	385,520	393,922	0.02 %	N
Zendesk Inc.	First Lien Delayed Draw Term Loan	SOFR(Q)	0.75 %	3.00% Cash + 3.25% PIK	11.61 %	11/22/2028	\$ —	(1,560)	478	—	K/N
Zilliant Incorporated	Sr Secured Revolver	SOFR(M)	0.75 %	2.10% Cash + 4.50% PIK	11.96 %	12/21/2027	\$ —	(1,967)	(7,259)	—	K/N
Zilliant Incorporated	First Lien Term Loan	SOFR(M)	0.75 %	2.10% Cash + 4.50% PIK	11.96 %	12/21/2027	\$ 1,921,454	1,895,963	1,827,303	0.11 %	N
								140,664,355	141,028,833	8.46 %	
Specialty Retail											
Calceus Acquisition, Inc. (Cole Haan)	First Lien Term Loan	SOFR(Q)	2.00 %	6.75 %	12.10 %	8/15/2029	\$ 20,773,018	20,186,136	20,170,600	1.21 %	G
Hanna Andersson, LLC	First Lien Term Loan	SOFR(M)	1.00 %	7.60 %	12.96 %	7/2/2026	\$ 4,456,250	4,406,443	4,327,019	0.26 %	N
								24,592,579	24,497,619	1.47 %	
Technology Hardware, Storage & Peripherals											
SumUp Holdings Luxembourg S.A.R.L. (United Kingdom)	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00 %	6.75 %	12.27 %	2/17/2026	\$ 31,114,286	30,738,884	31,612,114	1.90 %	H/N

BlackRock TCP Capital Corp.
Consolidated Schedule of Investments (Continued)
December 31, 2023

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity/ Expiration	Principal/ Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Textiles, Apparel and Luxury Goods											
James Perse Enterprises, Inc.	First Lien Term Loan	SOFR(M)	1.00 %	6.25 %	11.61 %	9/8/2027	\$ 15,555,556	\$ 15,393,224	\$ 15,555,556	0.93 %	N
James Perse Enterprises, Inc.	Sr Secured Revolver	SOFR(M)	1.00 %	6.25 %	11.61 %	9/8/2027	\$ —	(17,961)	—	—	K/N
PSEB, LLC (Eddie Bauer)	First Lien Incremental Term Loan	SOFR(Q)	1.00 %	6.65 %	12.04 %	12/30/2026	\$ 24,562,500	24,322,997	22,695,750	1.36 %	N
								39,698,260	38,251,306	2.29 %	
Wireless Telecommunication Services											
OpenMarket, Inc. (Infobip) (United Kingdom)	First Lien Term Loan	SOFR(Q)	0.00 %	6.51 %	11.86 %	9/17/2026	\$ 9,775,000	9,629,432	9,679,205	0.58 %	H/N
Total Debt Investments - 202.1% of Net Assets								1,486,675,592	1,389,190,356	83.33 %	
Equity Securities											
Automobiles											
AutoAlert, LLC	Common Stock						540,248	9,016,151	9,985,207	0.60 %	D/E/F/N
Capital Markets											
Pico Quantitative Trading Holdings, LLC	Warrants to Purchase Membership Units					2/7/2030	7,030	645,121	1,438,087	0.09 %	D/E/N
Chemicals											
AGY Equity, LLC	Class A Preferred Stock						1,786,785	485,322	—	—	D/E/N
AGY Equity, LLC	Class B Preferred Stock						1,250,749	—	—	—	D/E/N
AGY Equity, LLC	Class C Common Stock						982,732	—	—	—	D/E/N
								485,322	—	—	
Communications Equipment											
Plate Newco 1 Limited (Avanti) (United Kingdom)	Common Stock						364	—	—	—	D/E/H/ N/O
Construction & Engineering											
Hylan Novellus LLC	Class A Units						117,124	13,817,817	2,827,373	0.17 %	B/D/E/ N
Diversified Consumer Services											
Elevate Brands Holdco, Inc.	Warrants to Purchase Common Stock					7/25/2030	2,895	—	308,983	0.02 %	D/E/N
Elevate Brands Holdco, Inc.	Warrants to Purchase Preferred New Super Senior Shares					7/25/2030	11,532	—	1,230,810	0.07 %	D/E/N
MXP Prime Platform GmbH (SellerX) (Germany)	Warrants to Purchase Common Stock					7/25/2030	3,966	—	293,563	0.02 %	D/E/H/ N
PerchHQ, LLC	Warrants to Purchase Common Stock					10/15/2027	295,667	—	—	—	D/E/N
Razor Group GmbH (Germany)	Warrants to Purchase Preferred Series A1 Shares					4/28/2028	516	—	485,055	0.03 %	D/E/H/ N
Razor Group GmbH (Germany)	Warrants to Purchase Series C Shares					4/28/2028	158	—	687,200	0.04 %	D/E/H/ N
TVG-Edmentum Holdings, LLC	Series B-1 Common Units						17,858,122	20,377,566	24,629,566	1.47 %	B/E/N
TVG-Edmentum Holdings, LLC	Series B-2 Common Units						17,858,122	13,421,162	24,629,566	1.48 %	B/D/E/ N
								33,798,728	52,264,743	3.13 %	

BlackRock TCP Capital Corp.
Consolidated Schedule of Investments (Continued)
December 31, 2023

Issuer	Instrument	Expiration	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities (continued)							
Diversified Financial Services							
36th Street Capital Partners Holdings, LLC	Membership Units		27,214,897	\$ 27,214,897	\$ 50,541,000	3.03 %	E/F/N
Conventional Lending TCP Holdings, LLC	Membership Units		17,800,591	17,675,790	16,376,544	0.98 %	E/F/L/N
GACP I, LP (Great American Capital)	Membership Units		351,847	351,847	107,310	0.01 %	E/L/N
GACP II, LP (Great American Capital)	Membership Units		3,716,866	3,716,866	3,914,270	0.23 %	E/L/N
Worldremit Group Limited (United Kingdom)	Warrants to Purchase Series D Stock	2/11/2031	34,820	—	148,681	0.01 %	D/E/H/N
				48,959,400	71,087,805	4.26 %	
Electric Utilities							
Conergy Asia Holdings Limited (United Kingdom)	Class B Shares		1,000,000	1,000,000	—	—	D/E/F/H/N
Conergy Asia Holdings Limited (United Kingdom)	Ordinary Shares		5,318,860	7,833,333	—	—	D/E/F/H/N
Kawa Solar Holdings Limited (Conergy) (Cayman Islands)	Ordinary Shares		2,332,594	—	—	—	D/E/F/H/N
Kawa Solar Holdings Limited (Conergy) (Cayman Islands)	Series B Preferred Shares		93,023	1,395,349	—	—	D/E/F/H/N
Utilidata, Inc.	Common Stock		29,094	216,336	—	—	D/E/N
Utilidata, Inc.	Series A-2 Preferred Stock		257,369	153,398	34,000	—	D/E/N
Utilidata, Inc.	Series A-1 Preferred Stock		500,000	500,000	2,000	—	D/E/N
				11,098,416	36,000	—	
Energy Equipment and Services							
GlassPoint, Inc.	Warrants to Purchase Common Stock	9/12/2029	16	275,200	2,055,657	0.12 %	D/E/N
Hotels, Restaurants and Leisure							
Fishbowl, Inc.	Common Membership Units		604,479	787,032	135,403	0.01 %	D/F/N
Internet Software and Services							
Domo, Inc.	Common Stock		49,792	1,543,054	512,360	0.03 %	D
Foursquare Labs, Inc.	Warrants to Purchase Series E Preferred Stock	5/4/2027	2,062,500	508,805	713,161	0.04 %	D/E/N
InMobi, Inc. (Singapore)	Warrants to Purchase Common Stock	8/15/2027	1,327,869	212,360	3,112,163	0.19 %	D/E/H/N
InMobi, Inc. (Singapore)	Warrants to Purchase Series E Preferred Stock	9/18/2025	1,049,996	276,492	2,491,582	0.15 %	D/E/H/N
InMobi, Inc. (Singapore)	Warrants to Purchase Series E Preferred Stock	10/3/2028	1,511,002	93,407	1,288,026	0.08 %	D/E/H/N
ResearchGate Corporation (Germany)	Warrants to Purchase Series D Preferred Stock	10/30/2029	333,370	202,001	70,600	—	D/E/H/N/O
SuCo Investors, LP (Suited Connector)	Warrants to Purchase Class A Units	3/6/2033	14,337	—	—	—	D/E/N
SnapLogic, Inc.	Warrants to Purchase Series Preferred Stock	3/19/2028	1,860,000	377,722	5,300,000	0.32 %	D/E/N
				3,213,841	13,487,892	0.81 %	
IT Services							
Fidelis (SVC), LLC	Preferred Unit-C		657,932	2,001,384	—	—	D/E/N
Media							
Quora, Inc.	Warrants to Purchase Series D Preferred Stock	4/11/2029	507,704	65,245	108,334	0.01 %	D/E/N
SoundCloud, Ltd. (United Kingdom)	Warrants to Purchase Preferred Stock	4/29/2025	946,498	79,082	612,069	0.04 %	D/E/H/N
				144,327	720,403	0.05 %	
Oil, Gas and Consumable Fuels							
Iracore Investments Holdings, Inc.	Class A Common Stock		16,207	4,177,710	1,799,178	0.11 %	B/D/E/N

BlackRock TCP Capital Corp.
Consolidated Schedule of Investments (Continued)
December 31, 2023

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Expiration	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities (continued)											
Pharmaceuticals											
Inotiv, Inc.	Common Stock						14,578	\$ —	\$ 53,501	—	D/E
Professional Services											
Anacomp, Inc.	Class A Common Stock						1,255,527	26,711,048	843,074	0.05 %	D/E/F/N
Software											
Grey Orange International Inc.	Warrants to Purchase Common Stock					5/6/2032	7,706	—	1,541	—	D/E/N
Tradeshift, Inc.	Warrants to Purchase Series D Preferred Stock					3/26/2027	1,712,930	577,843	—	—	D/E/N
								577,843	1,541	—	
Trading Companies & Distributors											
Blackbird Holdco, Inc. (Ohio Transmission Corp.)	Preferred Stock	Fixed		12.50 %	12.50 %		7,108	9,005,081	9,014,890	0.54 %	E/N
Total Equity Securities - 24.1% of Net Assets								164,714,421	165,750,754	9.94 %	
Total Investments - 226.2% of Net Assets								\$ 1,651,390,013	\$ 1,554,941,110	93.27 %	
Cash and Cash Equivalents - 16.3% of Net Assets									\$ 112,241,946	6.73 %	
Total Cash and Investments - 242.5% of Net Assets									\$ 1,667,183,056	100.00 %	M

Notes to Consolidated Schedule of Investments:

- (A) Debt investments include investments in bank debt that generally are bought and sold among institutional investors in transactions not subject to registration under the Securities Act. Such transactions are generally subject to contractual restrictions, such as approval of the agent or borrower.
- (B) Non-controlled affiliate – as defined under the 1940 Act (ownership of between 5% and 25% of the outstanding voting securities of this issuer). See Consolidated Schedule of Changes in Investments in Affiliates.
- (C) Non-accruing debt investment.
- (D) Other non-income producing investment.
- (E) Restricted security. (See Note 2)
- (F) Controlled issuer – as defined under the 1940 Act (ownership of 25% or more of the outstanding voting securities of this issuer). Investment is not more than 50% of the outstanding voting securities of the issuer nor deemed to be a significant subsidiary. See Consolidated Schedule of Changes in Investments in Affiliates.
- (G) Investment has been segregated to collateralize certain unfunded commitments.
- (H) Non-U.S. company or principal place of business outside the U.S. and as a result the investment is not a qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- (I) Deemed not an investment company under Section 3(c) of the 1940 Act and as a result the investment is not a qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- (J) Publicly traded company with a market capitalization greater than \$250 million and as a result the investment is not a qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- (K) Negative balances relate to an unfunded commitment that was acquired and/or valued at a discount.
- (L) In addition to the stated coupon, investment has an exit fee payable upon repayment of the loan in an amount equal to the percentage of the original principal amount shown.
- (M) All cash and investments, except those referenced in Note G above, are pledged as collateral under certain debt as described in Note 4 to the Consolidated Financial Statements.
- (N) Inputs in the valuation of this investment included certain unobservable inputs that were significant to the valuation as a whole.
- (O) Investment denominated in foreign currency. Amortized cost and fair value converted from foreign currency to U.S. dollars. Foreign currency denominated investments are generally hedged for currency exposure.

LIBOR or EURIBOR resets monthly (M), quarterly (Q), semiannually (S), or annually (A).

BlackRock TCP Capital Corp.
Consolidated Schedule of Investments (Continued)
December 31, 2023

Aggregate acquisitions and aggregate dispositions of investments, other than government securities, totaled \$226,093,128 and \$218,669,941, respectively, for the year ended December 31, 2023. Aggregate acquisitions include investment assets received as payment in kind. Aggregate dispositions include principal paydowns on and maturities of debt investments. The total value of restricted securities and bank debt as of December 31, 2023 was \$1,554,293,347 or 93.2% of total cash and investments of the Company. As of December 31, 2023, approximately 18.3% of the total assets of the Company were not qualifying assets under Section 55(a) of the 1940 Act.

See accompanying notes to the consolidated financial statements.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements
December 31, 2024

1. Organization and Nature of Operations

BlackRock TCP Capital Corp. (the “Company”), formerly known as TCP Capital Corp., is a Delaware corporation formed on April 2, 2012 as an externally managed, closed-end, non-diversified management investment company. The Company elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). The Company’s investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. The Company invests primarily in the debt of middle-market companies as well as small businesses, including senior secured loans, junior loans, mezzanine debt and bonds. Such investments may include an equity component, and, to a lesser extent, the Company may make equity investments directly. The Company was formed through the conversion on April 2, 2012 of the Company’s predecessor, Special Value Continuation Fund, LLC, from a limited liability company to a corporation in a non-taxable transaction, leaving the Company as the surviving entity. On April 3, 2012, the Company completed its initial public offering.

Investment operations are conducted through the Company’s wholly-owned subsidiaries, Special Value Continuation Partners LLC, a Delaware limited liability company (“SVCP”), TCPC Funding I, LLC, a Delaware limited liability company (“TCPC Funding”), TCPC Funding II, LLC, a Delaware limited liability company (“TCPC Funding II”), TCPC SBIC, LP, a Delaware limited partnership (the “SBIC”) and BCIC Merger Sub, LLC, a Delaware limited liability company and wholly-owned subsidiary of SVCP (“Merger Sub”). SVCP was organized as a limited partnership and had elected to be regulated as a BDC under the 1940 Act through July 31, 2018. On August 1, 2018, SVCP withdrew its election to be regulated as a BDC under the 1940 Act and withdrew the registration of its common limited partner interests under Section 12(g) of the Securities Exchange Act of 1934 (the “1934 Act”) and, on August 2, 2018, terminated its general partner, Series H of SVOF/MM, LLC, and converted to a Delaware limited liability company. The SBIC was organized in June 2013, and, on April 22, 2014, received a license from the United States Small Business Administration (the “SBA”) to operate as a small business investment company under the provisions of Section 301(c) of the Small Business Investment Act of 1958. These consolidated financial statements include the accounts of the Company, SVCP (including effective from the closing (the “Closing”) of the Merger (as defined below) on March 18, 2024, the consolidated accounts of Merger Sub), TCPC Funding, TCPC Funding II and the SBIC. All significant intercompany transactions and balances have been eliminated in the consolidation.

The Company has elected to be treated as a regulated investment company (“RIC”) for U.S. federal income tax purposes. As a RIC, the Company will not be taxed on its income to the extent that it distributes such income each year and satisfies other applicable income tax requirements. All of the subsidiaries of the Company are treated as disregarded entities.

Series H of SVOF/MM, LLC serves as the administrator of the Company (the “Administrator”). The managing member of SVOF/MM is Tennenbaum Capital Partners, LLC (the “Advisor”), which serves as the investment manager to the Company, TCPC Funding, TCPC Funding II, Merger Sub and the SBIC. On August 1, 2018, the Advisor merged with and into a wholly owned subsidiary of BlackRock Capital Investment Advisors, LLC, an indirect wholly owned subsidiary of BlackRock, Inc., with the Advisor as the surviving entity.

Company management consists of the Advisor and the Company’s Board of Directors (the “Board of Directors”). The Advisor directs and executes the day-to-day operations of the Company, subject to oversight from the Board of Directors, which sets the broad policies of the Company. The Board of Directors of the Company has delegated investment management of SVCP’s assets to the Advisor. The Board of Directors consists of six persons, five of whom are independent.

On March 18, 2024, the Company completed its previously announced acquisition of BlackRock Capital Investment Corporation, a Delaware corporation (“BCIC”), pursuant to the Amended and Restated Agreement and Plan of Merger (the “Merger Agreement”), dated as of January 10, 2024, by and among the Company, BCIC, Merger Sub, and solely for the limited purposes set forth therein, BlackRock Capital Investment Advisors, LLC, a Delaware limited liability company and investment advisor to BCIC (“BCIA”), and the Advisor. Pursuant to the Merger Agreement, BCIC merged with and into Merger Sub, with Merger Sub continuing as the surviving company and as a subsidiary of SVCP and an indirect wholly-owned subsidiary of the Company (the “Merger”). As a result of, and as of the effective time of, the Merger, BCIC’s separate corporate existence ceased.

See “Note 12 – Merger with BlackRock Capital Investment Corporation” for further information regarding the Merger Agreement and the Merger.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). The Company is an investment company following accounting and reporting guidance in Accounting Standards Codification (“ASC”) Topic 946, *Financial Services – Investment Companies*. The Company has consolidated the results of its wholly owned subsidiaries in its consolidated financial statements in accordance with ASC Topic 946. The following is a summary of the significant accounting policies of the Company.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well the reported amounts of revenues and expenses during the reporting periods presented. Although management believes these estimates and assumptions to be reasonable, actual results could differ from those estimates and such differences could be material.

Investment Valuation

Pursuant to Rule 2a-5 (the “Rule”) under the 1940 Act, the Board of Directors designated the Advisor as the Company’s valuation designee (the “Valuation Designee”) to perform certain fair value functions, including performing fair value determinations and has approved policies and procedures adopted by the Advisor to seek to ensure compliance with the requirements of the Rule.

The Company’s investments are generally held by the Company’s subsidiaries. Investments are recorded at fair value in accordance with GAAP, based upon the principles and methods of valuation set forth in the policies adopted by the Valuation Designee and approved by the Board of Directors. Fair value is generally defined as the amount for which an investment would be sold in an orderly transaction between market participants at the measurement date.

All investments are valued at least quarterly based on quotations or other affirmative pricing from independent third-party sources, with the exception of investments priced directly by the Valuation Designee which in the aggregate comprise less than 5% of the assets of the Company. Investments listed on a recognized exchange or market quotation system, whether U.S. or foreign, are valued using the closing price on the date of valuation. Investments not listed on a recognized exchange or market quotation system, but for which reliable market quotations are readily available are valued using prices provided by a nationally recognized pricing service or by using quotations from broker-dealers.

Investments for which market quotations are either not readily available or are determined to be unreliable are priced at fair value using affirmative valuations performed by independent valuation services approved by the Valuation Designee or, for investments aggregating less than 5% of the total assets of the Company, using valuations determined directly by the Valuation Designee. Such valuations are determined under documented valuation policies and procedures reviewed and approved by a committee established by the Valuation Designee (the “Valuation Committee”).

Generally, to increase objectivity in valuing the investments, the Valuation Designee will utilize external measures of value, such as public markets or third-party transactions, whenever possible. The Valuation Designee’s valuation is not based on long-term work-out value, immediate liquidation value, nor incremental value for potential changes that may take place in the future. The values assigned to investments are based on available information as of balance sheet date and do not necessarily represent amounts that might ultimately be realized, as these amounts depend on future circumstances and cannot reasonably be determined until the individual investments are actually liquidated. Such circumstances may include macroeconomic, geopolitical and other events and conditions that may significantly impact the profitability or viability of businesses in which the Company is invested, and therefore may significantly impact the return on the Company’s investments. The foregoing policies apply to all investments, including any in companies and groups of affiliated companies aggregating more than 5% of the Company’s assets.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

2. Summary of Significant Accounting Policies — (continued)

Fair valuations of investments in each asset class are determined using one or more methodologies including market quotations, the market approach, income approach, or, in the case of recent investments, the cost approach, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. Such information may include observed multiples of earnings and/or revenues at which transactions in securities of comparable companies occur, with appropriate adjustments for differences in company size, operations or other factors affecting comparability.

The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present value amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. The discount rates used for such analyses reflect market yields for comparable investments, considering such factors as relative credit quality, capital structure, and other factors.

In following these approaches, the types of factors that may be taken into account also include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, merger and acquisition comparables, comparable costs of capital, the principal market in which the investment trades and enterprise values, among other factors.

Investments may be categorized based on the types of inputs used in valuing such investments. The level in the GAAP valuation hierarchy in which an investment falls is based on the lowest level input that is significant to the valuation of the investment in its entirety. Transfers between levels are recognized as of the beginning of the reporting period.

At December 31, 2024, the Company's investments were categorized as follows:

Level	Basis for Determining Fair Value	Bank Debt ⁽¹⁾	Other Corporate Debt ⁽²⁾	Equity Securities	Total
1	Quoted prices in active markets for identical assets	\$ —	\$ —	\$ 412,880	\$ 412,880
2	Other direct and indirect observable market inputs ⁽³⁾	28,557,671	—	—	28,557,671
3	Independent third-party valuation sources that employ significant unobservable inputs	1,549,242,872	64,772,456	150,615,054	1,764,630,382
3	Valuation Designee valuations with significant unobservable inputs	—	—	1,157,403	1,157,403
Total		<u>\$ 1,577,800,543</u>	<u>\$ 64,772,456</u>	<u>\$ 152,185,337</u>	<u>\$ 1,794,758,336</u>

(1) Includes senior secured loans

(2) Includes senior secured notes, unsecured debt and subordinated debt

(3) For example, quoted prices in inactive markets or quotes for comparable investments

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

2. Summary of Significant Accounting Policies — (continued)

Unobservable inputs used in the fair value measurement of Level 3 investments as of December 31, 2024 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Avg.) ⁽¹⁾
Bank Debt	\$ 1,243,224,730	Income approach	Discount rate	9.1% - 22.4% (12.3%)
	127,397,885	Market comparable companies	Revenue multiples	0.4x - 1.4x (0.9x)
	95,787,823	Market quotations	Indicative bid/ask quotes	1 (1)
	41,621,909	Asset approach ⁽²⁾	N/A	N/A
	40,763,182	Market comparable companies	EBITDA multiples	3.5x - 10.8x (4.4x)
	447,343	Option Pricing Model	EBITDA/Revenue multiples	1.2x - 5.3x (4.7x)
			Implied volatility	35.0% (35.0%)
Other Corporate Debt			Term	1.5 years - 1.8 years (1.5 years)
	59,756,438	Market comparable companies	Book value multiples	1.5x (1.5x)
	5,016,018	Income approach	Discount rate	13.5% (13.5%)
Equity	65,597,083	Market comparable companies	Book value multiples	0.8x - 1.5x (1.3x)
	53,598,606	Option Pricing Model	EBITDA/Revenue multiples	1.3x - 13.8x (10.7x)
			Implied volatility	40.0% - 75.0% (54.0%)
			Term	0.3 years - 3.8 years (1.9 years)
	15,738,508	Market comparable companies	Revenue multiples	0.4x - 4.8x (2.1x)
	15,227,668	Market comparable companies	EBITDA multiples	3.5x - 12.0x (11.3x)
	1,610,592	Transaction approach ⁽³⁾	N/A	N/A
	<u>\$ 1,765,787,785</u>			

(1) Weighted by fair value.

(2) Fair value was determined using an asset approach and is based on the remaining cash held, net of all liabilities.

(3) Fair value was determined using the transaction price to acquire the position. There has been no change to the valuation based on the underlying assumptions used at the closing of such transaction.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

2. Summary of Significant Accounting Policies — (continued)

Certain fair value measurements may employ more than one valuation technique, with each valuation technique receiving a relative weight between 0% and 100%. Generally, a change in an unobservable input may result in a change to the value of an investment as follows:

Input	Impact to Value if Input Increases	Impact to Value if Input Decreases
Discount rate	Decrease	Increase
Revenue multiples	Increase	Decrease
EBITDA multiples	Increase	Decrease
Book value multiples	Increase	Decrease
Implied volatility	Increase	Decrease
Term	Increase	Decrease
Yield	Increase	Decrease

Changes in investments categorized as Level 3 during the year ended December 31, 2024 were as follows:

	Independent Third-Party Valuation			
	Bank Debt	Other Corporate Debt	Equity Securities	Total
Beginning balance	\$ 1,289,587,391	\$ 52,318,937	\$ 164,340,278	\$ 1,506,246,606
Net realized and unrealized gains (losses)	(123,839,154)	(8,098,224)	(56,062,993)	(188,000,371)
Acquisitions ⁽¹⁾	871,166,493	20,551,743	45,718,873	937,437,109
Dispositions	(492,544,833)	—	(3,381,104)	(495,925,937)
Transfers into Level 3 ⁽²⁾	4,872,975	—	—	4,872,975
Ending balance	<u>\$ 1,549,242,872</u>	<u>\$ 64,772,456</u>	<u>\$ 150,615,054</u>	<u>\$ 1,764,630,382</u>
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	<u>\$ (110,587,996)</u>	<u>\$ (8,098,224)</u>	<u>\$ (53,880,086)</u>	<u>\$ (172,566,306)</u>

(1) Includes payments received in kind and accretion of original issue and market discounts and Level 3 investments acquired in connection with the Merger.

(2) Comprised of one investment that was transferred from Level 2 due to reduced number of market quotes.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

2. Summary of Significant Accounting Policies — (continued)

	Valuation Designee Valuation			
	Bank Debt	Other Corporate Debt	Equity Securities	Total
Beginning balance	\$ —	\$ —	\$ 844,615	\$ 844,615
Net realized and unrealized gains (losses)	—	—	312,788	312,788
Ending balance	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,157,403</u>	<u>\$ 1,157,403</u>
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)				
	\$ —	\$ —	\$ 312,788	\$ 312,788

At December 31, 2023, the Company's investments were categorized as follows:

Level	Basis for Determining Fair Value	Bank Debt ⁽¹⁾	Other Corporate Debt ⁽²⁾	Equity Securities	Total
1	Quoted prices in active markets for identical assets	\$ —	\$ —	\$ 565,860	\$ 565,860
2	Other direct and indirect observable market inputs ⁽³⁾	47,284,029	—	—	47,284,029
3	Independent third-party valuation sources that employ significant unobservable inputs	1,289,587,391	52,318,937	164,340,278	1,506,246,606
3	Valuation Designee valuations with significant unobservable inputs	—	—	844,615	844,615
Total		<u>\$ 1,336,871,420</u>	<u>\$ 52,318,937</u>	<u>\$ 165,750,753</u>	<u>\$ 1,554,941,110</u>

(1) Includes senior secured loans.

(2) Includes senior secured notes, unsecured debt and subordinated debt.

(3) For example, quoted prices in inactive markets or quotes for comparable investments.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

2. Summary of Significant Accounting Policies — (continued)

Unobservable inputs used in the fair value measurement of Level 3 investments as of December 31, 2023 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Avg.) ⁽¹⁾
Bank Debt	\$ 1,132,856,927	Income approach	Discount rate	9.8% - 29.7% (14.3%)
	67,806,880	Market quotations	Indicative bid/ask quotes	1 (1)
	81,471,300	Market comparable companies	Revenue multiples	0.6x - 3.3x (1.4x)
	1,324,151	Market comparable companies	EBITDA multiples	3.8x (3.8x)
	4,659,545	Option Pricing Model	EBITDA/Revenue multiples	1.9x (1.9x)
			Implied volatility	65.0% (65.0%)
			Term	1.3 years (1.3 years)
	1,468,588	Asset approach ⁽²⁾	N/A	N/A
Other Corporate Debt	52,318,937	Market comparable companies	Book value multiples	1.6x (1.6x)
Equity	9,014,890	Income approach	Discount rate	13.6% (13.6%)
	12,886,826	Market comparable companies	Revenue multiples	0.6x - 6.0x (1.8x)
	53,885,683	Market comparable companies	EBITDA multiples	3.8x - 13.4x (12.6x)
	66,917,544	Market comparable companies	Book value multiples	0.9x - 1.6x (1.4x)
	16,402,713	Option Pricing Model	EBITDA/Revenue multiples	1.9x - 15.3x (6.4x)
			Implied volatility	20.0% - 65.0% (57.2%)
			Term	0.8 years - 3.5 years (1.2 years)
	2,055,657	Transaction approach ⁽⁴⁾	N/A	N/A
	4,021,580	Asset approach ⁽³⁾	N/A	N/A
	<u>\$ 1,507,091,221</u>			

(1) Weighted by fair value.

(2) Fair value was determined using an asset approach and is based on the remaining cash held, net of all liabilities.

(3) Fair value was determined based on the most recently available net asset value of the issuer adjusted for identified changes in the valuations of the underlying portfolio of the issuer through the measurement date.

(4) Fair value was determined using the transaction price to acquire the position. There has been no change to the valuation based on the underlying assumptions used at the closing of such transaction.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

2. Summary of Significant Accounting Policies — (continued)

Changes in investments categorized as Level 3 during the year ended December 31, 2023 were as follows:

	Independent Third-Party Valuation			
	Bank Debt	Other Corporate Debt	Equity Securities	Total
Beginning balance	\$ 1,258,052,376	\$ 68,451,437	\$ 187,504,790	\$ 1,514,008,603
Net realized and unrealized gains (losses)	(14,101,799)	1,373,296	(34,070,836)	(46,799,339)
Acquisitions ⁽¹⁾	221,794,143	2,494,204	13,340,394	237,628,741
Dispositions	(199,873,197)	(20,000,000)	(1,790,374)	(221,663,571)
Transfers into Level 3 ⁽²⁾	23,715,868	—	—	23,715,868
Reclassifications within Level 3 ⁽³⁾	—	—	(643,696)	(643,696)
Ending balance	<u>\$ 1,289,587,391</u>	<u>\$ 52,318,937</u>	<u>\$ 164,340,278</u>	<u>\$ 1,506,246,606</u>
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	<u>\$ (22,128,377)</u>	<u>\$ —</u>	<u>\$ (33,951,585)</u>	<u>\$ (56,079,962)</u>

- (1) Includes payments received in kind and accretion of original issue and market discounts.
(2) Comprised of three investments that were transferred from Level 2 due to reduced number of market quotes.
(3) Comprised of five investments that were reclassified to Valuation Designee Valuation.

	Valuation Designee Valuation			
	Bank Debt	Other Corporate Debt	Equity Securities	Total
Beginning balance	\$ 531,024	\$ 1,415,738	\$ 874,061	\$ 2,820,823
Net realized and unrealized gains (losses)	(1,400)	(147,734)	(67,876)	(217,010)
Acquisitions ⁽¹⁾	1,400	(148,751)	—	(147,351)
Dispositions	(531,024)	(1,119,253)	(605,266)	(2,255,543)
Reclassifications within Level 3 ⁽²⁾	—	—	643,696	643,696
Ending balance	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 844,615</u>	<u>\$ 844,615</u>
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (411,701)</u>	<u>\$ (411,701)</u>

- (1) Includes payments received in kind and accretion of original issue and market discounts.
(2) Comprised of five investments that were reclassified from Independent Third-Party Valuation.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

2. Summary of Significant Accounting Policies — (continued)

Investment Transactions

Investment transactions are recorded on the trade date, except for private transactions that have conditions to closing, which are recorded on the closing date. The cost of investments purchased is based upon the purchase price plus those professional fees which are specifically identifiable to the investment transaction. Realized gains and losses on investments are recorded based on the specific identification method, which typically allocates the highest cost inventory to the basis of investments sold.

Cash and Cash Equivalents

Cash consists of amounts held in accounts with the custodian bank. Cash equivalents consist of highly liquid investments with an original maturity of generally 60 days or less and may not be insured by the FDIC or may exceed federally insured limits. Cash equivalents are classified as Level 1 in the GAAP valuation hierarchy. At December 31, 2024, included in cash and cash equivalents was \$1.4 million (0.2% of net assets) held in the JPMorgan U.S. Treasury Plus Money Market Fund with a 7-day yield of 4.42% and \$59.2 million (7.5% of net assets) held in the Allspring Government Money Market Fund with a 7-day yield of 4.36%. There was no restricted cash at December 31, 2024 or December 31, 2023.

Restricted Investments

The Company may invest without limitation in instruments that are subject to legal or contractual restrictions on resale. These instruments generally may be resold to institutional investors in transactions exempt from registration or to the public if the securities are registered. Disposal of these investments may involve time-consuming negotiations and additional expense, and prompt sale at an acceptable price may be difficult. Information regarding restricted investments is included at the end of the Consolidated Schedule of Investments. Restricted investments, including any restricted investments in affiliates, are valued in accordance with the investment valuation policies discussed above.

Foreign Currency Investments

The Company may invest in instruments traded in foreign countries and denominated in foreign currencies. Foreign currency denominated investments comprised approximately 0.4% and 0.5% of total investments at December 31, 2024 and December 31, 2023, respectively. Such positions were converted at the respective closing foreign exchange rates in effect at December 31, 2024 and December 31, 2023 and reported in U.S. dollars. Purchases and sales of investments and income and expense items denominated in foreign currencies, when they occur, are translated into U.S. dollars based on the foreign exchange rates in effect on the respective dates of such transactions. The portion of gains and losses on foreign investments resulting from fluctuations in foreign currencies is included in net realized and unrealized gain or loss from investments.

Investments in foreign companies and securities of foreign governments may involve special risks and considerations not typically associated with investing in U.S. companies and securities of the U.S. government. These risks include, among other things, revaluation of currencies, less reliable information about issuers, different transaction clearance and settlement practices, and potential future adverse political and economic developments. Moreover, investments in foreign companies and securities of foreign governments and their markets may be less liquid and their prices more volatile than those of comparable U.S. companies and the U.S. government.

Derivatives

In order to mitigate certain currency exchange and interest rate risks, the Company may enter into certain derivative transactions. All derivatives are subject to a master netting agreement and are reported at their gross amounts as either assets or liabilities in the Consolidated Statements of Assets and Liabilities. Transactions entered into are accounted for using the mark-to-market method with the resulting change in fair value recognized in earnings for the current period. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in interest rates and the value of foreign currencies relative to the U.S. dollar. Certain derivatives may also require the Company to pledge assets as collateral to secure its obligations.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

2. Summary of Significant Accounting Policies — (continued)

Valuations of derivatives are determined using observable market inputs other than quoted prices in active markets for identical assets and, accordingly, are generally classified as Level 2 in the GAAP valuation hierarchy.

Merger Sub entered into a centrally-cleared interest rate swap (the “Interest Rate Swap”) to economically hedge the interest payable on the fixed rate tranche of Merger Sub’s 2025 Notes (as defined below) (see Note 4). The notional amount of the Interest Rate Swap is \$35.0 million and matures on June 9, 2025. Under the swap agreement, Merger Sub receives a fixed interest rate of 2.633% and pays a floating interest rate of SOFR with payments due annually.

Pursuant to the contract, Merger Sub was required to deposit initial margin with the broker in the form of cash and has agreed to receive from or pay to the broker daily variation margin. The amounts related to the right to claim or the obligation to return cash collateral may not be used to offset amounts due under the Interest Rate Swap contract in the normal course of settlement. Both the initial margin and variation margin paid are included as assets within Due from broker on the Consolidated Statement of Assets and Liabilities at December 31, 2024.

Since the swap contract has not been designated as a hedge accounting relationship pursuant to ASC 815, *Derivatives and Hedging*, changes in the fair value of the swap contract, net of any periodic interest accruals, are presented as part of change in unrealized appreciation (depreciation) on the Consolidated Statement of Operations. As of December 31, 2024, the Interest Rate Swap had a fair value of \$(0.7) million, which is reflected as a liability on the Consolidated Statements of Assets and Liabilities; such fair value is inclusive of any net periodic interest accruals and payments on the contract.

Interest rate swap agreements are valued utilizing quotes received from independent pricing services or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows, trades and values of the underlying reference instruments. The fair value of the Interest Rate Swap is classified as Level 2 with respect to the fair value hierarchy.

During the years ended December 31, 2024 and 2023, the Company did not enter into any additional derivative transactions.

Valuations of derivatives are determined using observable market inputs other than quoted prices in active markets for identical assets and, accordingly, are generally classified as Level 2 in the GAAP valuation hierarchy.

Deferred Debt Issuance Costs

Certain costs incurred in connection with the issuance and/or extension of debt of the Company and its subsidiaries were capitalized and are being amortized on a straight-line basis over the estimated life of the respective instruments. The impact of utilizing the straight-line amortization method versus the effective-interest method is not material to the operations of the Company.

Revenue Recognition

Interest and dividend income, including income paid in kind, is recorded on an accrual basis, when such amounts are considered collectible. Origination, structuring, closing, commitment and other upfront fees, including original issue discounts, earned with respect to capital commitments are generally amortized or accreted into interest income over the life of the respective debt investment, as are end-of-term or exit fees receivable upon repayment of a debt investment. Other fees, including certain amendment fees, prepayment fees and commitment fees on broken deals, are recognized as earned. Prepayment fees and similar income due upon the early repayment of a loan or debt security are recognized when earned and are included in interest income.

Certain debt investments are purchased at a discount to par as a result of the underlying credit risks and financial results of the issuer, as well as general market factors that influence the financial markets as a whole. Discounts on the acquisition of corporate bonds are generally amortized using the effective-interest or constant-yield method assuming there are no questions as to collectability. When principal payments on a loan are received in an amount in excess of the loan’s amortized cost, the excess principal payments are recorded as interest income.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

2. Summary of Significant Accounting Policies — (continued)

Debt investments are generally placed on non-accrual status when it is probable that principal or interest will not be collected according to the contractual terms. When a debt investment is placed on non-accrual status, accrued and unpaid interest (including any accrued PIK interest) is generally reversed, and discount accretion or premium amortization is discontinued. The Company does not reverse previously capitalized PIK income. Payments received on non-accrual investments may either be recognized as income or applied to principal depending upon the Company's judgment regarding collectability of the outstanding principal and interest. Non-accrual investments are restored to accrual status if past due principal and interest are paid or, in the Company's judgment, the repayment of the remaining contractual principal and interest is expected. The Company may opt not to place a distressed debt investment on non-accrual status if principal and interest are secured through sufficient collateral value and are in the process of collection through legal actions or other efforts that are expected to result in repayment of principal and interest.

36th Street Capital Partners, LLC

In accordance with Rules 3-09 and 4-08(g) of Regulation S-X ("Rule 3-09" and "Rule 4-08(g)," respectively), the Company must determine which of its unconsolidated controlled portfolio companies are considered "significant subsidiaries," if any. In evaluating these investments, Rule 1-02(w)(2) of Regulation S-X stipulates two tests to be utilized by a business development company to determine if any of our controlled investments are considered significant subsidiaries for financial reporting purposes: the investment test and the income test. Rule 3-09 requires separate audited financial statements of an unconsolidated majority owned subsidiary in an annual report if any of the tests exceed the thresholds noted in Rule 1-02(w)(2) whereas Rule 4-08(g) only requires summarized financial information in an annual/quarterly report if the thresholds are exceeded. Our investment in 36th Street Capital Partners Holdings, LLC as of December 31, 2024 exceeded the threshold in at least one of the tests for both Rule 3-09 and Rule 4-08(g). Accordingly, we are attaching the audited financial statements of 36th Street Capital Partners Holdings, LLC to this Form 10-K (refer to Exhibits).

Income Taxes

The Company intends to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to RICs, and to distribute substantially all of its taxable income to its shareholders. Therefore, no U.S. federal income tax provision is required. The income or loss of SVCP (including effective from the Closing, the consolidated income or loss of Merger Sub), TCPC Funding, TCPC Funding II and the SBIC is reported in the respective members' or partners' income tax returns, as applicable. In accordance with ASC Topic 740 - Income Taxes, the Company recognizes in its consolidated financial statements the effect of a tax position when it is determined that such position is more likely than not, based on the technical merits, to be sustained upon examination. The tax returns of the Company, SVCP, TCPC Funding, TCPC Funding II and the SBIC remain open for examination by tax authorities for a period of three years from the date they are filed. No such examinations are currently pending. Management has analyzed tax laws and regulations and their application to the Company as of December 31, 2024, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the consolidated financial statements.

U.S. GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. As of December 31, 2024 and December 31, 2023, the following permanent differences, primarily attributable to treatment of expenses, amortization methods for premiums and discounts on fixed income securities, were reclassified as follows:

	December 31, 2024	December 31, 2023
Paid-in capital	\$ 487,501,546	\$ (247,315)
Accumulated Earnings (Loss)	(487,501,546)	247,315

For the year ended December 31, 2024, the Company reclassified \$487,501,546 between accumulated earnings and paid-in-capital, respectively on the Consolidated Statement of Assets and Liabilities, including \$488,077,104 related to the merger with BCIC. These reclassification entries did not impact total net assets.

The tax character of distributions paid was as follows:

	December 31, 2024	December 31, 2023
Ordinary income	\$ 115,280,678	\$ 97,626,676

2. Summary of Significant Accounting Policies — (continued)

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

As of December 31, 2024 and December 31, 2023, the tax components of accumulated net earnings (losses) were as follows:

	December 31, 2024	December 31, 2023
Undistributed Ordinary Income	\$ 15,180,444	\$ 6,611,456
Non-Expiring Capital Loss Carryforwards ^{(1) (2)}	(636,962,720)	(206,680,323)
Net Unrealized Gains (Losses) ⁽³⁾	(324,236,596)	(80,030,609)
Total Accumulated Earnings (Loss)	\$ (946,018,872)	\$ (280,099,476)

(1) Amount available to offset future realized capital gains.

(2) Amount subject to limitations.

(3) The difference between book-basis and tax-basis net unrealized gains (losses) was attributable primarily to the timing and recognition of partnership income, amortization methods on fixed income securities, accounting for swap agreements and the accrual of income on securities in default.

As of December 31, 2024 and December 31, 2023, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	December 31, 2024	December 31, 2023
Tax Cost	\$ 2,120,958,894	\$ 1,631,931,217
Gross Unrealized Appreciation	\$ 165,148,618	\$ 65,463,168
Gross Unrealized Depreciation	(489,385,214)	(142,453,275)
Net Unrealized Appreciation (Depreciation)	\$ (324,236,596)	\$ (76,990,107)

On March 18, 2024, the Company completed its previously announced Merger with BCIC. Pursuant to the Merger Agreement, BCIC was merged with and into Merger Sub, with Merger Sub continuing as the surviving company and as a subsidiary of SVCP. The Merger was considered a tax-free reorganization and the Company has elected to carry forward the historical cost basis of the acquired BCIC investments for tax purposes. As a result of the Merger, BCIC's separate existence ceased.

Important Tax Information (Unaudited)

The fund hereby designates the following amounts, or maximum amounts allowable by law, as interest-related dividends eligible for exemption from U.S. withholding tax for nonresident aliens and foreign corporations for the fiscal year ended December 31, 2024:

	December 31, 2024
Interest Related Dividends for Non-U.S. Residents	\$ 93,545,085

The Fund hereby designates the following amount, or maximum amount allowable by law, as interest income eligible to be treated as a Section 163(j) interest dividend for the fiscal year ended December 31, 2024:

	December 31, 2024
Section 163(j) Interest Dividends	114,034,527

The following amount, or maximum amount allowable by law, is hereby designated as qualified dividend income for individuals for the fiscal year ended December 31, 2024:

	December 31, 2024
Qualified Dividend Income	\$ 361,338

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

2. Summary of Significant Accounting Policies — (continued)

The following percentage, or maximum percentage allowable by law, of ordinary income distributions paid during the fiscal year ended December 31, 2024 qualified for the dividends-received deduction for corporate shareholders:

	December 31, 2024
Dividends-Received Deduction	0.31 %

Recent Accounting Pronouncements

The Company considers the applicability and impact of all accounting standard updates (“ASU”) issued by the Financial Accounting Standards Board (the “FASB”). ASUs not listed were assessed by the Company and either determined to be not applicable or expected to have minimal impact on its consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (“ASU 2023-07”), which enhances disclosure requirements about significant segment expenses that are regularly provided to the chief operating decision maker (the “CODM”). ASU 2023-07, among other things, (i) requires a single segment public entity to provide all of the disclosures as required by ASC 280, (ii) requires a public entity to disclose the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources and (iii) provides the ability for a public entity to elect more than one performance measure. ASU 2023-07 is effective for the fiscal years beginning after December 15, 2023, and interim periods beginning with the first quarter ended March 31, 2025. Early adoption is permitted and retrospective adoption is required for all prior periods presented. The Company has adopted ASU 2023-07 effective December 31, 2024 and concluded that the application of this guidance did not have any material impact on its consolidated financial statements. See Note 13 for more information on the adoption of ASU 2023-07.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”), which intends to improve the transparency of income tax disclosures. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 and is to be adopted on a prospective basis with the option to apply retrospectively. The Company is currently assessing the impact of this guidance, however, the Company does not expect a material impact on its consolidated financial statements.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

3. Management Fees, Incentive Fees and Other Expenses

On February 8, 2019, the shareholders of the Company approved an amended investment management agreement to be effective on February 9, 2019 between the Company and the Advisor which (i) reduced the base management fee on total assets (excluding cash and cash equivalents) that exceed an amount equal to 200% of the net asset value of the Company from 1.50% to 1.00%, (ii) reduced the incentive compensation on net investment income and net realized gains (reduced by any net unrealized losses) from 20% to 17.5% and (iii) reduced the cumulative total return hurdle from 8% to 7%.

Accordingly, the Company's base management fee was calculated at an annual rate of 1.50% on total assets (excluding cash and cash equivalents) up to an amount equal to 200% of the net asset value of the Company, and 1.00% thereafter. The base management fee is calculated on a consolidated basis as of the beginning of each quarter and is payable to the Advisor quarterly in arrears.

In connection with the Merger, the Company and the Advisor entered into an amended and restated investment advisory agreement (the "Amended and Restated Investment Advisory Agreement") that became effective at the Closing, pursuant to which the Advisor reduced its base management fee rate for managing the Company from 1.50% to 1.25% on assets equal to or below 200% of the net asset value of the Company with no change to the basis of calculation. Prior to the Closing, the Advisor's base management fee rate for managing the Company was 1.50% on assets equal to or below 200% of the net asset value of the Company. The base management fee rate on assets that exceed 200% of the net asset value of the Company remains 1.00%. The base management fee is calculated on a consolidated basis as of the beginning of each quarter and is payable to the Advisor quarterly in arrears.

In connection with the Merger, the Company also entered into a fee waiver agreement with the Advisor (the "Fee Waiver Agreement"). The Fee Waiver Agreement provides that the Advisor will waive all or a portion of its advisory fees to the extent the adjusted net investment income of the Company on a per share basis (determined by dividing the adjusted net investment income of the Company by the weighted average outstanding shares of the Company during the relevant quarter) is less than \$0.32 per share in any of the first four (4) fiscal quarters ending after the Closing (the first of which will be the quarter in which the Closing occurred) to the extent there are sufficient advisory fees to cover such deficit (the waiver amount in a given quarter cannot exceed the total advisory fees for such quarter). For the year ended December 31, 2024, no advisory fee waiver was required.

Incentive compensation is only incurred to the extent the Company's cumulative total return (after incentive compensation) exceeds a 7% annual rate on daily weighted-average contributed common equity. Subject to that limitation, incentive compensation is calculated on ordinary income (before incentive compensation) and net realized gains (net of any unrealized depreciation) at rates of 17.5% on income since the fee reduction on February 8, 2019 and 20% previously. Incentive compensation is computed as the difference between incentive compensation earned and incentive compensation paid, subject to the total return hurdle, on a cumulative basis since January 1, 2013, and is payable quarterly in arrears. As of December 31, 2024, the Company's cumulative total return did not exceed the total return hurdle and, as a result, no incentive compensation was accrued for the three months ended December 31, 2024.

In connection with the Merger, the Company and the Advisor agreed that, for the purposes of calculating adjusted net investment income and for purposes of incentive fee calculations under the Amended and Restated Investment Advisory Agreement, any amortization of original issue discount to interest income or any gains and losses resulting solely from accounting adjustments to the cost basis of the BCIC assets acquired in the Merger as required under applicable accounting guidance under ASC 805 will be excluded.

A reserve for incentive compensation is accrued based on the amount of any additional incentive compensation that would have been payable to the Advisor assuming a hypothetical liquidation of the Company at net asset value on the balance sheet date. As of December 31, 2024 and December 31, 2023, no such reserve was accrued.

The Company bears all expenses incurred in connection with its business, including fees and expenses of outside contracted services, such as custodian, administrative, legal, audit and tax preparation fees, costs of valuing investments, insurance costs, brokers' and finders' fees relating to investments, and any other transaction costs associated with the purchase and sale of investments.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

4. Debt

Debt is comprised of unsecured notes due December 2025 originally issued by BCIC and assumed by Merger Sub (the “2025 Notes”) as of the Closing, unsecured notes due February 2026 issued by the Company (the “2026 Notes”), unsecured notes due May 2029 issued by the Company (the “2029 Notes”), amounts outstanding under a senior secured revolving, multi-currency credit facility entered into by SVCP (the “Operating Facility”), amounts outstanding under a senior secured revolving credit facility entered into by TCPC Funding II (“Funding Facility II”), amounts outstanding under a senior secured revolving credit facility originally entered into by BCIC and assumed by Merger Sub (“Merger Sub Facility”), and debentures guaranteed by the SBA (the “SBA Debentures”). Prior to being repaid on March 1, 2022, debt included \$140.0 million in convertible senior unsecured notes due March 2022 issued by the Company (the “2022 Convertible Notes”). Prior to being repaid on August 23, 2024, debt included \$250.0 million in senior unsecured notes due August 2024 issued by the Company (the “2024 Notes”).

Total debt outstanding and available at December 31, 2024 was as follows:

	Maturity	Rate	Carrying Value ⁽¹⁾	Available	Total Capacity
Operating Facility	2029	SOFR+2.00% ⁽²⁾	\$ 120,670,788	\$ 179,329,212	\$ 300,000,000 ⁽³⁾
Funding Facility II	2027	SOFR+2.05% ⁽⁴⁾	75,000,000	125,000,000	200,000,000 ⁽⁵⁾
Merger Sub Facility ⁽⁶⁾	2028	SOFR+2.00% ⁽⁷⁾	60,000,000	205,000,000	265,000,000 ⁽⁸⁾
SBA Debentures	2025–2031	2.45% ⁽⁹⁾	131,500,000	10,000,000	141,500,000
2025 Notes (\$92 million par) ⁽⁶⁾	2025	Fixed/Variable ⁽¹⁰⁾	92,000,000	—	92,000,000
2026 Notes (\$325 million par)	2026	2.85%	325,398,402	—	325,398,402
2029 Notes (\$325 million par)	2029	6.95%	321,745,636	—	321,745,636
Total leverage			<u>1,126,314,826</u>	<u>\$ 519,329,212</u>	<u>\$ 1,645,644,038</u>
Unamortized issuance costs			(7,974,601)		
Debt, net of unamortized issuance costs			<u>\$ 1,118,340,225</u>		

- (1) Except for the 2026 Notes and 2029 Notes all carrying values are the same as the principal amounts outstanding.
- (2) As of December 31, 2024, \$113.0 million of the outstanding amount was subject to a SOFR credit adjustment of 0.10%. \$7.7 million of the outstanding amount bore interest at a rate of EURIBOR + 2.00%.
- (3) Operating Facility includes a \$100.0 million accordion which allows for expansion of the facility to up to \$400.0 million subject to consent from the lender and other customary conditions.
- (4) Subject to certain funding requirements and a SOFR credit adjustment of 0.15%.
- (5) Funding Facility II includes a \$50.0 million accordion which allows for expansion of the facility to up to \$250.0 million subject to consent from the lender and other customary conditions.
- (6) Debt assumed by the Company as a result of the Merger with BCIC.
- (7) The applicable margin for SOFR-based borrowings could be either 1.75% or 2.00% depending on a ratio of the borrowing base to certain committed indebtedness, and is also subject to a credit spread adjustment of 0.10%. If Merger Sub elects to borrow based on the alternate base rate, the applicable margin could be either 0.75% or 1.00% depending on a ratio of the borrowing base to certain committed indebtedness.
- (8) Merger Sub Facility includes a \$60.0 million accordion which allows for expansion of the facility to up to \$325.0 million subject to consent from the lender and other customary conditions.
- (9) Weighted-average interest rate, excluding fees of 0.35% or 0.36%.
- (10) The 2025 Notes consist of two tranches: \$35.0 million aggregate principal amount with a fixed interest rate of 6.85% and \$57.0 million aggregate principal amount bearing interest at a rate equal to SOFR plus 3.14%.

Total debt outstanding and available at December 31, 2023 was as follows:

	Maturity	Rate	Carrying Value ⁽¹⁾	Available	Total Capacity
Operating Facility	2026	SOFR+2.00% ⁽²⁾	\$ 163,168,808	\$ 136,831,192	\$ 300,000,000 ⁽³⁾
Funding Facility II	2027	SOFR+2.05% ⁽⁴⁾	100,000,000	100,000,000	200,000,000 ⁽⁵⁾
SBA Debentures	2024–2031	2.52% ⁽⁶⁾	150,000,000	10,000,000	160,000,000
2024 Notes (\$250 million par)	2024	3.90%	249,596,009	—	249,596,009
2026 Notes (\$325 million par)	2026	2.85%	325,791,013	—	325,791,013
Total leverage			<u>988,555,830</u>	<u>\$ 246,831,192</u>	<u>\$ 1,235,387,022</u>
Unamortized issuance costs			(3,355,221)		
Debt, net of unamortized issuance costs			<u>\$ 985,200,609</u>		

- (1) Except for the 2024 Notes and the 2026 Notes, all carrying values are the same as the principal amounts outstanding.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

4. Debt — (continued)

- (2) As of December 31, 2023, \$155.0 million of the outstanding amount was subject to a SOFR credit adjustment of 0.11%. \$8.2 million of the outstanding amount bore interest at a rate of EURIBOR + 2.00%.
- (3) Operating Facility includes a \$100.0 million accordion which allows for expansion of the facility to up to \$400.0 million subject to consent from the lender and other customary conditions.
- (4) Subject to certain funding requirements and a SOFR credit adjustment of 0.15%.
- (5) Funding Facility II includes a \$50.0 million accordion which allows for expansion of the facility to up to \$250.0 million subject to consent from the lender and other customary conditions.
- (6) Weighted-average interest rate, excluding fees of 0.35% or 0.36%.

The combined weighted-average interest rates on total debt outstanding at December 31, 2024 and December 31, 2023 were 5.19% and 4.29%, respectively.

Total expenses related to debt included the following:

	Year Ended December 31,		
	2024	2023	2022
Interest expense	\$ 66,160,351	\$ 43,953,502	\$ 35,516,749
Amortization of deferred debt issuance costs	4,678,811	3,037,427	3,011,599
Commitment fees	1,324,880	819,811	830,548
Total	<u>\$ 72,164,042</u>	<u>\$ 47,810,740</u>	<u>\$ 39,358,896</u>

Outstanding debt is carried at amortized cost in the Consolidated Statements of Assets and Liabilities. As of December 31, 2024, the estimated fair values of the Operating Facility, Funding Facility II and the SBA Debentures approximated their carrying values and the estimated fair value of the Merger Sub Facility was \$55.5 million. The 2025 Notes, the 2026 Notes and the 2029 Notes had estimated fair values of \$92.7 million, \$315.9 million and \$338.8 million, respectively. As of December 31, 2023, the estimated fair values of the Operating Facility, Funding Facility II and the SBA Debentures approximated their carrying values, and the 2024 Notes and the 2026 Notes had estimated fair values of \$246.0 million and \$303.9 million, respectively. The estimated fair values of the Operating Facility, Funding Facility II and the SBA Debentures were determined by discounting projected remaining payments using market interest rates for borrowings of the Company and entities with similar credit risks at the measurement date. The estimated fair value of the Merger Sub Facility was derived by taking the average of the high and low quotes as obtained from a broker. The estimated fair values of the 2024 Notes, 2026 Notes and 2029 Notes were determined using market quotations, and the estimated fair value of the 2025 Notes was derived by an independent valuation firm. The estimated fair values of the Operating Facility, Funding Facility II, Merger Sub Facility, 2024 Notes, 2025 Notes, 2026 Notes, 2029 Notes and SBA Debentures as prepared for disclosure purposes were deemed to be Level 3 in the GAAP valuation hierarchy.

Convertible Unsecured Notes

On August 30, 2016, the Company issued \$140.0 million of convertible senior unsecured notes, which matured on March 1, 2022. The 2022 Convertible Notes were general unsecured obligations of the Company, and ranked structurally junior to the Operating Facility, Funding Facility II and the SBA Debentures. The Company did not have the right to redeem the 2022 Convertible Notes prior to maturity. The 2022 Convertible Notes bore interest at an annual rate of 4.625%, paid semi-annually. In certain circumstances, the 2022 Convertible Notes could have been converted into cash, shares of the Company's common stock or a combination of cash and shares of common stock (such combination to be at the Company's election), at an initial conversion rate of 54.5019 shares of common stock per one thousand dollar principal amount of the 2022 Convertible Notes, which is equivalent to an initial conversion price of approximately \$18.35 per share of common stock, subject to customary anti-dilutional adjustments. The initial conversion price was approximately 10.0% above the \$16.68 per share closing price of the Company's common stock on August 30, 2016. Prior to its maturity on March 1, 2022, the principal amount of the 2022 Convertible Notes exceeded the value of the conversion rate multiplied by the per share closing price of the Company's common stock. Therefore, no additional shares were added to the calculation of diluted earnings per common share and weighted average common shares outstanding.

The 2022 Convertible Notes were accounted for in accordance with ASC Topic 470-20 – *Debt with Conversion and Other Options*. Upon conversion of any of the 2022 Convertible Notes, the Company intended to pay the outstanding principal amount in cash and, to the extent that the conversion value exceeds the principal amount, had the option to pay the excess amount in cash or shares of the Company's common stock (or a combination of cash and shares), subject to the requirements of the respective indenture.

Prior to the adoption of ASU 2020-06, the Company had determined that the embedded conversion options in 2022 Convertible Notes were not required to be separately accounted for as derivatives under GAAP. At the time of issuance the estimated values of the debt and equity components of the 2022 Convertible Notes were approximately 97.6% and 2.4%, respectively. During the year ended December 31, 2022, the Company adopted ASU 2020-06 using the modified retrospective basis. In accordance with this guidance, the Company recombined the equity conversion component of our 2022 Convertible Notes outstanding, and accounted for the 2022.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

4. Debt — (continued)

Convertible Notes as a single liability measured at amortized cost. This resulted in a cumulative decrease to additional paid in capital of \$3.3 million, partially offset by a decrease to accumulated loss of \$3.2 million as of January 1, 2022 (see Note 2).

Prior to the close of business on the business day immediately preceding September 1, 2021, holders were permitted to convert their 2022 Convertible Notes only under certain circumstances set forth in the indenture governing the terms of the 2022 Convertible Notes. On or after September 1, 2021 until the close of business on the scheduled trading day immediately preceding March 1, 2022, holders may have converted their 2022 Convertible Notes at any time. Upon conversion, the Company would pay or deliver, as the case may be, at its election, cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, subject to the requirements of the indenture. No notes were converted prior to the notes maturing on March 1, 2022.

The original issue discounts equal to the equity components of the 2022 Convertible Notes were recorded in "paid-in capital in excess of par" in the accompanying Consolidated Statements of Assets and Liabilities. As a result, the Company records interest expense comprised of both stated interest and amortization of the original issue discounts. At the time of issuance, the equity components of the 2022 Convertible Notes were \$3.3 million.

For the years ended December 31, 2024, 2023 and 2022, the components of interest expense for the convertible notes were as follows:

	Year Ended December 31,		
	2024	2023	2022
Stated interest expense	NA	NA	\$ 1,079,167
Amortization of original issue discount	NA	NA	—
Total interest expense	NA	NA	\$ 1,079,167

The estimated effective interest rate of the debt component of the 2022 Convertible Notes, equal to the stated interest of 4.625% plus the accretion of the original issue discount, was approximately 5.125% for the year ended December 31, 2022. The Company adopted ASU 2020-06 under the modified retrospective basis as of January 1, 2022. As a result of the adoption, the Company did not recognize any amortization of original discount on the 2022 Convertible Notes during the year ended December 31, 2022 (see Note 2).

Unsecured Notes

On August 23, 2019, the Company issued \$150.0 million of unsecured notes. On November 26, 2019, the Company issued an additional \$50.0 million of the 2024 Notes and on October 2, 2020, the Company issued an additional \$50.0 million of the 2024 Notes for a total outstanding aggregate principal amount of \$250.0 million. The 2024 Notes were issued at a discount to the principal amount and bore interest at an annual rate of 3.900%, payable semi-annually. On August 23, 2024, the 2024 Notes matured and all principal was repaid.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

4. Debt — (continued)

On February 9, 2021, the Company issued \$175.0 million of unsecured notes that mature on February 9, 2026, unless previously repurchased or redeemed in accordance with their terms. The 2026 Notes were issued at a discount to the principal amount. On August 27, 2021, the Company issued an additional \$150.0 million of the 2026 Notes, at a premium to par, for a total outstanding aggregate principal amount of \$325.0 million. The 2026 Notes bear interest at an annual rate of 2.850%, payable semi-annually, and all principal is due upon maturity. The 2026 Notes may be redeemed in whole or part at the Company's option at a redemption price equal to par plus a "make whole" premium, as determined pursuant to the indenture governing the 2026 Notes, and any accrued and unpaid interest.

On March 18, 2024, Merger Sub entered into an assumption agreement (the "Note Assumption Agreement"), effective as of the Closing. The Note Assumption Agreement relates to Merger Sub's assumption of (a) \$35.0 million aggregate principal amount of BCIC's 6.85% Series 2022A Senior Notes, Tranche A, due December 9, 2025 (the "Tranche A Notes") and (b) \$57.0 million aggregate principal amount of BCIC's Floating Rate Series 2022A Senior Notes, Tranche B due December 9, 2025 (the "Tranche B Notes" and, collectively with the Tranche A Notes, the "2025 Notes") and other obligations of BCIC under the Master Note Purchase Agreement, dated as of April 21, 2022 (as amended by the First Amendment to the Master Note Purchase Agreement, dated as of March 13, 2024 (the "First Amendment"), and as further amended, supplemented or otherwise modified from time to time, the "Note Purchase Agreement"), among BCIC and certain institutional investors.

Pursuant to the Note Assumption Agreement, Merger Sub expressly assumed on behalf of BCIC the due and punctual payment of the principal of (and premium, if any) and interest on all the 2025 Notes outstanding, and the due and punctual performance and observance of every covenant and every condition of the Note Purchase Agreement and the 2025 Notes, to be performed or observed by BCIC.

The Tranche A Notes bear interest at a fixed rate equal to 6.85% per annum (which was increased from 5.82% per annum effective as of the Closing) that is payable semi-annually. The Tranche B Notes bear interest at a rate equal to the SOFR plus 3.14% that is payable quarterly. The 2025 Notes will be due on December 9, 2025 unless redeemed, purchased or prepaid prior to such date by Merger Sub or its affiliates in accordance with their terms. Merger Sub may prepay the 2025 Notes at its option, subject to a prepayment premium, in an amount equal to 1% on or before June 9, 2024, 0.5% after June 9, 2024 but on or before June 9, 2025 and zero after June 9, 2025. In addition, Merger Sub will be obligated to offer to repay the 2025 Notes at par if certain change in control events occur.

On May 30, 2024, the Company issued \$325.0 million of unsecured notes that mature on May 30, 2029, unless previously repurchased or redeemed in accordance with their terms. The 2029 Notes were issued at a discount to the principal amount. The 2029 Notes bear interest at an annual rate of 6.95%, payable semi-annually, and all principal is due upon maturity. The 2029 Notes may be redeemed in whole or part at the Company's option at a redemption price equal to par plus a "make whole" premium, as determined pursuant to the indenture governing the 2029 Notes, and any accrued and unpaid interest.

As of December 31, 2024 and December 31, 2023, the components of the carrying value of 2024 Notes, 2025 Notes, 2026 Notes and 2029 Notes were as follows:

	December 31, 2024				December 31, 2023	
	2024 Notes	2025 Notes	2026 Notes	2029 Notes	2024 Notes	2026 Notes
Principal amount of debt	N/A	\$ 92,000,000	\$ 325,000,000	\$ 325,000,000	\$ 250,000,000	\$ 325,000,000
Original issue (discount)/ premium, net of accretion	N/A	—	398,402	(3,254,364)	(403,991)	791,013
Carrying value of debt	N/A	\$ 92,000,000	\$ 325,398,402	\$ 321,745,636	\$ 249,596,009	\$ 325,791,013

4. Debt — (continued)

For the years ended December 31, 2024, 2023 and 2022, the components of interest expense for the 2022 Notes, 2024 Notes, 2025 Notes, 2026 Notes and 2029 Notes were as follows:

	Year Ended December 31,							
	2024				2023		2022	
	2024 Notes	2025 Notes	2026 Notes	2029 Notes	2024 Notes	2026 Notes	2024 Notes	2026 Notes
Stated interest expense	\$ 6,283,333	\$ 5,695,845	\$ 9,262,500	\$ 13,176,042	\$ 9,750,000	\$ 9,262,500	\$ 9,750,000	\$ 9,262,500
Amortization of original issue discount/ (premium)	403,991	—	(392,611)	359,636	598,483	(383,721)	574,357	(375,092)
Total interest expense	\$ 6,687,324	\$ 5,695,845	\$ 8,869,889	\$ 13,535,678	\$ 10,348,483	\$ 8,878,779	\$ 10,324,357	\$ 8,887,408

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

Operating Facility

The Operating Facility consists of a revolving, multi-currency credit facility which provides for amounts to be drawn up to \$300.0 million, subject to certain collateral and other restrictions. The Operating Facility includes a \$100.0 million accordion feature which allows for expansion of the facility to up to \$400.0 million subject to consent from the lender and other customary conditions. Most of the cash and investments held directly by SVCP, as well as the assets of TCPC Funding and 36th Street Capital Partners Holdings, LLC, are included in the collateral for the facility.

On June 22, 2021, the Operating Facility was amended to (i) extend the maturity date by two years from May 6, 2024 to May 6, 2026, (ii) change the interest rate applicable to borrowings to (a) LIBOR plus an applicable margin equal to either 1.75% or 2.00%, or (b) in the case of ABR borrowings, generally the prime rate in effect plus an applicable margin of either 0.75% or 1.00% depending on a ratio of the borrowing base to the facility commitments in both cases, and (iii) reduce commitment fees on the undrawn portion of the Operating Facility above the minimum utilization amount from 0.50% per annum to 0.375% per annum. Undrawn portions of the Operating Facility below the minimum utilization amount continued to accrue commitment fees at a rate of 0.50% per annum until March 1, 2022, the date on which the March 2022 Convertible Notes were terminated in full, after which time they accrue at a rate of 2.00% per annum.

On June 15, 2023, the Operating Facility was amended to update the terms of the interest rate from LIBOR to SOFR plus a credit spread adjustment of 0.11%, plus a margin equal to either 1.75% or 2.00%, depending on a ratio of the borrowing base to the facility commitments.

On August 1, 2024, the Operating Facility was amended to (i) extend the expiration date of the Operating Facility and the maturity date with respect to loans made thereunder from May 6, 2025 and May 6, 2026 to August 1, 2028 and August 1, 2029, respectively, (ii) delete references to the 2022 Notes, (iii) remove certain borrowing base restrictions, (iv) lower the SOFR credit spread adjustment to 0.10% for one month contracts and 0.15% for three month contracts, respectively, (v) update the minimum amount of stockholder's equity figure, (vi) update the "change in control" provisions to account for personnel changes and structuring variations and (vii) update certain mechanical/administrative provisions, including provisions for replacing CDOR and other reference rates. The Operating Facility may be terminated, and any outstanding amounts there under may become due and payable, should SVCP fail to satisfy certain financial or other covenants. As of December 31, 2024, SVCP was in full compliance with such covenants.

Funding Facility II

Funding Facility II is a senior secured revolving credit facility which provides for amounts to be drawn up to \$200.0 million, subject to certain collateral and other restrictions. The facility contains an accordion feature which allows for expansion of the facility to up to \$250.0 million subject to consent from the lender and other customary conditions. The cash and investments of TCPC Funding II are included in the collateral for the facility.

Borrowings under Funding Facility II bore interest at a rate of LIBOR plus 2.00% per annum, subject to certain funding requirements, plus a 0.35% fee on drawn amounts and an agency fee of 0.15% per annum on the facility. The facility also accrued commitment fees of 0.35% per annum on the unused portion of the facility.

Since February 28, 2023, borrowings under Funding Facility II bore interest at a rate of SOFR plus a credit spread adjustment of 0.15%, plus a margin of 2.00% per annum, which is subject to increase after the end of the revolving period or under other customary circumstances. The facility also accrues a 0.35% fee on drawn amounts and an agency fee of 0.15% per annum on the facility. The facility also accrues commitment fees of 0.35% per annum on the unused portion of the facility.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

4. Debt — (continued)

On August 4, 2023, the Funding Facility II was amended to extend the maturity date from August 4, 2025 to August 4, 2027, and updated interest to a rate of SOFR plus a credit spread adjustment of 0.15%, plus a margin of 2.05%. The facility may be terminated, and any outstanding amounts thereunder may become due and payable, should TCPC Funding II fail to satisfy certain financial or other covenants. As of December 31, 2024, TCPC Funding II was in full compliance with such covenants.

Merger Sub Facility

On March 18, 2024, Merger Sub entered into an assumption agreement (the "Credit Assumption Agreement"), effective as of the Closing. The Credit Assumption Agreement relates to Merger Sub's assumption of that certain Second Amended and Restated Senior Secured Revolving Credit Agreement, originally entered into on February 19, 2016, as amended as of August 8, 2016, June 5, 2017, March 15, 2018, August 30, 2019, May 22, 2020, April 23, 2021, April 26, 2023 and September 6, 2023 (as further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Merger Sub Facility"), by and among BCIC (the "Initial Borrower"), Citibank, N.A., as administrative agent and the other parties thereto. The Merger Sub Facility provides for amounts to be drawn up to \$265.0 million, by which Merger Sub may seek an increase in the commitments to \$325.0 million in the aggregate (subject to satisfaction of certain conditions, including obtaining commitments). The Merger Sub Facility matures on September 6, 2028. Amounts outstanding under the Merger Sub Facility bear interest at a rate based on, at Merger Sub's election, (i) in the case of ABR loans, a base reference rate equal to the highest of (a) the federal funds effective rate plus 0.50%, (b) the "Prime Rate" in effect on such day and (c) the adjusted term SOFR rate plus 1.00%, plus a margin ranging from 0.75% to 1.00% per annum, in the case of ABR loans, and 1.75% to 2.00% per annum, in the case of eurocurrency loans or SOFR loans, (ii) in the case of eurocurrency loans, a rate per annum equal to the adjusted CDOR rate or the adjusted EURIBOR rate, for loans denominated in Canadian dollars or in euros, respectively, plus, in either case, the Applicable Margin (as defined in the Merger Sub Facility) or (iii) in the case of SOFR loans, a rate per annum equal to the adjusted term SOFR rate plus the Applicable Margin. The Merger Sub Facility is secured by all of the assets held by Merger Sub as successor to BCIC.

SBA Debentures

As of December 31, 2024, the SBIC is able to issue up to \$141.5 million in SBA Debentures, subject to funded regulatory capital and other customary regulatory requirements. As of December 31, 2024, SVCP had committed \$87.5 million of regulatory capital to the SBIC, all of which had been funded. SBA Debentures are non-recourse and may be prepaid at any time without penalty. Once drawn, the SBIC debentures bear an interim interest rate of SOFR plus 30 basis points. The rate then becomes fixed at the time of SBA pooling, which occurs twice each year, and is set to the then-current 10-year treasury rate plus a spread and an annual SBA charge.

SBA Debentures outstanding as of December 31, 2024 were as follows:

Issuance Date	Maturity	Debtenture Amount	Fixed Interest Rate	SBA Annual Charge
March 25, 2015	March 1, 2025	\$ 9,500,000	2.52 %	0.36 %
September 23, 2015	September 1, 2025	10,800,000	2.83 %	0.36 %
March 23, 2016	March 1, 2026	4,000,000	2.51 %	0.36 %
September 21, 2016	September 1, 2026	18,200,000	2.05 %	0.36 %
September 20, 2017	September 1, 2027	14,000,000	2.52 %	0.36 %
March 21, 2018	March 1, 2028	8,000,000	3.19 %	0.35 %
September 19, 2018	September 1, 2028	15,000,000	3.55 %	0.35 %
September 25, 2019	September 1, 2029	40,000,000	2.28 %	0.35 %
September 22, 2021	September 1, 2031	12,000,000	1.30 %	0.35 %
		\$ 131,500,000	2.45 % *	

* Weighted-average interest rate

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

4. Debt — (continued)

SBA Debentures outstanding as of December 31, 2023 were as follows:

Issuance Date	Maturity	Debenture Amount	Fixed Interest Rate	SBA Annual Charge
September 24, 2014	September 1, 2024	\$ 18,500,000	3.02 %	0.36 %
March 25, 2015	March 1, 2025	9,500,000	2.52 %	0.36 %
September 23, 2015	September 1, 2025	10,800,000	2.83 %	0.36 %
March 23, 2016	March 1, 2026	4,000,000	2.51 %	0.36 %
September 21, 2016	September 1, 2026	18,200,000	2.05 %	0.36 %
September 20, 2017	September 1, 2027	14,000,000	2.52 %	0.36 %
March 21, 2018	March 1, 2028	8,000,000	3.19 %	0.35 %
September 19, 2018	September 1, 2028	15,000,000	3.55 %	0.35 %
September 25, 2019	September 1, 2029	40,000,000	2.28 %	0.35 %
September 22, 2021	September 1, 2031	12,000,000	1.30 %	0.35 %
		\$ 150,000,000	2.52 % *	

* Weighted-average interest rate

5. Commitments, Contingencies, Concentration of Credit Risk and Off-Balance Sheet Risk

SVCP, TCPC Funding, TCPC Funding II, Merger Sub and the SBIC conduct business with brokers and dealers that are primarily headquartered in New York and Los Angeles and are members of the major securities exchanges. Banking activities are conducted with a firm headquartered in the San Francisco area and in New York.

In the normal course of business, investment activities involve executions, settlement and financing of various transactions resulting in receivables from, and payables to, brokers, dealers and the custodian. These activities may expose the Company to risk in the event that such parties are unable to fulfill contractual obligations. Management does not anticipate any material losses from counterparties with whom it conducts business. Consistent with standard business practice, the Company, SVCP, TCPC Funding, TCPC Funding II, Merger Sub and the SBIC enter into contracts that contain a variety of indemnifications, and are engaged from time to time in various legal actions. The maximum exposure under these arrangements and activities is unknown. However, management expects the risk of material loss to be remote.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

5. Commitments, Contingencies, Concentration of Credit Risk and Off-Balance Sheet Risk — (continued)

The Consolidated Schedules of Investments include certain revolving loan facilities and other commitments with unfunded balances at December 31, 2024 and December 31, 2023 as follows:

Issuer	Maturity	Unfunded Balances	
		December 31, 2024	December 31, 2023
2-10 Holdco, Inc.	3/26/2026	\$ —	\$ 723,670
Accordion Partners LLC	11/15/2031	984,286	NA
Accordion Partners LLC	11/15/2031	656,191	NA
Accordion Partners LLC	8/31/2028	NA	111,925
Accuserve Solutions, Inc.	3/15/2030	2,273,092	NA
Acquia, Inc.	11/1/2025	832,182	960,792
Alcami Corporation	12/21/2028	NA	546,266
Alcami Corporation	12/21/2028	1,080,091	874,025
AlphaSense, Inc.	6/27/2029	4,641,664	NA
Alpine Acquisition Corp II (48Forty)	11/30/2026	483,992	71,628
AmeriLife Holdings, LLC	8/31/2028	742,492	NA
AmeriLife Holdings, LLC	8/31/2029	NA	76,212
AmeriLife Holdings, LLC	8/31/2028	NA	227,273
Applause App Quality, Inc.	9/20/2025	NA	1,133,535
Applause App Quality, Inc.	10/24/2029	1,307,719	NA
Appriss Health, LLC (PatientPing)	5/6/2027	736,257	544,531
Aras Corporation	4/13/2029	727,344	116,311
Avalara, Inc.	10/19/2028	270,000	45,000
Backoffice Associates Holdings, LLC (Syniti)	4/30/2026	NA	428,647
Bluefin Holding, LLC (Allvue)	9/12/2029	762,821	89,744
Bonterra LLC (fka CyberGrants Holdings, LLC)	9/8/2027	200,000	194,444
Bynder Bidco B.V. (Netherlands)	1/26/2029	1,259,424	882,000
Bynder Bidco, Inc. (Netherlands)	1/26/2029	346,984	243,000
CareATC, Inc.	3/14/2026	945,362	607,288
Clever Devices Ltd.	6/12/2030	441,176	NA
Community Merger Sub Debt LLC (CINC Systems)	1/18/2030	428,571	NA
Crewline Buyer, Inc. (New Relic)	11/8/2030	163,522	81,761
CSG Buyer, Inc. (Core States)	3/31/2028	NA	2,921,165
CSG Buyer, Inc. (Core States)	3/31/2028	NA	1,460,583
Disco Parent, Inc. (Duck Creek Technologies)	3/30/2029	604,041	90,909
DNAnexus, Inc.	12/20/2029	18,375,000	NA
Douglas Holdings, Inc (Docupace)	8/27/2030	3,648,967	NA
Douglas Holdings, Inc (Docupace)	8/27/2030	3,317,243	NA
Douglas Holdings, Inc (Docupace)	8/27/2030	1,589,628	NA
Douglas Holdings, Inc (Docupace)	8/27/2030	1,326,897	NA
e-Discovery Acquireco, LLC (Reveal)	8/29/2029	748,071	83,333
Emerald Technologies (U.S.) AcquisitionCo, Inc.	12/29/2026	829,369	531,907
ESO Solutions, Inc.	5/3/2027	709,962	700,111
Fusion Holding Corp. (Finalsite)	9/15/2027	299,035	37,736
Fusion Risk Management, Inc.	5/22/2029	642,857	107,143
GTY Technology Holdings Inc.	7/9/2029	1,016,653	NA
GTY Technology Holdings Inc.	7/9/2029	394,917	41,538
Honey Intermediate, Inc. (iLobby) (Canada)	9/26/2030	2,352,941	NA
Huckabee Acquisition, LLC (MOREgroup)	1/16/2030	322,581	NA
Huckabee Acquisition, LLC (MOREgroup)	1/16/2030	193,548	NA
ICIMS, Inc.	8/18/2028	NA	886,195
ICIMS, Inc.	8/18/2028	1,160,129	330,556
Integrate.com, Inc.	12/17/2027	14,000	10,000
Integrity Marketing Acquisition, LLC	8/27/2026	NA	10,254,564
Integrity Marketing Acquisition, LLC	8/25/2028	15,422,318	NA
Intercept Bidco, Inc.	6/3/2030	416,667	NA

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

5. Commitments, Contingencies, Concentration of Credit Risk and Off-Balance Sheet Risk — (continued)

Issuer	Maturity	Unfunded Balances	
		December 31, 2024	December 31, 2023
Intercept Bidco, Inc.	6/3/2030	277,778	NA
IT Parent, LLC (Insurance Technologies)	10/1/2026	NA	104,167
James Perse Enterprises, Inc.	9/8/2027	3,006,884	1,944,444
Kaseya, Inc.	6/25/2029	412,951	93,900
Kaseya, Inc.	6/25/2029	416,280	75,000
Kellermeyer Bergensons Services, LLC	11/6/2028	39,048	NA
Lighthouse Parent Holdings, Inc (Aperture)	12/20/2031	5,826,746	NA
Lighthouse Parent Holdings, Inc (Aperture)	12/20/2031	2,330,698	NA
LJ Avalon Holdings, LLC (Ardurra)	2/1/2030	NA	1,275,925
LJ Avalon Holdings, LLC (Ardurra)	2/1/2029	1,121,737	837,680
Logicmonitor, Inc	11/19/2031	50,748	NA
Lucky US BuyerCo, LLC (Global Payments)	3/30/2029	222,333	277,917
Madison Logic Holdings, Inc.	12/30/2027	752,321	1,069,947
Mesquite Bidco, LLC	11/30/2029	NA	1,585,403
Modigent, LLC (Pueblo)	8/23/2027	80,100	39,167
Modigent, LLC (Pueblo)	8/23/2028	1,536,784	NA
OCM Luxembourg Baccarat BidCo S.À R.L. (Interblock) (Slovenia)	6/3/2027	328,745	NA
Oranje Holdco, Inc. (KnowBe4)	2/1/2029	1,646,924	1,229,873
Oversight Systems, Inc.	9/24/2026	NA	212,667
Persado, Inc.	6/10/2027	101,431	NA
PHC Buyer, LLC (Patriot Home Care)	5/4/2028	NA	3,266,234
PlayPower, Inc	8/28/2030	1,313,131	NA
Pluralsight, Inc.	8/22/2029	3,775,409	NA
Pluralsight, Inc.	4/6/2027	NA	539,019
Pluralsight, Inc.	8/22/2029	1,849,410	NA
PMA Parent Holdings, LLC	1/31/2031	750,000	NA
Razor Group GmbH (Germany)	4/30/2025	NA	3,834,569
Rialto Management Group, LLC	12/5/2030	172,414	NA
Sailpoint Technologies Holdings, Inc.	8/16/2028	371,281	37,538
Sandata Technologies, LLC	7/23/2024	NA	1,050,000
SellerX Germany GmbH (Germany)	11/22/2029	1,346,022	NA
SellerX Germany GmbH (Germany)	5/23/2026	NA	5,034,506
SellerX Germany GmbH (Germany)	10/28/2026	538,409	NA
SEP Eiger BidCo Ltd. (Beqom) (Switzerland)	5/9/2028	1,460,107	1,601,742
SEP Raptor Acquisition, Inc. (Loopio) (Canada)	3/31/2027	1,908,116	NA
Serrano Parent, LLC (Sumo Logic)	5/13/2030	697,970	90,000
Showtime Acquisition, L.L.C. (World Choice)	8/7/2028	NA	1,039,117
Showtime Acquisition, L.L.C. (World Choice)	8/7/2028	NA	1,298,896
Skydio, Inc	12/4/2029	6,562,500	NA
Skydio, Inc	12/4/2029	6,562,500	NA
Sonny's Enterprises, LLC	8/5/2027	132,940	NA
Spark Buyer, LLC (Sparkstone)	10/15/2031	4,482,759	NA
Spark Buyer, LLC (Sparkstone)	10/15/2031	2,241,379	NA
Spartan Bidco Pty Ltd (StarRez) (Australia)	1/24/2028	802,885	NA
SumUp Holdings Luxembourg S.A.R.L. (Luxembourg)	4/25/2031	8,668,407	NA
Superman Holdings, LLC (Foundation Software)	8/31/2026	NA	1,256,026
Thunder Purchaser, Inc. (Vector Solutions)	6/30/2028	5,409,810	NA
Titan Home Improvement, LLC (Renuity)	5/31/2030	348,837	NA
Titan Home Improvement, LLC (Renuity)	5/31/2030	290,698	NA
Trintech, Inc.	7/25/2029	152,143	43,469
Vortex Companies, LLC	9/4/2029	140,839	68,547
Wealth Enhancement Group, LLC	10/4/2027	NA	71,696
Wealth Enhancement Group, LLC	10/4/2027	NA	26,980
Xactly Corporation	7/31/2027	854,898	854,898
Zendesk Inc.	11/22/2028	1,393,091	95,503
Zendesk Inc.	11/22/2028	573,626	39,325
Zilliant Incorporated	12/21/2027	296,296	148,148
Total Unfunded Balances		<u>\$ 143,915,382</u>	<u>\$ 54,556,095</u>

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

5. Commitments, Contingencies, Concentration of Credit Risk and Off-Balance Sheet Risk — (continued)

From time to time, the Company and the Advisor may be parties to certain legal proceedings incidental to the normal course of our business, including with respect to our investments in our portfolio companies. On September 13, 2023, the Company was named as a defendant, together with the Advisor and certain other funds managed by the Advisor, as well as certain other defendants, in a lawsuit filed in the United States Bankruptcy Court for the Southern District of New York. The suit relates to a third-party sponsored collateralized loan obligation in which the Company and certain other defendants invested. The suit alleges that the Company and the other defendants knew or should have known of certain fraudulent activities of the third-party manager relating to its management of the collateralized loan obligation that caused the plaintiffs to suffer investment losses. The suit seeks to recover from the Company approximately \$15.1 million, plus interest, additional amounts from the other defendants, and attorneys' fees and costs from all defendants. The Company, the affiliated funds and the Advisor intend to vigorously defend against these claims. On November 6, 2023, the Company, the affiliated funds, and the Advisor, and certain other defendants filed motions to dismiss the lawsuit, which was fully briefed on February 12, 2024 and was argued in court on March 6, 2024. On November 8, 2024, the court issued a decision, granting in part and denying in part the motion to dismiss. As a result, on December 6, 2024, the plaintiffs filed an amended complaint containing substantially similar allegations but without the claims dismissed by the court. On January 23, 2025, the Company, the Advisor and the funds managed by it, along with other defendants, filed a motion to dismiss one of the counts in the amended complaint. At this time, the Company and the Advisor cannot predict with a reasonable degree of certainty the likelihood of an unfavorable outcome, including any potential losses that could result.

6. Other Related Party Transactions

The Company, SVCP, TCPC Funding, TCPC Funding II, the SBIC, Merger Sub, the Advisor and their members and affiliates may be considered related parties. From time to time, SVCP advances payments to third parties on behalf of the Company which are reimbursable through deductions from distributions to the Company. At December 31, 2024 and December 31, 2023, no such amounts were outstanding. From time to time, the Advisor advances payments to third parties on behalf of the Company and SVCP and receives reimbursement from the Company. At December 31, 2024 and December 31, 2023, amounts reimbursable to the Advisor totaled \$0.9 million and \$0.8 million, respectively, as reflected in the Consolidated Statements of Assets and Liabilities.

Pursuant to an administration agreement between the Administrator and the Company (the "Administration Agreement"), the Administrator may be reimbursed for costs and expenses incurred by the Administrator for office space rental, office equipment and utilities allocable to the Company, as well as costs and expenses incurred by the Administrator or its affiliates relating to any administrative, operating, or other non-investment advisory services provided by the Administrator or its affiliates to the Company. For the years ended December 31, 2024, 2023 and 2022, expenses allocated pursuant to the Administration Agreement totaled \$2.4 million, \$1.5 million and \$1.8 million, respectively.

7. Stockholders' Equity and Dividends

In accordance with the terms of the Merger Agreement, at the Closing, each outstanding share of BCIC's common stock was converted into the right to receive 0.3834 shares (the "Exchange Ratio") of common stock, par value \$0.001 per share of the Company (with BCIC shareholders receiving cash in lieu of fractional shares of the Company's common stock). As a result of the Merger, the Company issued 27,823,870 shares of its common stock on March 18, 2024 to former BCIC shareholders, after adjustment for BCIC shareholders receiving cash in lieu of fractional shares.

The Company's dividends are recorded on the ex-dividend date. The following table summarizes the Company's dividends declared and paid for the year ended December 31, 2024:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount	Reinvested Amount⁽¹⁾
February 29, 2024	March 14, 2024	March 29, 2024	Regular	\$ 0.34	\$ 19,640,870	\$ —
May 1, 2024	June 14, 2024	June 28, 2024	Regular	0.34	29,100,986	771,651
August 7, 2024	September 16, 2024	September 30, 2024	Regular	0.34	29,100,986	722,140
November 6, 2024	December 17, 2024	December 31, 2024	Regular	0.34	28,929,237	637,485
November 6, 2024	December 17, 2024	December 31, 2024	Special	0.10	8,508,599	187,495
				<u>\$ 1.46</u>	<u>\$ 115,280,678</u>	<u>\$ 2,318,771</u>

(1) Dividends reinvested through purchase of shares in the open market.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

7. Stockholders' Equity and Dividends — (continued)

In addition, the Company paid \$7,257,191 of dividends payable assumed in the Merger that were declared on March 4, 2024 by the BCIC Board of Directors for the benefit of former BCIC shareholders of record as of March 15, 2024. Such amount was paid from BCIC cash and cash equivalents acquired by the Company in the Merger.

The following table summarizes the Company's dividends declared and paid for the year ended December 31, 2023:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount	Reinvested Amount⁽¹⁾
February 28, 2023	March 17, 2023	March 31, 2023	Regular	\$ 0.32	\$ 18,485,524	\$ —
May 4, 2023	June 16, 2023	June 30, 2023	Regular	0.34	19,640,870	—
August 3, 2023	September 15, 2023	September 29, 2023	Regular	0.34	19,640,870	—
August 3, 2023	September 15, 2023	September 29, 2023	Special	0.10	5,776,726	—
November 2, 2023	December 15, 2023	December 29, 2023	Regular	0.34	19,640,870	—
November 2, 2023	December 15, 2023	December 29, 2023	Special	0.25	14,441,816	—
				<u>\$ 1.69</u>	<u>\$ 97,626,676</u>	<u>\$ —</u>

(1) No dividend reinvestment plan was effective for the year ended December 31, 2023.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

7. Stockholders' Equity and Dividends — (continued)

Dividend Reinvestment Plan

On February 27, 2024, the Board of Directors approved a new dividend reinvestment plan (the “DRIP”) for the Company. The DRIP was effective as of, and will apply to the reinvestment of cash distributions with a record date after March 18, 2024. Under the DRIP, shareholders will automatically receive cash dividends and distributions unless they “opt in” to the DRIP and elect to have their dividends and distributions reinvested in additional shares of the Company’s common stock. Notwithstanding the foregoing, the former shareholders of BCIC that participated in the BCIC dividend reinvestment plan at the time of the Merger have been automatically enrolled in the Company’s DRIP and will have their shares reinvested in additional shares of the Company’s common stock on future distributions, unless they “opt out” of the DRIP.

To “opt in”, a shareholder shall notify Computershare Trust Company, N.A., the DRIP plan administrator (the “Plan Administrator”), in writing so that such notice is received by the Plan Administrator no later than the record date fixed by the Board of Directors for the distribution involved. The Plan Administrator will set up an account for shares acquired pursuant to the DRIP for each shareholder who has elected to participate in the DRIP (each a “Participant”). The amount of common stock to be issued to Participants pursuant to the DRIP will be calculated by reference to all shares of common stock owned by the Participant, whether held in its DRIP account or elsewhere. Common stock will be acquired by the Plan Administrator for the Participants’ accounts, through either (i) the receipt from the Company of additional unissued but authorized common stock (“newly issued common stock”) or (ii) the purchase of outstanding common stock in the open market (“open-market purchases”).

The Plan Administrator will acquire newly issued common stock on behalf of Participants if, on the distribution payment date, the closing market price per share of the Company’s common stock on the NASDAQ Global Select Market (or if no sale is reported for such day, the midpoint of the reported bid and asked prices) plus estimated per share fees (which include any applicable brokerage commissions the Plan Administrator is required to pay) (the “Market Price”) is greater than the most recently published net asset value per common stock (“NAV”) (such condition referred to as a “market premium”). The number of shares of newly issued common stock to be credited to a Participant’s account will be determined by dividing the dollar amount of the distribution otherwise payable to the Participant by the greater of (i) the NAV or (ii) 95% of the Market Price on the distribution payment date.

Unless otherwise instructed by the Company at the direction of its Board of Directors, the Plan Administrator will acquire common stock on behalf of Participants through open-market purchases if, on the distribution payment date, the Market Price is less than the most recently published NAV (such condition referred to as a “market discount”). In the event of a market discount on the distribution payment date, the Plan Administrator will have until the last business day before the next date on which the common stock trades on an “ex-distribution” basis or 30 days after the distribution payment date, whichever is sooner (the “last purchase date”), to invest the distribution amount in common stock acquired in open-market purchases. If shares are purchased in the open market with respect to a distribution, the number of shares to be credited to a Participant’s account shall be determined by dividing the dollar amount of the cash distribution otherwise payable to the Participant by the weighted average Market Price per share for all common stock purchased by the Plan Administrator in the open market. If the Plan Administrator is unable to invest the full distribution amount in open-market purchases, or if the market discount shifts to a market premium during the purchase period, the Plan Administrator may cease making open-market purchases and may use any uninvested portion to acquire newly issued shares. Investments in newly issued shares made in this manner would be made pursuant to the same process described above and the date of issue for such newly issued shares will substitute for the distribution payment date. If the Company instructs the Plan Administrator to purchase new shares of common stock when there is a market discount, the shares of common stock will be acquired in accordance with the same terms as outlined above when there is a market premium.

There will be no fees with respect to shares of common stock issued directly by the Company. However, each Participant will pay the per share fees (which include any applicable brokerage commissions the Plan Administrator is required to pay) incurred in connection with open-market purchases. If a shareholder has shares held by a broker, such shareholder should contact his/her broker to participate in the DRIP. For the year ended December 31, 2024, approximately \$2.3 million of cash distributions were reinvested for electing Participants through purchase of shares in the open market in accordance with the terms of the DRIP.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

7. Stockholders' Equity and Dividends — (continued)

Share Repurchase Plan

On February 24, 2015, the Company's Board of Directors approved a stock repurchase plan (the "Company Repurchase Plan") to acquire up to \$50.0 million in the aggregate of the Company's common stock at prices at certain thresholds below the Company's net asset value per share, in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the 1934 Act. The Company Repurchase Plan is designed to allow the Company to repurchase its common stock at times when it otherwise might be prevented from doing so under insider trading laws. The Company Repurchase Plan requires an agent selected by the Company to repurchase shares of common stock on the Company's behalf if and when the market price per share is at certain thresholds below the most recently reported net asset value per share. Under the plan, the agent will increase the volume of purchases made if the price of the Company's common stock declines, subject to volume restrictions. The timing and amount of any stock repurchased depends on the terms and conditions of the Company Repurchase Plan, the market price of the common stock and trading volumes, and no assurance can be given that any particular amount of common stock will be repurchased. The Company Repurchase Plan was re-approved on April 24, 2024, to be in effect through the earlier of April 30, 2025, unless further extended or terminated by the Company's Board of Directors, or such time as the approved \$50.0 million repurchase amount has been fully utilized, subject to certain conditions.

The following table summarizes the total shares repurchased and amounts paid by the Company under the Company Repurchase Plan, including broker fees, for the year ended December 31, 2024:

	Shares Repurchased	Price Per Share*	Total Cost
Company Repurchase Plan	510,687	\$ 8.86	\$ 4,524,639

* Weighted-average price per share

No shares were repurchased by the Company under the Company Repurchase Plan for the year ended December 31, 2023.

8. Earnings Per Share

In accordance with ASC 260, *Earnings per Share*, basic earnings per share is computed by dividing earnings available to common shareholders by the weighted average number of shares outstanding during the period. Other potentially dilutive common shares, if any, and the related impact to earnings, are considered when calculating earnings per share on a diluted basis. The following information sets forth the computation of the net increase in net assets per share resulting from operations for the years ended December 31, 2024, 2023 and 2022:

	Year Ended December 31,		
	2024	2023	2022
Net increase (decrease) in net assets from operations	\$ (63,137,172)	\$ 38,474,432	\$ (9,225,332)
Weighted average shares outstanding	79,670,868	57,767,264	57,767,264
Earnings (loss) per share	\$ (0.79)	\$ 0.67	\$ (0.16)

9. Subsequent Events

On February 25, 2025, the Advisor voluntarily agreed to waive one-third of its base management fee with respect to the Company for three calendar quarters beginning on January 1, 2025 and ending on September 30, 2025.

On February 27, 2025, the Company's Board of Directors declared a first quarter regular dividend of \$0.25 per share and a special dividend of \$0.04 per share, both payable on March 31, 2025 to shareholders of record as of the close of business on March 17, 2025.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

10. Financial Highlights

	<i>Year Ended December 31,</i>				
	<i>2024</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
Per Common Share					
Per share NAV at beginning of period	\$ 11.90	\$ 12.93	\$ 14.36	\$ 13.24	\$ 13.21
Investment operations:					
Net investment income before excise taxes	1.66	1.85	1.53	1.26	1.43
Excise taxes	0.00	(0.01)	—	—	—
Net investment income ⁽¹⁾	1.66	1.84	1.53	1.26	1.43
Net realized and unrealized gain (loss) ⁽¹⁾	(2.60)	(1.18)	(1.69)	1.17	(0.16)
Total from investment operations	(0.94)	0.66	(0.16)	2.43	1.27
Net decrease in net assets as a result of issuance of shares in connection with the Merger ⁽²⁾	(0.28)	—	—	—	—
Repurchase of common stock	0.01	—	—	—	0.12
Issuance of convertible debt	—	—	—	—	—
Loss on extinguishment of debt	—	—	—	(0.11)	(0.04)
Cumulative effect adjustment for the adoption of ASU 2020-06 ⁽³⁾	—	—	0.00	—	—
Ordinary income dividends	(1.46)	(1.69)	(1.27)	(1.20)	(1.13)
Tax basis returns of capital	—	—	—	—	(0.19)
Dividends to common shareholders ⁽⁴⁾	(1.46)	(1.69)	(1.27)	(1.20)	(1.32)
Per share NAV at end of period	<u>\$ 9.23</u>	<u>\$ 11.90</u>	<u>\$ 12.93</u>	<u>\$ 14.36</u>	<u>\$ 13.24</u>
Per share market price at end of period	\$ 8.71	\$ 11.54	\$ 12.94	\$ 13.51	\$ 11.24
Total return based on market value ⁽⁵⁾	(11.9)%	2.2%	5.2%	30.9%	(10.6)%
Total return based on net asset value ⁽⁶⁾	(10.2)%	5.1%	-1.1%	17.5%	10.2%
Shares outstanding at end of period	85,080,447	57,767,264	57,767,264	57,767,264	57,767,264
Ratios to average common equity:					
Net investment income ⁽⁷⁾	15.6%	14.2%	10.8%	9.0%	11.3%
Expenses before incentive fee ⁽⁸⁾	12.8%	10.7%	9.0%	9.3%	10.0%
Expenses and incentive fee ⁽⁹⁾	15.1%	13.7%	11.3%	11.5%	12.1%
Ending common shareholder equity	\$ 785,123,667	\$ 687,601,546	\$ 746,753,790	\$ 829,456,636	\$ 764,986,578
Portfolio turnover rate	18.3%	13.5%	19.4%	35.6%	28.3%
Weighted-average debt outstanding	\$ 1,234,022,372	\$ 1,001,667,440	\$ 1,023,880,532	\$ 985,506,056	\$ 936,157,021
Weighted-average interest rate on debt	5.4%	4.4%	3.5%	3.6%	3.9%
Weighted-average number of common shares	79,670,868	57,767,264	57,767,264	57,767,264	57,991,233
Weighted-average debt per share	\$ 15.49	\$ 17.34	\$ 17.72	\$ 17.06	\$ 16.14
Asset Coverage:					
	<i>2024</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
Debt					
Debt outstanding ⁽¹⁰⁾	\$ 1,126,314,826	\$ 988,555,830	\$ 949,062,241	\$ 1,019,339,449	\$ 856,324,371
Asset coverage per \$1,000 of debt outstanding ⁽¹¹⁾	\$ 1,789	\$ 1,643	\$ 1,929	\$ 1,948	\$ 2,058

- (1) Amounts shown reflect the impact of the purchase discount recorded in connection with the Merger and were computed based on the actual amounts earned or incurred by the Company divided by the actual shares outstanding in the respective accounting periods before and after the closing of the Merger on March 18, 2024.
- (2) Calculated as the number of shares issued by the Company in connection with the Merger times the discount per share based on the closing price per share and the NAV per share at the time of the closing of the Merger.
- (3) See Note 2 and 4 for further information related to the adoption of ASU 2020-06.
- (4) Dividends to common shareholders include a tax return of capital of \$0 (\$0.00 per share), \$0 (\$0.00 per share), \$0 (\$0.00 per share), \$13,563,291 (\$0.23 per share) and \$11,313,222 (\$0.19 per share) for the years ended December 31, 2024, 2023 and 2022, 2021 and 2020, respectively.
- (5) Total return based on market value is calculated by determining the percentage change in market value per share during the period.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

10. Financial Highlights — (continued)

- (6) Total return based on net asset value is calculated by determining the percentage change in net asset value per share during the period, including incentive compensation and all Company expenses including interest and other debt costs.
- (7) Net of incentive compensation and excise taxes.
- (8) Includes interest and other debt costs but excludes excise taxes.
- (9) Includes incentive compensation and all Company expenses including interest and other debt costs.
- (10) Excludes unamortized debt issuance costs which are netted in the Consolidated Statements of Assets and Liabilities.
- (11) Excludes SBA Debentures.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

11. Senior Securities

Information about the Company's senior securities is shown in the following table as of the end of each of the last ten fiscal years and the period ended December 31, 2024.

Class and Year	Total Amount Outstanding ⁽¹⁾		Asset Coverage Per Unit ⁽²⁾		Involuntary Liquidating Preference Per Unit ⁽³⁾		Average Market Value Per Unit ⁽⁴⁾	
Operating Facility								
Fiscal Year 2024	\$	120,671	\$	6,932	—			N/A
Fiscal Year 2023		163,169		5,244	—			N/A
Fiscal Year 2022		123,890		6,906	—			N/A
Fiscal Year 2021		154,480		11,020	—			N/A
Fiscal Year 2020		120,454		9,508	—			N/A
Fiscal Year 2019		108,498		5,812	—			N/A
Fiscal Year 2018		82,000		5,221	—			N/A
Fiscal Year 2017		57,000		6,513	—			N/A
Fiscal Year 2016		100,500		4,056	—			N/A
Fiscal Year 2015		124,500		3,076	—			N/A
Funding Facility I								
Fiscal Year 2024		N/A		N/A	—			N/A
Fiscal Year 2023		N/A		N/A	—			N/A
Fiscal Year 2022		N/A		N/A	—			N/A
Fiscal Year 2021		N/A		N/A	—			N/A
Fiscal Year 2020		N/A		N/A	—			N/A
Fiscal Year 2019	\$	158,000	\$	5,812	—			N/A
Fiscal Year 2018		212,000		5,221	—			N/A
Fiscal Year 2017		175,000		6,513	—			N/A
Fiscal Year 2016		175,000		4,056	—			N/A
Fiscal Year 2015		229,000		3,076	—			N/A
Funding Facility II								
Fiscal Year 2024	\$	75,000	\$	6,932	—			N/A
Fiscal Year 2023		100,000		5,244	—			N/A
Fiscal Year 2022		100,000		6,906	—			N/A
Fiscal Year 2021		-		N/A	—			N/A
Fiscal Year 2020		36,000		9,508	—			N/A
Merger Sub Facility								
Fiscal Year 2024	\$	60,000	\$	6,932	—			N/A
SBA Debentures								
Fiscal Year 2024	\$	131,500	\$	6,932	—			N/A
Fiscal Year 2023		150,000		5,244	—			N/A
Fiscal Year 2022		150,000		6,906	—			N/A
Fiscal Year 2021		150,000		11,020	—			N/A
Fiscal Year 2020		138,000		9,508	—			N/A
Fiscal Year 2019		138,000		5,812	—			N/A
Fiscal Year 2018		98,000		5,221	—			N/A
Fiscal Year 2017		83,000		6,513	—			N/A
Fiscal Year 2016		61,000		4,056	—			N/A
Fiscal Year 2015		42,800		3,076	—			N/A
2019 Convertible Notes								
Fiscal Year 2024		N/A		N/A	—			N/A
Fiscal Year 2023		N/A		N/A	—			N/A
Fiscal Year 2022		N/A		N/A	—			N/A
Fiscal Year 2021		N/A		N/A	—			N/A
Fiscal Year 2020		N/A		N/A	—			N/A
Fiscal Year 2019		N/A		N/A	—			N/A
Fiscal Year 2018	\$	108,000	\$	2,157	—			N/A
Fiscal Year 2017		108,000		2,335	—			N/A
Fiscal Year 2016		108,000		2,352	—			N/A
Fiscal Year 2015		108,000		2,429	—			N/A
2022 Convertible Notes								
Fiscal Year 2024		N/A		N/A	—			N/A
Fiscal Year 2023		N/A		N/A	—			N/A
Fiscal Year 2022		N/A		N/A	—			N/A
Fiscal Year 2021	\$	140,000	\$	1,948	—			N/A
Fiscal Year 2020		140,000		2,058	—			N/A
Fiscal Year 2019		140,000		1,992	—			N/A
Fiscal Year 2018		140,000		2,157	—			N/A
Fiscal Year 2017		140,000		2,335	—			N/A
Fiscal Year 2016		140,000		2,352	—			N/A

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

11. Senior Securities — (continued)

Class and Year	Total Amount Outstanding ⁽¹⁾	Asset Coverage Per Unit ⁽²⁾	Involuntary Liquidating Preference Per Unit ⁽³⁾	Average Market Value Per Unit ⁽⁴⁾
2022 Notes				
Fiscal Year 2024	N/A	N/A	—	N/A
Fiscal Year 2023	N/A	N/A	—	N/A
Fiscal Year 2022	N/A	N/A	—	N/A
Fiscal Year 2021	N/A	N/A	—	N/A
Fiscal Year 2020	\$ 175,000	\$ 2,058	—	N/A
Fiscal Year 2019	175,000	1,992	—	N/A
Fiscal Year 2018	175,000	2,157	—	N/A
Fiscal Year 2017	175,000	2,335	—	N/A
2024 Notes				
Fiscal Year 2024	N/A	N/A	—	N/A
Fiscal Year 2023	\$ 250,000	\$ 1,643	—	N/A
Fiscal Year 2022	250,000	1,929	—	N/A
Fiscal Year 2021	250,000	1,948	—	N/A
Fiscal Year 2020	250,000	2,058	—	N/A
Fiscal Year 2019	200,000	1,992	—	N/A
2025 Notes				
Fiscal Year 2024	\$ 92,000	\$ 1,789	—	N/A
2026 Notes				
Fiscal Year 2024	\$ 325,000	\$ 1,789	—	N/A
Fiscal Year 2023	325,000	1,643	—	N/A
Fiscal Year 2022	325,000	1,929	—	N/A
Fiscal Year 2021	325,000	1,948	—	N/A
2029 Notes				
Fiscal Year 2024	\$ 325,000	\$ 1,789	—	N/A

- (1) Total amount of each class of senior securities outstanding at the end of the period presented (in 1,000's).
- (2) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by senior securities representing indebtedness. For the Operating Facility, Funding Facility I, Funding Facility II and Merger Sub Facility, the asset coverage ratio with respect to indebtedness is multiplied by \$1,000 to determine the Asset Coverage Per Unit.
- (3) The amount to which such class of senior security would be entitled upon the voluntary liquidation of the issuer in preference to any security junior to it. The “—” in this column indicates that the SEC expressly does not require this information to be disclosed for certain types of senior securities.
- (4) The Company's senior securities are not registered for public trading.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

12. Merger with BlackRock Capital Investment Corporation

On March 18, 2024, the Company completed its previously announced acquisition of BCIC, pursuant to that certain Amended and Restated Agreement and Plan of Merger, dated as of January 10, 2024, by and among the Company, BCIC, Merger Sub, and solely for the limited purposes set forth therein, BCIA, and the Advisor. Pursuant to the Merger Agreement, BCIC merged with and into Merger Sub, with Merger Sub continuing as the surviving company and as a subsidiary of SVCP and an indirect wholly-owned subsidiary of the Company. As a result of, and as of the effective time of, the Merger, BCIC's separate corporate existence ceased.

In connection with the Merger, the Company and the Advisor entered into the Amended and Restated Investment Advisory Agreement that became effective as of the Closing, pursuant to which the Advisor reduced its base management fee rate for managing the Company from 1.50% to 1.25% on assets equal to or below 200% of the net asset value of the Company with no change to the basis of the calculation. Prior to the Closing, the Advisor's base management fee rate for managing the Company was 1.50% on assets equal to or below 200% of the net asset value of the Company. The base management fee rate on assets that exceed 200% of the net asset value of the Company remains 1.00%. The Company also entered into the Fee Waiver Agreement with the Advisor. The Fee Waiver Agreement provides that the Advisor will waive all or a portion of its advisory fees to the extent the adjusted net investment income of the Company on a per share basis (determined by dividing the adjusted net investment income of the Company by the weighted average outstanding shares of the Company during the relevant quarter) is less than \$0.32 per share in any of the first four (4) fiscal quarters ending after the Closing (the first of which will be the quarter in which the Closing occurred) to the extent there are sufficient advisory fees to cover such deficit. The waiver amount in a given quarter cannot exceed the total advisory fees for such quarter.

In accordance with the terms of the Merger Agreement, at the Closing, each outstanding share of BCIC's common stock was converted into the right to receive 0.3834 shares of common stock, par value \$0.001 per share of the Company (with BCIC's shareholders receiving cash in lieu of fractional shares of the Company's common stock). As a result of the Merger, the Company issued 27,823,870 shares of its common stock to former BCIC shareholders, after adjustment for BCIC's shareholders receiving cash in lieu of fractional shares.

The Merger has been accounted for as an asset acquisition of BCIC by the Company in accordance with the asset acquisition method of accounting as detailed in ASC 805-50 ("ASC 805"), *Business Combinations-Related Issues*. The Company determined the fair value of the shares of the Company's common stock that were issued to former BCIC shareholders pursuant to the Merger Agreement plus transaction costs to be the consideration paid in connection with the Merger under ASC 805. The consideration paid to BCIC shareholders was less than the aggregate fair values of the BCIC assets acquired and liabilities assumed, which resulted in a purchase discount (the "purchase discount"). The consideration paid was allocated to the individual BCIC assets acquired and liabilities assumed based on the relative fair values of net identifiable assets acquired other than "non-qualifying" assets and liabilities (for example, cash) and did not give rise to goodwill. As a result, the purchase discount was allocated to the cost basis of the BCIC investments acquired by the Company on a pro-rata basis based on their relative fair values as of the effective time of the Merger. Immediately following the Merger, the investments were marked to their respective fair values in accordance with ASC 820 which resulted in immediate recognition of net unrealized appreciation in the Consolidated Statement of Operations as a result of the Merger. The purchase discount allocated to the BCIC debt investments acquired will amortize over the remaining life of each respective debt investment through interest income, with a corresponding adjustment recorded to unrealized appreciation or depreciation on such investment acquired through its ultimate disposition. The purchase discount allocated to BCIC equity investments acquired will not amortize over the life of such investments through interest income and, assuming no subsequent change to the fair value of the equity investments acquired and disposition of such equity investments at fair value, the Company may recognize a realized gain or loss with a corresponding reversal of the unrealized appreciation on disposition of such equity investments acquired.

The Merger was considered a tax-free reorganization and the Company has elected to carry forward the historical cost basis of the acquired BCIC investments for tax purposes.

Pursuant to the Merger Agreement, the Advisor, in the case of the Company, and BCIA, in the case of BCIC, would each bear 50% of the aggregate reasonable out-of-pocket costs and expenses incurred by the Company or BCIC, as applicable, up to a combined aggregate amount equal to \$6.0 million (the "Merger transaction costs"). Net of Merger transaction costs borne by the Advisor, the Company capitalized \$2.4 million of Merger transaction costs as part of the total consideration paid to acquire the assets and liabilities of BCIC.

BlackRock TCP Capital Corp.
Notes to Consolidated Financial Statements (Continued)
December 31, 2024

12. Merger with BlackRock Capital Investment Corporation — (continued)

The following table summarizes the allocation of the consideration paid to the assets acquired and liabilities assumed as a result of the Merger:

Common stock issued by the Company ⁽¹⁾	\$ 280,464,610
Transaction costs	2,366,408
Total purchase price	<u>\$ 282,831,018</u>
Assets acquired:	
Investments ⁽²⁾	\$ 586,983,708
Cash and cash equivalents	11,670,610
Interest, dividends and fees receivable	10,373,421
Due from broker	2,048,141
Other assets	3,731,006
Total assets acquired	<u>614,806,886</u>
Liabilities assumed:	
Debt	315,296,749
Dividends payable ⁽³⁾	7,257,191
Management fees payable	1,888,664
Interest rate swap, at fair value	1,674,309
Incentive fees payable	1,363,625
Other liabilities	4,495,330
Total liabilities assumed	<u>331,975,868</u>
Net assets acquired	<u>\$ 282,831,018</u>

(1) Based on the Company's market price of \$10.08 and 27,823,870 shares of common stock issued by the Company at closing.

(2) Investments acquired were recorded at fair value at the date of the acquisition, which is also the Company's initial cost basis in the investments, and reflects the impact of a \$21,886,848 purchase discount.

(3) Declared on March 4, 2024 by the BCIC Board of Directors for the benefit of former BCIC shareholders of record as of March 15, 2024 and paid on March 29, 2024 out of BCIC cash and cash equivalents acquired by the Company.

13. Segment Reporting

The Company's chief executive officer and chief financial officer act as the Company's Chief Operating Decision Maker (the "CODM"). The CODM is responsible for assessing performance, allocating resources and making operating decisions of the Company on a consolidated basis based on the net increase (decrease) in net assets resulting from operations ("net income") of the Company. The CODM has concluded that the Company operates through a single operating and reporting segment with an investment objective to generate both current income and capital appreciation through debt and equity investments. In addition to numerous other factors and metrics, the CODM utilizes net income as a key metric in determining the amount of dividends to be distributed to the Company's shareholders. As the Company's operations comprise of a single reporting segment, the segment assets are reflected on the accompanying Consolidated Statements of Assets and Liabilities as "total assets" and the significant segment expenses are listed on the accompanying Consolidated Statements of Operations.

BlackRock TCP Capital Corp.

Consolidated Schedule of Changes in Investments in Non-Controlled Affiliates⁽¹⁾

Year Ended December 31, 2024

Security	Dividends or Interest ⁽²⁾	Fair Value at December 31, 2023	Net realized gain or loss	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions ⁽³⁾	Dispositions ⁽⁴⁾	Fair Value at December 31, 2024
Hylan Intermediate Holdings II LLC, 2nd Lien Term Loan, SOFR + 10%, 1% SOFR Floor, due 3/11/2027	\$ 228,253	\$ 5,232,821	\$ (184,796)	\$ (146,321)	\$ (5,086,500)	\$ 184,796	\$ —
Hylan Intermediate Holdings II LLC, Senior Secured 1st Lien Incremental Term Loan, SOFR + 6.25%, 2% SOFR Floor, due 4/5/29	990,675	—	—	(199,170)	11,575,692	—	11,376,522
Hylan Intermediate Holdings II LLC, Senior Secured 1st Lien Term Loan, SOFR + 8%, 1% SOFR Floor, due 2/22/26	176,882	4,979,720	—	3,987	(4,983,707)	—	—
Hylan Novellus LLC, Class A Units	—	2,827,373	(12,625,342)	10,990,444	(1,192,475)	—	—
Hylan Global LLC, Parent Common Units	—	—	—	(440,114)	738,447	—	298,333
Iracore International Holdings, Inc., Senior Secured 1st Lien Term Loan, SOFR + 9%, 1% SOFR Floor, due 4/12/26	169,332	1,324,151	—	—	—	(481,509)	842,642
Iracore Investments Holdings, Inc., Class A Common Stock	283,370	1,799,178	—	(748,802)	—	—	1,050,376
TVG-Edmentum Holdings, LLC, Series B-1 Common Units	2,985,869	24,629,566	—	(13,156,809)	2,985,869	—	14,458,626
TVG-Edmentum Holdings, LLC, Series B-2 Common Units	—	24,629,566	—	(10,170,940)	—	—	14,458,626
TVG-Edmentum Holdings, LLC, Series C-2 Preferred Units	456,587	—	—	1,472,182	5,487,388	—	6,959,570
Total	\$ 5,290,968	\$ 65,422,375	\$ (12,810,138)	\$ (12,395,543)	\$ 9,524,714	\$ (296,713)	\$ 49,444,695

Notes to Consolidated Schedule of Changes in Investments in Non-Controlled Affiliates:

- (1) The issuers of the securities listed on this schedule are considered non-controlled affiliates under the 1940 Act due to the ownership by the Company of 5% to 25% of the issuers' voting securities.
- (2) Also includes fee income as applicable.
- (3) Acquisitions include new purchases, PIK income and amortization of original issue and market discounts.
- (4) Dispositions include decreases in the cost basis from sales and paydowns.

BlackRock TCP Capital Corp.

Consolidated Schedule of Changes in Investments in Controlled Affiliates⁽¹⁾

Year Ended December 31, 2024

Security	Dividends or Interest ⁽²⁾	Fair Value at December 31, 2023	Net realized gain or loss	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions ⁽³⁾	Dispositions ⁽⁴⁾	Fair Value at December 31, 2024
36th Street Capital Partners Holdings, LLC, Senior Note, 12%, due 11/30/25	\$ 6,643,097	\$ 52,318,937	\$ —	\$ —	\$ 7,437,501	\$ —	\$ 59,756,438
36th Street Capital Partners Holdings, LLC, Membership Units	1,359,774	50,541,000	—	(549,500)	1,062,500	—	51,054,000
Anacomp, Inc., Class A Common Stock	—	843,074	—	312,221	—	—	1,155,295
AutoAlert, LLC, Senior Secured 1st Lien Term Loan, SOFR + 5.4%, 1% SOFR Floor, PIK toggle, due 3/31/28	2,015,428	18,812,631	—	—	—	—	18,812,631
AutoAlert, LLC, Senior Secured 2nd Lien Term Loan, SOFR + 9.4%, 1% SOFR Floor, PIK toggle, due 3/31/29	1,499,820	9,256,229	—	—	1,462,668	—	10,718,897
AA Acquisition Aggregator, LLC, Ordinary Shares	—	9,985,207	—	(541,338)	69,766	—	9,513,635
Conventional Lending TCP Holdings, LLC, Membership Units	1,456,847	16,376,544	—	(1,833,461)	—	—	14,543,083
Conergy Asia & ME Pte. Ltd., 1st Lien Term Loan, 0%, due 12/31/21	—	—	—	—	—	—	—
Conergy Asia Holdings Limited, Ordinary Shares	—	—	—	—	—	—	—
Conergy Asia Holdings Limited, Class B Shares	—	—	—	—	—	—	—
Fishbowl INC., Common Membership Units	—	135,403	—	(135,403)	—	—	—
Fishbowl, Inc., Senior Secured 1st Lien Term Loan, SOFR + 5%, 1% SOFR Floor, 7.50% EOT, due 05/27/2027	1,753,658	12,089,579	—	(4,567,088)	320,985	—	7,843,476
Gordon Brothers Finance Company, Unsecured Term Loan, SOFR +11%, 1% SOFR Floor, due 10/31/2021	—	—	—	(8,098,235)	13,114,252	—	5,016,017
Gordon Brothers Finance Company, Preferred Stock	—	—	—	—	—	—	—
Gordon Brothers Finance Company, Common Stock	—	—	—	—	—	—	—
Kawa Solar Holdings Limited, Bank Guarantee Credit Facility, 0%, due 12/31/21	—	101,315	—	(40,426)	—	—	60,889
Kawa Solar Holdings Limited, Revolving Credit Facility, 0%, due 12/31/21	—	1,367,273	—	(131,746)	—	—	1,235,527
Kawa Solar Holdings Limited, Ordinary Shares	—	—	—	—	—	—	—
Kawa Solar Holdings Limited, Series B Preferred Shares	—	—	—	—	—	—	—
Total	\$ 14,728,624	\$ 171,827,192	\$ —	\$ (15,584,976)	\$ 23,467,672	\$ —	\$ 179,709,888

Notes to Consolidated Schedule of Changes in Investments in Controlled Affiliates:

- (1) The issuers of the securities listed on this schedule are considered controlled affiliates under the 1940 Act due to the ownership by the Company of more than 25% of the issuers' voting securities.
- (2) Also includes fee income as applicable.
- (3) Acquisitions include new purchases, PIK income and amortization of original issue and market discounts.
- (4) Dispositions include decreases in the cost basis from sales and paydowns.

BlackRock TCP Capital Corp.

Consolidated Schedule of Changes in Investments in Non-Controlled Affiliates ⁽¹⁾

Year Ended December 31, 2023

Security	Dividends or Interest (2)	Fair Value at December 31, 2022	Net realized gain or loss	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions (3)	Dispositions (4)	Fair Value at December 31, 2023
Iracore International Holdings, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 9%, 1% LIBOR Floor, due 4/12/24	\$ 191,149	\$ 1,324,140	\$ —	\$ —	\$ 11	\$ —	\$ 1,324,151
Iracore Investments Holdings, Inc., Class A Common Stock	—	2,983,163	—	(1,183,985)	—	—	1,799,178
Hylan Intermediate Holdings II LLC, 2nd Lien Term Loan, SOFR + 10%, 1% SOFR Floor, due 3/11/2027	581,023	—	—	104,575	5,260,111	(131,865)	5,232,821
Hylan Intermediate Holdings II LLC, Senior Secured 1st Lien Term Loan, SOFR + 8%, 1% SOFR Floor, due 2/22/26	683,947	—	—	1,495	4,978,225	—	4,979,720
Hylan Novellus LLC, Class A Units	—	—	—	(9,402,715)	12,230,088	—	2,827,373
TVG-Edmentum Holdings, LLC, Series A Preferred Units	45,650	—	—	—	—	—	—
TVG-Edmentum Holdings, LLC, Series B-1 Common Units	2,652,917	32,391,197	—	(10,414,537)	2,652,906	—	24,629,566
TVG-Edmentum Holdings, LLC, Series B-2 Common Units	—	32,391,197	—	(7,761,631)	—	—	24,629,566
Total	\$ 4,154,686	\$ 69,089,697	\$ —	\$ (28,656,798)	\$ 25,121,341	\$ (131,865)	\$ 65,422,375

Notes to Consolidated Schedule of Changes in Investments in Non-Controlled Affiliates:

- (1) The issuers of the securities listed on this schedule are considered non-controlled affiliates under the 1940 Act due to the ownership by the Company of 5% to 25% of the issuers' voting securities.
- (2) Also includes fee and lease income as applicable.
- (3) Acquisitions include new purchases, PIK income and amortization of original issue and market discounts.
- (4) Dispositions include decreases in the cost basis from sales and paydowns.

BlackRock TCP Capital Corp.

Consolidated Schedule of Changes in Investments in Controlled Affiliates ⁽¹⁾

Year Ended December 31, 2023

Security	Dividends or Interest (2)	Fair Value at December 31, 2022	Net realized gain or loss	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions (3)	Dispositions (4)	Fair Value at December 31, 2023
36th Street Capital Partners Holdings, LLC, Membership Units	\$ (680,883)	\$ 56,272,000	\$ —	\$ (6,043,500)	\$ 312,500	\$ —	\$ 50,541,000
36th Street Capital Partners Holdings, LLC, Senior Note, 12%, due 11/1/25	5,937,130	50,131,437	—	—	2,187,500	—	52,318,937
Anacomp, Inc., Class A Common Stock	—	552,432	—	290,642	—	—	843,074
Conventional Lending TCP Holdings, LLC, Membership Units	1,674,050	16,146,544	—	(20,000)	250,000	—	16,376,544
Kawa Solar Holdings Limited, Bank Guarantee Credit Facility, 0%, due 12/31/22	—	101,315	—	—	—	—	101,315
Kawa Solar Holdings Limited, Ordinary Shares	—	—	—	—	—	—	—
Kawa Solar Holdings Limited, Revolving Credit Facility, 0%, due 12/31/22	—	1,862,701	—	(495,428)	—	—	1,367,273
Fishbowl, Inc., Senior Secured 1st Lien Term Loan, SOFR + 5%, 1% SOFR Floor, due 05/27/2027	1,261,826	12,089,579	—	—	—	—	12,089,579
Fishbowl INC., Common Membership Units	—	577,277	—	(441,874)	—	—	135,403
AutoAlert, LLC, Senior Secured 1st Lien Term Loan, SOFR + 5.4%, 1% SOFR Floor, PIK toggle, due 3/31/28	1,522,939	—	—	—	2,533,793	16,278,838	18,812,631
AutoAlert, LLC, Senior Secured 2nd Lien Term Loan, SOFR + 9.4%, 1% SOFR Floor, PIK toggle, due 3/31/29	997,865	—	—	—	651,700	8,604,529	9,256,229
AutoAlert, LLC, Class A Common Interest	—	—	—	—	(4,713,886)	4,713,886	—
AutoAlert, LLC, Preferred Equity	—	—	—	—	(4,302,264)	4,302,264	—
AA Acquisition Aggregator, LLC, Ordinary Shares	—	—	—	969,054	9,016,153	—	9,985,207
Total	\$ 10,712,927	\$ 137,733,285	\$ —	\$ (5,741,106)	\$ 5,935,496	\$ 33,899,517	\$ 171,827,192

Notes to Consolidated Schedule of Changes in Investments in Controlled Affiliates:

- (1) The issuers of the securities listed on this schedule are considered controlled affiliates under the 1940 Act due to the ownership by the Company of more than 25% of the issuers' voting securities.
- (2) Also includes fee income as applicable.
- (3) Acquisitions include new purchases, PIK income and amortization of original issue and market discounts.
- (4) Dispositions include decreases in the cost basis from sales and paydowns.

BlackRock TCP Capital Corp.

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers

December 31, 2024

Investment	Acquisition Date
48forty Intermediate Holdings, Inc. (Alpine Acquisition), Common Stock	11/5/2024
AGY Equity, LLC, Class A Preferred Units	9/3/2020
AGY Equity, LLC, Class B Preferred Units	9/3/2020
AGY Equity, LLC, Class C Common Units	9/3/2020
Blackbird Purchaser, Inc. (OTC) Preferred Stock	12/14/2021
Elevate Brands HoldCo Inc., Warrants to Purchase Elevate Common Shares in MXP	7/26/2023
Elevate Brands HoldCo Inc., Warrants to Purchase Elevate Preferred New Super Senior Shares	7/26/2023
Fidelis (SVC) LLC, Series C Preferred Units	12/31/2019
Foursquare Labs, Inc., Warrants to Purchase Series E Preferred Stock	5/4/2017
GlassPoint, Inc., Warrants to Purchase Common Stock	2/7/2017
Grey Orange International Inc., Warrants to Purchase Common Stock	5/5/2022
INH Buyer, Inc. (IMS Health), Preferred Stock	12/16/2024
InMobi, Inc., Warrants to Purchase Common Stock	8/22/2017
InMobi, Inc., Warrants to Purchase Series E Preferred Stock (Strike Price \$20.01)	9/18/2015
InMobi, Inc., Warrants to Purchase Series E Preferred Stock (Strike Price \$28.58)	10/1/2018
Inotiv, Inc., Common Shares	3/30/2022
Pico Quantitative Trading Holdings, LLC, Warrants to Purchase Membership Units	2/7/2020
Plate Newco 1 Limited (Avanti), Common Stock	4/13/2022
Pluralsight, Inc., Common Stock	8/22/2024
Quora, Inc., Warrants to Purchase Series D Preferred Stock	4/12/2019
Razor Group GmbH, Warrants to Purchase Preferred Series A1 Shares	4/28/2021
Razor Group GmbH, Warrants to Purchase Series C Shares	12/23/2022
Razor US LP, Class A Preferred Units	2/28/2024
ResearchGate Corporation., Warrants to Purchase Series D Preferred Stock	11/7/2019
SellerX Germany GMBH & Co. KG., Warrants to Purchase SellerX Common Shares in MXP	11/23/2021
SnapLogic, Inc., Warrants to Purchase Series Preferred Stock	3/20/2018
SoundCloud, Ltd., Warrants to Purchase Preferred Stock	4/30/2015
Stitch Holdings LP, LP Units	3/15/2024
Suited Connector, LLC, (Suco Investors, LP), Warrants to Purchase Class A Units	3/6/2023
Thras.io, LLC, Common Units	6/18/2024
Tradeshift, Inc., Warrants to Purchase Series D Preferred Stock	3/9/2017
Utilidata, Inc., Common Stock	7/6/2020
Utilidata, Inc., Series A-1 Preferred Stock	7/6/2020
Utilidata, Inc., Series A-2 Preferred Stock	7/6/2020
WorldRemit Group Limited, Series X Shares	6/24/2024
WorldRemit Group Limited, Warrants to Purchase Series D Stock	2/11/2021
WorldRemit Group Limited, Warrants to Purchase Series E Stock	3/15/2024

BlackRock TCP Capital Corp.

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers

December 31, 2023

Investment	Acquisition Date
AGY Equity, LLC, Class A Preferred Units	9/3/2020
AGY Equity, LLC, Class B Preferred Units	9/3/2020
AGY Equity, LLC, Class C Common Units	9/3/2020
Blackbird Purchaser, Inc. (OTC) Preferred Stock	12/14/2021
Fidelis (SVC) LLC, Series C Preferred Units	12/31/2019
Foursquare Labs, Inc., Warrants to Purchase Series E Preferred Stock	5/4/2017
GACP I, LP (Great American Capital), Membership Units	10/1/2015
GACP II, LP (Great American Capital), Membership Units	1/12/2018
GlassPoint, Inc., Warrants to Purchase Common Stock	2/7/2017
Grey Orange International Inc., Warrants to Purchase Common Stock	5/5/2022
InMobi, Inc., Warrants to Purchase Common Stock	8/22/2017
InMobi, Inc., Warrants to Purchase Series E Preferred Stock (Strike Price \$20.01)	9/18/2015
InMobi, Inc., Warrants to Purchase Series E Preferred Stock (Strike Price \$28.58)	10/1/2018
Inotiv, Inc., Common Shares	3/30/2022
PerchHQ, Warrants for Common Units	9/30/2022
Pico Quantitative Trading Holdings, LLC, Warrants to Purchase Membership Units	2/7/2020
Plate Newco 1 Limited (Avanti), Common Stock	4/13/2022
Quora, Inc., Warrants to Purchase Series D Preferred Stock	4/12/2019
Razor Group GmbH, Warrants to Purchase Preferred Series A1 Shares	4/28/2021
Razor Warrants to Purchase Series C Shares	12/23/2022
ResearchGate Corporation., Warrants to Purchase Series D Preferred Stock	11/7/2019
Elevate Brands HoldCo Inc., Warrants to Purchase Elevate Common Shares in MXP	7/26/2023
Elevate Brands HoldCo Inc., Warrants to Purchase Elevate Preferred New Super Senior Shares	7/26/2023
SellerX Germany GMBH & Co. KG., Warrants to Purchase SellerX Common Shares in MXP	11/23/2021
SnapLogic, Inc., Warrants to Purchase Series Preferred Stock	3/20/2018
Soraa, Inc., Warrants to Purchase Preferred Stock	8/29/2014
SoundCloud, Ltd., Warrants to Purchase Preferred Stock	4/30/2015
Suited Connector, LLC, (Suco Investors, LP) Warrants to Purchase Class A Units	3/6/2023
Tradeshift, Inc., Warrants to Purchase Series D Preferred Stock	3/9/2017
Utilidata, Inc., Common Stock	7/6/2020
Utilidata, Inc., Series A-1 Preferred Stock	7/6/2020
Utilidata, Inc., Series A-2 Preferred Stock	7/6/2020
WorldRemit Group Limited, Warrants to Purchase Series D Stock	2/11/2021

Supplementary Data (unaudited)

The following is a schedule of financial highlights as of and for the years ended December 31, 2019, 2018, 2017, 2016 and 2015:

	<i>Year Ended December 31,</i>				
	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Per Common Share					
Per share NAV at beginning of period	\$ 14.13	\$ 14.80	\$ 14.91	\$ 14.78	\$ 15.01
Investment operations:					
Net investment income before excise taxes	1.61	1.59	1.99	1.88	2.07
Excise taxes	—	—	—	(0.01)	(0.02)
Net investment income	1.61	1.59	1.99	1.87	2.05
Net realized and unrealized gain (loss)	(1.09)	(0.82)	(0.40)	—	(0.45)
Dividends on Series A preferred equity facility	—	—	—	—	(0.01)
Incentive allocation reserve and distributions	N/A	N/A	(0.40)	(0.37)	(0.41)
Total from investment operations	0.52	0.77	1.19	1.50	1.18
Issuance of common stock	—	—	0.14	0.01	—
Issuance of convertible debt	—	—	—	0.06	—
Repurchase of Series A preferred interests	—	—	—	—	0.03
Distributions to common shareholders from:					
Net investment income	(1.44)	(1.44)	(1.44)	(1.44)	(1.44)
Per share NAV at end of period	\$ 13.21	\$ 14.13	\$ 14.80	\$ 14.91	\$ 14.78
Per share market price at end of period	\$ 14.05	\$ 13.04	\$ 15.28	\$ 16.90	\$ 13.93
Total return based on market value	18.8 %	(5.2) %	(1.1) %	31.7 %	(8.4) %
Total return based on net asset value	3.7 %	5.2 %	8.9 %	10.6 %	8.1 %
Shares outstanding at end of period	58,766,426	58,774,607	58,847,256	53,041,900	48,834,734
Ratios to average common equity: ⁽¹⁾					
Net investment income ⁽²⁾	11.6 %	10.8 %	10.6 %	10.1 %	10.9 %
Expenses ⁽³⁾	9.8 %	8.5 %	7.3 %	6.9 %	6.2 %
Expenses and incentive compensation ⁽⁴⁾	12.3 %	11.2 %	9.9 %	9.4 %	8.9 %
Ending common shareholder equity	\$ 776,318,386	\$ 830,474,727	\$ 870,728,126	\$ 790,935,991	\$ 721,977,017
Portfolio turnover rate	35.9 %	32.3 %	45.9 %	37.9 %	37.8 %
Weighted-average leverage outstanding ⁽⁵⁾	\$ 902,977,493	\$ 769,065,775	\$ 623,666,655	\$ 542,421,190	\$ 513,312,510
Weighted-average interest rate on leverage ⁽⁶⁾	4.6 %	4.6 %	4.5 %	3.9 %	3.2 %
Weighted-average number of common shares	58,766,362	58,815,216	57,000,658	50,948,035	48,863,188
Average leverage per share ⁽⁵⁾	\$ 15.37	\$ 13.08	\$ 10.94	\$ 10.65	\$ 10.51
Asset Coverage:					
	<i>As of December 31,</i>				
	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Debt					
Debt outstanding ⁽⁷⁾	\$ 915,514,071	\$ 812,007,389	\$ 733,824,353	\$ 579,906,288	\$ 502,410,321
Asset coverage per \$1,000 of debt outstanding	\$ 1,992	\$ 2,157	\$ 2,335	\$ 2,344	\$ 2,423

(1) These ratios include interest expense but do not reflect the effect of dividends on the preferred equity facility.

(2) Net of incentive allocation and excise taxes.

(3) Includes interest and other debt costs but excludes excise taxes and incentive compensation.

(4) Includes incentive compensation and all Company expenses including interest and other debt costs.

(5) Includes both debt and preferred equity leverage.

(6) Includes dividends on the preferred equity leverage facility.

(7) Excludes unamortized debt issuance costs which are netted in the Consolidated Statements of Assets and Liabilities.

Item 9. Changes in Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of December 31, 2024 (the end of the period covered by this report), we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the 1934 Act). Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

(b) Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, and for performing an assessment of the effectiveness of internal control over financial reporting as of December 31, 2024. Internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Management performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2024 based upon the criteria set forth in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment, management determined that our internal control over financial reporting was effective as of December 31, 2024.

(c) Attestation Report of the Independent Registered Public Accounting Firm

Our independent registered public accounting firm, Deloitte & Touche LLP, has issued an attestation report on the effectiveness of the Company's internal control over financial reporting which is set forth under the heading "Report of Independent Registered Public Accounting Firm" on page [94](#).

(d) Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during our most recently completed fiscal quarter, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B: Other Information.

None

Item 9C: Disclosure Regarding Foreign Jurisdictions That Prevent Inspections.

Not Applicable

PART III - Other Information.

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is contained in the Registrant's definitive Proxy Statement for its 2025 Annual Shareholders Meeting to be filed with the Securities and Exchange Commission within 120 days after December 31, 2024 and is incorporated herein by reference.

Item 11. Executive Compensation

The information required by this item is contained in the Registrant's definitive Proxy Statement for its 2025 Annual Shareholders Meeting to be filed with the Securities and Exchange Commission within 120 days after December 31, 2024 and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters

The information required by this item is contained in the Registrant's definitive Proxy Statement for its 2025 Annual Shareholders Meeting to be filed with the Securities and Exchange Commission within 120 days after December 31, 2024 and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is contained in the Registrant's definitive Proxy Statement for its 2025 Annual Shareholders Meeting to be filed with the Securities and Exchange Commission within 120 days after December 31, 2024 and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this item is contained in the Registrant's definitive Proxy Statement for its 2025 Annual Shareholders Meeting to be filed with the Securities and Exchange Commission within 120 days after December 31, 2024 and is incorporated herein by reference.

Item 15. Exhibits and Consolidated Financial Statement Schedules

a. Documents Filed as Part of this Report

The following reports and consolidated financial statements are set forth in Item 8:

	Page
Reports of Independent Registered Public Accounting Firm (PCAOB ID 34)	
Consolidated Statements of Assets and Liabilities as of December 31, 2024 and 2023	95
Consolidated Statements of Operations for the years ended December 31, 2024, 2023 and 2022	96
Consolidated Statements of Changes in Net Assets for the years ended December 31, 2024, 2023 and 2022	98
Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022	99
Consolidated Schedule of Investments as of December 31, 2024 and 2023	114
Notes to Consolidated Financial Statements	125
Consolidated Schedules of Changes in Investments in Affiliates as of December 31, 2024 and 2023	158
Consolidated Schedules of Restricted Securities of Unaffiliated Issuers as of December 31, 2024 and 2023	162

b. Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC:

Number	Description
2.1	Amended and Restated Agreement and Plan of Merger among BlackRock Capital Investment Corporation, BlackRock TCP Capital Corp., Project Spurs Merger Sub, LLC and, for the limited purposes set forth therein, BlackRock Capital Investment Advisors, LLC and Tennenbaum Capital Partners, LLC, dated as of January 10, 2024 (28)**

3.1	<u>Certificate of Incorporation of the Registrant (1)</u>
3.2	<u>Certificate of Amendment to the Certificate of Incorporation of the Registrant (2)</u>
3.3	<u>Second Amended and Restated Bylaws of the Registrant (3)</u>
4.1	<u>Second Supplemental Indenture, dated as of August 23, 2019, by and between the Registrant and U.S. Bank National Association, as the Trustee (4)</u>
4.2	<u>Form of Global Note of 3.900% Notes due 2024 (included in Exhibit 4.1)(4)</u>
4.3	<u>Indenture, dated as of June 17, 2014, by and between the Registrant and U.S. Bank National Association, as the Trustee(11)</u>
4.4	<u>Form of Global Note of 5.25% Convertible Senior Notes Due 2019 (included in Exhibit 4.3)(11)</u>
4.5	<u>Indenture, dated as of September 6, 2016, by and between the Registrant and U.S. Bank National Association, as the Trustee(12)</u>
4.6	<u>Form of Global Note of 4.625% Convertible Senior Notes due 2022 (included in Exhibit 4.5)(12)</u>
4.7	<u>Indenture, dated as of August 11, 2017, by and between the Registrant and U.S. Bank National Association, as the Trustee(13)</u>
4.8	<u>First Supplemental Indenture, dated as of August 11, 2017, by and between the Registrant and U.S. Bank National Association, as the Trustee(14)</u>
4.9	<u>Form of Global Note of 4.125% Notes Due 2022 (included in Exhibit 4.8)(14)</u>
4.10	<u>Description of Securities(15)</u>
4.11	<u>Third Supplemental Indenture, dated as of February 9, 2021, by and between the Registrant and U.S. Bank National Association, as the Trustee(17)</u>
4.12	<u>Form of Global Note of 2.850% due 2026 (included in Exhibit 4.11)(17)</u>
4.13	<u>Fourth Supplemental Indenture, dated as of May 30, 2024, between the BlackRock TCP Capital Corp. and U.S. BankTrust Company, National Association, as the Trustee (18)</u>
4.14	<u>Form of Global Note of 6.95% Notes due 2029 (included in Exhibit 4.13)(18)</u>
4.15	<u>Assumption Agreement, dated as of March 18, 2024, made by BCIC Merger Sub, LLC for the benefit of the holders of Notes issued under the Master Note Purchase Agreement (35)</u>
4.16	<u>Master Note Purchase Agreement, dated as of April 21, 2022, between BlackRock Capital Investment Corporation and the purchasers party thereto(36)</u>
4.17	<u>First Amendment to Master Note Purchase Agreement, dated as of March 13, 2024, among BlackRock Capital Investment Corporation and the holders of the Notes party thereto(37)</u>
10.1	<u>Form of Investment Management Agreement By and Between Registrant and Tennenbaum Capital Partners, LLC(5)</u>
10.2	<u>Form of Amended and Restated Investment Management Agreement By and Between Special Value Continuation Partners, LP and Tennenbaum Capital Partners, LLC(6)</u>
10.3	<u>Amended and Restated Investment Management Agreement By and Between Registrant and Tennenbaum Capital Partners, LLC(7)</u>
10.4	<u>Form of Administration Agreement of the Registrant(8)</u>
10.5	<u>Custodial Agreement dated as of July 31, 2006(9)</u>
10.6	<u>Form of Transfer Agency and Registrar Services Agreement(10)</u>
10.7	<u>Second Amended and Restated Partnership Agreement of Special Value Continuation Partners, LP dated January 29, 2018(16)</u>
10.8	<u>Amended and Restated Credit Agreement dated as of May 6, 2019(19)</u>
10.9	<u>Amended and Restated Guaranty, Pledge and Security Agreement dated as of May 6, 2019(20)</u>
10.10	<u>Amendment No. 1 to Amended and Restated Credit Agreement dated as of May 6, 2019(21)</u>

10.11	Amendment No. 2 to Amended and Restated Credit Agreement dated as of May 6, 2019(22)
10.12	Incremental Commitment Agreement dated as of April 25, 2020(23)
10.13	Loan and Servicing Agreement dated as of August 4, 2020(24)
10.14	Form of License Agreement (25)
10.15	Amendment No. 4 to Amended & Restated Senior Secured Revolving Credit Agreement (26)
10.16	Second Amendment to Loan and Servicing Agreement (27)
10.17	Amendment No. 5 to Amended and Restated Credit Agreement dated as of June 22, 2021(28)
10.18	Waiver and Fifth Amendment to Loan and Servicing Agreement, dated as of August 4, 2023 (30)
10.19	Second Amended and Restated Investment Management Agreement between BlackRock TCP Capital Corp. and Tennenbaum Capital Partners, LLC, dated as of September 6, 2023 (31)
10.20	Fee Waiver Agreement between BlackRock TCP Capital Corp. and Tennenbaum Capital Partners, LLC, dated as of September 6, 2023 (32)
10.21	Borrower Assumption Agreement, dated as of March 18, 2024, by BCIC Merger Sub, LLC and Citibank, N.A., as administrative agent(33)
10.22	Eighth Amendment to the Second Amended and Restated Senior Secured Revolving Credit Agreement, dated as of September 6, 2023, by and among BlackRock Capital Investment Corporation, the subsidiary guarantors party thereto, the lenders party thereto and Citibank, N.A., as Administrative Agent(34)
10.23	Dividend Reinvestment Plan(38)
10.24	Amendment No. 6 to Amended and Restated Credit Agreement dated as of June 7, 2023*
10.25	Amendment No. 7 to Amended and Restated Credit Agreement dated as of August 1, 2024(39)
11.	Computation of Per Share Earnings (included in the notes to the financial statements contained in this report)
12.	Computation of Ratios (included in the notes to the financial statements contained in this report)
19.1	Inside Trading Policy*
21.1	Subsidiaries of the Registrant*
23.1	Consent of Independent Registered Public Accounting Firm*
23.2	Consent of Independent Registered Public Accounting Firm of 36th Street Capital Partners, LLC*
23.3	Consent of Independent Registered Public Accounting Firm of 36th Street Capital Partners, LLC*
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934*
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934*
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U. S.C. 1350)*
97.1	Prohibitions Against Payment of Incentive-Based Compensation and Indemnification for Executive Officers of Listed BDCs (40)
99.1	Audited financial statements of 36th Street Capital Partners, LLC as of and for the years ended December 31, 2024*
99.2	Unaudited financial statements of 36th Street Capital Partners, LLC as of and for the years ended December 31, 2023*
99.3	Audited financial statements of 36th Street Capital Partners, LLC as of and for the years ended December 31, 2022, 2021 and 2020*
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document

* Filed herewith.

** Exhibits and schedules to Exhibits 2.1 and 10.23 have been omitted in accordance with Item 601 of Regulation S-K. The registrant agrees to furnish supplementally a copy of all omitted exhibits and schedules to the SEC upon its request.

- (1) Incorporated by reference to Exhibit (a)(2) to the Registrant's Registration Statement under the Securities Act of 1933 (File No. 333-172669), on Form N-2, filed on May 13, 2011.
- (2) Incorporated by reference to Exhibit 99.2 to the Registrant's Form 8-K, filed on August 2, 2018.
- (3) Incorporated by reference to Exhibit 99.1 to the Registrant's Form 8-K, filed on August 2, 2024.
- (4) Incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K, filed on August 23, 2019.
- (5) Incorporated by reference to Exhibit 99.1 to the Registrant's Form 8-K, filed on August 2, 2018.
- (6) Incorporated by reference to Exhibit (k)(8) to the Registrant's Registration Statement under the Securities Act of 1933 (File No. 333-172669), on Form N-2, filed on May 13, 2011.
- (7) Incorporated by reference to Exhibit 99.1 to the Registrant's Form 8-K, filed on February 12, 2019.
- (8) Incorporated by reference to Exhibit (k)(1) to the Registrant's Registration Statement under the Securities Act of 1933 (File No. 333-172669), on Form N-2, filed on May 13, 2011.
- (9) Incorporated by reference to Exhibit 10.2 to Form 10-12G of Special Value Continuation Partners, LP (File No. 000-54393), filed May 6, 2011.
- (10) Incorporated by reference to Exhibit (k)(2) to the Registrant's Registration Statement under the Securities Act of 1933 (File No. 333-172669), on Form N-2, filed on March 5, 2012.
- (11) Incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on June 17, 2014.
- (12) Incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on September 6, 2016.
- (13) Incorporated by reference to Exhibit (d)(1) to Post-Effective Amendment No. 1 to the Registrant's Registration Statement under the Securities Act of 1933 (File No. 333-216716), on Form N-2, filed on August 11, 2017.
- (14) Incorporated by reference to Exhibit (d)(4) to Post-Effective Amendment No. 1 to the Registrant's Registration Statement under the Securities Act of 1933 (File No. 333-216716), on Form N-2, filed on August 11, 2017.
- (15) Incorporated by reference to Exhibit 4.11 to the Registrant's Form 10-Q on May 11, 2020.
- (16) Incorporated by reference to Exhibit 3 to Special Value Continuation Partner, LP's Form 8-K filed on January 30, 2018.
- (17) Incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on February 9, 2021.
- (18) Incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on May 30, 2024.
- (19) Incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed on May 8, 2019.
- (20) Incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed on May 8, 2019.
- (21) Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on April 28, 2020.
- (22) Incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed on April 28, 2020.
- (23) Incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed on April 28, 2020.
- (24) Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on August 6, 2020.
- (25) Incorporated by reference to Exhibit 10.19 to the Registrant's Form 10-K filed on February 25, 2021.
- (26) Incorporated by reference to Exhibit 10.16 to the Registrant's Form 10-K filed on February 25, 2021.
- (27) Incorporated by reference to Exhibit 10.17 to the Registrant's Form 10-K filed on February 25, 2021.
- (28) Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on June 24, 2021.
- (29) Incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K filed on January 11, 2024.

- (30) Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on August 8, 2023.
- (31) Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on September 6, 2023.
- (32) Incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed on September 6, 2023.
- (33) Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on March 18, 2024.
- (34) Incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed on March 18, 2024.
- (35) Incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed on March 18, 2024.
- (36) Incorporated by reference to Exhibit 10.1 filed with BlackRock Capital Investment Corporation's Current Report on Form 8-K (File No. 814-00712) on April 22, 2022.
- (37) Incorporated by reference to Exhibit 10.1 filed with BlackRock Capital Investment Corporation's Current Report on Form 8-K (File No. 814-00712) on March 14, 2024.
- (38) Incorporated by reference to Exhibit 10.6 to the Registrant's Form 8-K filed on March 18, 2024.
- (39) Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on August 5, 2024.
- (40) Incorporated by reference to Exhibit 97 to the Registrant's Form 10-K filed on February 29, 2024.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, there unto duly authorized.

BlackRock TCP Capital Corp.

By: /s/ Phil Tseng
Name: Phil Tseng
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacity and on the dates indicated.

Date	Signature	Title
February 27, 2025	<u>/s/ Phil Tseng</u> Phil Tseng	Chief Executive Officer, Chairman of the Board and Director (Principal Executive Officer)
February 27, 2025	<u>/s/ Eric J. Draut</u> Eric J. Draut	Director
February 27, 2025	<u>/s/ Maureen Usifer</u> Maureen Usifer	Director
February 27, 2025	<u>/s/ John Baron</u> John Baron	Director
February 27, 2025	<u>/s/ Andrea Petro</u> Andrea Petro	Director
February 27, 2025	<u>/s/ Karen L. Leets</u> Karen L. Leets	Director
February 27, 2025	<u>/s/ Erik L. Cuellar</u> Erik L. Cuellar	Chief Financial Officer (Principal Financial Officer)



Global Insider Trading Policy

Effective Date: October 7, 2021

Last Review Date: December 21, 2023

Objective and Scope

This policy governs trading by employees¹ of BlackRock, Inc. and its wholly-owned subsidiaries (collectively, "BlackRock") while any such employee is in possession of material, nonpublic information or inside information ("MNPI", as further defined below) under applicable securities laws in the U.S. or the equivalent in the other jurisdictions in which BlackRock operates. Employees play a critical role in maintaining the integrity of BlackRock's reputation and must handle MNPI and proprietary or confidential information properly. BlackRock has adopted a number of policies that deal with the handling of MNPI, including but not limited to confidentiality and employment policies that obligate employees to hold information relating to the business of BlackRock in strict confidence, a Code of Business Conduct and Ethics that obligates employees to maintain the confidentiality of information entrusted to them, and a Global Material Nonpublic Information Barrier Policy that establishes controls on the use and sharing of MNPI.

Applicable laws and regulations prohibit any behaviors that lead to market abuse. Employees are prohibited by law from buying or selling BlackRock securities or any other company's securities (including, but not limited to, common stock, options to purchase common stock, preferred stock, debt, convertible debentures, and warrants, as well as derivative securities, such as exchange-traded put or call options or swaps) while in possession of MNPI with respect to those securities or companies, whether for their own account, a family² member's account, organization or firm account, or for a client's account. In addition, if an employee has MNPI, they are prohibited from "tipping" or disclosing such information to others or donating shares with the expectation of receiving a tax benefit.

Employees may acquire MNPI through BlackRock's customers, suppliers, affiliates, and companies in which BlackRock, its products, funds, or accounts, may invest. In certain circumstances, it may be necessary to establish an information barrier under the Global Material Nonpublic Information Barrier Policy in order to wall off the employee in possession of MNPI.

Policy / Document Requirements and Statements

1. Material, Nonpublic Information

- **Material Information:** Information is "material" if there is a reasonable likelihood that a person would consider the information important when making an investment decision or the information, if made public, would likely affect the market price of a company's securities. Material information concerning BlackRock (including information relating to its subsidiaries or affiliates) or other such companies may include the following:
 - Sales and earnings results or estimates (or changes thereto, if previously published);
 - Changes in product offerings;
 - Significant additions or losses of client accounts;
 - Proposed mergers, acquisitions, divestitures, or joint ventures;
 - Stock repurchase plans and stock splits;
 - Securities offerings;
 - Litigation and investigations;

¹ For purposes of this policy, the term "employee" includes all contingent workers and individual services providers, unless their agreement with BlackRock contains express conditions to the contrary.

² Family members include Family Relationships as further described in the Global Relationships at Work Policy.

Limited



- Changes in control or extraordinary management developments;
 - Extraordinary borrowings or other liquidity problems;
 - Cybersecurity risks or incidents; and
 - Other similar items.
- **Nonpublic Information:** Information is considered to be “nonpublic” unless it has been disclosed to the public adequately. Examples of adequate disclosure include public filings with securities regulatory authorities, the issuance of press releases, and may also include meetings that are generally open to members of the press and the public. By contrast, information would likely not be considered public if it is available only to BlackRock employees, or if it is available to a select group of analysts, brokers, and/or investors.

2. Restriction on Tipping

Employees are prohibited from disclosing MNPI to another person even if such person does not purchase or sell securities on the basis of such information, or pass on the information to another person (also known as “tipping”).

Employees may not disclose MNPI to:

- Any person outside of the firm (not employed by BlackRock), unless any such disclosure is made in accordance with BlackRock’s policies regarding the protection, and an authorized external disclosure, of information; or
- Any BlackRock employee unless such employee needs to know the information for a valid business reason. MNPI may not be shared with anyone in a different information barrier group without obtaining prior approval from Legal & Compliance.

3. Trading in BlackRock Securities

- **No Trading When in Possession of MNPI:** No director, officer, or employee may purchase or sell BlackRock securities when in possession of MNPI regarding BlackRock, even if the transaction has been pre-approved and the trading window is open.
- **Pre-Clearance Required:** All transactions in BlackRock’s securities must be pre-cleared by Legal & Compliance in accordance with the Global Personal Trading Policy and any relevant regional policies and the transaction must be within the prescribed trading window.
 - **Trading Plan Exception:** Sales of BlackRock securities may be effected for employees without seeking pre-clearance, regardless of their awareness of MNPI and outside of the prescribed trading windows (see below) solely if the transaction is made under a pre-arranged written trading plan that is:
 - Pre-approved by Legal & Compliance prior to adoption and execution; and
 - Entered into (or amended) when the employee is not in possession of MNPI and is adopted (or amended) during a prescribed trading window period.
 - **Trading Windows:** If not in possession of MNPI, employees are only permitted to purchase or sell BlackRock securities (upon pre-clearance approval) during trading windows as determined and announced by Legal & Compliance. The opening and closing dates of each trading window are announced by email to all employees by Legal & Compliance. Typically, the trading window opens at the beginning of the second full day of trading following the public release of BlackRock’s quarterly financial information and closes at the end of the second trading day of the last month of the quarter in which such quarterly financial information was released. The trading window may be opened and closed by Legal & Compliance at other times.

4. Escalation

Any employee who comes into possession of MNPI – whether intentionally or inadvertently – or is unsure whether they have come into possession of MNPI, with respect to BlackRock or any other company must promptly inform Legal & Compliance* and shall take no further action without guidance from Legal & Compliance.

* BlackRock Japan employees must promptly inform the Head of Compliance in Japan.

Limited

BlackRock

5. Prohibition on Hedging and Pledging BlackRock Securities

A BlackRock employee who files Section 16 reports with the U.S. Securities and Exchange Commission may **not** engage in any of the following:

- Use BlackRock securities as collateral in a margin account;
- Pledge BlackRock securities as collateral; or
- Engage in any transactions that have the effect of hedging the economic risks and rewards of BlackRock securities held by such officer.

6. Prohibition on Systematic Surveys of Non-Public Analyst Sentiment

Any systematic survey of analysts in order to gather non-public issuer specific analyst sentiment is prohibited, as is any other systematic process or initiative that seeks to gather material non-public issuer specific analyst sentiment for the purpose of making investment decisions or recommendations.

7. Other Trading Restrictions

This policy should be read in conjunction with other BlackRock policies, including the Global Personal Trading Policy which contains other restrictions on trading the securities of BlackRock and other companies.

8. Other Barriers

BlackRock implements information barriers for a variety of reasons in addition to the prevention of insider trading. Barriers established for another explicit purpose, such as avoidance of potential coordinated trading, will be outlined in those specific policies and/or procedures.

9. Consequences of Violations

The penalties for insider trading violations are severe, and could include significant fines and imprisonment. In addition, an individual's failure to comply with this Policy may subject the individual to disciplinary action, including dismissal for cause, whether or not the employee's failure to comply results in a violation of applicable law.

10. Questions

Please contact Legal & Compliance in your respective region with questions regarding this policy.

Limited

BlackRock

Subsidiaries of BlackRock TCP Capital Corp.

Name	Jurisdiction
Special Value Continuation Partners LLC	Delaware
TCPC Funding I, LLC	Delaware
TCPC Funding II, LLC	Delaware
TCPC SBIC, LP	Delaware
BCIC Merger Sub, LLC	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (No. 333-267593) on Form N-2 of our reports dated February 27, 2025, relating to the consolidated financial statements and financial highlights (in Note 10) of Blackrock TCP Capital Corp. and subsidiaries and the effectiveness of Blackrock TCP Capital Corp. and subsidiaries internal control over financial reporting appearing in the Annual Report on Form 10-K of BlackRock TCP Capital Corp. and subsidiaries for the year ended December 31, 2024. We also consent to the reference to us under the heading “Independent Registered Public Accounting Firm” in such Registration Statement.

/s/ Deloitte & Touche LLP

Los Angeles, California
February 27, 2025

CONSENT OF INDEPENDENT PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the registration statement on Form N-2 (File No. 333-267593) of BlackRock TCP Capital Corp. of our report dated February 24, 2025, relating to the financial statements of 36th Street Capital Partners, LLC as of and for the year ended December 31, 2024, which report is included in this Annual Report on Form 10-K for the year ended December 31, 2024.

/s/ Rosenberg Rich Baker Berman, P.A.

Somerset, New Jersey
February 27, 2025

CONSENT OF INDEPENDENT PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the registration statement on Form N-2 (File No. 333-267593) and Form N-14 (File No. 333-274897) of BlackRock TCP Capital Corp. of our report dated March 29, 2023, relating to the consolidated financial statements of 36th Street Capital Partners, LLC and Subsidiary as of December 31, 2022 and December 31, 2021 and for the years ended December 31, 2022, December 31, 2021, and December 31, 2020, which reports are included in this Annual Report on Form 10-K for the year ended December 31, 2022.

Wiss & Company, LLP

Florham Park, New Jersey
March 31, 2023

**Certification of Chief Executive Officer
of Periodic Report Pursuant to Rule 13a-14(a) and Rule 15d-14(a)**

I, Phil Tseng, certify that:

1. I have reviewed this Annual Report on Form 10-K of BlackRock TCP Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

By:

/s/ Phil Tseng

Phil Tseng
Chief Executive Officer
(Principal Executive Officer)

**Certification of Chief Financial Officer
of Periodic Report Pursuant to Rule 13a-14(a) and Rule 15d-14(a)**

I, Erik L. Cuellar, certify that:

1. I have reviewed this Annual Report on Form 10-K of BlackRock TCP Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

By: /s/ Erik L. Cuellar
 Erik L. Cuellar
Chief Financial Officer
(Principal Financial Officer)

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: _____
/s/ Phil Tseng

Phil Tseng
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Erik L. Cuellar
Erik L. Cuellar
Chief Financial Officer
 (Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to BlackRock TCP Capital Corp. and will be retained by BlackRock TCP Capital Corp. and furnished to the Securities and Exchange Commission or its staff upon request.



Exhibit 97

Prohibitions Against Payment of Incentive-Based Compensation and Indemnification for Executive Officers of Listed BDCs

Effective Date: December 1, 2023

Applies to the following types of Funds registered under the 1940 Act:

- ☐ Open-End Mutual Funds (including money market funds)
- ☐ Money Market Funds
- ☐ Exchange Traded Funds
- ☐ Closed-End Funds
- ☒ Business Development Companies (Listed BDCs Only)

Objective and Scope

BlackRock TCP Capital Corp. and BlackRock Capital Investment Corp. (together, the “Companies”) have adopted these Prohibitions Against Incentive-Based Compensation and Indemnification for Executive Officers of Listed BDCs (the “Policy”). This Policy is intended to satisfy the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, and any related rules or regulations promulgated by the Securities and Exchange Commission and Nasdaq.

Policy / Document Requirements and Statements

A. No Payment of Incentive-Based Compensation to Executive Officers

Each Company is an externally managed business development company that is listed on Nasdaq and does not pay, nor does it have any plans to pay or award, any compensation, including any Incentive-Based Compensation¹ to any Executive Officer². The Companies will not pay or award any compensation, including any Incentive-Based Compensation, to any Executive Officer without the prior approval of each Company’s Board of Directors and unless and until this Policy has been amended to provide for the recovery of erroneously awarded compensation in accordance with Nasdaq Rule 5608.

B. No Indemnification to Executive Officers

Similarly, because the Companies do not pay any compensation or intend to pay or award any compensation, including any Incentive-Based Compensation, to Executive Officers, no Executive Officer or former Executive Officer shall be indemnified against the loss of erroneously awarded compensation.

¹ Incentive-Based Compensation - any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure. [Nasdaq Rule 5608]

² Executive Officers - president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Executive officers of the Company’s parent(s) or subsidiaries are deemed executive officers of the Company if they perform such policy making functions for the Company. [Nasdaq Rule 5608]

36TH STREET CAPITAL PARTNERS, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2024

36TH STREET CAPITAL PARTNERS, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Members of
36th Street Capital Partners. LLC

Opinion

We have audited the accompanying financial statements of 36th Street Capital Partners. LLC, which comprise the balance sheet as of December 31, 2024, and the related statements of income, changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 36th Street Capital Partners. LLC as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 36th Street Capital Partners. LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, which raise substantial doubt about 36th Street Capital Partners, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



ROSENBERG RICH BAKER BERMAN, P.A.

To the Members of
36th Street Capital Partners. LLC

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 36th Street Capital Partners. LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, which raise substantial doubt about 36th Street Capital Partners. LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Rosenberg Rich Baker Berman, P.A.

Somerset, New Jersey
February 24, 2025

36TH STREET CAPITAL PARTNERS, LLC

BALANCE SHEET

AS OF DECEMBER 31, 2024

ASSETS

ASSETS:	
Cash	\$ 1,714,181
Net investment in leases	302,114,035
Notes receivable	61,902,360
Deposits on equipment for future leases	20,055,747
Allowance for credit losses	(5,171,196)
Prepaid expenses and other current assets	834,095
Deferred financing costs, net	1,531,980
Operating lease right-of-use asset	162,987
Property and equipment, net	33,171
TOTAL ASSETS	<u>\$ 383,177,360</u>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES:	
Line of credit	\$ 290,591,490
Accounts payable and accrued expenses	4,343,214
Distributions payable	2,358,480
Operating lease liability	162,987
Sales tax payable	392,286
Customer deposits	1,929,627
Total Liabilities	<u>299,778,084</u>

COMMITMENTS AND CONTINGENCIES (NOTE 9)

MEMBERS' EQUITY	83,399,276
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 383,177,360</u>

See accompanying notes to financial statements.

36TH STREET CAPITAL PARTNERS, LLC

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 2024

NET INTEREST INCOME:

Interest income	\$ 41,728,971
Interest expense	(20,837,983)
Net interest income	<u>20,890,988</u>
Provision for credit losses	(500,000)
Net interest income after provision for losses	<u>20,390,988</u>

NON-INTEREST INCOME:

Gain on sale of leases and notes receivable	2,444,908
Other income and fees	<u>592,350</u>
Total non-interest income	<u>3,037,258</u>

NON-INTEREST EXPENSES:

Salaries, payroll taxes and related fringes	7,761,114
Rent	159,866
Sales and marketing expense	472,706
Professional fees	809,432
Office and administrative expenses	<u>430,503</u>
Total non-interest expenses	<u>9,633,621</u>
NET INCOME	<u>\$ 13,794,625</u>

See accompanying notes to financial statements.

36TH STREET CAPITAL PARTNERS, LLC

CHANGES IN MEMBERS' EQUITY

YEAR ENDED DECEMBER 31, 2024

MEMBERS' EQUITY, BEGINNING OF YEAR	\$	72,409,422
Net income		13,794,625
Contributions from member		8,500,000
Distributions to members		(11,304,771)
MEMBERS' EQUITY, END OF YEAR	\$	<u>83,399,276</u>

See accompanying notes to financial statements.

36TH STREET CAPITAL PARTNERS, LLC

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$ 13,794,625
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and interest amortization	508,520
Amortization of operating right-of-use asset	102,806
Provision for credit losses	478,000
Amortization of deferred initial direct costs	494,798
Changes in operating assets and liabilities:	
Prepaid expenses and other current assets	289,037
Operating lease liability	(102,805)
Accounts payable and accrued expenses	1,416,974
Sales tax payable	173,731
Net cash provided by operating activities	<u>17,155,686</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Principal collections on leases and notes receivable	140,643,240
Issuance of notes receivable	(37,459,962)
Net increase in customer deposits	(3,333,738)
Cash paid for customer acquisition costs	(1,026,968)
Net increase in deposits on equipment for future leases	(21,255,762)
Purchase of equipment for sales-type lease contracts	(138,698,134)
Net cash used in investing activities	<u>(61,131,324)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Borrowings on line of credit	156,050,000
Repayment of outstanding borrowings on line of credit	(111,200,000)
Payment of deferred financing costs	(365,000)
Contributions from member	8,500,000
Payment of distributions to members	(8,946,291)
Net cash provided by financing activities	<u>44,038,709</u>

NET CHANGE IN CASH AND RESTRICTED CASH 63,071

CASH AND RESTRICTED CASH, BEGINNING OF YEAR 1,651,110

CASH END OF YEAR \$ 1,714,181

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Interest paid \$ 20,363,846

NON-CASH INVESTING AND FINANCING ACTIVITIES:

Distributions payable \$ 2,358,480

See accompanying notes to financial statements.

36TH STREET CAPITAL PARTNERS, LLC

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of the Business and Summary of Significant Accounting Policies:

Nature of the Business - 36STC provides equipment financing solutions and alternative capital, mainly through the use of lease arrangements and notes, to clients nationwide. The Company actively sources, underwrites, and funds transactions. Additionally, the Company accesses the private asset-backed securitization ("ABS") market to diversify liquidity sources and broaden the funding capacity for the origination of assets.

Limited Liability Company - Each member's liability is limited to their respective member's equity plus any debt for which a personal guarantee has been given. Under the terms of the limited liability company's operating agreement, existence is perpetual or sooner as provided for in the operating agreement.

Use of Estimates - The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results, as determined at a later date, could differ from those estimates.

Concentration of Credit Risk - The Company maintains their cash balances in financial institutions which are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 each. At times, such balances may be in excess of the FDIC insurance limit.

For the year ended December 31, 2024, there were no clients that represented more than 10% of the Company's revenues or net investments in leases, or notes receivable.

Lessor Topic 842 Accounting - At lease inception, the Company determines whether an arrangement qualifies as a lease under ASC 842 (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration). The Company only reassess if the terms and conditions of the contract are changed. The Company determines lease classification at commencement date. Leases not classified as sales-type or direct financing leases are classified as operating leases. The primary accounting criteria used that results in sales-type lease classification are (a) the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, (b) the lease grants the lessee a purchase option that the lessee is reasonably certain to exercise, (c) the lease term is for a major part of the remaining economic life of the underlying asset, (d) the present value of the sum of the lease payments and residual value guarantee from the lessee equals or exceeds substantially all of the fair value of the underlying asset and (e) the leased equipment is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. When none of the sales-type lease criteria have been met above, leases are classified as direct financing leases when the following two criteria are met: 1) the present value of the sum of the lease payments and residual value guarantee from the lessee and/or third-party equals or exceeds substantially all of the fair value of the underlying asset and 2) it is probable that the lessor will collect the lease payments plus any amount necessary to satisfy a residual value guarantee. Based on the criteria above, the Company has concluded, from a lessor perspective, that there are no operating and direct-financing leases, and all leases held in net investments are sales-type leases with no gain or loss at lease commencement.

At lease commencement, the Company estimates the residual of the leased asset at the end of the lease term, considering the asset's remaining useful life, expected market condition, and expected use (e.g., sell or lease). If the market value of leased equipment decreases at a rate greater than projected, whether due to rapid technological or economic obsolescence, unusual wear and tear on the equipment, excessive use of the equipment, recession or other adverse economic conditions, or other factors, it could adversely affect the current values and the residual values of such equipment. The Company manages and evaluates residual risk by performing periodic reviews of estimated residual values and monitoring levels of residual realizations. A change in estimated lease residual values during the lease term impacts the loss allowance as the Company considers both the lease receivable and the unguaranteed

36TH STREET CAPITAL PARTNERS, LLC

NOTES TO FINANCIAL STATEMENTS

residual asset when determining the lease net investment loss allowance. Incremental costs of a lease that would not have been incurred if the lease had not been obtained are treated as initial direct costs.

Net Investment in Leases - The Company's net investment in leases primarily relates to leasing of equipment under sales-type leases with the equipment purchase price equal to fair value and therefore there is no selling profit or loss at lease commencement. When there is no selling profit or loss, initial direct costs are deferred at the commencement date and included in the measurement of the net investment in the lease.

A lease receivable and unguaranteed residual asset, if any, are recorded for sales-type leases at present value discounted using the rate implicit in the lease. The lease receivable includes lease payments not yet paid and guarantee of the residual value by the lessee or unrelated third party. Interest income is recognized over the lease term at a constant periodic discount rate on the remaining balance of the lease net investment using the rate implicit in the lease. After the commencement date, lease payments collected are applied to reduce net investment, and net investment is increased for interest income recorded.

Notes Receivable - The Company enters into loans with customers where funds are borrowed from the Company and repayments are based on a fixed payment which includes principal and interest over the term of the agreement.

Equipment - Property and equipment are stated at cost. Furniture and fixtures and other equipment are depreciated primarily using the straight-line method over the estimated useful lives of the assets. In general, the estimated useful lives used in computing depreciation and amortization are over 3 years. Maintenance and repairs are charged to operations as incurred.

Deferred Financing Costs - Costs related to obtaining the Company's line of credit (see Note 5) are capitalized and amortized over the term of the related debt using the straight-line method. Amortization expense for the year ended December 31, 2024 totaled \$483,641. Accumulated amortization at December 31, 2024 was \$2,038,232.

Expected future amortization is as follows:

<u>Year Ended December 31,</u>	
2025	\$ 525,250
2026	525,250
2027	481,480
	<u>\$ 1,531,980</u>

Deposits on Equipment for Future Leases - Deposits on future leases represents deposits on equipment on behalf of the customer in advance of final agreements (See Note 6). These amounts accrue interest until the final agreements have been agreed upon.

Software - The Company capitalizes software development costs for internal use in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350, *Intangibles - Goodwill and Other*. Capitalization of software development costs begins in the application development stage and ends when the asset is placed into service. Costs related to software development that have not reached application development and costs incurred in the post-implementation for training and maintenance are expensed as incurred. The Company also capitalizes software purchases that provide upgrades and enhancements that result in additional

36TH STREET CAPITAL PARTNERS, LLC

NOTES TO FINANCIAL STATEMENTS

functionality to existing software. Capitalized software development costs are recorded in prepaid expenses and other current assets and are amortized on the straight-line method over the expected life of the product (5 years).

Long-Lived Assets - Management evaluates all long-lived assets for impairment. Long-lived assets and intangible assets other than goodwill are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying amount is not fully recoverable, an impairment loss is recognized to reduce the carrying amount to fair value and is charged to expense in the period of impairment. At December 31, 2024, management determined that these assets are not impaired.

Customer Deposits - The Company requests refundable security deposits from certain customers in order to strengthen credit of the lessee. In the event of default by the lessee, the Company has the right to apply the customer deposit to the curing of any default. Customer deposits do not bear interest for the benefit of the lessee and are refundable upon expiration of the lease.

Revenue Recognition - Interest income on sales-type leases is recognized on an accrual basis. Unearned income on the leases is amortized to interest income using the effective interest method over the remaining period to contractual maturity. The amortization of unearned income into interest income is discontinued on notes receivable when collection of interest appears doubtful. Interest income earned on notes receivable is recognized on the accrual basis as it is earned. When a lease or note receivable is 91 days or more past due, the contract is classified as non-accrual and interest income recognition is suspended. A non-accrual contract may not be returned to accrual status until the account has been brought current and the obligor has made 6 consecutive timely payments.

The Company collects interim payments from customers prior to lease commencement. The Company funds the purchase and build out of the underlying equipment attached to a future lease (see Note 6), during which the customer agrees to make interim payments until the equipment is ready for lease commencement. Revenue related to interim payments, included in Interest income, is recognized on the accrual basis as it is earned and totaled \$5,743,325 for the year ended December 31, 2024.

Gain on sale of leases and notes receivable is recognized in connection with the Company's transactions to sell contracts, leasing equipment, or early buyouts by obligors. When the equipment or contract is sold, the lease and loan assets are derecognized, and the Company recognizes any gain (or loss) to the extent the proceeds received are in excess of the value of the transferred assets and/or any liability incurred. The Company had net gains on sale of leases and notes receivable totaling \$2,444,908 recorded in non-interest income, for the year ended December 31, 2024.

Other income and fees recognized by the Company, include certain fees related to lease documentation and administration, and fees for the syndication or referral of a financing to other funding partners. For the year ended December 31, 2024 other income and fees totaled \$592,350.

Allowance for Credit Losses - When the Company classifies a lease as a sales-type or direct financing lease under Topic 842 on leases, it recognizes a net investment in the lease. The net investment in the lease is subject to the impairment guidance in Topic 326, *Financial Instruments—Credit Losses*. Management estimates a loss allowance on its entire net investment in the lease, including the unguaranteed residual value.

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical loss experience provides the basis for the estimation of expected losses. Adjustments to historical loss information are made for differences in current lease-specific risk characteristics such as differences in underwriting standards, portfolio mix, or term as well as for changes in current conditions and forecasts, such as changes in delinquency level, collateral values, competition, or real Gross Domestic Product (GDP) growth rates.

36TH STREET CAPITAL PARTNERS, LLC

NOTES TO FINANCIAL STATEMENTS

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The Company aggregates its leases by industry of the lessee for purposes of estimating the allowance for credit losses. Leases that do not share risk characteristics are evaluated on an individual basis. Leases evaluated individually are not also included in the collective evaluation.

When management determines that foreclosure is probable or when the lessee is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the collateral, expected losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate. Leases are charged off against the allowance when management believes the uncollectibility of a loan balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

Expected losses are estimated over the contractual term of the leases, which excludes expected extensions, renewals, and modifications unless the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Company.

At December 31, 2024, the allowance for credit losses amounted to \$5,171,196.

Allowance for Credit Losses on Off-Balance Sheet Credit Exposure - The Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. The allowance for credit losses on off-balance sheet credit exposures is adjusted through credit loss expense. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life. At December 31, 2024, there was \$22,000 allowance for credit losses on off-balance sheet credit exposures of \$1,243,731.

Advertising Expense - Advertising costs, included in Sales and marketing expense, are expensed as incurred. For the year ended December 31, 2024, advertising costs totaled \$99,611.

Sales Tax - The Company conducts business in various states and counties within those states which impose a sales tax on all the Company's sales and equipment rentals to non-exempt clients within those states and counties. The Company collects that sales tax and remits the entire amount to the states. The Company excludes the tax collected and remitted to the states from revenue and expenses. At December 31, 2024, sales tax payable totaled \$392,286.

Right of Use Asset ("ROU Asset") - represents our right, as lessee, to use underlying assets for the lease term, and lease liabilities represent our obligation to make lease payments arising from the leases. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company has elected the lessee practical expedients to not separate lease and non-lease components, as well as the practical expedient to not recognize ROU assets or lease liabilities for leases with a term less than 12 months. On June 1, 2023, the Company entered into a three-year operating lease agreement with a net present value of \$321,599, amortizing and \$102,806 in 2024.

Income Taxes - The Company is a limited liability company, which for tax purposes is considered a partnership. Income or loss of the Company is reported on the tax returns of the members; consequently, no provision for income taxes has been made in the accompanying financial statements. The most significant jurisdictions in which the Company is required to file income tax returns include the U.S. federal jurisdiction, New Jersey, California, Florida, Illinois, Indiana, New York, Ohio, South Carolina, Texas, Alabama, Massachusetts, Missouri, North Carolina, and Utah. The Company is no longer subject to U.S. federal income tax examinations for

36TH STREET CAPITAL PARTNERS, LLC

NOTES TO FINANCIAL STATEMENTS

the years ended prior to December 31, 2021. With limited exceptions, the Company is no longer subject to state income tax examinations for years ended prior to December 31, 2020.

The Company recognizes and measures any unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no significant uncertain income tax positions recognized as of and for the year ended December 31, 2024. This determination will always be subject to ongoing reevaluation as facts and circumstances may require.

Fair Value - FASB ASC 820, Fair Value Measurements, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The carrying amounts of cash, restricted cash, accounts payable and accrued expenses, and customer deposits included in accompanying the balance sheet approximated fair value because of the short- term maturity of these investments. The carrying value of the Company's net investment in leases, notes receivable, deposits on equipment for future leases, line of credit, and notes payable approximate fair value based on the current rates available to the Company for similar instruments.

Note 2 - Net Investment in Leases and Notes Receivable:

Income related to financing activities is recorded in net interest income on the statement of income. For the year ended December 31, 2024, there was interest income on leases and notes receivable of \$35,985,645.

For the year ended December 31, 2024, the Company has no selling profit or loss at lease commencement dates.

The net investment in leases and notes receivable had no contracts on a non-accrual basis as of December 31, 2024.

Net Investment in Leases

Net investment in leases consisted of the following at December 31, 2024:

Minimum lease payments receivable	\$ 349,736,928
Residual value of equipment	8,389,054
Unearned lease income	(56,011,947)
Net investment in leases	<u>\$ 302,114,035</u>

There were no significant changes in unguaranteed residual assets and unearned lease income on leases during the year ended December 31, 2024.

36TH STREET CAPITAL PARTNERS, LLC

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2024, lease receivable will be received and remaining unearned income will be amortized as follows:

<u>Year Ended December 31,</u>	Minimum Lease Payments	Unearned Income	Net
2025	\$ 127,229,187	\$ 25,503,167	\$ 101,726,020
2026	97,777,453	15,884,036	81,893,417
2027	63,107,860	8,676,872	54,430,988
2028	34,072,237	4,250,236	29,822,001
2029	22,593,281	1,573,739	21,019,542
2030 and thereafter	4,956,910	123,897	4,833,013
	<u>\$ 349,736,928</u>	<u>\$ 56,011,947</u>	<u>\$ 293,724,981</u>

Unearned income on sales-type leases is recognized in such a manner as to produce a constant periodic rate of return on the net investment in the sales-type lease.

Notes Receivable

The Company provided financing to several customers in the form of promissory notes. The notes bear interest at rates varying from 6.13% to 12.15% annually and monthly payments, consisting of principal and interest, are made to the Company. The notes are generally collateralized by the specific asset the customer is financing or certain pledged assets. At December 31, 2024, the notes had a total outstanding balance of \$61,902,360.

The notes receivable mature as follows:

<u>Year Ended December 31,</u>	
2025	\$ 27,941,338
2026	22,437,342
2027	9,791,743
2028	1,731,937
	<u>\$ 61,902,360</u>

Note 3 - Allowance for Credit Losses:

The Company maintains an allowance for credit losses at an amount sufficient to absorb losses inherent in the existing net investment in leases, notes receivable and deposits on equipment for future leases as of December 31, 2023, based on estimates of expected losses. The activity in the allowance for credit losses and asset quality statistics are as follows:

Allowance for losses, beginning of year	\$ 4,693,196
Charge-offs	-
Provision for credit losses	478,000
Allowance for losses, end of year	<u>\$ 5,171,196</u>
Allowance for credit losses as a percentage of total net investment	1.35 %

36TH STREET CAPITAL PARTNERS, LLC

NOTES TO FINANCIAL STATEMENTS

Note 4 - Property and Equipment:

Property and equipment at December 31, 2023 are summarized as follows:

Leasehold Improvements	\$	66,342
Less: Accumulated depreciation		(33,171)
	\$	<u>33,171</u>

Depreciation expense, included in Office and administrative expenses, was \$24,878 for the year ended December 31, 2024.

Note 5 - Debt and Financing Arrangements:

Line of Credit - The Company has a revolving line of credit agreement with a group of banks with a maximum borrowing capacity of \$330,000,000. The revolving period ends December 19, 2025, at which time the line of credit matures 2 years after this date. The outstanding balance of the line of credit was \$290,591,490 at December 31, 2024. The Company amended the line of credit in 2024 and capitalized \$365,000 of financing fees.

Interest expense on borrowings, including amounts charged related to the unused portion of the line of credit, totaled \$20,354,341 in 2024. Interest on borrowings is payable monthly. Borrowings denominated in US Dollars bear interest at the Standard Overnight Financing Rate ("SOFR") plus 2.60% (7.00% at December 31, 2024), while borrowings denominated in Canadian Dollars bear interest at Canadian Overnight Repo Rate Average ("CORRA") plus 2.80%. At December 31, 2024, all outstanding borrowings were denominated in US Dollars.

The obligations are secured by all the assets of the Company. Under the terms of the agreement, the notes can be called upon demand. The facility provides for maintenance of certain financial covenants and is subject to other restrictions, including limits on amounts available for borrowing based on the qualified borrowing base of the Company.

Note 6 - Deposits on Equipment for Future Leases:

The Company entered into agreements with customers to fund equipment before the commencement of a lease agreement. Once all of the equipment is purchased, the agreements will convert into sales-type leases. The customers are currently paying the Company interest and rent on these deposits. At December 31, 2024, the Company had advanced \$20,055,747.

Note 7 - Members' Equity:

The Company's members' equity at December 31, 2024 consisted of the following:

Common units:	Number of units	Members' Equity (deficit)
Class A	75,000	\$ (2,181,030)
Class B	22,000	(639,766)
Class C	3,000	(87,241)
Preferred units - Series A	2,444	86,307,313
		<u>\$ 83,399,276</u>

36TH STREET CAPITAL PARTNERS, LLC

NOTES TO FINANCIAL STATEMENTS

Liquidation Preference - In the event of liquidation, winding up or dissolution of the Company, the holders of Series A preferred units will receive pro rata, based upon their number of shares, 100% of their balance and any accrued, unpaid distributions on their capital contributions. Class A common units will receive 75%, and Class B and C units will receive 25%, all on a pro rata basis. For purposes of liquidation, Class B and C units will be treated as a single class.

Senior Management Incentive Plan - In November 2019, the Company established a senior management incentive plan (the “Plan”), under which a member of the Company that was a part of senior management was awarded 600 fully vested Plan units. The awarded Plan units do not represent an ownership interest in the Company, have no voting rights, and are not securities. One-half of the units will be forfeited upon the member’s termination.

The units provide the member with payments equal to a 6% share of (i) the total distributions declared by the Company for the Class B and Class C common unit holders (the “Distributions”) and (ii) the consideration payable to the Class B and Class C common unit holders in a sale transaction, such as a change- in-control transaction, as defined by the Plan agreement.

Redemption Rights - The Company has no right to redeem or repurchase shares, except as provided in the operating agreement.

Distributions - Series A preferred units holders have a distribution requirement of 8% per annum of their capital contribution plus any accrued, unpaid distributions, compounded annually. The declared and unpaid distributions on common units at December 31, 2024 totaled \$2,358,480.

Contributions - The holders of Series A preferred units made capital contributions of \$8,500,000 for the year ended December 31, 2024.

Note 8 - Key Contributor Incentive Plan:

Share Appreciation Rights Plan - In March 2022, the Board of Directors established a share appreciation rights (“SARs”) plan (“the SAR Plan”). The purpose of the SAR Plan is to establish a bonus pool consisting of 100,000 SARs that can be awarded to key contributors and are payable upon the closing of a sale transaction, as defined. The amount payable to each participant upon a sale transaction is equal to (i) the number of SARs held by the participant as of the closing of the sale transaction multiplied by (ii) the positive difference between the fair market value of a Class C common unit at the time of issuance of their respective SARs and the fair market value of a Class C common unit at the time of a sale transaction.

SARs awarded to participants under the Plan do not represent an ownership interest in the Company, have no voting rights, are not securities, do not cause the participant to be other than an at-will employee and are subject to vesting terms, as defined in individual award agreements. Unvested SARs will be forfeited upon a participant’s termination and are available for reissuance as determined by the Board of Managers. The SARs vest upon the occurrence of a sale transaction.

Management’s assessment is that the SARs are to be accounted for in accordance with ASC 718. The Company would record a liability at the date the performance obligation, the occurrence of a sale transaction, is probable to occur. At December 31, 2024, a sale transaction is not considered probable and as a result no liability has been recorded.

36TH STREET CAPITAL PARTNERS, LLC

NOTES TO FINANCIAL STATEMENTS

A summary of SARs outstanding and changes during the year ended December 31, 2024, is presented below:

Outstanding at January 1, 2024	9,000
Forfeited	(2,000)
Granted	-
Outstanding at December 31, 2024	<u>7,000</u>
Vested at December 31, 2024	<u>-</u>

Profit-Sharing Bonus Plan - In March 2022, the Board of Directors established a Profit-Sharing Bonus Plan (the “PS Bonus Plan”). The purpose of the PS Bonus Plan is to establish a profit-sharing pool that can be awarded to key contributors and is payable when “surplus distributions” (as defined in the PS Bonus Plan agreement) are provided to Class C common unit holders. The profit-sharing pool at each distribution date shall be an amount of up to 10% of the surplus distributions. The amount payable to each participant is equal to (i) the participant’s profit-sharing percentage (as defined in the PS Bonus Plan agreement) on the distribution date by (ii) the profit-sharing pool.

During the year ended December 31, 2024, there were payments totaling \$183,265 to participants under the PS Bonus Plan and \$177,520 accrued balances under the PS Bonus Plan at December 31, 2024.

Note 9 – Commitments and Contingencies:

Customer Commitments - In the normal course of business, the Company may enter into short-term agreements and commitments with future cash obligations to facilitate the deposits on equipment on behalf of the customer in advance of final agreements.

Operating Leases - The Company has an operating lease for office space through May 31, 2026. Total operating lease expense for the year ended December 31, 2024 was \$119,821.

Maturities of lease liabilities as of December 31, 2024, are as follows:

<u>Year Ended December 31,</u>	<u>Operating Leases</u>
2025	\$ 121,648
2026	51,004
Net minimum lease payments	<u>172,652</u>
Less: interest	9,665
Present value of lease liabilities	<u>\$ 162,987</u>

On June 1, 2023 the Company entered into a three-year operating lease agreement with a net present value of \$321,599, amortizing \$102,806 in 2024, using a weighted-average discount of 7.75%.

Legal Proceedings – At any given time the Company could be involved in legal proceedings arising in the ordinary course of business, which may include claims, litigation and suits.

Note 10 – Subsequent Events:

These financial statements were approved by management and available for issuance on February 24, 2025. Subsequent events have been evaluated through this date.

**36TH STREET CAPITAL PARTNERS, LLC
AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023
(UNAUDITED)**

36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET (UNAUDITED)

AS OF DECEMBER 31, 2023

ASSETS

ASSETS:	
Cash	\$ 1,651,110
Net investment in leases	260,858,375
Notes receivable	46,943,748
Deposits on equipment for future leases	18,967,232
Allowance for credit losses	(4,693,196)
Prepaid expenses and other current assets	1,123,132
Deferred financing costs, net	1,650,622
Operating lease right-of-use asset	265,792
Property and equipment, net	58,049
TOTAL ASSETS	\$ 326,824,864

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES:	
Line of credit	\$ 245,741,490
Accounts payable and accrued expenses	2,926,240
Operating lease liability	265,792
Sales tax payable	218,555
Customer deposits	5,263,365
Total Liabilities	254,415,442
COMMITMENTS AND CONTINGENCIES (NOTE 9)	
MEMBERS' EQUITY	72,409,422
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 326,824,864

See accompanying notes to consolidated financial statements.

36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY
CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

NET INTEREST INCOME:

Interest income	\$ 27,320,804
Interest expense	(16,318,667)
Net interest income	<u>11,002,137</u>
Provision for credit losses	(258,440)
Net interest income after provision for losses	<u>10,743,697</u>

NON-INTEREST INCOME:

Gain on sale of leases and notes receivable	1,253,252
Other income and fees	1,552,459
Total non-interest income	<u>2,805,711</u>

NON-INTEREST EXPENSES:

Salaries, payroll taxes and related fringes	6,099,887
Rent	149,096
Sales and marketing expense	595,487
Professional fees	1,505,518
Office and administrative expenses	480,577
Total non-interest expenses	<u>8,830,565</u>

CONSOLIDATED NET INCOME	<u><u>\$ 4,718,843</u></u>
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See accompanying notes to consolidated financial statements.

36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

MEMBERS' EQUITY, BEGINNING OF YEAR	\$ 70,942,251
Adoption of ASC 326 - Credit Losses	730,564
Consolidated net income	4,718,843
Contributions from member	2,500,000
Distributions to members	<u>(6,482,236)</u>
MEMBERS' EQUITY, END OF YEAR	<u>\$ 72,409,422</u>

See accompanying notes to consolidated financial statements.

36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Consolidated net income	\$ 4,718,843
Adjustments to reconcile consolidated net income to net cash provided by operating activities:	
Depreciation and interest amortization	620,321
Amortization of operating right-of-use asset	55,807
Provision for credit losses	258,440
Amortization of deferred initial direct costs	299,102
Changes in operating assets and liabilities:	
Prepaid expenses and other current assets	(454,421)
Operating lease liability	(55,807)
Accounts payable and accrued expenses	66,190
Sales tax payable	31,571
Net cash provided by operating activities	<u>5,540,046</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Principal collections on leases and notes receivable	81,673,007
Issuance of notes receivable	(37,052,721)
Net increase in customer deposits	1,011,297
Acquisition of leasehold improvements	(32,776)
Net increase in deposits on equipment for future leases	(18,967,232)
Purchase of equipment for sales-type lease contracts	(93,384,249)
Net cash provided by investing activities	<u>(66,752,674)</u>

CASH FLOW FROM FINANCING ACTIVITIES:

Borrowings on line of credit	178,800,000
Repayment of outstanding borrowings on line of credit	(103,100,000)
Repayments on notes payable	(14,428,484)
Payment of deferred financing costs	(524,009)
Contributions from member	2,500,000
Payment of distributions to members	(6,482,236)
Net cash provided by financing activities	<u>56,765,271</u>

NET CHANGE IN CASH AND RESTRICTED CASH (4,447,357)

CASH AND RESTRICTED CASH, BEGINNING OF YEAR 6,098,467

CASH END OF YEAR \$ 1,651,110

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION -

Interest paid \$ 15,427,992

SUPPLEMENTAL DISCLOSURE FOR NON-CASH OPERATING ACTIVITIES:

Adjustment to allowance for credit losses recognized in connection with implementation of Accounting Standards Codification ("ASC") 326 on January 1, 2023	<u>\$ 730,564</u>
Operating lease liability and operating lease right-of-use asset recognized in connection with lease commencement	<u>\$ 321,599</u>

See accompanying notes to consolidated financial statements.

36th STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 1 - Nature of the Business and Summary of Significant Accounting Policies:

Principles of Consolidation - The consolidated financial statements include the accounts of 36th Street Capital Partners, LLC ("36STC") and its wholly owned subsidiary 36th Street Capital I, LLC ("SPV") (collectively, the "Company") and are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). All intercompany accounts and transactions have been eliminated in consolidation.

Nature of the Business - 36STC provides equipment financing solutions and alternative capital, mainly through the use of lease arrangements and notes, to clients nationwide. The Company actively sources, underwrites, and funds transactions. Additionally, the Company accesses the private asset-backed securitization ("ABS") market to diversify liquidity sources and broaden the funding capacity for the origination of assets.

Limited Liability Company - Each member's liability is limited to their respective member's equity plus any debt for which a personal guarantee has been given. Under the terms of the Limited Liability Company's operating agreement existence is perpetual or sooner as provided for in the operating agreement.

Use of Estimates - The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results, as determined at a later date, could differ from those estimates.

Concentration of Credit Risk - The Company maintains their cash balances in financial institutions which are insured by the Federal Deposit Insurance Corporation for up to \$250,000 each. At times, such balances may be in excess of the FDIC insurance limit.

For the year ended December 31, 2023, there were no clients that represented more than 10% of the Company's revenues or net investments in leases, or notes receivable.

Lessor Topic 842 Accounting - At lease inception, the Company determines whether an arrangement qualifies as a lease under ASC 842 (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration). The Company only reassess if the terms and conditions of the contract are changed. The Company determines lease classification at commencement date. Leases not classified as sales-type or direct financing leases are classified as operating leases. The primary accounting criteria used that results in sales-type lease classification are (a) the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, (b) the lease grants the lessee a purchase option that the lessee is reasonably certain to exercise, (c) the lease term is for a major part of the remaining economic life of the underlying asset, (d) the present value of the sum of the lease payments and residual value guarantee from the lessee equals or exceeds substantially all of the fair value of the underlying asset and (e) the leased equipment is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. When none of the sales-type lease criteria have been met above, leases are classified as direct financing leases when the following two criteria are met: 1) the present value of the sum of the lease payments and residual value guarantee from the lessee and/or third-party equals or exceeds substantially all of the fair value of the underlying asset and 2) it is probable that the lessor will collect the lease payments plus any amount necessary to satisfy a residual value guarantee. Based on the criteria above, the Company has concluded, from a lessor perspective, that there are no

36th STREET CAPITALPARTNERS, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

operating and direct-financing leases, and all leases held in net investments are sales-type leases with no gain or loss at lease commencement.

At lease commencement, the Company estimates the residual of the leased asset at the end of the lease term, considering the asset's remaining useful life, expected market condition, and expected use (e.g., sell or lease). If the market value of leased equipment decreases at a rate greater than projected, whether due to rapid technological or economic obsolescence, unusual wear and tear on the equipment, excessive use of the equipment, recession or other adverse economic conditions, or other factors, it could adversely affect the current values and the residual values of such equipment. The Company manages and evaluates residual risk by performing periodic reviews of estimated residual values and monitoring levels of residual realizations. A change in estimated lease residual values during the lease term impacts the loss allowance as the Company considers both the lease receivable and the unguaranteed residual asset when determining the lease net investment loss allowance. Incremental costs of a lease that would not have been incurred if the lease had not been obtained are treated as initial direct costs.

Net Investment in Leases - The Company's net investment in leases primarily relates to leasing of equipment under sales-type leases with the equipment purchase price equal to fair value and therefore there is no selling profit or loss at lease commencement. When there is no selling profit or loss, initial direct costs are deferred at the commencement date and included in the measurement of the net investment in the lease.

A lease receivable and unguaranteed residual asset, if any, are recorded for sales-type leases at present value discounted using the rate implicit in the lease. The lease receivable includes lease payments not yet paid and guarantee of the residual value by the lessee or unrelated third party. Interest income is recognized over the lease term at a constant periodic discount rate on the remaining balance of the lease net investment using the rate implicit in the lease. After the commencement date, lease payments collected are applied to reduce net investment, and net investment is increased for interest income recorded.

Notes Receivable - The Company enters into loans with customers where funds are borrowed from the Company and repayments are based on a fixed payment which includes principal and interest over the term of the agreement.

Equipment - Property and equipment are stated at cost. Furniture and fixtures and other equipment which are depreciated primarily using the straight-line method over the estimated useful lives of the assets. In general, the estimated useful lives used in computing depreciation and amortization are over 3 years. Maintenance and repairs are charged to operations as incurred.

Deferred Financing Costs - Costs related to obtaining the Company's line-of-credit (see Note 5) are capitalized and amortized over the term of the related debt using the straight-line method. Amortization expense for the year ended December 31, 2023 totaled \$410,786. Accumulated amortization at December 31, 2023 was \$1,554,590.

36th STREET CAPITALPARTNERS, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Expected future amortization is as follows:

Year Ended December 31,	
2024	\$ 421,435
2025	421,435
2026	421,435
2027	386,317
	<u>\$ 1,650,622</u>

Deposits on Equipment for Future Leases - Deposits on future leases represents deposits on equipment on behalf of the customer in advance of final agreements (See Note 6). These amounts accrue interest until the final agreements have been agreed upon.

Software - The Company capitalizes software development costs for internal use in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 350, *Intangibles - Goodwill and Other*. Capitalization of software development costs begins in the application development stage and ends when the asset is placed into service. Costs related to software development that have not reached application development and costs incurred in the post-implementation for training and maintenance are expensed as incurred. The Company also capitalizes software purchases that provide upgrades and enhancements that result in additional functionality to existing software. Capitalized software development costs are recorded in prepaid expenses and other current assets and are amortized on the straight-line method over the expected life of the product (5 years).

Long-Lived Assets - Management evaluates all long-lived assets for impairment. Long-lived assets and intangible assets other than goodwill are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying amount is not fully recoverable, an impairment loss is recognized to reduce the carrying amount to fair value and is charged to expense in the period of impairment. At December 31, 2023, management determined that these assets are not impaired.

Customer Deposits - The Company requests refundable security deposits from certain customers in order to strengthen credit of the lessee. In the event of default by the lessee, the Company has the right to apply the customer deposit to the curing of any default. Customer deposits do not bear interest for the benefit of the lessee and are refundable upon expiration of the lease.

Revenue Recognition - Interest income on sales-type leases is recognized on an accrual basis. Unearned income on the leases is amortized to interest income using the effective interest method over the remaining period to contractual maturity. The amortization of unearned income into interest income is discontinued on notes receivable when collection of interest appears doubtful. Interest income earned on notes receivable is recognized on the accrual basis as it is earned. When a lease or note receivable is 91 days or more past due, the contract is classified as non-accrual and interest income recognition is suspended. A non-accrual contract may not be returned to accrual status until the account has been brought current and the obligor has made 6 consecutive timely payments.

The Company collects interim payments from customers prior to lease commencement. The Company funds the purchase and build out of the underlying equipment attached to a future lease (see Note 6), during which the customer agrees to make interim payments until the equipment is ready for lease commencement. Revenue related to interim payments, included in Interest income, is recognized on the accrual basis as it is earned and totaled \$4,196,650 for the year ended December 31, 2023.

36th STREET CAPITALPARTNERS, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Gain on sale of leases and notes receivable is recognized in connection with the Company's transactions to sell contracts, leasing equipment, or early buyouts by obligors. When the equipment or contract is sold, the lease and loan assets are derecognized, and the Company recognizes any gain (or loss) to the extent the proceeds received are in excess of the value of the transferred assets and/or any liability incurred. The Company had net gains on sale of leases and notes receivable totaling \$1,253,252 recorded in non-interest income, for the year ended December 31, 2023.

Other income and fees recognized by the Company, include certain fees related to lease documentation and administration, and fees for the syndication or referral of a financing to other funding partners. For the year ended December 31, 2023 other income and fees totaled \$1,552,459.

Allowance for Credit Losses - When the Company classifies a lease as a sales-type or direct financing lease under Topic 842 on leases, it recognizes a net investment in the lease. The net investment in the lease is subject to the impairment guidance in Topic 326, *Financial Instruments—Credit Losses*. Management estimates a loss allowance on its entire net investment in the lease, including the unguaranteed residual value.

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical loss experience provides the basis for the estimation of expected losses. Adjustments to historical loss information are made for differences in current lease-specific risk characteristics such as differences in underwriting standards, portfolio mix, or term as well as for changes in current conditions and forecasts, such as changes in delinquency level, collateral values, competition, or real Gross Domestic Product (GDP) growth rates.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The Company aggregates its leases by industry of the lessee for purposes of estimating the allowance for credit loss. Leases that do not share risk characteristics are evaluated on an individual basis. Leases evaluated individually are not also included in the collective evaluation.

When management determines that foreclosure is probable or when the lessee is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the collateral expected losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate. Leases are charged off against the allowance when management believes the uncollectibility of a loan balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

Expected losses are estimated over the contractual term of the leases, which excludes expected extensions, renewals, and modifications unless the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Company.

At December 31, 2023, the allowance for credit losses amounted to \$4,693,196.

Allowance for Credit Losses on Off-Balance Sheet Credit Exposure - The Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. The allowance for credit losses on off-balance sheet credit exposures is adjusted through credit loss expense. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life. At December 31, 2023, there was no allowance for credit losses on off-balance sheet credit exposures.

36th STREET CAPITALPARTNERS, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Advertising Expense - Advertising costs, included in Sales and marketing expense, are expensed as incurred. For the year ended December 31, 2023, advertising costs totaled \$67,956.

Sales Tax - The Company does business in various states and counties within those states which impose a sales tax on all the Company's sales and equipment rentals to non-exempt clients within those states and counties. The Company collects that sales tax and remits the entire amount to the states. The Company excludes the tax collected and remitted to the states from revenue and expenses. At December 31, 2023, sales tax payable totaled \$218,555.

Right of Use Asset ("ROU Asset") - represents our right, as lessee, to use underlying assets for the lease term, and lease liabilities represent our obligation to make lease payments arising from the leases. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company has elected the lessee practical expedients to not separate lease and non-lease components, as well as the practical expedient to not recognize ROU assets or lease liabilities for leases with a term less than 12 months. On June 1, 2023 the Company entered into a three-year operating lease agreement with a net present value of \$321,599, and amortized \$55,807 in 2023.

Income Taxes - The Company is a limited liability company, which for tax purposes is considered a partnership. Income or loss of the Company is reported on the tax returns of the members; consequently, no provision for income taxes has been made in the accompanying consolidated financial statements. The most significant jurisdictions in which the Company is required to file income tax returns include the U.S. federal jurisdiction, New Jersey, California, Florida, Illinois, Indiana, New York, Ohio, South Carolina, Texas, Alabama, Massachusetts, Missouri, North Carolina, and Utah. The Company is no longer subject to U.S. federal income tax examinations for the years ended prior to December 31, 2020. With limited exceptions, the Company is no longer subject to state income tax examinations for years ended prior to December 31, 2019.

The Company recognizes and measures any unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no significant uncertain income tax positions recognized as of and for the year ended December 31, 2023. This determination will always be subject to ongoing reevaluation as facts and circumstances may require.

Fair Value - Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The carrying amounts of cash, restricted cash, accounts payable and accrued expenses, and customer deposits included in accompanying the consolidated balance sheets approximated fair value because of the short-term maturity of these investments. The carrying value of the Company's net investment in leases, notes receivable, deposits on equipment for future leases, line of credit, and notes payable approximate fair value based on the current rates available to the Company for similar instruments.

36th STREET CAPITALPARTNERS, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

New Accounting Standard - In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the consolidated financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 were net investment in leases, notes receivable, and deposits on equipment for future leases.

The Company adopted the standard effective January 1, 2023, utilizing a cumulative-effect adjustment for all financial assets measured at amortized cost. As a result of the adoption, the Company recorded a transition adjustment, which included a \$730,564 decrease to the allowance for credit losses. In addition, the transition adjustment resulted in an increase of \$730,564 to beginning members' equity as of January 1, 2023, which represents the cumulative effect of adopting FASB ASC 326.

Note 2 - Net Investment in Leases and Notes Receivable:

Income related to financing activities is recorded in net interest income on the consolidated statement of income. For the year ended December 31, 2023, there was interest income on leases and notes receivable of \$23,124,154.

For the year ended December 31, 2023, the Company has no selling profit or loss at lease commencement dates.

As of December 31, 2023, the net investment in leases and notes receivable included contracts that were on a non-accrual basis totaling \$8,377,364.

Net Investment in Leases

Net investment in leases consisted of the following at December 31, 2023:

Minimum lease payments receivable	\$	294,636,469
Residual value of equipment		11,874,217
Unearned lease income		(45,652,311)
Net investment in leases	\$	<u>260,858,375</u>

There were no significant changes in unguaranteed residual assets and unearned lease income on leases during the year ended December 31, 2023.

36th STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

As of December 31, 2023, lease receivable will be received and remaining unearned income will be amortized as follows:

Year Ended December 31,	Minimum Lease Payments	Unearned Income	Net
2024	\$ 111,441,403	\$ 21,540,618	\$ 89,900,785
2025	86,778,136	13,041,770	73,736,366
2026	50,837,315	6,755,205	44,082,110
2027	27,878,955	3,347,929	24,531,026
2028 and thereafter	17,700,660	966,789	16,733,871
	<u>\$ 294,636,469</u>	<u>\$ 45,652,311</u>	<u>\$ 248,984,158</u>

Unearned income on sales-type leases is recognized in such a manner as to produce a constant periodic rate of return on the net investment in the sales-type lease.

Notes Receivable

The Company provided financing to several customers in the form of promissory notes. The notes bear interest at rates varying from 6.07% to 12.15% annually and monthly payments, consisting of principal and interest, are made to the Company. The notes are generally collateralized by the specific asset the customer is leasing or certain pledged assets. At December 31, 2023, the notes had a total outstanding balance of \$46,943,748.

The notes receivable mature as follows:

Year Ended December 31,	
2024	\$ 18,664,446
2025	16,744,927
2026	10,533,784
2027	975,326
2028	25,265
	<u>\$ 46,943,748</u>

Note 3 - Allowance for Credit Losses:

The Company maintains an allowance for credit losses at an amount sufficient to absorb losses inherent in the existing net investment in leases, notes receivable and deposits on equipment for future leases as of December 31, 2023, based on estimates of expected losses. The activity in the allowance for credit losses and asset quality statistics are as follows:

Allowance for losses, beginning of year	\$ 5,117,882
Charge-offs	(683,126)
Provision for credit losses	258,440
Allowance for losses, end of year	<u>\$ 4,693,196</u>
Allowance for credit losses as a percentage of total net investment	1.44 %

36th STREET CAPITALPARTNERS, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 4 - Property and Equipment:

Property and equipment at December 31, 2023 are summarized as follows:

Leasehold Improvements	66,342
Less: Accumulated depreciation	(8,293)
	<u>\$ 58,049</u>

Depreciation expense, included in Office and administrative expenses, was \$13,989 for the year ended December 31, 2023.

Note 5 - Debt and Financing Arrangements:

Line of Credit - The Company has a revolving line of credit agreement with a group of banks with a maximum borrowing capacity of \$280,000,000. The revolving period ends December 2025 at which time the line of credit matures 2 years after this date. The outstanding balance of the line of credit was \$245,741,490 at December 31, 2023. The Company amended the line of credit in 2023 and capitalized \$524,009 of financing fees.

Interest expense on borrowings, including amounts charged related to the unused portion of the line of credit, totaled \$15,607,577 in 2023. Interest on borrowings is payable monthly. Borrowings denominated in US Dollars bear interest at the Standard Overnight Financing Rate ("SOFR") plus 2.60% (7.96% at December 31, 2023), while borrowing denominated in Canadian Dollars bear interest at Canadian Dollar Offered Rate ("CDOR") plus 3.00%. At December 31, 2023, all outstanding borrowings were denominated in US Dollars.

The obligations are secured by all the assets of the Company. Under the terms of the agreement the notes can be called upon demand. The facility provides for maintenance of certain financial covenants and is subject to other restrictions, including limits on amounts available for borrowing based on the qualified borrowing base of the Company.

Note 6 - Deposits on Equipment for Future Leases:

The Company entered into agreements with customers to fund equipment before the commencement of a lease agreement. Once all of the equipment is purchased the agreements will convert into sales-type leases. The customers are currently paying the Company interest and rent on these deposits. At December 31, 2023, the Company had advanced \$18,967,232.

Note 7 - Members' Equity:

The Company's members' equity at December 31, 2023 consisted of the following:

Common units:	Number of units	Members' Equity (deficit)
Class A	75,000	\$ (4,048,418)
Class B	22,000	(1,187,536)
Class C	3,000	(161,937)
Preferred units - Series A	2,444	77,807,313
		<u>\$ 72,409,422</u>

36th STREET CAPITALPARTNERS, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Liquidation Preference - In the event of liquidation, winding up or dissolution of the Company, the holders of Series A preferred units will receive on a pro rata based upon their number of shares 100% of their balance and any accrued, unpaid distributions on its capital contributions. Class A common units will receive 75%, and Class B and C units will receive 25%, all on a pro rata basis. For purposes of liquidation Class B and C units will be treated as a single class.

Senior Management Incentive Plan - In November 2019, the Company established a senior management incentive plan (the “Plan”), under which a member of the Company that was a part of senior management was awarded 600 fully vested Plan units. The awarded Plan units do not represent an ownership interest in the Company, have no voting rights, and are not securities. One-half of the units will be forfeited upon the member’s termination.

The units provide the member with payments equal to a 6% share of (i) the total distributions declared by the Company for the Class B and Class C common unit holders (the “Distributions”) and (ii) the consideration payable to the Class B and Class C common unit holders in a sale transaction, such as a change- in-control transaction, as defined by the Plan agreement.

Redemption Rights - The Company has no right to redeem or repurchase shares, except as provided in the operating agreement.

Distributions - Series A Preferred Units holders have a distribution requirement of 8% per annum of their capital contribution plus any accrued, unpaid distributions, compounded annually. There were no declared and unpaid distributions on common units at December 31, 2023.

Note 8 - Key Contributor Incentive Plan:

Share Appreciation Rights Plan - In March 2022, the Board of Directors established a share appreciation rights (“SARs”) plan (“the SAR Plan”). The purpose of the SAR Plan is to establish a bonus pool consisting of 100,000 SARs that can be awarded to key contributors and are payable upon the closing of a sale transaction, as defined. The amount payable to each participant upon a sale transaction is equal to (i) the number of SARs held by the participant as of the closing of the sale transaction multiplied by (ii) the positive difference between the fair market value of a Class C common unit at the time of issuance of their respective SARs and the fair market value of a Class C common unit at the time of a sale transaction.

SARs awarded to participants under the Plan do not represent an ownership interest in the Company, have no voting rights, are not securities, do not cause the participant to be other than an at-will employee and are subject to vesting terms, as defined in individual award agreements. Unvested SARs will be forfeited upon a participant’s termination and are available for reissuance as determined by the Board of Managers. The SARs vest upon the occurrence of a sale transaction.

Management’s assessment is that the SARs are to be accounted for in accordance with ASC 718. The Company would record a liability at the date the performance obligation, the occurrence of a sale transaction, is probable to occur. At December 31, 2023, a sale transaction is not considered probable and as a result no liability has been recorded.

36th STREET CAPITALPARTNERS, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

A summary of SARs outstanding and changes during the year ended December 31, 2023, is presented below:

Outstanding at January 1, 2023	9,750
Forfeited	(2,500)
Granted	1,750
Outstanding at December 31, 2023	<u>9,000</u>
 Vested at December 31, 2023	 <u>-</u>

Profit-Sharing Bonus Plan - In March 2022, the Board of Directors established a Profit-Sharing Bonus Plan (the “PS Bonus Plan”). The purpose of the PS Bonus Plan is to establish a profit-sharing pool that can be awarded to key contributors and are payable when “surplus distributions” (as defined in the PS Bonus Plan agreement) are provided to Class C common unit holders. The profit-sharing pool at each distribution date shall be an amount of up to 10% of the surplus distributions. The amount payable to each participant is equal to (i) the participant’s profit-sharing percentage (as defined in the PS Bonus Plan agreement) on the distribution date by (ii) the profit-sharing pool.

During the year ended December 31, 2023, there were no payments to participants under the PS Bonus Plan and there were no accrued balances under the PS Bonus Plan at December 31, 2023.

Note 9 – Commitments and Contingencies:

Customer Commitments - In the normal course of business, the Company may enter into short term agreements and commitments with future cash obligations to facilitate the deposits on equipment on behalf of the customer in advance of final agreements.

Operating Leases - The Company has an operating lease for office space through May 31, 2026. Total operating lease expense, for the year ended December 31, 2023 was \$69,274.

Short term lease costs were \$46,853 for the year ended December 31, 2023.

Maturities of lease liabilities as of December 31, 2023, are as follows:

Year Ended December 31,	Operating Leases
2024	\$ 119,821
2025	121,648
2026	<u>51,004</u>
Net minimum lease payments	292,473
Less: interest	<u>26,680</u>
Present value of lease liabilities	<u>\$ 265,793</u>

On June 1, 2023 the Company entered into a three-year operating lease agreement with a net present value of \$321,599, and amortized \$55,807 in 2023, using a weighted-average discount of 7.75%.

Legal Proceedings – At any given time the Company could be involved in legal proceedings arising in the ordinary course of business, which may include claims, litigation and suits.

36th STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 10 – Subsequent Events:

These consolidated financial statements were approved by management and available for issuance on February 15, 2024. Subsequent events have been evaluated through this date.

In January 2024, the 36th Street Capital I subsidiary was cancelled. Additionally, the Company cancelled one of its equipment loans during the borrower's bankruptcy proceedings. In return, the Company acquired the common stock of the borrower's successor entity as it emerged from bankruptcy.

36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY

SUPPLEMENTARY INFORMATION

CONSOLIDATING BALANCE SHEET (UNAUDITED)

AS OF DECEMBER 31, 2023

ASSETS	36th Street Capital Partners, LLC	36th Street Capital I, LLC	Eliminations	Total
ASSETS:				
Cash	\$ 1,651,110	\$ -	\$ -	\$ 1,651,110
Investment in subsidiary	14,517,458	-	(14,517,458)	-
Net investment in leases	260,858,375	-	-	260,858,375
Notes receivable	46,943,748	-	-	46,943,748
Deposits on equipment for future leases	18,967,232	-	-	18,967,232
Allowance for credit losses	(4,693,196)	-	-	(4,693,196)
Prepaid expenses and other current assets	1,123,132	-	-	1,123,132
Deferred financing costs, net	1,650,622	-	-	1,650,622
Intercompany receivable	-	14,517,458	(14,517,458)	-
Operating lease right-of-use asset	265,792	-	-	265,792
Property and equipment, net	58,049	-	-	58,049
TOTAL ASSETS	<u>\$ 341,342,322</u>	<u>\$ 14,517,458</u>	<u>\$ (29,034,916)</u>	<u>\$ 326,824,864</u>
LIABILITIES AND MEMBERS' EQUITY				
LIABILITIES:				
Line of credit	\$ 245,741,490	\$ -	\$ -	\$ 245,741,490
Accounts payable and accrued expenses	2,926,240	-	-	2,926,240
Operating lease liability	265,792	-	-	265,792
Sales tax payable	218,555	-	-	218,555
Intercompany payable	14,517,458	-	(14,517,458)	-
Customer deposits	5,263,365	-	-	5,263,365
Total Liabilities	<u>268,932,900</u>	<u>-</u>	<u>(14,517,458)</u>	<u>254,415,442</u>
COMMITMENTS AND CONTINGENCIES (NOTE 9)				
MEMBERS' EQUITY	<u>72,409,422</u>	<u>14,517,458</u>	<u>(14,517,458)</u>	<u>72,409,422</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 341,342,322</u>	<u>\$ 14,517,458</u>	<u>\$ (29,034,916)</u>	<u>\$ 326,824,864</u>

36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY

SUPPLEMENTARY INFORMATION

CONSOLIDATING STATEMENT OF INCOME (UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 2023

	36th Street Capital Partners, LLC	36th Street Capital I, LLC	Eliminations	Total
NET INTEREST INCOME:				
Interest income	\$ 26,897,248	\$ 423,556	\$ -	\$ 27,320,804
Interest expense	(16,018,363)	(300,304)	-	(16,318,667)
Net interest income	10,878,885	123,252	-	11,002,137
Provision for credit losses	(258,440)	-	-	(258,440)
Net interest income after provision for credit losses	10,620,445	123,252	-	10,743,697
NON-INTEREST INCOME:				
Gain on sale of leases and notes receivable	1,216,505	36,747	-	1,253,252
Other income and fees	1,602,654	-	(50,195)	1,552,459
Total non-interest income	2,819,159	36,747	(50,195)	2,805,711
NON-INTEREST EXPENSES:				
Salaries, payroll taxes and related fringes	6,099,887	-	-	6,099,887
Rent	149,096	-	-	149,096
Sales and marketing expense	595,487	-	-	595,487
Professional fees	1,505,518	50,195	(50,195)	1,505,518
Office and administrative expenses	458,871	21,706	-	480,577
Total non-interest expenses	8,808,859	71,901	(50,195)	8,830,565
Equity income subs	88,098	-	(88,098)	-
CONSOLIDATED NET INCOME	<u>\$ 4,718,843</u>	<u>\$ 88,098</u>	<u>\$ (88,098)</u>	<u>\$ 4,718,843</u>

36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY

SUPPLEMENTARY INFORMATION

CONSOLIDATING STATEMENT OF CHANGES IN MEMBERS' EQUITY (UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 2023

	36th Street Capital Partners, LLC	36th Street Capital I, LLC	Eliminations	Total
MEMBERS' EQUITY, BEGINNING OF YEAR	\$ 70,942,251	\$ 13,400,511	\$ (13,400,511)	\$ 70,942,251
Adoption of ASC 326 - Credit Losses	730,564	-	-	730,564
Consolidated net income	4,718,843	88,098	(88,098)	4,718,843
Contributions from member	2,500,000	1,028,849	(1,028,849)	2,500,000
Distributions to members	(6,482,236)	-	-	(6,482,236)
MEMBERS' EQUITY, END OF YEAR	<u>\$ 72,409,422</u>	<u>\$ 14,517,458</u>	<u>\$ (14,517,458)</u>	<u>\$ 72,409,422</u>

36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY

SUPPLEMENTARY INFORMATION

CONSOLIDATING STATEMENTS OF CASH FLOWS (UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 2023

	36th Street Capital Partners, LLC	36th Street Capital I, LLC	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	\$ 4,718,843	\$ 88,098	\$ (88,098)	\$ 4,718,843
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and interest amortization	424,775	195,546	-	620,321
Amortization of operating right-of-use asset	55,807	-	-	55,807
Provision for credit losses	258,440	-	-	258,440
Amortization of deferred initial direct costs	295,644	3,458	-	299,102
Change in value of investment in subsidiary	(1,116,947)	-	1,116,947	-
Changes in operating assets and liabilities:				
Prepaid expenses and other current assets	(454,421)	-	-	(454,421)
Operating lease liability	(55,807)	-	-	(55,807)
Intercompany due to (from)	14,308,516	(14,308,516)	-	-
Accounts payable and accrued expenses	105,574	(39,384)	-	66,190
Sales tax payable	31,571	-	-	31,571
Net cash provided by operating activities	<u>18,571,995</u>	<u>(14,060,798)</u>	<u>1,028,849</u>	<u>5,540,046</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Principal collections on leases and notes receivable	58,665,799	23,007,208	-	81,673,007
Issuance of notes receivable	(37,052,721)	-	-	(37,052,721)
Net increase in customer deposits	1,011,297	-	-	1,011,297
Acquisition of leasehold improvements	(32,776)	-	-	(32,776)
Net (increase) in deposits on equipment for future leases	(18,967,232)	-	-	(18,967,232)
Purchase of equipment for sales-type lease contracts	(93,384,249)	-	-	(93,384,249)
Net cash provided by investing activities	<u>(89,759,882)</u>	<u>23,007,208</u>	<u>-</u>	<u>(66,752,674)</u>
CASH FLOW FROM FINANCING ACTIVITIES:				
Borrowings on line of credit	178,800,000	-	-	178,800,000
Repayment of outstanding borrowings on line of credit	(103,100,000)	-	-	(103,100,000)
Repayments on notes payable	-	(14,428,484)	-	(14,428,484)
Payment of deferred financing costs	(524,009)	-	-	(524,009)
Contributions from member	2,500,000	1,028,849	(1,028,849)	2,500,000
Payment of distributions to members	(6,482,236)	-	-	(6,482,236)
Net cash provided by financing activities	<u>71,193,755</u>	<u>(13,399,635)</u>	<u>(1,028,849)</u>	<u>56,765,271</u>
NET CHANGE IN CASH AND RESTRICTED CASH	<u>5,868</u>	<u>(4,453,225)</u>	<u>-</u>	<u>(4,447,357)</u>
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	<u>1,645,242</u>	<u>4,453,225</u>	<u>-</u>	<u>6,098,467</u>
CASH END OF YEAR	<u>\$ 1,651,110</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,651,110</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION -				
Interest paid	<u>\$ 15,301,145</u>	<u>\$ 126,847</u>	<u>\$ -</u>	<u>\$ 15,427,992</u>
SUPPLEMENTAL DISCLOSURE FOR NON-CASH OPERATING ACTIVITIES:				
Adjustment to allowance for credit losses recognized in connection with implementation of Accounting Standards Codification ("ASC") 326 on January 1, 2023	<u>\$ 730,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 730,564</u>
Operating lease liability and operating lease right-of-use asset recognized in connection with lease commencement	<u>\$ 321,599</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321,599</u>



**36TH STREET CAPITAL PARTNERS, LLC
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL REPORT
DECEMBER 31, 2022**



Wiss & Company, LLP
100 Campus Drive, Suite 400
Florham Park, NJ 07932
(973) 994-9400 • wiss.com

INDEPENDENT AUDITORS' REPORT

To the Members of
36th Street Capital Partners, LLC and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of 36th Street Capital, LLC and Subsidiary (the "Company") which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of income, changes in members' equity and cash flows for the years ended December 31, 2022, 2021 and 2020, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for years ended December 31, 2022, 2021 and 2020 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in Schedules 1, 2, 3 and 4 are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



WISS & COMPANY, LLP

Florham Park, New Jersey

March 29, 2023

36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	As of December 31,	
ASSETS	2022	2021
ASSETS:		
Cash	\$ 1,645,242	\$ 1,140,118
Restricted cash	4,453,225	8,996,263
Net investment in leases	193,326,272	179,221,155
Notes receivable	24,751,184	26,732,615
Deposits on equipment for future leases	41,942,932	11,063,762
Allowance for losses	(5,848,446)	(4,341,078)
Prepaid expenses and other current assets	668,711	154,630
Deferred financing costs, net	1,537,399	1,110,620
Property & equipment, net	39,262	39,989
TOTAL ASSETS	\$ 262,515,781	\$ 224,118,074
LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES:		
Line of credit	\$ 170,041,490	\$ 90,311,490
Notes payable, net of unamortized deferred financing costs (\$195,546 in 2022 and \$881,057 in 2021)	14,232,938	64,128,227
Accounts payable and accrued expenses	2,860,050	2,116,812
Distributions payable	-	457,142
Sales tax payable	186,984	287,074
Customer deposits	4,252,068	6,227,136
Total Liabilities	191,573,530	163,527,881
COMMITMENTS (NOTE 10)		
MEMBERS' EQUITY	70,942,251	60,590,193
TOTAL LIABILITIES & MEMBERS' EQUITY	\$ 262,515,781	\$ 224,118,074

See accompanying notes to financial statements.

36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31,		
	2022	2021	2020
NET INTEREST INCOME:			
Interest income	\$ 20,709,299	\$ 16,101,888	\$ 17,542,247
Interest expense	(8,269,161)	(5,485,286)	(4,491,283)
Net interest income	12,440,138	10,616,602	13,050,964
Provision for losses	(1,507,368)	(169,568)	(1,082,287)
Net interest income after provision for losses	10,932,770	10,447,034	11,968,677
NON-INTEREST INCOME:			
Gain on sale of leases and notes receivable	5,657,213	461,227	986,976
Other income & fees	1,478,831	735,302	93,882
Total non-interest income	7,136,044	1,196,529	1,080,858
NON-INTEREST EXPENSES:			
Salaries, payroll taxes and related fringes	5,605,479	4,418,303	3,256,285
Rent	119,953	133,370	125,319
Sales and marketing expense	411,989	159,716	381,389
Professional fees	815,021	540,986	362,882
Office and administrative expenses	453,877	493,235	225,704
Total non-interest expenses	7,406,319	5,745,610	4,351,579
CONSOLIDATED NET INCOME	<u>\$ 10,662,495</u>	<u>\$ 5,897,953</u>	<u>\$ 8,697,956</u>

See accompanying notes to financial statements.

36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

	Years Ended December 31,		
	2022	2021	2020
MEMBERS' EQUITY, BEGINNING OF YEAR	\$ 60,590,193	\$ 57,941,363	\$ 58,168,502
Consolidated net income	10,662,495	5,897,953	8,697,956
Contributions from member	10,000,000	4,000,000	-
Distributions to members	(10,310,437)	(7,249,123)	(8,925,095)
MEMBERS' EQUITY, END OF YEAR	<u>\$ 70,942,251</u>	<u>\$ 60,590,193</u>	<u>\$ 57,941,363</u>

See accompanying notes to financial statements.

36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Consolidated net income	\$ 10,662,495	\$ 5,897,953	\$ 8,697,956
Adjustments to reconcile consolidated net income to net cash flows from operating activities:			
Depreciation and interest amortization	899,658	940,336	235,160
Provision for losses	1,507,368	169,568	1,082,287
Amortization of deferred initial direct costs	243,326	172,409	180,980
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	(514,645)	110,281	(206,632)
Accounts payable and accrued expenses	743,238	1,216,138	(516,768)
Sales tax payable	(100,090)	(57,455)	(231,443)
Net cash flows from operating activities	<u>13,441,350</u>	<u>8,449,230</u>	<u>9,241,540</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Principal collections on leases and notes receivable	161,654,224	102,865,681	88,849,354
Issuance of notes receivable	(25,443,896)	(33,197,726)	(13,776,822)
Net increase (decrease) in customer deposits	(1,975,068)	5,921,983	—
Sale (acquisition) of office equipment	(11,164)	(20,953)	300
Net (increase) decrease in deposits on equipment for future leases	(30,879,170)	(11,000,305)	5,813,584
Purchase of equipment for sales-type lease contracts	(148,577,339)	(106,869,511)	(73,626,686)
Net cash flows from investing activities	<u>(45,232,413)</u>	<u>(42,300,831)</u>	<u>7,259,730</u>
CASH FLOW FROM FINANCING ACTIVITIES:			
Borrowings on line of credit	107,130,000	86,150,000	54,550,000
Repayment of outstanding borrowings on line of credit	(27,400,000)	(102,500,000)	(62,450,001)
Proceeds from issuance of notes payable	—	116,458,000	—
Repayments on notes payable	(50,580,800)	(51,448,715)	—
Payment of deferred financing costs	(628,472)	(2,063,482)	(646,204)
Contributions from member	10,000,000	4,000,000	—
Payment of distributions to members	(10,767,579)	(7,604,681)	(8,727,601)
Net cash flows from financing activities	<u>27,753,149</u>	<u>42,991,122</u>	<u>(17,273,806)</u>
NET CHANGE IN CASH AND RESTRICTED CASH	<u>(4,037,914)</u>	<u>9,139,521</u>	<u>(772,536)</u>
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	<u>10,136,381</u>	<u>996,860</u>	<u>1,769,396</u>
CASH AND RESTRICTED CASH, END OF YEAR	<u>\$ 6,098,467</u>	<u>\$ 10,136,381</u>	<u>\$ 996,860</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION - Interest paid	<u>\$ 7,069,973</u>	<u>\$ 4,501,175</u>	<u>\$ 4,352,755</u>
NON-CASH INVESTING AND FINANCING ACTIVITY - Dividends payable	<u>\$ —</u>	<u>\$ 457,142</u>	<u>\$ 812,700</u>

See accompanying notes to financial statements.

36th STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of the Business and Summary of Significant Accounting Policies:

Principles of Consolidation - The consolidated financial statements include the accounts of 36th Street Capital Partners, LLC ("36STC") and its wholly owned subsidiary 36th Street Capital I, LLC ("SPV") (collectively, the "Company") and are prepared in conformity with accounting principles generally accepted in the United States of America. All intercompany accounts and transactions have been eliminated in consolidation.

Nature of the Business - 36STC provides equipment financing solutions and alternative capital, mainly through the use of lease arrangements and notes, to clients nationwide. The Company actively sources, underwrites, and funds transactions. Additionally, the Company accesses the private asset-backed securitization ("ABS") market to diversify liquidity sources and broaden the funding capacity for the origination of assets.

Limited Liability Company - Each member's liability is limited to their respective member equity plus any debt for which a personal guarantee has been given. Under the terms of the Limited Liability Company's operating agreement existence is perpetual or sooner as provided for in the operating agreement.

Special Purpose Vehicle - The SPV is a limited liability company that is used as a special purpose entity to hold assets. In an asset-backed securitization, 36STC utilized the SPV to which it sold a portfolio secured by equipment loans and leases (the "Assets") . The SPV then issued notes collateralized by the Assets (See Note 5) that entitle the holders to the cash flows derived from the Assets. 36STC has no legal obligation to repay the SPV lenders in the event of a default by the SPV, and there is no recourse to 36STC beyond the normal provisions for breaches of representations and warranties. Additionally, the creditors of 36STC have no recourse to the assets of the SPV.

Estimates and Uncertainties - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results, as determined at a later date, could differ from those estimates.

Restricted Cash - Restricted cash consists of reserve and collection accounts held by the SPV related to the asset backed securitization transaction described in Note 5.

Concentration of Credit Risk - The Company maintains their cash balances in financial institutions which are insured by the Federal Deposit Insurance Corporation up to \$250,000 each. At times, such balances may be in excess of the FDIC insurance limit.

For the years ended December 31, 2022, 2021 and 2020 there were no clients that represented more than 10% of the Company's revenues or net investments in leases.

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Lessor Topic 842 Accounting - At lease inception, the Company determines whether an arrangement qualifies as a lease under ASC 842 (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration). The Company only reassess if the terms and conditions of the contract are changed. The Company determines lease classification at commencement date. Leases not classified as sales-type or direct financing leases are classified as operating leases. The primary accounting criteria used that results in sales-type lease classification are (a) the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, (b) the lease grants the lessee a purchase option that the lessee is reasonably certain to exercise, (c) the lease term is for a major part of the remaining economic life of the underlying asset, (d) the present value of the sum of the lease payments and residual value guarantee from the lessee equals or exceeds substantially all of the fair value of the underlying asset and (e) the leased equipment is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. When none of the sales-type lease criteria have been met above, leases are classified as direct financing leases when the following two criteria are met: 1) the present value of the sum of the lease payments and residual value guarantee from the lessee and/or third-party equals or exceeds substantially all of the fair value of the underlying asset and 2) it is probable that the lessor will collect the lease payments plus any amount necessary to satisfy a residual value guarantee. Based on the criteria above, the Company has concluded, from a lessor perspective, that there are no operating and direct-financing leases, and all leases held in net investments are sales-type leases with no gain or loss at lease commencement.

At lease commencement, the Company estimates the residual of the leased asset at the end of the lease term, considering the asset's remaining useful life, expected market condition, and expected use (e.g., sell or lease). If the market value of leased equipment decreases at a rate greater than projected, whether due to rapid technological or economic obsolescence, unusual wear and tear on the equipment, excessive use of the equipment, recession or other adverse economic conditions, or other factors, it could adversely affect the current values and the residual values of such equipment. The Company manages and evaluates residual risk by performing periodic reviews of estimated residual values and monitoring levels of residual realizations. A change in estimated lease residual values during the lease term impacts the loss allowance as the Company considers both the lease receivable and the unguaranteed residual asset when determining the lease net investment loss allowance. Incremental costs of a lease that would not have been incurred if the lease had not been obtained are treated as initial direct costs.

Net Investment in Leases - The Company's net investment in leases primarily relates to leasing of equipment under sales-type leases with the equipment purchase price equal to fair value and therefore there is no selling profit or loss at lease commencement. When there is no selling profit or loss, initial direct costs are deferred at the commencement date and included in the measurement of the net investment in the lease.

A lease receivable and unguaranteed residual asset, if any, are recorded for sales-type leases at present value discounted using the rate implicit in the lease. The lease receivable includes lease payments not yet paid and guarantee of the residual value by the lessee or unrelated third party. Interest income is recognized over the lease term at a constant periodic discount rate on the remaining balance of the lease net investment using the rate implicit in the lease. After the commencement date, lease payments collected are applied to reduce net investment, and net investment is increased for interest income recorded.

Notes Receivable - The Company enters into loans with customers whereby they borrow money from the Company and repay amounts based on a fixed payment which includes principal and interest over the term of the agreement.

Equipment - Property and equipment are stated at cost. Furniture and fixtures and other equipment which are depreciated primarily using the straight-line method over the estimated useful lives of the assets. In general, the estimated useful lives used in computing depreciation and amortization are over 3 years. Maintenance and repairs are charged to operations as incurred.

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NOTES TO FINANCIAL STATEMENTS

Deferred Financing Costs - Costs related to obtaining the Company's line-of-credit (see Note 5) are capitalized and amortized over the term of the related debt using the straight-line method. Amortization expense for the years ended December 31, 2022, 2021, and 2020 totaled \$201,693, \$232,668 and \$802,602 respectively. Accumulated amortization at December 31, 2022 and 2021 was \$1,143,804 and \$942,111 respectively.

Expected future amortization is as follows:

Year Ended December 31,	
2023	\$ 312,691
2024	312,691
2025	312,691
2026	312,691
2027 and thereafter	286,635
	<u>\$ 1,537,399</u>

Costs related to obtaining the SPV's note payable (see Note 5) are netted against notes payable and amortized using the effective interest method over the payment period of the related debt. Amortization expense for the years ended December 31, 2022, and 2021 was \$685,511 and \$697,273 respectively. Accumulated amortization at December 31, 2022, and 2021 related to the note payable totaled \$1,382,784 and \$697,273, respectively.

Deposits on Equipment for Future Leases - Deposits on future leases represents deposits on equipment on behalf of the customer in advance of final agreements (See Note 6). These amounts accrue interest until the final agreements have been agreed upon.

Software - The Company capitalizes software development costs for internal use in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350, *Intangibles - Goodwill and Other*. Capitalization of software development costs begins in the application development stage and ends when the asset is placed into service. Costs related to software development that have not reached application development and costs incurred in the post-implementation for training and maintenance are expensed as incurred. The Company also capitalizes software purchases that provide upgrades and enhancements that result in additional functionality to existing software. Capitalized software development costs are recorded in prepaid expenses and other current assets and are amortized on the straight-line method over the expected life of the product (5 years). Amortization expense for software costs totaled \$563 and \$13,200 for the years ended December 31, 2022, and 2020 respectively; there was no related amortization expense for the year ended December 31, 2021. Accumulated amortization totaled \$72,563 and \$72,000 at December 31, 2022 and 2021 respectively.

Long-Lived Assets - Management evaluates all long-lived assets for impairment. Long-lived assets and intangible assets other than goodwill are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying amount is not fully recoverable, an impairment loss is recognized to reduce the carrying amount to fair value and is charged to expense in the period of impairment. At December 31, 2022 and 2021, management has determined that these assets are not impaired.

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Customer Deposits - The Company requests refundable security deposits from certain customers in order to strengthen credit of the lessee. In the event of default by the lessee, the Company has the right to apply the customer deposit to the curing of any default. Customer deposits do not bear interest for the benefit of the lessee and are refundable upon expiration of the lease.

Revenue Recognition - Interest income on sales-type leases is recognized on an accrual basis. Unearned income on the leases is amortized to interest income using the effective interest method over the remaining period to contractual maturity. The amortization of unearned income into interest income is discontinued on notes receivable when collection of interest appears doubtful. Interest income earned on notes receivable is recognized on the accrual basis as it is earned. When a lease or note receivable is 91 days or more past due, the contract is classified as non-accrual and interest income recognition is suspended. A non-accrual contract may not be returned to accrual status until the account has been brought current and the obligor has made 6 consecutive timely payments.

The Company collects interim payments from customers prior to lease commencement. The Company funds the purchase and build out of the underlying equipment attached to a future lease (see Note 6), during which the customer agrees to make interim payments until the equipment is ready for lease commencement. Revenue related to interim payments, included in Interest income, is recognized on the accrual basis as it is earned and totaled \$3,436,468, \$694,280 and \$288,409 for the respective years ended December 31, 2022, 2021 and 2020.

Gain on sale of leases and notes receivable is recognized in connection with the Company's transactions to sell contracts, leasing equipment, or early buyouts by obligors. When the equipment or contract is sold, the lease and loan assets are derecognized, and the Company recognizes any gain (or loss) to the extent the proceeds received are in excess of the value of the transferred assets and/or any liability incurred. The Company had net gains on sale of leases and notes receivable totaling \$5,657,213, \$461,227, and \$986,976 recorded in non-interest income, for the years ended December 31, 2022, 2021 and 2020, respectively.

Other income and fees recognized by the Company, include certain fees related to lease documentation and administration, and fees for the syndication or referral of a financing to other funding partners. For the years ended December 31, 2022, 2021 and 2020 other income and fees totaled \$1,478,831, \$735,302, and \$93,882, respectively.

Allowance for Losses - The allowance for losses is maintained at an amount management deems adequate to cover inherent losses at the balance sheet date. The Company has implemented and adheres to an internal review system and loss allowance methodology designed to provide for the detection of problem receivables and an adequate allowance to cover losses.

General valuation allowances relate to lease receivables with no well-defined deficiency or weakness are determined by applying against such receivable balances loss factors that consider past loss experience and loan duration. Allocated allowances relate to lease receivables with well-defined deficiencies or weaknesses and generally determined by loss factors based on loss statistics or are determined by the excess of the recorded investment in the loan over the fair value of the collateral, where appropriate. At December 31, 2022 and 2021, the allowance for losses amounted to \$5,848,446 and \$4,341,078 respectively.

Advertising Expense - Advertising costs, included in Sales and marketing expense, are expensed as incurred. For the years ended December 31, 2022, 2021 and 2020 advertising costs totaled \$38,716, \$60,566 and \$55,154, respectively.

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Sales Tax - The Company does business in various states and counties within those states which impose a sales tax on all the Company's sales and equipment rentals to non-exempt clients within those states and counties. The Company collects that sales tax and remits the entire amount to the states. The Company excludes the tax collected and remitted to the states from revenue and expenses. At December 31, 2022 and 2021, sales tax payable totaled \$186,984 and \$287,074 respectively.

Income Taxes - Income or loss of the Company is reported on the tax returns of the members; consequently, no provision for income taxes has been made in the accompanying combined financial statements. The most significant jurisdictions in which the Company is required to file income tax returns include the U.S. federal jurisdiction, New Jersey, California, Florida, Illinois, Indiana, New York, Ohio, South Carolina, Texas, Alabama, Massachusetts, Missouri, North Carolina, and Utah. The Company is no longer subject to U.S. federal income tax examinations for the year ends prior to December 31, 2019. With limited exceptions, the Company is no longer subject to state income tax examinations for year ends prior to December 31, 2018.

Reclassification - Certain reclassifications have been made to prior year amounts to conform to the 2022 presentation of the balance sheets, statements of income and statements of cash flows. These changes consisted of, but were not limited to, the disaggregation of revenues into interest income and non- interest income, as well as the reclassification of interest expense to net against interest income. These changes did not have an effect on total asset, net income, or change in cash and restricted cash.

Fair Value - Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The carrying amounts of cash, restricted cash, accounts payable and accrued expenses, and customer deposits included in accompanying the consolidated balance sheets approximated fair value because of the short-term maturity of these investments. The carrying value of the Company's net investment in leases, notes receivable, deposits on equipment for future leases, line of credit, and notes payable approximate fair value based on the current rates available to the Company for similar instruments.

New Accounting Standard - On January 1, 2022, the Company adopted ASU No. 2016-02, "Leases (Topic 842)," which replaces the existing guidance in ASC 840 – Leases. ASU 842 is effective for fiscal years beginning after December 15, 2021. This ASU addresses the accounting for lessors and requires lessors to account for leases using an approach that is substantially equivalent to Topic 840 for sales -type leases, direct financing leases and operating leases. The Company adopted the practical expedient under ASU No. 2018-11 to not separate non-lease components from the associated lease component if certain criteria are met for each class of underlying assets. Adoption of ASC 842 for lessors did not have a material impact on the Company's financial statement or require adjustment to opening members' equity, however, it has resulted in expanded disclosures.

Additionally, the Company considered the lessee aspects of ASC 842 and determined the adoption did not have a material impact to the financial statement and opening equity, however, it has resulted in expanded disclosures. With adoption, the Company elected the package of three practical expedients, including to retain the historical lease classification, relief from reviewing expired or existing contracts to determine if they contain leases, as well as not reviewing previously capitalized initial direct costs to see if they would qualify for capitalization under Topic 842. The Company also elected the lessee practical expedients not to separate lease and non-lease components and the short-term lease recognition exemption and will not recognize ROU

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assets or lease liabilities for leases with a term less than 12 months. As a lessee, the adoption of ASC 842 did not result in the recording of any ROU assets or lease liabilities.

Recent Accounting Pronouncements - In June 2016, the FASB issued ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, including subsequently issued ASUs, to clarify the implementation guidance in ASU 2016-13. The amendment requires a financial asset (or group of financial assets) such as trade receivables and available-for-sale debt securities, to be assessed for impairment under current expected credit loss model rather than an incurred loss model. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. ASU 2016-13 will be effective for private companies and non-SEC filers with fiscal years beginning after December 15, 2022. Early adoption is permitted. The Company is evaluating the impact of adopting this new accounting guidance on the financial statements.

Subsequent Events - Management has reviewed and evaluated all events and transactions from December 31, 2022, through March 29, 2023, the date that the financial statements were available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at the balance sheet date have been recognized in the accompanying financial statements.

Note 2 - Net Investment in Leases and Notes Receivable:

Income related to financing activities is recorded in net interest income on the consolidated statements of income and changes in members' equity. For the years ended December 31, 2022, 2021 and 2020, there was interest income on leases and notes receivable of \$17,272,831, \$15,407,608, and \$17,253,838, respectively.

For the years ended December 31, 2022, 2021, and 2020, the Company has no selling profit or loss at lease commencement dates.

As of December 31, 2022, the net investment in leases and notes receivable included contracts that were on a non-accrual basis totaling \$9,091,494. There were no contracts on a non-accrual basis as of December 31, 2021.

Net Investment in Leases

Net investment in leases consisted of the following:

	As of December 31,	
	2022	2021
Minimum lease payments receivable	\$ 207,036,720	\$ 185,759,700
Residual value of equipment	10,948,736	12,867,581
Unearned lease income	(24,659,184)	(19,406,126)
Net investment in leases	<u>\$ 193,326,272</u>	<u>\$ 179,221,155</u>

There were no significant changes in unguaranteed residual assets and unearned lease income on leases during the years ended December 31, 2022, 2021 and 2020.

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NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022, minimum lease payments receivable will be received and remaining unearned income will be amortized as follows:

Year Ended December 31,	Minimum Lease Payments	Unearned Income	Net
2023	\$ 87,204,351	\$ 12,483,835	\$ 74,720,516
2024	60,812,561	7,130,587	53,681,974
2025	36,362,629	3,296,719	33,065,910
2026	15,044,220	1,329,075	13,715,145
2027 and thereafter	7,612,959	418,968	7,193,991
	<u>\$ 207,036,720</u>	<u>\$ 24,659,184</u>	<u>\$ 182,377,536</u>

Unearned income on sales-type leases is recognized in such a manner as to produce a constant periodic rate of return on the net investment in the sales-type lease.

Notes Receivable

The Company provided financing to several customers in the form of promissory notes. The notes bear interest at rates varying from 6.13% to 13.25% annually and monthly payments, consisting of principal and interest, are made to the Company. The notes are generally collateralized by the specific asset the customer is leasing or certain pledged assets. At December 31, 2022 and 2021, the notes had a total outstanding balance of \$24,751,184 and \$26,732,615 respectively.

The notes receivable mature as follows:

Year ending December 31,	
2023	\$ 9,053,776
2024	7,629,835
2025	6,046,628
2026	2,017,012
2027 and thereafter	3,933
	<u>\$ 24,751,184</u>

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Note 3 - Allowance for Losses:

The Company maintains an allowance for credit losses at an amount sufficient to absorb losses inherent in the existing net investment in leases, notes receivable and deposits on equipment for future leases as of December 31, 2022 and as of December 31, 2021, based on estimates of probable losses. The activity in the allowance for losses and asset quality statistics are as follows:

	As of or the Years Ended December 31,	
	2022	2021
Allowance for losses, beginning of year	\$ 4,341,078	\$ 4,171,510
Provision for credit losses	1,507,368	169,568
Allowance for losses, end of year	<u>\$ 5,848,446</u>	<u>\$ 4,341,078</u>
Allowance for credit losses as a percentage of total net investment	2.25 %	2.00 %

Note 4 - Property and Equipment:

Property and equipment are summarized as follows:

	As of December 31,	
	2022	2021
Equipment	\$ 48,658	\$ 48,658
Furniture and fixtures	44,464	33,301
	<u>93,122</u>	<u>81,959</u>
Less: Accumulated depreciation	<u>(53,860)</u>	<u>(41,970)</u>
	<u>\$ 39,262</u>	<u>\$ 39,989</u>

Depreciation expense, included in Office and administrative expenses, was \$11,891, \$10,395 and \$7,802 for the years ended December 31, 2022, 2021 and 2020, respectively.

Note 5 - Debt and Financing Arrangements:

Line of Credit - The Company has a revolving line of credit agreement with a group of banks with a maximum borrowing capacity of \$230,000,000. The revolving period ends December 2025 at which time the line of credit matures 2 years after this date. The outstanding balance of the line of credit was \$170,041,490 and \$90,311,490 at December 31, 2022 and 2021, respectively. The Company amended the line of credit in 2022 and capitalized \$628,472 of financing fees.

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Interest expense on borrowings, including amounts charged related to the unused portion of the line of credit, totaled \$6,072,176, \$1,965,385, and \$4,277,125 in 2022, 2021 and 2020, respectively. Interest on borrowings is payable monthly. Borrowings denominated in US Dollars bear interest at the Standard Overnight Financing Rate ("SOFR") plus 2.60% (6.92% at December 31, 2022), while borrowing denominated in Canadian Dollars bear interest at CDOR plus 3.00%. At December 31, 2022, all outstanding borrowings were denominated in US Dollars.

The obligations are secured by all the assets of 36STC. Under the terms of the agreement the notes can be called upon demand. The facility provides for maintenance of certain financial covenants and is subject to other restrictions, including limits on amounts available for borrowing based on the qualified borrowing base of 36STC.

Notes Payable - Long-term debt consists of an asset-backed term securitization ("ABS"), secured by equipment loans and leases. The ABS is a fixed term borrowing, consisting of two tranches (Class A and Class B), with fixed interest rates, for which repayment is made, on a pro-rata basis, from the collections on a specific pool of assets held by the SPV. There is no recourse to 36STC, as the originator, the agreement requires the Company to maintain certain financial covenants. At December 31, 2022 and 2021, the Company was in compliance with these covenants.

SPV's note payable consists of the following:

	As of December 31,	
	2022	2021
Term securitization	\$ 14,428,485	\$ 65,009,284
Unamortized debt issuance cost	(195,547)	(881,057)
	<u>\$ 14,232,938</u>	<u>\$ 64,128,227</u>

At December 31, 2022, outstanding term securitizations amounted to \$14,428,485 and are collateralized by \$23,010,666 of minimum lease and loan payments receivable. The ABS transaction does not meet the accounting requirements under ASC 860, Transfers and Servicing, for sales treatment and is recorded as non-recourse secured borrowings. The secured financing, as of December 31, 2022, had a weighted average interest rate of 3.44%, and the loan matures on March 1, 2027. Certain cash balances pertaining to the ABS are restricted. At December 31, 2022 and 2021, the related restricted cash totaled \$4,453,225 and \$8,996,263, respectively.

Note 6 - Deposits on Equipment for Future Leases:

The Company entered into agreements with customers to fund equipment before the commencement of a lease agreement. Once all of the equipment is purchased the agreements will convert into sales-type leases. The customers are currently paying the Company interest and rent on these deposits. At December 31, 2022, the Company had advanced \$41,942,932 and \$11,063,762 at December 31, 2021.

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Note 7 - Members' Equity:

The Company's members' equity at December 31, 2022 and 2021 consisted of the following:

Common units:	
Class A	75,000
Class B	22,000
Class C	3,000
Preferred units -	
Series A	2,444

Liquidation Preference - In the event of liquidation, winding up or dissolution of the Company, the holders of Class A preferred units will receive on a pro rata basis upon their number of shares 100% of their balance and any accrued, unpaid distributions on its capital contributions. Class A common units will receive 75%, and Class B and C units will receive 25%, all on a pro rata basis. For purposes of liquidation Class B and C units will be treated as a single class.

Senior Management Incentive Plan - In November 2019, the Company established a senior management incentive plan (the "Plan"), under which a member of the Company that was a part of senior management was awarded 600 fully vested Plan units. The awarded Plan units do not represent an ownership interest in the Company, have no voting rights, and are not securities. One-half of the units will be forfeited upon the member's termination.

The units provide the member with payments equal to a 6% share of (i) the total distributions declared by the Company for the Class B and Class C common unit holders (the "Distributions") and (ii) the consideration payable to the Class B and Class C common unit holders in a sale transaction, such as a change-in-control transaction, as defined by the Plan agreement.

Redemption Rights - The Company has no right to redeem or repurchase shares, except as provided in the operating agreement.

Distributions - Series A Preferred Units holders have a distribution requirement of 8% per annum of their capital contribution plus any accrued, unpaid distributions, compounded annually. There were no declared and unpaid distributions on common units at December 31, 2022. The declared and unpaid distributions on common units at December 31, 2021 totaled \$457,142.

Note 8 - Key Contributor Incentive Plan:

Share Appreciation Rights Plan - In March 2022, the Board of Directors established a share appreciation rights ("SARs") plan ("the SAR Plan"). The purpose of the SAR Plan is to establish a bonus pool consisting of 100,000 SARs that can be awarded to key contributors and are payable upon the closing of a sale transaction, as defined. The amount payable to each participant upon a sale transaction is equal to (i) the number of SARs held by the participant as of the closing of the sale transaction multiplied by (ii) the positive difference between the fair market value of a Class C common unit at the time of issuance of their respective SARs and the fair market value of a Class C common unit at the time of a sale transaction.

SARs awarded to participants under the Plan do not represent an ownership interest in the Company, have no voting rights, are not securities, do not cause the participant to be other than an at-will

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employee and are subject to vesting terms, as defined in individual award agreements. Unvested SARs will be forfeited upon a participant's termination and are available for reissuance as determined by the Board of Managers. The SARs vest upon the occurrence of a sale transaction.

Management's assessment is that the SARs are to be accounted for in accordance with ASC 718. The Company would record a liability at the date the performance obligation, the occurrence of a sale transaction, is probable to occur. At December 31, 2022, a sale transaction is not considered probable and as a result no liability has been recorded.

A summary of SARs outstanding and changes during the year ended December 31, 2022, is presented below:

Outstanding at January 1, 2022	-
Granted	9,750
Forfeited	-
Outstanding at December 31, 2022	<u>9,750</u>
Vested at December 31, 2022	<u>-</u>

Profit-Sharing Bonus Plan - In March 2022, the Board of Directors established a Profit-Sharing Bonus Plan (the "PS Bonus Plan"). The purpose of the PS Bonus Plan is to establish a profit-sharing pool that can be awarded to key contributors and are payable when "surplus distributions" (as defined in the PS Bonus Plan agreement) are provided to Class C common unit holders. The profit-sharing pool at each distribution date shall be an amount of up to 10% of the surplus distributions. The amount payable to each participant is equal to (i) the participant's profit-sharing percentage (as defined in the PS Bonus Plan agreement) on the distribution date by (ii) the profit-sharing pool.

During the year ended December 31, 2022, \$161,833 was paid to participants under the PS Bonus Plan and there were no accrued balances under the PS Bonus Plan at December 31, 2022.

Note 9 - Restricted Cash:

Restricted cash consists of a reserve equal to 1.50% of the initial aggregate discounted contract balance of the asset backed securitization transaction described in Note 5. The following table provides a reconciliation of cash and restricted cash reported within the balance sheet that sum to the total of the same such amounts shown in the statement of cash flows for the years ended December 31:

	As of December 31,	
	2022	2021
Cash	\$ 1,645,242	\$ 1,140,118
Restricted cash	<u>4,453,225</u>	<u>8,996,263</u>
Total cash and restricted cash shown in the consolidated statement of cash flows	<u>\$ 6,098,467</u>	<u>\$ 10,136,381</u>

36th STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments and Contingencies:

Customer Commitments - In the normal course of business, the Company may enter into short term agreements and commitments with future cash obligations to facilitate the deposits on equipment on behalf of the customer in advance of final agreements.

Legal Proceedings – At any given time the Company could be involved in legal proceedings arising in the ordinary course of business, which may include claims, litigation and suits.

SCHEDULE 1

**36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY
SUPPLEMENTARY INFORMATION**

CONSOLIDATING BALANCE SHEET

AS OF DECEMBER 31, 2022

ASSETS	36th Street Capital Partners, LLC	36th Street Capital I, LLC	Eliminations	Total
ASSETS:				
Cash	\$ 1,645,242	\$ —	\$ —	\$ 1,645,242
Restricted cash	—	4,453,225	—	4,453,225
Investment in subsidiary	13,400,511	—	(13,400,511)	—
Net investment in leases	172,770,738	20,555,534	—	193,326,272
Notes receivable	21,838,420	2,912,764	—	24,751,184
Deposits on equipment for future leases	41,942,932	—	—	41,942,932
Allowance for losses	(5,390,814)	(457,632)	—	(5,848,446)
Prepaid expenses and other current assets	668,711	—	—	668,711
Deferred financing costs, net	1,537,399	—	—	1,537,399
Intercompany receivable	—	208,942	(208,942)	—
Property & equipment, net	39,262	—	—	39,262
TOTAL ASSETS	\$ 248,452,401	\$ 27,672,833	\$ (13,609,453)	\$ 262,515,781
LIABILITIES AND MEMBERS' EQUITY				
LIABILITIES:				
Line of credit	170,041,490	—	—	170,041,490
Notes payable, net of unamortized deferred financing costs	—	14,232,938	—	14,232,938
Accounts payable and accrued expenses	2,820,666	39,384	—	2,860,050
Sales tax payable	186,984	—	—	186,984
Intercompany payable	208,942	—	(208,942)	—
Customer deposits	4,252,068	—	—	4,252,068
Total Liabilities	177,510,150	14,272,322	(208,942)	191,573,530
COMMITMENTS (NOTE 10)				
MEMBERS' EQUITY	70,942,251	13,400,511	(13,400,511)	70,942,251
TOTAL LIABILITIES & MEMBERS' EQUITY	\$ 248,452,401	\$ 27,672,833	\$ (13,609,453)	\$ 262,515,781

See independent auditors' report.

SCHEDULE 2**36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY
SUPPLEMENTARY INFORMATION****CONSOLIDATING STATEMENT OF INCOME****FOR THE YEAR ENDED
DECEMBER 31, 2022**

	36th Street Capital Partners, LLC	36th Street Capital I, LLC	Eliminations	Total
NET INTEREST INCOME:				
Interest income	\$ 16,446,811	\$ 4,262,488	\$ -	\$ 20,709,299
Interest expense	(6,274,169)	(1,994,992)	-	(8,269,161)
Net interest income	10,172,642	2,267,496	-	12,440,138
Provision for losses	(2,583,949)	1,076,581	-	(1,507,368)
Net interest income after provision for losses	7,588,693	3,344,077	-	10,932,770
NON-INTEREST INCOME:				
Gain on sale of leases and notes receivable	869,973	4,787,240	-	5,657,213
Other income & fees	1,940,712	9,963	(471,844)	1,478,831
Total non-interest income	2,810,685	4,797,203	(471,844)	7,136,044
NON-INTEREST EXPENSES:				
Salaries, payroll taxes and related fringes	5,605,479	-	-	5,605,479
Rent	119,953	-	-	119,953
Sales and marketing expense	411,989	-	-	411,989
Professional Fees	815,021	471,844	(471,844)	815,021
Office and administrative expenses	387,277	66,600	-	453,877
Total non-interest expenses	7,339,719	538,444	(471,844)	7,406,319
Equity Income Subs	7,602,836	-	(7,602,836)	-
CONSOLIDATED NET INCOME	\$ 10,662,495	\$ 7,602,836	\$ (7,602,836)	\$ 10,662,495

See independent auditors' report.

**36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY
SUPPLEMENTARY INFORMATION**

CONSOLIDATING STATEMENT OF CHANGES IN MEMBERS' EQUITY

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

	36th Street Capital Partners, LLC	36th Street Capital I, LLC	Eliminations	Total
MEMBERS' EQUITY, BEGINNING OF YEAR	\$ 60,590,193	\$ 19,863,367	\$ (19,863,367)	\$ 60,590,193
Consolidated net income	10,662,495	7,602,836	(7,602,836)	\$ 10,662,495
Contributions from member	10,000,000	-	-	\$ 10,000,000
Distributions to members	(10,310,437)	(14,065,692)	14,065,692	(10,310,437)
MEMBERS' EQUITY, END OF YEAR	<u>\$ 70,942,251</u>	<u>\$ 13,400,511</u>	<u>\$ (13,400,511)</u>	<u>\$ 70,942,251</u>

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SCHEDULE 4

**36TH STREET CAPITAL PARTNERS, LLC AND SUBSIDIARY
SUPPLEMENTARY INFORMATION**

CONSOLIDATING STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED

DECEMBER 31, 2022

	36th Street Capital Partners, LLC	36th Street Capital I, LLC	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	\$ 10,662,495	\$ 7,602,836	\$ (7,602,836)	\$ 10,662,495
Adjustments to reconcile net income to net cash flows from operating activities:				
Depreciation and interest amortization	214,147	685,511	-	899,658
Provision for losses (gains)	2,583,949	(1,076,581)	-	1,507,368
Amortization of deferred initial direct costs	210,915	32,411	-	243,326
Change in value of investment in subsidiary	6,462,856	-	(6,462,856)	-
Changes in operating assets and liabilities:				
Prepaid expenses and other current assets	(514,645)	-	-	(514,645)
Intercompany due to (from)	275,824	(275,824)	-	-
Accounts payable and accrued expenses	818,046	(74,808)	-	743,238
Sales tax payable	(100,090)	-	-	(100,090)
Net cash flows from operating activities	<u>20,613,497</u>	<u>6,893,545</u>	<u>(14,065,692)</u>	<u>13,441,350</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Principal collections on leases and notes receivable	108,444,315	53,209,909	-	161,654,224
Issuance of notes receivable	(25,443,896)	-	-	(25,443,896)
Net increase (decrease) in customer deposits	(1,975,068)	-	-	(1,975,068)
Sale (acquisition) of office equipment	(11,164)	-	-	(11,164)
Net (increase) decrease in deposits on equipment for future leases	(30,879,170)	-	-	(30,879,170)
Purchase of equipment for sales-type lease contracts	(148,577,339)	-	-	(148,577,339)
Net cash flows from investing activities	<u>(98,442,322)</u>	<u>53,209,909</u>	<u>-</u>	<u>(45,232,413)</u>
CASH FLOW FROM FINANCING ACTIVITIES:				
Borrowings on line of credit	107,130,000	-	-	107,130,000
Repayment of outstanding borrowings on line of credit	(27,400,000)	-	-	(27,400,000)
Repayments on notes payable	-	(50,580,800)	-	(50,580,800)
Payment of deferred financing costs	(628,472)	-	-	(628,472)
Contributions from member	10,000,000	-	-	10,000,000
Payment of distributions to members	(10,767,579)	(14,065,692)	14,065,692	(10,767,579)
Net cash flows from financing activities	<u>78,333,949</u>	<u>(64,646,492)</u>	<u>14,065,692</u>	<u>27,753,149</u>
NET CHANGE IN CASH AND RESTRICTED CASH	<u>505,124</u>	<u>(4,543,038)</u>	<u>-</u>	<u>(4,037,914)</u>
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	<u>1,140,118</u>	<u>8,996,263</u>	<u>-</u>	<u>10,136,381</u>
CASH AND RESTRICTED CASH, END OF YEAR	<u>\$ 1,645,242</u>	<u>\$ 4,453,225</u>	<u>\$ -</u>	<u>\$ 6,098,467</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION -				
Interest paid	<u>\$ 5,677,438</u>	<u>\$ 1,392,535</u>	<u>\$ -</u>	<u>\$ 7,069,973</u>

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