

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 814-00704

GLADSTONE INVESTMENT CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

1521 WESTBRANCH DRIVE, SUITE 100

MCLEAN, VA

(Address of principal executive offices)

83-0423116

(I.R.S. Employer
Identification No.)

22102

(Zip Code)

(703) 287-5800

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$0.001 par value per share	GAIN	The Nasdaq Stock Market LLC
5.00% Notes due 2026	GAINN	The Nasdaq Stock Market LLC
4.875% Notes due 2028	GAINZ	The Nasdaq Stock Market LLC
8.00% Notes due 2028	GAINL	The Nasdaq Stock Market LLC
7.875% Notes due 2030	GAINI	The Nasdaq Stock Market LLC

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 (or for such shorter period that the registrant was required to file such reports), 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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input checked="" type="radio"/>	Smaller reporting company	<input type="radio"/>
Emerging growth company	<input type="radio"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any 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.

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.

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).

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

The aggregate market value of the voting stock held by non-affiliates of the Registrant on September 30, 2024, based on the closing price on that date of \$14.45 on the Nasdaq Global Select Market, was \$516,308,967. For the purposes of calculating this amount only, all directors and executive officers of the Registrant have been treated as affiliates. There were 36,837,381 shares of the Registrant's Common Stock, \$0.001 par value, outstanding as of May 12, 2025.

Documents Incorporated by Reference. Portions of the Registrant's definitive proxy statement relating to the Registrant's 2025 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A are incorporated by reference into Part III of this Annual Report on Form 10-K as indicated herein. Such proxy statement will be filed with the Securities and Exchange Commission no later than 120 days following the end of the Registrant's fiscal year ended March 31, 2025.

GLADSTONE INVESTMENT CORPORATION
FORM 10-K FOR THE FISCAL YEAR ENDED
MARCH 31, 2025

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FORWARD-LOOKING STATEMENTS

All statements contained herein, other than historical facts, may constitute “forward-looking statements.” These statements may relate to, among other things, our future operating results, our business prospects and the prospects of our portfolio companies, actual and potential conflicts of interest with Gladstone Management Corporation (the “Adviser”), our investment adviser, and its affiliates, the use of borrowed money to finance our investments, the adequacy of our financing sources and working capital, and our ability to co-invest. In some cases, you can identify forward-looking statements by terminology such as “estimate,” “may,” “might,” “believe,” “will,” “provided,” “anticipate,” “future,” “could,” “growth,” “plan,” “project,” “intend,” “expect,” “should,” “would,” “if,” “seek,” “possible,” “potential,” “likely” or the negative or variations of such terms or comparable terminology. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Such factors include: (1) changes in the economy and the capital markets, including stock price volatility, inflation, elevated interest rates, tariffs and trade wars and risks of recession; (2) risks associated with negotiation and consummation of pending and future transactions; (3) the loss of one or more of our executive officers, in particular David Gladstone or David Dullum; (4) changes in our investment objectives and strategy; (5) availability, terms (including the possibility of interest rate volatility) and deployment of capital; (6) changes in our industry, interest rates, exchange rates, or the general economy, including inflation; (7) our business prospects and the prospects of our portfolio companies; (8) the degree and nature of our competition; (9) changes in governmental regulation, tax rates and similar matters; (10) our ability to exit investments in a timely manner; (11) our ability to maintain our qualification as a regulated investment company (“RIC”) and as a business development company (“BDC”); and (12) those factors described in Item 1A. “Risk Factors” of this Annual Report on Form 10-K (this “Annual Report”). We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Actual results could differ materially from those anticipated in our forward-looking statements and future results could differ materially from our historical performance. Except as required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this Annual Report on Form 10-K. 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 U.S. Securities and Exchange Commission (the “SEC”), including subsequent annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. The forward-looking statements contained in this Annual Report are excluded from the safe harbor protection provided by the Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act of 1933, as amended (the “Securities Act”).

In this Annual Report, the terms the “Company,” “we,” “us,” and “our” refer to Gladstone Investment Corporation and its wholly-owned subsidiaries unless the context otherwise indicates. Dollar amounts, except per share amounts, are in thousands unless otherwise indicated.

PART I

The information contained in this section should be read in conjunction with our accompanying *Consolidated Financial Statements* and the notes thereto appearing elsewhere in this Annual Report.

ITEM 1. BUSINESS

Overview

Organization

We were incorporated under the General Corporation Law of the State of Delaware on February 18, 2005. On June 22, 2005, we completed our initial public offering and commenced operations. We operate as an externally managed, closed-end, non-diversified management investment company and have elected to be treated as a BDC under the Investment Company Act of 1940, as amended (the “1940 Act”). For U.S. federal income tax purposes, we have elected to be treated as a RIC under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). To continue to qualify as a RIC for U.S. federal income tax purposes and obtain favorable RIC tax treatment, we must meet certain requirements, including certain minimum distribution requirements.

As of March 31, 2025, shares of our common stock, our 5.00% Notes due 2026 (“5.00% 2026 Notes”), our 4.875% Notes due 2028 (“4.875% 2028 Notes”), our 8.00% Notes due 2028 (“8.00% 2028 Notes”) and our 7.875% Notes due 2030 (“7.875% 2030 Notes”) are traded on the Nasdaq Global Select Market (“Nasdaq”) under the trading symbols “GAIN,” “GAINN,” “GAINZ,” “GAINL,” and “GAINI” respectively.

Investment Adviser and Administrator

We are externally managed by the Adviser, an affiliate of ours and an SEC-registered investment adviser, pursuant to an investment advisory and management agreement, as amended and/or restated from time to time (the “Advisory Agreement”). We have also entered into an administration agreement (the “Administration Agreement”) with Gladstone Administration, LLC (the “Administrator”), an affiliate of ours and the Adviser. Each of the Adviser and the Administrator are privately-held companies that are indirectly owned by David Gladstone, our chairman and chief executive officer. David Dullum, our president, also serves as the executive vice president of private equity (buyouts) of the Adviser. Michael LiCalsi, our general counsel and secretary, also serves as the Administrator’s president, general counsel, and secretary, as well as the executive vice president of administration of the Adviser. Mr. Gladstone also serves on the board of directors of the Adviser, the board of managers of the Administrator, and as an executive officer of the Adviser and the Administrator. The Administrator employs, among others, our chief financial officer and treasurer, chief valuation officer, chief compliance officer, general counsel and secretary (who also serves as the president of the Administrator) and their respective staffs. The Adviser and Administrator have extensive experience in our lines of business and also provide investment advisory and administrative services, respectively, to our affiliates, including: Gladstone Commercial Corporation (“Gladstone Commercial”), a publicly-traded real estate investment trust; Gladstone Capital Corporation (“Gladstone Capital”), a publicly-traded BDC and RIC; Gladstone Land Corporation (“Gladstone Land”), a publicly-traded real estate investment trust; and Gladstone Alternative Income Fund (“Gladstone Alternative”), a registered, non-diversified, closed-end management investment company that operates as an interval fund (together with “Gladstone Commercial,” “Gladstone Capital,” and “Gladstone Land,” collectively the “Affiliated Public Funds”). In the future, the Adviser and Administrator may provide investment advisory and administrative services, respectively, to other funds and companies, both public and private.

The Adviser was organized as a corporation under the laws of the State of Delaware on July 2, 2002, and is a SEC-registered investment adviser under the Investment Advisers Act of 1940, as amended. The Administrator was organized as a limited liability company under the laws of the State of Delaware on March 18, 2005. The Adviser and Administrator are headquartered in McLean, Virginia, a suburb of Washington, D.C. The Adviser also has offices in several other states.

Investment Objectives and Strategy

We were established for the purpose of investing in debt and equity securities of established private businesses operating in the United States (“U.S.”). Our investment objectives are to: (i) achieve and grow current income by investing in debt securities of established businesses that we believe will provide stable earnings and cash flow to pay expenses, make principal and interest payments on our outstanding indebtedness and make distributions to stockholders that grow over

time; and (ii) provide our stockholders with long-term capital appreciation in the value of our assets by investing in equity securities of established businesses, generally in combination with the aforementioned debt securities, that we believe can grow over time to permit us to sell our equity investments for capital gains. To achieve our investment objectives, our investment strategy is to invest in several categories of debt and equity securities, with individual investments in a particular portfolio company generally totaling up to \$75 million, although investment size may vary, depending upon our total assets or available capital at the time of investment. We expect that our investment portfolio over time will consist of approximately 75% in debt investments and 25% in equity investments, at cost. As of March 31, 2025, our investment portfolio was comprised of 73.3% in debt investments and 26.7% in equity investments, at cost.

We focus on investing in lower middle market private businesses (which we generally define as private companies with annual earnings before interest, taxes, depreciation and amortization ("EBITDA") of \$4 million to \$15 million) ("Lower Middle Market") in the U.S. that meet certain criteria, including: the sustainability of the business' free cash flow and its ability to grow it over time, adequate assets for loan collateral, experienced management teams with a significant ownership interest in the portfolio company, reasonable capitalization of the portfolio company, including an ample equity contribution or cushion based on prevailing enterprise valuation multiples, and the potential to realize appreciation and gain liquidity in our equity position, if any. We anticipate that liquidity in our equity position will be achieved through a merger, acquisition, or recapitalization of the portfolio company, a public offering of the portfolio company's stock or, to a lesser extent, by exercising our right to require the portfolio company to repurchase our warrants, as applicable, though there can be no assurance that we will always have these rights. We invest in portfolio companies that seek funds for management buyouts and/or growth capital to finance acquisitions, recapitalize or, to a lesser extent, refinance their existing debt facilities.

We invest by ourselves or jointly with other funds and/or management of the portfolio company, depending on the opportunity. In July 2012, the SEC granted us an exemptive order (the "Co-Investment Order") that expanded our ability to co-invest, under certain circumstances, with certain of our affiliates, including Gladstone Capital and Gladstone Alternative and any future BDC or registered closed-end management investment company that is advised (or sub-advised if it controls the fund) by the Adviser, or any combination of the foregoing, subject to the conditions in the Co-Investment Order. We believe the Co-Investment Order has enhanced and will continue to enhance our ability to further our investment objectives and strategies. If we are participating in an investment with one or more co-investors, whether or not an affiliate of ours, our investment is likely to be smaller than if we were investing alone.

In general, our investments in debt securities have a term of five years, accrue interest at variable rates based on the 30 day Secured Overnight Financing Rate ("SOFR") and, to a lesser extent, at fixed rates. As of March 31, 2025, our loan portfolio consisted of 100.0% variable rate loans with floors, based on the total principal balance of all outstanding debt investments.

We seek debt instruments that pay interest monthly or, at a minimum, quarterly, and which may include a yield enhancement such as a success fee or, to a lesser extent, deferred interest provision and are primarily interest only, with all principal and any accrued but unpaid interest due at maturity. Generally, success fees accrue at a set rate and are contractually due upon a change of control of the portfolio company. Some debt securities may have deferred interest whereby some portion of the interest payment is added to the principal balance so that the interest is paid, together with the principal, at maturity. This form of deferred interest is often called "paid-in-kind" ("PIK") interest. As of March 31, 2025, we did not have any securities with a PIK feature.

Typically, our investments in equity securities take the form of common stock, preferred stock, limited liability company interests, warrants or options to purchase any of the foregoing. Often, these equity investments occur in connection with our original investment, buyouts and recapitalizations of a business, or refinancing existing debt. From our initial public offering in 2005 through March 31, 2025, we invested in 62 companies, excluding investments in syndicated loans.

We expect that our investment portfolio will continue to primarily include the following three categories of investments in private companies in the U.S.:

- *Secured First Lien Debt Securities:* We seek to invest a portion of our assets in secured first lien debt securities also known as senior loans, senior term loans, lines of credit and senior notes. Using its assets as collateral, the borrower typically uses secured first lien debt to cover a substantial portion of the funding needs of the business. These debt securities usually take the form of first priority liens on all, or substantially all, of the assets of the business.
- *Secured Second Lien Debt Securities:* We seek to invest a portion of our assets in secured second lien debt securities, which may also be referred to as subordinated loans, subordinated notes and mezzanine loans. These secured second lien debt securities rank junior to the borrower's secured first lien debt securities and may be secured by second priority liens on all or a portion of the assets of the business. Additionally, we may receive other yield enhancements in addition to or in lieu of success fees, such as warrants to buy common and preferred stock or limited liability interests, in connection with these secured second lien debt securities.
- *Preferred and Common Equity/Equivalents:* We seek to invest a portion of our assets in equity securities, which consist of preferred and common equity, limited liability company interests, warrants or options to acquire such securities, and are generally in combination with our debt investment in a business. Additionally, we may receive equity investments derived from restructurings on some of our existing debt investments. In many cases, we will own a significant portion of the equity of the businesses in which we invest.

We expect that most, if not all, of the debt securities we acquire will not be rated by a rating agency. Investors should assume that these loans would be rated below what is considered "investment grade" quality. Investments rated below investment grade are often referred to as high yield securities or junk bonds and may be considered higher risk as compared to investment grade debt instruments.

Investment Policies

We seek to achieve a high level of current income and capital gains through investments in secured debt securities and preferred and common stock that we generally acquire in connection with buyouts and other recapitalizations. The following investment policies, along with the investment objectives, may not be changed without the approval of our board of directors (our "Board of Directors"), a majority of whom are not "interested persons" as defined in Section 2(a)(19) of the 1940 Act:

- We will at all times conduct our business so as to retain our status as a BDC. See "*Regulation as a BDC — Qualifying Assets.*"
- We will at all times endeavor to conduct our business so as to retain our status as a RIC under the Code. See "*Material U.S. Federal Income Tax Considerations.*"

With the exception of our policy to conduct our business as a BDC, these investment policies are not fundamental and may be changed without stockholder approval.

Investment Concentrations

As of March 31, 2025, our investment portfolio consisted of investments in 25 portfolio companies located in 19 states or countries across 16 different industries with an aggregate fair value of \$979.3 million. Our investments in SFEG Holdings, Inc. ("SFEG"), Ricardo Defense, Inc. ("Ricardo"), Brunswick Bowling Products, Inc. ("Brunswick"), Nielsen-Kellerman Acquisition Corp. ("Nielsen-Kellerman") and The E3 Company, LLC ("E3") represented our five largest portfolio investments at fair value and collectively comprised \$401.7 million, or 41.0%, of our total investment portfolio at fair value as of March 31, 2025.

The following table summarizes our investments by security type as of March 31, 2025 and 2024:

	March 31, 2025				March 31, 2024				
	Cost		Fair Value		Cost		Fair Value		
Secured first lien debt	\$	584,026	62.2 %	\$	514,334	52.5 %	\$	474,856	51.6 %
Secured second lien debt		103,956	11.1 %		103,580	10.6 %		138,703	15.0 %
Total debt		687,982	73.3 %		617,914	63.1 %		613,559	66.6 %
Preferred equity		201,487	21.5 %		302,163	30.9 %		145,070	17.0 %
Common equity/equivalents		49,597	5.2 %		59,243	6.0 %		93,465	10.2 %
Total equity/equivalents		251,084	26.7 %		361,406	36.9 %		306,945	33.4 %
Total investments	\$	939,066	100.0 %	\$	979,320	100.0 %	\$	854,290	100.0 %
							\$	920,504	100.0 %

Our investments at fair value consisted of the following industry classifications as of March 31, 2025 and 2024:

	March 31, 2025		March 31, 2024	
	Fair Value	Percentage of Total Investments	Fair Value	Percentage of Total Investments
Diversified/Conglomerate Services	\$ 170,360	17.4 %	\$ 264,535	28.7 %
Home and Office Furnishings, Housewares, and Durable Consumer Products	159,236	16.3 %	160,038	17.3 %
Aerospace and Defense	107,869	10.9 %	29,064	3.2 %
Machinery (Non-Agriculture, Non-Construction, and Non-Electronic)	105,432	10.8 %	92,781	10.1 %
Leisure, Amusement, Motion Pictures, and Entertainment	78,460	8.0 %	39,350	4.3 %
Electronics	71,573	7.2 %	—	— %
Oil and Gas	69,589	7.1 %	51,171	5.6 %
Buildings and Real Estate	69,320	7.1 %	60,431	6.6 %
Healthcare, Education, and Childcare	51,501	5.3 %	49,638	5.4 %
Mining, Steel, Iron and Non-Precious Metals	41,010	4.2 %	30,537	3.3 %
Cargo Transport	12,624	1.3 %	13,500	1.5 %
Printing and Publishing	11,681	1.2 %	14,238	1.5 %
Chemicals, Plastics, and Rubber	11,612	1.2 %	20,363	2.2 %
Hotels, Motels, Inns, and Gaming	—	— %	77,366	8.4 %
Other < 2.0%	19,053	2.0 %	17,492	1.9 %
Total investments	\$ 979,320	100.0 %	\$ 920,504	100.0 %

Our investments at fair value were included in the following geographic regions of the U.S and Canada as of March 31, 2025 and 2024:

Location	March 31, 2025		March 31, 2024	
	Fair Value	Percentage of Total Investments	Fair Value	Percentage of Total Investments
United States				
South	\$ 317,294	32.4 %	\$ 346,838	37.7 %
Midwest	227,415	23.2 %	141,925	15.4 %
West	222,062	22.7 %	223,871	24.3 %
Northeast	182,669	18.7 %	207,870	22.6 %
Canada	29,880	3.0 %	—	— %
Total investments	\$ 979,320	100.0 %	\$ 920,504	100.0 %

The geographic region indicates the location of the headquarters for our portfolio companies. A portfolio company may have additional business locations in other geographic regions.

Investment Process

Overview of Investment and Approval Process

To originate investments, the Adviser's investment professionals use an extensive referral network comprised primarily of private equity sponsors, venture capitalists, leveraged buyout funds, investment bankers, attorneys, accountants, commercial bankers and business brokers. The Adviser's investment professionals review information received from these and other sources in search of potential financing opportunities. If a potential opportunity matches our investment objectives, the investment professionals will seek an initial screening of the opportunity with our president, David Dullum, to authorize the submission of an indication of interest ("IOI") to the prospective portfolio company. If the prospective portfolio company passes this initial screening and the IOI is accepted by the prospective company, the investment professionals will seek approval to issue a letter of intent ("LOI") from the Adviser's investment committee, which currently is composed of Messrs. Gladstone and Dullum, as well as John Sateri and Laura Gladstone. If this LOI is issued, then the Adviser and Gladstone Securities, LLC ("Gladstone Securities") (collectively, the "Due Diligence Team") will conduct a due diligence investigation and create a detailed profile summarizing the prospective portfolio company's historical financial statements, industry, competitive position and management team and analyzing its conformity to our general investment criteria. The investment professionals then present this profile to the Adviser's investment committee, which must approve each investment.

Prospective Portfolio Company Characteristics

We have identified certain characteristics that we believe are important in identifying and investing in prospective portfolio companies. The criteria listed below provide general guidelines for our investment decisions, although not all of these criteria may be met by each portfolio company.

- *Experienced Management:* We typically require that the companies in which we invest have experienced management teams or a hiring plan in place to install an experienced management team. We also require the companies to have in place proper incentives to induce management to succeed and act in concert with our interests as an investor, including having significant equity or other interests in the financial performance of their companies.
- *Value- and Income-Oriented and Positive Cash Flow:* Our investment philosophy places a premium on fundamental analysis from an investor's perspective and has a distinct value- and income-orientation. In seeking value, we focus on established companies in which we can invest at relatively low multiples of EBITDA, and that have positive operating cash flow at the time of investment. In seeking income, we typically invest in companies that generate relatively stable to growing sales, cash flows, and EBITDA to fixed charges coverage, which provides some assurance that the companies will be able to service their debt. We do not expect to invest in high-risk early stage companies or companies with what we believe to be speculative business plans.
- *Strong Competitive Position in an Industry:* We seek to invest in companies that have developed strong market positions and significant relative market share within their respective markets and that we believe are well-positioned to capitalize on growth opportunities. We seek companies that demonstrate significant competitive advantages versus their competitors, which we believe will help to protect their market positions and profitability.
- *Enterprise Collateral Value:* The projected enterprise valuation of the business, based on market based comparable cash flow multiples, is an important factor in our investment analysis in determining the collateral coverage of our debt securities.

Extensive Due Diligence

The Due Diligence Team conducts what we believe are extensive due diligence investigations of our prospective portfolio companies and investment opportunities. The due diligence investigation typically begins with a review of publicly available information followed by in-depth business analysis, including some or all of the following:

- review of the prospective portfolio company's historical and projected financial information, including a quality of earnings analysis;
- visits to the prospective portfolio company's business site(s) and evaluation of potential environmental issues;

- interviews with the prospective portfolio company's management, employees, customers and vendors;
- review of loan documents and material contracts;
- background checks and a management capabilities assessment on the prospective portfolio company's management team; and
- research, including market analyses, on the prospective portfolio company's products, services or particular industry and its competitive position therein.

Upon completion of a due diligence investigation and a decision to proceed with an investment, the Adviser's investment professionals who have primary responsibility for the investment present the investment opportunity to the Adviser's investment committee. The investment committee then determines whether to pursue the potential investment. Prior to the closing of an investment, additional due diligence may be conducted on our behalf by attorneys, independent accountants, and other outside advisers, as appropriate.

We also rely on the long-term relationships that the Adviser's investment professionals have with leveraged buyout funds, investment bankers, commercial bankers, private equity sponsors, attorneys, accountants, and business brokers. In addition, the extensive direct experiences of our executive officers and managing directors in the operations of Lower Middle Market companies and providing debt and equity capital to Lower Middle Market companies plays a significant role in our investment evaluation and assessment of risk.

Investment Structure

Once the Adviser has determined that an investment meets our standards and investment criteria, the Adviser works with the management of that company and other capital providers to structure the transaction in a way that we believe will provide us with the greatest opportunity to maximize our return on the investment, while providing appropriate incentives to management of the company. As discussed above, the capital classes through which we typically structure a deal include first lien secured debt, second lien secured debt, and preferred and common equity or equivalents. Through its risk management process, the Adviser seeks to limit the downside risk of our investments by:

- making investments with an expected total return (including interest, yield enhancements and potential equity appreciation) that it believes compensates us for the credit risk of the investment;
- seeking collateral or superior positions in the portfolio company's capital structure where possible;
- incorporating put and call protection rights into the investment structure where possible;
- negotiating covenants in connection with our investments that afford our portfolio companies as much flexibility as possible in managing their businesses, while also preserving our capital; and
- holding board seats or securing board observation rights at the portfolio company.

We expect to hold most of our debt investments until maturity or repayment, but we may sell our investments (including our equity investments) earlier if a liquidity event takes place, such as a recapitalization of a portfolio company, an initial public offering, or a sale to a third party, including strategic buyers, private equity funds, or existing investors in the portfolio company, and which may be privately negotiated transactions.

Competitive Advantages

A large number of entities compete with us and make the types of investments that we seek to make in Lower Middle Market companies. Such competitors include private equity funds, leveraged buyout funds, other BDCs, other equity and non-equity based investment funds, and other financing sources, including commercial banks. Many of our competitors are substantially larger than we are and have considerably greater funding sources or are able to access capital more cost effectively. In addition, certain 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 a larger portfolio of investments. Furthermore, many of these competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC. However, we believe that we have the following competitive advantages over many other providers of financing to Lower Middle Market companies.

Management Expertise

Our Adviser has a separate investment committee for the Company and each of the Affiliated Public Funds. The Adviser's investment committee for the Company is comprised of Messrs. Gladstone, Dullum and Sateri and Ms. Gladstone, each of whom have a wealth of experience in our area of operation. Ms. Gladstone and Messrs. Gladstone and Sateri also serve on the Adviser's investment committee for the other Affiliated Public Funds. Ms. Gladstone has over 20 years of experience in investing in middle market companies and is a managing director of the Adviser. Each of Messrs. Gladstone, Dullum and Sateri (also a managing director of the Adviser) have over 30 years of experience in investing in middle market companies and with operating in the BDC marketplace in general. Mr. Gladstone also has principal management responsibility for the Adviser as an executive officer, and has worked at the Gladstone companies for more than 20 years. These four individuals dedicate a significant portion of their time to managing our investment portfolio. Our senior management has extensive experience providing capital to Lower Middle Market companies. In addition, we have access to the resources and expertise of the Adviser's investment professionals and support staff who possess a broad range of transactional, financial, managerial, and investment skills.

Increased Access to Investment Opportunities Developed Through Extensive Research Capability and Network of Contacts

The Adviser seeks to identify potential investments through active origination and due diligence and through its dialogue with numerous management teams, members of the financial community and potential corporate partners with whom the Adviser's investment professionals have long-term relationships. We believe that the Adviser's investment professionals have developed a broad network of contacts within the investment, commercial banking, private equity and investment management communities, and that their reputation, experience, and focus on investing in Lower Middle Market companies enables us to source and identify well-positioned prospective portfolio companies, which provide attractive investment opportunities. Additionally, the Adviser expects to generate information from its professionals' network of accountants, consultants, lawyers and management teams of portfolio companies and other contacts to support the Adviser's investment activities.

Disciplined, Value- and Income-Oriented Investment Philosophy with a Focus on Preservation of Capital

In making its investment decisions, the Adviser focuses on the risk and reward profile of each prospective portfolio company, seeking to minimize the risk of capital loss without foregoing the potential for capital appreciation. We expect the Adviser to use the same investment philosophy that its professionals use in the management of the other Affiliated Public Funds and to commit resources to manage downside exposure. The Adviser's approach seeks to reduce our risk in investments by using some or all of the following approaches:

- focusing on companies with attractive and sustainable market positions and cash flow;
- investing in companies with experienced and established management teams;
- engaging in extensive due diligence from the perspective of a long-term investor;
- investing at low price-to-cash flow multiples; and
- adopting flexible transaction structures by drawing on the experience of the investment professionals of the Adviser and its affiliates.

Longer Investment Horizon

Unlike private equity and other funds that are typically organized as finite-life partnerships (generally seven to ten years), we are not subject to standard periodic capital return requirements. These structures often force private equity and other funds to seek returns on their investments by causing their portfolio companies to pursue mergers, public equity offerings, or other liquidity events more quickly than might otherwise be optimal or desirable, potentially resulting in a lower overall return to investors and/or an adverse impact on their portfolio companies. In contrast, we are an exchange-traded corporation of perpetual duration. We believe that our flexibility to make investments with a long-term view and without the capital return requirements of traditional private investment vehicles provides us with the opportunity to achieve greater long-term returns on invested capital.

Flexible Transaction Structuring

We believe the Adviser's and our management team's broad expertise and years of combined experience enable the Adviser to identify, assess, and structure investments successfully across all levels of a company's capital structure and manage potential risk and return at all stages of the economic cycle. We are not subject to many of the regulatory limitations that govern traditional lending institutions, such as banks. As a result, we are flexible in selecting and structuring investments, adjusting investment criteria and transaction structures and, in some cases, the types of securities in which we invest, thereby affording us a competitive advantage of providing both, equity and debt financing, which may limit uncertainty related to the close of the transaction and the risk of refinancing during periods of market yield compression. We believe that this approach enables the Adviser to craft a financing structure which best fits the investment and growth profile of the underlying business and yields attractive investment opportunities that will continue to generate current income and capital gain potential throughout the economic cycle, including during turbulent periods in the capital markets.

Ongoing Management of Investments and Portfolio Company Relationships

The Adviser's investment professionals actively oversee each investment by continuously evaluating the portfolio company's performance and typically working collaboratively with the portfolio company's management to identify and incorporate best resources and practices that help us achieve our projected investment performance.

Monitoring

The Adviser's investment professionals monitor the financial performance, trends, and changing risks of each portfolio company on an ongoing basis to determine if each portfolio company is performing within expectations and to guide the portfolio company's management in taking the appropriate courses of action. The Adviser employs various methods of evaluating and monitoring the performance of our investments in portfolio companies, which can include the following:

- monthly analysis of financial and operating performance;
- frequent assessment of the portfolio company's performance against its business plan and our investment expectations;
- attendance at and/or participation in the portfolio company's board of directors or management meetings;
- assessment of portfolio company management, governance and strategic direction;
- assessment of the portfolio company's industry and competitive environment; and
- review and assessment of the portfolio company's operating outlook and financial projections.

Relationship Management

The Adviser's investment professionals interact with various parties involved with a portfolio company, or investment, by actively engaging with internal and external constituents, including:

- management;

- boards of directors;
- financial sponsors;
- capital partners;
- auditors; and
- advisers and consultants.

Managerial Assistance and Services

As a BDC, we make available significant managerial assistance, as defined in the 1940 Act, to our portfolio companies and provide other services (other than such managerial assistance) to such portfolio companies. Neither we, nor the Adviser, currently receive fees in connection with the managerial assistance we make available. At times, the Adviser may also provide other services to our portfolio companies under certain agreements and may receive fees for services other than managerial assistance. Such services may include: (i) assistance obtaining, sourcing or structuring credit facilities, long term loans or additional equity from unaffiliated third parties; (ii) negotiating important contractual financial relationships; (iii) consulting services regarding restructuring of the portfolio company and financial modeling as it relates to raising additional debt and equity capital from unaffiliated third parties; and (iv) a primary role in interviewing, vetting and negotiating employment contracts with candidates in connection with adding and retaining key portfolio company management team members. The Adviser non-contractually, unconditionally, and irrevocably credits 100% of any fees received for such services against the base management fee that we would otherwise be required to pay to the Adviser, as discussed below in “—*Transactions with Related Parties – Investment Advisory and Management Agreement – Base Management Fee*,” however, pursuant to the terms of the Advisory Agreement, a small percentage of certain of such fees is retained by the Adviser in the form of reimbursement, at cost, for tasks completed by personnel of the Adviser, primarily related to the valuation of portfolio companies.

Gladstone Securities also provides other services (such as investment banking and due diligence services) to certain of our portfolio companies and receives fees for the provision of such services, see “—*Transactions with Related Parties – Other Transactions*” below.

Valuation Process

Our Board of Directors has approved investment valuation policies and procedures pursuant to Rule 2a-5 (the “Policy”) and designated the Adviser to serve as the Board of Directors’ valuation designee (“Valuation Designee”) under the 1940 Act.

The following is a general description of the Policy that the professionals of the Adviser and Administrator, with oversight and direction from our chief valuation officer, an employee of the Administrator that reports directly to our Board of Directors (collectively, the “Valuation Team”), use each quarter to determine the fair value of our investment portfolio. In accordance with the 1940 Act, our Board of Directors has the ultimate responsibility for reviewing the good faith fair value determination of our investments for which market quotations are not readily available based on our Policy and for overseeing the Valuation Designee. The Adviser values our investments in accordance with the requirements of the 1940 Act and accounting principles generally accepted in the U.S. (“GAAP”). There is no single standard for determining fair value (especially for privately-held businesses), as fair value depends upon the specific facts and circumstances of each individual investment. Each quarter, our Board of Directors reviews the Policy to determine if changes thereto are advisable and whether the Valuation Team has applied the Policy consistently. With respect to the valuation of our investment portfolio, the Valuation Team performs the following steps each quarter:

- Each investment is initially assessed by the Valuation Team using the Policy, which may include:
 - obtaining fair value quotes or utilizing valuation inputs from third party valuation firms; and
 - using techniques, such as total enterprise value, yield analysis, market quotes and other factors, including but not limited to: the nature and realizable value of the collateral, including external parties’ guaranties; any relevant offers or letters of intent to acquire the portfolio company; and the markets in which the portfolio company operates.

- Preliminary valuation conclusions are then discussed amongst the Valuation Team and with our management and documented for review by our Board of Directors. Fair value determinations and supporting material are sent to the Board of Directors in advance of its quarterly meetings.
- The Valuation Committee of the Board of Directors (comprised entirely of independent directors) meets to review the valuation determinations and supporting materials, discusses the information provided by the Valuation Team, determines whether the Valuation Team has followed the Policy and reviews other facts and circumstances, including current valuation risks, conflicts of interest, material valuation matters, appropriateness of valuation methodologies, back-testing results, price challenges/overrides, and ongoing monitoring and oversight of pricing services. After the Valuation Committee concludes its meeting, it and the chief valuation officer, representing the Valuation Designee, present the Valuation Committee's findings on the Valuation Designee's determinations to the entire Board of Directors so that the full Board of Directors may review the Valuation Designee's determined fair values of such investments in accordance with the Policy.

Fair value measurements of our investments may involve subjective judgments and estimates and, due to the uncertainty inherent in valuing these securities, the determinations of fair value may fluctuate from period to period and may differ materially from the values that could be obtained if a ready market for these securities existed. Our net asset value ("NAV") could be materially affected if the determinations regarding the fair value of our investments are materially different from the values that we ultimately realize upon our disposal of such securities. Our valuation policies, procedures and processes are more fully described in Note 2 — *Summary of Significant Accounting Policies* in our accompanying *Notes to Consolidated Financial Statements* included elsewhere in this Annual Report.

Transactions with Related Parties

Investment Advisory and Management Agreement

Pursuant to our Advisory Agreement, we pay the Adviser certain fees as compensation for its services, consisting of a base management fee and an incentive fee, each as described below. Our Board of Directors, including a majority of the directors who are not parties to the Advisory Agreement or interested persons of either party, unanimously approved the Advisory Agreement. Our Board of Directors considered the following factors as the basis for its decision to approve the Advisory Agreement: (1) the nature, extent and quality of services provided by the Adviser to our stockholders, (2) the investment performance of the Company and the Adviser, (3) the costs of the services to be provided and profits to be realized by the Adviser and its affiliates from the relationship with the Company, (4) the extent to which economies of scale will be realized as the Company and the Affiliated Public Funds grow and whether the fee level under the Advisory Agreement reflects the economies of scale for the Company's investors, (5) the fee structure of the advisory and administrative agreements of comparable funds, (6) indirect profits to the Adviser created through the Company and (7) in light of the foregoing considerations, the overall fairness of the advisory fees paid under the Advisory Agreement.

On January 24, 2025, the Company entered into the Advisory Agreement, which was approved by the Company's stockholders at a stockholders' meeting on January 4, 2024, as a result of a change of control of the Adviser pursuant to a previously disclosed voting trust agreement. There are no changes to the terms, including the fee structure and services to be provided, of the prior Advisory Agreement other than the date and term of the Advisory Agreement.

Base Management Fee

The base management fee is payable quarterly to the Adviser pursuant to our Advisory Agreement and is assessed at an annual rate of 2.0%, computed on the basis of the value of our average gross assets at the end of the two most recently completed quarters (inclusive of the current quarter), which are total assets, including investments made with proceeds of borrowings, less any uninvested cash or cash equivalents resulting from borrowings, valued at the end of the applicable quarters within the respective period, and adjusted appropriately for any share issuances or repurchases during the period.

Additionally, as stated above, pursuant to the requirements of the 1940 Act, the Adviser makes available significant managerial assistance to our portfolio companies. The Adviser may also provide other services to our portfolio companies under certain agreements and may receive fees for services other than managerial assistance. Such services may include: (i) assistance obtaining, sourcing or structuring credit facilities, long term loans or additional equity from unaffiliated third parties; (ii) negotiating important contractual financial relationships; (iii) consulting services regarding restructuring of the portfolio company and financial modeling as it relates to raising additional debt and equity capital from unaffiliated third parties; and (iv) a primary role in interviewing, vetting and negotiating employment contracts with candidates in

connection with adding and retaining key portfolio company management team members. The Adviser non-contractually, unconditionally, and irrevocably credits 100% of any fees received for such services against the base management fee that we would otherwise be required to pay to the Adviser; however, pursuant to the terms of the Advisory Agreement, a small percentage of certain of such fees is retained by the Adviser in the form of reimbursement, at cost, for tasks completed by personnel of the Adviser, primarily related to the valuation of portfolio companies. Loan servicing fees that are payable to the Adviser pursuant to our Fifth Amended and Restated Credit Agreement, as amended (the “Credit Facility”), are also 100% credited against the base management fee as discussed below “—*Loan Servicing Fee Pursuant to Credit Facility*.”

Incentive Fee

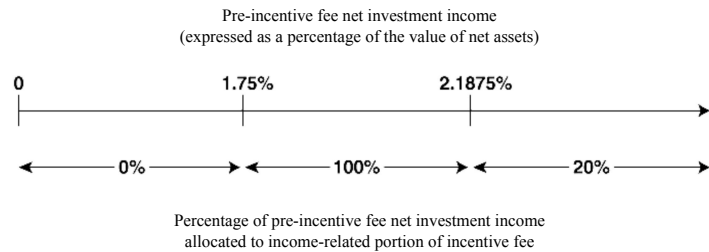
The incentive fee payable to the Adviser under our Advisory Agreement consists of two parts: an income-based incentive fee and a capital gains-based incentive fee.

The income-based incentive fee rewards the Adviser if our quarterly net investment income (before giving effect to any incentive fee) exceeds 1.75% of our net assets, which we define as total assets less indebtedness and before taking into account any incentive fees payable or contractually due but not payable during the period, at the end of the immediately preceding calendar quarter, adjusted appropriately for any share issuances or repurchases during the period (the “Hurdle Rate”). The income-based incentive fee with respect to our pre-incentive fee net investment income is payable quarterly to the Adviser and is computed as follows:

- No incentive fee in any calendar quarter in which our pre-incentive fee net investment income does not exceed the Hurdle Rate;
- 100.0% of our pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the Hurdle Rate but is less than 2.1875% of our net assets, adjusted appropriately for any share issuances or repurchases during the period, in any calendar quarter; and
- 20.0% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.1875% of our net assets, adjusted appropriately for any share issuances or repurchases during the period, in any calendar quarter.

For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, consulting fees that we receive from portfolio companies, but excluding fees for providing managerial assistance) accrued by us during the calendar quarter, minus our operating expenses for the quarter. Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with payment-in-kind interest and zero coupon securities), accrued income that we not yet received in cash. Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

Quarterly Incentive Fee Based on Net Investment Income



The second part of the incentive fee is a capital gains-based incentive fee that is determined and payable in arrears as of the end of each fiscal year (or upon termination of the Advisory Agreement, as of the termination date), and equals 20.0% of our realized capital gains, less any realized capital losses and unrealized depreciation, calculated as of the end of the preceding calendar year. The capital gains-based incentive fee payable to the Adviser is calculated based on (i) cumulative aggregate realized capital gains since our inception, less (ii) cumulative aggregate realized capital losses since our inception, less (iii) the entire portfolio’s aggregate unrealized capital depreciation, if any, as of the date of the calculation. If this number is positive at the applicable calculation date, then the capital gains-based incentive fee for such year equals 20.0% of such amount, less the aggregate amount of any capital gains-based incentive fees paid in respect of our portfolio in all prior years. For calculation purposes, cumulative aggregate realized capital gains, if any, equals the sum of the excess

between the net sales price of each investment, when sold, and the original cost of such investment since our inception. Cumulative aggregate realized capital losses equals the sum of the deficit between the net sales price of each investment, when sold, and the original cost of such investment since our inception. The entire portfolio's aggregate unrealized capital depreciation, if any, equals the sum of the deficit between the fair value of each investment security as of the applicable calculation date and the original cost of such investment security. For the years ended March 31, 2025 and 2024, capital gains-based incentive fees of \$4.9 million and \$1.1 million, respectively, were contractually due and paid to the Adviser. For the year ended March 31, 2023, no capital gains-based incentive fees were contractually due and paid to the Adviser.

In accordance with GAAP, accrual of the capital gains-based incentive fee is determined as if our investments had been liquidated at their fair values as of the end of the reporting period. Therefore, GAAP requires that the capital gains-based incentive fee accrual consider the aggregate unrealized capital appreciation in the calculation, as a capital gains-based incentive fee would be payable if such unrealized capital appreciation were realized. There can be no assurance that any such unrealized capital appreciation will be realized in the future. Accordingly, a GAAP accrual is calculated at the end of the reporting period based on (i) cumulative aggregate realized capital gains since our inception, plus (ii) the entire portfolio's aggregate unrealized capital appreciation, if any, less (iii) cumulative aggregate realized capital losses since our inception, less (iv) the entire portfolio's aggregate unrealized capital depreciation, if any. If such amount is positive at the end of a reporting period, a capital gains-based incentive fee equal to 20.0% of such amount, less the aggregate amount of capital gains-based incentive fees accrued in all prior years, is recorded, regardless of whether such amount is contractually due under the terms of the Advisory Agreement. If such amount is negative, then there is no accrual for such period and prior period accruals are reversed, as appropriate. For the years ended March 31, 2025, 2024 and 2023, we recorded/(reversed) capital gains-based incentive fees of \$7.4 million, \$12.7 million and \$(0.3) million, respectively.

Loan Servicing Fee Pursuant to Credit Facility

The Adviser also services the loans held by our wholly-owned subsidiary, Gladstone Business Investment, LLC ("Business Investment") (the borrower under our Credit Facility), in return for which the Adviser receives a 2.0% annual fee based on the monthly aggregate outstanding balance of loans pledged under our Credit Facility. Since Business Investment is a consolidated subsidiary of ours, coupled with the fact that the total base management fee paid to the Adviser pursuant to the Advisory Agreement cannot exceed 2.0% of total assets (less any uninvested cash or cash equivalents resulting from borrowings) during any given calendar year, we treat the payment of the loan servicing fee pursuant to our Credit Facility as a pre-payment of the base management fee under the Advisory Agreement. Accordingly, these loan servicing fees are 100% non-contractually, unconditionally, and irrevocably credited back to us by the Adviser.

Administration Agreement

We reimburse the Administrator pursuant to the Administration Agreement for our allocable portion of the Administrator's expenses incurred while performing services to us, which are primarily rent and salaries and benefits expenses of the Administrator's employees, including our chief financial officer and treasurer, chief valuation officer, chief compliance officer, general counsel and secretary (who also serves as the Administrator's president, general counsel, and secretary), and their respective staffs.

Our allocable portion of the Administrator's expenses is generally derived by multiplying the Administrator's total expenses by the approximate percentage of time during the current quarter that the Administrator's employees performed services for us in relation to their time spent performing services for all companies serviced by the Administrator. On July 9, 2024, our Board of Directors, including a majority of the directors who are not parties to the Administration Agreement or interested persons of either party, approved the annual renewal of the Administration Agreement through August 31, 2025. For the years ended March 31, 2025, 2024 and 2023, administration fees were \$1.9 million, \$1.8 million and \$1.8 million, respectively.

Other Transactions

Mr. Gladstone also serves on the board of managers of our affiliate Gladstone Securities, a privately-held broker-dealer registered with the Financial Industry Regulatory Authority and insured by the Securities Investor Protection Corporation. Gladstone Securities is 100% indirectly owned and controlled by Mr. Gladstone and has provided other services, such as investment banking and due diligence services, to certain of our portfolio companies, for which Gladstone Securities receives a fee. Any such fees paid by portfolio companies to Gladstone Securities do not impact the fees we pay to the Adviser or the non-contractual, unconditional, and irrevocable credits against the base management fee. For additional information, refer to Note 4 — *Related Party Transactions* in the accompanying *Notes to Consolidated Financial Statements*.

Material U.S. Federal Income Tax Considerations

This is a general summary of certain material U.S. federal income tax considerations applicable to us, to our qualification and taxation as a RIC for U.S. federal income tax purposes under Subchapter M of the Code and to the ownership and disposition of our shares. This summary does not purport to be a complete description of all of the tax considerations relating thereto. In particular, we have not described certain considerations that may be relevant to certain types of stockholders subject to special treatment under U.S. federal income tax laws. This summary does not discuss any aspect of state, local or foreign tax laws, or the U.S. estate or gift tax. Stockholders are urged to consult their tax advisors regarding their particular situations and the possible applicability of federal, state, local, non-U.S. or other tax laws, and any proposed tax law changes.

For purposes of this summary, a “U.S. stockholder” is a beneficial owner of stock that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state thereof of the District of Columbia;
- a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons (as defined in the Code) have the authority to control all of its substantial decisions, or if the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a domestic trust for U.S. federal income tax purposes; or
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source.

RIC Status

To qualify for treatment as a RIC under Subchapter M of the Code, we must generally distribute to our stockholders, for each taxable year, at least 90% of our taxable ordinary income plus the excess of our realized net short-term capital gains over our realized net long-term capital losses (“Investment Company Taxable Income”). We refer to this as the “annual distribution requirement.” We must also meet several additional requirements, including:

- *Business Development Company status:* At all times during the taxable year, we must maintain our status as a BDC.
- *Income source requirements:* At least 90% of our gross income for each taxable year must be from dividends, interest, payments with respect to securities, loans, gains from sales or other dispositions of securities or other income (including certain deemed inclusions) derived with respect to our business of investing in securities, and net income derived from an interest in a qualified publicly-traded partnership.
- *Asset diversification requirements:* As of the close of each quarter of our taxable year: (1) at least 50% of the value of our assets must consist of cash, cash items, U.S. government securities, the securities of other regulated investment companies and other securities to the extent that (a) we do not hold more than 10% of the outstanding voting securities of an issuer of such other securities and (b) such other securities of any one issuer do not represent more than 5% of our total assets (the “50% threshold”), and (2) no more than 25% of the value of our total assets may be invested in the securities (other than U.S. government securities or the securities of other

regulated investment companies) of (i) one issuer, (ii) two or more issuers that are controlled by us and are engaged in the same or similar or related trades or businesses, and (iii) one or more qualified publicly-traded partnerships.

Our qualification and taxation as a RIC depends upon our ability to satisfy on a continuing basis, through actual, annual operating results, distribution, income and asset, and other requirements imposed under the Code. However, no assurance can be given that we will be able to meet the complex and varied tests required to qualify as a RIC or to avoid corporate level tax. In addition, because the relevant laws may change, compliance with one or more of the RIC requirements may be impossible or impracticable.

Failure to Qualify as a RIC

If we were to fail to meet the income, diversification, or distribution tests described above, we could in some cases cure such failure, including by paying a fund-level tax, paying interest, making additional distributions, or disposing of certain assets. If we were ineligible to or otherwise did not cure such failure, or were otherwise unable to qualify for treatment as a RIC, we would be subject to U.S. federal income tax on all of our taxable income at the regular corporate income tax rate and would be subject to any applicable state and local taxes, even if we distributed all of our Investment Company Taxable Income to our stockholders. We would not be able to deduct distributions to our stockholders, nor would we be required to make such distributions. Distributions would be taxable to our stockholders as ordinary dividend income to the extent of our current or accumulated earnings and profits. Subject to certain limitations under the Code, corporate distributees would be eligible for the dividends received deduction, if applicable. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder's adjusted tax basis, and then as capital gain. If we fail to meet the RIC requirements for more than two consecutive years and then seek to requalify as a RIC, we generally would be subject to corporate-level U.S. federal income tax on any unrealized appreciation with respect to our assets unless we make a special election to pay corporate-level U.S. federal income tax on any such unrealized appreciation during the succeeding five-year period.

Qualification as a RIC

If we qualify as a RIC and meet the annual distribution requirement, we will not be subject to U.S. federal income tax on the portion of our Investment Company Taxable Income and net capital gain (realized net long-term capital gain in excess of realized net short-term capital loss) that we timely distribute (or are deemed to distribute) to our stockholders. We would, however, be subject to a 4% nondeductible federal excise tax if we do not distribute, actually or on a deemed basis, an amount at least equal to the sum of (i) 98% of our ordinary income for the calendar year, (ii) 98.2% of our net capital gains for the one-year period ending on October 31 of the calendar year (or November 30 or December 31 of that year if we are permitted to elect and so elect) and (iii) any income realized, but not distributed, in the preceding period (to the extent that income tax was not imposed on such amounts), less certain reductions, as applicable. For the calendar years ended December 31, 2024, 2023 and 2022, we incurred \$1.2 million, \$1.2 million and \$1.3 million, respectively, in excise taxes. As of March 31, 2025, there was no capital loss carryforward.

Taxation of Our U.S. Stockholders

The following summary generally describes certain U.S. federal income tax consequences of an investment in our shares beneficially owned by U.S. stockholders. If you are not a U.S. stockholder this section does not apply to you. Whether an investment is appropriate for a U.S. stockholder will depend upon that person's particular circumstances. An investment by a U.S. stockholder may have adverse tax consequences. U.S. stockholders are urged to consult their tax advisors about the U.S. tax consequences of investing in the fund.

Distributions

For any period during which we qualify as a RIC for U.S. federal income tax purposes, distributions to our stockholders attributable to our Investment Company Taxable Income generally will be taxable as ordinary income to our stockholders to the extent of our current or accumulated earnings and profits. Any distributions in excess of our earnings and profits will first be treated as a return of capital to the extent of the stockholder's adjusted basis in his or her shares of stock and thereafter as capital gain. Distributions of our long-term capital gains, reported by us as such, will be taxable to our stockholders as long-term capital gains regardless of the stockholder's holding period of the stock and whether the distributions are paid in cash or invested in additional stock. Corporate U.S. stockholders generally are eligible for the 50% dividends received deduction with respect to dividends received from us, but only to the extent such amount is attributable to dividends received by us from taxable domestic corporations.

Any distribution declared by us in October, November or December of any calendar year, payable to our stockholders of record on a specified date in such a month and actually paid during January of the following year, will be treated as if it were paid by us and received by our stockholders on December 31 of the previous year. In addition, we may elect (in accordance with Section 855(a) of the Code) to relate a distribution back to the prior taxable year if we (1) declare such distribution prior to the later of the extended due date for filing our return for that taxable year or the 15th day of the ninth month following the close of the taxable year, (2) make the election in that return, and (3) distribute the amount in the 12-month period following the close of the taxable year but not later than the first regular distribution payment of the same type following the declaration. Any such election will not alter the general rule that a stockholder will be treated as receiving a distribution in the taxable year in which the distribution is made, subject to the October, November, December rule described above. For the fiscal year ended March 31, 2025, Investment Company Taxable Income exceeded distributions declared and paid, and, in accordance with Section 855(a) of the Code, we elected to treat \$36.7 million of the first distributions paid to common stockholders in the fiscal year ending March 31, 2026 as having been paid in the fiscal year ended March 31, 2025. In addition, for the fiscal year ended March 31, 2025, net capital gains exceeded distributions declared and paid, and, in accordance with Section 855(a) of the Code, we elected to treat \$18.7 million of the first distributions paid to common stockholders in the fiscal year ending March 31, 2026 as having been paid in the fiscal year ended March 31, 2025.

If a common stockholder participates in our “opt in” dividend reinvestment plan, then the common stockholder will have their cash dividends and distributions automatically reinvested in additional shares of our common stock, rather than receiving cash dividends and distributions. Any distributions reinvested under the plan will be taxable to the common stockholder to the same extent, and with the same character, as if the common stockholder had received the distribution in cash. The common stockholder will have an adjusted basis in the additional common shares purchased through the plan equal to the dollar amount that would have been received if the U.S. stockholder had received the dividend or distribution in cash. The additional common shares will have a new holding period commencing on the day following the day on which the shares are credited to the common stockholder’s account. The plan agent purchases shares in the open market in connection with the obligations under the plan.

We may distribute our net long-term capital gains, if any, in cash or elect to retain some or all of such gains, pay taxes at the U.S. federal corporate-level income tax rate on the amount retained, and designate the retained amount as a “deemed distribution.” If we elect to retain net long-term capital gains and deem them distributed, each U.S. common stockholder will be treated as if they received a distribution of their pro-rata share of the retained net long-term capital gain and the U.S. federal income tax paid. As a result, each U.S. common stockholder will (i) be required to report their pro-rata share of the retained gain on their tax return as long-term capital gain, (ii) receive a refundable tax credit for their pro-rata share of federal income tax paid by us on the retained gain, and (iii) increase the tax basis of their shares of common stock by an amount equal to the deemed distribution less the tax credit. To use the deemed distribution approach, we must provide written notice to our common stockholders prior to the expiration of 60 days after the close of the relevant taxable year. For the years ended March 31, 2025, 2024 and 2023, we did not elect to retain long-term capital gains and to treat them as deemed distributions to common stockholders.

Sale of Our Shares

A U.S. stockholder generally will recognize taxable gain or loss if the U.S. stockholder sells or otherwise disposes of the shares of our common or preferred stock. Any gain arising from such sale or disposition generally will be treated as long-term capital gain or loss if the U.S. stockholder has held the shares for more than one year. Otherwise, it will be classified as short-term capital gain or loss. However, any capital loss arising from the sale or disposition of shares of our stock held for six months or less will be treated as long-term capital loss to the extent of the amount of capital gain dividends received, or undistributed capital gain deemed received, with respect to such shares. All or a portion of any loss realized upon a taxable disposition of shares will be disallowed under the Code’s “wash sale” rule if other substantially identical shares are purchased within 30 days before or after the disposition. In such a case, the basis of the newly purchased shares will be adjusted to reflect the disallowed loss. Under the tax laws in effect as of the date of this filing, individual U.S. stockholders are subject to a maximum federal income tax rate of 20% on their net capital gain (i.e. the excess of realized net long-term capital gain over realized net short-term capital loss for a taxable year) including any long-term capital gain derived from an investment in our shares. Such rate is lower than the maximum rate on ordinary income currently payable by individuals. Corporate U.S. stockholders currently are subject to federal income tax on net capital gain at the same rates applied to their ordinary income. Capital losses are subject to limitations on use for both corporate and non-corporate stockholders. Certain U.S. stockholders who are individuals, estates or trusts generally are also subject to a 3.8% Medicare tax on, among other things, dividends on and capital gain from the sale or other disposition of shares of our stock.

Backup Withholding and Other Required Withholding

We may be required to withhold U.S. federal income tax, or backup withholding, from all taxable distributions to any non-corporate U.S. stockholder (i) who fails to furnish us with a correct taxpayer identification number or a certificate that such stockholder is exempt from backup withholding, or (ii) with respect to whom the Internal Revenue Service (“IRS”) notifies us that such stockholder has failed to properly report certain interest and dividend income to the IRS and to respond to notices to that effect. An individual’s taxpayer identification number is generally his or her social security number. Any amount withheld under backup withholding is allowed as a credit against the U.S. stockholder’s federal income tax liability, provided that proper information is provided to the IRS.

Sections 1471-1474 of the Code and the U.S. Treasury and IRS guidance issued thereunder or, collectively, FATCA, generally require that we obtain information sufficient to identify the status of each shareholder under FATCA or under an applicable intergovernmental agreement, or IGA, between the United States and a foreign government. If a shareholder fails to provide the requested information or otherwise fails to comply with FATCA or an IGA, we may be required to withhold under FATCA at a rate of 30% with respect to that shareholder on ordinary dividends it pays. The IRS and the Department of Treasury have issued proposed regulations providing that these withholding rules will not apply to the gross proceeds of share redemptions or capital gain dividends we pay. If a payment is subject to FATCA withholding, we are required to withhold even if such payment would otherwise be exempt from withholding under the rules applicable to foreign shareholders described above (e.g., interest-related dividends). In addition, subject to certain exceptions, this legislation also imposes a 30% withholding on payments to foreign entities that are not financial institutions unless the foreign entity certifies that it does not have a greater than 10% U.S. owner or provides the withholding agent with identifying information on each greater than 10% U.S. owner. Depending on the status of a non-U.S. stockholder and the status of the intermediaries through which they hold their shares, non-U.S. stockholders could be subject to this 30% withholding tax with respect to distributions on their shares and proceeds from the sale of their shares. Under certain circumstances, a non-U.S. stockholder might be eligible for refunds or credits of such taxes.

Information Reporting

We will send to each of our U.S. stockholders, after the end of each calendar year, a notice providing the amounts includible in the U.S. stockholder’s taxable income for such year as ordinary income and as long-term capital gain for cash distributions received. In addition, the U.S. federal tax status of each year’s distributions will generally be reported to the IRS (including the amount of dividends, if any, eligible for the preferential rates applicable to long-term capital gains).

Regulation as a BDC

We are a closed-end, non-diversified management investment company that has elected to be regulated as a BDC under Section 54 of the 1940 Act. As such, we are subject to regulation under the 1940 Act. The 1940 Act contains prohibitions and restrictions relating to transactions between BDCs and their affiliates, principal underwriters and affiliates of those affiliates or underwriters and requires that a majority of the directors be persons other than “interested persons,” as 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 “vote of a majority of outstanding voting securities,” as defined in the 1940 Act.

In general, a BDC must have been organized and have its principal place of business in the U.S. and must be operated for the purpose of making investments in qualifying assets, as described in Sections 55(a)(1) through (a)(3) of the 1940 Act.

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, other than certain interests in furniture, equipment, real estate, or leasehold improvements (“Operating Assets”), represent at least 70% of

total assets, exclusive of Operating Assets. The types of qualifying assets in which we may invest under the 1940 Act include the following:

- (1) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer is an eligible portfolio company. An eligible portfolio company is generally defined in the 1940 Act as any issuer which:
 - (a) is organized under the laws of, and has its principal place of business in, any state or states in the U.S.;
 - (b) is not an investment company (other than a small business investment company wholly owned by the BDC or otherwise excluded from the definition of investment company); and
 - (c) satisfies one of the following:
 - (i) it does not have any class of securities with respect to which a broker or dealer may extend margin credit;
 - (ii) it is controlled by the BDC and for which an affiliate of the BDC serves as a director;
 - (iii) it has total assets of not more than \$4 million and capital and surplus of not less than \$2 million;
 - (iv) it does not have any class of securities listed on a national securities exchange; or
 - (v) it has a class of securities listed on a national securities exchange, with an aggregate market value of outstanding voting and non-voting equity of less than \$250 million.
- (2) Securities received in exchange for or distributed on or with respect to securities described in (1) above, or pursuant to the exercise of options, warrants or rights relating to such securities.
- (3) Cash, cash items, government securities or high quality debt securities maturing in one year or less from the time of investment.

As of March 31, 2025, 96.1% of our assets were qualifying assets.

Asset Coverage

Pursuant to Section 61(a)(3) of the 1940 Act, we are permitted, under specified conditions, to issue multiple classes of senior securities representing indebtedness. However, pursuant to Section 18(c) of the 1940 Act, we are permitted to issue only one class of senior securities that is stock. In either case, we may only issue such senior securities if such class of senior securities, after such issuance, has an asset coverage, as defined in Section 18(h) of the 1940 Act, of at least 150%. As of March 31, 2025, our asset coverage on our senior securities representing indebtedness was 204.4%.

In addition, our ability to pay dividends or distributions (other than dividends payable in our common stock) to holders of any class of our capital stock would be restricted if our "senior securities representing indebtedness" fail to have an asset coverage of at least 150% (measured at the time of declaration of such distribution and accounting for such distribution). The 1940 Act does not apply this limitation to privately arranged debt that is not intended to be publicly distributed, unless this limitation is specifically negotiated by the lender. In addition, our ability to pay dividends or distributions (other than dividends payable in our common stock) to our common stockholders would be restricted if our "senior securities that are stock" fail to have an asset coverage of at least 150% (measured at the time of declaration of such distribution and accounting for such distribution). When the value of our assets declines, we might be unable to satisfy these asset coverage requirements. To satisfy the 150% asset coverage requirement in the event that we are seeking to pay a distribution, we might either have to (i) liquidate a portion of our portfolio to repay a portion of our indebtedness or (ii) issue common stock. This may occur at a time when a sale of a portfolio asset may be disadvantageous, or when we have limited access to capital markets on agreeable terms. In addition, any amounts that we use to service our indebtedness or for offering costs will not be available for distributions to our stockholders. If we are unable to regain the requisite asset coverage through these methods, we may be forced to suspend the payment of such dividends or distributions.

Significant Managerial Assistance

A BDC generally must make available significant managerial assistance to issuers of certain of its portfolio securities that the BDC counts as a qualifying asset for the 70% test described above. Making available significant managerial assistance means, among other things, any arrangement whereby the BDC, through its directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. Significant managerial assistance also includes the exercise of a controlling influence over the management and policies of the portfolio company. However, with respect to certain, but not all such securities, where the BDC purchases such securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such managerial assistance, or the BDC may exercise such control jointly.

Summary Risk Factors

Below is a summary of the principal risk factors associated with an investment in our securities. In addition to the below, you should carefully consider the information included in Item 1A. “*Risk Factors*” of this Annual Report, together with all of the other information included in this Annual Report and the other reports and documents filed or furnished by us with the SEC for a more detailed discussion of the principal risks, as well as certain other risks that you should carefully consider before deciding to invest in our securities.

- *Market conditions could negatively impact our business, results of operations, cash flows and financial condition.*
- *Volatility in the capital markets may make it more difficult to raise capital and may adversely affect the valuations of our investments.*
- *We may experience fluctuations in our quarterly and annual results based on the impact of inflation in the U.S.*
- *Changes in interest rates may negatively impact our investments and have an adverse effect on our business, financial condition, results of operations, and cash flows.*
- *The lack of liquidity of our privately held investments may adversely affect our business.*
- *Our investments in lower middle market companies are extremely risky and could cause you to lose all or a part of your investment.*
- *Our investments are typically long-term and will require several years to realize liquidation events.*
- *We typically invest in transactions involving acquisitions, buyouts and recapitalizations of companies, which will subject us to the risks associated with change in control transactions.*
- *Our portfolio is concentrated in a limited number of companies and industries, which subjects us to an increased risk of significant loss if any one of these companies does not repay us or if the industries experience downturns.*
- *Any inability to renew, extend or replace our Credit Facility on terms favorable to us, or at all, could adversely impact our liquidity and ability to fund new investments or maintain distributions to our stockholders.*
- *Changes in laws or regulations governing our operations, or changes in the interpretation thereof, and any failure by us to comply with laws or regulations governing our operations may adversely affect our business.*
- *There are significant potential conflicts of interest, including with the Adviser, which could impact our investment returns.*
- *Our success depends on the Adviser’s ability to attract and retain qualified personnel in a competitive environment.*
- *Our incentive fee may induce the Adviser to make certain investments, including speculative investments.*
- *We may be obligated to pay the Adviser incentive compensation even if we incur a loss.*

- *The Adviser is not obligated to provide a credit of the base management fee or incentive fee, which could negatively impact our earnings and our ability to maintain our current level of distributions to our stockholders.*
- *There is a risk that you may not receive distributions or that distributions may not grow over time.*
- *Investing in our securities may involve an above average degree of risk.*
- *Common shares of closed-end investment companies frequently trade at a discount to the NAV per share.*
- *The indentures under which our unsecured notes were issued contain limited protection for holders of such notes.*
- *Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, or the operations of businesses in which we invest, a compromise or corruption of our confidential information and/or damage to our business relationships, all of which could negatively impact our business, financial condition and operating results.*

Code of Ethics

We, and all of the Gladstone family of companies, have adopted a code of ethics and business conduct applicable to all of the officers, directors and personnel of such companies that complies with the guidelines set forth in Item 406 of Regulation S-K of the Securities Act, and Rule 17j-1 of the 1940 Act. As required by the 1940 Act, this code establishes procedures for personal investments, restricts certain transactions by such personnel and requires the reporting of certain transactions and holdings by such personnel. This code of ethics and business conduct is publicly available on the Investors section of our website under “Governance – Governance Documents” at www.GladstoneInvestment.com. Appendix A to the code of ethics and business conduct is our insider trading policy. We intend to provide any required disclosure of any amendments to or waivers of the provisions of this code by posting information regarding any such amendment or waiver to our website or in a Current Report on Form 8-K.

Compliance Policies and Procedures

We and the Adviser have adopted and implemented written policies and procedures reasonably designed to prevent violation of the federal securities laws, and our Board of Directors is required to review these compliance policies and procedures annually to assess their adequacy and the effectiveness of their implementation. We have designated a chief compliance officer, John Dellafiora, Jr., who also serves as chief compliance officer for all of the Gladstone companies.

Staffing

We do not currently have any employees and do not expect to have any employees in the foreseeable future. Currently, services necessary for our business are provided by individuals who are employees of the Adviser and the Administrator pursuant to the terms of the Advisory Agreement and the Administration Agreement, respectively. No employee of the Adviser or the Administrator dedicates all of his or her time to us. However, we expect that 20 to 25 full-time employees of the Adviser and the Administrator will spend substantial time on our matters during the remainder of calendar year 2025 and all of calendar year 2026.

As of March 31, 2025, the Adviser and Administrator collectively had 74 full-time employees. A breakdown of these employees is summarized by functional area in the table below:

Number of Individuals	Functional Area
12	Executive management
23	Accounting, administration, compliance, human resources, legal, and treasury
39	Investment management, portfolio management, and due diligence

The Adviser and the Administrator aim to attract and retain capable advisory and administrative personnel, respectively, by offering competitive base salaries and bonus structure, and by providing employees with appropriate opportunities for professional growth.

Available Information

We file with or furnish to the SEC copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other information meeting the information requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and make such reports and any amendments thereto available free of charge through the “Investors – SEC Filings” section of our website at www.GladstoneInvestment.com as soon as reasonably practicable after such materials are electronically filed with or furnished to the SEC. Information contained on our website is not incorporated by reference into this Annual Report. The SEC also maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

ITEM 1A. RISK FACTORS

You should carefully consider these risk factors, together with all of the other information included in this Annual Report and the other reports and documents filed by us with the SEC. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us, or not presently deemed material by us, may also impair our operations and performance. If any of the following events occur, our business, financial condition, results of operations and cash flows could be materially and adversely affected. If that happens, the trading price of our securities and the NAV of our common stock could decline, and you may lose all or part of your investment. The risk factors described below are the principal risk factors associated with an investment in our securities as well as those factors generally associated with an investment company with investment objectives, investment policies, capital structure or trading markets similar to ours.

Risks Related to the Economy

Market conditions could negatively impact our business, results of operations, financial condition, and cash flows.

The market in which we operate is affected by a number of factors that are largely beyond our control but can nonetheless have a potentially significant, negative impact on us. These factors include, among other things:

- changes in interest rates and credit spreads and the effects of inflation on us and our portfolio companies;
- the availability of credit, including the price, terms and conditions under which it can be obtained;
- the quality, pricing, and availability of suitable investments and credit losses with respect to our investments;
- the ability to obtain accurate market-based valuations;
- investment values relative to the value of the underlying assets;
- default rates on the loans underlying our investments and the amount of related losses;
- prepayment rates, delinquency rates and the timing and amount of servicer advances;
- competition;
- the actual and perceived state of the economy and capital markets generally;
- amendments or repeals of legislation, or changes in regulations or regulatory interpretations thereof, and transitions of government, including uncertainty regarding any of the foregoing;
- the national and global political environment, including war, armed conflicts, foreign relations and trading policies;
- the impact of potential changes to the Code; and
- the attractiveness of other types of investments relative to investments in Lower Middle Market companies generally.

Changes in these factors are difficult to predict, and a change in one factor could affect other factors, which could result in adverse effects to our business, results of operations, financial condition, and cash flows.

Volatility in the capital markets could make it more difficult to raise capital and may adversely affect the valuations of our investments.

Given the volatility and dislocation that the capital markets have experienced from time to time, many BDCs have faced, and may in the future face, a challenging environment in which to raise capital. We may in the future have difficulty accessing debt and equity capital, and a severe disruption in U.S. or global financial markets or deterioration in credit and financing conditions could have a material adverse effect on our business, financial condition, results of operations, and cash flows. In addition, significant changes in the capital markets 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, results of operations, or cash flows.

Tariffs may adversely affect us or our portfolio companies.

Existing or new tariffs imposed on foreign goods imported by the United States or on U.S. goods imported by foreign countries could subject us or our portfolio companies to additional risks. Among other effects, tariffs could increase the cost of production for certain of our portfolio companies or reduce demand for their products, which could affect their results of operations. We cannot predict whether, or to what extent, any tariff or other trade protections may affect us or our portfolio companies.

We may experience fluctuations in our quarterly and annual results based on the impact of inflation in the U.S.

Certain of our portfolio companies are in industries that have been and, in the future, may be impacted by inflation, such as consumer goods and services and manufacturing. Our portfolio companies may not be able to pass on to customers increases in their costs of operations which could greatly affect their operating results, impacting their ability to repay our loans. In addition, any projected future decreases in our portfolio companies' operating results due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of our investments could result in future unrealized losses and therefore reduce our net assets resulting from operations.

Risks Related to Interest Rates

Market interest rates may have an effect on the value of our securities.

One of the factors that influences the price of our securities is the distribution yield on our securities (as a percentage of the price of our securities) relative to market interest rates. An increase in market interest rates may lead prospective purchasers of our securities to expect a higher distribution yield. In addition, higher interest rates have increased our borrowing costs. As a result, higher market interest rates could to cause the market price of our securities to decrease.

Changes in interest rates may negatively impact our investments and have an adverse effect on our business, financial condition, results of operations, and cash flows.

Generally, interest rate fluctuations and changes in credit spreads on floating rate loans may have a negative impact on our investments and investment opportunities and, accordingly, may have a material adverse effect on our rate of return on invested capital, our net investment income, our NAV and the market price of our securities. As interest rates increase, generally, the cost of borrowing under our Credit Facility increases, which may affect our ability to make new investments on favorable terms or at all. A substantial portion of our debt investments have variable interest rates that reset periodically and are generally based on SOFR. If interest rates increase, the operating performance of certain of our portfolio companies may be affected by increasing debt service obligations and, therefore, may affect our results of operations. In addition, to the extent that increases in interest rates make it difficult or impossible to make payments on outstanding indebtedness to us or other financial sponsors or refinance debt that is maturing in the near term, some of our portfolio companies may be unable to repay such debt at maturity and may be forced to sell assets, undergo a recapitalization or seek bankruptcy protection. Elevated interest rates could also cause borrowers to shift cash from other productive uses to the payment of interest, which may have a material adverse effect on their business and operations and could, over time, lead to increased defaults. Additionally, as interest rates increase and the corresponding risk of a default by borrowers increases, the liquidity of higher interest rate loans may decrease as fewer investors may be willing to purchase such loans in the secondary market in light of the increased risk of a default by the borrower and the heightened risk of a loss of an investment in such loans.

Decreases in credit spreads on debt that pays a floating rate of return would have an impact on the income generation of our floating rate assets. Trading prices for debt that pays a fixed rate of return tend to fall as interest rates rise. Trading prices tend to fluctuate more for fixed rate securities that have longer maturities. If interest rates remain elevated or rise again in the future, it could have a negative effect on our investments, which could negatively impact our operating results, financial condition, and cash flows.

Conversely, reduced interest rates, including recent rate decreases, will result in a decrease in our total investment income unless offset by interest rate floors or an increase in the spread of our debt investments with variable interest rates. In addition, our net investment income could decrease if there is no reduction or credit to the base management or incentive fees that we pay to the Adviser or if we are unable to refinance our fixed rate debt obligations or issue new fixed rate debt at lower rates. In addition, when interest rates decline, borrowers may refinance their loans at lower interest rates, which could shorten the average life of the loans and reduce the associated returns on the investment, as well as require the Adviser and its investment professionals to incur management time and expense to re-deploy such proceeds, including on terms that may not be as favorable as our existing loans.

A change in interest rates may adversely affect our profitability and any hedging strategy may expose us to additional risks.

We use combination of equity and long-term and short-term borrowings to finance our investment activities. As a result, a portion of our income depends upon the spread between the rate at which we borrow funds and the rate at which we loan these funds. An increase or decrease in interest rates could reduce the spread between the rate at which we invest and the rate at which we borrow, and thus, adversely affect our profitability if we have not appropriately hedged against such event. Alternatively, interest rate hedging arrangements may limit our ability to participate in the benefits of lower interest rates with respect to the hedged portfolio.

Ultimately, we expect approximately 90% of the loans in our portfolio to be at variable rates determined on the basis of the SOFR and approximately up to 10% to be at fixed rates. As of March 31, 2025, based on the total principal balance of debt investments outstanding, our portfolio consisted of 100.0% of loans at variable rates with floors.

As of March 31, 2025, we did not have any hedging arrangements, such as interest rate hedges, in place. While hedging arrangements may insulate us against adverse fluctuations in interest rates, they may also limit our ability to participate in the benefits of lower interest rates with respect to the hedged portfolio. Adverse developments resulting from changes in interest rates or any future hedging transactions could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Our ability to receive payments pursuant to a hedging arrangement is linked to the ability of the counter-party to that hedging arrangement to make the required payments. To the extent that the counter-party to the hedging arrangement is unable to pay pursuant to the terms of the agreement, we may lose the hedging protection of the arrangement.

Also, the fair value of certain of our debt investments is based, in part, on the current market yields or interest rates of similar securities. A change in interest rates could have a significant impact on our determination of the fair value of these debt investments. In addition, a change in interest rates could also have an impact on the fair value of any hedging arrangements then in effect that could result in the recording of unrealized appreciation or depreciation in future periods. Therefore, adverse developments resulting from changes in interest rates could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Refer to “*Quantitative and Qualitative Disclosures About Market Risk*” for additional information on interest rate fluctuations.

Risks Related to Our Investments

We operate in a highly competitive market for investment opportunities.

There is competitive pressure in the BDC and investment company marketplace for first and second lien secured debt, which can result in reduced yields on investment. A large number of entities compete with us to make the types of investments we seek to make in Lower Middle Market companies. We compete with public and private buyout funds, commercial and investment banks, commercial financing companies, and, to the extent that they provide an alternative form of financing, hedge funds, mutual funds, and private equity. Many of our 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 would allow them to consider a wider variety of

investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC. The competitive pressures we face could have a material adverse effect on our business, financial condition and results of operations. Also, as a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time and we can offer no assurance that we will be able to identify and make investments that are consistent with our investment objectives. We do not seek to compete based on the interest rates we offer, and we believe that some of our competitors may make loans with interest rates that will be comparable to or lower than the rates we offer. We may lose investment opportunities if we do not match our competitors' pricing, terms, and structure. However, if we match our competitors' pricing, terms, and structure, we may experience decreased net interest income and increased risk of credit loss.

Our investments in Lower Middle Market portfolio companies are extremely risky and could cause you to lose all or a part of your investment.

Investments in Lower Middle Market portfolio companies are subject to a number of significant risks including the following:

- *Lower Middle Market businesses are likely to have greater exposure to economic downturns than larger businesses.* Our portfolio companies may have fewer resources than larger businesses, and any economic downturns or recessions are more likely to have a material adverse effect on them. When the economy contracts, the financial results of Lower Middle Market businesses, like those in which we invest, could experience deterioration or limited growth from current levels, which could ultimately lead to difficulty in meeting their debt service requirements and an increase in defaults. Consequently, for any portfolio company that is adversely impacted by an economic downturn or recession, its ability to repay our loan(s) or engage in a liquidity event, such as a sale, recapitalization or initial public offering would be diminished.
- *Lower Middle Market businesses may have limited financial resources and may not be able to repay the loans we make to them.* Our strategy includes providing financing to portfolio companies that typically do not have readily available access to financing. While we believe that this provides an attractive opportunity for us to generate profits, this may make it difficult for the portfolio companies to repay their loans to us upon maturity. A borrower's ability to repay its loan(s) may be adversely affected by numerous factors, including the failure to meet its business plan, a downturn in its industry or negative economic conditions. Deterioration in a borrower's financial condition and prospects usually will be accompanied by deterioration in the value of any collateral and a reduction in the likelihood of realizing on any guaranties we may have obtained from the borrower's management. As of March 31, 2025, loans to four portfolio companies were on non-accrual status with an aggregate debt cost basis of \$90.2 million, or 13.1% of the cost basis of all debt investments in our portfolio. We cannot assure you that our efforts to improve profitability and cash flows of these companies will prove successful. In some of our loans we expect to be subordinated to a senior lender and our security interest in any collateral would, accordingly, likely be second lien and subordinate to another lender's security interest.
- *Lower Middle Market businesses typically have narrower product lines and smaller market shares than large businesses.* Our target portfolio companies tend to be more vulnerable to competitors' actions and market conditions, as well as general economic downturns. In addition, our portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities and a larger number of qualified managerial and technical personnel.
- *There is generally little or no publicly available information about these businesses.* Because we seek to invest in privately owned businesses, there is generally little or no publicly available operating and financial information about our potential portfolio companies. As a result, we rely on our officers, the Adviser and its employees, Gladstone Securities and consultants to perform due diligence investigations of these portfolio companies, their operations, and their prospects. We may not learn all of the material information we need to know regarding these businesses through our investigations to make a well-informed investment decision.
- *Lower Middle Market businesses generally have less predictable operating results.* We expect that our portfolio companies may have significant variations in their operating results, may from time to time be exposed to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, may otherwise have a weak financial position or may be adversely affected by

changes in the business cycle. Our portfolio companies may not meet net income, cash flow and other coverage tests typically imposed by their senior lenders. A borrower's failure to satisfy financial or operating covenants imposed by senior lenders could lead to defaults and, potentially, foreclosure on its senior credit facility, which could additionally trigger cross-defaults in other agreements. If this were to occur, it is possible that the borrower's ability to repay our loan(s) would be jeopardized.

- *Lower Middle Market businesses are more likely to be dependent on one or two persons.* Typically, the success of a Lower Middle Market business also depends on the management talents and efforts of one or two persons or a small group of persons. The death, disability or resignation of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on us.
- *Lower Middle Market businesses may have limited operating histories.* While we intend to continue to target stable companies with proven track records, we may invest in new companies that meet our other investment criteria. Portfolio companies with limited operating histories will be exposed to all of the operating risks that new businesses face and may be particularly susceptible to, among other risks, market downturns, competitive pressures and the departure of key executive officers.
- *Debt securities of Lower Middle Market companies typically are not rated by a credit rating agency.* Typically, a Lower Middle Market business cannot or will not expend the resources to have their debt securities rated by a credit rating agency. We expect that most, if not all, of the debt securities we acquire will be unrated. Investors should assume that these loans would be at rates below what is considered "investment grade" quality. Investments rated below investment grade are often referred to as high yield securities or junk bonds and may be considered high risk as compared to investment grade debt instruments.
- *Lower Middle Market companies may be highly leveraged.* Some of our portfolio companies are highly leveraged, which could 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 could 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.
- *Lower Middle Market companies may operate in regulated industries or provide services to governments.* Some of our portfolio companies may operate in regulated industries and/or provide services to federal, state or local governments, or operate in industries that provide services to regulated industries or federal, state or local governments, any of which could lead to delayed payments for services or subject the company to changing payment and reimbursement rates or other terms.

Because the majority of the loans we make and equity securities we invest in are not publicly traded, there is uncertainty regarding the value of our privately-held securities.

Substantially all of our portfolio investments are, and we expect will continue to be, in the form of securities that are not publicly traded. The fair value of securities and other investments that are not publicly traded may not be readily determinable. In valuing our investment portfolio, several techniques are used, including, a total enterprise value approach, a yield analysis, and market quotes. A third-party valuation firm provides estimates of fair value on generally all of our debt investments that are not valued using total enterprise value ("TEV") and we use another independent valuation firm to provide valuation inputs for our significant equity investments, which are generally valued using TEV, including earnings multiple ranges, as well as other information. In addition to these techniques, inputs and information, other factors are considered when determining fair value of our investments, including: the nature and realizable value of the collateral, including external parties' guaranties; any relevant offers or letters of intent to acquire the portfolio company; timing of expected loan repayments; and the markets in which the portfolio company operates.

Fair value measurements of our investments may involve subjective judgments and estimates and, due to the uncertainty inherent in valuing these securities, the determination of fair value may fluctuate from period to period and may differ materially from the values that could be obtained if a ready market for these securities existed. Additionally, changes in the market environment and other events that may occur over the life of the investment may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned.

Our NAV would be adversely affected if the fair value of our investments are higher than the values that we ultimately realize upon the disposal of such securities.

The valuation process for certain of our portfolio holdings creates a conflict of interest.

A substantial portion of our portfolio investments are securities for which market quotations are not readily available. In connection with the determination of the fair value of these securities, our Valuation Team prepares portfolio company valuations based upon the most recent portfolio company financial statements available and projected financial results of each portfolio company. The participation of our Adviser's investment professionals in our valuation process and Mr. Gladstone's pecuniary interest in our Adviser may result in a conflict of interest, as the management fees that we pay our Adviser are based on our average gross assets, less uninvested cash or cash equivalents from borrowings, and adjusted appropriately for any share issuances or repurchases during the period.

The lack of liquidity of our privately-held investments may adversely affect our business.

We generally make investments in private companies whose securities are not traded in any public market. Substantially all of the investments we presently hold and the investments we expect to acquire in the future are, and will be, subject to legal and other restrictions on resale and will otherwise be less liquid than publicly-traded securities. The illiquidity of our investments may make it difficult for us to quickly obtain cash equal to the value at which we record our investments if the need arises. This could cause us to miss important investment opportunities. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may record substantial realized losses upon liquidation. We may also face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we, the Adviser, the Administrator, or our respective officers, or affiliates have material non-public information regarding such portfolio company.

Due to the uncertainty inherent in valuing these securities, the Adviser's determinations of fair value may differ materially from the values that could be obtained if a ready market for these securities existed. Our NAV could be materially affected if the Adviser's determinations regarding the fair value of our investments are materially different from the values that we ultimately realize upon our disposal of such securities.

Our financial results could be negatively affected if a significant portfolio investment fails to perform as expected.

Our total investment in one or more companies may be significant individually or in the aggregate. As a result, if a significant investment in one or more companies fails to perform as expected, our financial results could be more negatively affected and the magnitude of the loss could be more significant than if we had made smaller investments in more companies. Our five largest investments represented 41.0% and 42.7% of the fair value of our total portfolio as of March 31, 2025 and 2024, respectively. Any disposition of a significant investment in one or more portfolio companies may negatively impact our net investment income and limit our ability to pay distributions.

We typically invest in transactions involving acquisitions, buyouts and recapitalizations of companies, which subjects us to the risks associated with change in control transactions.

Our strategy, in part, includes making debt and equity investments in companies in connection with acquisitions, buyouts and recapitalizations, which subjects us to the risks associated with change in control transactions. Change in control transactions often present a number of uncertainties. Companies undergoing change in control transactions often face challenges retaining key employees and maintaining relationships with customers and suppliers. While we hope to avoid many of these difficulties by participating in transactions where the management team is retained and by conducting thorough due diligence in advance of our decision to invest, if our portfolio companies experience one or more of these problems, we may not realize the value that we expect in connection with our investments, which would likely harm our operating results, financial condition, and cash flows.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies and/or we could be subject to lender liability claims.

We primarily invest in secured first and second lien debt securities issued by our portfolio companies. In some cases, portfolio companies will be permitted to have other debt that ranks equally with, or senior to, the debt securities in which we invest. By their terms, such debt securities may provide that the holders thereof are entitled to receive payment of interest and 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. Additionally, depending on the facts and circumstances, including the extent to which we provide managerial assistance to any portfolio company subject to bankruptcy, a bankruptcy court might re-characterize our debt investments and subordinate all or a portion of our claims to that of other creditors. After repaying such senior creditors, such portfolio company may not have any remaining assets to use for repaying its obligation to us. We may also be subject to lender liability claims for actions taken by us with respect to a borrower's business or in instances in which we exercised control over the borrower as a result of actions taken in rendering any managerial assistance. Furthermore, in the case of debt ranking equally with debt securities in which we invest, we would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization, or bankruptcy of a portfolio company.

Our portfolio is concentrated in a limited number of companies and industries, which subjects us to an increased risk of significant loss if any one of these companies does not repay us or if the industries experience downturns.

As of March 31, 2025, we had investments in 25 portfolio companies, the five largest of which included SFEG, Ricardo, Brunswick, Nielsen-Kellerman and E3 and comprised \$401.7 million, or 41.0%, of our total investment portfolio, at fair value. A consequence of a limited number of investments is that the aggregate returns we realize may be substantially adversely affected by the unfavorable performance of a small number of such investments or a substantial write-down of any one investment. Beyond our regulatory and income tax diversification requirements, as well as Credit Facility requirements, we do not have fixed guidelines for industry concentration and our investments could potentially be concentrated in relatively few industries. In addition, while we do not intend to invest 25% or more of our total assets in a particular industry or group of industries at the time of investment, it is possible that as the values of our portfolio companies change, one industry or a group of industries may comprise in excess of 25% of the value of our total assets. A downturn in a particular industry in which we have invested a significant portion of our total assets could have a materially adverse effect on us. As of March 31, 2025, our largest industry concentration was in Diversified/Conglomerate Services, representing 17.4% of our total investments, at fair value.

Volatility of oil and natural gas prices could impair certain of our portfolio companies' operations and ability to satisfy obligations to their respective lenders and investors, including us, which could negatively impact our financial condition.

Our portfolio includes companies related to the oil and gas industry with the fair value of these investments representing approximately \$69.6 million, or 7.1% of our total portfolio at fair value, as of March 31, 2025. These businesses provide services to oil and gas companies and are indirectly impacted by the prices of, and demand for, oil and natural gas, which have from time to time experienced volatility, including rapid and significant changes in prices, and such volatility could continue or increase in the future. A substantial decline in oil and natural gas demand or prices may adversely affect the business, financial condition, cash flows, liquidity or results of operations of these portfolio companies and might impair their ability to meet capital expenditure obligations and financial commitments. Any decline in oil prices, especially for a prolonged period, could therefore have a material adverse effect on our business, financial condition and results of operations.

Our investments are typically long-term and will require several years to realize liquidation events.

Since we generally make five year term loans and hold our loans and equity positions until the loans mature and/or we exit the investment, investors should not expect realization events, if any, to occur over the near term. In addition, we expect that any equity investments may require several years to appreciate in value and we cannot give any assurance that such appreciation will occur or ultimately be realized.

The disposition of our investments may result in contingent liabilities.

Currently, all but one of our investments involve private securities. In connection with the disposition of an investment in private securities, we may be required to make representations about the business and financial affairs of the underlying 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 may ultimately yield funding obligations that must be satisfied through our return of certain distributions previously made to us.

Portfolio company litigation or other litigation or claims against us or our personnel could result in additional costs and the diversion of management time and resources.

In the course of investing in and often providing significant managerial assistance to certain of our portfolio companies, certain persons employed by the Adviser sometimes serve as directors on the boards of such companies. To the extent that litigation arises out of our investments in these companies or otherwise, even if meritless, we or such employees may be named as defendants in such litigation, which could result in additional costs, including defense costs, and the diversion of management time and resources. We may be unable to accurately estimate our exposure to litigation risk if we record balance sheet reserves for probable loss contingencies. As a result, any reserves we establish to cover any settlements or judgments may not be sufficient to cover our actual financial exposure, which may have a material impact on our results of operations, financial condition, or cash flows.

While we believe we would have valid defenses to potential claims brought due to our investment in any portfolio company, and will defend any such claims vigorously, we may nevertheless expend significant amounts of money in defense costs and expenses. Further, if we enter into settlements or suffer an adverse outcome in any litigation, we could be required to pay significant amounts. In addition, if any of our portfolio companies become subject to direct or indirect claims or other obligations, such as defense costs or damages in litigation or settlement, our investment in such companies could diminish in value and we could suffer indirect losses. Further, these matters could cause us to expend significant management time and effort in connection with assessment and defense of any claims.

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

As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at fair value. We will record decreases in the market values or fair values of our investments as unrealized depreciation. Since our inception, we have, at times, incurred a cumulative net unrealized depreciation of our portfolio. Any unrealized depreciation in our investment portfolio could result in realized losses in the future and ultimately in reductions of any gains available for distribution to stockholders in future periods.

Risks Related to Our External Financing

In addition to regulatory limitations on our ability to raise capital, our Credit Facility contains various covenants which, if not complied with, could accelerate our repayment obligations under the facility, thereby materially and adversely affecting our liquidity, financial condition, results of operations, cash flows, and ability to pay distributions.

We will have a continuing need for capital to finance our investments. As of March 31, 2025, we, through our wholly-owned subsidiary, Business Investment, had no borrowings outstanding under our Credit Facility, which provides for maximum borrowings of \$270.0 million, with a revolving period end date of October 30, 2026 (the “Revolving Period End Date”). Our Credit Facility permits us to fund additional loans and investments as long as we are within the conditions and covenants set forth in the credit agreement. Among other things, our Credit Facility contains covenants that require Business Investment to maintain its status as a separate legal entity, prohibit certain significant corporate transactions (such as mergers, consolidations, liquidations or dissolutions) and restrict certain material changes to our credit and collection policy without the lenders’ consent. Our Credit Facility also generally seeks to restrict distributions to stockholders to the sum of (i) our net investment income, (ii) net capital gains, and (iii) amounts deemed by the Company to be considered as having been paid during the prior fiscal year in accordance with Section 855(a) of the Code. Loans eligible to be pledged as collateral are subject to certain limitations, including, among other things, restrictions on geographic concentrations, industry concentrations, loan size, payment frequency and status, average life, portfolio company leverage, and lien property. Our Credit Facility also requires Business Investment to comply with other financial and operational covenants, which obligate Business Investment to, among other things, maintain certain financial ratios, including asset and interest coverage and a minimum number of obligors in the borrowing base. Additionally, our Credit Facility contains a performance guarantee that requires the Company to maintain (i) a minimum net worth of the greater of \$210.0 million or \$210.0 million plus 50% of all equity and subordinated debt raised minus 50% of any equity or subordinated debt redeemed or retired after November 16, 2016, which equated to \$412.9 million as of March 31, 2025; (ii) asset coverage with respect to senior securities representing indebtedness of at least 150% (or such percentage as may be set forth in Section 18 of the 1940 Act, as modified by Section 61 of the 1940 Act); and (iii) our status as a BDC under the 1940 Act and as a RIC under the Code. As of March 31, 2025, and as defined in the performance guaranty of our Credit Facility, we had a net worth of \$953.3 million, asset coverage on our senior securities representing indebtedness of 204.4%, calculated in accordance with the requirements of Sections 18 and 61 of the 1940 Act, and an active status as a BDC and RIC. As of

March 31, 2025, we were in compliance with all covenants under our Credit Facility; however, our continued compliance depends on many factors, some of which are beyond our control.

Any unrealized depreciation in our portfolio may increase in future periods and threaten our ability to comply with the minimum net worth covenant and other covenants under our Credit Facility. Our failure to satisfy these covenants could result in foreclosure by our lenders, which would accelerate our repayment obligations under the facility and thereby have a material adverse effect on our business, liquidity, financial condition, results of operations, cash flows, and ability to pay distributions to our stockholders.

Any inability to renew, extend or replace our Credit Facility on terms favorable to us, or at all, could adversely impact our liquidity and ability to fund new investments or maintain distributions to our stockholders.

If our Credit Facility is not renewed or extended by the Revolving Period End Date, all principal and interest will be due and payable on October 30, 2028 (two years after the Revolving Period End Date). Subject to certain terms and conditions, our Credit Facility may be expanded to a total of \$300.0 million through additional commitments of existing or new lenders. However, if such lenders are unwilling to provide additional commitments under the terms of our Credit Facility, we will be unable to expand our Credit Facility and thus will continue to have limited availability to finance new investments under our Credit Facility. There can be no guaranty that we will be able to renew, extend or replace our Credit Facility upon its Revolving Period End Date on terms that are favorable to us, if at all. Our ability to expand our Credit Facility, and to obtain replacement financing at or before the time of its Revolving Period End Date, will be constrained by then current economic conditions affecting the credit markets. In the event that we are not able to expand our Credit Facility, or to renew, extend or refinance our Credit Facility by the Revolving Period End Date, this could have a material adverse effect on our liquidity and ability to fund new investments, our ability to make distributions to our stockholders and our ability to qualify as a RIC under the Code.

If we are unable to secure replacement financing, we may be forced to sell certain assets on disadvantageous terms, which may result in realized losses, and such realized losses could materially exceed the amount of any unrealized depreciation on these assets as of our most recent balance sheet date, which would have a material adverse effect on our results of operations. In addition to selling assets, or as an alternative, we may issue common equity to repay amounts outstanding under our Credit Facility. Depending upon the trading prices of our common stock (and with the approval of our independent directors and stockholders), such an equity offering may have a dilutive impact on our existing stockholders' interest in our earnings, assets and voting interest in us. If we are able to renew, extend or refinance our Credit Facility prior to maturity, renewal, extension or refinancing, it could potentially result in significantly higher interest rates and related charges and may impose significant restrictions on the use of borrowed funds to fund investments or maintain distributions to stockholders.

Because we expect to distribute substantially all of our Investment Company Taxable Income, at least 90%, on an annual basis, our business plan is dependent upon external financing, which is constrained by the limitations of the 1940 Act.

There can be no assurance that we will be able to raise capital through issuing equity in the near future. Our business requires a substantial amount of cash to operate and grow. We may acquire such additional capital from the following sources:

- *Senior Securities:* We may issue "senior securities representing indebtedness" (including borrowings under our Credit Facility, our 5.00% 2026 Notes, our 4.875% 2028 Notes, our 8.00% 2028 Notes and our 7.875% 2030 Notes) and "senior securities that are stock", up to the maximum amount permitted by the 1940 Act. The 1940 Act currently permits us, as a BDC, to issue senior securities representing indebtedness and senior securities which are stock, in amounts such that our asset coverage, as defined in Section 18(h) of the 1940 Act, is at least 150% on each such senior security immediately after each issuance of each such senior security. As a result of issuing senior securities (in whatever form), we will be exposed to the risks associated with leverage. Although borrowing money for investments increases the potential for gain, it also increases the risk of a loss. A decrease in the value of our investments will have a greater impact on the value of our common stock to the extent that we have borrowed money to make investments. There is a possibility that the costs of borrowing could exceed the income we receive on the investments we make with such borrowed funds. In addition, our ability to pay distributions, issue senior securities or repurchase shares of our common stock would be restricted if the asset coverage on each of our senior securities is not at least 150%. If the aggregate fair value of our assets declines, we might be unable to satisfy that 150% requirement. To satisfy the 150% asset coverage requirement in the event that we are seeking to pay a distribution, we might either have to (i) liquidate a portion of our loan portfolio to repay a portion of our

indebtedness or (ii) issue common stock. This may occur at a time when a sale of a portfolio asset may be disadvantageous, or when we have limited access to capital markets on agreeable terms. In addition, any amounts that we use to service our indebtedness, pay dividends on our preferred stock or for offering costs will not be available for distributions to common stockholders. Pursuant to Section 61(a)(3) of the 1940 Act, we are permitted, under specified conditions, to issue multiple classes of "senior securities representing indebtedness". However, pursuant to Section 18(c) of the 1940 Act, we are permitted to issue only one class of "senior securities that are stock".

- *Common and Convertible Preferred Stock:* Because we are constrained in our ability to issue debt or senior securities for the reasons given above, we may at times be dependent on the issuance of equity as a financing source. If we raise additional funds by issuing more common stock, the percentage ownership of our common stockholders at the time of the issuance would decrease and our existing common stockholders may experience dilution. In addition, under the 1940 Act, we will generally not be able to issue additional shares of our common stock at a price below NAV per common share to purchasers, other than to our existing common stockholders through a rights offering, without first obtaining the approval of our stockholders and our independent directors. If we were to sell shares of our common stock below our then current NAV per common share, such sales would result in an immediate dilution to the NAV per common share. This dilution would occur as a result of the sale of common shares at a price below the then current NAV per share of our common stock and a proportionately greater decrease in a common stockholder's interest in our earnings and assets and voting percentage than the increase in our assets resulting from such issuance. For example, if we issue and sell an additional 10% of our common stock at a 5% discount from NAV, a common stockholder who does not participate in that offering for its proportionate interest will suffer NAV dilution of up to 0.5% or \$5 per \$1,000 of NAV. This imposes constraints on our ability to raise capital when our common stock is trading below NAV per common share, as it generally has for the last several years. As noted above, the 1940 Act prohibits the issuance of multiple classes of "senior securities that are stock".

We financed certain of our investments with borrowed money and capital from the issuance of senior securities, which will magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us.

The use of leverage, including through the issuance of senior securities that are debt or stock, magnifies the potential for gain or loss on amounts invested and, if we incur additional leverage, this potential will be further magnified. We have incurred leverage in the past and currently incur leverage through the Credit Facility, the 5.00% 2026 Notes, the 4.875% 2028 Notes, the 8.00% 2028 Notes and 7.875% 2030 Notes and, from time to time, may incur additional leverage to the extent permitted under the 1940 Act. The use of leverage is generally considered a speculative investment technique and increases the risks associated with investing in our securities. In the future, we may borrow from, and issue senior securities to, banks and other lenders. Holders of these senior securities will have fixed dollar claims on our assets that are superior to the claims of our common stockholders, and we would expect such holders to seek recovery against our assets in the event of a default.

The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns on our portfolio, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing in the table below.

	Assumed Return on Our Portfolio (Net of Expenses)				
	(10)%	(5)%	0%	5%	10%
Corresponding return to common stockholder ^(A)	(25.96)%	(15.87)%	(5.79)%	4.29%	14.37%

^(A) The hypothetical return to common stockholders is calculated by multiplying our total assets as of March 31, 2025 by the assumed rates of return and subtracting all interest on our debt expected to be paid during the twelve months following March 31, 2025, and then dividing the resulting difference by our total net assets attributable to common stock as of March 31, 2025. Based on \$1.0 billion in total assets, no borrowings outstanding on our Credit Facility, \$127.9 million of 5.00% 2026 Notes, at cost, \$134.6 million of 4.875% 2028 Notes, at cost, \$74.8 million of 8.00% 2028 Notes, at cost, \$126.5 million of 7.875% 2030 Notes, at cost, and \$499.1 million in net assets as of March 31, 2025.

Based on an aggregate outstanding indebtedness of \$463.7 million, at cost, as of March 31, 2025, the effective annual cash interest rate of 6.2% as of that date, our investment portfolio at fair value would have to produce an annual return of at least 3.0% to cover annual interest payments on the outstanding debt.

Risks Related to Our Regulation and Structure

We will be subject to corporate-level tax if we are unable to satisfy the Code requirements for RIC qualification.

To maintain our qualification as a RIC, we must maintain our status as a BDC and meet annual distribution, income source, and asset diversification requirements. The annual distribution requirement is satisfied if we distribute at least 90% of our Investment Company Taxable Income to our stockholders on an annual basis. Because we use leverage, we are subject to certain asset coverage ratio requirements under the 1940 Act and could, under certain circumstances, be restricted from making distributions necessary to qualify as a RIC. Warrants we may receive with respect to debt investments generally create original issue discount (“OID”), which we must recognize as ordinary income over the term of the debt investment. Similarly, PIK interest which is accrued generally over the term of the debt investment but not paid in cash, is recognized as ordinary income. Both OID and PIK interest will increase the amounts we are required to distribute to maintain our RIC status. Because such OIDs and PIK interest will not produce distributable cash for us at the same time as we are required to make distributions, we will need to use cash from other sources to satisfy such distribution requirements. As of March 31, 2025, we did not have investments with OID or a PIK feature. Additionally, we must meet asset diversification and income source requirements at the end of each calendar quarter. If we fail to meet these tests, we may need to quickly dispose of certain investments to prevent the loss of RIC status. Since most of our investments will be illiquid, such dispositions, if even possible, may not be made at prices advantageous to us and may result in substantial losses. If we fail to qualify as a RIC as of a calendar quarter or annually for any reason and become fully subject to U.S. federal corporate income tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution, and the actual amount distributed. Such a failure would have a material adverse effect on us and our common stock.

Some of our debt investments may include success fees that would generally generate payments to us upon a change of control. Because the satisfaction of these success fees, and the ultimate payment of these fees, is uncertain and highly contingent, we generally only recognize them as income when the payment is received. Success fee amounts are characterized as ordinary income for tax purposes and, as a result, we are required to distribute such amounts to our stockholders to maintain our RIC status.

If we do not invest a sufficient portion of our assets in “qualifying assets,” we could fail to qualify as a BDC under the 1940 Act or be precluded from investing according to our current business strategy.

As a BDC, we may not acquire any assets other than “qualifying assets” unless, at the time of and after giving effect to such acquisition, at least 70% of our total assets, exclusive of Operating Assets, are qualifying assets, as defined in Section 55(a) of the 1940 Act.

We believe that most of the investments that we may acquire in the future will constitute qualifying assets. However, we may be precluded from investing in what we believe to be attractive investments if such investments are not qualifying assets for purposes of the 1940 Act. If we do not invest a sufficient portion of our assets in qualifying assets, we could violate the 1940 Act provisions applicable to BDCs. As a result of such violation, specific rules under the 1940 Act could prevent us, for example, from making follow-on investments in existing portfolio companies (which could result in the dilution of our position) or could require us to dispose of investments at inappropriate times to come into compliance with the 1940 Act. If we need to dispose of such investments quickly, it could be difficult to dispose of such investments on favorable terms. We may not be able to find a buyer for such investments and, even if we do find a buyer, we may have to sell the investments at a substantial loss. Any such outcomes would have a material adverse effect on our business, financial condition, results of operations and cash flows.

If we do not maintain our status as a BDC, we would be subject to regulation as a registered closed-end investment company under the 1940 Act. As a registered closed-end investment company, we would be subject to substantially more regulatory restrictions under the 1940 Act, which would significantly decrease our operating flexibility. Refer to “*Business — Regulation as a BDC — Qualifying Assets*” for additional information regarding qualifying assets.

Provisions of the Delaware General Corporation Law and of our certificate of incorporation and bylaws could restrict a change in control and have an adverse impact on the price of our common stock.

We are subject to provisions of the Delaware General Corporation Law that, in general, prohibit any business combination with a beneficial owner of 15% or more of our common stock for three years unless the holder’s acquisition of our stock was either approved in advance by our Board of Directors or ratified by our Board of Directors and stockholders owning two-thirds of our outstanding stock not owned by the acquiring holder. Although we believe these provisions collectively

provide for an opportunity to receive higher bids by requiring potential acquirers to negotiate with our Board of Directors, they would apply even if the offer may be considered beneficial by some stockholders.

We have also adopted other measures that may make it difficult for a third party to obtain control of us, including provisions of our certificate of incorporation classifying our Board of Directors in three classes serving staggered three-year terms, and provisions of our certificate of incorporation authorizing our Board of Directors to induce the issuance of additional shares of our stock. These provisions, as well as other provisions of our certificate of incorporation and bylaws, may delay, defer, or prevent a transaction or a change in control that might otherwise be in the best interests of our stockholders.

We may not be permitted to declare a dividend or make any distribution to stockholders or repurchase shares until such time as we satisfy the asset coverage tests under the provisions of the 1940 Act that apply to BDCs.

Regulations governing our operation as a BDC and RIC will affect our ability to raise, and the way in which we raise, additional capital or borrow for investment purposes, which may have a negative effect on our growth. As a result of the annual distribution requirement to qualify as a RIC, we may need to periodically access the capital markets to raise cash to fund new investments. We may issue senior securities representing indebtedness, including borrowing money from banks or other financial institutions, or senior securities that are stock, only in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 150% after each such incurrence or issuance. Further, we may not be permitted to declare a dividend or make any distribution to our outstanding stockholders or repurchase shares until such time as we satisfy this test. Our ability to issue different types of securities is also limited. Compliance with these requirements may unfavorably limit our investment opportunities and reduce our ability in comparison to other companies to profit from favorable spreads between the rates at which we can borrow and the rates at which we can lend. As a BDC, therefore, we may issue equity at a rate more frequent than our privately owned competitors, which may lead to greater stockholder dilution. We have incurred leverage to generate capital to make additional investments. If the value of our assets declines, we may be unable to satisfy the asset coverage test under the 1940 Act, which could prohibit us from paying distributions and could prevent us from qualifying as a RIC. If we cannot satisfy the asset coverage test, we may be required to sell a portion of our investments and, depending on the nature of our debt financing, repay a portion of our indebtedness at a time when such sales and repayments may be disadvantageous. Such events, if they were to occur, could have a significant adverse effect on our business, financial condition, results of operations, and cash flows.

Risks Related to Our External Management

We are dependent upon our key management personnel and the key management personnel of the Adviser, particularly David Gladstone and David Dullum, and on the continued operations of the Adviser, for our future success.

We have no employees. Our chief executive officer, chief operating officer, chief financial officer and treasurer, chief valuation officer, and the employees of the Adviser do not spend all of their time managing our activities and our investment portfolio. We are particularly dependent upon David Gladstone and David Dullum for their experience, skills, and networks. Our executive officers and the employees of the Adviser allocate some, and in some cases a material portion, of their time to businesses and activities that are not related to our business. We have no separate facilities and are completely reliant on the Adviser, which has significant discretion as to the implementation and execution of our business strategies and risk management practices. We are subject to the risk of discontinuation of the Adviser's operations or termination of the Advisory Agreement and the risk that, upon such event, no suitable replacement will be found. We believe that our success depends to a significant extent upon the Adviser and that discontinuation of its operations or the loss of its key management personnel could have a material adverse effect on our ability to achieve our investment objectives.

Our success depends on the Adviser's ability to attract and retain qualified personnel in a competitive environment.

The Adviser experiences competition in attracting and retaining qualified personnel, particularly investment professionals and senior executives, and we may be unable to maintain or grow our business if we cannot attract and retain such personnel. The Adviser's ability to attract and retain personnel with the requisite credentials, experience and skills depends on several factors including, its ability to offer competitive wages, benefits and professional growth opportunities. The Adviser competes with investment funds (such as private equity funds and mezzanine funds) and traditional financial services companies for qualified personnel, many of which have greater resources than us. Searches for qualified personnel may divert management's time from the operation of our business. Strain on the existing personnel resources of the

Adviser, in the event that it is unable to attract experienced investment professionals and senior executives, could have a material adverse effect on our business.

The Adviser 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 Adviser has the right to resign under the Advisory Agreement at any time upon not less than 60 days' written notice, whether we have found a replacement or not. If the Adviser resigns, we may not be able to find a new investment adviser or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected and the market price of our 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 Adviser and its affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objectives may result in additional costs and time delays that may adversely affect our business, financial condition, results of operations and cash flows.

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

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

Our incentive fee may induce the Adviser to make certain investments, including speculative investments.

The management compensation structure that has been implemented under the Advisory Agreement may cause the Adviser to invest in high-risk investments or take other investment risks. In addition to its management fee, the Adviser is entitled under the Advisory Agreement to receive incentive compensation based in part upon our achievement of specified levels of income. In evaluating investments and other management strategies, the opportunity to earn incentive compensation based on net investment income may lead the Adviser to place undue emphasis on the maximization of net investment income at the expense of other criteria, such as preservation of capital, maintaining sufficient liquidity, or management of credit risk or market risk, to achieve higher incentive compensation. Investments with higher yield potential are generally riskier or more speculative. This could result in increased risk to the value of our investment portfolio.

We may be obligated to pay the Adviser incentive compensation even if we incur a net decrease in net assets.

The Advisory Agreement entitles the Adviser to incentive compensation for each fiscal quarter in an amount equal to a percentage of the excess of our net investment income for that quarter (before deducting the incentive fee) above a threshold return of 1.75% of our net assets, as adjusted, for that quarter. When calculating our incentive fee, our pre-incentive fee net investment income excludes realized losses and unrealized depreciation that we may incur in the fiscal quarter, even if such losses or depreciation result in a net decrease in net assets on our statement of operations for that quarter. Thus, we may be required to pay the Adviser incentive compensation for a fiscal quarter even if there is a decline in the value of our portfolio or we incur a net realized or unrealized loss for that quarter. For additional information on

incentive compensation under the Advisory Agreement with the Adviser, see “*Business — Investment Advisory and Management Agreement.*”

We may be required to pay the Adviser incentive compensation on income accrued, but not yet received in cash.

The part of the incentive fee payable by us that relates to our net investment income is computed and paid on income that may include income that has been accrued but not yet received in cash, such as debt instruments with PIK interest. If a portfolio company defaults on a loan, it is possible that such accrued interest previously used in the calculation of the incentive fee will become uncollectible. Consequently, we may make incentive fee payments on income accruals that we may not collect in the future and with respect to which we do not have a clawback right against the Adviser.

The Adviser’s failure to identify and invest in securities that meet our investment criteria or perform its responsibilities under the Advisory Agreement would likely adversely affect our ability for future growth.

Our ability to achieve our investment objectives will depend on our ability to grow, which in turn will depend on the Adviser’s ability to identify and invest in securities that meet our investment criteria. Accomplishing this result on a cost-effective basis will be largely a function of the Adviser’s structuring of the investment process, its ability to provide competent and efficient services to us, and our access to financing on acceptable terms. The Adviser’s senior management team has substantial responsibilities under the Advisory Agreement. To grow, the Adviser will need to hire, train, supervise, and manage new employees successfully. Any failure to manage our future growth effectively would likely have a material adverse effect on our business, financial condition, results of operations, and cash flows.

There are significant potential conflicts of interest, including with the Adviser, which could impact our investment returns.

Our executive officers and directors, and the officers and directors of the Adviser, serve or may serve as officers, directors, or principals of entities that operate in the same or a related line of business as we do or of investment funds managed by our affiliates. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in our or our stockholders’ best interests. For example, Mr. Gladstone, our chairman and chief executive officer, is the chairman of the board and chief executive officer of the Adviser and Administrator, and the Affiliated Public Funds. Mr. Dullum, our president, is also an executive vice president of the Adviser. While portfolio managers and the officers and other employees of the Adviser devote as much time to the management of us as appropriate to enable the Adviser to perform its duties in accordance with the Advisory Agreement, the portfolio managers and other of the Adviser’s officers may have conflicts in allocating their time and services among us, on the one hand, and other investment vehicles managed by the Adviser, on the other hand. These activities could be viewed as creating a conflict of interest insofar as the time and effort of the portfolio managers and the officers and employees of the Adviser will not be devoted exclusively to our business but will instead be allocated between our business and the management of these other investment vehicles. Moreover, the Adviser may establish or sponsor other investment vehicles which from time to time may have potentially overlapping investment objectives with ours and accordingly may invest in, whether principally or secondarily, asset classes we target. While the Adviser generally has broad authority to make investments on behalf of the investment vehicles that it advises, the Adviser has adopted investment allocation procedures to address these potential conflicts and intends to direct investment opportunities to the Company or the Affiliated Public Fund with the investment strategy that most closely fits the investment opportunity. Nevertheless, the management of the Adviser may face conflicts in the allocation of investment opportunities to other entities it manages. As a result, it is possible that we may not be given the opportunity to participate in certain investments made by other funds managed by the Adviser.

In certain circumstances, we may make investments in a portfolio company in which one of our affiliates has or will have an investment, subject to satisfaction of any regulatory restrictions and, where required, the prior approval of our Board of Directors. As of March 31, 2025, our Board of Directors has approved the following types of transactions:

- Our affiliate, Gladstone Commercial, may, under certain circumstances, lease property to portfolio companies that we do not control. We may pursue such transactions only if (i) the portfolio company is not controlled by us or any of our affiliates, (ii) the portfolio company satisfies the tenant underwriting criteria of Gladstone Commercial, and (iii) the transaction is approved by a majority of our independent directors and a majority of the independent directors of Gladstone Commercial. We expect that any such negotiations between Gladstone Commercial and our portfolio companies would result in lease terms consistent with the terms that the portfolio companies would be likely to receive were they not portfolio companies of ours.

- Pursuant to the Co-Investment Order, we may co-invest, under certain circumstances, with certain of our affiliates, including Gladstone Capital, Gladstone Alternative and any future BDC or closed-end management investment company that is advised (or sub-advised if it controls the fund) by the Adviser, or any combination of the foregoing subject to the conditions in the Co-Investment Order.

Certain of our officers, who are also officers of the Adviser, may from time to time serve as directors of certain of our portfolio companies. If an officer serves in such capacity for one of our portfolio companies, such officer will owe fiduciary duties to stockholders of the portfolio company, which duties may from time to time conflict with the interests of our stockholders.

In the course of our investing activities, we will pay management and incentive fees to the Adviser and will reimburse the Administrator for certain expenses it incurs. As a result, investors in our common stock will invest on a “gross” basis and receive distributions on a “net” basis after expenses, resulting in, among other things, a lower rate of return than one might achieve through our investors themselves making direct investments. As a result of this arrangement, there may be times when the management team of the Adviser has interests that differ from those of our stockholders, giving rise to a conflict. In addition, as a BDC, we make available significant managerial assistance to our portfolio companies and provide other services to such portfolio companies. While neither we nor the Adviser currently receive fees in connection with managerial assistance, the Adviser and Gladstone Securities have, at various times, provided other services to certain of our portfolio companies and received fees for these other services.

The Adviser is not obligated to provide credits of the base management fee or incentive fees, which could negatively impact our earnings and our ability to maintain our current level of distributions to our stockholders.

The Advisory Agreement provides for a base management fee, based on our gross assets, and an incentive fee, that is based on our income and capital gains. Our Board of Directors has accepted in the past and may accept in the future non-contractual, unconditional, and irrevocable credits to reduce the annual 2.0% base management fee or the incentive fee, on a quarterly or annual basis. Any fees credited may not be recouped by the Adviser in the future. However, the Adviser is not required to issue these or other credits of fees under the Advisory Agreement. If the Adviser does not issue these credits in the future, it could negatively impact our earnings and may compromise our ability to maintain our current level of distributions to our stockholders, which could have a material adverse impact on our common stock price.

Our business model is dependent upon developing and sustaining strong referral relationships with investment bankers, business brokers and other intermediaries and any change in our referral relationships may impact our business plan.

We are dependent upon informal relationships with investment bankers, business brokers and traditional lending institutions to provide us with deal flow. If we fail to maintain our relationship with such funds or institutions, or if we fail to establish strong referral relationships with other funds, we will not be able to grow our portfolio of investments and fully execute our business plan.

Our base management fee may induce the Adviser to incur leverage.

The fact that our base management fee is payable based upon our gross assets, which would include any investments made with proceeds of borrowings, may encourage the Adviser to use leverage to make additional investments. Under certain circumstances, the use of increased leverage may increase the likelihood of default, which would disfavor holders of our securities. Given the subjective nature of the investment decisions made by the Adviser on our behalf, we will not be able to monitor this potential conflict of interest.

Risks Related to an Investment in Our Securities

There is a risk that you may not receive distributions or that distributions may not grow over time.

Our current intention is to distribute up to 100% of our Investment Company Taxable Income to our stockholders by paying monthly distributions. We may retain some or all of our net realized long-term capital gains, if any, and designate them as deemed distributions to supplement our equity capital and support the growth of our portfolio, although our Board of Directors may determine to distribute these net realized long-term capital gains to our stockholders in cash. In addition, our Credit Facility restricts the amount of distributions we are permitted to make annually. We cannot assure investors that we will achieve investment results or maintain a tax status that will allow or require any specified level of cash distributions.

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

The investments we make in accordance with our investment objectives 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 may be highly speculative, and therefore, an investment in our securities may not be suitable for someone with lower risk tolerance.

Distributions to our common stockholders have included and may in the future include a return of capital.

Our Board of Directors declares monthly common distributions each quarter based on estimates of Investment Company Taxable Income and capital gains for each fiscal year, which may differ, and in the past have differed, from actual results. Because our common distributions are based on estimates of Investment Company Taxable Income and capital gains that may differ from actual results, future common distributions payable to our common stockholders may include a return of capital. To the extent that we distribute amounts that exceed our accumulated earnings and profits, these distributions constitute a return of capital to the extent of the common stockholder's adjusted tax basis in its shares of our common stock. A return of capital represents a return of a common stockholder's original investment in shares of our common stock and should not be confused with a distribution from earnings and profits. Although return of capital distributions may not be taxable, such distributions may increase an investor's tax liability for capital gains upon the sale of our common stock by reducing the investor's tax basis in its shares of our common stock. Such returns of capital reduce our asset base and also adversely impact our ability to raise debt capital as a result of the leverage restrictions under the 1940 Act, which could have a material adverse impact on our ability to make new investments.

Common stockholders may incur dilution if we sell shares of our common stock in one or more offerings at prices below the then current NAV per share.

Absent stockholder approval, we are not able to access the capital markets in an offering of our securities at prices below the then-current NAV per share, due to restrictions applicable to BDCs under the 1940 Act. Should we decide to issue shares of common stock at a price below NAV per share in the future, we will seek the requisite approval of our stockholders at such time.

If we were to sell shares of our common stock below NAV per share, such sales would result in an immediate dilution to the NAV per share. This dilution would occur as a result of the sale of shares at a price below the then current NAV per share of our common stock and a proportionately greater decrease in a common stockholder's interest in our earnings and assets and voting interest in us than the increase in our assets resulting from such issuance. The greater the difference between the sale price and the NAV per share at the time of the offering, the more significant the dilutive impact would be. 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, if any, cannot be currently predicted. However, if, for example, we sold an additional 10% of our common stock at a 5% discount from NAV, an existing common stockholder who did not participate in that offering for its proportionate interest would suffer NAV dilution of up to 0.5% or \$5 per \$1,000 of NAV.

Risks Related to the 5.00% 2026 Notes, 4.875% 2028 Notes, 8.00% 2028 Notes and 7.875% 2030 Notes (collectively, the "Notes")

The Notes are unsecured and therefore are effectively subordinated to any secured indebtedness we may incur in the future and will rank pari passu with, or equal to, all outstanding and future unsecured indebtedness issued by us and our general liabilities (total liabilities, less debt).

The Notes are not secured by any of our assets or any of the assets of our subsidiaries. As a result, the Notes are effectively subordinated to any secured indebtedness we may incur in the future (or any indebtedness that is initially unsecured to which we subsequently grant security) to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the Notes. In addition, the Notes will rank pari passu with, or equal to, all outstanding and future unsecured indebtedness issued by us and our general liabilities (total liabilities, less debt).

The Notes are structurally subordinated to the indebtedness and other liabilities of our subsidiaries.

The Notes are obligations exclusively of the Company and not of any of our subsidiaries. None of our subsidiaries is a guarantor of the Notes and the Notes are not required to be guaranteed by any subsidiaries we may acquire or create in the future. Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of creditors of our subsidiaries will have priority over our equity interests in such subsidiaries (and therefore the claims of our creditors, including holders of the Notes) with respect to the assets of such subsidiaries. Even if we are recognized as a creditor of one or more of our subsidiaries, our claims would still be effectively subordinated to any security interests in the assets of any such subsidiary and to any indebtedness or other liabilities of any such subsidiary senior to our claims. Consequently, the Notes are structurally subordinated to all indebtedness and other liabilities of any of our subsidiaries and any subsidiaries that we may in the future acquire or establish. Our wholly-owned subsidiary, Business Investment, is the obligor under our Credit Facility, which is structurally senior to the Notes. In addition, our subsidiaries may incur substantial additional indebtedness in the future, all of which would be structurally senior to the Notes.

The indenture under which the Notes were issued contains limited protection for holders of the Notes.

The indenture under which the Notes were issued offers limited protection to holders of the Notes. The terms of the indenture and the Notes do not restrict our or any of our subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have an adverse impact on your investment in the Notes. In particular, the terms of the indenture and the Notes do not place any restrictions on our or our subsidiaries' ability to:

- issue securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to the Notes, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to the Notes to the extent of the values of the assets securing such debt, (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore is structurally senior to the Notes and (4) securities, indebtedness or obligations issued or incurred by our subsidiaries that would be senior to our equity interests in our subsidiaries and therefore rank structurally senior to the Notes with respect to the assets of our subsidiaries, in each case other than an incurrence of indebtedness or other obligation that would cause a violation of Section 18(a)(1)(A) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, which generally prohibit us incurring additional debt or issuing additional debt or preferred securities, unless our asset coverage, as defined in the 1940 Act, equals at least 150% after such incurrence or issuance;
- pay dividends on, or purchase or redeem or make any payments in respect of, capital stock or other securities ranking junior in right of payment to the Notes, including preferred stock and any subordinated indebtedness, in each case other than dividends, purchases, redemptions or payments that would cause our asset coverage to fall below the threshold specified in Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions thereto, whether or not we are subject to such provisions of the 1940 Act, giving effect to any no-action relief granted by the SEC to another BDC and upon which we may reasonably rely (or to us if we determine to seek such similar SEC no-action or other relief) permitting the BDC to declare any cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act to maintain the BDC's status as a RIC under Subchapter M of the Code;
- sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets);
- enter into transactions with affiliates;
- create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions;
- make investments; or
- create restrictions on the payment of dividends or other amounts to us from our subsidiaries.

In addition, the indenture and the Notes do not require us to make an offer to purchase the Notes in connection with a change of control or any other event.

Furthermore, the terms of the indenture and the Notes do not protect holders of the Notes in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, if any, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow, or liquidity.

Our ability to recapitalize, incur additional debt (including additional debt that matures prior to the maturity of the Notes) and take a number of other actions that are not limited by the terms of the Notes may have important consequences for you as a holder of the Notes, including making it more difficult for us to satisfy our obligations with respect to the Notes or negatively affecting the trading value of the Notes.

Other debt we issue or incur in the future could contain more protections for its holders than the indenture and the Notes, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for, trading levels, and prices of the Notes.

An active trading market for the Notes may not exist, which could limit your ability to sell the Notes or affect the market price of the Notes.

An active trading market for the Notes may not exist in the future and holders may not be able to sell their Notes. Even if an active trading market does exist, the Notes may trade at a discount from their initial offering price depending on prevailing interest rates, the market for similar securities, our credit ratings, if any, general economic conditions, our financial condition, performance and prospects and other factors. To the extent an active trading market does not exist, the liquidity and trading price for the Notes may be harmed. Accordingly, holders of the Notes may be required to bear the financial risk of an investment in the Notes for an indefinite period of time.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the Notes.

Any default under the agreements governing our indebtedness, including a default under the Credit Facility or other indebtedness to which we may be a party, that is not waived by the required lenders or holders, and the remedies sought by the holders of such indebtedness could make us unable to pay principal, premium, if any, and interest on the Notes and substantially decrease the market value of the Notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness, we could be in default under the terms of the agreements governing such indebtedness, including the Notes. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the Credit Facility or other debt we may incur in the future could elect to terminate their commitments, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to refinance or restructure our debt, including the Notes, sell assets, reduce or delay capital investments, seek to raise additional capital or seek to obtain waivers from the required lenders under the Credit Facility or other debt that we may incur in the future to avoid being in default. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under the Notes or our other debt. If we breach our covenants under the Credit Facility or other debt and seek a waiver, we may not be able to obtain a waiver from the required lenders or holders. If this occurs, we would be in default under the Credit Facility or other debt, the lenders or holders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation. If we are unable to repay debt, lenders having secured obligations, including the lenders under the Credit Facility, could proceed against the collateral securing the debt. Because the Credit Facility has, and any future credit facilities will likely have, customary cross-default provisions, if the indebtedness under the Notes or the Credit Facility or under any future credit facility is accelerated, we may be unable to repay or finance the amounts due.

We may choose to redeem the Notes when prevailing interest rates are relatively low.

At any time with respect to the 5.00% 2026 Notes and the 4.875% 2028 Notes, on or after August 1, 2025, with respect to the 8.00% 2028 Notes and on or after February 1, 2027, with respect to the 7.875% 2030 Notes, we may choose to redeem the Notes from time to time, especially if prevailing interest rates are lower than the rate borne by the Notes. If prevailing rates are lower at the time of redemption, and we redeem the Notes, you likely would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Notes being redeemed. Our redemption right also may adversely impact your ability to sell the Notes as the optional redemption date or period approaches.

A downgrade, suspension or withdrawal of any credit rating assigned by a rating agency to us or the Notes could cause the liquidity or market value of the Notes to decline significantly.

Any credit rating is an assessment by the assigning rating agency of our ability to pay our debts when due. Consequently, real or anticipated changes in any credit ratings will generally affect the market value of the Notes. These credit ratings may not reflect the potential impact of risks relating to the structure or marketing of the Notes. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. There can be no assurance that any credit ratings will remain for any given period of time or that such credit ratings will not be lowered or withdrawn entirely by the rating agencies if in their judgment future circumstances relating to the basis of the credit ratings, such as adverse changes in our Company, so warrant.

General Risk Factors

Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, or the operations of businesses in which we invest, a compromise or corruption of our confidential information and/or damage to our business relationships, all of which could negatively impact our business, financial condition and operating results.

Maintaining our network security is of critical importance because our systems store highly confidential financial models and portfolio company information. Although we have implemented, and will continue to implement, security measures, our technology platform may be vulnerable to intrusion, computer viruses or similar disruptive problems caused by cyber-attacks, including those employing artificial intelligence. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources or those of our portfolio companies. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our information systems or those of our portfolio companies for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to our business relationships or those of our portfolio companies. As our and our portfolio companies' reliance on technology has increased, so have the risks posed to our information systems, both internal and those provided to us by third-party service providers, and the information systems of our portfolio companies. We have implemented processes, procedures and internal controls to help mitigate cybersecurity risks and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a risk of a cyber incident, do not guarantee that a cyber incident will not occur and/or that our financial results, operations or confidential information will not be negatively impacted by such an incident. In addition, any such incident, disruption or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, and regulatory penalties, disrupt our operations, and damage our and our Adviser's reputations, resulting in a loss of confidence in our services and our Adviser's services, which could adversely affect our business.

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 companies. We and our portfolio companies 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 us, 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 partly 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 companies 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 are subject to risks related to corporate social responsibility.

Our business (including that of our portfolio companies) faces increasing public scrutiny related to environmental, social and governance (“ESG”) activities, which are increasingly considered to contribute to the long-term sustainability of a company’s performance. A variety of organizations measure the performance of companies on ESG topics, and the results of these assessments are widely publicized. Adverse incidents with respect to ESG activities could impact the value of our brand, our relationship with future portfolio companies, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations.

Additionally, new regulatory initiatives related to ESG that are applicable to us and our portfolio companies could adversely affect our business. Compliance with these rules may be onerous and expensive. Further, compliance with any new laws, regulations or disclosure obligations increases our regulatory burden and could make compliance more difficult and expensive, affect the manner in which we or our portfolio companies conduct our businesses and adversely affect our profitability.

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. Any failure or interruption of those systems, including as a result of the termination of an agreement with any third-party service providers, could cause delays or other problems in our activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. There could be:

- sudden electrical or telecommunications outages;
- natural disasters such as earthquakes, tornadoes and hurricanes;
- disease pandemics;
- events arising from local or larger scale political or social matters, including terrorist acts; and
- cyber-attacks.

These events, in turn, could have a material adverse effect on our operating results and negatively affect the market price of our common stock and our ability to pay dividends to our stockholders.

Changes in laws or regulations governing our operations, or changes in the interpretation thereof, and any failure by us to comply with laws or regulations governing our operations may adversely affect our business.

We, and our portfolio companies, are subject to regulation by laws at the local, state and federal levels. These laws and regulations, as well as their interpretation, may be changed from time to time. Accordingly, any change in these laws or regulations, or their interpretation, or any failure by us or our portfolio companies to comply with these laws or regulations may adversely affect our business.

We may experience fluctuations in our quarterly and annual operating results.

We may experience fluctuations in our quarterly and annual operating results due to a number of factors, including, among others, variations in our investment income, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, rapidly changing valuation of our portfolio companies, placing and removing investments on non-accrual status, the degree to which we encounter competition in our markets, the ability to sell investments at attractive terms, the ability to fund and close suitable investments, and general economic conditions, including the impacts of inflation and elevated interest rates. The majority of our portfolio companies are in industries that are directly impacted by inflation, such as manufacturing and consumer goods and services. Our portfolio companies may not be able to pass on to customers increases in their costs of production which could greatly affect their operating results,

impacting their ability to service and repay our loans. In addition, any potential future decreases in our portfolio companies' operating results due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of our investments could result in future realized and unrealized losses and therefore reduce our net assets. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

Our Adviser and Administrator have implemented ongoing processes that are designed to continually identify, assess, manage, monitor and mitigate the dynamic and evolving material risks to us from cybersecurity threats. Our Adviser's and Administrator's resource management, information technology ("IT") and compliance departments work in conjunction with an independent third-party information technology service provider ("ISP") engaged by our Adviser to manage our information technology strategy. The ISP regularly performs cyber assessments and assists our Adviser and Administrator in monitoring our cyber and information security programs. The ISP proposes recommendations for improvements to our Adviser's Head of Resource Management, Director of IT and Chief Compliance Officer ("CCO"), which then are considered by other relevant officers of our Adviser and Administrator before implementation.

In addition, regular ongoing cybersecurity threat risk assessments, which also cover third-party business applications, are performed throughout the year and reported to our officers and Board of Directors by our CCO no less than quarterly. Cybersecurity risks are assessed in general as part of the overall enterprise risk management for us, but also specifically between the ISP and our Adviser and Administrator in monitoring and determining not only the risks but also in assessing corresponding processes and procedures to mitigate those risks appropriately.

Our ISP constantly monitors information technology risk and cybersecurity threats globally. When risks are detected, the Director of IT, Head of Resource Management and CCO consult with the ISP to assess if the risk is a cybersecurity threat to our information technology systems or data. If a risk to our information systems or data is identified, we, through our Adviser and Administrator, work in conjunction with the ISP to implement recommended processes, improvements, or safeguards to our systems or processes to address the risks as needed. Relevant examples of such efforts include but are not limited to:

- implementation of industry leading Cloud solutions and business applications which possess integrated cybersecurity safeguards;
- anti-malware, antivirus and threat detection software;
- ransomware containment and isolation software;
- enhanced password requirements and multifactor authentication requirements;
- endpoint encryption;
- intrusion detection and response system conduct file integrity monitoring;
- email archiving, firewalls, and quarantine capabilities;
- mobile device management of business applications;
- frequent systems backups with recovery capabilities; and
- regular vulnerability scans and penetration testing.

Contractually, we require the ISP to annually provide a third-party report on its systems and on the suitability of the design and operating effectiveness of its controls relevant to information and cyber security. In addition to the ongoing dialogue and technology interaction between the Director of IT, our Adviser and Administrator and the ISP, any significant findings in these reports are shared with us, including our Board of Directors and other officers, to enhance ongoing monitoring and assessment of our information technology and cybersecurity risk management.

Our Adviser and Administrator also regularly trains employees working on our behalf on the evolving threats and educates them on cybersecurity risks to provide an additional protection barrier through end-user knowledge.

Notwithstanding our risk management and strategy described above, we may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on us. We are not currently aware of any known cybersecurity risks that may materially impact our operations and we may not be able to determine the likelihood of such risks. See *“Risk Factors - Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, or the operations of businesses in which we invest, a compromise or corruption of our confidential information and/or damage to our business relationships, all of which could negatively impact our business, financial condition and operating results.”* for a discussion of risks related to cybersecurity and cyber incidents.

Governance

Our Board of Directors is actively engaged in overseeing our cybersecurity and information security program. Our Board of Directors receives regular reports during board meetings from our CCO on our and our Adviser’s and Administrator’s efforts concerning information security and addressing information technology and cybersecurity risks, no less than quarterly, and regularly receives updates from third parties on various business risks, which include cybersecurity matters. The reports are distributed to our Board of Directors, and our CCO engages in detailed discussions with the independent board members during the independent members’ session. The reports cover potentially material cybersecurity threats facing us, as well as key risks and mitigation efforts undertaken by us and our Adviser and Administrator. As significant threats or events are identified by management or the ISP between regular reporting periods, our CCO will inform our Board of Directors immediately and keep it informed as to the developments of assessing the risks, mitigating efforts, and potential disclosure. Appropriate members of management and third party providers will be involved as deemed necessary based on the potential impact.

Our Head of Resources Management, who is also a member of our Board of Directors, and our CCO lead our cybersecurity program. Our Head of Resources Management has more than 30 years of overall experience and more than 20 years directly assessing and managing our cyber information technology and human resources systems, and the associated security concerns. Our CCO has more than 30 years of overall experience as a CPA, with more than 15 years managing information technology systems and databases, and more than 15 years supporting our Adviser’s and Administrator’s resource management department. This includes identifying, assessing, mitigating, and monitoring cyber information security risks. Our Director of IT has over 20 years of experience in IT, with a focus in the implementation of information security projects to enhance organizations’ resilience against emerging threats and has collaborated closely with security vendors/partners to contain and address cybersecurity incidents. These managers, as well as other management personnel, attend various professional continuing education programs, which include cybersecurity matters. Certain members of our Board of Directors have, or previously held, positions with other companies, including other public companies, that involved managing risks associated with their cyber and information technology systems.

ITEM 2. PROPERTIES

We do not own any real estate or other physical properties material to our operations. The Adviser is the current leaseholder of all properties in which we operate. We occupy these premises pursuant to our Advisory Agreement and Administration Agreement with the Adviser and Administrator, respectively.

ITEM 3. LEGAL PROCEEDINGS

We are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded on Nasdaq under the symbol "GAIN." The following table reflects, by quarter, the high and low intraday sales prices per share of our common stock on Nasdaq, the intraday sales prices as a percentage of NAV per share and quarterly distributions declared per common share for each fiscal quarter during the last two completed fiscal years and the current fiscal year through May 12, 2025.

Quarter Ended/Ending	NAV ^(A)	Sales Prices		Premium / (Discount) of High to NAV ^(B)	Premium (Discount) of Low to NAV ^(B)	Declared Common Stock Distributions
		High	Low			
Fiscal Year ended March 31, 2024:						
6/30/2023	\$ 12.99	\$ 13.91	\$ 12.53	7 %	(4)%	\$ 0.3600 ^(C)
9/30/2023	\$ 14.03	\$ 13.88	\$ 12.44	(1)%	(11)%	\$ 0.3600 ^(C)
12/31/2023	\$ 13.01	\$ 14.92	\$ 12.14	15 %	(7)%	\$ 1.2400 ^(C)
3/31/2024	\$ 13.43	\$ 14.96	\$ 13.30	11 %	(1)%	\$ 0.2400
Fiscal Year ended March 31, 2025:						
6/30/2024	\$ 13.01	\$ 14.55	\$ 13.66	12 %	5 %	\$ 0.2400
9/30/2024	\$ 12.49	\$ 14.58	\$ 12.46	17 %	— %	\$ 0.2400
12/31/2024	\$ 13.30	\$ 14.85	\$ 12.81	12 %	(4)%	\$ 0.9400 ^(D)
3/31/2025	\$ 13.55	\$ 14.01	\$ 12.54	3 %	(7)%	\$ 0.2400
Fiscal Year ending March 31, 2026:						
6/30/2025 (through May 12, 2025)	*	\$ 14.11	\$ 11.42	*	*	\$ 0.7800 ^(E)

^(A) 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 intraday sales prices. The NAVs per share shown are based on outstanding shares at the end of each period.

^(B) The premiums (discounts) set forth in these columns represent the high or low, as applicable, intraday sale prices per share for the relevant quarter minus the NAV per share as of the end of such quarter, and therefore may not reflect the premium (discount) to NAV per share on the date of the high and low intraday sales prices.

^(C) Includes \$0.12, \$0.12, \$0.12 and \$0.88 per common share supplemental distributions paid in June 2023, September 2023, November 2023 and December 2023, respectively.

^(D) Includes a \$0.70 per common share supplemental distribution paid in October 2024.

^(E) Includes a \$0.54 per common share supplemental distribution to be paid in June 2025.

* Not yet available, as the NAV per share as of the end of this quarter has not yet been finalized.

As of May 12, 2025, there were 22 record owners of our common stock. This number does not include stockholders for whom shares are held in "street name."

Distributions

We generally intend to distribute, in the form of cash distributions, up to 100% of our Investment Company Taxable Income, if any, to our stockholders in the form of monthly distributions. We may retain some or all of our net realized long-term capital gains, if any, and designate them as a deemed distribution to supplement our equity capital and support the growth of our portfolio, but we may also distribute all or a portion of such gains to stockholders in cash. For the years ended March 31, 2025 and 2024, we did not elect to retain long-term capital gains and to treat them as deemed distributions to common stockholders. Our Credit Facility also generally restricts distributions on our common stock to the sum of certain amounts, including, our net investment income, plus net capital gains, plus amounts elected by the Company to be considered as having been paid during the prior fiscal year in accordance with Section 855(a) of the Code.

Recent Sales of Unregistered Securities

We did not sell any unregistered securities during the fiscal year ended March 31, 2025.

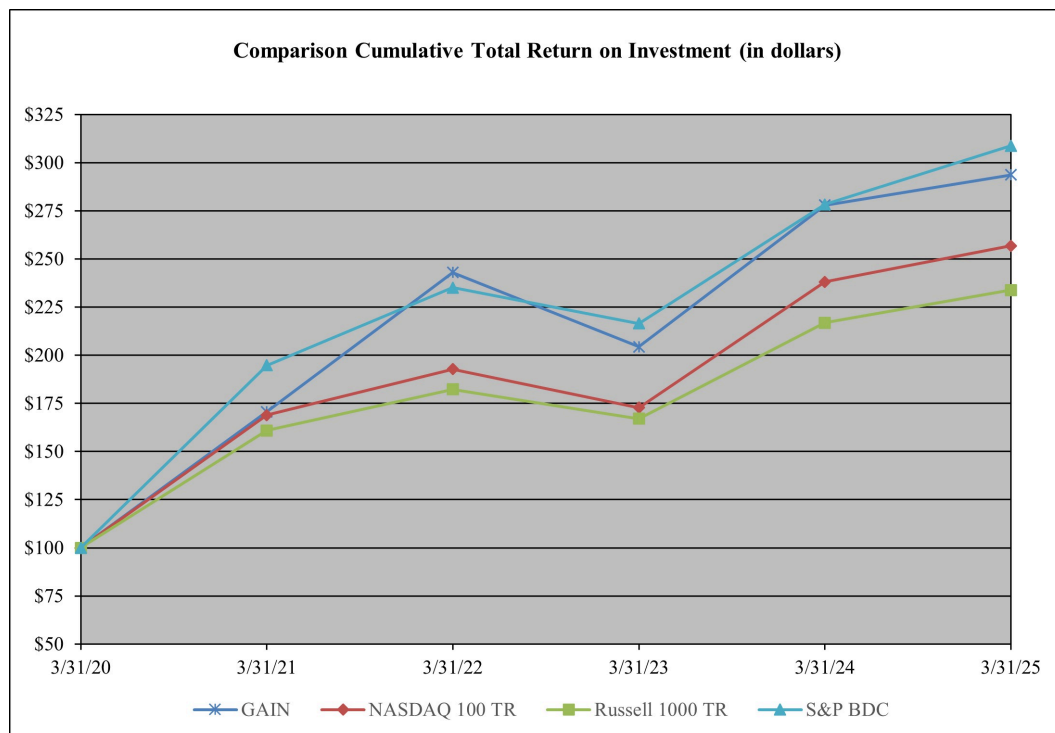
Purchases of Equity Securities

We did not repurchase any shares of our stock during the fourth quarter ended March 31, 2025.

Stock Performance Graph

The following graph shows the total stockholder return on an investment of \$100 in cash on March 31, 2020 for (i) our common stock, (ii) the Nasdaq's 100 Total Return index ("Nasdaq 100 TR"), (iii) the Russell 1000 Total Return index ("Russell 1000 TR") and (iv) the Standard and Poor's BDC index ("S&P BDC"). The graph and other information furnished under the heading "Stock Performance Graph" shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate it by reference and shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C under, or to the liabilities of Section 18 of, the Exchange Act.

The returns on each investment assume reinvestment of dividends. This stock performance graph and the related textual information are not necessarily indicative of future performance.



	GAIN		Nasdaq 100 TR		Russell 1000 TR		S&P BDC	
3/31/2020	\$	100.00	\$	100.00	\$	100.00	\$	100.00
3/31/2021	\$	170.65	\$	168.88	\$	160.94	\$	194.70
3/31/2022	\$	243.01	\$	192.76	\$	182.29	\$	235.06
3/31/2023	\$	204.35	\$	172.81	\$	166.99	\$	216.53
3/31/2024	\$	277.89	\$	238.05	\$	216.87	\$	278.26
3/31/2025	\$	293.60	\$	256.86	\$	233.83	\$	308.82

Fees and Expenses

The following table is intended to assist stockholders in understanding the costs and expenses that common stockholders will bear directly or indirectly. The percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this Annual Report contains a reference to fees or expenses paid by “us” or the “Company,” or that “we” will pay fees or expenses, common stockholders will indirectly bear such fees or expenses as investors in the Company. The following annualized percentages were calculated based on actual expenses, except with respect to capital gains-based incentive fees as discussed below, incurred in the quarter ended March 31, 2025 and average net assets for the quarter ended March 31, 2025. The table and examples below include all fees and expenses of our consolidated subsidiaries.

Stockholder Transaction Expenses:	
Sales load or other commission (as a percentage of offering price) ⁽¹⁾	— %
Offering expenses (as a percentage of offering price) ⁽¹⁾	— %
Dividend reinvestment plan expenses (per sales transaction fee) ⁽²⁾	Up to \$25 Transaction fee
Total stockholder transaction expenses (as a percentage of offering price) ⁽¹⁾	—%
Annual expenses (as a percentage of net assets attributable to common stock)⁽³⁾:	
Base management fee ⁽⁴⁾	4.18 %
Loan servicing fee ⁽⁵⁾	2.28 %
Incentive fees ⁽⁶⁾	3.61 %
Interest payments on borrowed funds ⁽⁷⁾	7.99 %
Other expenses ⁽⁸⁾	1.42 %
Total annual expenses ⁽⁹⁾	19.48 %

⁽¹⁾ The amounts set forth in the table above do not reflect the impact of any sales load or other commission or offering expenses borne by the Company and its common stockholders. If applicable, the prospectus or prospectus supplement relating to an offering of our common stock will disclose the offering price and the estimated offering expenses and total stockholder transaction expenses borne by the Company and its common stockholders as a percentage of the offering price. In the event that shares of our common stock are sold to or through underwriters, the applicable prospectus or prospectus supplement will also disclose the applicable sales load or other commission.

⁽²⁾ The expenses of the dividend reinvestment plan, if any, are included in stock record expenses, a component of “Other expenses.” If a participant elects by written notice to the plan agent prior to termination of his or her account to have the plan agent sell part or all of the shares held by the plan agent in the participant’s account and remit the proceeds to the participant, the plan agent is authorized to deduct a transaction fee, plus per share brokerage commissions, from the proceeds. The participants in the dividend reinvestment plan will also bear a transaction fee, plus per share brokerage commissions incurred with respect to open market purchases, if any. See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Distributions and Dividends to Stockholders—Dividend Reinvestment Plan” for information on the dividend reinvestment plan.

⁽³⁾ The percentages presented in this table are gross of credits to any fees.

⁽⁴⁾ The base management fee is payable quarterly to the Adviser pursuant to our Advisory Agreement and is assessed at an annual rate of 2% computed on the basis of the value of our average gross assets at the end of the two most recently completed quarters (inclusive of the current quarter), which are total assets, including investments made with proceeds of borrowings, less any uninvested cash or cash equivalents resulting from borrowings, valued at the end of the applicable quarters within the respective period and adjusted appropriately for any share issuances or repurchases during the period. In accordance with the requirements of the SEC, the table above shows our base management fee as a percentage of average net assets attributable to common stockholders. For purposes of the table, the annualized base management fee has been converted to 4.18% of the average net assets for the quarter ended March 31, 2025 by dividing the total annualized amount of the base management fee by our average net assets for the quarter ended March 31, 2025. The base management fee for the quarter ended March 31, 2025 before application of any credits was \$5.2 million.

Pursuant to the requirements of the 1940 Act, the Adviser makes available significant managerial assistance to our portfolio companies. The Adviser may also provide other services to our portfolio companies under certain agreements and may receive fees for services other than managerial assistance. Such services may include: (i) assistance obtaining,

sourcing or structuring credit facilities, long term loans or additional equity from unaffiliated third parties; (ii) negotiating important contractual financial relationships; (iii) consulting services regarding restructuring of the portfolio company and financial modeling as it relates to raising additional debt and equity capital from unaffiliated third parties; and (iv) primary role in interviewing, vetting, and negotiating employment contracts with candidates in connection with adding and retaining key portfolio company management team members. The Adviser non-contractually, unconditionally, and irrevocably credits 100% of any fees received for such services against the base management fee that we would otherwise be required to pay to the Adviser; however, pursuant to the terms of the Advisory Agreement, a small percentage of certain of such fees is retained by the Adviser in the form of reimbursement, at cost, for tasks completed by personnel of the Adviser and primarily related to the valuation of portfolio companies. For the quarter ended March 31, 2025, \$1.0 million of these fees were non-contractually, unconditionally and irrevocably credited against the base management fee. See “*Item 1. Business — Transactions with Related Parties — Investment Advisory and Management Agreement*” for additional information.

- (5) The Adviser services the loans held by Business Investment in return for which the Adviser receives a 2.0% annual loan servicing fee based on the monthly aggregate balance of loans pledged under the Credit Facility. Since Business Investment is a consolidated subsidiary of ours, coupled with the fact that the total base management fee paid to the Adviser pursuant to the Advisory Agreement cannot exceed 2.0% of total assets (less any uninvested cash or cash equivalents resulting from borrowings) during any given calendar year, we treat payment of the loan servicing fee pursuant to the Credit Facility as a pre-payment of the base management fee under the Advisory Agreement. Accordingly, these loan servicing fees are 100% non-contractually, unconditionally and irrevocably credited back to us by the Adviser. The loan servicing fee for the three months ended March 31, 2025 was \$2.8 million. See “*Item 1. Business—Transactions with Related Parties—Loan Servicing Fee Pursuant to Credit Facility*” and footnote 4 above for additional information.
- (6) The incentive fee payable to the Adviser under the Advisory Agreement consists of two parts: an income-based fee and a capital gains-based fee. The income-based incentive fee is payable quarterly in arrears, and equals 20% of the excess, if any, of our pre-incentive fee net investment income that exceeds a 1.75% quarterly hurdle rate of our net assets, which we define as total assets less indebtedness and before taking into account any incentive fees payable or contractually due but not payable during the period, at the end of the immediately preceding calendar quarter, adjusted appropriately for any share issuances or repurchases during the period, subject to a “catch-up” provision measured as of the end of each calendar quarter. The “catch-up” provision requires us to pay 100% of our pre-incentive fee net investment income with respect to that portion of such income, if any, that exceeds the hurdle rate but is less than 125% of the quarterly hurdle rate (or 2.1875%) in any calendar quarter. The catch-up provision is meant to provide our Adviser with 20% of our pre-incentive fee net investment income as if a hurdle rate did not apply when our pre-incentive fee net investment income exceeds 125% of the quarterly hurdle rate in any calendar quarter. For the three months ended March 31, 2025, the income-based incentive fee was \$2.3 million.

The capital gains-based incentive fee equals 20% of our net realized capital gains in excess of unrealized depreciation since our inception, if any, computed as all realized capital gains net of all realized capital losses and unrealized depreciation since our inception, less any prior payments, measured at the end of each calendar year and payable at the end of each fiscal year. During the three months ended March 31, 2025, we recorded capital gains-based incentive fees of \$2.1 million in accordance with GAAP, which were not contractually due under the terms of the Advisory Agreement.

No credits were applied to incentive fees for the three months ended March 31, 2025; however, the Adviser may credit such fees in the future.

Examples of how the incentive fee would be calculated are as follows:

- Assuming pre-incentive fee net investment income of 0.55%, there would be no income-based incentive fee because such income would not exceed the hurdle rate of 1.75%.
- Assuming pre-incentive fee net investment income of 2.00%, the income-based incentive fee would be as follows:

$$= 100.0\% \times (2.00\% - 1.75\%)$$

$$= 0.25\%$$
- Assuming pre-incentive fee net investment income of 2.30%, the income-based incentive fee would be as follows:

$$= (100.0\% \times (\text{“catch-up”}: 2.1875\% - 1.75\%)) + (20.0\% \times (2.30\% - 2.1875\%))$$

$$= (100.0\% \times 0.4375\%) + (20.0\% \times 0.1125\%)$$

$$= 0.4375\% + 0.0225\%$$

= 0.46%

- Assuming net realized capital gains of 6% and realized capital losses and unrealized capital depreciation of 1%, the capital gains-based incentive fee would be as follows:

= 20.0% × (6.0% - 1.0%)

= 20.0% × 5.0%

= 1.0%

For a more detailed discussion of the calculation of the two-part incentive fee, including the capital gains-based incentive fee calculation under GAAP, see “*Item 1. Business — Transactions with Related Parties — Investment Advisory and Management Agreement.*”

- (7) Includes amortization of deferred financing costs. As of March 31, 2025, we had no borrowings outstanding under our Credit Facility, \$127.9 million of 5.00% 2026 Notes, at cost, \$134.6 million of 4.875% 2028 Notes, at cost, \$74.8 million of 8.00% 2028 Notes, at cost, and \$126.5 million of 7.875% 2030 Notes, at cost. See “*Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Revolving Line of Credit*” and “*Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Notes Payable*” for additional information regarding our Credit Facility, our 5.00% 2026 Notes, our 4.875% 2028 Notes, our 8.00% 2028 Notes and our 7.875% 2030 Notes.
- (8) Includes our overhead expenses, including payments under the Administration Agreement based on our projected allocable portion of overhead and other expenses estimated to be incurred by our Administrator for the current fiscal year. See “*Item 1. Business—Transactions with Related Parties—Administration Agreement*” for additional information.
- (9) Total annualized gross expenses, based on actual amounts incurred for the three months ended March 31, 2025 (except as set forth in footnote 9), would be \$96.4 million. After all non-contractual, unconditional, and irrevocable credits described in footnote 4, footnote 5, and footnote 6 above are applied to the base management fee and the loan servicing fee, total annualized expenses after fee credits, based on actual amounts incurred for the three months ended March 31, 2025, would be \$81.3 million or 16.44% as a percentage of average net assets.

Example

The following example demonstrates the projected dollar amount of total cumulative 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 would remain at the levels set forth in the table above. **The example below and the expenses in the table above should not be considered a representation of our future expenses, and actual expenses may be greater or less than those shown. While the example assumes, as required by the SEC, a 5.0% annual return, our performance will vary and may result in a return greater or less than 5.0%. Dollar amounts in the table below are not in thousands.**

	1 Year	3 Years	5 Years	10 Years
Common stockholders would pay the following expenses on a \$1,000 investment:				
assuming a 5% annual return consisting entirely of ordinary income ⁽¹⁾⁽²⁾	\$ 167	\$ 444	\$ 660	\$ 1,015
assuming a 5% annual return consisting entirely of capital gains ⁽²⁾⁽³⁾	\$ 175	\$ 462	\$ 682	\$ 1,032

- (1) For purposes of this example, we have assumed that the entire amount of the assumed 5.0% annual return would constitute ordinary income. Because the assumed 5.0% annual return is significantly below the hurdle rate of 7.0% (annualized) that we must achieve under the Advisory Agreement to trigger the payment of an income-based incentive fee, we have assumed, for purposes of this example, that no income-based incentive fee would be payable if we realized a 5.0% annual return.

- (2) While the example assumes reinvestment of all distributions at NAV per share, participants in the dividend reinvestment plan will receive a number of shares of our common stock determined by dividing the total dollar amount of the distribution payable to a participant by the market price per share of our common stock at the close of trading on the valuation date for the distribution, and this price per share may differ from NAV per share. See “*Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital*

Resources—Distributions and Dividends to Stockholders—Dividend Reinvestment Plan” for additional information regarding our dividend reinvestment plan.

- (3) For purposes of this example, we have assumed that the entire amount of the assumed 5.0% annual return would constitute capital gains and that no accumulated capital losses or unrealized depreciation would have to be overcome first before a capital gains-based incentive fee is payable.

Senior Securities

Information about our senior securities is shown in the following table as of the end of each of our last ten fiscal years. The annual information has been derived from our audited financial statements for each respective period, which have been audited by PricewaterhouseCoopers LLP, our independent registered public accounting firm. The report of our independent registered public accounting firm, PricewaterhouseCoopers LLP, on the senior securities table as of March 31, 2025 is included elsewhere in this Annual Report.

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities (1)	Asset Coverage Per Unit (2)	Involuntary Liquidating Preference Per Unit (3)	Average Market Value Per Unit (4)
7.125% Series A Cumulative Term Preferred Stock⁽⁵⁾				
March 31, 2016	\$ 40,000,000	\$ 2,214	\$ 25.00	\$ 25.60
6.75% Series B Cumulative Term Preferred Stock⁽⁶⁾				
March 31, 2018	\$ 41,400,000	\$ 2,373	\$ 25.00	\$ 25.20
March 31, 2017	\$ 41,400,000	\$ 2,356	\$ 25.00	\$ 26.00
March 31, 2016	\$ 41,400,000	\$ 2,214	\$ 25.00	\$ 24.43
6.50% Series C Cumulative Term Preferred Stock due 2022⁽⁷⁾				
March 31, 2018	\$ 40,250,000	\$ 2,373	\$ 25.00	\$ 25.33
March 31, 2017	\$ 40,250,000	\$ 2,356	\$ 25.00	\$ 25.64
March 31, 2016	\$ 40,250,000	\$ 2,214	\$ 25.00	\$ 23.92
6.25% Series D Cumulative Term Preferred Stock due 2023⁽⁸⁾				
March 31, 2020	\$ 57,500,000	\$ 2,938	\$ 25.00	\$ 20.46
March 31, 2019	\$ 57,500,000	\$ 3,091	\$ 25.00	\$ 25.38
March 31, 2018	\$ 57,500,000	\$ 2,373	\$ 25.00	\$ 25.22
March 31, 2017	\$ 57,500,000	\$ 2,356	\$ 25.00	\$ 25.43
6.375% Series E Cumulative Term Preferred Stock due 2025⁽⁹⁾				
March 31, 2021	\$ 94,371,325	\$ 2,486	\$ 25.00	\$ 25.44
March 31, 2020	\$ 74,750,000	\$ 2,938	\$ 25.00	\$ 19.52
March 31, 2019	\$ 74,750,000	\$ 3,091	\$ 25.00	\$ 25.55
Revolving credit facilities				
March 31, 2025	\$ —	\$ 2,044	—	N/A
March 31, 2024	\$ 67,000,000	\$ 2,190	—	N/A
March 31, 2023	\$ 35,200,000	\$ 2,447	—	N/A
March 31, 2022	\$ —	\$ 2,529	—	N/A
March 31, 2021	\$ 22,400,000	\$ 3,980	—	N/A
March 31, 2020	\$ 49,200,000	\$ 9,935	—	N/A
March 31, 2019	\$ 53,000,000	\$ 9,976	—	N/A
March 31, 2018	\$ 107,000,000	\$ 5,257	—	N/A
March 31, 2017	\$ 69,700,000	\$ 6,613	—	N/A
March 31, 2016	\$ 95,000,000	\$ 4,838	—	N/A
5.00% 2026 Notes⁽¹⁰⁾				
March 31, 2025	\$ 127,937,500	\$ 2,044	\$ 25.00	\$ 24.93
March 31, 2024	\$ 127,937,500	\$ 2,190	\$ 25.00	\$ 24.16
March 31, 2023	\$ 127,937,500	\$ 2,447	\$ 25.00	\$ 23.47
March 31, 2022	\$ 127,937,500	\$ 2,529	\$ 25.00	\$ 25.13
March 31, 2021	\$ 127,937,500	\$ 3,980	\$ 25.00	\$ 25.85

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities (1)	Asset Coverage Per Unit (2)	Involuntary Liquidating Preference Per Unit (3)	Average Market Value Per Unit (4)
4.875% 2028 Notes⁽¹¹⁾				
March 31, 2025	\$ 134,550,000	\$ 2,044	\$ 25.00	\$ 23.33
March 31, 2024	\$ 134,550,000	\$ 2,190	\$ 25.00	\$ 22.95
March 31, 2023	\$ 134,550,000	\$ 2,447	\$ 25.00	\$ 23.00
March 31, 2022	\$ 134,550,000	\$ 2,529	\$ 25.00	\$ 25.07
8.00% 2028 Notes⁽¹²⁾				
March 31, 2025	\$ 74,750,000	\$ 2,044	\$ 25.00	\$ 25.86
March 31, 2024	\$ 74,750,000	\$ 2,190	\$ 25.00	\$ 25.86
7.875% 2030 Notes⁽¹³⁾				
March 31, 2025	\$ 126,500,000	\$ 2,044	\$ 25.00	\$ 25.38
Secured borrowings⁽¹⁴⁾				
March 31, 2022	\$ 5,095,785	\$ 2,529	—	N/A
March 31, 2021	\$ 5,095,785	\$ 3,980	—	N/A
March 31, 2020	\$ 5,095,785	\$ 9,935	—	N/A
March 31, 2019	\$ 5,095,785	\$ 9,976	—	N/A
March 31, 2018	\$ 5,095,785	\$ 5,257	—	N/A
March 31, 2017	\$ 5,095,785	\$ 6,613	—	N/A
March 31, 2016	\$ 5,095,785	\$ 4,838	—	N/A

⁽¹⁾ Total amount of each class of senior securities outstanding as of the dates presented.

⁽²⁾ Asset coverage is the ratio of the carrying value of our total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness (including interest payable and guaranties). Asset coverage per unit is the asset coverage ratio expressed in terms of dollar amounts per one thousand dollars of indebtedness.

⁽³⁾ The amount to which such class of senior security would be entitled upon the involuntary liquidation of the issuer in preference to any security junior to it.

⁽⁴⁾ Only applicable to our Term Preferred Stock and the Notes because the other senior securities are not registered for public trading. Average market value per unit is the average of the closing price of the shares on Nasdaq during the last 10 trading days of the period.

⁽⁵⁾ Our Series A Term Preferred Stock was issued in March 2012 and redeemed in September 2016.

⁽⁶⁾ Our Series B Term Preferred Stock was issued in November 2014 and redeemed in August 2018.

⁽⁷⁾ Our Series C Term Preferred Stock was issued in May 2015 and redeemed in August 2018.

⁽⁸⁾ Our Series D Term Preferred Stock was issued in September 2016 and redeemed in March 2021.

⁽⁹⁾ Our Series E Term Preferred Stock was issued in August 2018 and redeemed in August 2021.

⁽¹⁰⁾ Our 5.00% 2026 Notes were issued in March 2021.

⁽¹¹⁾ Our 4.875% 2028 Notes were issued in August 2021.

⁽¹²⁾ Our 8.00% 2028 Notes were issued in May 2023.

⁽¹³⁾ Our 7.875% 2030 Notes were issued in December 2024.

⁽¹⁴⁾ In August 2012, we entered into a participation agreement with a third-party related to \$5.0 million of our secured second lien term debt investment in Ginsey Home Solutions, Inc. ("Ginsey"). In May 2014, we amended the agreement with the third-party to include an additional \$0.1 million. Accounting Standards Codification Topic 860, "Transfers and Servicing" requires us to treat the participation as a financing-type transaction. Specifically, the third-party has a senior claim to our remaining investment in the event of default by Ginsey which, in part, resulted in the loan participation bearing a rate of interest lower than the contractual rate established at origination. In conjunction with the August 2022 refinancing at Ginsey, the \$5.1 million secured borrowing liability was extinguished.

ITEM 6. RESERVED

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following analysis of our financial condition and results of operations should be read in conjunction with our accompanying *Consolidated Financial Statements* and the notes thereto contained elsewhere in this Annual Report. Historical financial condition and results of operations and percentage relationships among any amounts in the financial statements are not necessarily indicative of financial condition, results of operations or percentage relationships for any future periods. Except per share amounts, dollar amounts included herein are in thousands unless otherwise indicated.

OVERVIEW

General

We were incorporated under the General Corporation Law of the State of Delaware on February 18, 2005. We operate as an externally managed, closed-end, non-diversified management investment company and have elected to be treated as a BDC under the 1940 Act. For U.S. federal income tax purposes, we have elected to be treated as a RIC under Subchapter M of the Code. To continue to qualify as a RIC for U.S. federal income tax purposes and obtain favorable RIC tax treatment, we must meet certain requirements, including certain minimum distribution requirements.

We were established for the purpose of investing in debt and equity securities of established private businesses operating in the U.S. Our investment objectives are to: (i) achieve and grow current income by investing in debt securities of established businesses that we believe will provide stable earnings and cash flow to pay expenses, make principal and interest payments on our outstanding indebtedness, and make distributions to our stockholders that grow over time; and (ii) provide our stockholders with long-term capital appreciation in the value of our assets by investing in equity securities of established businesses, generally, in combination with the aforementioned debt securities, that we believe can grow over time to permit us to sell our equity investments for capital gains. To achieve our objectives, our investment strategy is to invest in several categories of debt and equity securities, with individual investments generally totaling up to \$75 million, although investment size may vary, depending upon our total assets or available capital at the time of investment. We expect that our investment portfolio over time will consist of approximately 75% in debt investments and 25% in equity investments, at cost. As of March 31, 2025, our investment portfolio was comprised of 73.3% in debt investments and 26.7% in equity investments, at cost.

We focus on investing in Lower Middle Market businesses in the U.S. that meet certain criteria, including: the sustainability of the business’ free cash flow and its ability to grow it over time, adequate assets for loan collateral, experienced management teams with a significant ownership interest in the portfolio company, reasonable capitalization of the portfolio company, including an ample equity contribution or cushion based on prevailing enterprise valuation multiples, and the potential to realize appreciation and gain liquidity in our equity position, if any. We anticipate that liquidity in our equity position will be achieved through a merger or acquisition of the portfolio company, a public offering of the portfolio company’s stock or, to a lesser extent, by exercising our right to require the portfolio company to repurchase our warrants, though there can be no assurance that we will always have these rights. We invest in portfolio companies that seek funds for management buyouts and/or growth capital to finance acquisitions, recapitalize or, to a lesser extent, refinance their existing debt facilities. We seek to avoid investing in high-risk, early-stage enterprises. Our targeted portfolio companies are generally considered too small for the larger capital marketplace.

We invest by ourselves or jointly with other funds and/or management of the portfolio company, depending on the opportunity, and have opportunistically made several co-investments with Gladstone Capital and Gladstone Alternative pursuant to the Co-Investment Order. We believe the Co-Investment Order has enhanced and will continue to enhance our ability to further our investment objectives and strategies. If we are participating in an investment with one or more co-investors, whether or not an affiliate of ours, our investment is likely to be smaller than if we were investing alone.

Business

Portfolio and Investment Activity

While the business environment remains competitive, we continue to see new investment opportunities consistent with our investment strategy of providing a combination of debt and equity in support of management and independent sponsor-led buyouts of Lower Middle Market companies in the U.S. During the year ended March 31, 2025, we invested in four new portfolio companies and exited two portfolio companies. From our initial public offering in June 2005 through March 31, 2025, we have invested in 62 companies, excluding investments in syndicated loans, for a total of approximately \$2.0 billion, before giving effect to principal repayments and divestitures.

The majority of the debt securities in our portfolio have a success fee component, which enhances the yield on our debt investments. Unlike PIK income, we generally do not recognize success fees as income until payment has been received. Due to the contingent nature of success fees, there are no guarantees that we will be able to collect any or all of these success fees or know the timing of any such collections. As a result, as of March 31, 2025, we had unrecognized, contractual success fees of \$52.5 million, or \$1.43 per common share. Consistent with GAAP, we generally have not recognized success fee receivables and related income in our accompanying *Consolidated Financial Statements* until earned.

From inception through March 31, 2025, we exited our investments in 33 portfolio companies that we acquired under our buyout strategy. In the aggregate, these sales have generated \$353.4 million in net realized gains and \$45.4 million in other income upon exit, for a total increase to our net assets of \$398.8 million. We believe, in aggregate, these transactions were equity-oriented investment successes and exemplify our investment strategy of striving to achieve returns through current income on the debt portion of our investments and capital gains from the equity portion. The 33 liquidity events have offset any realized losses since inception, which were primarily incurred during the 2008-2009 recession in connection with the sale of performing syndicated loans at a realized loss to pay off a former lender. The successful exits, in part, enabled us to increase the monthly distribution by 100.0% from March 2011 through March 31, 2025 and allowed us to declare and pay 23 supplemental distributions to common stockholders through March 31, 2025.

Capital Raising

We have been able to meet our capital needs through extensions of and increases to the Credit Facility and by accessing the capital markets in the form of public offerings of unsecured notes, as well as common and preferred stock. We have successfully extended the Credit Facility's revolving period multiple times, most recently to October 2026, and currently have a total commitment amount of \$270.0 million (with a potential total commitment of \$300.0 million through additional commitments from new or existing lenders). During the year ended March 31, 2025, we issued the 7.875% 2030 Notes for gross proceeds of \$126.5 million and sold 148,714 shares of our common stock under our "at-the-market" program (the "2024 Common Stock ATM Program") for gross proceeds of approximately \$2.0 million. During the year ended March 31, 2024, we issued the 8.00% 2028 Notes for gross proceeds of \$74.8 million and sold 3,097,162 shares of our common stock under our previous "at-the-market" program (the "2022 Common Stock ATM Program") for gross proceeds of approximately \$44.5 million. Refer to "*Liquidity and Capital Resources*."

Although we have been able to access the capital markets historically, market conditions may continue to affect the trading price of our common stock and thus our ability to finance new investments through the issuance of common equity. On March 31, 2025, the closing market price of our common stock was \$13.36 per share, representing a 1.4% discount to our NAV of \$13.55 per share as of March 31, 2025. When our common stock trades below NAV, our ability to issue additional equity is constrained by provisions of the 1940 Act, which generally prohibits the issuance and sale of our common stock at an issuance price below the then current NAV per share without stockholder approval, other than through sales to our then existing stockholders pursuant to a rights offering.

Regulatory Compliance

Our ability to seek external debt financing, to the extent that it is available under current market conditions, is further subject to the asset coverage limitations of the 1940 Act, which require us to have asset coverage (as defined in Sections 18 and 61 of the 1940 Act) of at least 150% on each of our senior securities representing indebtedness and our senior securities that are stock.

On April 10, 2018, our Board of Directors, including a “required majority” (as such term is defined in Section 57(o) of the 1940 Act) thereof, approved the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act. As a result, our asset coverage requirements for senior securities changed from 200% to 150%, effective as of April 10, 2019, one year after the date of the Board of Directors’ approval.

As of March 31, 2025, our asset coverage ratio on our senior securities representing indebtedness was 204.4%.

Investment Highlights

Investment Activity

During the fiscal year ended March 31, 2025, the following significant transactions occurred:

- In May 2024, our remaining shares in Funko Acquisition Holdings, LLC (“Funko”) were sold representing an exit of our investment in Funko, and resulting in a return of our equity cost basis of \$21 thousand and a realized gain of \$2 thousand.
- In July 2024, we invested an additional \$18.5 million through secured first lien debt in Nocturne Luxury Villas, Inc. (“Nocturne”) to fund an add-on acquisition.
- In September 2024, we exited our investment in Nth Degree Investment Group, LLC (“Nth Degree”), which resulted in success fee income of \$0.1 million, a realized gain on our preferred equity of \$42.3 million and the repayment of our debt investment of \$25.0 million at par.
- In November 2024, we invested \$27.2 million in a new portfolio company, Pyrotek Special Effects, Inc. (“Pyrotek”), in the form of \$20.1 million of secured first lien debt and \$7.1 million of preferred equity. Pyrotek, headquartered in Ontario, Canada, is a leading provider of special effects services and solutions for the live entertainment industry.
- In December 2024, we invested \$5.0 million in Gladstone Alternative, one of our affiliated funds, through common equity. Gladstone Alternative is a registered, non-diversified, closed-end management investment company that operates as an interval fund.
- In December 2024, we invested \$71.3 million in a new portfolio company, Nielsen-Kellerman Acquisition Corp. (“Nielsen-Kellerman”), in the form of \$49.1 million of secured first lien debt and \$22.2 million of preferred equity. Nielsen-Kellerman, headquartered in Boothwyn, Pennsylvania, designs, manufactures, and distributes a wide range of rugged, waterproof environmental measurement and sports performance instruments.
- In December 2024, we invested \$78.7 million in a new portfolio company, Ricardo Defense, Inc. (“Ricardo”), in the form of \$61.3 million of secured first lien debt and \$17.4 million of preferred equity. Ricardo, headquartered in Troy, Michigan, with operations in California, Texas and Alabama and overseas, develops engineering and product solutions for U.S. Army vehicle and logistics programs.
- In January 2025, we restructured our investment in PSI Molded Plastics, Inc. (“PSI Molded”). As a result of the restructuring, we converted debt with a cost basis of \$16.4 million into preferred equity.
- In February 2025, we invested an additional \$3.0 million through secured first lien debt in Pyrotek to fund an add-on acquisition.
- In February 2025, we recapitalized our existing investment in Educators Resource, Inc. and invested an additional \$10.0 million in the form of secured first lien debt. In connection with this recapitalization, we received dividend income of \$1.8 million.
- In March 2025, we exited our investment in Nocturne, which resulted in success fee income of \$3.5 million, a realized gain on our preferred equity of \$19.8 million and the repayment of our debt investment of \$85.6 million at par.

Recent Developments

Distributions and Dividends

In April 2025, our Board of Directors declared the following monthly cash distributions to common stockholders:

Record Date	Payment Date	Distribution per Common Share	
April 21, 2025	April 30, 2025	\$	0.08
May 21, 2025	May 30, 2025		0.08
June 4, 2025	June 13, 2025		0.54 ^(A)
June 20, 2025	June 30, 2025		0.08
Total for the Quarter:		\$	0.78

^(A) Represents a supplemental distribution to common stockholders.

RESULTS OF OPERATIONS

Comparison of the Fiscal Year Ended March 31, 2025 to the Fiscal Year Ended March 31, 2024

	For the Fiscal Years Ended March 31,			
	2025	2024	\$ Change	% Change
INVESTMENT INCOME				
Interest income	\$ 83,612	\$ 81,794	\$ 1,818	2.2 %
Dividend and success fee income	10,050	5,512	4,538	82.3 %
Total investment income	93,662	87,306	6,356	7.3 %
EXPENSES				
Base management fee	19,105	17,500	1,605	9.2 %
Loan servicing fee	9,636	9,118	518	5.7 %
Incentive fee	12,265	21,047	(8,782)	(41.7)%
Administration fee	1,914	1,789	125	7.0 %
Interest expense	28,246	24,121	4,125	17.1 %
Amortization of deferred financing costs and discounts	2,852	2,305	547	23.7 %
Other	6,294	4,363	1,931	44.3 %
Expenses before credits from Adviser	80,312	80,243	69	0.1 %
Credits to fees from Adviser	(14,745)	(14,714)	(31)	0.2 %
Total expenses, net of credits to fees	65,567	65,529	38	0.1 %
NET INVESTMENT INCOME	28,095	21,777	6,318	29.0 %
REALIZED AND UNREALIZED GAIN (LOSS), NET OF TAXES				
Net realized gain on investments	63,184	30,256	32,928	108.8 %
Net unrealized (depreciation) appreciation of investments	(25,960)	33,301	(59,261)	NM
Net unrealized appreciation of other	—	(29)	29	(100.0)%
Net realized and unrealized gain, net of taxes on deemed distribution of long-term capital gains	37,224	63,528	(26,304)	(41.4)%
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 65,319	\$ 85,305	\$ (19,986)	(23.4)%
WEIGHTED-AVERAGE SHARES OF COMMON STOCK OUTSTANDING				
Basic and diluted	36,735,218	34,466,724	2,268,494	6.6 %
BASIC AND DILUTED PER COMMON SHARE:				
Net investment income	\$ 0.76	\$ 0.63	\$ 0.13	20.6 %
Net increase in net assets resulting from operations	\$ 1.78	\$ 2.47	\$ (0.69)	(27.9)%

NM = Not Meaningful

Investment Income

Total investment income increased \$6.4 million, or 7.3%, for the year ended March 31, 2025, as compared to the prior year. This increase was primarily due to an increase in dividend and success fee income and an increase in interest income.

Interest income from our investments in debt securities increased \$1.8 million, or 2.2%, for the year ended March 31, 2025, as compared to the prior year. Generally, the level of interest income from investments is directly related to the weighted-average principal balance of our interest-bearing investment portfolio outstanding during the period, multiplied by the weighted-average yield.

The weighted-average principal balance of our interest-bearing investment portfolio during the year ended March 31, 2025 was \$601.5 million, compared to \$560.8 million during the prior year. This increase was primarily due to the origination of \$177.7 million of new debt investments and \$102.5 million of follow-on debt investments in existing portfolio companies, partially offset by the pay-off, restructuring, or write-off of \$151.6 million of debt investments and \$31.0 million of existing loans placed on non-accrual status after March 31, 2023, and their respective impact on the weighted-average principal balance when considering the timing of new investments, pay-offs, restructurings, write-offs, and accrual status changes, as applicable.

The weighted-average yield on our interest-bearing investments, excluding cash and cash equivalents and receipts recorded as dividend and success fee income, was 13.9% and 14.4% for the years ended March 31, 2025 and 2024, respectively. The weighted-average yield may vary from period to period, based on the current stated interest rate on interest-bearing investments, coupled with any collection of past due interest during the period. During the years ended March 31, 2025 and 2024, we had no collections of past due interest.

As of March 31, 2025, our loans to B+T Group Acquisition, Inc. ("B+T"), Diligent Delivery Systems ("Diligent"), Edge Adhesives Holdings, Inc. ("Edge"), and J.R. Hobbs Co. – Atlanta, LLC ("J.R. Hobbs") were on non-accrual status, with an aggregate debt cost basis of \$90.2 million. As of March 31, 2024, our loans to Edge and J.R. Hobbs were on non-accrual status, with an aggregate debt cost basis of \$59.1 million.

Dividend and success fee income for the year ended March 31, 2025 increased \$4.5 million, or 82.3%, as compared to the prior year. During the year ended March 31, 2025, dividend and success fee income consisted of \$6.8 million of success fee income and \$3.3 million of dividend income. During the year ended March 31, 2024, dividend and success fee income consisted of \$3.6 million of success fee income and \$1.9 million of dividend income.

As of March 31, 2025 and 2024, SFEG Holdings, Inc. represented 10.8% and 10.1% of the total investment portfolio at fair value, respectively.

Expenses

Total expenses, net of any non-contractual, unconditional, and irrevocable credits from the Adviser, increased \$38.0 thousand, or 0.1%, for the year ended March 31, 2025, as compared to the prior year, primarily due to increases in interest expense, other expenses and base management fee, partially offset by a decrease in incentive fees.

In accordance with GAAP, we recorded a capital gains-based incentive fee of \$7.4 million during the year ended March 31, 2025, compared to a capital gains-based incentive fee of \$12.7 million during the year ended March 31, 2024. The capital gains-based incentive fee is a result of the net impact of net realized gains (losses) and net unrealized appreciation (depreciation) on investments during the respective periods. The income-based incentive fee for the year ended March 31, 2025 decreased \$3.5 million, or 42.2%, as compared to the prior year, due to the increase in net assets, which increases the pre-incentive fee net investment income required to meet the hurdle rate, and the decrease in pre-incentive fee net investment income.

Base management fee for the year ended March 31, 2025 increased \$1.6 million, or 9.2%, as compared to the prior year, primarily due to the increase in the average total assets subject to the base management fee as a result of a net increase in additional investments at cost and an increase in the fair value of investments.

The base management fee, loan servicing fee, incentive fee, and their related non-contractual, unconditional, and irrevocable credits are computed quarterly, as described under “Transactions with the Adviser” in Note 4 – Related Party Transactions in the accompanying Notes to Consolidated Financial Statements and are summarized in the following table:

	Year Ended March 31,	
	2025	2024
Average total assets subject to base management fee ^{(A)(B)}	\$ 955,250	\$ 875,000
Multiplied by annual base management fee of 2.0%	2.0 %	2.0 %
Base management fee^(C)	19,105	17,500
Credits to fees from Adviser - other ^(C)	(5,109)	(5,596)
Net base management fee	\$ 13,996	\$ 11,904
Loan servicing fee^(C)	\$ 9,636	\$ 9,118
Credits to base management fee - loan servicing fee ^(C)	(9,636)	(9,118)
Net loan servicing fee	\$ —	\$ —
Incentive fee – income-based	\$ 4,820	\$ 8,336
Incentive fee – capital gains-based^(D)	7,445	12,711
Total incentive fee^(C)	12,265	21,047
Credits to fees from Adviser - other ^(C)	—	—
Net total incentive fee	\$ 12,265	\$ 21,047

^(A) Average total assets subject to the base management fee is defined in the Advisory Agreement as total assets, including investments made with proceeds of borrowings, less any uninvested cash or cash equivalents resulting from borrowings, valued at the end of the applicable quarters within the respective periods and adjusted appropriately for any share issuances or repurchases during the periods.

^(B) Excludes our investment in Gladstone Alternative valued at the end of the applicable quarters within the respective periods.

^(C) Reflected as a line item on our accompanying Consolidated Statement of Operations.

^(D) The capital gains-based incentive fees are recorded in accordance with GAAP and do not necessarily reflect amounts contractually due under the terms of the Advisory Agreement.

Interest expense increased \$4.1 million, or 17.1%, during the year ended March 31, 2025, as compared to the prior year, primarily due to the issuance of the 7.785% 2030 Notes in December 2024 and the 8.00% 2028 Notes in May 2023 and the increase in the effective interest rate of the Credit Facility. The weighted-average balance outstanding on our Credit Facility during the year ended March 31, 2025 was \$60.3 million, as compared to \$61.0 million in the prior year. The effective interest rate on our Credit Facility, excluding the impact of deferred financing costs, during the year ended March 31, 2025 was 10.6%, as compared to 10.1% in the prior year. This increase in the effective interest rate on our Credit Facility was primarily a result of an increase in unused commitment fees, partially offset by a decrease in interest rates on the drawn portion of our Credit Facility.

Other expenses increased \$1.9 million, or 44.3%, during the year ended March 31, 2025, as compared to the prior year, primarily due to an increase in bad debt expense.

Realized and Unrealized Gain (Loss)

The realized gains (losses) and unrealized appreciation (depreciation) across our investments for the years ended March 31, 2025 and 2024 were as follows:

Portfolio Company	Year Ended March 31, 2025			
	Realized Gain (Loss) on Investments	Unrealized Appreciation (Depreciation)	Reversal of Unrealized (Appreciation) Depreciation	Net Gain (Loss)
The E3 Company, LLC	\$ —	\$ 19,418	\$ —	\$ 19,418
Nocturne Luxury Villas, Inc.	19,790	18,668	(24,334)	14,124
UPB Acquisition, Inc.	—	13,723	—	13,723
SFEG Holdings, Inc.	—	12,652	—	12,652
ImageWorks Display and Marketing Group, Inc.	—	10,314	—	10,314
Schylling, Inc.	—	9,230	—	9,230
Dema/Mai Holdings, Inc.	—	8,889	—	8,889
Ginsey Home Solutions, Inc.	—	8,178	—	8,178
J.R. Hobbs Co. - Atlanta, LLC	—	3,532	—	3,532
Brunswick Bowling Products, Inc.	—	3,118	—	3,118
The Maids International, LLC	—	2,984	—	2,984
B+T Group Acquisition, Inc.	—	(1,691)	—	(1,691)
Nth Degree Investment Group, LLC	43,373	(7,195)	(38,028)	(1,850)
Edge Adhesives Holdings, Inc.	—	(2,562)	—	(2,562)
Home Concepts Acquisition, Inc.	—	(3,957)	—	(3,957)
Mason West, LLC	—	(6,497)	—	(6,497)
Old World Christmas, Inc.	—	(7,099)	—	(7,099)
Educators Resource, Inc.	—	(8,137)	—	(8,137)
PSI Molded Plastics, Inc.	—	(9,151)	—	(9,151)
Horizon Facilities Services, Inc.	—	(28,066)	—	(28,066)
Other, net (<\$1.0 million, net)	21	47	4	72
Total	\$ 63,184	\$ 36,398	\$ (62,358)	\$ 37,224

Portfolio Company	Year Ended March 31, 2024			
	Realized Gain (Loss) on Investments	Unrealized Appreciation (Depreciation)	Reversal of Unrealized (Appreciation) Depreciation	Net Gain (Loss)
Nth Degree Investment Group, LLC	\$ —	\$ 31,199	\$ —	\$ 31,199
Counsel Press, Inc.	43,459	22,676	(43,566)	22,569
Brunswick Bowling Products, Inc.	—	14,789	—	14,789
Educators Resource, Inc.	—	12,193	—	12,193
Mason West, LLC	—	8,819	—	8,819
SFEG Holdings, Inc.	—	7,812	—	7,812
Galaxy Technologies Holdings, Inc.	—	6,849	—	6,849
The E3 Company, LLC	—	5,189	—	5,189
Utah Pacific Bridge & Steel, Ltd.	—	4,539	—	4,539
Ginsey Home Solutions, Inc.	—	2,415	—	2,415
The Maids International, LLC	—	2,226	—	2,226
Gladstone SOG Investments, Inc.	882	—	(93)	789
The Mountain Corporation	(14,650)	—	14,650	—
Diligent Delivery Systems	—	(1,207)	—	(1,207)
Edge Adhesives Holdings, Inc.	—	(1,350)	—	(1,350)
Home Concepts Acquisition, Inc.	—	(2,037)	—	(2,037)
Old World Christmas, Inc.	273	(3,352)	—	(3,079)
Nocturne Luxury Villas, Inc.	—	(3,998)	—	(3,998)
PSI Molded Plastics, Inc.	—	(4,529)	—	(4,529)
Schylling, Inc.	—	(7,553)	—	(7,553)
ImageWorks Display and Marketing Group, Inc.	—	(8,319)	—	(8,319)
B+T Group Acquisition, Inc.	—	(10,921)	—	(10,921)
Horizon Facilities Services, Inc.	—	(12,344)	—	(12,344)
Other, net (<\$1.0 million, net)	292	(786)	—	(494)
Total	\$ 30,256	\$ 62,310	\$ (29,009)	\$ 63,557

Net Realized Gain (Loss) on Investments

During the year ended March 31, 2025, we recorded net realized gains on investments of \$63.2 million, primarily due to a \$43.4 million realized gain from the exit of Nth Degree and a \$19.8 million realized gain from the exit of Nocturne.

During the year ended March 31, 2024, we recorded net realized gains on investments of \$30.3 million, primarily due to a \$43.5 million realized gain from the exit of Counsel Press, Inc. ("Counsel Press"), \$1.2 million of realized gains related to certain prior period exits and \$0.3 million of realized gain from the recapitalization of Old World Christmas, Inc. These amounts were partially offset by the \$14.7 million realized loss recognized from the dissolution and liquidation of The Mountain Corporation ("The Mountain").

Net Unrealized Appreciation (Depreciation) of Investments

Net unrealized depreciation of investments of \$26.0 million for the year ended March 31, 2025 was primarily due to the reversal of net unrealized appreciation of Nth Degree and Nocturne upon exit and decreased performance of certain of our portfolio companies. These decreases were partially offset by an increase in transaction multiples used to estimate the fair value of certain of our portfolio companies and increased performance of certain of our portfolio companies.

Net unrealized appreciation of investments of \$33.3 million for the year ended March 31, 2024 was primarily due to the net unrealized appreciation across our portfolio, as well as the reversal of unrealized depreciation of our investment in The Mountain upon its liquidation and dissolution. These amounts were partially offset by the reversal of unrealized appreciation of our investment in Counsel Press upon exit. The net appreciation was driven primarily by increased performance of certain of our portfolio companies, partially offset by decreased comparable transaction multiples used to estimate the fair value of certain of our portfolio companies.

Across our entire investment portfolio, we recorded \$25.2 million of net unrealized depreciation on our debt investments and \$0.7 million of net unrealized depreciation on our equity investments for the year ended March 31, 2025. As of March 31, 2025, the fair value of our investment portfolio was more than our cost basis by \$40.3 million, compared to March 31, 2024, when the fair value of our investment portfolio was more than our cost basis by \$66.2 million. This resulted in net unrealized depreciation of \$25.9 million for the year ended March 31, 2025. Our entire portfolio was fair valued at 104.3% of cost as of March 31, 2025.

The comparison of the fiscal year ended March 31, 2024 to the fiscal year ended March 31, 2023 can be found in our Annual Report on Form 10-K for the fiscal year ended March 31, 2024 located within *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations*.

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

Cash inflows from operating activities are primarily generated from cash collections of interest and other income from our portfolio companies, as well as from cash proceeds received from repayments of debt investments and from sales of equity investments. These cash collections are principally used to fund new investments, pay distributions to our common stockholders, make interest payments on our Credit Facility and the Notes, pay management and incentive fees to the Adviser and other operating expenses. We may also use cash inflows from operating activities to repay outstanding borrowings under our Credit Facility.

Net cash provided by operating activities for the year ended March 31, 2025 was \$16.3 million, as compared to net cash used in operating activities of \$69.9 million for the year ended March 31, 2024. This change was primarily due to increases in principal repayments of investments and the aggregate net proceeds from the sale and recapitalization of investments, partially offset by an increase in purchases of investments.

Purchases of investments totaled \$221.2 million during the year ended March 31, 2025, compared to \$183.9 million during the year ended March 31, 2024. Net proceeds from the sale and recapitalization of investments and principal repayments of investments totaled \$199.6 million during the year ended March 31, 2025, compared to \$80.2 million during the year ended March 31, 2024.

Net cash used in operating activities for the year ended March 31, 2024 was \$69.9 million, as compared to net cash used in operating activities of \$4.5 million for the year ended March 31, 2023. This change was primarily due to an increase in purchases of investments, partially offset by a decrease in the aggregate net proceeds from the sale and recapitalization of investments and principal repayments of investments.

Purchases of investments totaled \$183.9 million during the year ended March 31, 2024, compared to \$133.8 million during the year ended March 31, 2023. Net proceeds from the sale and recapitalization of investments and principal repayments totaled \$80.2 million during the year ended March 31, 2024, compared to \$87.8 million during the year ended March 31, 2023.

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As of March 31, 2025, we had equity investments in and/or loans to 25 companies with an aggregate cost basis of \$939.1 million. As of March 31, 2024, we had equity investments in and/or loans to 24 companies with an aggregate cost basis of \$854.3 million. The following table summarizes our total portfolio investment activity for the years ended March 31, 2025 and 2024:

	Years Ended March 31,	
	2025	2024
Beginning investment portfolio, at fair value	\$ 920,504	\$ 753,543
New investments	178,844	61,258
Disbursements to existing portfolio companies	42,373	122,666
Unscheduled principal repayments	(123,600)	(28,000)
Net proceeds from sales of investments	(76,025)	(52,228)
Net realized gain on investments	63,184	29,964
Net unrealized appreciation of investments	36,398	62,310
Reversal of net unrealized appreciation of investments	(62,358)	(29,009)
Ending investment portfolio, at fair value	\$ 979,320	\$ 920,504

The following table summarizes the contractual principal repayment and maturity of our investment portfolio by fiscal year, assuming no voluntary prepayments, as of March 31, 2025:

	Amount	
For the fiscal years ending March 31:		
2026	\$	104,787
2027		133,336
2028		105,409
2029		184,944
2030		159,506
Thereafter		—
Total contractual repayments	\$	687,982
Investments in equity securities		251,084
Total cost basis of investments held as of March 31, 2025:	\$	939,066

Financing Activities

Net cash used in financing activities for the year ended March 31, 2025 was \$4.4 million, which consisted primarily of \$67.0 million of net repayments on our Credit Facility, \$61.0 million in distributions to common stockholders, \$4.9 million of deferred financing and offering costs, partially offset by \$126.5 million of gross proceeds from the issuance of the 7.875% 2030 Notes and \$2.0 million of proceeds from the issuance of common stock under the 2024 Common Stock ATM Program, net of expenses and shelf offering registration costs.

Net cash provided by financing activities for the year ended March 31, 2024 was \$69.9 million, which consisted primarily of \$74.8 million of gross proceeds from the issuance of the 8.00% 2028 Notes, \$43.9 million of proceeds from the issuance of common stock under the 2022 Common Stock ATM Program, net of expenses and shelf offering registration costs, and \$31.8 million of net borrowings on our Credit Facility, partially offset by \$76.1 million in distributions to common stockholders and \$4.5 million of deferred financing and offering costs.

Distributions and Dividends to Stockholders

Common Stock Distributions

To qualify to be taxed as a RIC and thus avoid corporate level federal income tax on the income we distribute to our stockholders, we are required, among other requirements, to distribute to our stockholders on an annual basis at least 90% of our Investment Company Taxable Income, determined without regard to the dividends paid deduction. Additionally, our Credit Facility generally restricts the amount of distributions to stockholders that we can pay out to be no greater than the sum of certain amounts, including our net investment income, plus net capital gains, plus amounts elected by the Company to be considered as having been paid during the prior fiscal year in accordance with Section 855(a) of the Code. In accordance with these requirements, our Board of Directors declared, and we paid, monthly cash distributions of \$0.08 per common share for each of the twelve months from April 2024 through March 2025, and a supplemental distribution of \$0.70 per common share in October 2024. See also “Recent Developments - Distributions and Dividends” for a discussion of cash distributions to common stockholders declared by our Board of Directors in April 2025.

For each of the fiscal years ended March 31, 2025 and 2024, Investment Company Taxable Income exceeded distributions declared and paid, and, in accordance with Section 855(a) of the Code, we elected to treat \$36.7 million and \$18.7 million, respectively, of the first distributions paid subsequent to fiscal year-end as having been paid in the prior year. In addition, for each of the fiscal years ended March 31, 2025 and 2024, net capital gains exceeded distributions declared and paid, and, in accordance with Section 855(a) of the Code, we elected to treat \$18.7 million and \$1.4 million, respectively, of the first distributions paid subsequent to fiscal year-end as having been paid in the prior year. For the year ended March 31, 2025, we recorded \$1.2 million of net adjustments for estimated permanent book-tax differences to reflect tax character, which decreased Capital in excess of par value and increased Overdistributed net investment income. For the year ended March 31, 2024, we recorded \$0.8 million of net adjustments for estimated permanent book-tax differences to reflect tax character, which increased Overdistributed net investment income and decreased Accumulated net realized gain in excess of distributions and Capital in excess of par value.

Dividend Reinvestment Plan

Our common stockholders who hold their shares through our transfer agent, Computershare, Inc. (“Computershare”), have the option to participate in a dividend reinvestment plan offered by Computershare, as the plan agent. This is an “opt in” dividend reinvestment plan, meaning that common stockholders may elect to have their cash distributions automatically reinvested in additional shares of our common stock. Common stockholders who do not make such election will receive their distributions in cash. Any distributions reinvested under the plan will be taxable to a common stockholder to the same extent, and with the same character, as if the common stockholder had received the distribution in cash. The common stockholder generally will have an adjusted basis in the additional common shares purchased through the plan equal to the dollar amount that would have been received if the U.S. stockholder had received the dividend or distribution in cash. The additional common shares will have a new holding period commencing on the day following the date on which the shares are credited to the common stockholder’s account. Computershare purchases shares in the open market in connection with the obligations under the plan.

Registration Statement

On February 28, 2024, we filed a registration statement on Form N-2 (File No. 333-277452), which the SEC declared effective on April 18, 2024. The registration statement permits us to issue, through one or more transactions, up to an aggregate of \$450.0 million in securities, consisting of common stock, preferred stock, subscription rights, debt securities, and warrants to purchase common stock, preferred stock, or debt securities, including through concurrent, separate offerings of such securities. As of the date of this report, we have the ability to issue up to an additional \$321.5 million of the securities registered under the registration statement.

On September 3, 2021, we filed a registration statement on Form N-2 (File No. 333-259302), which the SEC declared effective on October 15, 2021. The registration statement permitted us to issue, through one or more transactions, up to an aggregate of \$300.0 million in securities, consisting of common stock, preferred stock, subscription rights, debt securities, and warrants to purchase common stock, preferred stock, or debt securities, including through concurrent, separate offerings of such securities. This registration statement was terminated on April 18, 2024.

Equity

Common Stock

In May 2024, we entered into equity distribution agreements with Oppenheimer & Co., B. Riley Securities, Inc. and Virtu Americas LLC (collectively, the "Sales Agents"), under which we have the ability to issue and sell shares of our common stock, from time to time, through the Sales Agents, having an aggregate offering price of up to \$75.0 million in our 2024 Common Stock ATM Program. As of March 31, 2025, we had remaining capacity to sell up to an additional \$73.0 million of common stock under the 2024 Common Stock ATM Program.

In August 2022, we entered into equity distribution agreements with Oppenheimer & Co. and Virtu Americas LLC (each a "2022 Sales Agent"), under which we had the ability to issue and sell shares of our common stock, from time to time, through the 2022 Sales Agents, up to an aggregate offering price of \$50.0 million in our 2022 Common Stock ATM Program. In August 2023, we entered into an equity distribution agreement with B. Riley Securities, Inc. and entered into amendments to the agreements with Oppenheimer & Co. Inc. and Virtu Americas LLC to add B. Riley Securities, Inc. as a 2022 Sales Agent for the 2022 Common Stock ATM Program. We did not sell any shares under the 2022 Common Stock ATM Program, which terminated in connection with our entry into the 2024 Common Stock ATM Program on May 14, 2024, during the year ended March 31, 2025.

During the year ended March 31, 2025, we sold 148,714 shares of our common stock under the 2024 Common Stock ATM Program at a weighted-average gross price of \$13.64 per share and raised approximately \$2.0 million of gross proceeds. The weighted-average net price per share, after deducting commissions and offering costs borne by us, was \$13.48 and resulted in total net proceeds of approximately \$2.0 million. These sales were above our then current NAV per share.

During the year ended March 31, 2024, we sold 3,097,162 shares of our common stock under the 2022 Common Stock ATM Program at a weighted-average gross price of \$14.37 per share and raised approximately \$44.5 million of gross proceeds. The weighted-average net price per share, after deducting commissions and offering costs borne by us, was \$14.12 and resulted in total net proceeds of approximately \$43.7 million. These sales were above our then current NAV per share.

We anticipate issuing equity securities to obtain additional capital in the future. However, we cannot determine the timing or terms of any future equity issuances or whether we will be able to issue equity on terms favorable to us, or at all. When our common stock is trading at a price below NAV per share, the 1940 Act places regulatory constraints on our ability to obtain additional capital by issuing common stock. Generally, the 1940 Act provides that we may not issue and sell our common stock at a price below our NAV per common share, other than to our then existing common stockholders pursuant to a rights offering, without first obtaining approval from our stockholders and our independent directors and meeting other stated requirements. On March 31, 2025, the closing market price of our common stock was \$13.36 per share, representing a 1.4% discount to our NAV of \$13.55 per share as of March 31, 2025.

Revolving Line of Credit

As of March 31, 2025, our Credit Facility had a total commitment amount of \$270.0 million with an "accordion" feature that permits us to increase the size of the facility to \$300.0 million. The Credit Facility has a revolving period end date of October 30, 2026 and a final maturity date of October 30, 2028 (at which time all principal and interest will be due and payable if the Credit Facility is not extended by the revolving period end date). Advances under the Credit Facility generally bear interest at 30-day Term SOFR, subject to a floor of 0.35%, with a SOFR credit spread adjustment of 10 basis points, plus a margin of 3.15% per annum until October 30, 2026, with the margin then increasing to 3.40% for the period from October 30, 2026 to October 30, 2027, and increasing further to 3.65% thereafter. The Credit Facility has an unused commitment fee on the daily unused commitment amount of 0.50% per annum if the daily unused commitment amount is less than or equal to 50% of the total commitment amount, 0.75% per annum if the daily unused commitment amount is greater than 50% but less than or equal to 65% of the total commitment amount, and 1.00% per annum if the daily unused commitment amount is greater than 65% of the total commitment amount.

At March 31, 2025, we had no borrowings outstanding on our Credit Facility and as of the date of this report, we had \$56.0 million outstanding under our Credit Facility.

Interest is payable monthly during the term of our Credit Facility. Available borrowings are subject to various constraints and applicable advance rates, which are generally based on the size, characteristics, and quality of the collateral pledged by Business Investment. Our Credit Facility also requires that any interest and principal payments on pledged loans be

remitted directly by the borrower into a lockbox account with KeyBank. KeyBank is also the trustee of the account and generally remits the collected funds to us once a month.

Among other things, our Credit Facility contains covenants that require Business Investment to maintain its status as a separate legal entity, prohibit certain significant corporate transactions (such as mergers, consolidations, liquidations or dissolutions) and restrict certain material changes to our credit and collection policies without the lenders' consent. Our Credit Facility also generally seeks to restrict distributions to stockholders to the sum of (i) our net investment income, (ii) net capital gains, and (iii) amounts deemed by the Company to be considered as having been paid during the prior fiscal year in accordance with Section 855(a) of the Code. Loans eligible to be pledged as collateral are subject to certain limitations, including, among other things, restrictions on geographic concentrations, industry concentrations, loan size, payment frequency and status, average life, portfolio company leverage, and lien property. Our Credit Facility also requires Business Investment to comply with other financial and operational covenants, which obligate Business Investment to, among other things, maintain certain financial ratios, including asset and interest coverage and a minimum number of obligors required in the borrowing base. Additionally, our Credit Facility contains a performance guaranty that requires the Company to maintain (i) a minimum net worth (defined in our Credit Facility to include any outstanding mandatorily redeemable preferred stock) of the greater of \$210.0 million or \$210.0 million plus 50% of all equity and subordinated debt raised minus 50% of any equity or subordinated debt redeemed or retired after November 16, 2016, which equated to \$412.9 million as of March 31, 2025, (ii) asset coverage with respect to senior securities representing indebtedness of at least 150% (or such percentage as may be set forth in Section 18 of the 1940 Act, as modified by Section 61 of the 1940 Act); and (iii) our status as a BDC under the 1940 Act and as a RIC under the Code. As of March 31, 2025, and as defined in the performance guaranty of our Credit Facility, we had a net worth of \$953.3 million, asset coverage on our senior securities representing indebtedness of 204.4%, calculated in compliance with the requirements of Sections 18 and 61 of the 1940 Act, and an active status as a BDC and RIC. As of March 31, 2025, we had availability, after adjustments for various constraints based on collateral quality, of \$270.0 million under our Credit Facility and were in compliance with all covenants under our Credit Facility.

Notes Payable

5.00% Notes due 2026

In March 2021, we completed a public offering of the 5.00% 2026 Notes with an aggregate principal amount of \$127.9 million, which resulted in net proceeds of approximately \$123.8 million after deducting underwriting discounts, commissions and offering costs borne by us. The 5.00% 2026 Notes are traded under the ticker symbol "GAINN" on Nasdaq. The 5.00% 2026 Notes will mature on May 1, 2026 and may be redeemed in whole or in part at any time or from time to time at the Company's option. The 5.00% 2026 Notes bear interest at a rate of 5.00% per year (which equates to \$6.4 million per year), payable quarterly in arrears.

The indenture relating to the 5.00% 2026 Notes contains certain covenants, including (i) an inability to incur additional debt or issue additional debt or preferred securities unless the Company's asset coverage meets the threshold specified in the 1940 Act after such borrowing, (ii) an inability to declare any dividend or distribution (except a dividend payable in our stock) on a class of our capital stock or to purchase shares of our capital stock unless the Company's asset coverage meets the threshold specified in the 1940 Act at the time of (and giving effect to) such declaration or purchase, and (iii) if, at any time, we are not subject to the reporting requirements of the Exchange Act, we will provide the holders of the 5.00% 2026 Notes and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 5.00% 2026 Notes are recorded at the aggregate principal amount, less underwriting discounts, commissions, and offering costs, on our accompanying *Consolidated Statements of Assets and Liabilities*. Total underwriting discounts, commissions, and offering costs related to this offering were \$4.1 million, which have been recorded as discounts to the aggregate principal amount on our accompanying *Consolidated Statements of Assets and Liabilities* and are being amortized over the period ending May 1, 2026, the maturity date.

4.875% Notes due 2028

In August 2021, we completed a public offering of the 4.875% 2028 Notes with an aggregate principal amount of \$134.6 million, which resulted in net proceeds of approximately \$131.3 million after deducting underwriting discounts, commissions and offering costs borne by us. The 4.875% 2028 Notes are traded under the ticker symbol "GAINZ" on Nasdaq. The 4.875% 2028 Notes will mature on November 1, 2028 and may be redeemed in whole or in part at any time or

from time to time at the Company's option. The 4.875% 2028 Notes bear interest at a rate of 4.875% per year (which equates to \$6.6 million per year), payable quarterly in arrears.

The indenture relating to the 4.875% 2028 Notes contains certain covenants, including (i) an inability to incur additional debt or issue additional debt or preferred securities unless the Company's asset coverage meets the threshold specified in the 1940 Act after such borrowing, (ii) an inability to declare any dividend or distribution (except a dividend payable in our stock) on a class of our capital stock or to purchase shares of our capital stock unless the Company's asset coverage meets the threshold specified in the 1940 Act at the time of (and giving effect to) such declaration or purchase, and (iii) if, at any time, we are not subject to the reporting requirements of the Exchange Act, we will provide the holders of the 4.875% 2028 Notes and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 4.875% 2028 Notes are recorded at the aggregate principal amount, less underwriting discounts, commissions, and offering costs, on our accompanying *Consolidated Statements of Assets and Liabilities*. Total underwriting discounts, commissions, and offering costs related to this offering were \$3.3 million, which have been recorded as discounts to the aggregate principal amount on our accompanying *Consolidated Statements of Assets and Liabilities* and are being amortized over the period ending November 1, 2028, the maturity date.

8.00% Notes due 2028

In May 2023, we completed a public offering of the 8.00% 2028 Notes with an aggregate principal amount of \$74.8 million, which resulted in net proceeds of approximately \$72.3 million after deducting underwriting discounts, commissions and offering costs borne by us. The 8.00% 2028 Notes are traded under the ticker symbol "GAINL" on Nasdaq. The 8.00% 2028 Notes will mature on August 1, 2028 and may be redeemed in whole or in part at any time or from time to time at the Company's option on or after August 1, 2025. The 8.00% 2028 Notes bear interest at a rate of 8.00% per year (which equates to \$6.0 million per year), payable quarterly in arrears.

The indenture relating to the 8.00% 2028 Notes contains certain covenants, including (i) an inability to incur additional debt or issue additional debt or preferred securities unless the Company's asset coverage meets the threshold specified in the 1940 Act after such borrowing, (ii) an inability to declare any dividend or distribution (except a dividend payable in our stock) on a class of our capital stock or to purchase shares of our capital stock unless the Company's asset coverage meets the threshold specified in the 1940 Act at the time of (and giving effect to) such declaration or purchase, and (iii) if, at any time, we are not subject to the reporting requirements of the Exchange Act, we will provide the holders of the 8.00% 2028 Notes and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 8.00% 2028 Notes are recorded at the aggregate principal amount, less underwriting discounts, commissions, and offering costs, on our accompanying *Consolidated Statements of Assets and Liabilities*. Total underwriting discounts, commissions, and offering costs related to this offering were \$2.5 million, which have been recorded as discounts to the aggregate principal amount on our accompanying *Consolidated Statements of Assets and Liabilities* and are being amortized over the period ending August 1, 2028, the maturity date.

7.875% Notes due 2030

In December 2024, we completed a public offering of the 7.875% 2030 Notes with an aggregate principal amount of \$126.5 million, which resulted in net proceeds of approximately \$122.4 million after deducting underwriting discounts, commissions and offering costs borne by us. The 7.875% 2030 Notes are traded under the ticker symbol "GAINI" on Nasdaq. The 7.875% 2030 Notes will mature on February 1, 2030 and may be redeemed in whole or in part at any time or from time to time at the Company's option on or after February 1, 2027. The 7.875% 2030 Notes bear interest at a rate of 7.875% per year (which equates to \$10.0 million per year), payable quarterly in arrears.

The indenture relating to the 7.875% 2030 Notes contains certain covenants, including (i) an inability to incur additional debt or issue additional debt or preferred securities unless the Company's asset coverage meets the threshold specified in the 1940 Act after such borrowing, (ii) an inability to declare any dividend or distribution (except a dividend payable in our stock) on a class of our capital stock or to purchase shares of our capital stock unless the Company's asset coverage meets the threshold specified in the 1940 Act at the time of (and giving effect to) such declaration or purchase, and (iii) if, at any time, we are not subject to the reporting requirements of the Exchange Act, we will provide the holders of the 7.875% 2030

Notes and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 7.875% 2030 Notes are recorded at the aggregate principal amount, less underwriting discounts, commissions, and offering costs, on our accompanying *Consolidated Statements of Assets and Liabilities*. Total underwriting discounts, commissions, and offering costs related to this offering were \$4.1 million, which have been recorded as discounts to the aggregate principal amount on our accompanying *Consolidated Statements of Assets and Liabilities* and are being amortized over the period ending February 1, 2030, the maturity date.

OFF-BALANCE SHEET ARRANGEMENTS

Unlike PIK income, we generally do not recognize success fees as income until payment has been received. Due to the contingent nature of success fees, there are no guarantees that we will be able to collect any or all of these success fees or know the timing of any such collections. As a result, as of March 31, 2025 and 2024, we had unrecognized, contractual off-balance sheet success fee receivables of \$52.5 million and \$44.9 million (or approximately \$1.43 and \$1.23 per common share), respectively, on our debt investments. Consistent with GAAP, we have not recognized success fee receivables and related income in our accompanying *Consolidated Financial Statements* until earned.

CONTRACTUAL OBLIGATIONS

We have line of credit commitments to certain of our portfolio companies that have not been fully drawn. Since these line of credit commitments have expiration dates and we expect many will never be fully drawn, the total line of credit commitment amounts do not necessarily represent future cash requirements. We estimate the fair value of the combined unused line of credit commitments as of March 31, 2025 to be insignificant.

The following table shows our contractual obligations as of March 31, 2025, at cost:

Contractual Obligations ^(A)	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Credit Facility ^(B)	\$ —	\$ —	\$ —	\$ —	\$ —
Notes payable	463,738	—	127,938	335,800	—
Interest payments on obligations ^(C)	108,334	31,636	51,010	25,688	—
Total	\$ 572,072	\$ 31,636	\$ 178,948	\$ 361,488	\$ —

^(A) Excludes unused line of credit commitments to our portfolio companies in the aggregate principal amount of \$3.4 million.

^(B) Principal balance of borrowings outstanding under our Credit Facility, based on the maturity date following the current contractual revolving period end date.

^(C) Includes interest payments due on our Credit Facility and the Notes, as applicable. The amount of interest payments calculated for purposes of this table was based upon rates and outstanding balances as of March 31, 2025.

Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with GAAP requires management to make estimates and assumptions that affect the reported consolidated amounts of assets and liabilities, including disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. Actual results could differ materially from those estimates under different assumptions or conditions. We have identified our investment valuation policy (which has been approved by our Board of Directors) as our most critical accounting policy, which is described in Note 2— *Summary of Significant Accounting Policies* in the accompanying *Notes to Consolidated Financial Statements* included elsewhere in this Annual Report. Additionally, refer to Note 3 — *Investments* in the accompanying *Notes to Consolidated Financial Statements* included elsewhere in this Annual Report for additional information regarding fair value measurements and our application of Financial Accounting Standards Board Accounting Standards Codification Topic 820, “*Fair Value Measurements and Disclosures*.” We have also identified our revenue recognition policy as a critical accounting policy, which is described in Note 2— *Summary of Significant Accounting Policies* in the accompanying *Notes to Consolidated Financial Statements* included elsewhere in this Annual Report.

Investment Valuation

Credit Monitoring and Risk Rating

The Adviser monitors a wide variety of key credit statistics that provide information regarding our portfolio companies to help us assess credit quality and portfolio performance and, in some instances, are used as inputs in our valuation techniques. Generally, we, through the Adviser, participate in periodic board meetings of our portfolio companies in which we hold board seats and also require them to provide annual audited and monthly unaudited financial statements. Using these statements or comparable information and board discussions, the Adviser calculates and evaluates certain credit statistics.

The Adviser risk rates all of our investments in debt securities. The Adviser does not risk rate equity securities. For loans that have been rated by a SEC-registered Nationally Recognized Statistical Rating Organization (“NRSRO”), the Adviser generally uses the average of two corporate level NRSRO’s risk ratings for such security. For all other debt securities, the Adviser uses a proprietary risk rating system. While the Adviser seeks to mirror the NRSRO systems, we cannot provide any assurance that the Adviser’s risk rating system will provide the same risk rating as an NRSRO for these securities. The Adviser’s risk rating system is used to estimate the probability of default on debt securities and the expected loss, if there is a default. The Adviser’s risk rating system uses a scale of 0 to >10, with >10 being the lowest probability of default. It is the Adviser’s understanding that most debt securities of Lower Middle Market companies do not exceed the grade of BBB on an NRSRO scale, so there would be no debt securities in the Lower Middle Market that would meet the definition of AAA, AA or A. Therefore, the Adviser’s scale begins with the designation >10 as the best risk rating which may be equivalent to a BBB from an NRSRO; however, no assurance can be given that a >10 on the Adviser’s scale is equal to a BBB or Baa2 on an NRSRO scale. The Adviser’s risk rating system covers both qualitative and quantitative aspects of the business and the securities we hold.

The following table reflects risk ratings for all loans in our portfolio as of March 31, 2025 and 2024:

Rating	As of March 31,	
	2025	2024
Highest	9.0	9.0
Average	7.0	6.6
Weighted-average	7.7	6.9
Lowest	3.0	3.0

Tax Status

We intend to continue to maintain our qualification as a RIC under Subchapter M of the Code for U.S. federal income tax purposes. As a RIC, we generally are not subject to U.S. federal income tax on the portion of our taxable income and gains distributed to our stockholders. To maintain our qualification as a RIC, we must maintain our status as a BDC and meet certain source-of-income and asset diversification requirements. In addition, to qualify to be taxed as a RIC, we must distribute to stockholders at least 90% of our Investment Company Taxable Income, determined without regard to the dividends paid deduction. Our policy generally is to make distributions to our stockholders in an amount up to 100% of Investment Company Taxable Income. We may retain some or all of our net long-term capital gains, if any, and designate them as deemed distributions, or distribute such gains to stockholders in cash. See “*Business — Material U.S. Federal Income Tax Considerations*” and “*— Liquidity and Capital Resources — Distributions and Dividends to Stockholders.*”

In an effort to limit federal excise taxes, we have to distribute to stockholders, during each calendar year, an amount close to the sum of: (1) 98% of our ordinary income for the calendar year, (2) 98.2% of our net capital gains (both long-term and short-term), if any, for the one-year period ending on October 31 of the calendar year, and (3) any income realized, but not distributed, in the preceding period (to the extent that income tax was not imposed on such amounts), less certain reductions, as applicable. Under the RIC Modernization Act, we are permitted to carryforward any capital losses that we may incur for an unlimited period, and such capital loss carryforwards will retain their character as either short-term or long-term capital losses. Our capital loss carryforward balance was \$0 as of March 31, 2025 and 2024.

Recent Accounting Pronouncements

Refer to Note 2 — *Summary of Significant Accounting Policies* in the accompanying *Notes to Consolidated Financial Statements* included elsewhere in this Annual Report for a description of recent accounting pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. The prices of securities held by us may decline in response to certain events, including those directly involving the companies whose securities are owned by us; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and interest rate fluctuations.

The primary risk we believe we are exposed to is interest rate risk. Because we borrow money to make investments, our net investment income is dependent upon the difference between the rates at which we borrow funds, such as under our Credit Facility (which is variable) and the Notes (which are fixed), and the rates at which we invest those funds. 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 use a combination of debt and equity capital to finance our investing activities. We may use interest rate risk management techniques to limit our exposure to interest rate fluctuations. Such techniques may include various interest rate hedging activities to the extent permitted by the 1940 Act.

We target to have approximately 90% of the loans in our portfolio at variable rates or variable rates with a floor mechanism, and approximately up to 10% at fixed rates. As of March 31, 2025 and 2024, all of our variable-rate loans had rates associated with the current 30-day SOFR rate and our total debt investment portfolio consisted of the following breakdown based on the principal balance:

Rates:	As of March 31,	
	2025	2024
Variable rates with a floor	100.0 %	100.0 %
Fixed rates	— %	— %
Total	100.0 %	100.0 %

We had no borrowings outstanding under our Credit Facility as of March 31, 2025 and \$67.0 million borrowings outstanding as of March 31, 2024. As of March 31, 2025, the 5.00% 2026 Notes, 4.875% 2028 Notes, 8.00% 2028 Notes and 7.875% 2030 Notes had outstanding principal balances of \$127.9 million, \$134.6 million, \$74.8 million and \$126.5 million, respectively. As of March 31, 2024, the 5.00% 2026 Notes, 4.875% 2028 Notes and 8.00% 2028 Notes had outstanding principal balances of \$127.9 million, \$134.6 million and \$74.8 million, respectively.

Advances under the Credit Facility generally bear interest at 30-day Term SOFR, subject to a floor of 0.35%, with a SOFR credit spread adjustment of 10 basis points, plus a margin of 3.15% per annum until October 30, 2026, with the margin then increasing to 3.40% for the period from October 30, 2026 to October 30, 2027, and increasing further to 3.65% thereafter. The Credit Facility has an unused commitment fee on the daily unused commitment amount of 0.50% per annum if the daily unused commitment amount is less than or equal to 50% of the total commitment amount, 0.75% per annum if the daily unused commitment amount is greater than 50% but less than or equal to 65% of the total commitment amount, and 1.00% per annum if the daily unused commitment amount is greater than 65% of the total commitment amount.

To illustrate the potential impact of changes in interest rates, we have performed the following hypothetical analysis, which assumes that our balance sheet and interest rates remain constant as of March 31, 2025 and no further actions are taken to alter our existing interest rate sensitivity.

Basis Point Change	Increase (Decrease) in Interest Income	Increase (Decrease) in Interest Expense	Net Increase (Decrease) in Net Assets Resulting from Operations
Up 300 basis points	\$ 16,112	\$ —	\$ 16,112
Up 200 basis points	\$ 10,047	\$ —	\$ 10,047
Up 100 basis points	\$ 4,260	\$ —	\$ 4,260
Down 100 basis points	\$ (3,192)	\$ —	\$ (3,192)
Down 200 basis points	\$ (5,739)	\$ —	\$ (5,739)
Down 300 basis points	\$ (6,998)	\$ —	\$ (6,998)

Although management believes that this analysis is indicative of our existing interest rate sensitivity, it does not adjust for potential changes in credit quality, size and composition of our loan portfolio on the balance sheet and other business developments, including portfolio company defaults, that could affect net increase (decrease) in net assets resulting from operations. Accordingly, actual results could differ significantly from those in the hypothetical analysis in the table above.

We may also experience risk associated with investing in securities of companies with foreign operations. Some of our portfolio companies have operations located outside the U.S. These risks include, but are not limited to, fluctuations in foreign currency exchange rates, potential tariffs, imposition of foreign taxes, changes in exportation regulations and political and social instability.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Management's Annual Report on Internal Control over Financial Reporting

To the Board of Directors and Stockholders of Gladstone Investment Corporation:

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is 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 and include those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and the dispositions of our assets; (2) provide reasonable assurance that our transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with appropriate authorizations; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our 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.

Under the supervision and with the participation of our management, including our chief executive officer and our chief financial officer, we assessed the effectiveness of our internal control over financial reporting as of March 31, 2025, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework (2013)*. Based on its assessment, management has concluded that our internal control over financial reporting was effective as of March 31, 2025.

May 13, 2025

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Gladstone Investment Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of assets and liabilities, including the consolidated schedules of investments, of Gladstone Investment Corporation and its subsidiaries (the “Company”) as of March 31, 2025 and 2024, and the related consolidated statements of operations, of changes in net assets and of cash flows for each of the three years in the period ended March 31, 2025, including the related notes and financial statement schedule listed in the index appearing under Item 15(a)(2) (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025 and 2024, and the results of its operations, changes in its net assets and its cash flows for each of the three years in the period ended March 31, 2025 in conformity with accounting principles generally accepted in the United States of America.

We have also previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of assets and liabilities, including the consolidated schedules of investments, of the Company as of March 31, 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016, and the related consolidated statements of operations, changes in net assets and cash flows for the years ended March 31, 2022, 2021, 2020, 2019, 2018, 2017, and 2016 (none of which are presented herein), and we expressed unqualified opinions on those consolidated financial statements. In our opinion, the information set forth in the Senior Securities table of the Company for each of the ten years in the period ended March 31, 2025, appearing on Item 5 of this Form 10-K, is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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 of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. Our procedures included confirmation of securities owned as of March 31, 2025 and 2024 by correspondence with the custodian, portfolio company investees, and an escrow agent. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Level 3 Investments

As described in Notes 2 and 3 to the consolidated financial statements, the Company held \$974.3 million of total level 3 investments at fair value as of March 31, 2025. Management uses significant unobservable inputs in estimating the fair value of its level 3 investments, including (i) with respect to investments valued using a total enterprise value, portfolio company earnings before interest, taxes, depreciation and amortization (“EBITDA”) and EBITDA multiples, revenue and revenue multiples, or a discounted cash flow analysis using estimated risk-adjusted discount rates; (ii) with respect to investments valued using a yield analysis, a modified discount rate; and (iii) with respect to investments valued using market quotations for which a limited market exists, the lower indicative bid price in the bid-to-ask price range.

The principal considerations for our determination that performing procedures relating to the valuation of level 3 investments is a critical audit matter are (i) the significant judgment by management to determine the fair value of these level 3 investments using a total enterprise value or yield analysis due to the use of significant unobservable inputs, which in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence related to the EBITDA and EBITDA multiples and revenue and revenue multiples used in a total enterprise value and the modified discount rate used in a yield analysis, and (ii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, either (i) testing management’s process for determining the fair value estimate, including testing the completeness and accuracy of data provided by management, evaluating the appropriateness of management’s valuation methods, and evaluating the reasonableness of the EBITDA and EBITDA multiples and revenue and revenue multiples used in a total enterprise value and the modified discount rate used in a yield analysis by considering current and past performance of the investment, consistency of the unobservable inputs with external market data and evidence obtained in other areas of the audit, and management’s historical forecasting accuracy, or (ii) the involvement of professionals with specialized skill and knowledge to assist in developing an independent fair value estimate for certain level 3 investments and comparison of management’s estimate to the independently developed estimate. Developing an independent fair value estimate involved testing the completeness and accuracy of data provided by management and independently developing significant unobservable inputs related to the modified discount rate for those investments valued using a yield analysis and the EBITDA and EBITDA multiples or revenue and revenue multiples for those investments valued using a total enterprise value.

/s/ PricewaterhouseCoopers LLP

Washington, District of Columbia

May 13, 2025

We have served as the Company’s auditor since 2005.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(DOLLAR AMOUNTS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	March 31,	
	2025	2024
ASSETS		
Investments at fair value		
Non-Control/Non-Affiliate investments (Cost of \$562,371 and \$544,799, respectively)	\$ 648,589	\$ 622,233
Affiliate investments (Cost of \$359,286 and \$292,082, respectively)	330,388	295,366
Control investments (Cost of \$17,409 and \$17,409, respectively)	343	2,905
Cash and cash equivalents	14,298	2,460
Restricted cash and cash equivalents	856	760
Interest receivable	5,582	7,627
Due from administrative agent	2,891	3,427
Deferred financing costs, net	1,471	1,643
Other assets, net	1,986	1,662
TOTAL ASSETS	\$ 1,006,404	\$ 938,083
LIABILITIES		
Borrowings:		
Line of credit at fair value (Cost of \$0 and \$67,000, respectively)	\$ —	\$ 67,000
Notes payable, net	455,709	331,345
Total borrowings	455,709	398,345
Accounts payable and accrued expenses	1,291	732
Interest payable	4,879	3,465
Fees due to Adviser ^(A)	43,817	41,344
Fee due to Administrator ^(A)	767	727
Other liabilities	857	759
TOTAL LIABILITIES	507,320	445,372
Commitments and contingencies ^(B)		
NET ASSETS	\$ 499,084	\$ 492,711
ANALYSIS OF NET ASSETS		
Common stock, \$0.001 par value per share, 100,000,000 shares authorized; 36,837,381 and 36,688,667 shares issued and outstanding, respectively	\$ 37	\$ 37
Capital in excess of par value	445,512	444,706
Cumulative net unrealized appreciation of investments	40,254	66,214
Overdistributed net investment income	(5,325)	(19,562)
Accumulated net realized gain in excess of distributions	18,606	1,316
Total distributable earnings	53,535	47,968
TOTAL NET ASSETS	\$ 499,084	\$ 492,711
NET ASSET VALUE PER SHARE	\$ 13.55	\$ 13.43

^(A) Refer to Note 4 — *Related Party Transactions* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

^(B) Refer to Note 10 — *Commitments and Contingencies* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLAR AMOUNTS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	Year Ended March 31,		
	2025	2024	2023
INVESTMENT INCOME			
Interest income:			
Non-Control/Non-Affiliate investments	\$ 59,762	\$ 56,424	\$ 41,872
Affiliate investments	23,605	24,578	18,323
Cash and cash equivalents	245	792	81
Total interest income	83,612	81,794	60,276
Dividend income:			
Non-Control/Non-Affiliate investments	3,254	—	4,847
Affiliate investments	26	1,907	6,018
Total dividend income	3,280	1,907	10,865
Success fee income:			
Non-Control/Non-Affiliate investments	5,934	2,285	9,801
Affiliate investments	836	1,320	601
Total success fee income	6,770	3,605	10,402
Total investment income	93,662	87,306	81,543
EXPENSES			
Base management fee ^(A)	19,105	17,500	14,798
Loan servicing fee ^(A)	9,636	9,118	7,880
Incentive fee ^(A)	12,265	21,047	8,880
Administration fee ^(A)	1,914	1,789	1,811
Interest expense on borrowings	28,246	24,121	15,877
Amortization of deferred financing costs and discounts	2,852	2,305	1,802
Professional fees	1,593	1,382	1,916
Other general and administrative expenses	4,701	2,981	3,270
Expenses before credits from Adviser	80,312	80,243	56,234
Credits to base management fee – loan servicing fee ^(A)	(9,636)	(9,118)	(7,880)
Credits to fees from Adviser - other ^(A)	(5,109)	(5,596)	(3,811)
Total expenses, net of credits to fees	65,567	65,529	44,543
NET INVESTMENT INCOME	\$ 28,095	\$ 21,777	\$ 37,000
REALIZED AND UNREALIZED GAIN (LOSS)			
Net realized gain (loss):			
Non-Control/Non-Affiliate investments	\$ 19,811	\$ 43,749	\$ 7,561
Affiliate investments	43,373	275	3,469
Control investments	—	(13,768)	(277)
Total net realized gain	63,184	30,256	10,753
Net unrealized appreciation (depreciation):			
Non-Control/Non-Affiliate investments	8,786	9,864	14,218
Affiliate investments	(32,184)	10,317	(23,792)
Control investments	(2,562)	13,120	(2,661)
Other	—	(29)	29
Total net unrealized (depreciation) appreciation	(25,960)	33,272	(12,206)
Net realized and unrealized gain (loss)	37,224	63,528	(1,453)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 65,319	\$ 85,305	\$ 35,547
BASIC AND DILUTED PER COMMON SHARE:			
Net investment income	\$ 0.76	\$ 0.63	\$ 1.11
Net increase in net assets resulting from operations	\$ 1.78	\$ 2.47	\$ 1.07
WEIGHTED-AVERAGE SHARES OF COMMON STOCK OUTSTANDING:			
Basic and diluted	36,735,218	34,466,724	33,311,785

^(A) Refer to Note 4 — *Related Party Transactions* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
(IN THOUSANDS)

	Year Ended March 31,		
	2025	2024	2023
NET ASSETS, BEGINNING OF YEAR	\$ 492,711	\$ 439,742	\$ 445,830
OPERATIONS			
Net investment income	\$ 28,095	\$ 21,777	\$ 37,000
Net realized gain on investments	63,184	30,256	10,753
Net unrealized (depreciation) appreciation of investments	(25,960)	33,301	(12,235)
Net unrealized (appreciation) depreciation of other	—	(29)	29
Net increase in net assets from operations	65,319	85,305	35,547
DISTRIBUTIONS^(A)			
Distributions to common stockholders from net investment income (\$0.64, \$1.08, and \$0.92 per share, respectively)	(23,480)	(37,509)	(30,833)
Distributions to common stockholders from cumulative realized gains (\$1.02, \$1.12, and \$0.49 per share, respectively)	(37,471)	(38,552)	(16,217)
Net decrease in net assets from distributions	(60,951)	(76,061)	(47,050)
CAPITAL ACTIVITY			
Issuance of common stock	2,029	44,508	5,492
Discounts, commissions, and offering costs for issuance of common stock	(24)	(783)	(77)
Net increase in net assets from capital activity	2,005	43,725	5,415
TOTAL INCREASE (DECREASE) IN NET ASSETS	6,373	52,969	(6,088)
NET ASSETS, END OF YEAR^(A)	<u>\$ 499,084</u>	<u>\$ 492,711</u>	<u>\$ 439,742</u>

^(A) Refer to Note 8 — *Distributions to Common Stockholders* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	Year Ended March 31,		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net increase in net assets resulting from operations	\$ 65,319	\$ 85,305	\$ 35,547
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:			
Purchase of investments	(221,217)	(183,924)	(133,756)
Principal repayments of investments	123,600	28,000	52,300
Net proceeds from the sale and recapitalization of investments	76,025	52,228	35,533
Net realized gain on investments	(63,184)	(30,256)	(10,753)
Net unrealized depreciation (appreciation) of investments	25,960	(33,301)	12,235
Net unrealized appreciation (depreciation) of other	—	29	(29)
Amortization of premiums, discounts, and acquisition costs, net	—	—	(12)
Amortization of deferred financing costs and discounts	2,852	2,305	1,802
Bad debt expense, net of recoveries	1,601	1	362
Changes in assets and liabilities:			
Decrease (increase) in interest receivable	761	(4,589)	4
Decrease in due from administrative agent	536	472	2,507
Increase in other assets, net	(436)	(181)	(446)
Increase (decrease) in accounts payable and accrued expenses	559	(54)	(13)
Increase in interest payable	1,414	1,156	119
Increase (decrease) in fees due to Adviser ^(A)	2,380	12,375	(435)
Increase in fee due to Administrator ^(A)	40	11	89
Increase in other liabilities	98	485	442
Net cash provided by (used in) operating activities	16,308	(69,938)	(4,504)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of common stock	2,029	44,508	5,492
Discounts, commissions, and offering costs for issuance of common stock	(24)	(609)	(77)
Proceeds from line of credit	214,100	242,300	102,500
Repayments on line of credit	(281,100)	(210,500)	(67,300)
Proceeds from issuance of notes payable	126,500	74,750	—
Deferred financing and offering costs	(4,928)	(4,478)	(308)
Distributions paid to common stockholders	(60,951)	(76,061)	(47,050)
Net cash (used in) provided by financing activities	(4,374)	69,910	(6,743)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS	11,934	(28)	(11,247)
CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS, BEGINNING OF YEAR	3,220	3,248	14,495
CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS, END OF YEAR	\$ 15,154	\$ 3,220	\$ 3,248
CASH PAID FOR INTEREST	\$ 25,431	\$ 21,978	\$ 14,103

^(A) Refer to Note 4 — *Related Party Transactions* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

Supplemental disclosures of non-cash operating activities:

For the year ended March 31, 2024:

- In March 2024, we recognized a \$14.7 million realized loss on our preferred and common equity investments and related first and second lien debt investments in The Mountain Corporation ("The Mountain") upon its liquidation and dissolution.

For the year ended March 31, 2023:

- In August 2022, in conjunction with a refinancing at Ginsey Home Solutions, Inc. ("Ginsey"), there was a \$5.1 million payment made by Ginsey to extinguish our secured borrowing liability.
- In December 2022, we replaced our previously outstanding secured second lien term loan and second lien delayed draw term loan to The Mountain with a total aggregate cost basis of \$13.2 million with a new \$3.2 million secured second lien term loan, which resulted in a realized loss of \$10.0 million.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
MARCH 31, 2025
(DOLLAR AMOUNTS IN THOUSANDS)

Company and Investment ^{(A)(B)(D)(E)}	Principal/Shares/ Units ^{(F)(H)}	Cost	Fair Value
NON-CONTROL/NON-AFFILIATE INVESTMENTS^(L) – 130.0%			
Secured First Lien Debt – 60.3%			
Aerospace and Defense – 12.3%			
Ricardo Defense, Inc. ^(K) – Term Debt (SOFR+9.0%, 13.3% Cash, Due 12/2029) ^(J)	\$ 61,305	\$ 61,305	\$ 61,305
Buildings and Real Estate – 7.7%			
Dema/Mai Holdings, Inc. – Term Debt (SOFR+11.0%, 15.3% Cash, Due 7/2027) ^(J)	38,250	38,250	38,250
Diversified/Conglomerate Manufacturing – 1.2%			
Phoenix Door Systems, Inc. – Line of Credit, \$0 available (SOFR+1.4%, 5.7% Cash (0.3% Unused Fee), Due 9/2026) ^(J)	2,950	2,950	2,950
Phoenix Door Systems, Inc. – Term Debt (SOFR+3.4%, 7.7% Cash, Due 9/2026) ^(J)	3,200	3,200	3,200
		6,150	6,150
Diversified/Conglomerate Services – 11.0%			
Horizon Facilities Services, Inc. – Term Debt (SOFR+0.5%, 6.0% Cash, Due 6/2026) ^(J)	57,700	57,700	29,634
Mason West, LLC – Term Debt (SOFR+10.0%, 14.3% Cash, Due 7/2025) ^(J)	25,250	25,250	25,250
		82,950	54,884
Healthcare, Education, and Childcare – 6.0%			
Educators Resource, Inc. – Term Debt (SOFR+10.5%, 14.8% Cash, Due 2/2030) ^(J)	30,000	30,000	30,000
Home and Office Furnishings, Housewares, and Durable Consumer Products – 7.4%			
Brunswick Bowling Products, Inc. – Term Debt (SOFR+10.0%, 14.3% Cash, Due 3/2029) ^(J)	17,700	17,700	17,700
Brunswick Bowling Products, Inc. – Term Debt (SOFR+10.0%, 14.3% Cash, Due 3/2029) ^(J)	6,850	6,850	6,850
Ginsey Home Solutions, Inc. – Term Debt (SOFR+10.0%, 14.3% Cash, Due 11/2025) ^(J)	12,200	12,200	12,200
		36,750	36,750
Leisure, Amusement, Motion Pictures, and Entertainment – 5.6%			
Schylling, Inc. – Term Debt (SOFR+11.0%, 15.3% Cash, Due 9/2027) ^(J)	27,981	27,981	27,981
Oil and Gas – 6.8%			
The E3 Company, LLC – Term Debt (SOFR+9.0%, 13.5% Cash, Due 9/2028) ^(J)	33,750	33,750	33,750
Printing and Publishing – 2.3%			
Home Concepts Acquisition, Inc. – Line of Credit, \$0 available (SOFR+6.0%, 10.3% Cash, Due 11/2025) ^(J)	2,000	2,000	2,000
Home Concepts Acquisition, Inc. – Line of Credit, \$0 available (SOFR+6.0%, 10.3% Cash, Due 11/2025) ^(J)	400	400	400
Home Concepts Acquisition, Inc. – Term Debt (SOFR+9.0%, 13.3% Cash, Due 5/2028) ^(J)	12,000	12,000	9,281
		14,400	11,681
Total Secured First Lien Debt		\$ 331,536	\$ 300,751
Secured Second Lien Debt – 18.6%			
Aerospace and Defense – 5.2%			
Galaxy Technologies Holdings, Inc. – Term Debt (SOFR+4.1%, 8.4% Cash, Due 10/2026) ^(J)	\$ 6,900	\$ 6,900	\$ 6,900
Galaxy Technologies Holdings, Inc. – Term Debt (SOFR+7.0%, 11.3% Cash, Due 10/2026) ^(J)	18,796	18,796	18,796
		25,696	25,696
Cargo Transport – 2.5%			
Diligent Delivery Systems – Term Debt (SOFR+9.0%, 13.3% Cash, Due 9/2025) ^{(G)(J)}	13,000	13,000	12,624
Machinery (Non-Agriculture, Non-Construction, and Non-Electronic) – 10.9%			
SFEG Holdings, Inc. – Term Debt (SOFR+7.0%, 12.5% Cash, Due 10/2028) ^(J)	54,644	54,644	54,644
Total Secured Second Lien Debt		\$ 93,340	\$ 92,964

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
MARCH 31, 2025
(DOLLAR AMOUNTS IN THOUSANDS)

Company and Investment ^{(A)(B)(D)(E)}	Principal/Shares/ Units ^{(F)(H)}	Cost	Fair Value
Preferred Equity – 40.2%			
Aerospace and Defense – 3.5%			
Ricardo Defense, Inc. ^(K) – Preferred Stock ^{(C)(J)}	17,388	\$ 17,388	\$ 17,388
Buildings and Real Estate – 6.2%			
Dema/Mai Holdings, Inc. – Preferred Stock ^{(C)(J)}	21,000	21,000	31,070
Diversified/Conglomerate Services – 2.7%			
Horizon Facilities Services, Inc. – Preferred Stock ^{(C)(J)}	10,080	—	—
Mason West, LLC – Preferred Stock ^{(C)(J)}	11,206	11,206	13,262
		<u>11,206</u>	<u>13,262</u>
Healthcare, Education, and Childcare – 4.3%			
Educators Resource, Inc. – Preferred Stock ^{(C)(J)}	8,560	8,560	21,501
Home and Office Furnishings, Housewares, and Durable Consumer Products – 12.2%			
Brunswick Bowling Products, Inc. – Preferred Stock ^{(C)(J)}	6,653	6,653	51,877
Ginsey Home Solutions, Inc. – Preferred Stock ^{(C)(J)}	19,280	9,583	9,070
		<u>16,236</u>	<u>60,947</u>
Leisure, Amusement, Motion Pictures, and Entertainment – 4.1%			
Schylling, Inc. – Preferred Stock ^{(C)(J)}	4,000	4,000	20,599
Oil and Gas – 7.2%			
The E3 Company, LLC – Preferred Stock ^{(C)(J)}	11,233	11,233	35,839
Printing and Publishing - 0.0%			
Home Concepts Acquisition, Inc. – Preferred Stock ^{(C)(J)}	3,275	3,275	—
Total Preferred Equity		<u>\$ 92,898</u>	<u>\$ 200,606</u>
Common Equity/Equivalents – 10.9%			
Aerospace and Defense – 0.7%			
Galaxy Technologies Holdings, Inc. – Common Stock ^{(C)(J)}	16,957	\$ 11,513	\$ 3,480
Cargo Transport – 0.0%			
Diligent Delivery Systems – Common Stock Warrants ^{(C)(J)}	8 %	500	—
Diversified/Conglomerate Manufacturing – 0.0%			
Phoenix Door Systems, Inc. – Common Stock ^{(C)(J)}	4,221	1,830	—
Home and Office Furnishings, Housewares, and Durable Consumer Products – 0.0%			
Ginsey Home Solutions, Inc. – Common Stock ^{(C)(J)}	63,747	8	—
Machinery (Non-Agriculture, Non-Construction, and Non-Electronic) – 10.2%			
SFEG Holdings, Inc. – Common Stock ^{(C)(J)}	18,721	30,746	50,788
Total Common Equity/Equivalents		<u>\$ 44,597</u>	<u>\$ 54,268</u>
Total Non-Control/Non-Affiliate Investments		<u><u>\$ 562,371</u></u>	<u><u>\$ 648,589</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
MARCH 31, 2025
(DOLLAR AMOUNTS IN THOUSANDS)

Company and Investment ^{(A)(B)(D)(E)}	Principal/Shares/ Units ^{(F)(H)}	Cost	Fair Value
AFFILIATE INVESTMENTS^(M) – 66.1%			
Secured First Lien Debt – 42.7%			
Diversified/Conglomerate Services – 16.2%			
ImageWorks Display and Marketing Group, Inc. – Term Debt (SOFR+11.0%, 15.3% Cash, Due 11/2028) ^(J)	\$ 22,000	22,000	22,000
J.R. Hobbs Co. - Atlanta, LLC – Line of Credit, \$0 available (SOFR+6.0%, 10.3% Cash, Due 6/2025) ^{(G)(J)}	5,000	5,000	3,036
J.R. Hobbs Co. - Atlanta, LLC - Term Debt (SOFR+6.0%, 10.3% Cash, Due 6/2025) ^{(G)(J)}	16,500	16,500	10,019
J.R. Hobbs Co. - Atlanta, LLC – Term Debt (SOFR+10.3%, 14.6% Cash, Due 6/2025) ^{(G)(J)}	26,000	26,000	15,788
J.R. Hobbs Co. - Atlanta, LLC – Term Debt (SOFR+6.0%, 10.3% Cash, Due 6/2025) ^{(G)(J)}	2,438	2,438	1,480
The Maids International, LLC – Term Debt (SOFR+10.5%, 14.8% Cash, Due 3/2028) ^(J)	28,560	28,560	28,560
		100,498	80,883
Electronics – 9.9%			
Nielsen-Kellerman Acquisition Corp. ^(K) – Line of Credit, \$2,820 available (SOFR+5.0%, 10.0% Cash, Due 12/2025) ^(J)	1,070	1,070	1,070
Nielsen-Kellerman Acquisition Corp. ^(K) – Term Debt (SOFR+8.5%, 13.5% Cash, Due 12/2029) ^(J)	48,082	48,082	48,082
		49,152	49,152
Home and Office Furnishings, Housewares, and Durable Consumer Products – 7.6%			
Old World Christmas, Inc. – Term Debt (SOFR+9.5%, 13.8% Cash, Due 12/2028) ^(J)	38,000	38,000	38,000
Leisure, Amusement, Motion Pictures, and Entertainment – 4.5%			
Pyrotek Special Effects, Inc. ^(P) – Line of Credit, \$500 available (SOFR+5.0%, 10.0% Cash, Due 11/2026) ^(J)	2,500	2,500	2,500
Pyrotek Special Effects, Inc. ^(P) – Term Debt (SOFR+8.0%, 13.0% Cash, Due 11/2029) ^(J)	20,120	20,120	20,120
		22,620	22,620
Mining, Steel, Iron and Non-Precious Metals – 3.0%			
UPB Acquisition, Inc. – Term Debt (SOFR+10.0%, 14.3% Cash, Due 7/2026) ^(J)	15,000	15,000	15,000
Telecommunications – 1.5%			
B+T Group Acquisition, Inc. ^(K) – Line of Credit, \$0 available (SOFR+2.0%, 7.0% Cash, Due 12/2026) ^{(G)(J)}	3,080	3,080	3,080
B+T Group Acquisition, Inc. ^(K) – Line of Credit, \$120 available (SOFR+2.0%, 7.0% Cash, Due 6/2025) ^{(G)(J)}	930	930	930
B+T Group Acquisition, Inc. ^(K) – Term Debt (SOFR+2.0%, 7.0% Cash, Due 12/2026) ^{(G)(J)}	14,000	14,000	3,575
		18,010	7,585
Total Secured First Lien Debt		\$ 243,280	\$ 213,240
Secured Second Lien Debt – 2.1%			
Chemicals, Plastics, and Rubber – 2.1%			
PSI Molded Plastics, Inc. – Term Debt (SOFR+1.0%, 7.0% Cash, Due 1/2028) ^(J)	\$ 10,616	\$ 10,616	\$ 10,616
Total Secured Second Lien Debt		\$ 10,616	\$ 10,616
Preferred Equity – 20.3%			
Chemicals, Plastics, and Rubber – 0.2%			
PSI Molded Plastics, Inc. – Preferred Stock ^{(C)(J)}	322,598	\$ 36,130	\$ 996
Diversified/Conglomerate Services – 4.3%			
ImageWorks Display and Marketing Group, Inc. – Preferred Stock ^{(C)(J)}	67,490	6,749	12,921
J.R. Hobbs Co. – Atlanta, LLC – Preferred Stock ^{(C)(J)}	10,920	10,920	—
The Maids International, LLC – Preferred Stock ^{(C)(J)}	6,640	6,640	8,410
		24,309	21,331
Electronics – 4.5%			
Nielsen-Kellerman Acquisition Corp. ^(K) – Preferred Stock ^{(C)(J)}	22,169	22,169	22,421

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
MARCH 31, 2025
(DOLLAR AMOUNTS IN THOUSANDS)

Company and Investment ^{(A)(B)(D)(E)}	Principal/Shares/ Units ^{(F)(H)}	Cost	Fair Value
Home and Office Furnishings, Housewares, and Durable Consumer Products – 4.7%			
Old World Christmas, Inc. – Preferred Stock ^{(C)(J)}	6,180	\$ —	\$ 23,539
Leisure, Amusement, Motion Pictures, and Entertainment – 1.4%			
Pyrotek Special Effects, Inc. ^(P) – Preferred Stock ^{(C)(J)}	7,060	7,060	7,260
Mining, Steel, Iron and Non-Precious Metals – 5.2%			
UPB Acquisition, Inc. – Preferred Stock ^{(C)(J)}	6,000	6,000	26,010
Telecommunications – 0.0%			
B+T Group Acquisition, Inc. ^(K) – Preferred Stock ^{(C)(J)}	14,304	4,722	—
Total Preferred Equity		\$ 100,390	\$ 101,557
Common Equity/Equivalents – 1.0%			
Finance – 1.0%			
Gladstone Alternative Income Fund – Common Equity ^{(C)(O)}	500,000	\$ 5,000	\$ 4,975
Telecommunications – 0.0%			
B+T Group Acquisition, Inc. ^(K) – Common Stock Warrants ^{(C)(J)}	3.5 %	—	—
Total Common Equity/Equivalents		\$ 5,000	\$ 4,975
Total Affiliate Investments		\$ 359,286	\$ 330,388
CONTROL INVESTMENTS^(N) – 0.1%			
Secured First Lien Debt – 0.1%			
Diversified/Conglomerate Manufacturing – 0.1%			
Edge Adhesives Holdings, Inc. ^(K) – Term Debt (SOFR+5.5%, 9.8% Cash, Due 8/2026) ^{(G)(J)}	9,210	\$ 9,210	\$ 343
Total Secured First Lien Debt		\$ 9,210	\$ 343
Preferred Equity – 0.0%			
Diversified/Conglomerate Manufacturing – 0.0%			
Edge Adhesives Holdings, Inc. ^(K) – Preferred Stock ^{(C)(J)}	8,199	\$ 8,199	\$ —
Total Preferred Equity		\$ 8,199	\$ —
Total Control Investments		\$ 17,409	\$ 343
TOTAL INVESTMENTS – 196.2%^(Q)		\$ 939,066	\$ 979,320

^(A) Certain of the securities listed are issued by affiliate(s) of the indicated portfolio company. The majority of the securities listed, totaling \$764.7 million at fair value, are pledged as collateral to our revolving line of credit, as described further in Note 5—*Borrowings* in the accompanying *Notes to Consolidated Financial Statements*. Additionally, under Section 55 of the Investment Company Act of 1940, as amended (the "1940 Act"), we may not acquire any non-qualifying assets unless, at the time such acquisition is made, qualifying assets represent at least 70% of our total assets.

^(B) Unless indicated otherwise, all cash interest rates are indexed to 30-day Secured Overnight Financing Rate ("SOFR"), which was 4.3% as of March 31, 2025. If applicable, paid-in-kind interest rates are noted separately from the cash interest rate. Certain securities are subject to an interest rate floor. The cash interest rate is the greater of the floor or reference rate plus a spread. Due dates represent the contractual maturity date.

^(C) Security is non-income producing.

^(D) Category percentages represent the fair value of each category and subcategory as a percentage of net assets as of March 31, 2025.

^(E) Unless indicated otherwise, all of our investments are valued using Level 3 inputs within the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, "Fair Value Measurements and Disclosures" ("ASC 820") fair value hierarchy. Refer to Note 3—*Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

^(F) Where applicable, aggregates all shares of a class of stock owned without regard to specific series owned within such class (some series of which may or may not be voting shares) or aggregates all warrants to purchase shares of a class of stock owned without regard to specific series of such class of stock such warrants allow us to purchase.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
MARCH 31, 2025
(DOLLAR AMOUNTS IN THOUSANDS)

- (G) Debt security is on non-accrual status.
- (H) Represents the principal balance, presented in thousands, for debt investments and the number of shares/units held for equity investments. Warrants are represented as a percentage of ownership, as applicable.
- (I) Fair value was based on an internal yield analysis or on estimates of value submitted by a third-party valuation firm. Refer to Note 3—*Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.
- (J) Fair value was based on the total enterprise value of the portfolio company, which is generally allocated to the portfolio company's securities in order of their relative priority in the capital structure. Refer to Note 3—*Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.
- (K) One or more of our affiliated funds, Gladstone Capital Corporation and Gladstone Alternative Income Fund, co-invested with us in this portfolio company pursuant to an exemptive order granted by the U.S. Securities and Exchange Commission.
- (L) Non-Control/Non-Affiliate investments, as defined by the 1940 Act, are those that are neither Control nor Affiliate investments and in which we own less than 5.0% of the issued and outstanding voting securities.
- (M) Affiliate investments, as defined by the 1940 Act, are those that are not Control investments and in which we own, with the power to vote, between and inclusive of 5.0% and 25.0% of the issued and outstanding voting securities.
- (N) Control investments, as defined by the 1940 Act, are those where we have the power to exercise a controlling influence over the management or policies of the portfolio company, which may include owning, with the power to vote, more than 25.0% of the issued and outstanding voting securities.
- (O) Fair value was based on net asset value, provided by the underlying fund, as a practical expedient.
- (P) This portfolio company is headquartered in Ontario, Canada.
- (Q) Cumulative gross unrealized appreciation for federal income tax purposes is \$183.3 million; cumulative gross unrealized depreciation for federal income tax purposes is \$144.9 million. Cumulative net unrealized appreciation is \$38.5 million, based on a tax cost of \$940.9 million.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
MARCH 31, 2024
(DOLLAR AMOUNTS IN THOUSANDS)

Company and Investment ^{(A)(B)(D)(E)}	Principal/Shares/ Units ^{(F)(H)}	Cost	Fair Value
NON-CONTROL/NON-AFFILIATE INVESTMENTS^(L) – 126.3%			
Secured First Lien Debt – 65.9%			
Buildings and Real Estate – 7.8%			
Dema/Mai Holdings, Inc. – Term Debt (SOFR+11.0%, 16.3% Cash, Due 7/2027) ^(J)	\$ 38,250	\$ 38,250	\$ 38,250
Diversified/Conglomerate Manufacturing – 1.1%			
Phoenix Door Systems, Inc. – Line of Credit, \$0 available (SOFR+7.0%, 12.3% Cash (0.3% Unused Fee), Due 9/2026) ^(J)	2,750	2,750	2,750
Phoenix Door Systems, Inc. – Term Debt (SOFR+11.0%, 16.3% Cash, Due 9/2026) ^(J)	3,200	3,200	2,817
		5,950	5,567
Diversified/Conglomerate Services – 16.8%			
Horizon Facilities Services, Inc. – Term Debt (SOFR+7.5%, 12.8% Cash, Due 6/2026) ^(J)	57,700	57,700	57,700
Mason West, LLC – Term Debt (SOFR+10.0%, 15.3% Cash, Due 7/2025) ^(J)	25,250	25,250	25,250
		82,950	82,950
Healthcare, Education, and Childcare – 4.1%			
Educators Resource, Inc. – Term Debt (SOFR+10.5%, 15.8% Cash, Due 3/2025) ^(J)	20,000	20,000	20,000
Home and Office Furnishings, Housewares, and Durable Consumer Products – 7.5%			
Brunswick Bowling Products, Inc. – Term Debt (SOFR+10.0%, 15.3% Cash, Due 1/2026) ^(J)	17,700	17,700	17,700
Brunswick Bowling Products, Inc. – Term Debt (SOFR+10.0%, 15.3% Cash, Due 1/2026) ^(J)	6,850	6,850	6,850
Ginsey Home Solutions, Inc. – Term Debt (SOFR+10.0%, 15.3% Cash, Due 11/2025) ^(J)	12,200	12,200	12,200
		36,750	36,750
Hotels, Motels, Inns, and Gaming Total – 13.2%			
Nocturne Luxury Villas, Inc. – Line of Credit, \$0 available (SOFR+8.0%, 13.3% Cash, Due 6/2025) ^(J)	4,000	4,000	4,000
Nocturne Luxury Villas, Inc. – Term Debt (SOFR+10.5%, 14.5% Cash, Due 6/2026) ^{(J)(P)}	61,100	61,100	61,100
		65,100	65,100
Leisure, Amusement, Motion Pictures, and Entertainment – 5.7%			
Schylling, Inc. – Term Debt (SOFR+11.0%, 16.3% Cash, Due 5/2025) ^(J)	27,981	27,981	27,981
Oil and Gas – 7.1%			
The E3 Company, LLC – Line of Credit, \$1,000 available (SOFR+5.5%, 10.8% Cash, Due 2/2025) ^(J)	1,000	1,000	1,000
The E3 Company, LLC – Term Debt (SOFR+9.0%, 14.3% Cash, Due 9/2028) ^(J)	33,750	33,750	33,750
		34,750	34,750
Printing and Publishing – 2.6%			
Home Concepts Acquisition, Inc. – Line of Credit, \$1,000 available (SOFR+6.0%, 11.3% Cash, Due 11/2024) ^(J)	1,000	1,000	1,000
Home Concepts Acquisition, Inc. – Term Debt (SOFR+9.0%, 14.3% Cash, Due 5/2028) ^(J)	12,000	12,000	12,000
		13,000	13,000
Total Secured First Lien Debt		\$ 324,731	\$ 324,348
Secured Second Lien Debt – 18.9%			
Aerospace and Defense – 5.2%			
Galaxy Technologies Holdings, Inc. – Term Debt (SOFR+4.1%, 9.4% Cash, Due 10/2026) ^(J)	\$ 6,900	\$ 6,900	\$ 6,900
Galaxy Technologies Holdings, Inc. – Term Debt (SOFR+7.0%, 12.3% Cash, Due 10/2026) ^(J)	18,796	18,796	18,796
		25,696	25,696
Cargo Transport – 2.6%			
Diligent Delivery Systems – Term Debt (SOFR+9.0%, 14.3% Cash, Due 9/2024) ^(O)	13,000	13,000	13,000

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
MARCH 31, 2024
(DOLLAR AMOUNTS IN THOUSANDS)

Company and Investment ^{(A)(B)(D)(E)}	Principal/Shares/ Units ^{(F)(H)}	Cost	Fair Value
Machinery (Non-Agriculture, Non-Construction, and Non-Electronic) – 11.1%			
SFEG Holdings, Inc. – Term Debt (SOFR+7.0%, 12.5% Cash, Due 10/2028) ^(J)	\$ 54,644	\$ 54,644	\$ 54,644
Total Secured Second Lien Debt		\$ 93,340	\$ 93,340
Preferred Equity – 33.0%			
Buildings and Real Estate – 4.5%			
Dema/Mai Holdings, Inc. – Preferred Equity ^{(C)(J)}	21,000	\$ 21,000	\$ 22,181
Diversified/Conglomerate Services – 4.0%			
Horizon Facilities Services, Inc. – Preferred Stock ^{(C)(J)}	10,080	—	—
Mason West, LLC – Preferred Stock ^{(C)(J)}	11,206	11,206	19,759
		11,206	19,759
Healthcare, Education, and Childcare – 6.0%			
Educators Resource, Inc. – Preferred Stock ^{(C)(J)}	8,560	8,560	29,638
Home and Office Furnishings, Housewares, and Durable Consumer Products – 10.1%			
Brunswick Bowling Products, Inc. – Preferred Stock ^{(C)(J)}	6,653	6,653	48,759
Ginsey Home Solutions, Inc. – Preferred Stock ^{(C)(J)}	19,280	9,583	891
		16,236	49,650
Hotels, Motels, Inns, and Gaming – 2.5%			
Nocturne Luxury Villas, Inc. – Preferred Stock ^{(C)(J)}	6,600	6,600	12,266
Leisure, Amusement, Motion Pictures, and Entertainment – 2.3%			
Schylling, Inc. – Preferred Stock ^{(C)(J)}	4,000	4,000	11,369
Oil and Gas – 3.3%			
The E3 Company, LLC – Preferred Stock ^{(C)(J)}	11,233	11,233	16,421
Printing and Publishing – 0.3%			
Home Concepts Acquisition, Inc. – Preferred Stock ^{(C)(J)}	3,275	3,275	1,238
Total Preferred Equity		\$ 82,110	\$ 162,522
Common Equity/Equivalents – 8.5%			
Aerospace and Defense – 0.7%			
Galaxy Technologies Holdings, Inc. – Common Stock ^{(C)(J)}	16,957	\$ 11,513	\$ 3,368
Cargo Transport – 0.1%			
Diligent Delivery Systems – Common Stock Warrants ^{(C)(J)}	8 %	500	500
Diversified/Conglomerate Manufacturing – 0.0%			
Phoenix Door Systems, Inc. – Common Stock ^{(C)(J)}	4,221	1,830	—
Home and Office Furnishings, Housewares, and Durable Consumer Products – 0.0%			
Ginsey Home Solutions, Inc. – Common Stock ^{(C)(J)}	63,747	8	—
Machinery (Non-Agriculture, Non-Construction, and Non-Electronic) – 7.7%			
SFEG Holdings, Inc. – Common Stock ^{(C)(J)}	18,721	30,746	38,137
Personal and Non-Durable Consumer Products (Manufacturing Only) – 0.0%			
Funko Acquisition Holdings, LLC ^(K) – Common Units ^{(C)(O)}	4,239	21	18
Total Common Equity/Equivalents		\$ 44,618	\$ 42,023
Total Non-Control/Non-Affiliate Investments		\$ 544,799	\$ 622,233

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
MARCH 31, 2024
(DOLLAR AMOUNTS IN THOUSANDS)

Company and Investment ^{(A)(B)(D)(E)}	Principal/Shares/ Units ^{(F)(H)}	Cost	Fair Value
AFFILIATE INVESTMENTS^(M) – 59.9%			
Secured First Lien Debt – 30.0%			
Diversified/Conglomerate Services – 15.7%			
ImageWorks Display and Marketing Group, Inc. – Term Debt (SOFR+11.0%, 16.3% Cash, Due 11/2025) ^(J)	\$ 22,000	\$ 22,000	\$ 22,000
J.R. Hobbs Co. - Atlanta, LLC – Line of Credit, \$0 available (SOFR+6.0%, 11.3% Cash, Due 6/2025) ^{(G)(J)}	5,000	5,000	2,682
J.R. Hobbs Co. - Atlanta, LLC – Term Debt (SOFR+6.0%, 11.3% Cash, Due 6/2025) ^{(G)(J)}	16,500	16,500	8,852
J.R. Hobbs Co. - Atlanta, LLC – Term Debt (SOFR+10.3%, 15.6% Cash, Due 6/2025) ^{(G)(J)}	26,000	26,000	13,949
J.R. Hobbs Co. - Atlanta, LLC – Term Debt (SOFR+6.0%, 11.3% Cash, Due 6/2025) ^{(G)(J)}	2,438	2,438	1,308
The Maids International, LLC – Term Debt (SOFR+10.5%, 15.8% Cash, Due 3/2025) ^(J)	28,560	28,560	28,560
		100,498	77,351
Home and Office Furnishings, Housewares, and Durable Consumer Products – 8.7%			
Old World Christmas, Inc. – Term Debt (SOFR+9.5%, 14.8% Cash, Due 12/2025) ^(J)	43,000	43,000	43,000
Mining, Steel, Iron and Non-Precious Metals Total – 3.7%			
Utah Pacific Bridge & Steel, Ltd. – Term Debt (SOFR+10.0%, 15.3% Cash, Due 7/2026) ^(J)	18,250	18,250	18,250
Telecommunications – 1.9%			
B+T Group Acquisition, Inc. ^(K) – Line of Credit, \$0 available (SOFR+2.0%, 7.3% Cash, Due 12/2026) ^(J)	3,080	3,080	3,080
B+T Group Acquisition, Inc. ^(K) – Line of Credit, \$394 available (SOFR+2.0%, 7.3% Cash, Due 6/2025) ^(J)	656	656	656
B+T Group Acquisition, Inc. ^(K) – Term Debt (SOFR+2.0%, 7.3% Cash, Due 12/2026) ^(J)	14,000	14,000	5,266
		17,736	9,002
Total Secured First Lien Debt		\$ 179,484	\$ 147,603
Secured Second Lien Debt – 9.2%			
Chemicals, Plastics, and Rubber – 4.1%			
PSI Molded Plastics, Inc. – Term Debt (SOFR+5.5%, 10.8% Cash, Due 1/2026) ^(J)	\$ 26,618	\$ 26,618	\$ 20,363
Diversified/Conglomerate Services – 5.1%			
Nth Degree, Inc. – Term Debt (SOFR+8.5%, 13.8% Cash, Due 6/2029) ^(J)	25,000	25,000	25,000
Total Secured Second Lien Debt		\$ 51,618	\$ 45,363
Preferred Equity – 10.3%			
Chemicals, Plastics, and Rubber – 0.0%			
PSI Molded Plastics, Inc. – Preferred Stock ^{(C)(J)}	158,598	\$ 19,730	\$ —
Diversified/Conglomerate Services – 1.6%			
ImageWorks Display and Marketing Group, Inc. – Preferred Stock ^{(C)(J)}	67,490	6,749	2,607
J.R. Hobbs Co. – Atlanta, LLC – Preferred Stock ^{(C)(J)}	10,920	10,920	—
The Maids International, LLC – Preferred Stock ^{(C)(J)}	6,640	6,640	5,426
		24,309	8,033
Home and Office Furnishings, Housewares, and Durable Consumer Products – 6.2%			
Old World Christmas, Inc. – Preferred Stock ^{(C)(J)}	6,180	—	30,638
Mining, Steel, Iron and Non-Precious Metals – 2.5%			
Utah Pacific Bridge & Steel, Ltd. – Preferred Stock ^{(C)(J)}	6,000	6,000	12,287
Telecommunications – 0.0%			
B+T Group Acquisition, Inc. ^(K) – Preferred Stock ^{(C)(J)}	14,304	4,722	—
Total Preferred Equity		\$ 54,761	\$ 50,958

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
MARCH 31, 2024
(DOLLAR AMOUNTS IN THOUSANDS)

Company and Investment ^{(A)(B)(D)(E)}	Principal/Shares/ Units ^{(F)(H)}	Cost	Fair Value
Common Equity/Equivalents – 10.4%			
Diversified/Conglomerate Services – 10.4%			
Nth Degree Investment Group, LLC – Common Stock ^{(C)(J)}	17,216,976	\$ 6,219	\$ 51,442
Telecommunications – 0.0%			
B+T Group Acquisition, Inc. ^(K) – Common Stock Warrants ^{(C)(J)}	3.5 %	—	—
Total Common Equity/Equivalents		<u>\$ 6,219</u>	<u>\$ 51,442</u>
Total Affiliate Investments		<u>\$ 292,082</u>	<u>\$ 295,366</u>
CONTROL INVESTMENTS^(N) – 0.6%			
Secured First Lien Debt – 0.6%			
Diversified/Conglomerate Manufacturing – 0.6%			
Edge Adhesives Holdings, Inc. ^(K) – Term Debt (SOFR+5.5%, 10.8% Cash, Due 8/2024) ^{(G)(J)}	\$ 9,210	\$ 9,210	\$ 2,905
Total Secured First Lien Debt		<u>\$ 9,210</u>	<u>\$ 2,905</u>
Preferred Equity – 0.0%			
Diversified/Conglomerate Manufacturing – 0.0%			
Edge Adhesives Holdings, Inc. ^(K) – Preferred Stock ^{(C)(J)}	8,199	\$ 8,199	\$ —
Total Preferred Equity		<u>\$ 8,199</u>	<u>\$ —</u>
Total Control Investments		<u>\$ 17,409</u>	<u>\$ 2,905</u>
TOTAL INVESTMENTS – 186.8%^(K)		<u><u>\$ 854,290</u></u>	<u><u>\$ 920,504</u></u>

- (A) Certain of the securities listed are issued by affiliate(s) of the indicated portfolio company. The majority of the securities listed, totaling \$717.3 million at fair value, are pledged as collateral to our revolving line of credit, as described further in Note 5—*Borrowings* in the accompanying *Notes to Consolidated Financial Statements*. Additionally, under Section 55 of the 1940 Act, we may not acquire any non-qualifying assets unless, at the time such acquisition is made, qualifying assets represent at least 70% of our total assets. As of March 31, 2024, our investment in Funko Acquisition Holdings, LLC ("Funko") was considered a non-qualifying asset under Section 55 of the 1940 Act and represented less than 0.1% of total investments, at fair value.
- (B) Unless indicated otherwise, all cash interest rates are indexed to 30-day SOFR which was 5.3% as of March 31, 2024. If applicable, paid-in-kind interest rates are noted separately from the cash interest rate. Certain securities are subject to an interest rate floor. The cash interest rate is the greater of the floor or reference rate plus a spread. Due dates represent the contractual maturity date.
- (C) Security is non-income producing.
- (D) Category percentages represent the fair value of each category and subcategory as a percentage of net assets as of March 31, 2024.
- (E) Unless indicated otherwise, all of our investments are valued using Level 3 inputs within the FASB ASC 820 fair value hierarchy. Refer to Note 3—*Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.
- (F) Where applicable, aggregates all shares of a class of stock owned without regard to specific series owned within such class (some series of which may or may not be voting shares) or aggregates all warrants to purchase shares of a class of stock owned without regard to specific series of such class of stock such warrants allow us to purchase.
- (G) Debt security is on non-accrual status.
- (H) Represents the principal balance, presented in thousands, for debt investments and the number of shares/units held for equity investments. Warrants are represented as a percentage of ownership, as applicable.
- (I) Fair value was based on internal yield analysis or on estimates of value submitted by a third-party valuation firm. Refer to Note 3—*Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.
- (J) Fair value was based on the total enterprise value of the portfolio company, which is generally allocated to the portfolio company's securities in order of their relative priority in the capital structure. Refer to Note 3—*Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.
- (K) One of our affiliated funds, Gladstone Capital Corporation, co-invested with us in this portfolio company pursuant to an exemptive order granted by the U.S. Securities and Exchange Commission.
- (L) Non-Control/Non-Affiliate investments, as defined by the 1940 Act, are those that are neither Control nor Affiliate investments and in which we own less than 5.0% of the issued and outstanding voting securities.
- (M) Affiliate investments, as defined by the 1940 Act, are those that are not Control investments and in which we own, with the power to vote, between and inclusive of 5.0% and 25.0% of the issued and outstanding voting securities.
- (N) Control investments, as defined by the 1940 Act, are those where we have the power to exercise a controlling influence over the management or policies of the portfolio company, which may include owning, with the power to vote, more than 25.0% of the issued and outstanding voting securities.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
MARCH 31, 2024
(DOLLAR AMOUNTS IN THOUSANDS)

- ^(O) Our investment in Funko was valued using Level 2 inputs within the ASC 820 fair value hierarchy. Our common units in Funko are convertible into class A common stock in Funko, Inc. upon meeting certain requirements. Fair value was based on the closing market price of shares of Funko, Inc. as of the reporting date, less a discount for lack of marketability. Funko, Inc. is traded on the Nasdaq Global Select Market under the trading symbol “FNKO.” Refer to Note 3—*Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.
- ^(P) Debt security is subject to an interest rate ceiling.
- ^(Q) Fair value was based on the expected exit or payoff amount, where such event has occurred or is expected to occur imminently.
- ^(R) Cumulative gross unrealized appreciation for federal income tax purposes is \$180.5 million; cumulative gross unrealized depreciation for federal income tax purposes is \$115.8 million. Cumulative net unrealized appreciation is \$64.7 million, based on a tax cost of \$855.8 million.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025

(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA AND AS OTHERWISE INDICATED)

NOTE 1. ORGANIZATION

Gladstone Investment Corporation (“Gladstone Investment”) was incorporated under the General Corporation Law of the State of Delaware on February 18, 2005, and completed an initial public offering on June 22, 2005. The terms “the Company,” “we,” “our” and “us” all refer to Gladstone Investment and its consolidated subsidiaries. We are an externally managed, closed-end, non-diversified management investment company that has elected to be treated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”), and are applying the guidance of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, “*Financial Services-Investment Companies*” (“ASC 946”). In addition, we have elected to be treated for U.S. federal income tax purposes as a regulated investment company (“RIC”) under the Internal Revenue Code of 1986, as amended (the “Code”). We were established for the purpose of investing in debt and equity securities of established private businesses in the United States (“U.S.”). Debt investments primarily take the form of two types of loans: secured first lien loans and secured second lien loans. Equity investments primarily take the form of preferred or common equity (or warrants or options to acquire the foregoing), often in connection with buyouts and other recapitalizations. Our investment objectives are to: (i) achieve and grow current income by investing in debt securities of established businesses that we believe will provide stable earnings and cash flow to pay expenses, make principal and interest payments on our outstanding indebtedness and make distributions to stockholders that grow over time, and (ii) provide our stockholders with long-term capital appreciation in the value of our assets by investing in equity securities of established businesses, generally in combination with the aforementioned debt securities, that we believe can grow over time to permit us to sell our equity investments for capital gains. We intend that our investment portfolio over time will consist of approximately 75.0% in debt investments and 25.0% in equity investments, at cost. As of March 31, 2025, our investment portfolio was comprised of 73.3% in debt investments and 26.7% in equity investments, at cost.

Gladstone Business Investment, LLC (“Business Investment”), a wholly-owned subsidiary of ours, was established on August 11, 2006 for the sole purpose of holding certain investments pledged as collateral under our line of credit. The financial statements of Business Investment are consolidated with those of Gladstone Investment.

We are externally managed by Gladstone Management Corporation (the “Adviser”), an affiliate of ours and a U.S. Securities and Exchange Commission (“SEC”) registered investment adviser, pursuant to an investment advisory and management agreement (the “Advisory Agreement”). Administrative services are provided by Gladstone Administration, LLC (the “Administrator”), an affiliate of ours and the Adviser, pursuant to an administration agreement (the “Administration Agreement”). Refer to Note 4 — *Related Party Transactions* for more information regarding these arrangements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The *Consolidated Financial Statements* and these accompanying notes are prepared in accordance with accounting principles generally accepted in the U.S. (“GAAP”) and conform to the applicable requirements of Regulation S-X. Management believes it has made all necessary adjustments so that our accompanying *Consolidated Financial Statements* are presented fairly and that all such adjustments are of a normal recurring nature. Our accompanying *Consolidated Financial Statements* include our accounts and the accounts of our wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

Consolidation

In accordance with Article 6 of Regulation S-X, we do not consolidate portfolio company investments. Under the investment company rules and regulations pursuant to the American Institute of Certified Public Accountants Audit and Accounting Guide for Investment Companies, codified in ASC 946, we are precluded from consolidating any entity other than another investment company, except that ASC 946 provides for the consolidation of a controlled operating company that provides substantially all of its services to the investment company or its consolidated subsidiaries.

Use of Estimates

Preparing financial statements requires management to make estimates and assumptions that affect the amounts reported in our accompanying *Consolidated Financial Statements* and these *Notes to Consolidated Financial Statements*. Actual results may differ from those estimates.

Cash and Cash Equivalents

We consider all short-term, highly-liquid investments that are both readily convertible to cash and have a maturity of three months or less at the time of purchase to be cash equivalents. Cash and cash equivalents are carried at cost, which approximates fair value. We place our cash with financial institutions, and at times, cash held in checking accounts may exceed the Federal Deposit Insurance Corporation insured limit. We seek to mitigate this concentration of credit risk by depositing funds with major financial institutions. We held \$1.8 million and \$1.9 million of cash equivalents in Dreyfus Treasury Obligations Cash Management Fund as of March 31, 2025 and 2024, respectively. Investments in money market funds represent Level 1 investments within the GAAP fair value hierarchy.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are generally cash and cash equivalents held in escrow received as part of an investment exit. Restricted cash and cash equivalents are carried at cost, which approximates fair value.

Classification of Investments

In accordance with the provisions of the 1940 Act applicable to BDCs, we classify portfolio investments on our accompanying *Consolidated Statements of Assets and Liabilities*, *Consolidated Statements of Operations*, and *Consolidated Schedules of Investments* into the following categories:

- *Non-Control/Non-Affiliate Investments* — Non-Control/Non-Affiliate investments are those that are neither control nor affiliate investments and in which we typically own less than 5.0% of the issued and outstanding voting securities;
- *Affiliate Investments* — Affiliate investments are those that are not Control investments and in which we own, with the power to vote, between and inclusive of 5.0% and 25.0% of the issued and outstanding voting securities; and
- *Control Investments* — Control investments are those where we have the power to exercise a controlling influence over the management or policies of the portfolio company, which may include owning, with the power to vote, more than 25.0% of the issued and outstanding voting securities.

Investment Valuation Policy

Accounting Recognition

We record our investments at fair value in accordance with FASB ASC Topic 820, “Fair Value Measurements and Disclosures” (“ASC 820”) and the 1940 Act. Investment transactions are recorded on the trade date. Realized gains or losses are generally measured by the difference between the net proceeds from the repayment or sale and the cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized, and include investments charged off during the period, net of recoveries. Unrealized appreciation or depreciation primarily reflects the change in investment fair values, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

Board Responsibility

Our board of directors (the “Board of Directors”) has approved investment valuation policies and procedures pursuant to Rule 2a-5 under the 1940 Act (the “Policy”) and designated the Adviser to serve as the Board of Directors’ valuation designee (“Valuation Designee”) under the 1940 Act.

In accordance with the 1940 Act, our Board of Directors has the ultimate responsibility for reviewing the good faith fair value determination of our investments for which market quotations are not readily available based on our Policy and for overseeing the Valuation Designee. Such review and oversight includes receiving written fair value determinations and supporting materials provided by the Valuation Designee, in coordination with the Administrator and with the oversight by the Company's chief valuation officer (collectively, the "Valuation Team"). The Valuation Committee of our Board of Directors (comprised entirely of independent directors) meets to review the valuation determinations and supporting materials, discusses the information provided by the Valuation Team, determines whether the Valuation Team has followed the Policy, and reviews other facts and circumstances, including current valuation risks, conflicts of interest, material valuation matters, appropriateness of valuation methodologies, back-testing results, price challenges/overrides, and ongoing monitoring and oversight of pricing services. After the Valuation Committee concludes its meeting, it and the chief valuation officer, representing the Valuation Designee, present the Valuation Committee's findings on the Valuation Designee's determinations to the entire Board of Directors so that the full Board of Directors may review the Valuation Designee's determined fair values of such investments in accordance with the Policy.

There is no single standard for determining fair value (especially for privately-held businesses), as fair value depends upon the specific facts and circumstances of each individual investment. In determining the fair value of our investments, the Valuation Team, led by the chief valuation officer, uses the Policy, and each quarter the Valuation Committee and Board of Directors review the Policy to determine if changes thereto are advisable and whether the Valuation Team has applied the Policy consistently.

Use of Third-Party Valuation Firms

The Valuation Team engages third party valuation firms to provide independent assessments of fair value of certain of our investments.

A third-party valuation firm generally provides estimates of fair value on our debt investments. The Valuation Team generally assigns the third-party valuation firm's estimates of fair value to our debt investments where we do not have the ability to effectuate a sale of the applicable portfolio company. The Valuation Team corroborates the third-party valuation firm's estimates of fair value using one or more of the valuation techniques discussed below. The Valuation Team's estimate of value on a specific debt investment may significantly differ from the third-party valuation firm's. When this occurs, our Valuation Committee and Board of Directors review whether the Valuation Team has followed the Policy and the Valuation Committee reviews whether the Valuation Designee's determined fair value is reasonable in light of the Policy and other relevant facts and circumstances.

We may engage other independent valuation firms to provide earnings multiple ranges, as well as other information, and evaluate such information for incorporation into the total enterprise value ("TEV") of certain of our investments. Generally, at least once per year, we engage an independent valuation firm to value or review the valuation of each of our significant equity investments, which includes providing the information noted above. The Valuation Team evaluates such information for incorporation into our TEV, including review of all inputs provided by the independent valuation firm. The Valuation Team then presents a determination to our Valuation Committee as to the fair value. Our Valuation Committee reviews the determined fair value and whether it is reasonable in light of the Policy and other relevant facts and circumstances.

Valuation Techniques

In accordance with ASC 820, the Valuation Team uses the following techniques when valuing our investment portfolio:

- *Total Enterprise Value* — In determining the fair value using a TEV, the Valuation Team first calculates the TEV of the portfolio company by incorporating some or all of the following factors: the portfolio company's ability to make payments and other specific portfolio company attributes; the earnings of the portfolio company (the trailing or projected twelve month revenue or earnings before interest, taxes, depreciation and amortization ("EBITDA")); EBITDA multiples obtained from our indexing methodology whereby the original transaction EBITDA multiple at the time of our closing is indexed to a general subset of comparable disclosed transactions and EBITDA multiples from recent sales to third parties of similar securities in similar industries; a comparison to publicly traded securities in similar industries; and other pertinent factors. The Valuation Team generally reviews industry statistics and may use outside experts when gathering this information. Once the TEV is determined for a portfolio company, the Valuation Team generally allocates the TEV to the portfolio company's securities based on the facts and circumstances of the securities, which typically results in the allocation of fair value to securities based on the order of their relative priority in the capital structure. Generally, the Valuation Team uses TEV to value our equity

investments and, in the circumstances where we have the ability to effectuate a sale of a portfolio company, our debt investments. When there is equity value or sufficient TEV to cover the principal balance of our debt securities, the fair value of our senior secured debt generally equals or approximates cost.

TEV is primarily calculated using EBITDA and EBITDA multiples; however, TEV may also be calculated using revenue and revenue multiples or a discounted cash flow (“DCF”) analysis whereby future expected cash flows of the portfolio company are discounted to determine a net present value using estimated risk-adjusted discount rates, which incorporate adjustments for nonperformance and liquidity risks.

- *Yield Analysis* — The Valuation Team generally determines the fair value of our debt investments for which we do not have the ability to effectuate a sale of the applicable portfolio company using the yield analysis, which includes a DCF calculation and assumptions that the Valuation Team believes market participants would use, including: estimated remaining life, current market yield, current leverage, and interest rate spreads. This technique develops a modified discount rate that incorporates risk premiums including, among other things, increased probability of default, increased loss upon default, and increased liquidity risk. Generally, the Valuation Team uses the yield analysis to corroborate both estimates of value provided by a third-party valuation firm and market quotes.
- *Market Quotes* — For our investments for which a limited market exists, we generally base fair value on readily available and reliable market quotations, which are corroborated by the Valuation Team (generally by using the yield analysis described above). In addition, the Valuation Team assesses trading activity for similar investments and evaluates variances in quotations and other market insights to determine if any available quoted prices are reliable. Typically, the Valuation Team uses the lower indicative bid price in the bid-to-ask price range obtained from the respective originating syndication agent’s trading desk on or near the valuation date. The Valuation Team may take further steps to consider additional information to validate that price in accordance with the Policy. For securities that are publicly traded, we generally base fair value on the closing market price of the securities we hold as of the reporting date. For restricted securities that are publicly traded, we generally base fair value on the closing market price of the securities we hold as of the reporting date less a discount for the restriction, which includes consideration of the nature and term to expiration of the restriction and the lack of marketability of the security.
- *Investments in Funds* — For equity investments in other funds for which we cannot effectuate a sale of the fund, the Valuation Team generally determines the fair value of our invested capital at the net asset value (“NAV”) provided by the fund. Any invested capital that is not yet reflected in the NAV provided by the fund is valued at par value. The Valuation Team may also determine fair value of our investments in other investment funds based on the capital accounts of the underlying entity.

In addition to the valuation techniques listed above, the Valuation Team may also consider other factors when determining the fair value of our investments, including: the nature and realizable value of the collateral, including external parties’ guaranties, any relevant offers or letters of intent to acquire the portfolio company, timing of expected loan repayments, and the markets in which the portfolio company operates.

Fair value measurements of our investments may involve subjective judgments and estimates and, due to the uncertainty inherent in valuing these securities, the determinations of fair value may fluctuate from period to period and may differ materially from the values that could be obtained if a ready market for these securities existed. Our NAV could be materially affected if the determinations regarding the fair value of our investments are materially different from the values that we ultimately realize upon our disposal of such securities. Additionally, changes in the market environment and other events that may occur over the life of the investment may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we could realize significantly less than the value at which it is recorded.

Refer to Note 3 — *Investments* for additional information regarding fair value measurements and our application of ASC 820.

Realized Gain or Loss and Unrealized Appreciation or Depreciation of Portfolio Investments

Gains or losses on the sale of investments are calculated by using the specific identification method. A realized gain or loss is recognized on the trade date, typically when an investment is disposed of, and is computed as the difference between the cost basis of the investment on the disposition date and the net proceeds received from such disposition. Unrealized appreciation or depreciation reflects the difference between the fair value of the investment and the cost basis of such investment. We determine the fair value of each individual investment each reporting period and record changes in fair value as unrealized appreciation or depreciation in our accompanying *Consolidated Statement of Operations*.

Revenue Recognition

Interest Income Recognition

Interest income, adjusted for amortization of premiums, amendment fees, and acquisition costs and the accretion of discounts, is recorded on the accrual basis to the extent that such amounts are expected to be collected. Generally, when a loan becomes 90 days or more past due, or if our qualitative assessment indicates that the debtor is unable to service its debt or other obligations, we will place the loan on non-accrual status and cease recognizing interest income on that loan until the borrower has demonstrated the ability and intent to pay contractual amounts due. However, we remain contractually entitled to this interest. Interest payments received on non-accrual loans may be recognized as income or applied to the cost basis, depending upon management's judgment. Generally, non-accrual loans are restored to accrual status when past-due principal and interest are paid and, in management's judgment, are likely to remain current, or, due to a restructuring, the interest income is deemed to be collectible. As of March 31, 2025, our loans to B+T Group Acquisition, Inc., Diligent Delivery Systems, Edge Adhesives Holdings, Inc. ("Edge"), and J.R. Hobbs Co. – Atlanta, LLC ("J.R. Hobbs") were on non-accrual status, with an aggregate debt cost basis of \$90.2 million, or 13.1% of the cost basis of all debt investments in our portfolio, and an aggregate fair value of \$50.9 million, or 8.2% of the fair value of all debt investments in our portfolio. As of March 31, 2024, our loans to Edge and J.R. Hobbs were on non-accrual status, with an aggregate debt cost basis of \$59.1 million, or 9.0% of the cost basis of all debt investments in our portfolio, and an aggregate fair value of \$29.7 million, or 4.8% of the fair value of all debt investments in our portfolio.

Paid-in-kind ("PIK") interest, computed at the contractual rate specified in the loan agreement, is added to the principal balance of the loan and recorded as interest income. Thus, the actual collection of PIK income may be deferred until the time of debt principal repayment. As of March 31, 2025 and 2024, we did not have any loans with a PIK interest component.

Success Fee Income Recognition

We record success fees as income when earned, which often occurs upon receipt of cash. Success fees are generally contractually due upon a change of control in a portfolio company, typically resulting from an exit or sale, and are non-recurring.

Dividend Income Recognition

We accrue dividend income on preferred and common equity securities to the extent that such amounts are expected to be collected and if we have the option to collect such amounts in cash or other consideration.

Deferred Financing and Offering Costs

Deferred financing and offering costs consist of costs incurred to obtain financing, including lender fees, underwriting discounts and commissions, and legal fees. Certain costs associated with our revolving line of credit are deferred and amortized using the straight-line method, which approximates the effective interest method, over the term of the revolving line of credit. Costs associated with the issuance of our notes payable and mandatorily redeemable preferred stock are presented as discounts to the liquidation value of the notes payable and mandatorily redeemable preferred stock and are amortized using the straight-line method, which approximates the effective interest method, over the term of the notes payable and respective series of preferred stock. Refer to Note 5 — *Borrowings* for further discussion.

Related Party Fees

We are party to the Advisory Agreement with the Adviser, which is indirectly owned and controlled by our chairman and chief executive officer. In accordance with the Advisory Agreement, we pay the Adviser fees as compensation for its services, consisting of a base management fee and an incentive fee. Additionally, we pay the Adviser a loan servicing fee as compensation for its services as servicer under the terms of the Fifth Amended and Restated Credit Agreement dated April 30, 2013, as amended from time to time (the "Credit Facility").

We are also party to the Administration Agreement with the Administrator, which is indirectly owned and controlled by our chairman and chief executive officer, whereby we pay separately for administrative services.

Refer to Note 4 — *Related Party Transactions* for additional information regarding these related party fees and agreements.

Federal Income Taxes

We intend to continue to maintain our qualification as a RIC under subchapter M of the Code for federal income tax purposes. As a RIC, we generally are not subject to federal income tax on the portion of our taxable income and gains distributed to our stockholders. To maintain our qualification as a RIC, we must maintain our status as a BDC and meet certain source-of-income and asset diversification requirements. In addition, to qualify to be taxed as a RIC, we must generally distribute to stockholders, for each taxable year, at least 90% of our taxable ordinary income plus the excess of our net short-term capital gains over net long-term capital losses ("Investment Company Taxable Income"). Our policy generally is to make distributions to our stockholders in an amount up to 100% of our Investment Company Taxable Income. We intend to continue to make sufficient distributions to qualify as a RIC and to generally limit taxable income, although we may retain some or all of our net long-term capital gains and pay income taxes on such gains. Refer to Note 9— *Federal and State Income Taxes* for additional information regarding our RIC requirements.

FASB ASC 740, *Income Taxes* ("ASC 740"), requires the evaluation of tax positions taken or expected to be taken in the course of preparing our tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authorities. Tax positions not deemed to satisfy the "more-likely-than-not" threshold would be recorded as a tax benefit or expense in the current fiscal year. We have evaluated the implications of ASC 740 for all open tax years and in all major tax jurisdictions and determined that there is no material impact on our accompanying *Consolidated Financial Statements*. Our federal income tax returns for fiscal years 2024, 2023 and 2022 remain subject to examination by the Internal Revenue Service ("IRS"). We are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized benefits will change materially in the next twelve months.

Distributions

Distributions to stockholders are recorded on the ex-dividend date. We are required to distribute at least 90% of our Investment Company Taxable Income for each taxable year as a distribution to our stockholders to maintain our ability to be taxed as a RIC under Subchapter M of the Code. It is our policy to generally pay out as a distribution up to 100% of those amounts. The amount to be paid is determined by our Board of Directors and is based upon management's estimate of Investment Company Taxable Income, net long-term capital gains, as well as amounts to be distributed in accordance with Section 855(a) of the Code. Based on that estimate, our Board of Directors declares monthly distributions, and supplemental distributions, as applicable, each quarter. At fiscal year-end, we may elect to treat a portion of the first distributions paid after year-end as having been paid in the prior year in accordance with Section 855(a) of the Code. We may retain some or all of our net long-term capital gains, if any, and designate them as deemed distributions, or distribute these capital gains to stockholders in cash. If we elect to retain net long-term capital gains and deem them distributed, each U.S. common stockholder will be treated as if they received a distribution of their pro-rata share of the retained net long-term capital gain and the U.S. federal income tax paid. As a result, each common stockholder will (i) be required to report their pro-rata share of the retained gain on their tax return as long-term capital gain, (ii) receive a refundable tax credit for their pro-rata share of federal income tax paid by us on the retained gain, and (iii) increase the tax basis of their shares of common stock by an amount equal to the deemed distribution less the tax credit. Refer to Note 8 — *Distributions to Common Stockholders* for further information.

Our common stockholders who hold their shares through our transfer agent, Computershare, Inc. ("Computershare"), have the option to participate in a dividend reinvestment plan offered by Computershare, as the plan agent. This is an "opt in" dividend reinvestment plan, meaning that common stockholders may elect to have their cash distributions automatically reinvested in additional shares of our common stock. Common stockholders who do not so elect will receive their

distributions in cash. Any distributions reinvested under the plan will be taxable to a common stockholder to the same extent, and with the same character, as if the common stockholder had received the distribution in cash. The common stockholder will have an adjusted basis in the additional common shares purchased through the plan equal to the dollar amount that would have been received if the U.S. stockholder had received the dividend or distribution in cash. The additional common shares will have a new holding period commencing on the day following the date on which the shares are credited to the common stockholder's account. Computershare purchases shares in the open market in connection with the obligations under the plan.

Segment Reporting

In November 2023, the FASB issued Accounting Standards Update 2023-07, "Segment Reporting - Improvements to Reportable Segment Disclosures" ("ASU 2023-07") to improve reportable segments disclosure requirements. The ASU requires existing annual segment disclosures to also be disclosed on an interim basis and also requires additional disclosures around significant segment expenses and disclosures to identify the title and position of the chief operating decision maker ("CODM"). The standard is effective for fiscal years beginning after December 15, 2023, and interim periods thereafter. We adopted ASU 2023-07 as of March 31, 2025.

Our current business strategy includes one reporting segment which derives investment income from our portfolio companies. Our CODM is our Chief Executive Officer. The CODM assesses performance based on net investment income, net realized and unrealized gains (losses) and net increase (decrease) in net assets resulting from operations, which are reported on the *Consolidated Statement of Operations*. The expense categories included on the *Consolidated Statement of Operations* reflect our significant expense categories and are provided to the CODM on a regular basis.

Recent Accounting Pronouncements

In June 2022, the FASB issued Accounting Standards Update 2022-03, "Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions" ("ASU 2022-03"), which clarifies the measurement and presentation of fair value for equity securities subject to contractual restrictions that prohibit the sale of the equity security. ASU 2022-03 is effective for annual reporting periods beginning after December 15, 2023, including interim periods within those fiscal years, with early adoption permitted. Our early adoption of ASU 2022-03 did not have a material impact on our financial position, results of operations or cash flows.

NOTE 3. INVESTMENTS

Fair Value

In accordance with ASC 820, the fair value of our investments is determined to be the price that would be received for an investment in a current sale, which assumes an orderly transaction between willing market participants on the measurement date. This fair value definition focuses on exit price in the principal, or most advantageous, market and prioritizes, within a measurement of fair value, the use of market-based inputs over entity-specific inputs. ASC 820 also establishes the following three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of a financial instrument as of the measurement date.

- *Level 1* — inputs to the valuation methodology are quoted prices (unadjusted) for identical financial instruments in active markets;
- *Level 2* — inputs to the valuation methodology include quoted prices for similar financial instruments in active or inactive markets, and inputs that are observable for the financial instrument, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists, or instances where prices vary substantially over time or among brokered market makers; and
- *Level 3* — inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs are those inputs that reflect assumptions that market participants would use when pricing the financial instrument and can include the Valuation Team's assumptions based upon the best available information.

When a determination is made to classify our investments within Level 3 of the valuation hierarchy, such determination is based upon the significance of the unobservable factors to the overall fair value measurement. However, Level 3 financial instruments typically include, in addition to the unobservable, or Level 3, inputs, observable inputs (or components that are

actively quoted and can be validated to external sources). The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

As of March 31, 2025, all of our investments were valued using Level 3 inputs within the ASC 820 fair value hierarchy, except for our investment in Gladstone Alternative Income Fund ("Gladstone Alternative"), which was valued using NAV as a practical expedient.

As of March 31, 2024, all of our investments were valued using Level 3 inputs within the ASC 820 fair value hierarchy, except for our investment in Funko Acquisition Holdings, LLC ("Funko"), which was valued using Level 2 inputs.

We transfer investments in and out of Level 1, 2 and 3 of the valuation hierarchy as of the beginning balance sheet date, based on changes in the use of observable and unobservable inputs utilized to perform the valuation for the period. There were no transfers in or out of Level 1, 2 and 3 during the years ended March 31, 2025 and 2024, respectively.

As of March 31, 2025 and 2024, our investments, by security type, at fair value were categorized as follows within the ASC 820 fair value hierarchy:

Fair Value Measurements				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
As of March 31, 2025:				
Secured first lien debt	\$ —	\$ —	\$ 514,334	\$ 514,334
Secured second lien debt	—	—	103,580	103,580
Preferred equity	—	—	302,163	302,163
Common equity/equivalents	—	—	54,268	54,268
Total	—	—	974,345	974,345
Investments measured at NAV ^(A)	—	—	—	4,975
Total Investments at March 31, 2025	\$ —	\$ —	\$ 974,345	\$ 979,320

Fair Value Measurements				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
As of March 31, 2024:				
Secured first lien debt	\$ —	\$ —	\$ 474,856	\$ 474,856
Secured second lien debt	—	—	138,703	138,703
Preferred equity	—	—	213,480	213,480
Common equity/equivalents	—	18 ^(B)	93,447	93,465
Total	—	18	920,486	920,504
Investments measured at NAV	—	—	—	—
Total Investments at March 31, 2024	\$ —	\$ 18	\$ 920,486	\$ 920,504

(A) Includes our investment in Gladstone Alternative as of March 31, 2025. Investments that are measured at fair value using NAV as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented elsewhere in this Annual Report.

(B) Fair value was determined based on the closing market price of shares of Funko, Inc. (our units in Funko can be converted into common shares of Funko, Inc.) at the reporting date less a discount for lack of marketability, as our investment was subject to certain restrictions.

The following table presents our investments, valued using Level 3 inputs within the ASC 820 fair value hierarchy, and carried at fair value as of March 31, 2025 and 2024, by caption on our accompanying *Consolidated Statements of Assets and Liabilities*, and by security type:

	Total Recurring Fair Value Measurements Reported in <i>Consolidated Statements of Assets and Liabilities</i> Valued Using Level 3 Inputs	
	March 31,	
	2025	2024
Non-Control/Non-Affiliate Investments		
Secured first lien debt	\$ 300,751	\$ 324,348
Secured second lien debt	92,964	93,340
Preferred equity	200,606	162,522
Common equity/equivalents ^(A)	54,268	42,005
Total Non-Control/Non-Affiliate Investments	648,589	622,215
Affiliate Investments		
Secured first lien debt	213,240	147,603
Secured second lien debt	10,616	45,363
Preferred equity	101,557	50,958
Common equity/equivalents ^(B)	—	51,442
Total Affiliate Investments	325,413	295,366
Control Investments		
Secured first lien debt	343	2,905
Secured second lien debt	—	—
Preferred equity	—	—
Common equity/equivalents	—	—
Total Control Investments	343	2,905
Total investments at fair value using Level 3 inputs	\$ 974,345	\$ 920,486

^(A) Excludes our investment in Funko with a fair value of \$18 thousand as of March 31, 2024, which was valued using Level 2 inputs.

^(B) Excludes our investment in Gladstone Alternative as of March 31, 2025 with a fair value of \$5.0 million, which was valued using NAV as a practical expedient.

In accordance with ASC 820, the following table provides quantitative information about our investments valued using Level 3 fair value measurements as of March 31, 2025 and 2024. The table below is not intended to be all-inclusive, but rather provides information on the significant Level 3 inputs as they relate to our fair value measurements. The weighted-average calculations in the table below are based on the principal balances for all debt-related calculations and on the cost basis for all equity-related calculations for the particular input.

Quantitative Information about Level 3 Fair Value Measurements						
	Fair Value as of		Valuation Technique/ Methodology	Unobservable Input	Range / Weighted-Average as of	
	March 31, 2025	March 31, 2024			March 31, 2025	March 31, 2024
Secured first lien debt	\$ 514,334	\$ 474,856	TEV	EBITDA multiple	3.7x – 7.9x / 6.0x	4.2x – 8.8x / 6.4x
				EBITDA	\$1,208 – \$25,038 / \$12,162	\$1,091 – \$23,547 / \$10,509
				Revenue multiple	0.3x – 0.6x / 0.4x	0.3x – 0.6x / 0.4x
				Revenue	\$6,690 – \$102,791 / \$72,303	\$31,586 – \$93,916 / \$77,580
Secured second lien debt	90,956	113,703	TEV	EBITDA multiple	6.1x – 7.2x / 6.8x	5.1x – 15.0x / 7.0x
				EBITDA	\$3,637 – \$24,234 / \$16,900	\$5,648 – \$23,003 / \$14,192
				Yield Analysis	20.7% – 20.7% / 20.7%	13.8% – 13.8% / 13.8%
				Discount Rate	20.7% – 20.7% / 20.7%	13.8% – 13.8% / 13.8%
Preferred equity	302,163	213,480	TEV	EBITDA multiple	3.7x – 7.9x / 6.1x	4.2x – 8.8x / 6.1x
				EBITDA	\$2,153 – \$25,038 / \$11,029	\$1,091 – \$23,547 / \$9,502
				Revenue multiple	0.3x – 0.6x / 0.4x	0.3x – 0.6x / 0.4x
				Revenue	\$6,690 – \$102,791 / \$53,604	\$31,586 – \$93,916 / \$75,099
Common equity/equivalents ^{(A)(B)}	54,268	93,447	TEV	EBITDA multiple	5.5x – 7.2x / 6.8x	5.0x – 15.0x / 6.4x
				EBITDA	\$1,208 – \$24,234 / \$18,562	\$1,154 – \$63,269 / \$23,615
Total	\$ 974,345	\$ 920,486				

^(A) Fair value as of March 31, 2025 excludes our investment in Gladstone Alternative with a fair value of \$5.0 million, which was valued using NAV as a practical expedient.

^(B) Fair value as of March 31, 2024 excludes our investment in Funko with a fair value of \$18 thousand, which was valued using Level 2 inputs.

Fair value measurements can be sensitive to changes in one or more of the valuation inputs. Changes in discount rates, EBITDA, or EBITDA multiples (or revenue or revenue multiples), each in isolation, may change the fair value of certain of our investments. Generally, an increase/(decrease) in market yields, discount rates or a (decrease)/increase in EBITDA or EBITDA multiples (or revenue or revenue multiples) may result in a (decrease)/increase in the fair value of certain of our investments.

Changes in Level 3 Fair Value Measurements of Investments

The following tables provide our portfolio's changes in fair value, broken out by security type, during the years ended March 31, 2025 and 2024 for all investments for which the Adviser determines fair value using unobservable (Level 3) inputs.

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Secured First Lien Debt	Secured Second Lien Debt	Preferred Equity	Common Equity/ Equivalents	Total
Year ended March 31, 2025:					
Fair value as of March 31, 2024	\$ 474,856	\$ 138,703	\$ 213,480	\$ 93,447	\$ 920,486
Total gain (loss):					
Net realized gain (loss) ^(A)	—	—	19,790	43,373	63,163
Net unrealized (depreciation) appreciation ^(B)	(31,122)	(733)	63,210	5,068	36,423
Reversal of previously recorded (appreciation) depreciation upon realization ^(B)	—	—	(24,334)	(38,028)	(62,362)
New investments, repayments and settlements ^(C) :					
Issuances / originations	169,200	400	46,617	—	216,217
Settlements / repayments	(98,600)	(25,000)	—	—	(123,600)
Sales	—	—	(26,390)	(49,592)	(75,982)
Transfers ^(E)	—	(9,790)	9,790	—	—
Fair value as of March 31, 2025	\$ 514,334	\$ 103,580	\$ 302,163	\$ 54,268	\$ 974,345

	Secured First Lien Debt	Secured Second Lien Debt	Preferred Equity	Common Equity/ Equivalents	Total
Year ended March 31, 2024:					
Fair value as of March 31, 2023	\$ 437,517	\$ 75,734	\$ 222,585	\$ 17,680	\$ 753,516
Total gain (loss):					
Net realized (loss) gain ^(A)	(4,550)	(3,200)	36,833	881	29,964
Net unrealized (depreciation) appreciation ^(B)	(7,859)	(1,031)	34,050	37,159	62,319
Reversal of previously recorded depreciation (appreciation) upon realization ^(B)	3,212	3,200	(35,329)	(92)	(29,009)
New investments, repayments and settlements ^(C) :					
Issuances / originations	74,536	64,000	14,688	30,700	183,924
Settlements / repayments	(28,000)	—	—	—	(28,000)
Sales ^(D)	—	—	(50,726)	(1,502)	(52,228)
Transfers ^(E)	—	—	(8,621)	8,621	—
Fair value as of March 31, 2024	\$ 474,856	\$ 138,703	\$ 213,480	\$ 93,447	\$ 920,486

^(A) Included in net realized gain (loss) on investments on our accompanying *Consolidated Statements of Operations* for the respective years ended March 31, 2025 and 2024.

^(B) Included in net unrealized (depreciation) appreciation of investments on our accompanying *Consolidated Statements of Operations* for the respective years ended March 31, 2025 and 2024.

^(C) Includes increases in the cost basis of investments resulting from new portfolio investments, the amortization of discounts, and other non-cash disbursements to portfolio companies, as well as decreases in the cost basis of investments resulting from principal repayments or sales, the amortization of premiums and acquisition costs, and other cost-basis adjustments.

^(D) 2024: Includes \$0.3 million of proceeds from the recapitalization of Old World Christmas, Inc.

^(E) 2025: Transfers represent secured second lien debt of PSI Molded Plastics, Inc. ("PSI Molded") with a total cost basis of \$16.4 million and \$9.8 million, which was converted to preferred equity in January 2025.

2024: Transfers represent preferred equity of SFEG Holdings, Inc. ("SFEG") with a total cost basis and fair value of \$4.8 million and \$8.6 million, respectively, which was converted to common equity in October 2023.

Investment Activity

During the fiscal year ended March 31, 2025, the following significant transactions occurred:

- In May 2024, our remaining shares in Funko were sold representing an exit of our investment in Funko, and resulting in a return of our equity cost basis of \$21 thousand and a realized gain of \$2 thousand.
- In July 2024, we invested an additional \$18.5 million through secured first lien debt in Nocturne Luxury Villas, Inc. ("Nocturne") to fund an add-on acquisition.
- In September 2024, we exited our investment in Nth Degree Investment Group, LLC, which resulted in success fee income of \$0.1 million, a realized gain on our preferred equity of \$42.3 million and the repayment of our debt investment of \$25.0 million at par.
- In November 2024, we invested \$27.2 million in a new portfolio company, Pyrotek Special Effects, Inc. ("Pyrotek"), in the form of \$20.1 million of secured first lien debt and \$7.1 million of preferred equity. Pyrotek, headquartered in Ontario, Canada, is a leading provider of special effects services and solutions for the live entertainment industry.
- In December 2024, we invested \$5.0 million in Gladstone Alternative, one of our affiliated funds, through common equity. Gladstone Alternative is a registered, non-diversified, closed-end management investment company that operates as an interval fund.
- In December 2024, we invested \$71.3 million in a new portfolio company, Nielsen-Kellerman Acquisition Corp. ("Nielsen-Kellerman"), in the form of \$49.1 million of secured first lien debt and \$22.2 million of preferred equity. Nielsen-Kellerman, headquartered in Boothwyn, Pennsylvania, designs, manufactures, and distributes a wide range of rugged, waterproof environmental measurement and sports performance instruments.
- In December 2024, we invested \$78.7 million in a new portfolio company, Ricardo Defense, Inc. ("Ricardo"), in the form of \$61.3 million of secured first lien debt and \$17.4 million of preferred equity. Ricardo, headquartered in Troy, Michigan, with operations in California, Texas and Alabama and overseas, develops engineering and product solutions for U.S. Army vehicle and logistics programs.
- In January 2025, we restructured our investment in PSI Molded. As a result of the restructuring, we converted debt with a cost basis of \$16.4 million into preferred equity.
- In February 2025, we invested an additional \$3.0 million through secured first lien debt in Pyrotek to fund an add-on acquisition.
- In February 2025, we recapitalized our existing investment in Educators Resource, Inc. and invested an additional \$10.0 million in the form of secured first lien debt. In connection with this recapitalization, we received dividend income of \$1.8 million.
- In March 2025, we exited our investment in Nocturne, which resulted in success fee income of \$3.5 million, a realized gain on our preferred equity of \$19.8 million and the repayment of our debt investment of \$85.6 million at par.

Investment Concentrations

As of March 31, 2025, our investment portfolio consisted of investments in 25 portfolio companies located in 19 states or countries across 16 different industries with an aggregate fair value of \$979.3 million. Our investments in SFEG, Ricardo, Brunswick Bowling Products, Inc., Nielsen-Kellerman and The E3 Company, LLC represented our five largest portfolio investments at fair value, and collectively comprised \$401.7 million, or 41.0%, of our total investment portfolio at fair value as of March 31, 2025.

The following table summarizes our investments by security type as of March 31, 2025 and 2024:

	March 31, 2025				March 31, 2024			
	Cost		Fair Value		Cost		Fair Value	
Secured first lien debt	\$ 584,026	62.2 %	\$ 514,334	52.5 %	\$ 513,425	60.1 %	\$ 474,856	51.6 %
Secured second lien debt	103,956	11.1 %	103,580	10.6 %	144,958	16.9 %	138,703	15.0 %
Total debt	687,982	73.3 %	617,914	63.1 %	658,383	77.0 %	613,559	66.6 %
Preferred equity	201,487	21.5 %	302,163	30.9 %	145,070	17.0 %	213,480	23.2 %
Common equity/equivalents	49,597	5.2 %	59,243	6.0 %	50,837	6.0 %	93,465	10.2 %
Total equity/equivalents	251,084	26.7 %	361,406	36.9 %	195,907	23.0 %	306,945	33.4 %
Total investments	\$ 939,066	100.0 %	\$ 979,320	100.0 %	\$ 854,290	100.0 %	\$ 920,504	100.0 %

Investments at fair value consisted of the following industry classifications as of March 31, 2025 and 2024:

	March 31, 2025		March 31, 2024	
	Fair Value	Percentage of Total Investments	Fair Value	Percentage of Total Investments
Diversified/Conglomerate Services	\$ 170,360	17.4 %	\$ 264,535	28.7 %
Home and Office Furnishings, Housewares, and Durable Consumer Products	159,236	16.3 %	160,038	17.3 %
Aerospace and Defense	107,869	10.9 %	29,064	3.2 %
Machinery (Non-Agriculture, Non-Construction, and Non-Electronic)	105,432	10.8 %	92,781	10.1 %
Leisure, Amusement, Motion Pictures, and Entertainment	78,460	8.0 %	39,350	4.3 %
Electronics	71,573	7.2 %	—	— %
Oil and Gas	69,589	7.1 %	51,171	5.6 %
Buildings and Real Estate	69,320	7.1 %	60,431	6.6 %
Healthcare, Education, and Childcare	51,501	5.3 %	49,638	5.4 %
Mining, Steel, Iron and Non-Precious Metals	41,010	4.2 %	30,537	3.3 %
Cargo Transport	12,624	1.3 %	13,500	1.5 %
Printing and Publishing	11,681	1.2 %	14,238	1.5 %
Chemicals, Plastics, and Rubber	11,612	1.2 %	20,363	2.2 %
Hotels, Motels, Inns, and Gaming	—	— %	77,366	8.4 %
Other < 2.0%	19,053	2.0 %	17,492	1.9 %
Total investments	\$ 979,320	100.0 %	\$ 920,504	100.0 %

Investments at fair value were included in the following geographic regions of the U.S. and Canada as of March 31, 2025 and 2024:

Location	March 31, 2025		March 31, 2024	
	Fair Value	Percentage of Total Investments	Fair Value	Percentage of Total Investments
United States				
South	\$ 317,294	32.4 %	\$ 346,838	37.7 %
Midwest	227,415	23.2 %	141,925	15.4 %
West	222,062	22.7 %	223,871	24.3 %
Northeast	182,669	18.7 %	207,870	22.6 %
Canada	29,880	3.0 %	—	— %
Total investments	\$ 979,320	100.0 %	\$ 920,504	100.0 %

The geographic region indicates the location of the headquarters for our portfolio companies. A portfolio company may have additional business locations in other geographic regions.

Investment Principal Repayments

The following table summarizes the contractual principal repayment and maturity of our investment portfolio for the next five fiscal years and thereafter, assuming no voluntary prepayments, as of March 31, 2025:

		Amount	
For the fiscal years ending March 31:	2026	\$	104,787
	2027		133,336
	2028		105,409
	2029		184,944
	2030		159,506
	Thereafter		—
Total contractual repayments		\$	687,982
Investments in equity securities			251,084
Total cost basis of investments held as of March 31, 2025:		\$	939,066

Receivables from Portfolio Companies

Receivables from portfolio companies represent non-recurring costs that we incurred on behalf of portfolio companies. Such receivables, net of any allowance for uncollectible receivables, are included in Other assets, net on our accompanying *Consolidated Statements of Assets and Liabilities*. We generally maintain an allowance for uncollectible receivables from portfolio companies when the receivable balance becomes 90 days or more past due or if it is determined, based upon management's judgment, that the portfolio company is unable to pay its obligations. We write-off accounts receivable when we have exhausted collection efforts and have deemed the receivables uncollectible. As of March 31, 2025 and 2024, we had gross receivables from portfolio companies of \$2.3 million and \$2.2 million, respectively. As of March 31, 2025 and 2024, the allowance for uncollectible receivables was \$1.7 million and \$1.4 million, respectively.

NOTE 4. RELATED PARTY TRANSACTIONS

Transactions with the Adviser

We pay the Adviser certain fees as compensation for its services under the Advisory Agreement, consisting of a base management fee and an incentive fee and a loan servicing fee for the Adviser's role as servicer pursuant to our Credit Facility, all as described below. Our Board of Directors, including a majority of the directors who are not parties to the Advisory Agreement or interested persons of either party, approved the Advisory Agreement. On January 24, 2025, the Company entered into the Advisory Agreement, which was approved by the Company's stockholders at a stockholders' meeting on January 4, 2024, as a result of a change of control of the Adviser pursuant to the previously disclosed voting trust agreement. There are no changes to the terms, including the fee structure and services to be provided, of the prior Advisory Agreement, other than the date and term of the Advisory Agreement.

One of our executive officers, David Gladstone (our chairman and chief executive officer) serves as a director and executive officer of the Adviser, which, as of March 31, 2025, is 100% indirectly owned by Mr. Gladstone. David Dullum (our president) is also the executive vice president of private equity (buyouts) of the Adviser. Michael LiCalsi, our general counsel and secretary (who also serves as the Administrator's president, general counsel and secretary), is also the executive vice president of administration, general counsel, and secretary of our Adviser.

The following table summarizes the base management fees, loan servicing fees, incentive fees, and associated non-contractual, unconditional, and irrevocable credits reflected in our accompanying *Consolidated Statements of Operations*:

	Year Ended March 31,		
	2025	2024	2023
Average total assets subject to base management fee ^{(A)(B)}	\$ 955,250	\$ 875,000	\$ 739,900
Multiplied by annual base management fee of 2.0%	2.0 %	2.0 %	2.0 %
Base management fee^(C)	19,105	17,500	14,798
Credits to fees from Adviser - other ^(C)	(5,109)	(5,596)	(3,811)
Net base management fee	\$ 13,996	\$ 11,904	\$ 10,987
Loan servicing fee^(C)	\$ 9,636	\$ 9,118	\$ 7,880
Credits to base management fee - loan servicing fee ^(C)	(9,636)	(9,118)	(7,880)
Net loan servicing fee	\$ —	\$ —	\$ —
Incentive fee – income-based	\$ 4,820	\$ 8,336	\$ 9,176
Incentive fee – capital gains-based^(D)	7,445	12,711	(296)
Total incentive fee^(C)	12,265	21,047	8,880
Credits to fees from Adviser - other ^(C)	—	—	—
Net total incentive fee	\$ 12,265	\$ 21,047	\$ 8,880

(A) Average total assets subject to the base management fee is defined in the Advisory Agreement as total assets, including investments made with proceeds of borrowings, less any uninvested cash or cash equivalents resulting from borrowings, valued at the end of the applicable quarters within the respective periods and adjusted appropriately for any share issuances or repurchases during the periods.

(B) Excludes our investment in Gladstone Alternative valued at the end of the applicable quarters within the respective periods.

(C) Reflected as a line item on our accompanying *Consolidated Statements of Operations*.

(D) The capital gains-based incentive fees are recorded in accordance with GAAP and do not necessarily reflect amounts contractually due under the terms of the Advisory Agreement.

Base Management Fee

The base management fee is payable quarterly to the Adviser pursuant to our Advisory Agreement and is assessed at an annual rate of 2.0%, computed on the basis of the value of our average gross assets at the end of the two most recently completed quarters (inclusive of the current quarter), which are total assets, including investments made with proceeds of borrowings, less any uninvested cash or cash equivalents resulting from borrowings, valued at the end of the applicable quarters within the respective period and adjusted appropriately for any share issuances or repurchases during the period.

Additionally, pursuant to the requirements of the 1940 Act, the Adviser makes available significant managerial assistance to our portfolio companies. The Adviser may also provide other services to our portfolio companies under certain agreements and may receive fees for services other than managerial assistance. Such services may include: (i) assistance obtaining, sourcing or structuring credit facilities, long term loans or additional equity from unaffiliated third parties; (ii) negotiating important contractual financial relationships; (iii) consulting services regarding restructuring of the portfolio company and financial modeling as it relates to raising additional debt and equity capital from unaffiliated third parties; and (iv) taking a primary role in interviewing, vetting, and negotiating employment contracts with candidates in connection with adding and retaining key portfolio company management team members. The Adviser non-contractually, unconditionally, and irrevocably credits 100% of any fees received for such services against the base management fee that we would otherwise be required to pay to the Adviser; however, pursuant to the terms of the Advisory Agreement, a small percentage of certain of such fees, was retained by the Adviser in the form of reimbursement, at cost, for tasks completed by personnel of the Adviser, primarily related to the valuation of portfolio companies. For the years ended March 31, 2025, 2024, and 2023, these credits totaled \$0.4 million, \$0.3 million, and \$0.2 million, respectively.

Loan Servicing Fee

The Adviser also services the loans held by our wholly-owned subsidiary, Business Investment (the borrower under the Credit Facility), in return for which the Adviser receives a 2.0% annual fee based on the monthly aggregate outstanding balance of loans pledged under our Credit Facility. Since Business Investment is a consolidated subsidiary of ours, coupled

with the fact that the total base management fee paid to the Adviser pursuant to the Advisory Agreement cannot exceed 2.0% of total assets (less any uninvested cash or cash equivalents resulting from borrowings) during any given calendar year, we treat payment of the loan servicing fee pursuant to the Credit Facility as a pre-payment of the base management fee under the Advisory Agreement. Accordingly, these loan servicing fees are 100% non-contractually, unconditionally, and irrevocably credited back to us by the Adviser.

Incentive Fee

The incentive fee payable to the Adviser under our Advisory Agreement consists of two parts: an income-based incentive fee and a capital gains-based incentive fee.

The income-based incentive fee rewards the Adviser if our quarterly net investment income (before giving effect to any incentive fee) exceeds 1.75% of our net assets, which we define as total assets less indebtedness and before taking into account any incentive fees payable or contractually due but not payable during the period, at the end of the immediately preceding calendar quarter, adjusted appropriately for any share issuances or repurchases during the period (the “Hurdle Rate”). The income-based incentive fee with respect to our pre-incentive fee net investment income is payable quarterly to the Adviser and is computed as follows:

- No incentive fee in any calendar quarter in which our pre-incentive fee net investment income does not exceed the Hurdle Rate;
- 100.0% of our pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the Hurdle Rate but is less than 2.1875% of our net assets, adjusted appropriately for any share issuances or repurchases during the period, in any calendar quarter; and
- 20.0% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.1875% of our net assets, adjusted appropriately for any share issuances or repurchases during the period, in any calendar quarter.

The second part of the incentive fee is a capital gains-based incentive fee that is determined and payable in arrears as of the end of each fiscal year (or upon termination of the Advisory Agreement, as of the termination date), and equals 20.0% of our realized capital gains, less any realized capital losses and unrealized depreciation, calculated as of the end of the preceding calendar year. The capital gains-based incentive fee payable to the Adviser is calculated based on (i) cumulative aggregate realized capital gains since our inception, less (ii) cumulative aggregate realized capital losses since our inception, less (iii) the entire portfolio’s aggregate unrealized capital depreciation, if any, as of the date of the calculation. If this number is positive at the applicable calculation date, then the capital gains-based incentive fee for such year equals 20.0% of such amount, less the aggregate amount of any capital gains-based incentive fees paid in respect of our portfolio in all prior years. For calculation purposes, cumulative aggregate realized capital gains, if any, equals the sum of the excess between the net sales price of each investment, when sold, and the original cost of such investment since our inception. Cumulative aggregate realized capital losses equals the sum of the deficit between the net sales price of each investment, when sold, and the original cost of such investment since our inception. The entire portfolio’s aggregate unrealized capital depreciation, if any, equals the sum of the deficit between the fair value of each investment security as of the applicable calculation date and the original cost of such investment security. For the years ended March 31, 2025 and 2024, capital gains-based incentive fees of \$4.9 million and \$1.1 million, respectively, were contractually due and paid to the Adviser. For the year ended March 31, 2023, no capital gains-based incentive fees were contractually due and paid to the Adviser.

In accordance with GAAP, accrual of the capital gains-based incentive fee is determined as if our investments had been liquidated at their fair values as of the end of the reporting period. Therefore, GAAP requires that the capital gains-based incentive fee accrual consider the aggregate unrealized capital appreciation in the calculation, as a capital gains-based incentive fee would be payable if such unrealized capital appreciation were realized. There can be no assurance that any such unrealized capital appreciation will be realized in the future. Accordingly, a GAAP accrual is calculated at the end of the reporting period based on (i) cumulative aggregate realized capital gains since our inception, plus (ii) the entire portfolio’s aggregate unrealized capital appreciation, if any, less (iii) cumulative aggregate realized capital losses since our inception, less (iv) the entire portfolio’s aggregate unrealized capital depreciation, if any. If such amount is positive at the end of a reporting period, a capital gains-based incentive fee equal to 20.0% of such amount, less the aggregate amount of capital gains-based incentive fees accrued in all prior years, is recorded, regardless of whether such amount is contractually due under the terms of the Advisory Agreement. If such amount is negative, then there is no accrual for such period and prior period accruals are reversed, as appropriate. During the years ended March 31, 2025, 2024 and 2023, we recorded/(reversed) capital gains-based incentive fees of \$7.4 million, \$12.7 million and \$(0.3) million, respectively.

Transactions with the Administrator

We reimburse the Administrator pursuant to the Administration Agreement for our allocable portion of the Administrator's expenses incurred while performing services to us, which are primarily rent and salaries and benefits expenses of the Administrator's employees, including, our chief financial officer and treasurer, chief valuation officer, chief compliance officer, and general counsel and secretary, and their respective staffs. One of our executive officers, David Gladstone (our chairman and chief executive officer) serves as a member of the board of managers and executive officer of the Administrator, which is 100% indirectly owned and controlled by Mr. Gladstone. Another of our officers, Mr. LiCalsi (our general counsel and secretary), serves as the Administrator's president as well as the executive vice president of administration, general counsel, and secretary for the Adviser.

Our allocable portion of the Administrator's expenses is generally derived by multiplying the Administrator's total expenses by the approximate percentage of time during the current quarter the Administrator's employees performed services for us in relation to their time spent performing services for all companies serviced by the Administrator. On July 9, 2024, our Board of Directors, including a majority of the directors who are not parties to the Administration Agreement or interested persons of either party, approved the annual renewal of the Administration Agreement through August 31, 2025. For the years ended March 31, 2025, 2024 and 2023, administration fees were \$1.9 million, \$1.8 million and \$1.8 million, respectively.

Transactions with Gladstone Securities, LLC

Gladstone Securities, LLC ("Gladstone Securities") is a privately held broker dealer registered with the Financial Industry Regulatory Authority and insured by the Securities Investor Protection Corporation. Gladstone Securities is an affiliate of ours, as its parent company is 100% indirectly owned and controlled by David Gladstone, our chairman and chief executive officer. Mr. Gladstone also serves on the board of managers of Gladstone Securities.

From time to time, Gladstone Securities provides services, such as investment banking and due diligence services, to certain of our portfolio companies, for which it receives a fee. Any such fees paid by portfolio companies to Gladstone Securities do not impact the fees we pay to the Adviser or the non-contractual, unconditional, and irrevocable credits against the base management fee. During the years ended March 31, 2025, 2024, and 2023, the fees received by Gladstone Securities from portfolio companies totaled \$2.0 million, \$0.3 million, and \$1.6 million, respectively.

Investment in Affiliated Fund

In December 2024, we invested in Gladstone Alternative, one of our affiliated funds, that is a registered, non-diversified, closed-end management investment company that operates as an interval fund. The fair value of the investment in Gladstone Alternative will be excluded from the average total assets subject to base management fee for the purposes of calculating the base management fee we pay to the Adviser.

Related Party Fees Due

Amounts due to related parties on our accompanying *Consolidated Statements of Assets and Liabilities* were as follows:

	As of March 31,	
	2025	2024
Base management and loan servicing fee due to Adviser, net of credits	\$ 2,027	\$ 2,386
Incentive fee due to Adviser ^(A)	41,663	38,936
Other due to Adviser	126	22
Total fees due to Adviser	\$ 43,817	\$ 41,344
Fee due to Administrator	767	727
Total related party fees due	\$ 44,584	\$ 42,071

^(A) Includes a capital gains-based incentive fee of \$39.3 million and \$36.7 million as of March 31, 2025 and 2024, respectively, recorded in accordance with GAAP requirements and which was not contractually due under the terms of the Advisory Agreement. Refer to Note 4 — *Related Party Transactions—Transactions with the Adviser—Incentive Fee* for additional information, including capital gains-based incentive fee payments made.

Co-investment expenses as of both March 31, 2025 and 2024 were \$0.1 million, respectively. These amounts are generally settled in the quarter subsequent to being incurred and have been included in Other assets, net on the accompanying *Consolidated Statements of Assets and Liabilities* as of March 31, 2025 and 2024, respectively.

NOTE 5. BORROWINGS

Revolving Line of Credit

As of March 31, 2025, our Credit Facility had a total commitment amount of \$270.0 million with an “accordion” feature that permits us to increase the size of the facility to \$300.0 million. The Credit Facility has a revolving period end date of October 30, 2026 and a final maturity date of October 30, 2028 (at which time all principal and interest will be due and payable if the Credit Facility is not extended by the revolving period end date).

Advances under the Credit Facility generally bear interest at 30-day Term SOFR, subject to a floor of 0.35%, with a SOFR credit spread adjustment of 10 basis points, plus a margin of 3.15% per annum until October 30, 2026, with the margin then increasing to 3.40% for the period from October 30, 2026 to October 30, 2027, and increasing further to 3.65% thereafter. The Credit Facility has an unused commitment fee on the daily unused commitment amount of 0.50% per annum if the daily unused commitment amount is less than or equal to 50% of the total commitment amount, 0.75% per annum if the daily unused commitment amount is greater than 50% but less than or equal to 65% of the total commitment amount, and 1.00% per annum if the daily unused commitment amount is greater than 65% of the total commitment amount.

The following tables summarize noteworthy information related to our Credit Facility:

	As of March 31,	
	2025	2024
Commitment amount	\$ 270,000	\$ 200,000
Borrowings outstanding at cost	\$ —	\$ 67,000
Availability ^(A)	\$ 270,000	\$ 133,000

	For the Years Ended March 31		
	2025	2024	2023
Weighted-average borrowings outstanding	\$ 60,305	\$ 60,980	\$ 16,186
Effective interest rate ^(B)	10.6 %	10.1 %	17.3 %
Commitment (unused) fees incurred	\$ 1,400	\$ 986	\$ 1,655

^(A) Availability is subject to various constraints, characteristics, and applicable advance rates based on collateral quality under our Credit Facility, which equated to an adjusted availability of \$270.0 million and \$133.0 million as of March 31, 2025 and 2024, respectively.

^(B) Excludes the impact of deferred financing costs and includes unused commitment fees.

Interest is payable monthly during the term of our Credit Facility. Available borrowings are subject to various constraints and applicable advance rates, which are generally based on the size, characteristics, and quality of the collateral pledged by Business Investment. Our Credit Facility also requires that any interest and principal payments on pledged loans be remitted directly by the borrower into a lockbox account with KeyBank. KeyBank is also the trustee of the account and generally remits the collected funds to us once a month. Amounts collected in the lockbox account with KeyBank are presented as Due from administrative agent on the accompanying *Consolidated Statements of Assets and Liabilities*.

Among other things, our Credit Facility contains a performance guaranty that requires us to maintain (i) a minimum net worth of the greater of \$210.0 million or \$210.0 million plus 50% of all equity and subordinated debt raised, minus 50% of any equity or subordinated debt redeemed or retired after November 16, 2016, which equated to \$412.9 million as of March 31, 2025; (ii) asset coverage with respect to senior securities representing indebtedness of at least 150% (or such percentage as may be set forth in Section 18 of the 1940 Act, as modified by Section 61 of the 1940 Act); and (iii) our status as a BDC under the 1940 Act and as a RIC under the Code. As of March 31, 2025, and as defined in the performance guaranty of our Credit Facility, we had a net worth of \$953.3 million, asset coverage on our senior securities representing indebtedness of 204.4%, calculated in compliance with the requirements of Sections 18 and 61 of the 1940 Act, and an active status as a BDC and RIC. As of March 31, 2025, we were in compliance with all covenants under our Credit Facility.

Fair Value

We elected to apply the fair value option of ASC Topic 825, “*Financial Instruments*,” to the Credit Facility, which was consistent with our application of ASC 820 to our investments. Generally, the fair value of our Credit Facility is determined using a yield analysis, which includes a DCF calculation and also takes into account the assumptions the Valuation Team believes market participants would use, including the estimated remaining life, counterparty credit risk, current market yield and interest rate spreads of similar securities as of the measurement date. At March 31, 2025, the discount rate used to determine the fair value of our Credit Facility was 30-day Term SOFR, with a 0.35% floor, plus 3.25% per annum, plus an unused commitment fee of 1.0%. At March 31, 2024, the discount rate used to determine the fair value of our Credit Facility was 30-day Term SOFR, with a 0.35% floor, plus 3.25% per annum, plus an unused commitment fee of 1.0%. Generally, an increase or decrease in the discount rate used in the DCF calculation may result in a corresponding decrease or increase, respectively, in the fair value of our Credit Facility. At each of March 31, 2025 and 2024, our Credit Facility was valued using Level 3 inputs and any changes in its fair value are recorded in Net unrealized appreciation (depreciation) of other on our accompanying *Consolidated Statements of Operations*.

The following tables provide relevant information and disclosures about our Credit Facility as of and for the years ended March 31, 2025 and 2024, as required by ASC 820:

	Level 3 – Borrowings	
	Recurring Fair Value Measurements Reported in	
	<i>Consolidated Statements of Assets and Liabilities</i>	
	Using Significant Unobservable Inputs (Level 3)	
	As of March 31,	
	2025	2024
Credit Facility	\$ —	\$ 67,000

Fair Value Measurements of Borrowings Using Significant Unobservable Inputs (Level 3) Reported in *Consolidated Statements of Assets and Liabilities*

	Credit Facility
Year ended March 31, 2025:	
Fair value at March 31, 2024	\$ 67,000
Borrowings	214,100
Repayments	(281,100)
Unrealized appreciation	—
Fair value at March 31, 2025	\$ —
Year ended March 31, 2024:	
Fair value at March 31, 2023	\$ 35,171
Borrowings	242,300
Repayments	(210,500)
Unrealized depreciation	29
Fair value at March 31, 2024	\$ 67,000

The fair value of the collateral under our Credit Facility was \$764.7 million and \$717.3 million as of March 31, 2025 and 2024, respectively.

Notes Payable

5.00% Notes due 2026

In March 2021, we completed a public offering of 5.00% Notes due 2026 with an aggregate principal amount of \$127.9 million (the “5.00% 2026 Notes”), which resulted in net proceeds of approximately \$123.8 million after deducting underwriting discounts, commissions and offering costs borne by us. The 5.00% 2026 Notes are traded under the ticker symbol “GAINN” on the Nasdaq Global Select Market (“Nasdaq”). The 5.00% 2026 Notes will mature on May 1, 2026 and may be redeemed in whole or in part at any time or from time to time at the Company's option. The 5.00% 2026 Notes bear interest at a rate of 5.00% per year, which is payable quarterly in arrears.

The indenture relating to the 5.00% 2026 Notes contains certain covenants, including (i) an inability to incur additional debt or issue additional debt or preferred securities unless the Company's asset coverage meets the threshold specified in the 1940 Act after such borrowing, (ii) an inability to declare any dividend or distribution (except a dividend payable in our stock) on a class of our capital stock or to purchase shares of our capital stock unless the Company's asset coverage meets the threshold specified in the 1940 Act at the time of (and giving effect to) such declaration or purchase, and (iii) if, at any time, we are not subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we will provide the holders of the 5.00% 2026 Notes, and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 5.00% 2026 Notes are recorded at the aggregate principal amount, less underwriting discounts, commissions, and offering costs, on our accompanying *Consolidated Statements of Assets and Liabilities*. Total underwriting discounts, commissions, and offering costs related to this offering were \$4.1 million, which have been recorded as discounts to the aggregate principal amount on our accompanying *Consolidated Statements of Assets and Liabilities* and are being amortized over the period ending May 1, 2026, the maturity date.

4.875% Notes due 2028

In August 2021, we completed a public offering of 4.875% Notes due 2028 with an aggregate principal amount of \$134.6 million (the "4.875% 2028 Notes"), which resulted in net proceeds of approximately \$131.3 million after deducting underwriting discounts, commissions and offering costs borne by us. The 4.875% 2028 Notes are traded under the ticker symbol "GAINZ" on Nasdaq. The 4.875% 2028 Notes will mature on November 1, 2028 and may be redeemed in whole or in part at any time or from time to time at the Company's option. The 4.875% 2028 Notes bear interest at a rate of 4.875% per year, which is payable quarterly in arrears.

The indenture relating to the 4.875% 2028 Notes contains certain covenants, including (i) an inability to incur additional debt or issue additional debt or preferred securities unless the Company's asset coverage meets the threshold specified in the 1940 Act after such borrowing, (ii) an inability to declare any dividend or distribution (except a dividend payable in our stock) on a class of our capital stock or to purchase shares of our capital stock unless the Company's asset coverage meets the threshold specified in the 1940 Act at the time of (and giving effect to) such declaration or purchase, and (iii) if, at any time, we are not subject to the reporting requirements of the Exchange Act, we will provide the holders of the 4.875% 2028 Notes, and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 4.875% 2028 Notes are recorded at the aggregate principal amount, less underwriting discounts, commissions, and offering costs, on our accompanying *Consolidated Statements of Assets and Liabilities*. Total underwriting discounts, commissions, and offering costs related to this offering were \$3.3 million, which have been recorded as discounts to the aggregate principal amount on our accompanying *Consolidated Statements of Assets and Liabilities* and are being amortized over the period ending November 1, 2028, the maturity date.

8.00% Notes due 2028

In May 2023, we completed a public offering of 8.00% Notes due 2028 with an aggregate principal amount of \$74.8 million (the "8.00% 2028 Notes"), which resulted in net proceeds of approximately \$72.3 million after deducting underwriting discounts, commissions and offering costs borne by us. The 8.00% 2028 Notes are traded under the ticker symbol "GAINL" on Nasdaq. The 8.00% 2028 Notes will mature on August 1, 2028 and may be redeemed in whole or in part at any time or from time to time at the Company's option on or after August 1, 2025. The 8.00% 2028 Notes bear interest at a rate of 8.00% per year, which is payable quarterly in arrears.

The indenture relating to the 8.00% 2028 Notes contains certain covenants, including (i) an inability to incur additional debt or issue additional debt or preferred securities unless the Company's asset coverage meets the threshold specified in the 1940 Act after such borrowing, (ii) an inability to declare any dividend or distribution (except a dividend payable in our stock) on a class of our capital stock or to purchase shares of our capital stock unless the Company's asset coverage meets the threshold specified in the 1940 Act at the time of (and giving effect to) such declaration or purchase, and (iii) if, at any time, we are not subject to the reporting requirements of the Exchange Act, we will provide the holders of the 8.00% 2028 Notes and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 8.00% 2028 Notes are recorded at the aggregate principal amount, less underwriting discounts, commissions, and offering costs, on our accompanying *Consolidated Statements of Assets and Liabilities*. Total underwriting discounts, commissions, and offering costs related to this offering were \$2.5 million, which have been recorded as discounts to the aggregate principal amount on our accompanying *Consolidated Statements of Assets and Liabilities* and are being amortized over the period ending August 1, 2028, the maturity date.

7.875% Notes due 2030

In December 2024, we completed a public offering of 7.875% Notes due 2030 with an aggregate principal amount of \$126.5 million (the "7.875% 2030 Notes"), which resulted in net proceeds of approximately \$122.4 million after deducting underwriting discounts, commissions and offering costs borne by us. The 7.875% 2030 Notes are traded under the ticker symbol "GAINI" on Nasdaq. The 7.875% 2030 Notes will mature on February 1, 2030 and may be redeemed in whole or in part at any time or from time to time at the Company's option on or after February 1, 2027. The 7.875% 2030 Notes bear interest at a rate of 7.875% per year, payable quarterly in arrears.

The indenture relating to the 7.875% 2030 Notes contains certain covenants, including (i) an inability to incur additional debt or issue additional debt or preferred securities unless the Company's asset coverage meets the threshold specified in the 1940 Act after such borrowing, (ii) an inability to declare any dividend or distribution (except a dividend payable in our stock) on a class of our capital stock or to purchase shares of our capital stock unless the Company's asset coverage meets the threshold specified in the 1940 Act at the time of (and giving effect to) such declaration or purchase, and (iii) if, at any time, we are not subject to the reporting requirements of the Exchange Act, we will provide the holders of the 7.875% 2030 Notes and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 7.875% 2030 Notes are recorded at the aggregate principal amount, less underwriting discounts, commissions, and offering costs, on our accompanying *Consolidated Statements of Assets and Liabilities*. Total underwriting discounts, commissions, and offering costs related to this offering were \$4.1 million, which have been recorded as discounts to the aggregate principal amount on our accompanying *Consolidated Statements of Assets and Liabilities* and are being amortized over the period ending February 1, 2030, the maturity date.

The following tables summarize our 5.00% 2026 Notes, 4.875% 2028 Notes, 8.00% 2028 Notes and 7.875% 2030 Notes as of March 31, 2025 and 2024:

As of March 31, 2025:

Description	Ticker Symbol	Date Issued	Maturity Date ^(A)	Interest Rate	Notes Outstanding	Principal Amount per Note	Aggregate Principal Amount
5.00% 2026 Notes	GAINN	March 2, 2021	May 1, 2026	5.00%	5,117,500	\$ 25.00	\$ 127,938
4.875% 2028 Notes	GAINZ	August 18, 2021	November 1, 2028	4.875%	5,382,000	\$ 25.00	134,550
8.00% 2028 Notes	GAINL	May 31, 2023	August 1, 2028	8.00%	2,990,000	\$ 25.00	74,750
7.875% 2030 Notes	GAINI	December 17, 2024	February 1, 2030	7.875%	5,060,000	\$ 25.00	126,500
Notes payable, gross^(B)					18,549,500		463,738
Less: Unamortized Discounts							(8,029)
Notes payable, net^(C)							\$ 455,709

As of March 31, 2024:

Description	Ticker Symbol	Date Issued	Maturity Date ^(A)	Interest Rate	Notes Outstanding	Principal Amount per Note	Aggregate Principal Amount
5.00% 2026 Notes	GAINN	March 2, 2021	May 1, 2026	5.00%	5,117,500	\$ 25.00	\$ 127,938
4.875% 2028 Notes	GAINZ	August 18, 2021	November 1, 2028	4.875%	5,382,000	\$ 25.00	134,550
8.00% 2028 Notes	GAINL	May 31, 2023	August 1, 2028	8.00%	2,990,000	\$ 25.00	74,750
Notes payable, gross^(B)					13,489,500		337,238
Less: Unamortized Discounts							(5,893)
Notes payable, net^(C)							\$ 331,345

^(A) The 5.00% 2026 Notes and the 4.875% 2028 Notes can be redeemed at our option at any time. The 8.00% 2028 Notes can be redeemed at our option at any time on or after August 1, 2025. The 7.875% 2030 Notes can be redeemed at our option at any time on or after February 1, 2027.

^(B) As of March 31, 2025 and 2024, asset coverage on our senior securities representing indebtedness, calculated pursuant to Sections 18 and 61 of the 1940 Act, was 204.4% and 219.0%, respectively.

^(C) Reflected as a line item on our accompanying *Consolidated Statements of Assets and Liabilities*.

The fair value based on the last reported closing prices of the 5.00% 2026 Notes, 4.875% 2028 Notes, 8.00% 2028 Notes and 7.875% 2030 Notes as of March 31, 2025 was \$127.5 million, \$125.0 million, \$77.5 million and \$128.5 million, respectively. The fair value based on the last reported closing prices of the 5.00% 2026 Notes, 4.875% 2028 Notes and 8.00% 2028 Notes as of March 31, 2024 was \$123.9 million, \$123.7 million and \$77.3 million, respectively. We consider the closing prices of the 5.00% 2026 Notes, 4.875% 2028 Notes, 8.00% 2028 Notes and 7.875% 2030 Notes to be Level 1 inputs within the ASC 820 hierarchy.

NOTE 6. REGISTRATION STATEMENT AND COMMON EQUITY OFFERINGS
Registration Statement

On February 28, 2024, we filed a registration statement on Form N-2 (File No. 333-277452), which the SEC declared effective on April 18, 2024. The registration statement permits us to issue, through one or more transactions, up to an aggregate of \$450.0 million in securities, consisting of common stock, preferred stock, subscription rights, debt securities, and warrants to purchase common stock, preferred stock, or debt securities, including through concurrent, separate offerings of such securities. As of March 31, 2025, we have the ability to issue up to an additional \$321.5 million of the securities registered under the registration statement.

On September 3, 2021, we filed a registration statement on Form N-2 (File No. 333-259302), which the SEC declared effective on October 15, 2021. The registration statement permitted us to issue, through one or more transactions, up to an aggregate of \$300.0 million in securities, consisting of common stock, preferred stock, subscription rights, debt securities, and warrants to purchase common stock, preferred stock, or debt securities, including through concurrent, separate offerings of such securities. This registration statement was terminated on April 18, 2024.

Common Equity Offerings

In May 2024, we entered into equity distribution agreements with Oppenheimer & Co., B. Riley Securities, Inc. and Virtu Americas LLC (collectively, the "Sales Agents"), under which we have the ability to issue and sell shares of our common stock, from time to time, through the Sales Agents, having an aggregate offering price of up to \$75.0 million in what is commonly referred to as an "at-the-market" program (the "2024 Common Stock ATM Program"). As of March 31, 2025, we had remaining capacity to sell up to an additional \$73.0 million of common stock under the 2024 Common Stock ATM Program.

In August 2022, we entered into equity distribution agreements with Oppenheimer & Co. and Virtu Americas LLC (each a “2022 Sales Agent”), under which we had the ability to issue and sell shares of our common stock, from time to time, through the 2022 Sales Agents, up to an aggregate offering price of \$50.0 million in what is commonly referred to as an “at-the-market” program (“2022 Common Stock ATM Program”). In August 2023, we entered into an equity distribution agreement with B. Riley Securities, Inc. and entered into amendments to the agreements with Oppenheimer & Co. Inc. and Virtu Americas LLC to add B. Riley Securities, Inc. as a 2022 Sales Agent for the 2022 Common Stock ATM Program. We did not sell any shares under the 2022 Common Stock ATM Program, which terminated in connection with our entry into the 2024 Common Stock ATM Program on May 14, 2024, during the year ended March 31, 2025.

During the year ended March 31, 2025, we sold 148,714 shares of our common stock under the Common Stock ATM Program at a weighted-average gross price of \$13.64 per share and raised approximately \$2.0 million of gross proceeds. The weighted-average net price per share, after deducting commissions and offering costs borne by us, was \$13.48 and resulted in total net proceeds of approximately \$2.0 million. These sales were above our then current NAV per share.

During the year ended March 31, 2024, we sold 3,097,162 shares of our common stock under the 2022 Common Stock ATM Program at a weighted-average gross price of \$14.37 per share and raised approximately \$44.5 million of gross proceeds. The weighted-average net price per share, after deducting commissions and offering costs borne by us, was \$14.12 and resulted in total net proceeds of approximately \$43.7 million. These sales were above our then current NAV per share.

During the year ended March 31, 2023, we sold 386,482 shares of our common stock under the 2022 Common Stock ATM Program at a weighted-average gross price of \$14.21 per share and raised approximately \$5.5 million of gross proceeds. The weighted-average net price per share, after deducting commissions and offering costs borne by us, was \$14.01 and resulted in total net proceeds of approximately \$5.4 million. These sales were above our then current NAV per share.

NOTE 7. NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS PER WEIGHTED-AVERAGE COMMON SHARE

The following table sets forth the computation of basic and diluted net increase in net assets resulting from operations per weighted-average common share for the years ended March 31, 2025, 2024, and 2023:

	Year Ended March 31,		
	2025	2024	2023
Numerator: net increase in net assets resulting from operations	\$ 65,319	\$ 85,305	\$ 35,547
Denominator: basic and diluted weighted-average common shares	36,735,218	34,466,724	33,311,785
Basic and diluted net increase in net assets resulting from operations per weighted-average common share	\$ 1.78	\$ 2.47	\$ 1.07

NOTE 8. DISTRIBUTIONS TO COMMON STOCKHOLDERS

To qualify to be taxed as a RIC under Subchapter M of the Code, we must generally distribute to our stockholders, for each taxable year, at least 90% of our Investment Company Taxable Income. The amount to be paid out as distributions to our stockholders is determined by our Board of Directors and is based upon management’s estimate of Investment Company Taxable Income and net long-term capital gains, as well as amounts to be distributed in accordance with Section 855(a) of the Code. Based on that estimate, our Board of Directors declares monthly distributions, and supplemental distributions, as appropriate, to stockholders each quarter and deemed distributions of long-term capital gains annually as of the end of the fiscal year, as applicable.

The U.S. federal income tax characteristics of cash distributions paid to our common stockholders generally are reported to stockholders on IRS Form 1099 after the end of each calendar year. Estimates of tax characterization made on a quarterly basis may not be representative of the actual tax characterization of cash distributions for the full year. Estimates made on a quarterly basis are updated as of each interim reporting date. The tax characterization of cash distributions paid to common stockholders during the calendar year ended December 31, 2024 was 52.9% from ordinary income and 47.1% from capital gains. The tax characterization of cash distributions paid to common stockholders during the calendar year ended December 31, 2023 was 53.2% from ordinary income and 46.8% from capital gains.

We paid the following cash distributions to our common stockholders for the years ended March 31, 2025, 2024 and 2023.

For the Year Ended March 31, 2025:

Declaration Date	Record Date	Payment Date	Distribution per Common Share
April 9, 2024	April 19, 2024	April 30, 2024	\$ 0.08
April 9, 2024	May 17, 2024	May 31, 2024	0.08
April 9, 2024	June 19, 2024	June 28, 2024	0.08
July 9, 2024	July 22, 2024	July 31, 2024	0.08
July 9, 2024	August 21, 2024	August 30, 2024	0.08
July 9, 2024	September 20, 2024	September 30, 2024	0.08
September 17, 2024	October 4, 2024	October 15, 2024	0.70 ^(A)
October 8, 2024	October 22, 2024	October 31, 2024	0.08
October 8, 2024	November 20, 2024	November 29, 2024	0.08
October 8, 2024	December 20, 2024	December 31, 2024	0.08
January 14, 2025	January 24, 2025	January 31, 2025	0.08
January 14, 2025	February 19, 2025	February 28, 2025	0.08
January 14, 2025	March 19, 2025	March 31, 2025	0.08
Year ended March 31, 2025			\$ 1.66

For the Year Ended March 31, 2024:

Declaration Date	Record Date	Payment Date	Distribution per Common Share
April 11, 2023	April 21, 2023	April 28, 2023	\$ 0.08
April 11, 2023	May 23, 2023	May 31, 2023	0.08
April 11, 2023	June 5, 2023	June 15, 2023	0.12 ^(A)
April 11, 2023	June 21, 2023	June 30, 2023	0.08
July 11, 2023	July 21, 2023	July 31, 2023	0.08
July 11, 2023	August 23, 2023	August 31, 2023	0.08
July 11, 2023	September 7, 2023	September 15, 2023	0.12 ^(A)
July 11, 2023	September 21, 2023	September 29, 2023	0.08
October 10, 2023	October 20, 2023	October 31, 2023	0.08
October 10, 2023	November 7, 2023	November 17, 2023	0.12 ^(A)
October 10, 2023	November 20, 2023	November 30, 2023	0.08
October 24, 2023	December 5, 2023	December 15, 2023	0.88 ^(A)
October 10, 2023	December 18, 2023	December 29, 2023	0.08
January 9, 2024	January 23, 2024	January 31, 2024	0.08
January 9, 2024	February 21, 2024	February 29, 2024	0.08
January 9, 2024	March 21, 2024	March 29, 2024	0.08
Year ended March 31, 2024:			\$ 2.20

For the Year Ended March 31, 2023:

Declaration Date	Record Date	Payment Date	Distribution per Common Share
April 12, 2022	April 22, 2022	April 29, 2022	\$ 0.075
April 12, 2022	May 20, 2022	May 31, 2022	0.075
April 12, 2022	June 6, 2022	June 15, 2022	0.120 ^(A)
April 12, 2022	June 22, 2022	June 30, 2022	0.075
July 12, 2022	July 22, 2022	July 29, 2022	0.075
July 12, 2022	August 23, 2022	August 31, 2022	0.075
July 12, 2022	September 22, 2022	September 30, 2022	0.075
October 11, 2022	October 21, 2022	October 31, 2022	0.080
October 11, 2022	November 18, 2022	November 30, 2022	0.080
October 11, 2022	December 6, 2022	December 15, 2022	0.120 ^(A)
October 11, 2022	December 20, 2022	December 30, 2022	0.080
January 10, 2023	January 20, 2023	January 31, 2023	0.080
January 10, 2023	February 17, 2023	February 28, 2023	0.080
January 10, 2023	March 3, 2023	March 15, 2023	0.240 ^(A)
January 10, 2023	March 17, 2023	March 31, 2023	0.080
Year ended March 31, 2023:			\$ 1.410

^(A) Represents a supplemental distribution to common stockholders.

Aggregate cash distributions to our common stockholders declared and paid for the years ended March 31, 2025, 2024 and 2023 were \$61.0 million, \$76.1 million, and \$47.0 million, respectively.

For the fiscal years ended March 31, 2025, 2024, and 2023, Investment Company Taxable Income exceeded distributions declared and paid, and, in accordance with Section 855(a) of the Code, we elected to treat \$36.7 million, \$18.7 million, and \$21.4 million, respectively, of the first distributions paid subsequent to fiscal year-end, as having been paid in the prior year. In addition, for the fiscal years ended March 31, 2025, 2024, and 2023, net capital gains exceeded distributions declared and paid, and, in accordance with Section 855(a) of the Code, we elected to treat \$18.7 million, \$1.4 million, and \$10.6 million, respectively, of the first distributions paid subsequent to fiscal year-end as having been paid in the prior year.

We may distribute our net long-term capital gains, if any, in cash or elect to retain some or all of such gains, pay taxes at the U.S. federal corporate-level income tax rate on the amount retained, and designate the retained amount as a “deemed distribution.” If we elect to retain net long-term capital gains and deem them distributed, each U.S. common stockholder will be treated as if they received a distribution of their pro-rata share of the retained net long-term capital gain and the U.S. federal income tax paid. As a result, each U.S. common stockholder will (i) be required to report their pro-rata share of the retained gain on their tax return as long-term capital gain, (ii) receive a refundable tax credit for their pro-rata share of federal income tax paid by us on the retained gain, and (iii) increase the tax basis of their shares of common stock by an amount equal to the deemed distribution less the tax credit. To use the deemed distribution approach, we must provide written notice to our common stockholders prior to the expiration of 60 days after the close of the relevant taxable year. For the years ended March 31, 2025, 2024, and 2023 we did not elect to retain long-term capital gains and to treat them as deemed distributions to common stockholders.

The components of our net assets on a tax basis were as follows:

	Year Ended March 31,	
	2025	2024
Common stock	\$ 37	\$ 37
Capital in excess of par value	445,512	444,706
Cumulative unrealized appreciation of investments	38,460	64,737
Cumulative unrealized depreciation of other	—	—
Undistributed ordinary income	36,673	18,708
Undistributed capital gain	18,663	1,373
Other temporary differences	(40,261)	(36,850)
Net Assets	\$ 499,084	\$ 492,711

For the years ended March 31, 2025 and 2024, we recorded the following adjustments for estimated permanent book-tax differences to reflect tax character. Results of operations, total net assets, and cash flows were not affected by these adjustments.

	Tax Year Ended March 31,	
	2025	2024
Underdistributed (overdistributed) net investment income	\$ 9,623	\$ 1,695
Accumulated net realized gain in excess of distributions	\$ (8,424)	\$ (881)
Capital in excess of par value	\$ (1,199)	\$ (814)

NOTE 9. FEDERAL AND STATE INCOME TAXES

We intend to continue to maintain our qualifications as a RIC for federal income tax purposes. As a RIC, we generally are not subject to federal income tax on the portion of our taxable income and gains that we distribute to stockholders. To maintain our qualification as a RIC, we must maintain our status as a BDC and meet certain source-of-income and asset diversification requirements. In addition, to qualify to be taxed as a RIC, we must distribute to stockholders at least 90% of our Investment Company Taxable Income. Our policy generally is to make distributions to our stockholders in an amount up to 100% of our Investment Company Taxable Income. We may retain some or all of our net long-term capital gains, if any, and designate them as deemed distributions, or distribute such gains to stockholders in cash. Because we have distributed or intend to distribute 100% of our Investment Company Taxable Income and net long-term capital gains, no income tax provisions have been recorded for the years ended March 31, 2025, 2024, and 2023.

In an effort to limit federal excise taxes, we have to distribute to stockholders, during each calendar year, an amount close to the sum of (1) 98% of our ordinary income for the calendar year, (2) 98.2% of our net capital gains (both long-term and short-term), if any, for the one-year period ending on October 31 of the calendar year and (3) any income realized, but not distributed, in the preceding period (to the extent that income tax was not imposed on such amounts), less certain reductions, as applicable. We incurred an excise tax of \$1.2 million, \$1.2 million, and \$1.3 million for the calendar years ended December 31, 2024, 2023 and 2022, respectively, which are included in Other general and administrative expenses on the accompanying *Consolidated Statement of Operations*.

Under the RIC Modernization Act, we are permitted to carryforward any capital losses that we may incur for an unlimited period, and such capital loss carryforwards will retain their character as either short-term or long-term capital losses. Our capital loss carryforward balance was \$0 as of both March 31, 2025 and 2024.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

We are party to certain legal proceedings incidental to the normal course of our business. We are required to establish reserves for litigation matters where those matters present loss contingencies that are both probable and estimable. When loss contingencies are not both probable and estimable, we do not establish reserves. Based on current knowledge, we do not believe that loss contingencies, if any, arising from pending investigations, litigation or regulatory matters will have a material adverse effect on our financial condition, results of operation or cash flows. Additionally, based on our current knowledge, we do not believe such loss contingencies are both probable and estimable and, therefore, as of March 31, 2025 and 2024, we had no established reserves for such loss contingencies.

Escrow Holdbacks

From time to time, we enter into arrangements relating to exits of certain investments whereby specific amounts of the proceeds are held in escrow to be used to satisfy potential obligations, as stipulated in the sales agreements. We record escrow amounts in Restricted cash and cash equivalents and Other liabilities, if received in cash but subject to potential obligations or other contractual restrictions, or as escrow receivables in Other assets, net, if not yet received in cash, on our accompanying *Consolidated Statements of Assets and Liabilities*. We establish reserves and holdbacks against escrow amounts if we determine that it is probable and estimable that a portion of the escrow amounts will not ultimately be released or received at the end of the escrow period. Reserves and holdbacks against escrow amounts were \$1.0 million and \$1.0 million as of March 31, 2025 and 2024, respectively.

Financial Commitments and Obligations

We may have line of credit commitments to certain of our portfolio companies that have not been fully drawn. Since these line of credit commitments have expiration dates and we expect many will never be fully drawn, the total line of credit commitment amounts do not necessarily represent future cash requirements. We estimate the fair value of the combined unused line of credit commitments as of March 31, 2025 and 2024 to be insignificant.

We may also extend guaranties on behalf of our portfolio companies. As of March 31, 2025 and 2024, there were no guaranties outstanding.

The following table summarizes the principal balances of unused line of credit as of March 31, 2025 and 2024, which are not reflected as liabilities in the accompanying *Consolidated Statements of Assets and Liabilities*:

	As of March 31,	
	2025	2024
Unused line of credit commitments	\$ 3,440	\$ 2,394
Total	\$ 3,440	\$ 2,394

NOTE 11. FINANCIAL HIGHLIGHTS

	As of and for the Year Ended March 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Per Common Share Data:										
Net asset value at beginning of year ^(A)	\$ 13.43	\$ 13.09	\$ 13.43	\$ 11.52	\$ 11.17	\$ 12.40	\$ 10.85	\$ 9.95	9.22	9.18
Income from investment operations^(B)										
Net investment income	0.76	0.63	1.11	0.45	0.54	1.11	0.23	0.68	0.74	0.68
Net realized gain (loss) on investments and other	1.72	0.88	0.32	0.37	0.32	1.36	2.04	0.04	0.51	(0.15)
Taxes on deemed distributions of long-term capital gains	—	—	—	—	—	(0.31)	(0.41)	—	—	—
Net unrealized (depreciation) appreciation of investments and other	(0.70)	0.96	(0.36)	2.26	0.42	(2.38)	0.63	1.16	0.23	0.29
Total from investment operations	1.78	2.47	1.07	3.08	1.28	(0.22)	2.49	1.88	1.48	0.82
Effect of equity capital activity^(B)										
Cash distributions to common stockholders from net investment income ^(C)	(0.64)	(1.08)	(0.92)	(0.91)	(0.83)	(0.75)	(0.69)	(0.84)	(0.75)	(0.64)
Cash distributions to common stockholders from realized gains ^(C)	(1.02)	(1.12)	(0.49)	(0.26)	(0.10)	(0.28)	(0.24)	(0.05)	—	(0.11)
Discounts, commissions, and offering costs	—	(0.02)	(0.01)	—	—	—	—	(0.03)	—	(0.01)
Net accretive (dilutive) effect of equity offering ^(D)	—	0.10	0.01	—	—	0.01	—	(0.04)	—	(0.03)
Total from equity capital activity	(1.66)	(2.12)	(1.41)	(1.17)	(0.93)	(1.02)	(0.93)	(0.96)	(0.75)	(0.79)
Other, net ^(E)	—	(0.01)	—	—	—	0.01	(0.01)	(0.02)	—	0.01
Net asset value at end of year ^(A)	\$ 13.55	\$ 13.43	\$ 13.09	\$ 13.43	\$ 11.52	11.17	12.40	10.85	9.95	9.22
Per common share market value at beginning of year	\$ 14.23	\$ 13.25	\$ 16.13	\$ 12.23	\$ 7.85	11.60	\$ 10.10	9.07	7.02	7.40
Per common share market value at end of year	\$ 13.36	\$ 14.23	\$ 13.25	\$ 16.13	\$ 12.23	\$ 7.85	\$ 11.60	\$ 10.10	\$ 9.07	\$ 7.02
Total investment return ^(F)	5.65 %	25.52 %	(8.90 %)	42.40 %	70.65 %	(26.23 %)	24.95 %	21.82 %	41.58 %	4.82 %
Common stock outstanding at end of year ^(A)	36,837,381	36,688,667	33,591,505	33,205,023	33,205,023	33,049,463	32,822,459	32,653,635	30,270,958	30,270,958
Consolidated Statement of Assets and Liabilities Data:										
Net assets at end of year	\$ 499,084	\$ 492,711	\$ 439,742	\$ 445,830	\$ 382,364	\$ 369,031	\$ 407,110	\$ 354,200	\$ 301,082	\$ 279,022
Average net assets ^(G)	\$ 478,440	\$ 461,819	\$ 446,899	\$ 425,985	\$ 365,568	\$ 404,336	\$ 391,786	\$ 328,533	\$ 294,030	\$ 276,293
Senior Securities Data:										
Total borrowings, at cost	\$ 463,738	\$ 404,238	\$ 297,688	\$ 267,584	\$ 155,434	\$ 54,296	\$ 58,096	\$ 112,096	\$ 74,796	\$ 100,096
Mandatorily redeemable preferred stock ^(H)	\$ —	\$ —	\$ —	\$ —	\$ 94,371	\$ 132,250	\$ 132,250	\$ 139,150	\$ 139,150	\$ 121,650
Ratios/Supplemental Data:										
Ratio of net expenses to average net assets ^(I)	13.70 %	14.19 %	9.97 %	13.51 %	10.58 %	6.32 %	13.30 %	11.08 %	10.02 %	10.94 %
Ratio of net investment income to average net assets ^(J)	5.87 %	4.72 %	8.28 %	3.52 %	4.91 %	8.99 %	1.92 %	6.68 %	7.63 %	7.50 %

^(A) Based on actual shares of common stock outstanding at the beginning or end of the corresponding year, as appropriate.

- (B) Based on weighted-average basic common share data for the corresponding year.
- (C) The tax character of distributions is determined based on taxable income calculated in accordance with income tax regulations, which may differ from amounts determined under GAAP. For further information on the estimated character of our distributions to common stockholders, including changes in estimates, as applicable, refer to Note 8 — *Distributions to Common Stockholders*.
- (D) During the years ended March 31, 2024, 2023, and 2020, the accretive effect is the result of issuing common shares at a price above the then current NAV per share. During the years ended March 31, 2018 and 2016, the net dilutive effect is the result of issuing common shares at a price below the then current NAV per share.
- (E) Represents the impact of the different share amounts (weighted-average basic common shares outstanding for the corresponding year and actual common shares outstanding at the end of the year) in the Per Common Share Data calculations and rounding impacts.
- (F) Total investment return equals the change in the market value of our common stock from the beginning of the year, taking into account dividends reinvested in accordance with the terms of our dividend reinvestment plan. Total return does not take into account distributions that may be characterized as a return of capital. For further information on the estimated character of our distributions to common stockholders, including changes in estimates, as applicable, refer to Note 8 — *Distributions to Common Stockholders*.
- (G) Calculated using the average balance of net assets at the end of each month of the reporting year.
- (H) Represents the aggregate liquidation preference of our mandatorily redeemable preferred stock.
- (I) Ratio of net expenses to average net assets is computed using total expenses, net of any non-contractual, unconditional, and irrevocable credits of fees from the Adviser. Had we not received any non-contractual, unconditional, and irrevocable credits of fees from the Adviser, the ratio of expenses to average net assets would have been 16.79%, 17.38%, 12.58%, 16.72%, 13.33%, 9.12%, 16.45%, 14.11%, 13.46%, and 14.50% for the fiscal years ended March 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017 and 2016, respectively. Had we included Virginia state taxes incurred on the deemed distributions of retained capital gains for the fiscal years ended March 31, 2020 and 2019, the ratio of net expenses to average net assets would have been 6.89% and 14.07%, respectively.
- (J) Had we not received any non-contractual, unconditional, and irrevocable credits of fees from the Adviser, the ratio of net investment income (loss) to average net assets would have been 2.79%, 1.53%, 5.66%, 0.31%, 2.16%, 6.20%, (1.22%), 3.66%, 4.19%, and 3.94% for the fiscal years ended March 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017 and 2016, respectively.

NOTE 12. UNCONSOLIDATED SIGNIFICANT SUBSIDIARIES

In accordance with the SEC’s Regulation S-X, we do not consolidate portfolio company investments. Further, in accordance with ASC 946, we are precluded from consolidating any entity other than another investment company, except that ASC 946 provides for the consolidation of a controlled operating company that provides substantially all of its services to the investment company or its consolidated subsidiaries.

We did not have any unconsolidated subsidiaries that met any of the significance conditions under Rule 1-02(w)(2) of the SEC’s Regulation S-X as of or during the years ended March 31, 2025, 2024 and 2023.

NOTE 13. SUBSEQUENT EVENT

Distributions and Dividends

In April 2025, our Board of Directors declared the following monthly cash distributions to common stockholders:

Record Date	Payment Date	Distribution per Common Share	
April 21, 2025	April 30, 2025	\$	0.08
May 21, 2025	May 30, 2025		0.08
June 4, 2025	June 13, 2025		0.54 ^(A)
June 20, 2025	June 30, 2025		0.08
Total for the Quarter:		\$	0.78

^(A) Represents a supplemental distribution to common stockholders.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

a) Disclosure Controls and Procedures

As of March 31, 2025 (the end of the period covered by this report), we, including our chief executive officer and chief financial officer, evaluated the effectiveness and design and operation of our disclosure controls and procedures. Based on that evaluation, our management, including the chief executive officer and chief financial officer, concluded that our disclosure controls and procedures were effective at a reasonable assurance level in timely alerting management, including the chief executive officer and chief financial officer, of material information about us required to be included in periodic SEC filings. However, in evaluation of 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 possible controls and procedures.

b) Management's Annual Report on Internal Control over Financial Reporting

Refer to Management's Annual Report on Internal Control over Financial Reporting located in Item 8 of this Form 10-K.

c) Attestation Report of the Independent Registered Public Accounting Firm

Not Applicable.

d) Change in Internal Control over Financial Reporting

There were no changes in internal controls for the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

During the three months ended March 31, 2025, none of our officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) ("Rule 10b5-1 trading arrangement") or any "non-Rule 10b5-1 trading arrangement".

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

We will file a definitive Proxy Statement for our 2025 Annual Meeting of Stockholders (the “2025 Proxy Statement”) with the SEC, pursuant to Regulation 14A, not later than 120 days after the end of our fiscal year. Accordingly, certain information required by Part III has been omitted under General Instruction G(3) to Form 10-K. Only those sections of the 2025 Proxy Statement that specifically address the items set forth herein are incorporated by reference.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 is hereby incorporated by reference from our 2025 Proxy Statement. We have adopted a Code of Business Conduct and Ethics (the “Code of Conduct”) that applies to all of our officers and directors and to the employees of our Adviser and our Administrator. The Code of Conduct is available in the Investors section of our website under “Governance – Governance Documents” at www.GladstoneInvestment.com.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is hereby incorporated by reference from our 2025 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 is hereby incorporated by reference from our 2025 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is hereby incorporated by reference from our 2025 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 is hereby incorporated by reference from our 2025 Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

a. DOCUMENTS FILED AS PART OF THIS REPORT

1. The following financial statements are filed herewith:

Report of Independent Registered Public Accounting Firm	72
Consolidated Statements of Assets and Liabilities as of March 31, 2025 and 2024	74
Consolidated Statements of Operations for the years ended March 31, 2025, 2024, and 2023	75
Consolidated Statements of Changes in Net Assets for the years ended March 31, 2025, 2024, and 2023	76
Consolidated Statements of Cash Flows for the years ended March 31, 2025, 2024, and 2023	77
Consolidated Schedules of Investments as of March 31, 2025 and 2024	84
Notes to Consolidated Financial Statements	89

2. The following financial statement schedule is filed herewith:

Schedule 12-14 Investments in and Advances to Affiliates	126
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No other financial statement schedules are filed herewith because (1) such schedules are not required or (2) the information has been presented in the aforementioned financial statements.

3. Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC:

 - 3.1 [Amended and Restated Certificate of Incorporation, incorporated by reference to Exhibit A.2 to Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2 \(File No. 333-123699\), filed May 13, 2005.](#)
 - 3.2 [Second Amended and Restated Bylaws, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K \(File No. 814-00704\), filed May 15, 2020.](#)
 - 4.1 [Specimen Stock Certificate, incorporated by reference to Exhibit d to Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2 \(File No. 333-123699\), filed June 21, 2005.](#)
 - 4.2 [Indenture, dated as of May 22, 2020, between Gladstone Investment Corporation and UMB Bank, National Association, as trustee incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K \(File No. 814-00704\), filed May 22, 2020.](#)
 - 4.3 [Second Supplemental Indenture between Gladstone Investment Corporation and UMB Bank, National Association, dated as of March 2, 2021, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K \(File No. 814-00704\), filed March 2, 2021.](#)
 - 4.4 [Third Supplemental Indenture between Gladstone Investment Corporation and UMB Bank, National Association, dated as of August 18, 2021, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K \(File No. 814-00704\), filed August 18, 2021.](#)
 - 4.5 [Fourth Supplemental Indenture between Gladstone Investment Corporation and UMB Bank, National Association, dated as of May 31, 2023, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K \(File No. 814-00704\), filed May 31, 2023.](#)
 - 4.6 [Fifth Supplemental Indenture between Gladstone Investment Corporation and UMB Bank, National Association, dated as of December 17, 2024, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K \(File No. 814-00704\), filed December 17, 2024.](#)
 - 4.7* [Description of Securities](#)
 - 10.1 [Stock Transfer Agency Agreement between the Registrant and The Bank of New York, incorporated by reference to Exhibit k.1 to Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2 \(File No. 333-123699\), filed May 13, 2005.](#)
 - 10.2 [Custody Agreement between the Registrant and The Bank of New York, incorporated by reference to Exhibit j to Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2 \(File No. 333-123699\), filed June 21, 2005.](#)

10.3	<u>Investment Advisory and Management Agreement, dated January 24, 2025, between Gladstone Investment Corporation and Gladstone Management Corporation, incorporated by reference to Exhibit 10.1 to the Form 8-K (File No. 814-00704) filed on January 24, 2025.</u>
10.4	<u>Administration Agreement between the Registrant and Gladstone Administration, LLC, dated June 22, 2005, incorporated by reference to Exhibit 10.2 to the Annual Report on Form 10-K (File No. 814-00704), filed June 14, 2006.</u>
10.5	<u>Custodial Agreement by and among Gladstone Business Investment, LLC, the Registrant, Gladstone Management Corporation, The Bank of New York Trust Company, N.A. and Deutsche Bank AG, New York Branch, dated October 19, 2006, incorporated by reference to Exhibit 2.j.2 to Post-Effective Amendment No. 2 to the Registration Statement on Form N-2 (File No. 333-181879), filed June 7, 2013.</u>
10.6	<u>Amendment No. 1 to Custodial Agreement by and among Gladstone Business Investment, LLC, the Registrant, Gladstone Management Corporation, The Bank of New York Trust Company, N.A. and Deutsche Bank AG, New York Branch, dated April 14, 2009, incorporated by reference to Exhibit 2.j.3 to Post-Effective Amendment No. 2 to the Registration Statement on Form N-2 (File No. 333-181879), filed June 7, 2013.</u>
10.7	<u>Fifth Amended and Restated Credit Agreement, dated as of April 30, 2013, by and among Gladstone Business Investment, LLC, Gladstone Management Corporation, the Financial Institutions as party thereto, and Key Equipment Finance, Inc., incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 814-00704), filed May 2, 2013.</u>
10.8	<u>Joinder Agreement, dated as of June 12, 2013, by and among Gladstone Business Investment, LLC, Gladstone Management Corporation, Key Equipment Finance Inc. and EverBank Commercial Finance, Inc., incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 814-00704), filed June 17, 2013.</u>
10.9	<u>Joinder Agreement, dated as of June 12, 2013, by and among Gladstone Business Investment, LLC, Gladstone Management Corporation, Key Equipment Finance Inc. and AloStar Bank of Commerce, incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K (File No. 814-00704), filed June 17, 2013.</u>
10.10	<u>Amendment No. 1 to Fifth Amended and Restated Credit Agreement, dated as of June 26, 2014, by and among Gladstone Business Investment, LLC, Gladstone Management Corporation, the Financial Institutions as party thereto, and Key Equipment Finance, a division of KeyBank National Association, by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 814-00704), filed June 30, 2014.</u>
10.11	<u>Joinder Agreement, dated as of September 19, 2014, by and among Gladstone Business Investment, LLC, Gladstone Management Corporation, Key Equipment Finance, a division of KeyBank National Association, and East West Bank, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 814-00704), filed September 22, 2014.</u>
10.12	<u>Joinder Agreement, dated as of September 19, 2014, by and among Gladstone Business Investment, LLC, Gladstone Management Corporation, Key Equipment Finance, a division of KeyBank National Association, and Manufacturers and Traders Trust, incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K (File No. 814-00704), filed September 22, 2014.</u>
10.13	<u>Joinder Agreement, dated as of September 19, 2014, by and among Gladstone Business Investment, LLC, Gladstone Management Corporation, Key Equipment Finance, a division of KeyBank National Association, and Customers Bank, incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K (File No. 814-00704), filed September 22, 2014.</u>
10.14	<u>Joinder Agreement, dated as of September 19, 2014, by and among Gladstone Business Investment, LLC, Gladstone Management Corporation, Key Equipment Finance, a division of KeyBank National Association, and Talmer Bank and Trust, incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K (File No. 814-00704), filed September 22, 2014.</u>
10.15	<u>Amendment No. 2 to Fifth Amended and Restated Credit Agreement, dated November 16, 2016, by and among Gladstone Business Investment, LLC, Gladstone Management Corporation, Keybank National Association, AloStar Bank of Commerce, Manufacturers and Traders Trust, East West Bank, Chemical Bank (as successor in interest to Talmer Bank and Trust) and Customers Bank, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 811-23191), filed November 17, 2016.</u>
10.16	<u>Amendment No. 3 to Fifth Amended and Restated Credit Agreement, dated January 20, 2017, by and among Gladstone Business Investment, LLC, Gladstone Management Corporation, Keybank National Association, AloStar Bank of Commerce, Manufacturers and Traders Trust, East West Bank, Chemical Bank (as successor in interest to Talmer Bank and Trust) and Customers Bank, incorporated by reference to Exhibit 2.k.12 to Post-Effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-204996), filed May 11, 2017.</u>
10.17	<u>Amendment No. 4 to Fifth Amended and Restated Credit Agreement, dated as of August 22, 2018 by and among Gladstone Business Investment, LLC, as Borrower, Gladstone Management Corporation, as Servicer, Keybank National Association, as administrative agent, swingline lender, managing agent and lead arranger and certain other lenders party thereto, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 814-00704), filed August 23, 2018.</u>

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10.18	<u>Amendment No. 5 to Fifth Amended and Restated Credit Agreement, dated as of August 10, 2020 by and among Gladstone Business Investment, LLC, as Borrower, Gladstone Management Corporation, as Servicer, KeyBank National Association, as administrative agent, swingline lender, managing agent and lead arranger and certain other lenders party thereto, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 814-00704), filed August 11, 2020.</u>
10.19	<u>Amendment No. 6 to Fifth Amended and Restated Credit Agreement, dated as of March 8, 2021 by and among Gladstone Business Investment, LLC, as Borrower, Gladstone Management Corporation, as Servicer, KeyBank National Association, as administrative agent, swingline lender, managing agent and lead arranger and certain other lenders party thereto, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 814-00704), filed March 8, 2021.</u>
10.20	<u>Amendment No. 7 to Fifth Amended and Restated Credit Agreement, dated as of April 10, 2023 by and among Gladstone Business Investment, LLC, as Borrower, Gladstone Management Corporation, as Servicer, KeyBank National Association, as administrative agent, swingline lender, managing agent and lead arranger and certain other lenders party thereto, incorporated by reference to Exhibit 10.20 to the Annual Report on Form 10-K (File No. 814-00704), filed May 10, 2023.</u>
10.21	<u>Amendment No. 8 to Fifth Amended and Restated Credit Agreement, dated as of October 30, 2023 by and among Gladstone Business Investment, LLC, as Borrower, Gladstone Management Corporation, as Servicer, KeyBank National Association, as administrative agent, swingline lender, managing agent and lead arranger and certain other lenders party thereto, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 814-00704), filed October 31, 2023.</u>
10.22	<u>Amendment No. 9 to Fifth Amended and Restated Credit Agreement, dated as of February 5, 2024 by and among Gladstone Business Investment, LLC, as Borrower, Gladstone Management Corporation, as Servicer, KeyBank National Association, as administrative agent, swingline lender, managing agent and lead arranger and certain other lenders party thereto, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 814-00704), filed February 6, 2024.</u>
10.23	<u>Amendment No. 10 to Fifth Amended and Restated Credit Agreement, dated as of February 10, 2025 by and among Gladstone Business Investment, LLC, as Borrower, Gladstone Management Corporation, as Servicer, KeyBank National Association, as administrative agent, swingline lender, managing agent and lead arranger and certain other lenders party thereto, incorporated by reference to Exhibit 10.1 to the Current Report on Form 10-Q (File No. 814-00704), filed February 12, 2025.</u>
10.24*	<u>Amendment No. 11 to Fifth Amended and Restated Credit Agreement, dated as of February 24, 2025 by and among Gladstone Business Investment, LLC, as Borrower, Gladstone Management Corporation, as Servicer, KeyBank National Association, as administrative agent, swingline lender, managing agent and lead arranger and certain other lenders party thereto.</u>
14*	<u>Code of Ethics</u>
19	<u>Insider Trading Policy for Gladstone Investment Corporation, incorporated by reference to Exhibit 14 filed herewith.</u>
21*	<u>Subsidiaries of the Registrant.</u>
23.1*	<u>Consent of Registered Public Accounting Firm</u>
31.1*	<u>Certification of Chief Executive Officer filed pursuant to section 302 of The Sarbanes-Oxley Act of 2002.</u>
31.2*	<u>Certification of Chief Financial Officer filed pursuant to section 302 of The Sarbanes-Oxley Act of 2002.</u>
32.1**	<u>Certification of Chief Executive Officer furnished pursuant to section 906 of The Sarbanes-Oxley Act of 2002.</u>
32.2**	<u>Certification of Chief Financial Officer furnished pursuant to section 906 of The Sarbanes-Oxley Act of 2002.</u>
97.1*	<u>Clawback Policy</u>
101.INS***	XBRL Instance Document
101.SCH***	XBRL Taxonomy Extension Schema Document
101.CAL***	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB***	XBRL Taxonomy Extension Label Linkbase Document
101.PRE***	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF***	XBRL Definition Linkbase
104	Cover Page Interactive Data File (formatted in iXBRL and contained in Exhibit 101)

* Filed herewith

** Furnished herewith

*** Attached as Exhibit 101 to this Annual Report on Form 10-K are the following materials, formatted in Inline eXtensible Business Reporting Language (iXBRL): (i) the Consolidated Statements of Assets and Liabilities as of March 31, 2025 and 2024, (ii) the Consolidated Statements of Operations for the years ended March 31, 2025, 2024 and 2023, (iii) the Consolidated Statements of Changes in Net Assets for the years ended March 31, 2025, 2024 and 2023, (iv) the Consolidated Statements of Cash Flows for the years ended March 31, 2025, 2024 and 2023, (v) the Consolidated Schedules of Investments as of March 31, 2025 and 2024 and (vi) the Notes to Consolidated Financial Statements.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GLADSTONE INVESTMENT CORPORATION

Date: May 13, 2025

By: /s/ TAYLOR RITCHIE
Taylor Ritchie
Chief Financial Officer and Treasurer

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 capacities and on the dates indicated.

Date: May 13, 2025

By: /s/ DAVID GLADSTONE
David Gladstone
Chief Executive Officer and Chairman of the Board of Directors (principal executive officer)

Date: May 13, 2025

By: /s/ TAYLOR RITCHIE
Taylor Ritchie
Chief Financial Officer and Treasurer (principal financial and accounting officer)

Date: May 13, 2025

By: /s/ ANTHONY W. PARKER
Anthony W. Parker
Director

Date: May 13, 2025

By: /s/ MICHELA A. ENGLISH
Michela A. English
Director

Date: May 13, 2025

By: /s/ JOHN H. OUTLAND
John H. Outland
Director

Date: May 13, 2025

By: /s/ WALTER H. WILKINSON, JR.
Walter H. Wilkinson, Jr.
Director

Date: May 13, 2025

By: /s/ PAULA NOVARA
Paula Novara
Director

Date: May 13, 2025

By: /s/ KATHARINE C. GORKA
Katharine C. Gorka
Director

GLADSTONE INVESTMENT CORPORATION
INVESTMENTS IN AND ADVANCES TO AFFILIATES
(AMOUNTS IN THOUSANDS)

Company and Investment ^{(A)(B)(C)(D)(E)}	Principal/ Shares/Units ^{(F)(G)}	Net Realized Gain (Loss) for Period ^(I)	Amount of Investment Income ^(H)	Value as of March 31, 2024	Gross Additions ^(J)	Gross Reductions ^(J)	Net Unrealized Appreciation (Depreciation)	Value as of March 31, 2025
AFFILIATE INVESTMENTS – 66.1%								
Secured First Lien Debt – 42.7%								
Diversified/Conglomerate Services – 16.2%								
ImageWorks Display and Marketing Group, Inc. – Term Debt (SOFR +11.0%, 15.3% Cash, Due 11/2028)	\$ 22,000	\$ —	\$ 3,799	\$ 22,000	\$ —	\$ —	\$ —	\$ 22,000
J.R. Hobbs Co. - Atlanta, LLC - Line of Credit, \$0 available (SOFR + 6.0%, 10.3% Cash, Due 6/2025) ^(K)	5,000	—	—	2,682	—	—	354	3,036
J.R. Hobbs Co. - Atlanta, LLC - Term Debt (SOFR+6.0%, 10.3% Cash, Due 6/2025) ^(K)	16,500	—	—	8,852	—	—	1,167	10,019
J.R. Hobbs Co. - Atlanta, LLC – Term Debt (SOFR+10.3%, 14.6% Cash, Due 6/2025) ^(K)	26,000	—	—	13,949	—	—	1,839	15,788
J.R. Hobbs Co. - Atlanta, LLC – Term Debt (SOFR+6.0%, 10.3% Cash, Due 6/2025) ^(K)	2,438	—	—	1,308	—	—	172	1,480
The Maids International, LLC – Term Debt (SOFR+10.5%, 14.8% Cash, Due 3/2028)	28,560	—	4,462	28,560	—	—	—	28,560
		—	8,261	77,351	—	—	3,532	80,883
Electronics – 9.9%								
Nielsen-Kellerman Acquisition Corp.– Line of Credit, \$2,820 available (SOFR+5.0%, 10.0% Cash, Due 12/2025) ^(L)	1,070	—	31	—	1,070	—	—	1,070
Nielsen-Kellerman Acquisition Corp. – Term Debt (SOFR+8.5%, 13.5% Cash, Due 12/2029) ^(L)	48,082	—	1,857	—	48,082	—	—	48,082
		—	1,888	—	49,152	—	—	49,152
Home and Office Furnishings, Housewares, and Durable Consumer Products – 7.6%								
Old World Christmas, Inc. – Term Debt (SOFR+9.5%, 13.8% Cash, Due 12/2028)	38,000	—	6,530	43,000	—	(5,000)	—	38,000
Leisure, Amusement, Motion Pictures, and Entertainment – 4.5%								
Pyrotek Special Effects, Inc.– Line of Credit, \$500 available (SOFR+5.0%, 10.0% Cash, Due 11/2026) ^(L)	2,500	—	94	—	3,000	(500)	—	2,500
Pyrotek Special Effects, Inc. – Term Debt (SOFR+8.0%, 13.0% Cash, Due 11/2029) ^(L)	20,120	—	853	—	20,120	—	—	20,120
		—	947	—	23,120	(500)	—	22,620

GLADSTONE INVESTMENT CORPORATION
INVESTMENTS IN AND ADVANCES TO AFFILIATES (Continued)
(AMOUNTS IN THOUSANDS)

Company and Investment ^{(A)(B)(C)(D)(E)}	Principal/ Shares/Units ^{(F)(G)}	Net Realized Gain (Loss) for Period ^(F)	Amount of Investment Income ^(H)	Value as of March 31, 2024	Gross Additions ^(I)	Gross Reductions ^(J)	Net Unrealized Appreciation (Depreciation)	Value as of March 31, 2025
Mining, Steel, Iron and Non-Precious Metals Total – 3.0%								
UPB Acquisition, Inc. (SOFR+10.0%, 14.3% Cash, Due 7/2026)	\$ 15,000	\$ —	\$ 2,688	\$ 18,250	\$ —	\$ (3,250)	\$ —	\$ 15,000
Telecommunications – 1.5%								
B+T Group Acquisition, Inc. – Line of Credit, \$0 available (SOFR+2.0%, 7.0% Cash, Due 12/2026) ^(K)	3,080	—	—	3,080	—	—	—	3,080
B+T Group Acquisition, Inc. – Line of Credit, \$120 available (SOFR+2.0%, 7.0% Cash, Due 6/2025) ^(K)	930	—	57	656	274	—	—	930
B+T Group Acquisition, Inc. – Term Debt (SOFR+2.0%, 7.0% Cash, Due 12/2026) ^(K)	14,000	—	13	5,266	—	—	(1,691)	3,575
		—	70	9,002	274	—	(1,691)	7,585
Total Secured First Lien Debt		\$ —	\$ 20,384	\$ 147,603	\$ 72,546	\$ (8,750)	\$ 1,841	\$ 213,240
Secured Second Lien Debt – 2.1%								
Chemicals, Plastics, and Rubber – 2.1%								
PSI Molded Plastics, Inc. – Term Debt (SOFR +1.0%, 7.0% Cash, Due 1/2028) ^(J)	\$ 10,616	\$ —	\$ 2,342	\$ 20,363	\$ 400	\$ (16,400)	\$ 6,253	\$ 10,616
Diversified/Conglomerate Services – 0.0%								
Nth Degree, Inc. – Term Debt ^(M)	—	—	1,715	25,000	—	(25,000)	—	—
Total Secured Second Lien Debt		\$ —	\$ 4,057	\$ 45,363	\$ 400	\$ (41,400)	\$ 6,253	\$ 10,616
Preferred Equity – 20.3%								
Chemicals, Plastics, and Rubber – 0.2%								
PSI Molded Plastics, Inc. – Preferred Stock ^(O)	322,598	\$ —	\$ —	\$ —	\$ 16,400	\$ —	\$ (15,404)	\$ 996
Diversified/Conglomerate Services – 4.3%								
ImageWorks Display and Marketing Group, Inc. – Preferred Stock	67,490	—	—	2,607	—	—	10,314	12,921
J.R. Hobbs Co. – Atlanta, LLC – Preferred Stock	10,920	—	—	—	—	—	—	—
The Maids International, LLC - Preferred Stock	6,640	—	—	5,426	—	—	2,984	8,410
		—	—	8,033	—	—	13,298	21,331
Electronics – 4.5%								
Nielsen-Kellerman Acquisition Corp.– Preferred Stock ^(L)	22,169	—	—	—	22,169	—	252	22,421
Home and Office Furnishings, Housewares, and Durable Consumer Products – 4.7%								
Old World Christmas, Inc. – Preferred Stock	6,180	—	—	30,638	—	—	(7,099)	23,539

GLADSTONE INVESTMENT CORPORATION
INVESTMENTS IN AND ADVANCES TO AFFILIATES (Continued)
(AMOUNTS IN THOUSANDS)

Company and Investment ^{(A)(B)(C)(D)(E)}	Principal/ Shares/Units ^{(F)(G)}	Net Realized Gain (Loss) for Period ^(P)	Amount of Investment Income ^(H)	Value as of March 31, 2024	Gross Additions ^(I)	Gross Reductions ^(J)	Net Unrealized Appreciation (Depreciation)	Value as of March 31, 2025
Leisure, Amusement, Motion Pictures, and Entertainment – 1.4%								
Pyrotek Special Effects, Inc. – Preferred Stock ^(L)	7,060	\$ —	\$ —	\$ —	\$ 7,060	\$ —	\$ 200	\$ 7,260
Mining, Steel, Iron and Non-Precious Metals - 5.2%								
UPB Acquisition, Inc. - Preferred Stock	6,000	—	—	12,287	—	—	13,723	26,010
Telecommunications – 0.0%								
B+T Group Acquisition, Inc. - Preferred Stock	14,304	—	—	—	—	—	—	—
Total Preferred Equity		\$ —	\$ —	\$ 50,958	\$ 45,629	\$ —	\$ 4,970	\$ 101,557
Common Equity/Equivalents – 1.0%								
Diversified/Conglomerate Services - 0.0%								
Nth Degree Investment Group, LLC – Common Stock ^{(M)(N)}	—	\$ 43,373	\$ —	\$ 51,442	\$ —	\$ (6,219)	\$ (45,223)	\$ —
Finance – 1.0%								
Gladstone Alternative Income Fund – Common Equity ^(L)	500,000	—	26	—	5,000	—	(25)	4,975
Telecommunications - 0.0%								
B+T Group Acquisition, Inc. - Common Stock Warrants	3.5 %	—	—	—	—	—	—	—
Total Common Equity/Equivalents		\$ 43,373	\$ 26	\$ 51,442	\$ 5,000	\$ (6,219)	\$ (45,248)	\$ 4,975
TOTAL AFFILIATE INVESTMENTS		\$ 43,373	\$ 24,467	\$ 295,366	\$ 123,575	\$ (56,369)	\$ (32,184)	\$ 330,388
CONTROL INVESTMENTS – 0.1%								
Secured First Lien Debt – 0.1%								
Diversified/Conglomerate Manufacturing – 0.1%								
Edge Adhesives Holdings, Inc. – Term Debt (SOFR+5.5%, 9.8% Cash, Due 8/2026) ^(K)	\$ 9,210	\$ —	\$ —	\$ 2,905	\$ —	\$ —	\$ (2,562)	\$ 343
Total Secured First Lien Debt		\$ —	\$ —	\$ 2,905	\$ —	\$ —	\$ (2,562)	\$ 343

GLADSTONE INVESTMENT CORPORATION
INVESTMENTS IN AND ADVANCES TO AFFILIATES (Continued)
(AMOUNTS IN THOUSANDS)

Company and Investment ^{(A)(B)(C)(D)(E)}	Principal/ Shares/Units ^{(F)(G)}	Net Realized Gain (Loss) for Period ^(H)	Amount of Investment Income ^(I)	Value as of March 31, 2024	Gross Additions ^(J)	Gross Reductions ^(J)	Net Unrealized Appreciation (Depreciation)	Value as of March 31, 2025
Preferred Equity – 0.0%								
Diversified/Conglomerate Manufacturing – 0.0%								
Edge Adhesives Holdings, Inc. – Preferred Stock	8,199	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Preferred Equity		<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
TOTAL CONTROL INVESTMENTS		<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,905</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (2,562)</u>	<u>\$ 343</u>
TOTAL AFFILIATE AND CONTROL INVESTMENTS		<u>\$ 43,373</u>	<u>\$ 24,467</u>	<u>\$ 298,271</u>	<u>\$ 123,575</u>	<u>\$ (56,369)</u>	<u>\$ (34,746)</u>	<u>\$ 330,731</u>

(A) Certain of the listed securities are issued by affiliate(s) of the indicated portfolio company. The majority of the securities listed, together with certain non-control and non-affiliate investments, totaling \$764.7 million at fair value, are pledged as collateral to our revolving line of credit, as described further in Note 5—*Borrowings* in the accompanying *Notes to Consolidated Financial Statements*. Additionally, under Section 55 of the Investment Company Act of 1940, as amended (the “1940 Act”), we may not acquire any non-qualifying assets unless, at the time such acquisition is made, qualifying assets represent at least 70% of our total assets.

(B) Common stock, warrants, options and, in some cases, preferred stock are generally non-income-producing and restricted.

(C) Unless indicated otherwise, all cash interest rates are indexed to 30-day Secured Overnight Financing Rate (“SOFR”), which was 4.3% as of March 31, 2025. If applicable, paid-in-kind interest rates are noted separately from the cash interest rate. Certain securities are subject to an interest rate floor. The cash interest rate is the greater of the floor or reference rate plus a spread. Due dates represent the contractual maturity date.

(D) Category percentages represent the fair value of each category and subcategory as a percentage of net assets as of March 31, 2025.

(E) Unless indicated otherwise, all of our investments are valued using Level 3 inputs within the Financial Accounting Standards Board Accounting Standard Codification Topic 820, “*Fair Value Measurements and Disclosures*” fair value hierarchy. Refer to Note 3 — *Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

(F) Where applicable, aggregates all shares of a class of stock owned without regard to specific series owned within such class (some series of which may or may not be voting shares) or aggregates all warrants to purchase shares of a class of stock owned without regard to specific series of such class of stock such warrants allow us to purchase.

(G) Represents the principal balance, presented in thousands, for debt investments and the number of shares/units held for equity investments as of March 31, 2025. Warrants are represented as a percentage of ownership, as applicable, as of March 31, 2025.

(H) Represents the total amount of interest, dividend, success fee, or other investment income credited to income for the portion of the year ended March 31, 2025 an investment was an affiliate investment or control investment and on accrual status, as appropriate.

(I) Gross additions include increases in investments resulting from new portfolio investments, the amortization of discounts and fees, and the exchange of one or more existing securities for one or more new securities during the year ended March 31, 2025.

(J) Gross reductions include decreases in investments resulting from principal collections related to investment repayments or sales, the amortization of premiums and acquisition costs, and the exchange of one or more existing securities for one or more new securities during the year ended March 31, 2025.

(K) Debt security is on non-accrual status as of March 31, 2025.

(L) New investment during the year ended March 31, 2025.

(M) Investment was exited/paid off during the year ended March 31, 2025.

(N) During the year ended March 31, 2025, we recognized a realized gain of \$43.4 million upon sale of Nth Degree Investment Group, LLC.

(O) During the year ended March 31, 2025, we restructured our investments in PSI Molded Plastics, Inc., which resulted in \$16.4 million being converted from second lien debt to preferred equity.

(P) Net realized gain (loss) excludes amounts related to portfolio companies no longer in the portfolio for the periods presented.

** Information related to the amount of equity in the net profit and loss for the period for the investments listed has not been included in this schedule. This information is not considered to be meaningful due to the complex capital structures of the portfolio companies, with different classes of equity securities outstanding with different preferences in liquidation. These investments are not consolidated, nor are they accounted for under the equity method of accounting.

DESCRIPTION OF SECURITIES

(a) Common Stock, \$0.001 par value per share

All shares of our common stock have equal rights as to earnings, assets, dividends and voting and are duly authorized, validly issued, fully paid and nonassessable. Shares of our common stock have no preemptive, exchange, conversion or redemption rights and are freely transferable, except where their transfer is restricted by federal and state securities laws or by contract.

Distributions may be paid to the holders of our common stock if, as and when declared by our Board of Directors out of funds legally available therefor. In the event of our liquidation, dissolution or winding up, each share of our common stock would be entitled to share ratably in all of our assets that are legally available for distribution after we pay all debts and other liabilities and subject to any preferential rights of holders of our preferred stock, if any preferred stock is outstanding at such time.

Each share of our common stock is entitled to one vote on all matters submitted to a vote of stockholders, including the election of directors. Except as provided with respect to any other class or series of stock, the holders of our common stock will possess exclusive voting power. Except as otherwise provided by statute, by the rules of the Nasdaq Global Select Market (“Nasdaq”) or other applicable stock exchange, by our certificate of incorporation or by our bylaws, in all matters other than the election of directors, the affirmative vote of the majority of shares present or represented by proxy at a meeting of our stockholders and entitled to vote will be the act of the stockholders. Except as otherwise provided by statute, by our certificate of incorporation or by our bylaws, directors shall be elected by a plurality of the votes of the shares present or represented by proxy at a meeting of our stockholders and entitled to vote on the election of directors. Our common stock is listed on Nasdaq under the ticker symbol “GAIN.”

(b) Debt Securities

- *5.00% Notes due 2026 (the “5.00% 2026 Notes”)*

The 5.00% 2026 Notes were issued under a base indenture, dated as of May 22, 2020, and a second supplemental indenture thereto, dated as of March 2, 2021, each entered into between us and UMB Bank, National Association, as trustee (collectively, the “indenture”). The 5.00% 2026 Notes will mature on May 1, 2026. The principal payable at maturity will be 100% of the aggregate principal amount. The interest rate of the 5.00% 2026 Notes is 5.00% per year and will be paid every February 1, May 1, August 1 and November 1, and the regular record dates for interest payments will be every January 15, April 15, July 15 and October 15, as the case may be, next preceding the applicable interest payment date. The 5.00% 2026 Notes are listed on Nasdaq under the symbol “GAINN.”

The 5.00% 2026 Notes were issued in denominations of \$25 and integral multiples of \$25 in excess thereof. The 5.00% 2026 Notes are not subject to any sinking fund and holders of the 5.00% 2026 Notes do not have the option to have the 5.00% 2026 Notes repaid prior to the stated maturity date.

The following is a summary description of the material terms of the 5.00% 2026 Notes and the indenture. The following summary is qualified in its entirety by reference to the indenture, the components of which are attached as exhibits to this Annual Report.

Covenants

In addition to standard covenants relating to payment of principal and interest, maintaining an office where payments may be made or securities can be surrendered for payment and related matters, the following covenants apply to the 5.00% 2026 Notes:

- We agree that for the period of time during which 5.00% 2026 Notes are outstanding, we will not violate Section 18(a)(1)(A) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect, in either case, to any exemptive relief granted to us by the SEC.

- We agree that for the period of time during which 5.00% 2026 Notes are outstanding, we will not declare any dividend (except a dividend payable in stock of the Company), or declare any other distribution, upon a class of our capital stock, or purchase any such capital stock, unless, in every such case, at the time of the declaration of any such dividend or distribution, or at the time of any such purchase, we have an asset coverage (as defined in the 1940 Act) of at least the threshold specified under Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions thereto of the 1940 Act, after deducting the amount of such dividend, distribution or purchase price, as the case may be, and giving effect, in each case, to any no-action relief granted by the SEC to another BDC and upon which we may reasonably rely (or to us if we determine to seek such similar no-action or other relief) permitting the BDC to declare any cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act, to maintain such BDC's status as a RIC under Subchapter M of the Code.
- If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, as amended, to file any periodic reports with the SEC, we agree to furnish to holders of the 5.00% 2026 Notes and the trustee, for the period of time during which the 5.00% 2026 Notes are outstanding, our audited annual consolidated financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with applicable GAAP.

Optional Redemption

The 5.00% 2026 Notes may be redeemed in whole or in part at any time or from time to time at our option upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount of the 5.00% 2026 Notes to be redeemed plus accrued and unpaid interest payments otherwise payable thereon for the then-current quarterly interest period accrued to, but excluding, the date fixed for redemption.

Conversion and Exchange

The 5.00% 2026 Notes are not convertible into or exchangeable for other securities.

Events of Default

The term "Event of Default" in respect of the 5.00% 2026 Notes means any of the following:

- We do not pay the principal of any 5.00% 2026 Note when due and payable at maturity;
- We do not pay interest on any 5.00% 2026 Note when due and payable, and such default is not cured within 30 days of its due date;
- We remain in breach of any other covenant in respect of the 5.00% 2026 Notes for 60 days after we receive a written notice of default stating we are in breach (the notice must be sent by either the trustee or holders of at least 25% of the principal amount of the outstanding 5.00% 2026 Notes);
- We file for bankruptcy or certain other events of bankruptcy, insolvency or reorganization occur and remain undischarged or unstayed for a period of 90 days; or
- On the last business day of each of twenty-four consecutive calendar months, the 5.00% 2026 Notes have an asset coverage (as such term is defined in the 1940 Act) of less than 100%.

An Event of Default for the 5.00% 2026 Notes may, but does not necessarily, constitute an Event of Default for any other series of debt securities issued under the same or any other indenture. The trustee may withhold notice to the holders of the 5.00% 2026 Notes of any default, except in the payment of principal or interest, if it in good faith considers the withholding of notice to be in the best interests of the holders.

Each year, we will furnish to the trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the indenture and the 5.00% 2026 Notes, or else specifying any default.

Remedies if an Event of Default Occurs

If an Event of Default has occurred and is continuing, the trustee or the holders of not less than 25% in principal amount of the 5.00% 2026 Notes may declare the entire principal amount of all the 5.00% 2026 Notes to be due and immediately payable, but this does not entitle any holder of 5.00% 2026 Notes to any redemption payout or redemption premium. This is called a declaration of acceleration of maturity. Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee protection from expenses and liability reasonably satisfactory to it (called an “indemnity”).

Defeasance and Covenant Defeasance

The 5.00% 2026 Notes are subject to defeasance by us. “Defeasance” means that, by depositing with a trustee an amount of cash and/or government securities sufficient to pay all principal and interest, if any, on the 5.00% 2026 Notes when due and satisfying any additional conditions required under the indenture relating to the 5.00% 2026 Notes, we will be deemed to have been discharged from our obligations under the 5.00% 2026 Notes.

The 5.00% 2026 Notes are subject to covenant defeasance by us. In the event of a “covenant defeasance,” upon depositing such funds and satisfying conditions similar to those for defeasance we would be released from certain covenants under the indenture relating to the 5.00% 2026 Notes. The consequences to the holders of the 5.00% 2026 Notes would be that, while they would no longer benefit from certain covenants under the indenture, and while the 5.00% 2026 Notes could not be accelerated for any reason, the holders of the 5.00% 2026 Notes nonetheless could look to the Company for repayment of the 5.00% 2026 Notes if there were a shortfall in the funds deposited with the trustee or the trustee is prevented from making a payment.

Ranking

The 5.00% 2026 Notes are our direct unsecured obligations and rank:

- pari passu with our existing and future unsecured, unsubordinated indebtedness;
 - senior to any series of preferred stock that we may issue in the future;
 - senior to any of our future indebtedness that expressly provides it is subordinated to the 5.00% 2026 Notes;
 - effectively subordinated to all of our existing and future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness; and
 - structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries and any other future subsidiaries of the Company, including, without limitation, borrowings under the Credit Facility.
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Modification or Waiver

There are three types of changes we can make to the indenture and the 5.00% 2026 Notes issued thereunder.

Changes Requiring Your Approval

First, there are changes that we cannot make to your Notes without your specific approval. The following is a list of those types of changes:

- change the stated maturity of the principal of (or premium, if any, on) or any installment of principal of or interest on the 5.00% 2026 Notes;
- reduce any amounts due on the 5.00% 2026 Notes or reduce the rate of interest on the 5.00% 2026 Notes;
- reduce the amount of principal payable upon acceleration of the maturity of a 5.00% 2026 Notes following a default;
- change the place or currency of payment on a 5.00% 2026 Notes;
- impair your right to sue for payment;
- reduce the percentage of holders of 5.00% 2026 Notes whose consent is needed to modify or amend the indenture; and
- reduce the percentage of holders of 5.00% 2026 Notes whose consent is needed to waive compliance with certain provisions of the indenture or to waive certain defaults or reduce the percentage of holders of 5.00% 2026 Notes required to satisfy quorum or voting requirements at a meeting of holders of the 5.00% 2026 Notes.

Changes Not Requiring Approval

The second type of change does not require any vote by the holders of the 5.00% 2026 Notes. This type is limited to clarifications and certain other changes that would not adversely affect holders of the 5.00% 2026 Notes in any material respect.

Changes Requiring Majority Approval

Any other change to the indenture and the 5.00% 2026 Notes would require the following approval:

- if the change affects only the 5.00% 2026 Notes, it must be approved by the holders of a majority in principal amount of the 5.00% 2026 Notes; and
- if the change affects more than one series of debt securities issued under the same indenture, it must be approved by the holders of a majority in principal amount of all of the series affected by the change, with all affected series voting together as one class for this purpose.

In each case, the required approval must be given by written consent. The holders of a majority in principal amount of all of the series of debt securities issued under the indenture, voting together as one class for this purpose, may waive our compliance with some of our covenants in that indenture. However, we cannot obtain a waiver of a payment default or of any of the matters covered by the bullet points included above under “— *Changes Requiring Your Approval.*”

- *4.875% Notes due 2028 (the “4.875% 2028 Notes”)*

The 4.875% 2028 Notes were issued under a base indenture, dated as of May 22, 2020, and a third supplemental indenture thereto, dated as of August 18, 2021, each entered into between us and UMB Bank, National Association, as trustee (collectively, the “indenture”). The 4.875% 2028 Notes will mature on November 1, 2028. The principal payable at maturity will be 100% of the aggregate principal amount. The interest rate of the 4.875% 2028 Notes is 4.875% per year and will be paid every February 1, May 1, August 1 and November 1, and the regular record dates for interest payments will be every January 15, April 15, July 15 and October 15, as the case may be, next preceding the applicable interest payment date. The 4.875% 2028 Notes are listed on Nasdaq under the symbol “GAINZ.”

The 4.875% 2028 Notes were issued in denominations of \$25 and integral multiples of \$25 in excess thereof. The 4.875% 2028 Notes are not subject to any sinking fund and holders of the 4.875% 2028 Notes do not have the option to have the 4.875% 2028 Notes repaid prior to the stated maturity date.

The following is a summary description of the material terms of the 4.875% 2028 Notes and the indenture. The following summary is qualified in its entirety by reference to the indenture, the components of which are attached as exhibits to this Annual Report.

Covenants

In addition to standard covenants relating to payment of principal and interest, maintaining an office where payments may be made or securities can be surrendered for payment and related matters, the following covenants apply to the 4.875% 2028 Notes:

- We agree that for the period of time during which 4.875% 2028 Notes are outstanding, we will not violate Section 18(a)(1)(A) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect, in either case, to any exemptive relief granted to us by the SEC.
- We agree that for the period of time during which 4.875% 2028 Notes are outstanding, we will not declare any dividend (except a dividend payable in stock of the Company), or declare any other distribution, upon a class of our capital stock, or purchase any such capital stock, unless, in every such case, at the time of the declaration of any such dividend or distribution, or at the time of any such purchase, we have an asset coverage (as defined in the 1940 Act) of at least the threshold specified under Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions thereto of the 1940 Act, after deducting the amount of such dividend, distribution or purchase price, as the case may be, and giving effect, in each case, to any no-action relief granted by the SEC to another BDC and upon which we may reasonably rely (or to us if we determine to seek such similar no-action or other relief) permitting the BDC to declare any cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act, to maintain such BDC's status as a RIC under Subchapter M of the Code.
- If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, as amended, to file any periodic reports with the SEC, we agree to furnish to holders of the 4.875% 2028 Notes and the trustee, for the period of time during which the 4.875% 2028 Notes are outstanding, our audited annual consolidated financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with applicable GAAP.

Optional Redemption

The 4.875% 2028 Notes may be redeemed in whole or in part at any time or from time to time at our option upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount of the 4.875% 2028 Notes to be redeemed plus accrued and unpaid interest payments otherwise payable thereon for the then-current quarterly interest period accrued to, but excluding, the date fixed for redemption.

Conversion and Exchange

The 4.875% 2028 Notes are not convertible into or exchangeable for other securities.

Events of Default

The term "Event of Default" in respect of the 4.875% 2028 Notes means any of the following:

- We do not pay the principal of any 4.875% 2028 Note when due and payable at maturity;
 - We do not pay interest on any 4.875% 2028 Note when due and payable, and such default is not cured within 30 days of its due date;
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- We remain in breach of any other covenant in respect of the 4.875% 2028 Notes for 60 days after we receive a written notice of default stating we are in breach (the notice must be sent by either the trustee or holders of at least 25% of the principal amount of the outstanding 4.875% 2028 Notes);
- We file for bankruptcy or certain other events of bankruptcy, insolvency or reorganization occur and remain undischarged or unstayed for a period of 90 days; or
- On the last business day of each of twenty-four consecutive calendar months, the 4.875% 2028 Notes have an asset coverage (as such term is defined in the 1940 Act) of less than 100%.

An Event of Default for the 4.875% 2028 Notes may, but does not necessarily, constitute an Event of Default for any other series of debt securities issued under the same or any other indenture. The trustee may withhold notice to the holders of the 4.875% 2028 Notes of any default, except in the payment of principal or interest, if it in good faith considers the withholding of notice to be in the best interests of the holders.

Each year, we will furnish to the trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the indenture and the 4.875% 2028 Notes, or else specifying any default.

Remedies if an Event of Default Occurs

If an Event of Default has occurred and is continuing, the trustee or the holders of not less than 25% in principal amount of the 4.875% 2028 Notes may declare the entire principal amount of all the 4.875% 2028 Notes to be due and immediately payable, but this does not entitle any holder of 4.875% 2028 Notes to any redemption payout or redemption premium. This is called a declaration of acceleration of maturity. Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee protection from expenses and liability reasonably satisfactory to it (called an “indemnity”).

Defeasance and Covenant Defeasance

The 4.875% 2028 Notes are subject to defeasance by us. “Defeasance” means that, by depositing with a trustee an amount of cash and/or government securities sufficient to pay all principal and interest, if any, on the 4.875% 2028 Notes when due and satisfying any additional conditions required under the indenture relating to the 4.875% 2028 Notes, we will be deemed to have been discharged from our obligations under the 4.875% 2028 Notes.

The 4.875% 2028 Notes are subject to covenant defeasance by us. In the event of a “covenant defeasance,” upon depositing such funds and satisfying conditions similar to those for defeasance we would be released from certain covenants under the indenture relating to the 4.875% 2028 Notes. The consequences to the holders of the 4.875% 2028 Notes would be that, while they would no longer benefit from certain covenants under the indenture, and while the 4.875% 2028 Notes could not be accelerated for any reason, the holders of the 4.875% 2028 Notes nonetheless could look to the Company for repayment of the 4.875% 2028 Notes if there were a shortfall in the funds deposited with the trustee or the trustee is prevented from making a payment.

Ranking

The 4.875% 2028 Notes are our direct unsecured obligations and rank:

- pari passu with our existing and future unsecured, unsubordinated indebtedness;
 - senior to any series of preferred stock that we may issue in the future;
 - senior to any of our future indebtedness that expressly provides it is subordinated to the 4.875% 2028 Notes;
 - effectively subordinated to all of our existing and future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness; and
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- structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries and any other future subsidiaries of the Company, including, without limitation, borrowings under the Credit Facility.

Modification or Waiver

There are three types of changes we can make to the indenture and the 4.875% 2028 Notes issued thereunder.

Changes Requiring Your Approval

First, there are changes that we cannot make to your Notes without your specific approval. The following is a list of those types of changes:

- change the stated maturity of the principal of (or premium, if any, on) or any installment of principal of or interest on the 4.875% 2028 Notes;
- reduce any amounts due on the 4.875% 2028 Notes or reduce the rate of interest on the 4.875% 2028 Notes;
- reduce the amount of principal payable upon acceleration of the maturity of a 4.875% 2028 Notes following a default;
- change the place or currency of payment on a 4.875% 2028 Notes;
- impair your right to sue for payment;
- reduce the percentage of holders of 4.875% 2028 Notes whose consent is needed to modify or amend the indenture; and
- reduce the percentage of holders of 4.875% 2028 Notes whose consent is needed to waive compliance with certain provisions of the indenture or to waive certain defaults or reduce the percentage of holders of 4.875% 2028 Notes required to satisfy quorum or voting requirements at a meeting of holders of the 4.875% 2028 Notes.

Changes Not Requiring Approval

The second type of change does not require any vote by the holders of the 4.875% 2028 Notes. This type is limited to clarifications and certain other changes that would not adversely affect holders of the 4.875% 2028 Notes in any material respect.

Changes Requiring Majority Approval

Any other change to the indenture and the 4.875% 2028 Notes would require the following approval:

- if the change affects only the 4.875% 2028 Notes, it must be approved by the holders of a majority in principal amount of the 4.875% 2028 Notes; and
- if the change affects more than one series of debt securities issued under the same indenture, it must be approved by the holders of a majority in principal amount of all of the series affected by the change, with all affected series voting together as one class for this purpose.

In each case, the required approval must be given by written consent. The holders of a majority in principal amount of all of the series of debt securities issued under the indenture, voting together as one class for this purpose, may waive our compliance with some of our covenants in that indenture. However, we cannot obtain a waiver of a payment default or of any of the matters covered by the bullet points included above under “— *Changes Requiring Your Approval.*”

- *8.00% Notes due 2028 (the “8.00% 2028 Notes”)*

The 8.00% 2028 Notes were issued under a base indenture, dated as of May 22, 2020, and a fourth supplemental indenture thereto, dated as of May 31, 2023, each entered into between us and UMB Bank, National Association, as trustee (collectively, the “indenture”). The 8.00% 2028 Notes will mature on August 1, 2028. The principal payable at maturity will be 100% of the aggregate principal amount. The interest rate of the 8.00% 2028 Notes is 8.00% per year and will be paid every February 1, May 1, August 1 and November 1, and the regular record dates for interest payments will be every

January 15, April 15, July 15 and October 15, as the case may be, next preceding the applicable interest payment date. The 8.00% 2028 Notes are listed on Nasdaq under the symbol “GAINL.”

The 8.00% 2028 Notes were issued in denominations of \$25 and integral multiples of \$25 in excess thereof. The 8.00% 2028 Notes are not subject to any sinking fund and holders of the 8.00% 2028 Notes do not have the option to have the 8.00% 2028 Notes repaid prior to the stated maturity date.

The following is a summary description of the material terms of the 8.00% 2028 Notes and the indenture. The following summary is qualified in its entirety by reference to the indenture, the components of which are attached as exhibits to this Annual Report.

Covenants

In addition to standard covenants relating to payment of principal and interest, maintaining an office where payments may be made or securities can be surrendered for payment and related matters, the following covenants apply to the 8.00% 2028 Notes:

- We agree that for the period of time during which 8.00% 2028 Notes are outstanding, we will not violate Section 18(a)(1)(A) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect, in either case, to any exemptive relief granted to us by the SEC.
- We agree that for the period of time during which 8.00% 2028 Notes are outstanding, we will not declare any dividend (except a dividend payable in stock of the Company), or declare any other distribution, upon a class of our capital stock, or purchase any such capital stock, unless, in every such case, at the time of the declaration of any such dividend or distribution, or at the time of any such purchase, we have an asset coverage (as defined in the 1940 Act) of at least the threshold specified under Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions thereto of the 1940 Act, after deducting the amount of such dividend, distribution or purchase price, as the case may be, and giving effect, in each case, to any no-action relief granted by the SEC to another BDC and upon which we may reasonably rely (or to us if we determine to seek such similar no-action or other relief) permitting the BDC to declare any cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act, to maintain such BDC’s status as a RIC under Subchapter M of the Code.
- If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, as amended, to file any periodic reports with the SEC, we agree to furnish to holders of the 8.00% 2028 Notes and the trustee, for the period of time during which the 8.00% 2028 Notes are outstanding, our audited annual consolidated financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with applicable GAAP.

Optional Redemption

The 8.00% 2028 Notes may be redeemed in whole or in part at any time or from time to time at our option on or after August 1, 2025, upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount of the 8.00% 2028 Notes to be redeemed plus accrued and unpaid interest payments otherwise payable thereon for the then-current quarterly interest period accrued to, but excluding, the date fixed for redemption.

Conversion and Exchange

The 8.00% 2028 Notes are not convertible into or exchangeable for other securities.

Events of Default

The term “Event of Default” in respect of the 8.00% 2028 Notes means any of the following:

- We do not pay the principal of any 8.00% 2028 Note when due and payable at maturity;
- We do not pay interest on any 8.00% 2028 Note when due and payable, and such default is not cured within 30 days of its due date;
- We remain in breach of any other covenant in respect of the 8.00% 2028 Notes for 60 days after we receive a written notice of default stating we are in breach (the notice must be sent by either the trustee or holders of at least 25% of the principal amount of the outstanding 8.00% 2028 Notes);
- We file for bankruptcy or certain other events of bankruptcy, insolvency or reorganization occur and remain undischarged or unstayed for a period of 90 days; or
- On the last business day of each of 24 consecutive calendar months, the 8.00% 2028 Notes have an asset coverage (as such term is defined in the 1940 Act) of less than 100%.

An Event of Default for the 8.00% 2028 Notes may, but does not necessarily, constitute an Event of Default for any other series of debt securities issued under the same or any other indenture. The trustee may withhold notice to the holders of the 8.00% 2028 Notes of any default, except in the payment of principal or interest, if it in good faith considers the withholding of notice to be in the best interests of the holders.

Each year, we will furnish to the trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the indenture and the 8.00% 2028 Notes, or else specifying any default.

Remedies if an Event of Default Occurs

If an Event of Default has occurred and is continuing, the trustee or the holders of not less than 25% in principal amount of the 8.00% 2028 Notes may declare the entire principal amount of all the 8.00% 2028 Notes to be due and immediately payable, but this does not entitle any holder of 8.00% 2028 Notes to any redemption payout or redemption premium. This is called a declaration of acceleration of maturity. Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee protection from expenses and liability reasonably satisfactory to it (called an “indemnity”).

Defeasance and Covenant Defeasance

The 8.00% 2028 Notes are subject to defeasance by us. “Defeasance” means that, by depositing with a trustee an amount of cash and/or government securities sufficient to pay all principal and interest, if any, on the 8.00% 2028 Notes when due and satisfying any additional conditions required under the indenture relating to the 8.00% 2028 Notes, we will be deemed to have been discharged from our obligations under the 8.00% 2028 Notes.

The 8.00% 2028 Notes are subject to covenant defeasance by us. In the event of a “covenant defeasance,” upon depositing such funds and satisfying conditions similar to those for defeasance we would be released from certain covenants under the indenture relating to the 8.00% 2028 Notes. The consequences to the holders of the 8.00% 2028 Notes would be that, while they would no longer benefit from certain covenants under the indenture, and while the 8.00% 2028 Notes could not be accelerated for any reason, the holders of the 8.00% 2028 Notes nonetheless could look to the Company for repayment of the 8.00% 2028 Notes if there were a shortfall in the funds deposited with the trustee or the trustee is prevented from making a payment.

Ranking

The 8.00% 2028 Notes are our direct unsecured obligations and rank:

- pari passu with our existing and future unsecured, unsubordinated indebtedness, including our 5.00% 2026 Notes and our 4.875% 2028 Notes;
 - senior to any series of preferred stock that we may issue in the future;
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- senior to any of our future indebtedness that expressly provides it is subordinated to the 8.00% 2028 Notes;
- effectively subordinated to all of our existing and future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness; and
- structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries and any other future subsidiaries of the Company, including, without limitation, borrowings under the Credit Facility.

Modification or Waiver

There are three types of changes we can make to the indenture and the 8.00% 2028 Notes issued thereunder.

Changes Requiring Your Approval

First, there are changes that we cannot make to your Notes without your specific approval. The following is a list of those types of changes:

- change the stated maturity of the principal of (or premium, if any, on) or any installment of principal of or interest on the 8.00% 2028 Notes;
- reduce any amounts due on the 8.00% 2028 Notes or reduce the rate of interest on the 8.00% 2028 Notes;
- reduce the amount of principal payable upon acceleration of the maturity of a 8.00% 2028 Notes following a default;
- change the place or currency of payment on a 8.00% 2028 Notes;
- impair your right to sue for payment;
- reduce the percentage of holders of 8.00% 2028 Notes whose consent is needed to modify or amend the indenture; and
- reduce the percentage of holders of 8.00% 2028 Notes whose consent is needed to waive compliance with certain provisions of the indenture or to waive certain defaults or reduce the percentage of holders of 8.00% 2028 Notes required to satisfy quorum or voting requirements at a meeting of holders of the 8.00% 2028 Notes.

Changes Not Requiring Approval

The second type of change does not require any vote by the holders of the 8.00% 2028 Notes. This type is limited to clarifications and certain other changes that would not adversely affect holders of the 8.00% 2028 Notes in any material respect.

Changes Requiring Majority Approval

Any other change to the indenture and the 8.00% 2028 Notes would require the following approval:

- if the change affects only the 8.00% 2028 Notes, it must be approved by the holders of a majority in principal amount of the 8.00% 2028 Notes; and
- if the change affects more than one series of debt securities issued under the same indenture, it must be approved by the holders of a majority in principal amount of all of the series affected by the change, with all affected series voting together as one class for this purpose.

In each case, the required approval must be given by written consent. The holders of a majority in principal amount of all of the series of debt securities issued under the indenture, voting together as one class for this purpose, may waive our compliance with some of our covenants in that indenture. However, we cannot obtain a waiver of a payment default or of any of the matters covered by the bullet points included above under “— *Changes Requiring Your Approval.*”

- 7.875% Notes due 2030 (the “7.875% 2030 Notes”)

The 7.875% 2030 Notes were issued under a base indenture, dated as of May 22, 2020, and a fifth supplemental indenture thereto, dated as of December 17, 2024, each entered into between us and UMB Bank, National Association, as

trustee (collectively, the “indenture”). The 7.875% 2030 Notes will mature on February 1, 2030. The principal payable at maturity will be 100% of the aggregate principal amount. The interest rate of the 7.875% 2030 Notes is 7.875% per year and will be paid every February 1, May 1, August 1 and November 1, and the regular record dates for interest payments will be every January 15, April 15, July 15 and October 15, as the case may be, next preceding the applicable interest payment date. The 7.875% 2030 Notes are listed on Nasdaq under the symbol “GAINI.”

The 7.875% 2030 Notes were issued in denominations of \$25 and integral multiples of \$25 in excess thereof. The 7.875% 2030 Notes are not subject to any sinking fund and holders of the 7.875% 2030 Notes do not have the option to have the 7.875% 2030 Notes repaid prior to the stated maturity date.

The following is a summary description of the material terms of the 7.875% 2030 Notes and the indenture. The following summary is qualified in its entirety by reference to the indenture, the components of which are attached as exhibits to this Annual Report.

Covenants

In addition to standard covenants relating to payment of principal and interest, maintaining an office where payments may be made or securities can be surrendered for payment and related matters, the following covenants apply to the 7.875% 2030 Notes:

- We agree that for the period of time during which 7.875% 2030 Notes are outstanding, we will not violate Section 18(a)(1)(A) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect, in either case, to any exemptive relief granted to us by the SEC.
- We agree that for the period of time during which 7.875% 2030 Notes are outstanding, we will not declare any dividend (except a dividend payable in stock of the Company), or declare any other distribution, upon a class of our capital stock, or purchase any such capital stock, unless, in every such case, at the time of the declaration of any such dividend or distribution, or at the time of any such purchase, we have an asset coverage (as defined in the 1940 Act) of at least the threshold specified under Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act or any successor provisions thereto of the 1940 Act, after deducting the amount of such dividend, distribution or purchase price, as the case may be, and giving effect, in each case, to any no-action relief granted by the SEC to another BDC and upon which we may reasonably rely (or to us if we determine to seek such similar no-action or other relief) permitting the BDC to declare any cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by Section 61(a)(2) of the 1940 Act, to maintain such BDC's status as a RIC under Subchapter M of the Code.
- If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, as amended, to file any periodic reports with the SEC, we agree to furnish to holders of the 7.875% 2030 Notes and the trustee, for the period of time during which the 7.875% 2030 Notes are outstanding, our audited annual consolidated financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with applicable GAAP.

Optional Redemption

The 7.875% 2030 Notes may be redeemed in whole or in part at any time or from time to time at our option on or after February 1, 2027, upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount of the 7.875% 2030 Notes to be redeemed plus accrued and unpaid interest payments otherwise payable thereon for the then-current quarterly interest period accrued to, but excluding, the date fixed for redemption.

Conversion and Exchange

The 7.875% 2030 Notes are not convertible into or exchangeable for other securities.

Events of Default

The term “Event of Default” in respect of the 7.875% 2030 Notes means any of the following:

- We do not pay the principal of any 7.875% 2030 Note when due and payable at maturity;
- We do not pay interest on any 7.875% 2030 Note when due and payable, and such default is not cured within 30 days of its due date;
- We remain in breach of any other covenant in respect of the 7.875% 2030 Notes for 60 days after we receive a written notice of default stating we are in breach (the notice must be sent by either the trustee or holders of at least 25% of the principal amount of the outstanding 7.875% 2030 Notes);
- We file for bankruptcy or certain other events of bankruptcy, insolvency or reorganization occur and remain undischarged or unstayed for a period of 90 days; or
- On the last business day of each of 24 consecutive calendar months, the 7.875% 2030 Notes have an asset coverage (as such term is defined in the 1940 Act) of less than 100%.

An Event of Default for the 7.875% 2030 Notes may, but does not necessarily, constitute an Event of Default for any other series of debt securities issued under the same or any other indenture. The trustee may withhold notice to the holders of the 7.875% 2030 Notes of any default, except in the payment of principal or interest, if it in good faith considers the withholding of notice to be in the best interests of the holders.

Each year, we will furnish to the trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the indenture and the 7.875% 2030 Notes, or else specifying any default.

Remedies if an Event of Default Occurs

If an Event of Default has occurred and is continuing, the trustee or the holders of not less than 25% in principal amount of the 7.875% 2030 Notes may declare the entire principal amount of all the 7.875% 2030 Notes to be due and immediately payable, but this does not entitle any holder of 7.875% 2030 Notes to any redemption payout or redemption premium. This is called a declaration of acceleration of maturity. Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee protection from expenses and liability reasonably satisfactory to it (called an “indemnity”).

Defeasance and Covenant Defeasance

The 7.875% 2030 Notes are subject to defeasance by us. “Defeasance” means that, by depositing with a trustee an amount of cash and/or government securities sufficient to pay all principal and interest, if any, on the 7.875% 2030 Notes when due and satisfying any additional conditions required under the indenture relating to the 7.875% 2030 Notes, we will be deemed to have been discharged from our obligations under the 7.875% 2030 Notes.

The 7.875% 2030 Notes are subject to covenant defeasance by us. In the event of a “covenant defeasance,” upon depositing such funds and satisfying conditions similar to those for defeasance we would be released from certain covenants under the indenture relating to the 7.875% 2030 Notes. The consequences to the holders of the 7.875% 2030 Notes would be that, while they would no longer benefit from certain covenants under the indenture, and while the 7.875% 2030 Notes could not be accelerated for any reason, the holders of the 7.875% 2030 Notes nonetheless could look to the Company for repayment of the 7.875% 2030 Notes if there were a shortfall in the funds deposited with the trustee or the trustee is prevented from making a payment.

Ranking

The 7.875% 2030 Notes are our direct unsecured obligations and rank:

- pari passu with our existing and future unsecured, unsubordinated indebtedness, including our 5.00% 2026 Notes, our 4.875% 2028 Notes and our 8.00% 2028 Notes;
- senior to any series of preferred stock that we may issue in the future;
- senior to any of our future indebtedness that expressly provides it is subordinated to the 7.875% 2030 Notes;
- effectively subordinated to all of our existing and future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness; and
- structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries and any other future subsidiaries of the Company, including, without limitation, borrowings under the Credit Facility.

Modification or Waiver

There are three types of changes we can make to the indenture and the 7.875% 2030 Notes issued thereunder.

Changes Requiring Your Approval

First, there are changes that we cannot make to your Notes without your specific approval. The following is a list of those types of changes:

- change the stated maturity of the principal of (or premium, if any, on) or any installment of principal of or interest on the 7.875% 2030 Notes;
- reduce any amounts due on the 7.875% 2030 Notes or reduce the rate of interest on the 7.875% 2030 Notes;
- reduce the amount of principal payable upon acceleration of the maturity of a 7.875% 2030 Notes following a default;
- change the place or currency of payment on a 7.875% 2030 Notes;
- impair your right to sue for payment;
- reduce the percentage of holders of 7.875% 2030 Notes whose consent is needed to modify or amend the indenture; and
- reduce the percentage of holders of 7.875% 2030 Notes whose consent is needed to waive compliance with certain provisions of the indenture or to waive certain defaults or reduce the percentage of holders of 7.875% 2030 Notes required to satisfy quorum or voting requirements at a meeting of holders of the 7.875% 2030 Notes.

Changes Not Requiring Approval

The second type of change does not require any vote by the holders of the 7.875% 2030 Notes. This type is limited to clarifications and certain other changes that would not adversely affect holders of the 7.875% 2030 Notes in any material respect.

Changes Requiring Majority Approval

Any other change to the indenture and the 7.875% 2030 Notes would require the following approval:

- if the change affects only the 7.875% 2030 Notes, it must be approved by the holders of a majority in principal amount of the 7.875% 2030 Notes; and
 - if the change affects more than one series of debt securities issued under the same indenture, it must be approved by the holders of a majority in principal amount of all of the series affected by the change, with all affected series voting together as one class for this purpose.
-

In each case, the required approval must be given by written consent. The holders of a majority in principal amount of all of the series of debt securities issued under the indenture, voting together as one class for this purpose, may waive our compliance with some of our covenants in that indenture. However, we cannot obtain a waiver of a payment default or of any of the matters covered by the bullet points included above under “— *Changes Requiring Your Approval.*”

(c) **Provisions of our Certificate of Incorporation or Bylaws that may have the effect of delaying, deferring or preventing a change of control**

Classified Board of Directors

Pursuant to our certificate of incorporation, our Board of Directors is divided into three classes of directors. Each class consists, as nearly as possible, of one-third of the total number of directors, and each class has a three-year term. Any director elected to fill a vacancy shall serve for the remainder of the full term of the class in which the vacancy occurred and until a successor is elected and qualified. Holders of shares of our stock have no right to cumulative voting in the election of directors. Consequently, at each annual meeting of our stockholders, the holders of a plurality of the shares of common stock are able to elect all of the successors to the class of directors whose term expires at such meeting.

Our classified board could have the effect of making the replacement of incumbent directors more time consuming and difficult. Because our directors may only be removed for cause, at least two annual meetings of stockholders, instead of one, will generally be required to effect a change in a majority of our Board of Directors. Thus, our classified board could increase the likelihood that incumbent directors will retain their positions. The staggered terms of directors may delay, defer or prevent a tender offer or an attempt to change control of us or another transaction that might involve a premium price for our common stock that might be in the best interest of our stockholders.

Removal of Directors

Any director may be removed only for cause by the stockholders upon the affirmative vote of at least two-thirds of all the votes entitled to be cast at a meeting called for the purpose of the proposed removal. The notice of the meeting shall indicate that the purpose, or one of the purposes, of the meeting is to determine if the director shall be removed.

Business Combinations

Section 203 of the Delaware General Corporation Law generally prohibits “business combinations” between us and an “interested stockholder” for three years after the date of the transaction in which the person became an interested stockholder. In general, Delaware law defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling, or controlled by, the entity or person. These business combinations include:

- Any merger or consolidation involving the corporation and the interested stockholder;
- Any sale, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- Subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder; or
- The receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

Section 203 permits certain exemptions from its provisions for transactions in which:

- Prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

- The interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (a) shares owned by persons who are directors and also officers, and (b) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- On or subsequent to the date of the transaction, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Merger; Amendment of Certificate of Incorporation

Under Delaware law, we will not be able to amend our certificate of incorporation or merge with another entity unless approved by the affirmative vote of stockholders holding at least a majority of the shares entitled to vote on the matter.

Advance Notice of Director Nominations and New Business

Our bylaws provide that, with respect to an annual meeting of stockholders, nominations of persons for election to our Board of Directors and the proposal of business to be considered by stockholders at the annual meeting may be made only:

- pursuant to our notice of the meeting;
- by our Board of Directors; or
- by a stockholder who was a stockholder of record both at the time of the provision of notice and at the time of the meeting who is entitled to vote at the meeting and has complied with the advance notice procedures set forth in our bylaws.

With respect to special meetings of stockholders, only the business specified in our notice of meeting may be brought before the meeting of stockholders and nominations of persons for election to our Board of Directors may be made only:

- pursuant to our notice of the meeting;
- by our Board of Directors; or
- provided that our Board of Directors has determined that directors shall be elected at such meeting, by a stockholder who was a stockholder of record both at the time of the provision of notice and at the time of the meeting who is entitled to vote at the meeting and has complied with the advance notice provisions set forth in our bylaws.

Preferred Stock

Our certificate of incorporation gives our Board of Directors the authority, without further action by stockholders, to issue shares of preferred stock in one or more series and to fix the rights, preferences, privileges, qualifications and restrictions granted to or imposed upon such preferred stock, including dividend rights, conversion rights, voting rights, rights and terms of redemption, and liquidation preference, any or all of which may be greater than the rights of the common stock. Thus, our Board of Directors could authorize the issuance of shares of preferred stock with terms and conditions which could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of our common stock or otherwise be in their best interest. The issuance of preferred stock could adversely affect the voting power of holders of common stock and reduce the likelihood that such holders will receive dividend payments and payments upon liquidation, and could also decrease the market price of our common stock.

Possible Anti-Takeover Effect of Certain Provisions of Delaware Law and of Our Certificate of Incorporation and Bylaws

The business combination provisions of Delaware law, the provisions of our bylaws regarding the classification of our Board of Directors, the Board of Directors' ability to issue preferred stock with terms and conditions that could have a priority as to distributions and amounts payable upon liquidation over the rights of the holders of our common stock, and the advance notice provisions of our bylaws could have the effect of delaying, deferring or preventing a transaction or a change in the control that might involve a premium price for holders of common stock or otherwise be in their best interest.

AMENDMENT NO. 11
TO
FIFTH AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDMENT NO. 11 TO FIFTH AMENDED AND RESTATED CREDIT AGREEMENT (this “Amendment”) dated as of February 24, 2025, is entered into among GLADSTONE BUSINESS INVESTMENT, LLC, as Borrower (the “Borrower”), GLADSTONE MANAGEMENT CORPORATION, as Servicer (the “Servicer”), the Managing Agents party hereto, the Joint Lead Arrangers party hereto, the Lenders party hereto, and KEYBANK NATIONAL ASSOCIATION (“KeyBank”), as Administrative Agent (in such capacity, the “Administrative Agent”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the “Credit Agreement” referred to below.

PRELIMINARY STATEMENTS

A. Reference is made to that certain Fifth Amended and Restated Credit Agreement dated as of April 30, 2013 by and among the Borrower, the Servicer, the Lenders and Managing Agents parties thereto from time to time and the Administrative Agent, (as amended, modified or restated from time to time, the “Credit Agreement”).

B. The Borrower has requested that MANUFACTURERS AND TRADERS TRUST COMPANY (the “Increasing Lender”) increase its Commitment.

C. The Borrower, the Lenders party hereto, the Managing Agents party hereto and the Administrative Agent desire to amend the Credit Agreement as set forth herein subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises set forth above, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendments to the Credit Agreement. Upon satisfaction of the conditions precedent set forth in Section 3 hereof:

(a) The Credit Agreement is hereby amended as shown in the conformed copy thereof attached hereto as Exhibit A. In Exhibit A hereto, deletions of text in the Credit Agreement are indicated by struck-through text (indicated in the same manner as the following example: ~~stricken-text~~) and insertions of text are indicated by bold, double-underlined text (indicated in the same manner as the following example: double-underlined text) as set forth on Exhibit A hereto; and

(b) Schedule I to the Credit Agreement is hereby amended and restated in its entirety as set forth on Exhibit B attached hereto.

SECTION 2. Representations and Warranties. The Borrower and the Servicer each hereby represents and warrants, as of the Effective Date, to each of the other parties hereto, that:

(a) this Amendment constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to enforcement of bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and

(b) on the date hereof, before and immediately after giving effect to this Amendment, no Early Termination Event, Unmatured Termination Event or Servicer Termination Event has occurred and is continuing.

SECTION 3. Conditions Precedent. This Amendment shall become effective on the first Business Day (the "Effective Date") on which:

(a) the Administrative Agent or its counsel has received counterpart signature pages of this Amendment, executed by each of the parties hereto;

(b) an amended and restated Note, executed by the Borrower in favor of the Increasing Lender, in an aggregate amount equal to the "Commitment" of the Increasing Lender; and

(c) The Increasing Lender shall have received any fees payable under and pursuant to the applicable Fee Letter executed on even date herewith.

SECTION 4. Reference to and Effect on the Transaction Documents.

(a) Upon the effectiveness of this Amendment, (i) each reference in the Credit Agreement to "this Credit Agreement", "this Agreement", "hereunder", "hereof", "herein" or words of like import shall mean and be a reference to the Credit Agreement as amended or otherwise modified hereby, and (ii) each reference to the Credit Agreement in any other Transaction Document or any other document, instrument or agreement executed and/or delivered in connection therewith, shall mean and be a reference to the Credit Agreement as amended or otherwise modified hereby.

(b) Except as specifically amended, terminated or otherwise modified above, the terms and conditions of the Credit Agreement, of all other Transaction Documents and any other documents, instruments and agreements executed and/or delivered in connection therewith, and the liens granted thereunder, shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent, any Managing Agent or any Lender under the Credit Agreement or any other Transaction Document or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, in each case except as specifically set forth herein.

SECTION 5. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together

shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by electronic mail or facsimile copy shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 6. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 7. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

SECTION 8. Fees and Expenses. The Borrower hereby confirms its agreement to pay on demand all reasonable out-of-pocket costs and expenses of the Administrative Agent, Managing Agents or Lenders in connection with the preparation, execution and delivery of this Amendment and any of the other instruments, documents and agreements to be executed and/or delivered in connection herewith, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel to the Administrative Agent, Managing Agents or Lenders with respect thereto.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective officers as of the date first above written.

GLADSTONE BUSINESS INVESTMENT, LLC

By: Taylor Ritchie
Name: Taylor Ritchie
Title: CFO

GLADSTONE MANAGEMENT CORPORATION

By: David Gladstone
Name: David Gladstone
Title: CEO

KEYBANK NATIONAL ASSOCIATION, as
Administrative Agent, a Joint Lead Arranger, a Managing
Agent and a Lender

By: 

Name:

Title:

Richard Andersen
Senior Vice President

MANUFACTURERS AND TRADERS TRUST
COMPANY, as a Joint Lead Arranger, a Managing Agent,
a Lender, and the Increasing Lender

By: Amir Digitally signed
Name: by Amir Oveissi
Title: Oveissi Date: 2025.02.21
16:27:46 -05'00'

Vice President, Relationship Manager

EXHIBIT A

Conformed Copy showing Amendment of Credit Agreement

[Please see attached]

EXECUTION VERSION

Conformed Copy including Amendment No. 1 dated June 26, 2014, Amendment No. 2 dated as of November 16, 2016, Amendment No. 3 dated as of January 20, 2017, Amendment No. 4 dated as of August 22, 2018, Amendment No. 5 dated as of August 10, 2020, Amendment No. 6 dated as of March 8, 2021, Amendment No. 7 dated as of April 10, 2023, Amendment No. 8 dated as of October 30, 2023, Amendment No. 9 dated as of February 5, 2024 ~~and~~, Amendment No. 10 dated as of February 10, 2025 and Amendment No. 11 dated as of February 24, 2025

~~\$250,000,000~~ \$270,000,000

FIFTH AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of April 30, 2013

Among

GLADSTONE BUSINESS INVESTMENT, LLC

as the Borrower

GLADSTONE MANAGEMENT CORPORATION

as the Servicer

THE FINANCIAL INSTITUTIONS FROM TIME TO TIME PARTY HERETO

as Lenders

THE FINANCIAL INSTITUTIONS FROM TIME TO TIME PARTY HERETO

as Managing Agents

KEYBANK NATIONAL ASSOCIATION

as the Administrative Agent

and

KEYBANK NATIONAL ASSOCIATION AND FIFTH THIRD BANK, NATIONAL
ASSOCIATION

as Joint Lead Arrangers

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THIS FIFTH AMENDED AND RESTATED CREDIT AGREEMENT is made as of April 30, 2013, among:

(1) GLADSTONE BUSINESS INVESTMENT, LLC, a Delaware limited liability company, as borrower (the “Borrower”);

(2) GLADSTONE MANAGEMENT CORPORATION, a Delaware corporation, as servicer (the “Servicer”);

(3) Each financial institution from time to time party hereto as a “Lender” (whether on the signature pages hereto or in a Joinder Agreement), and as Swingline Lender and their respective successors and assigns (collectively, the “Lenders”);

(4) Each financial institution from time to time party hereto as a “Managing Agent” (whether on the signature pages hereto or in a Joinder Agreement) and their respective successors and assigns (collectively, the “Managing Agents”);

(5) KEYBANK NATIONAL ASSOCIATION, as “Administrative Agent” and its respective successors and assigns (the “Administrative Agent”); and

(6) KEYBANK NATIONAL ASSOCIATION and FIFTH THIRD BANK, NATIONAL ASSOCIATION, as Joint Lead Arrangers (collectively, the “Joint Lead Arrangers”).

IT IS AGREED as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Certain Defined Terms.

(a) Certain capitalized terms used throughout this Agreement are defined above or in this Section 1.1.

(b) As used in this Agreement and its exhibits, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

“1940 Act” is defined in Section 4.1(x).

“Additional Amount” is defined in Section 2.13.

“Adjusted Purchased Loan Balance” means as of any date of determination and for any Transferred Loan, the Purchased Loan Balance of such Loan as of such date minus the Excess Concentration Loan Amount allocated to such Loan.

“Adjusted Term SOFR Rate” means for any Available Tenor and Settlement Period, the greater of (a) the Floor and (b) the sum of Term SOFR for such Settlement Period and 0.10% (10.00 basis points).

“Administrative Agent” is defined in the preamble hereto.

“Advances” means collectively the Revolver Advances and the Swing Advances.

“Advances Outstanding” means, on any day, the aggregate principal amount of Advances outstanding on such day, after giving effect to all repayments of Advances and makings of new Advances on such day.

“Adverse Claim” means a lien, security interest, pledge, charge, encumbrance or other right or claim of any Person.

“Affected Party” is defined in Section 2.12(a).

“Affiliate” with respect to a Person, means any other Person controlling, controlled by or under common control with such Person, including without limitation, when “Affiliate” is used by or with regard to Borrower or Originator, any entities under the control or management of Gladstone Management Corporation, or any successor entity; provided, however, that when used with respect to any Person which is an Obligor in respect of a Loan, “Affiliate” shall not mean any of the Borrower, the Servicer or the Originator if the Servicer, the Borrower or the Originator acquires voting securities of such Obligor in the ordinary course of its business (for avoidance of doubt, such Obligor may be a “Control Affiliate” pursuant to the definition thereof). For purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” or “controlled” have meanings correlative to the foregoing.

“Agent’s Account” means account number 329953020917 at KeyBank N.A. ABA number 021300077, account name KeyBank N.A.

“Aggregate Adjusted Purchased Loan Balance” means on any day, the sum of the Adjusted Purchased Loan Balances of all Eligible Loans included as part of the Collateral on such date.

“Aggregate Borrowing Base Contribution Amount” means, with respect to any Obligor as of any date, an amount equal to the sum of the Borrowing Base Contribution Amount of each Eligible Loan relating to such Obligor as of such date.

“Aggregate Outstanding Loan Balance” means on any day, the sum of the Outstanding Loan Balances of all Eligible Loans included as part of the Collateral on such date.

“Aggregate Purchased Loan Balance” means on any day, the sum of the Purchased Loan Balances of all Eligible Loans included as part of the Collateral on such date.

“Agreement” or “Credit Agreement” means this Fifth Amended and Restated Credit Agreement, dated as of April 30, 2013, as hereafter amended, modified, supplemented or restated from time to time.

“Amendment No. 1 Effective Date” means June 26, 2014.

“Amendment No. 2 Effective Date” means November 16, 2016.

“Amendment No. 3 Effective Date” means January 20, 2017.

“Amendment No. 4 Effective Date” means August 22, 2018.

“Amendment No. 5 Effective Date” means August 10, 2020.

“Amendment No. 6 Effective Date” means March 8, 2021.

“Amendment No. 8 Effective Date” means October 30, 2023.

“Amendment No. 9 Effective Date” means February 5, 2024.

“Amendment No. 10 Effective Date” means February 10, 2025.

“Amendment No. 11 Effective Date” means [February 24, 2025](#).

“Amortization Period” means the period beginning on the Termination Date and ending on the Maturity Date.

“Applicable Law” means, for any Person, all existing and future applicable laws, rules, regulations (including proposed, temporary and final income tax regulations), statutes, treaties, codes, ordinances, permits, certificates, orders and licenses of and interpretations by any Governmental Authority (including, without limitation, usury laws, the Federal Truth in Lending Act, Regulation Z, Regulation W, Regulation U and Regulation B of the Federal Reserve Board, the Foreign Corrupt Practices Act and the USA PATRIOT Act), and applicable judgments, decrees, injunctions, writs, orders, or line action of any court, arbitrator or other administrative, judicial, or quasi-judicial tribunal or agency of competent jurisdiction.

“Applicable Margin” means (i) 3.15% per annum during the Revolving Period, and (ii) (A) 3.40% for the period from the last day of the Revolving Period to the first anniversary thereof, and (B) 3.65% thereafter.

“Applicable Percentage” means, with respect to any Lender on any day, the percentage equivalent of a fraction, the numerator of which is the Lender’s Commitment and the denominator of which is the Facility Amount. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

“Approved Officer” means David Gladstone, Jay Beckhorn, Terry Brubaker, David A. R. Dullum, Michael LiCalsi, Taylor Ritchie and any other individual satisfactory to the Administrative Agent and the Required Lenders, as determined in their reasonable discretion.

“Approved Valuation Service” means, any of (i) ICE Data Pricing, (ii) Murray, Devine and Company, (iii) Houlihan Lokey, Duff & Phelps LLC, Lincoln Advisors, (iv) Stout Risius Ross, (v) Alvarez & Marsal, (vi) Valuation Research Corporation and (vii) each other valuation service provider approved by the Administrative Agent from time to time in its reasonable discretion.

“Assignment and Acceptance” is defined in Section 11.1(b).

“Assignment of Mortgage” means, as to each Loan secured by an interest in real property, one or more assignments, notices of transfer or equivalent instruments, each in recordable form and sufficient under the laws of the relevant jurisdiction to reflect the transfer of the related mortgage, deed of trust, security deed or similar security instrument and all other documents related to such Loan and to the Borrower and to grant a perfected lien thereon by the Borrower in favor of the Administrative Agent on behalf of the Secured Parties, each such Assignment of Mortgage to be substantially in the form of Exhibit I hereto.

“Availability” means, on any day, an amount equal to the lesser of:

(a) the amount by which the Borrowing Base exceeds the sum of (i) Advances Outstanding and (ii) an amount equal to 50% of the aggregate unfunded commitments under the Revolver Loans on such day, and

(b) the amount by which the Facility Amount exceeds the sum of (i) Advances Outstanding and (ii) the aggregate unfunded commitments under the Revolver Loans on such day;

provided, however, that following the Termination Date, the Availability shall be zero.

“Available Collections” is defined in Section 2.8.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Settlement Period” pursuant to Section 2.17(d).

“Backup Servicer” means The Bank of New York Mellon, in its capacity as Backup Servicer under the Backup Servicing Agreement, together with its successors and assigns.

“Backup Servicer Expenses” means the out-of-pocket expenses to be paid to the Backup Servicer under the Backup Servicing Agreement.

“Backup Servicer Fee” means the fee to be paid to the Backup Servicer as set forth in the Backup Servicing Agreement.

“Backup Servicing Agreement” means the Amended and Restated Backup Servicing Agreement dated as of the Closing Date among the Borrower, the Servicer, the Administrative Agent and the Backup Servicer, as amended by that certain Amendment No. 1 to Backup Servicing Agreement dated as of April 14, 2009, as the same may from time to time be further amended, restated, supplemented, waived or modified.

“Bankruptcy Code” means the United States Bankruptcy Reform Act of 1978 (11 U.S.C. §§ 101, et seq.), as amended from time to time.

“Base Rate” means, on any date, a fluctuating rate of interest per annum equal to the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 1.0% and (c) the Floor.

“Base Rate Advance” means each Advance bearing interest at a rate based upon the Base Rate.

“Benchmark” means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.17.

“Benchmark Replacement” means, with respect to any Benchmark Transition Event for the then-current Benchmark, the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for such Benchmark giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for such Benchmark for syndicated credit facilities denominated in U.S. Dollars at such time and (b) the related Benchmark Replacement Adjustment, if any; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Transaction Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of any then-current Benchmark with an unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero), if any, that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable unadjusted Benchmark Replacement for U.S. Dollar denominated syndicated credit facilities.

“Benchmark Replacement Conforming Changes” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “SOFR Business Day,” the definition of “Interest Rate,” the definition of “Interest Reset Date,” the definition of “Settlement Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.11, and other technical, administrative or operational matters) that the Administrative Agent decides, in consultation with the Borrower, may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides, in consultation with the Borrower, is reasonably necessary in connection with the administration of this Agreement and the other Transaction Documents).

“Benchmark Replacement Date” means the earlier to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clauses (1) or (2) of the definition of “Benchmark Transition Event”, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event”, the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative or non-compliant with or non-aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks; provided that any such non-representativeness, non-compliance or non-alignment will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clauses (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, with respect to the then-current Benchmark, the occurrence of one or more of the following events with respect to such Benchmark :

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) announcing that all Available Tenors of such Benchmark (or the published component used in the calculation thereof) are not, or as of a specified future date will not be, representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Start Date” means, with respect to any Benchmark, in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“Benchmark Unavailability Period” means, with respect to any then-current Benchmark Replacement, the period (if any) (x) beginning at the time that a Benchmark Replacement Date with respect to such Benchmark pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 2.17 and (y) ending at the time that a Benchmark Replacement has replaced such Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 2.17.

“Benefit Plan” means any employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Borrower or any ERISA Affiliate of the Borrower is, or at any time during the immediately preceding six years was, an “employer” as defined in Section 3(5) of ERISA.

“Borrower” means Gladstone Business Investment, LLC, a Delaware limited liability company, or any permitted successor thereto.

“Borrowing Base” means on any date of determination, an amount equal to the sum of (A) the lesser of:

(a) the Aggregate Purchased Loan Balance *minus* the Required Equity Investment as of such date;

(b) the sum of the Borrowing Base Contribution Amount of each Eligible Loan as of such date; and

(c) at any time that a Diversity Score Event has occurred and is continuing, an amount equal to the product of (i) (x) the Weighted Average Advance Rate minus (y) 2.5% multiplied by (ii) the Aggregate Adjusted Purchased Loan Balances of all Eligible Loans,

plus, (B) any amounts of cash and cash equivalents held in the Collection Account less the sum of the aggregate accrued but unpaid Servicing Fee, Revolver Loan Funding Fee, Interest and Unused Fee.

The capitalized terms used in this definition of “Borrowing Base” shall have the following meanings:

<u>Tier 1 Definitions: (Tier 1 only includes First Lien Loans and First Out Loans)</u>	
“ <u>Adjusted Tier 1 Purchased Loan Balance</u> ”	For any Eligible Loan, its Tier 1 Purchased Loan Balance <i>minus</i> the applicable Allocated Excess Concentration Loan Amount.
“ <u>Tier 1 Advance Rate</u> ”	64%
“ <u>Tier 1 Leverage Ratio</u> ”	For each Eligible Loan, shall mean the lower of the Leverage Ratio and 4.25.
“ <u>Tier 1 Percentage</u> ”	For First Lien Loans and First Out Loans, the percentage obtained by dividing (x) the Tier 1 Leverage Ratio by (y) the Leverage Ratio.
“ <u>Tier 1 Purchased Loan Balance</u> ”	For each Eligible Loan, the product of the Purchased Loan Balance and the Tier 1 Percentage; provided, however, that, for any Eligible Loan which does not have positive TTM EBITDA, the “Tier 1 Purchased Loan Balance” shall be zero.

<u>Tier 2 Definitions: (Tier 2 only includes First Lien Loans, First Out Loans, Second Lien Loans and Last Out Loans)</u>	
<u>“Adjusted Tier 2 Purchased Loan Balance”</u>	For any Eligible Loan, its Tier 2 Purchased Loan Balance <i>minus</i> the applicable Allocated Excess Concentration Loan Amount.
<u>“Tier 2 Advance Rate”</u>	52%
<u>“Tier 2 Leverage Ratio”</u>	For each Eligible Loan, shall be determined as follows: (a) For First Lien Loans and First Out Loans, the Tier 2 Leverage Ratio shall mean the lower of (i) the higher of (A) the Leverage Ratio <i>minus</i> 4.25 and (B) zero, and (ii) 5.50 <i>minus</i> 4.25. (b) For Second Lien and Last Out Loans, the Tier 2 Leverage Ratio shall mean 5.50 <i>minus</i> the Senior Leverage Ratio.
<u>“Tier 2 Percentage”</u>	Means: (a) for First Lien Loans and First Out Loans, the percentage obtained by dividing (x) the applicable Tier 2 Leverage Ratio by (y) the Leverage Ratio; (b) for Second Lien and Last Out Loans, (i) if the Senior Leverage Ratio is greater than or equal to 5.50, then a value of 0, (ii) if the Leverage Ratio is less than or equal to 5.50, then a value of 100%, and (iii) otherwise, the percentage obtained by dividing (A) the applicable Tier 2 Leverage Ratio by (B) the Leverage Ratio <i>minus</i> the Senior Leverage Ratio.
<u>“Tier 2 Purchased Loan Balance”</u>	For each Eligible Loan, the product of the Purchased loan Balance and the Tier 2 Percentage; provided, however, that, for any Eligible Loan which does not have positive TTM EBITDA, the “Tier 2 Purchased Loan Balance” shall be zero.
<u>Tier 3 Definitions: (Tier 3 includes First Lien Loans, First Out Loans, Second Lien Loans, Last Out Loans and Mezzanine Loans)</u>	
<u>“Adjusted Tier 3 Purchased Loan Balance”</u>	For any Eligible Loan, its Tier 3 Purchased Loan Balance <i>minus</i> the applicable Allocated Excess Concentration Loan Amount.
<u>“Tier 3 Advance Rate”</u>	35%.

<p><u>“Tier 3 Leverage Ratio”</u></p>	<p>For each Eligible Loan, shall be determined as follows:</p> <p>(a) For First Lien Loans and First Out Loans, the Tier 3 Leverage Ratio shall mean the lower of (i) the higher of (A) the Leverage Ratio <i>minus</i> 5.50, and (B) zero and (ii) 6.0 <i>minus</i> 5.50.</p> <p>(b) For Second Lien and Last Out Loans, the Tier 3 Leverage Ratio shall mean (x) the lower of the applicable Leverage Ratio and 6.0 <i>minus</i> (y) the higher of the applicable Senior Leverage Ratio and 5.50.</p> <p>(c) For Mezzanine Loans, the Tier 3 Leverage Ratio shall mean the (x) the lower of (1) the applicable Leverage Ratio and (2) 6.0 <i>minus</i> (y) the Senior Leverage Ratio.</p>
<p><u>“Tier 3 Percentage”</u></p>	<p>Means:</p> <p>(a) for First Lien Loans and First Out Loans, the percentage obtained by dividing (x) the applicable Tier 3 Leverage Ratio by (y) the Leverage Ratio;</p> <p>(b) for Second Lien and Last Out Loans, (i) if the Senior Leverage Ratio is greater than or equal to 6.00, then a value of zero, (ii) if the Leverage Ratio is less than or equal to 5.50 then a value of zero, and (iii) otherwise, the percentage obtained by dividing (A) the applicable Tier 3 Leverage Ratio by (B) the Leverage Ratio <i>minus</i> the Senior Leverage Ratio; and</p> <p>(c) for Mezzanine Loans, (i) if the Senior Leverage Ratio is greater than or equal to 6.0, then a value of zero, (ii) if the Leverage Ratio is less than or equal to 6.0, then a value of 100%, and (iii) otherwise, the percentage obtained by dividing (A) the applicable Tier 3 Leverage Ratio by (B) the Leverage Ratio <i>minus</i> the applicable Senior Leverage Ratio.</p>
<p><u>“Tier 3 Purchased Loan Balance”</u></p>	<p>For each Eligible Loan, the product of the Purchased Loan Balance and the Tier 3 Percentage; provided, however, that, for any Eligible Loan which does not have positive TTM EBITDA, the “Tier 3 Purchased Loan Balance” shall be zero.</p>
<p><u>Tier 4 Definitions: (Tier 4 includes First Lien Loans, First Out Loans, Second Lien</u></p>	

Loans, Last Out Loans and Mezzanine Loans)	
<u>“Adjusted Tier 4 Purchased Loan Balance”</u>	For any Eligible Loan, its Tier 4 Purchased Loan Balance <i>minus</i> the applicable Allocated Excess Concentration Loan Amount.
<u>“Tier 4 Advance Rate”</u>	0%.
<u>“Tier 4 Leverage Ratio”</u>	For each Eligible Loan, shall be determined as follows: For First Lien Loans, First Out Loans, Second Lien Loans, Last Out Loans and Mezzanine Loans, the higher of (A) the applicable Leverage Ratio <i>minus</i> 6.00 and (B) zero.
<u>“Tier 4 Percentage”</u>	Means: (a) for First Lien Loans and First Out Loans, the percentage obtained by dividing (i) the applicable Tier 4 Leverage Ratio by (ii) the Leverage Ratio; and (b) for Second Lien Loans, Last Out Loans and Mezzanine Loans, (i) if the Senior Leverage Ratio is greater than or equal to 6.00, then a value of 100%, (ii) if the Leverage Ratio is less than or equal to 6.0, then a value of zero and (iii) otherwise, the percentage obtained by dividing (A) the applicable Tier 4 Leverage Ratio by (B) the Leverage Ratio <i>minus</i> the Senior Leverage Ratio.
<u>“Tier 4 Purchased Loan Balance”</u>	For each Eligible Loan, the product of the Purchased Loan Balance and the Tier 4 Percentage; provided, however, that, for any Eligible Loan which does not have positive TTM EBITDA, the “Tier 4 Purchased Loan Balance” shall be equal to the Purchased Loan Balance.
<p><u>“Allocated Excess Concentration Loan Amount”</u> means, as to any Eligible Loan, the Excess Concentration Loan Amount of such Eligible Loan allocated to the Tier 1 through Tier 4 Purchased Loan Balances of such Eligible Loan in the following order of priority until such Excess Concentration Loan Amount has been fully allocated:</p> <p>(i) first, to such Eligible Loan’s Tier 4 Purchased Loan Balance until such Tier 4 Purchased Loan Balance is zero; then</p> <p>(ii) to its Tier 3 Purchased Loan Balance until such Tier 3 Purchased Loan Balance is zero; then</p> <p>(iii) to its Tier 2 Purchased Loan Balance until such Tier 2 Purchased Loan</p>	

Balance is zero; and then

(iv) to its Tier 1 Purchased Loan Balance until such Tier 1 Purchased Loan Balance is zero.

“Senior Funded Debt” means, with respect to any Eligible Loan, the portion of the Total Funded Debt of the Obligor of such loan that is senior in priority and right of repayment of such Eligible Loan.

“Senior Leverage Ratio” means, for any Eligible Loan, the ratio of the Senior Funded Debt to TTM EBITDA of the Obligor of such Eligible Loan.

“Weighted Average Advance Rate” means, as of any date of determination, the overall effective advance rate, expressed as a percentage, to be calculated as the sum of the Borrowing Base Contribution Amount for all Eligible Loans divided by the Aggregate Adjusted Purchase Loan Balance.

“Borrowing Base Contribution Amount” means, with respect to any Eligible Loan as of any date of determination, the sum of the products of (i) its Adjusted Tier 1 Purchased Loan Balance on such date and its Tier 1 Advance Rate, (ii) its Adjusted Tier 2 Purchased Loan Balance on such date and its Tier 2 Advance Rate, (iii) its Adjusted Tier 3 Purchased Loan Balance on such date and its Tier 3 Advance Rate and (iv) its Adjusted Tier 4 Purchased Loan Balance on such date and its Tier 4 Advance Rate.

“Borrowing Base Test” means as of any date, a determination that (a) the lesser of (i) the Borrowing Base and (ii) the Facility Amount shall be equal to or greater than (b) the Advances Outstanding.

“Borrower Notice” means a written notice, in the form of Exhibit A, to be used for each borrowing, repayment of each Advance or termination or reduction of the Facility Amount or Prepayments of Advances.

“Breakage Costs” is defined in Section 2.11.

“Business Day” means any day of the year other than a Saturday or a Sunday on which (a) (i) banks are not required or authorized to be closed in New York, New York and Virginia or (ii) which is not a day on which the Bond Market Association recommends a closed day for the U.S. Bond Market, and (b) with respect to any matters relating to SOFR Advances, a SOFR Business Day.

“CBA” means CME Group Benchmark Administration Ltd.

“Change-in-Control” means, with respect to any entity, the date on which (i) any Person or “group” acquires any “beneficial ownership” (as such terms are defined under Rule 13d-3 of, and Regulation 13D under, the Securities Exchange Act of 1934, as amended), either directly or

indirectly, of membership interests or other equity interests or any interest convertible into any such interest in such entity having more than fifty percent (50%) of the voting power for the election of managers of such entity, if any, under ordinary circumstances, or (ii) (with regard to the Borrower, except in connection with any Discretionary Sale) an entity sells, transfers, conveys, assigns or otherwise disposes of all or substantially all of the assets of such entity; provided that in the case of the Servicer, no Change-in-Control shall be deemed to have taken place as long as executive officers of the Servicer hold greater than fifty percent (50%) of the indirect voting power for the election of managers or directors of the Servicer.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case described in clauses (x) and (y) above be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Charged-Off Loan” means any Loan (i) that is 120 days past due with respect to any interest or principal payment, (ii) for which an Insolvency Event has occurred with respect to the related Obligor or (iii) that is or should be written off as uncollectible by the Servicer in accordance with the Credit and Collection Policy.

“Charged-Off Ratio” means, with respect to any Settlement Period, the percentage equivalent of a fraction, calculated as of the Determination Date for such Settlement Period, (i) the numerator of which is equal to the aggregate Outstanding Loan Balance of all Transferred Loans that became Charged-Off Loans during such Settlement Period and (ii) the denominator of which is equal to the sum of (A) the Aggregate Outstanding Loan Balance as of the first day of such Settlement Period and (B) the Aggregate Outstanding Loan Balance as of the last day of such Settlement Period divided by 2.

“Closing Date” means October 19, 2006.

“Code” means The Internal Revenue Code of 1986, as amended.

“Collateral” means all right, title and interest, whether now owned or hereafter acquired or arising, and wherever located, of the Borrower in, to and under any and all of the following:

- (i) the Transferred Loans, and all monies due or to become due in payment of such Loans on and after the related Purchase Date;
- (ii) any Related Property securing the Transferred Loans, including all real estate collateral assigned to the Administrative Agent pursuant to an Assignment of

Mortgage, and further including all Proceeds from any sale or other disposition of such Related Property;

- (iii) the Loan Documents relating to the Transferred Loans;
- (iv) all Supplemental Interests related to any Transferred Loans;
- (v) the Collection Account, all funds held in such account, and all certificates and instruments, if any, from time to time representing or evidencing the Collection Account or such funds;
- (vi) all Collections and all other payments made or to be made in the future with respect to the Transferred Loans, including such payments under any guarantee or similar credit enhancement with respect to such Loans;
- (vii) all Hedge Collateral;
- (viii) the Operating Account and all deposit or banking accounts of the Borrower with the Administrative Agent, and all funds held in such accounts, and all certificates and instruments, if any, from time to time representing or evidencing such accounts or such funds; and
- (ix) all income and Proceeds of the foregoing.

For avoidance of doubt, the Collateral, in the case of “Related Property” pursuant to clause (ii) above, may be and mean a Lien held by the Borrower against such property, rather than an ownership interest in such property.

“Collateral Custodian” means The Bank of New York Mellon Trust Company, N.A., formerly known as BNY Midwest Trust Company, in its capacity as Collateral Custodian under the Custody Agreement, together with its successors and assigns.

“Collateral Custodian Expenses” means the out-of-pocket expenses to be paid to the Collateral Custodian under the Custody Agreement.

“Collateral Custodian Fee” means the fee to be paid to the Collateral Custodian as set forth in the Custody Agreement.

“Collateral Quality Test” means as of any date, a set of tests that are satisfied so long as each of the following are satisfied: (i) the Weighted Average Spread on the Transferred Loans is equal to or greater than 6.5% as of such date, (ii) the Weighted Average Life of the Transferred Loans is equal to or less than 60 months as of such date, (iii) the weighted average Risk Rating of the portfolio of Transferred Loans shall not be less than B-/ B3/4 by S&P, Moody’s or the Servicer’s risk rating model, respectively, (iv) the Diversity Score for the Transferred Loans is greater than or equal to 7 as of such date and (v) the Required Minimum Obligors Test is being satisfied.

“Collection Account” is defined in Section 7.4(e).

“Collection Date” means the date following the Termination Date on which all Advances Outstanding have been reduced to zero, the Lenders have received all accrued Interest, fees, and all other amounts owing to them under this Agreement and the Hedging Agreement, the Hedge Counterparties have received all amounts due and owing hereunder and under the Hedge Transactions, and each of the Backup Servicer, the Collateral Custodian, the Administrative Agent and the Managing Agents have each received all amounts due to them in connection with the Transaction Documents.

“Collections” means (a) all cash collections or other cash proceeds of a Transferred Loan received by or on behalf of the Borrower by the Servicer or Originator from or on behalf of any Obligor in payment of any amounts owed in respect of such Transferred Loan, including, without limitation, Interest Collections, Principal Collections, Deemed Collections, Insurance Proceeds, and all Recoveries, (b) all amounts received by the Buyer (as defined in the Purchase and Sale Agreement) in connection with the repurchase of an Ineligible Loan pursuant to Section 6.1 of the Purchase Agreement, (c) all amounts received by the Administrative Agent in connection with the purchase of a Transferred Loan pursuant to Section 7.7, (d) all payments received pursuant to any Hedging Agreement or Hedge Transaction, and (e) interest earnings in the Collection Account.

“Commitment” means (a) the commitment of each Lender in the amount set forth next to the name of such Lender on Schedule I hereto, in each case as such amount may be modified in accordance with the terms hereof; and (b) with respect to any Person who becomes a Lender pursuant to an Assignment and Acceptance or a Joinder Agreement, the commitment of such Person to fund any Advance to the Borrower in an amount not to exceed the amount set forth in such Assignment and Acceptance or Joinder Agreement, as such amount may be modified in accordance with the terms hereof.

“Commitment Termination Date” means October 30, 2026, or such later date to which the Commitment Termination Date may be extended (if extended) in the sole discretion of the Lenders in accordance with Section 2.4(b).

“Contractual Obligation” means, with respect to any Person, any provision of any securities issued by such Person or any indenture, mortgage, deed of trust, contract, undertaking, agreement, instrument or other document to which such Person is a party or by which it or any of its property is bound or is subject.

“Control Affiliate” means any Obligor in which the Originator, the Borrower or any Affiliate of the Borrower holds or acquires voting securities of such Obligor, in an amount such that the Originator, the Borrower or any Affiliate of the Borrower, or any or all of them jointly, would then have “control” of such Obligor, as defined in Section 2(a)(9) of the 1940 Act.

“Controlled Transaction” means a Loan, the Obligor of which is a Control Affiliate.

“Covenant-Lite Loan” means a Loan lacking traditional financial covenants requiring minimum interest or other debt service coverage or specifying maximum levels of leverage or other similar “maintenance” tests.

“Credit Exposure” means, as to any Lender at any time, the outstanding principal amount of the Advances by such Lender.

“Credit and Collection Policy” means those credit, collection, customer relation and service policies (i) determined by the Borrower, the Originator and the initial Servicer as of the date hereof relating to the Transferred Loans and related Loan Documents, as on file with the Administrative Agent and as the same may be amended or modified from time to time in accordance with Sections 5.1(r) and 7.9(g); and (ii) with respect to any Successor Servicer, the collection procedures and policies of such person (as approved by the Administrative Agent) at the time such Person becomes Successor Servicer.

“Current Pay Loan” means any Transferred Loan (a) in respect of which the Servicer or Originator shall have taken any of the following actions: charging a default rate of interest, restricting Obligor’s right to make subordinated payments (other than payments in respect of owner’s debts and seller financings in the original loan agreement), acceleration of the Transferred Loan, or foreclosure on collateral for the Loan, (b) that is not more than thirty (30) days past due with respect to any interest or principal payments and (c) in respect of which the Servicer shall have certified (which certification may be in the form of an e-mail or other written electronic communication) to the Administrative Agent that the Servicer does not believe, in its reasonable judgment, that a failure to pay interest or ultimate principal will occur. For avoidance of doubt, a Current Pay Loan shall be an Eligible Loan and included in the Borrowing Base but shall be subject to restriction as provided in the definitions of Excess Concentration Loan Amount and Outstanding Loan Balance. A Transferred Loan shall cease to be a Current Pay Loan if it (i) becomes a Defaulted Loan through failure to satisfy the requirements set forth in clauses (b) and (c) of the preceding sentence in this definition or (ii) becomes an Eligible Loan which is no longer a Current Pay Loan (such that it is no longer subject to restriction for purposes of Excess Concentration Loan Amount and Outstanding Loan Balance calculations), which shall occur upon receipt of a certification from the Servicer (which certification may be in the form of an e-mail or other written electronic communication) to the Administrative Agent that, as of the date of the certification (x) the applicable circumstances enumerated in clause (a) above which caused the Loan to be a Current Pay Loan shall no longer exist and (y) such Loan otherwise meets the definition of an Eligible Loan.

“Custody Agreement” means the Custodial Agreement, dated as of the Closing Date among the Borrower, the Servicer, the Originator, the Administrative Agent and the Collateral Custodian, as amended by that certain Amendment No. 1 to Custodial Agreement dated as of April 14, 2009 and as the same may from time to time be further amended, restated, supplemented, waived or modified.

“Deemed Collections” means, on any day, the aggregate of all amounts Borrower shall have been deemed to have received as a Collection of a Transferred Loan. Borrower shall be deemed to have received a Collection in an amount equal to the unpaid balance (including any accrued interest thereon) of a Transferred Loan if at any time the Outstanding Loan Balance of any such Loan is either (i) reduced as a result of any discount or any adjustment or otherwise by Borrower (other than receipt of cash Collections) or (ii) reduced or canceled as a result of a setoff in respect of any claim by any Person (whether such claim arises out of the same or a related transaction or an unrelated transaction).

“Default Excess” means, with respect to any Defaulting Lender, the excess, if any, of such Defaulting Lender’s ratable portion of the aggregate Credit Exposure of all Lenders (calculated as if all Defaulting Lenders had funded all of their respective Advances) over the aggregate outstanding principal amount of all Advances of such Defaulting Lender.

“Default Rate” means the rate equal to the Base Rate plus 2% plus the Applicable Margin.

“Default Ratio” means, with respect to any Settlement Period, the percentage equivalent of a fraction, calculated as of the Determination Date for such Settlement Period, (a) the numerator of which is equal to the aggregate Outstanding Loan Balance of all Transferred Loans (excluding Charged-Off Loans) that became Defaulted Loans during such Settlement Period and (b) the denominator of which is equal to (i) the sum of (x) the Aggregate Outstanding Loan Balance as of the first day of such Settlement Period and (y) the Aggregate Outstanding Loan Balance as of the last day of such Settlement Period divided by (ii) two.

“Defaulted Loan” means any Transferred Loan (a) as to which, (x) a default as to the payment of principal and/or interest has occurred and is continuing for a period of sixty (60) consecutive days with respect to such Loan (without regard to any grace period applicable thereto, or waiver thereof) or (y) a default not set forth in clause (x) has occurred and the holders of such Loan have accelerated all or a portion of the principal amount thereof as a result of such default, (b) as to which a default as to the payment of principal and/or interest has occurred and is continuing on another debt obligation of the same Obligor which is senior or *pari passu* in right of payment to such Loan, (c) as to which the Obligor or others have instituted proceedings to have the Obligor adjudicated bankrupt or insolvent or placed into receivership and such proceedings have not been stayed or dismissed or such issuer has filed for protection under Chapter 11 of the United States Bankruptcy Code (unless (x) in the case of subclause (y) of clause (a) or clauses (b) and (c) the Loan is a Current Pay Loan, in which case it shall not be deemed a Defaulted Loan or (y) in the case of clauses (b) or (c), the Loan is a DIP Loan, in which case it shall not be deemed a Defaulted Loan), (d) that the Servicer has in its reasonable commercial judgment otherwise declared to be a Defaulted Loan or (e) that has a Risk Rating of “Ca,” “CC” or “1” or below by Moody’s, S&P or the Servicer, respectively.

“Defaulting Lender” means, subject to Section 12.16, any Lender that (a) has failed to (i) fund all or any portion of its Advances within two Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Swing Advances) within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent or Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lenders’ obligation to fund an Advance hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written

request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Insolvency Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 12.16) upon delivery of written notice of such determination to the Borrower, the Swingline Lender and each Lender.

“Deposit Account Control Agreement” means each of (i) a letter agreement, substantially in the form of Exhibit L, among the Borrower, the Administrative Agent and the bank maintaining the Collection Account with respect to control of the Collection Account, as amended by Amendment No. 1 to Deposit Account Control Agreement dated as of April 14, 2009, and as the same may from time to time be further amended, modified, supplemented or restated, (ii) [Reserved] (iii) the Deposit Account Control Agreement dated as of April 14, 2009 with respect to the Operating Account among the Borrower, the bank maintaining the Operating Account and the Administrative Agent, as the same may be amended, modified, supplemented or restated from time to time and (iv) any letter agreement, substantially in the form of Exhibit L, among the Borrower, the Administrative Agent and the bank maintaining any Lock-Box Account.

“Derivatives” means any exchange-traded or over-the-counter (i) forward, future, option, swap, cap, collar, floor, foreign exchange contract, any combination thereof, whether for physical delivery or cash settlement, relating to any interest rate, interest rate index, currency, currency exchange rate, currency exchange rate index, debt instrument, debt price, debt index, depository instrument, depository price, depository index, equity instrument, equity price, equity index, commodity, commodity price or commodity index, (ii) any similar transaction, contract, instrument, undertaking or security, or (iii) any transaction, contract, instrument, undertaking or security containing any of the foregoing.

“Determination Date” means the last day of each Settlement Period.

“DIP Loan” means a Transferred Loan, the Obligor of which is a debtor-in-possession as described in Section 1107 of the Bankruptcy Code or a debtor as defined in Section 101(13) of the Bankruptcy Code (a “Debtor”) organized under the laws of the United States or any state therein, the terms of which have been approved by an order of a court of competent jurisdiction, which order provides that (i) such DIP Loan is secured by liens on otherwise unencumbered property of

the Debtor's bankruptcy estate pursuant to 364(c)(2) of the Bankruptcy Code, (ii) such DIP Loan is secured by liens of equal or senior priority on property of the Debtor's estate that is otherwise subject to a lien pursuant to Section 364(d) of the Bankruptcy Code, (iii) such DIP Loan is secured by junior liens on property of the Debtor's bankruptcy estate already subject to a lien encumbered assets (so long as such DIP Loan is a fully secured claim within the meaning of Section 506 of the Bankruptcy Code), or (iv) if the DIP Loan or any portion thereof is unsecured, the repayment of such DIP Loan retains priority over all other administrative expenses pursuant to Section 364(c)(1) of the Bankruptcy Code; provided that, in the case of the origination or acquisition of any DIP Loan, none of the Borrower or the Servicer have actual knowledge that the order set forth above is subject to any pending contested matter or proceeding (as such terms are defined in the Federal Rules of Bankruptcy Procedure) or the subject of an appeal or stay pending appeal.

"Discretionary Sale" is defined in Section 2.16.

"Discretionary Sale Notice" is defined in Section 2.16(a).

"Discretionary Sale Settlement Date" means the Business Day specified by the Borrower to the Administrative Agent in a Discretionary Sale Notice as the proposed settlement date of a Discretionary Sale.

"Discretionary Sale Trade Date" means the Business Day specified by the Borrower to the Administrative Agent in a Discretionary Sale Notice as the proposed trade date of a Discretionary Sale.

"Distribution" is defined in Section 5.1(j).

"Diversity Score" means the single number that indicates collateral concentration for Loans in terms of both Obligor and industry concentration, which is calculated as described in Schedule IV attached hereto.

"Diversity Score Event" means, and shall be deemed to have occurred, at any time that the Diversity Score is less than 9 (but not less than 7) for a period of more than three continuous calendar months.

"Drawn Amount" means, at any time, the sum of (i) Advances Outstanding and (ii) the Revolver Loan Unfunded Commitment Amount at such time.

"Early Termination Event" is defined in Section 8.1.

"EBITDA" means, with respect to any Obligor of a Loan, the earnings before interest, taxes, depreciation and amortization of such Obligor, as determined by the Servicer in the manner provided in the Loan Documents for such Loan.

"Effective Date" means April 30, 2013.

"Eligible Assignee" means a Person (a) that is a Lender or an Affiliate of a Lender or (b) (i) whose short-term rating is at least A-1 from S&P and P-1 from Moody's, or whose obligations under this Agreement are guaranteed by a Person whose short-term rating is at least A-1 from S&P

and P-1 from Moody's and (ii) who is approved by the Administrative Agent (such approval not to be unreasonably withheld); provided that, notwithstanding any of the foregoing, "Eligible Assignee" shall not include the Borrower or any of the Borrower's Affiliates or subsidiaries.

"Eligible Loan" means, on any date of determination, each Transferred Loan which satisfies each of the following requirements:

(i) the Loan is evidenced by a promissory note that has been duly authorized and that, together with the related Loan Documents, is in full force and effect and constitutes the legal, valid and binding obligation of the Obligor of such Loan to pay the stated amount of the Loan and interest thereon, and the related Loan Documents are enforceable against such Obligor in accordance with their respective terms;

(ii) the Loan was originated in accordance with the terms of the Credit and Collection Policy and arose in the ordinary course of the Originator's business from the lending of money to the Obligor thereof;

(iii) the Loan is not a Defaulted Loan;

(iv) the Obligor of such Loan has executed all appropriate documentation required by the Originator;

(v) the Loan, together with the Loan Documents related thereto, is a "general intangible", an "instrument", an "account", or "chattel paper" within the meaning of the UCC of all jurisdictions that govern the perfection of the security interest granted therein;

(vi) all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority required to be obtained, effected or given in connection with the making of such Loan have been duly obtained, effected or given and are in full force and effect;

(vii) the Loan is denominated and payable only in United States dollars in the United States, and is not convertible by the Obligor into debt denominated in any other currency;

(viii) the Loan bears interest, which is due and payable no less frequently than quarterly, except for (i) Loans which bear interest which is due and payable no less frequently than semi-annually, provided that the aggregate Purchased Loan Balances of such Loans do not exceed 10% of the Aggregate Purchased Loan Balance and (ii) PIK Loans;

(ix) the Loan, together with the Loan Documents related thereto, does not contravene in any material respect any Applicable Laws (including, without limitation, laws, rules and regulations relating to usury, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy) and with respect to which no party to the Loan Documents related thereto is in material violation of any such Applicable Laws;

(x) the Loan, together with the related Loan Documents, is fully assignable (and if such Loan is secured by an interest in real property, an Assignment of Mortgage executed in blank has been delivered to the Collateral Custodian);

(xi) the Loan was documented and closed in accordance with the Credit and Collection Policy, including the relevant opinions and assignments, and there is only one current original promissory note;

(xii) the Loan and, in the case of a First Lien Loan, all Related Property (that is part of the Collateral) are free of any Liens except for Permitted Liens, any Liens expressly permitted in the definition of “First Lien Loan”, and Liens that are *pari passu* with Borrower’s Lien in terms of priority;

(xiii) the Loan has an original term to maturity of no more than 120 months;

(xiv) no right of rescission, set off, counterclaim, defense or other material dispute has been asserted with respect to such Loan;

(xv) any Related Property with respect to such Loan is insured in accordance with the Credit and Collection Policy;

(xvi) the Obligor with respect to such Loan is an Eligible Obligor;

(xvii) if such Loan is a PIK Loan, such Loan shall pay a minimum of eight percent (8.0%) per annum current interest, on at least a quarterly basis;

(xviii) the Loan is not a loan or extension of credit made by the Originator or one of its subsidiaries to an Obligor for the purpose of making any principal, interest or other payment on such Loan necessary in order to keep such Loan from becoming delinquent;

(xix) the Loan has not been amended or subject to a deferral or waiver the effect of which is to (A) reduce the amount (other than by reason of the repayment thereof) or extend the time for payment of principal or (B) reduce the rate or extend the time of payment of interest (or any component thereof), in each case without the consent of the Required Lenders, which consent shall not be unreasonably withheld or delayed, provided, however, that such consent shall not be required for an amendment, deferral or waiver the effect of which is to (I) (x) reduce the rate of payment of interest or (y) defer the payment of interest for a period or periods not to exceed 93 days in the aggregate in any 12-month period, provided that after giving effect to any such reduction and/or deferral, the blended rate per annum is not less than the Term SOFR Reference Rate plus 5.00% or (II) extend the time for payment of principal due solely to the scheduled maturity of such Loan, so long as such Loan (1) is not a Defaulted Loan and (2) has not incurred and is not anticipated to incur a breach of a material financial covenant; and provided that, with respect to any Loan described in this clause (xix)(I) (each such loan, a “Credit Modified Loan”) the Borrower shall have provided to the Administrative Agent the reports with respect to such Loan required under Section 5.1(t)(iv); provided, further, that a Credit Modified Loan with respect to which the applicable Obligor has made three successive scheduled payments of

principal and/or interest may, with the consent of the Agent in its sole discretion, cease to be a Credit Modified Loan for purposes of this clause (xix);

(xx) if such Loan is a Qualifying Syndicated Loan, (a) the Borrower has purchased an interest in such Loan from a financial institution which such financial institution (A) has a short-term debt rating equal to at least A-1 from S&P and P-1 from Moody's, (B) has been approved in writing by the Required Lenders prior to the related Funding Date or (C) has an investment grade rating of BBB+/Baa1 or greater and (b) such Loan closed not more than thirty (30) days previously;

(xxi) if such Loan is a Revolver Loan, it shall be secured by a first priority, perfected security interest on certain assets of the Obligor which shall include, without limitation, accounts receivable and inventory;

(xxii) if such Loan is a Revolver Loan, the revolving credit commitment of the Borrower to the applicable Obligor thereunder shall have a term to maturity of three years or less;

(xxiii) if such Loan is a Fixed Rate Loan which is not subject to a Hedging Transaction, the interest rate charged on such Loan shall be equal to or greater than 9.0%;

(xxiv) such Loan is not a Structured Finance Obligation;

(xxv) such Loan is not an equity security, and does not by its terms permit the payment obligation of the Obligor thereunder to be converted into or exchanged for equity capital of such Obligor;

(xxvi) such Loan is not an obligation whose repayment is subject to or derived from (a) the value of other loans, securities and/or financial instruments or (b) the value of bonds insuring against loss arising from natural catastrophes;

(xxvii) the Servicer shall in respect of such Loan have calculated, (i) on or prior to the date on which such Loan became a Transferred Loan, and (ii) at least once per calendar quarter, within thirty Business Days after the date the Servicer provides the quarterly valuations for its serviced portfolio (commencing after the first anniversary of the date such Loan became a Transferred Loan), each of the following, in each case in accordance with the applicable Loan Documents for such Loan: EBITDA, Total Funded Debt, TTM EBITDA and each of the ratios required to be computed hereunder utilizing those three terms in the classification of such Loan hereunder;

(xxviii) the financing of such Loan by the Lenders does not contravene Regulation U of the Federal Reserve Board, nor require the Lenders to undertake reporting thereunder which it would not otherwise have cause to make;

(xxix) if such security or loan is a Real Estate Loan, there is full recourse to the Obligor for principal and interest payments;

(xxx) such Loan does not contain a confidentiality provision that restricts the ability of the Administrative Agent, on behalf of the Secured Parties, to exercise its rights under the Transaction Documents, including, without limitation, its rights to review the Loan, the related Loan File or the Originator's credit approval file in respect of such Loan; provided, however, that a provision which requires the Administrative Agent or other prospective recipient of confidential information to maintain the confidentiality of such information shall not be deemed to restrict the exercise of such rights;

(xxxi) the Obligor of which is not the Servicer, an Affiliate of the Borrower, the Originator or the Servicer or any other person whose investments are primarily managed by the Servicer or any Affiliate of the Servicer, unless such Loan is approved by the Required Lenders (for avoidance of doubt, the term "Affiliate" as used in this clause (xxxi) does not include an entity which is a "Control Affiliate");

(xxxii) such Loan is not a Covenant-Lite Loan;

(xxxiii) the proceeds of such Loan are not used to finance construction projects or activities;

(xxxiv) the Loan is not any type of bond, whether high yield or otherwise, or any similar financial instrument;

(xxxv) such Loan shall be a (A) First Lien Loan, (B) First Out Loan, (C) Second Lien Loan, (D) Last Out Loan or (E) Mezzanine Loan;

(xxxvi) if such Loan is a Mezzanine Loan, such Loan shall have a Leverage Ratio of not greater than 6.25x;

(xxxvii) if such Loan (A) ceased to be an Eligible Loan or (B) was not a Transferred Loan, in each case at the time such Loan became subject to any of the modifications described in clause (xix), with the consent of the Agent in its sole discretion provided that the applicable Obligor has made three successive scheduled payments of principal and/or interest on such Loan subsequent to such modification; and

(xxxviii) if such Loan is not a First Lien Loan (other than as a result of failing to satisfy the proviso to the definition of "First Lien Loan"), the Originator holds one or more classes of equity securities in the related Obligor (or an Affiliate thereof).

"Eligible Obligor" means, on any day, any Obligor that satisfies each of the following requirements:

(i) such Obligor's principal office and any Related Property are located in Canada or the United States or any territory of the United States;

(ii) no other Loan of such Obligor is a Defaulted Loan;

(iii) such Obligor is not the subject of any Insolvency Event, with the exception of an Obligor with regard to a DIP Loan;

(iv) such Obligor is not a Governmental Authority;

(v) such Obligor is in material compliance with all material terms and conditions of its Loan Documents; and

(vi) such Obligor is not an Affiliate of the Borrower, the Servicer or the Originator (for avoidance of doubt, the term "Affiliate" as used in this clause (vi) does not include an entity which is a "Control Affiliate").

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means (a) any corporation that is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Borrower; (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with the Borrower or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Borrower, any corporation described in clause (a) above or any trade or business described in clause (b) above.

"Excess Concentration Limits" means, as of any date of determination, the following limits on the amount of the Purchased Loan Balance of all Eligible Loans which may be included in the Borrowing Base, as contemplated by the definition of Excess Concentration Loan Amount:

(a) the Aggregate Adjusted Purchased Loan Balance of Eligible Loans, the Obligors of which are headquartered in any one state, shall not exceed 40% of the Aggregate Purchased Loan Balance;

(b) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans to a single Obligor shall not exceed an amount equal to the greater of (a) \$20,000,000 and (b) the product of (A) 10% and (B) the Aggregate Purchased Loan Balance;

(c) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans to the eight (8) Obligors having the largest Purchased Loan Balances, in the aggregate, shall not exceed an amount equal to 75% of the Aggregate Purchased Loan Balance; provided, that, for purposes of calculating this clause (c), all Loans included in the Collateral or to become part of the Collateral the Obligor of which is an Affiliate of another Obligor shall be aggregated with all Loans of such other Obligor;

(d) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans which are PIK Loans shall not exceed 15% of the Aggregate Purchased Loan Balance;

(e) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans that have remaining terms to maturity greater than 84 months (measured as of the most recent Reporting Date) shall not exceed 15% of the Aggregate Purchased Loan Balance;

(f) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans which are Qualifying Syndicated Loans, for which no Subsequent Delivery Trust Receipt (as defined in the Custody Agreement) has been received shall not exceed 10% of the Aggregate Purchased Loan

Balance;

(g) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans which have a Risk Rating of CCC+/Caa1/3 or below shall not exceed 15% of the Aggregate Purchased Loan Balance;

(h) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans which are Revolver Loans shall not exceed 15% of the Aggregate Purchased Loan Balance;

(i) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans which have not been priced by an Approved Valuation Service for a period in excess of (i) 135 days from the last day of the fiscal quarter during which such Loans became Transferred Loans or (ii) 135 days from the last date on which such Loans were priced by an Approved Valuation Service (other than those Loans which have a long term credit rating from S&P or Moody's and have a quoted price by a financial institution rated at least A-1/P-1 that makes a market in such Loan or from a pricing service otherwise acceptable to the Managing Agents, which shall be expressly excluded from this subsection (i)) shall not exceed 0% of the Aggregate Purchased Loan Balance;

(j) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans that arise in connection with a Controlled Transaction shall not exceed 15% of the Aggregate Purchased Loan Balance;

(k) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans that are Fixed Rate Loans shall not exceed 45% of the Aggregate Purchased Loan Balance;

(l) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans that are Fixed Rate Loans which are not subject to a Hedge Transaction shall not exceed 20% of the Aggregate Purchased Loan Balance;

(m) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans that are Current Pay Loans shall not exceed 10% of the Aggregate Purchased Loan Balance;

(n) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans that are DIP Loans shall not exceed 10% of the Aggregate Purchased Loan Balance;

(o) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans that are not First Lien Loans shall not exceed 45% of the Aggregate Purchased Loan Balance.

(p) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans that are participation interests shall not exceed 10% of the Aggregate Purchased Loan Balance;

(q) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans for which the applicable Eligible Obligor is domiciled in Canada shall not exceed 5% of the Aggregate Purchased Loan Balance;

(r) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans which are Mezzanine Loans shall not exceed 5% of the Aggregate Purchased Loan Balance;

(s) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans that are Real Estate Loans shall not exceed 5% of the Aggregate Purchased Loan Balance;

(t) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans for which the Servicer has not calculated, at least once per calendar quarter within five Business Days after the date the Servicer provides the quarterly valuations for its serviced portfolio (commencing after the first anniversary of the date such Eligible Loan became a Transferred Loan), each of the following, in each case in accordance with the applicable Loan Documents for such corresponding Eligible Loan: EBITDA, Total Funded Debt, TTM EBITDA and each of the ratios required to be computed hereunder utilizing those three terms in the classification of such Loan hereunder shall not exceed 10% of the Aggregate Purchased Loan Balance;

(u) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans which are Excess Leverage Loans shall not exceed 20% of the Aggregate Purchased Loan Balance; and

(v) the Aggregate Adjusted Purchased Loan Balance of all Eligible Loans which are Second Lien Excess Leverage Loans shall not exceed 8% of the Aggregate Purchased Loan Balance.

“Excess Concentration Loan Amount” means, with respect to each Eligible Loan included as part of the Collateral, as of any date of determination, the amount to be subtracted from the Purchased Loan Balance of such Eligible Loan resulting in an Adjusted Purchased Loan Balance satisfying all Excess Concentration Limits for all Adjusted Purchased Loan Balances of all Eligible Loans, as allocated in the reasonable business judgment of the Borrower, or the Servicer on its behalf. For purposes of clarity, the Excess Concentration Loan Amounts shall be calculated without duplication under the limits set forth below in paragraphs (a)-(v) in the definition of “Excess Concentration Limits.” In determining the effect of any single Loan on the Excess Concentration Loan Amount, the Servicer may determine, in its discretion, which of such applicable paragraphs (a)-(v) to utilize.

“Excess Leverage Loan” means any Eligible Loan (other than a Mezzanine Loan) having a Leverage Ratio greater than 6.25x.

“Excess Payment” is defined in Section 7.18(a)(xvii)(C).

“Facility Amount” means, at any time and as reduced or increased from time to time, pursuant to the terms of this Agreement the aggregate dollar amount of Commitments of all the Lenders, as of the date of determination; provided, however, that on or after the Termination Date, the Facility Amount shall be equal to the amount of Advances outstanding. As of the Amendment No. ~~1011~~ Effective Date, the Facility Amount is ~~\$250,000,000~~ 270,000,000. The Facility Amount may be increased up to a total of \$300,000,000 in accordance with the provisions of Section 2.3(c).

“Fair Market Value” means, with respect to each Eligible Loan, (1) to the extent that such Eligible Loan does not have a long term credit rating from S&P or Moody’s, the least of (a) to the extent priced by an Approved Valuation Service, the product of (x) the remaining principal amount of the Eligible Loan and (y) the pricing as determined by such Approved Valuation Service in its most recent quarterly pricing, (b) the remaining principal amount of such Eligible Loan and (c) if

such Eligible Loan has been reduced in value below the remaining principal amount thereof (other than as a result of the allocation of a portion of the remaining principal amount to warrants), the value of such Eligible Loan as required by, and in accordance with, the 1940 Act, as amended, and any orders of the SEC issued to the Originator, to be determined by the Board of Directors of the Originator and reviewed by its auditors and (2) otherwise, the least of (a) (x) the remaining principal amount of such Eligible Loan times (y) the price quoted to the Borrower on such Eligible Loan from a financial institution rated at least A-1/P-1 that makes a market in such Eligible Loan or from a pricing service otherwise acceptable to the Managing Agents, (b) the remaining principal amount of such Eligible Loan and (c) if such Eligible Loan has been reduced in value below the remaining principal amount thereof (other than as a result of the allocation of a portion of the remaining principal amount to warrants), the value of such Eligible Loan as required by, and in accordance with, the 1940 Act, as amended, and any orders of the SEC issued to the Originator, to be determined by the Board of Directors of the Originator and reviewed by its auditors.

“Federal Funds Rate” means, for any period, a fluctuating interest rate per annum for each day during such period equal to (a) the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York; or (b) if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:30 a.m. (New York, New York time) for such day on such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

“Federal Reserve Bank of New York’s Website” means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System.

“Fee Letter” means any letter agreement in respect of fees among the Borrower and the Administrative Agent or any Managing Agent, each as it may be amended or modified and in effect from time to time.

“Fifth Third” means Fifth Third Bank, National Association in its capacity either as a Lender or in its individual capacity, as applicable, and its successors or assigns.

“First Lien Loan” means a loan that is entitled to the benefit of a first lien and first priority perfected security interest on a substantial portion of the assets (net of any real estate) of the respective Obligor (including any guarantors) obligated in respect thereof, and which has the most senior pre-petition priority in any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings, provided, however, that, in the case of accounts receivable and inventory (and the proceeds thereof), such lien and security interest may be second in priority to a working capital facility secured by a Permitted Working Capital Lien so long as the ratio of the amount outstanding under such working capital facility to TTM EBITDA is not greater than 1.5x. For the avoidance of doubt, in no event shall a First Lien Loan include a Last Out Loan, unless both the First Out Loan and the Last Out Loan are held by the Borrower or its Affiliates.

“First Out Loan” means a Loan that (a) constitutes an Eligible Loan which is a First Lien Loan, (b) is secured on a *pari passu* basis with a Last Out Loan by a perfected, first priority security interest in a substantial portion of the assets of the related Obligor, and (c) following the occurrence of a specified event or trigger under the applicable Loan Documents, will be paid in full prior to the payment of any portion of the related Last Out Loan issued by the same Obligor, in accordance with a specified priority of payment; provided, however, that if (i) the Borrower holds both the First Out Loan and related Last Out Loan of an Obligor, or (ii) the Borrower holds a First Out Loan of an Obligor and an Affiliate of Borrower holds the related Last Out Loan, then in either case, both Loans will be considered to be First Lien Loans provided all other requirements of this definition are satisfied.

“Fixed Rate Loan” means a Transferred Loan that bears interest at a fixed rate.

“Floating Rate Loan” means a Transferred Loan that bears interest at a floating rate.

“Floor” means a rate of interest equal to 0.35% per annum.

“Fronting Exposure” means, at any time there is a Defaulting Lender, with respect to the Swingline Lender, such Defaulting Lender’s Applicable Percentage of outstanding Swing Advances made by the Swingline Lender other than Swing Advances as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders.

“Funding Date” means any day on which an Advance is made in accordance with and subject to the terms and conditions of this Agreement.

“Funding Request” means a Borrower Notice requesting an Advance and including the items required by Section 2.2.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States.

“Governmental Authority” means, with respect to any Person, any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over such Person.

“Group Advance Limit” means, for each Lender Group, the sum of the Commitments of the Lenders in such Lender Group.

“Guarantor Event of Default” means the occurrence of any “Event of Default” under and as defined in the Performance Guaranty.

“Hedge Breakage Costs” means, for any Hedge Transaction, any amount payable by the Borrower for the early termination of that Hedge Transaction or any portion thereof.

“Hedge Collateral” is defined in Section 5.2(b).

“Hedge Counterparty” means KeyBank, Fifth Third or any other entity that (a) on the date of entering into any Hedge Transaction (i) is an interest rate swap dealer that is either a Lender or an Affiliate of a Lender, or has been approved in writing by the Administrative Agent (which approval shall not be unreasonably withheld), and (ii) has a short-term unsecured debt rating of not less than A-1 by S&P and not less than P-1 by Moody’s, and (b) in a Hedging Agreement (i) consents to the assignment of the Borrower’s rights under the Hedging Agreement to the Administrative Agent pursuant to Section 5.2(b) and (ii) agrees that in the event that S&P or Moody’s reduces its short-term unsecured debt rating below A-1 or P-1, respectively, it shall transfer its rights and obligations under each Hedging Transaction to another entity that meets the requirements of clause (a) and (b) hereof or make other arrangements acceptable to the Administrative Agent and the Rating Agencies.

“Hedge Transaction” means each interest rate cap transaction between the Borrower and a Hedge Counterparty that is entered into pursuant to Section 5.2 and is governed by a Hedging Agreement.

“Hedging Agreement” means each agreement between the Borrower and a Hedge Counterparty that governs one or more Hedge Transactions entered into pursuant to Section 5.2, which agreement shall consist of a “Master Agreement” in a form published by the International Swaps and Derivatives Association, Inc., together with a “Schedule” thereto substantially in a form as the Administrative Agent shall approve in writing, and each “Confirmation” thereunder confirming the specific terms of each such Hedge Transaction.

“ICE Data Pricing” means ICE Data Pricing and Reference Data, LLC.

“Increased Costs” means any amounts required to be paid by the Borrower to an Affected Party pursuant to Section 2.12.

“Indebtedness” means, with respect to the Borrower or the initial Servicer at any date, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current liabilities incurred in the ordinary course of business and payable in accordance with customary trade practices) or that is evidenced by a note, bond, debenture or similar instrument, (b) all obligations of such Person under capital leases, (c) all obligations of such Person in respect of acceptances issued or created for the account of such Person, (d) all liabilities secured by any Adverse Claims on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof, and (e) all indebtedness, obligations or liabilities of that Person in respect of Derivatives, and (f) obligations under direct or indirect guaranties in respect of obligations (contingent or otherwise) to purchase or otherwise acquire, or to otherwise assure a creditor against loss in respect of, clauses (a) through (e) above.

“Indemnified Amounts” is defined in Section 9.1(a).

“Indemnified Party” is defined in Section 9.1(a).

“Independent Director” is defined in the LLC Agreement.

“Industry” means the industry of an Obligor as determined by reference to the Moody’s Industry Classifications.

“Ineligible Loan” is defined in the Purchase Agreement.

“Insolvency Event” means, with respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable Insolvency Law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of such Person’s affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or (b) the commencement by such Person of a voluntary case under any applicable Insolvency Law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

“Insolvency Laws” means the Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

“Insolvency Proceeding” means any case, action or proceeding before any court or Governmental Authority relating to an Insolvency Event.

“Insurance Policy” means, with respect to any Transferred Loan, an insurance policy covering physical damage to or loss to any assets or Related Property of the Obligor securing such Loan.

“Insurance Proceeds” means any amounts payable or any payments made, to the Borrower or to the Servicer on its behalf under any Insurance Policy.

“Interest” means, for each Settlement Period and each Advance outstanding during such Settlement Period, the product of:

$$IR \times P \times \frac{AD}{360}$$

where

IR = the Interest Rate applicable to such Advance, resetting as and when specified herein;

P = the principal amount of such Advance on the first day of such Settlement Period, or if such Advance was first made during such

Settlement Period, the principal amount of such Advance on the day such Advance is made; and

AD = the actual number of days in such Settlement Period, or if such Advance was first made during such Settlement Period, the actual number of days beginning on the day such Advance was first made through the end of such Settlement Period;

provided, however, that (i) no provision of this Agreement shall require or permit the collection of Interest in excess of the maximum permitted by Applicable Law and (ii) Interest shall not be considered paid by any distribution if at any time such distribution is rescinded or must otherwise be returned for any reason.

“Interest Collections” means any and all Collections which do not constitute Principal Collections.

“Interest Coverage Ratio” means, with respect to any calendar quarter, the percentage equivalent of a fraction, calculated as of the last Determination Date in such calendar quarter, (a) the numerator of which is equal to the aggregate Interest Collections for such calendar quarter and (b) the denominator of which is equal to the sum of (x) the aggregate amount payable pursuant to Section 2.8(a)(ii), (iv), (v) and (vii) hereunder and (y) an amount equal to the sum of the products, for each day during the related calendar quarter, of (i) the Advances Outstanding, (ii) the weighted average of the Servicing Fee Rates used to compute the Servicing Fee for such calendar quarter, and (iii) a fraction, the numerator of which is 1 and the denominator of which is 360.

“Interest Rate” means for any Settlement Period and any Advance:

(a) during the Revolving Period, a rate per annum equal to the Adjusted Term SOFR Rate plus the Applicable Margin; provided, however, that (i) upon the delivery of a notice from the Administrative Agent to the Borrower pursuant to Section 2.6(c) of this Agreement or (ii) during any Benchmark Unavailability Period, the Interest Rate shall be the Base Rate plus the Applicable Margin; and, provided, further, that the Interest Rate for the first two (2) Business Days following any Advance made by a Lender shall be the Base Rate plus the Applicable Margin unless such Lender has received at least two (2) Business Days’ prior notice of such Advance; or

(b) during the Amortization Period, a rate equal to the Base Rate plus the Applicable Margin;

(c) at any time following an Early Termination Event, a rate equal to the Default Rate; or

(d) for a Swing Advance, a rate equal to the Base Rate plus the Applicable Margin.

“Interest Reset Date” means the first day of each calendar month, or, if the first day of such calendar month is not a Business Day, the immediately preceding Business Day

“Investment” means, with respect to any Person, any direct or indirect loan, advance or investment by such Person in any other Person, whether by means of share purchase, capital

contribution, loan or otherwise, excluding the acquisition of assets pursuant to the Purchase Agreement and excluding commission, travel and similar advances to officers, employees and directors made in the ordinary course of business.

“Joinder Agreement” means a joinder agreement substantially in the form set forth in Exhibit D hereto pursuant to which a new Lender Group becomes party to this Agreement.

“Joint Lead Arrangers” is defined in the preamble hereto.

“KeyBank” means KeyBank National Association and its successors or assigns.

“Key Man Event” means the occurrence of either (i) none of David Gladstone, Terry Brubaker or David A. R. Dullum are servicing as executive officers of the Originator or (ii) less than two Approved Officers are serving as executive officers of the Originator and, in each such case, such failure of such designated Person to serve as executive officers of the Originator shall have continued for 180 days or more.

“Last Out Loan” means a Loan that (a) constitutes an Eligible Loan which is a First Lien Loan, (b) is secured on a *pari passu* basis with a First Out Loan by a perfected, first priority security interest in a substantial portion of the assets of the related Obligor, and (c) following the occurrence of a specified event or trigger under the applicable Loan Documents, will be paid only after all or a portion of the related First Out Loan issued by the same Obligor has been paid in full, in accordance with a specified priority of payment; provided, however, that if (i) the Borrower holds both the Last Out Loan and related First Out Loan of an Obligor, or (ii) the Borrower holds a Last Out Loan of an Obligor and an Affiliate of Borrower holds the related First Out Loan, then in either case, both Loans will be considered to be First Lien Loans provided all other requirements of the definition of a First Lien Loan are satisfied, and otherwise, the Last Out Loan will be considered to be a Second Lien Loan.

“Lender Group” means any group consisting of a Lender and its related Managing Agent.

“Lenders” is defined in the preamble hereto.

“Leverage Ratio” means, for any Eligible Loan, the ratio of Total Funded Debt to TTM EBITDA of such Eligible Loan.

“Lien” means, with respect to any Collateral, (a) any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such Collateral, or (b) the interest of a vendor or lessor under any conditional sale agreement, financing loan or other title retention agreement relating to such Collateral.

“Liquidation Expenses” means, with respect to any Defaulted Loan or Charged-Off Loan, the aggregate amount of out-of-pocket expenses reasonably incurred by the Borrower or on behalf of the Borrower by the Servicer (including amounts paid to any subservicer) in connection with the repossession, refurbishing and disposition of any related assets securing such Loan including the attempted collection of any amount owing pursuant to such Loan.

“LLC Agreement” means that certain Limited Liability Company Agreement dated October 19, 2006 between the Borrower and the Originator, as amended by that certain Amendment No. 1 to Limited Liability Company Agreement dated April 13, 2010.

“Loan” means any senior or subordinate loan arising from the extension of credit to an Obligor by the Originator in the ordinary course of the Originator’s business.

“Loan Documents” means, with respect to any Loan, the related promissory note and any related loan agreement, security agreement, mortgage, assignment of mortgage, assignment of Loans, all guarantees, and UCC financing statements and continuation statements (including amendments or modifications thereof) executed by the Obligor thereof or by another Person on the Obligor’s behalf in respect of such Loan and related promissory note, including, without limitation, general or limited guaranties and, for each Loan secured by real property an Assignment of Mortgage.

“Loan File” means, with respect to any Loan, each of the Loan Documents related thereto.

“Loan List” means the Loan List provided by the Borrower to the Administrative Agent and the Collateral Custodian, as set forth in Schedule II hereto (which shall include the specific documents that should be included in each Loan File), as the same may be changed from time to time in accordance with the provisions hereof.

“Lock-Box” means a post office box to which Collections are remitted for retrieval by a Lock-Box Bank and deposited by such Lock-Box Bank into a Lock-Box Account or Collection Account directly.

“Lock-Box Account” means an account, subject to a Deposit Account Control Agreement, maintained in the name of the Borrower for the purpose of receiving Collections at a Lock-Box Bank.

“Lock-Box Bank” means any of the banks or other financial institutions holding one or more Lock-Box Accounts.

“Managing Agent” means, as to any Lender, the financial institution identified as such on the signature pages hereof or in the applicable Assignment and Acceptance or Joinder Agreement.

“Mandatory Prepayment” is defined in Section 2.4(a).

“Margin Stock” is defined in Section 4.1(y).

“Market Servicing Fee” is defined in Section 7.20.

“Market Servicing Fee Differential” means, on any date of determination, an amount equal to the positive difference between the Market Servicing Fee and Servicing Fee.

“Material Adverse Change” means, with respect to any Person, any material adverse change in the business, condition (financial or otherwise), operations, performance, properties or prospects of such Person.

“Material Adverse Effect” means with respect to any event or circumstance, a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance, properties or prospects of the Servicer or the Borrower, (b) the validity, enforceability or collectibility of this Agreement or any other Transaction Document or any Liquidity Agreement or the validity, enforceability or collectibility of the Loans, (c) the rights and remedies of the Administrative Agent or any Secured Party under this Agreement or any Transaction Document or any Liquidity Agreement or (d) the ability of the Borrower or the Servicer to perform its obligations under this Agreement or any other Transaction Document, or (e) the status, existence, perfection, priority, or enforceability of the Administrative Agent’s or Secured Parties’ interest in the Collateral.

“Maturity Date” means the date that is two years after the Termination Date. The Advances Outstanding will be due and payable in full on the Maturity Date.

“Maximum Lawful Rate” is defined in Section 2.6(d).

“Mezzanine Loan” means any assignment of, or participation interest or other interest in, a Loan that is not a First Lien Loan or a Second Lien Loan.

“Monthly Report” is defined in Section 7.11(a).

“Moody’s” means Moody’s Investors Service, Inc., and any successor thereto.

“Moody’s Industry Classifications” means the classifications as set forth in Exhibit N. The classification under which an Eligible Loan is categorized shall be determined on the date of origination, and may be updated from time to time thereafter, in the reasonable discretion of the Borrower.

“Multiemployer Plan” means a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA that is or was at any time during the current year or the immediately preceding five years contributed to by the Borrower or any ERISA Affiliate on behalf of its employees.

“Net Worth” means, with respect to the Performance Guarantor, the total of net assets (determined in accordance with GAAP) plus Subordinated Debt (determined in accordance with GAAP, but excluding for purposes of testing compliance with Section 7.18(xiv) the impact of the election of ASC 825 or similar accounting guideline with respect to determining the fair value of the debt of the Performance Guarantor on a consolidated basis (for avoidance of doubt, the intent of this language is to cause the debt of the Performance Guarantor to be valued at par value rather than fair value)), less the total amount of any intangible assets, including without limitation, deferred charges and goodwill.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Notes” is defined in Section 2.5(a).

“Obligations” means all loans, advances, debts, liabilities and obligations, for monetary amounts owing by the Borrower to the Lenders, the Administrative Agent, the Managing Agents

or any of their assigns, as the case may be, whether due or to become due, matured or unmatured, liquidated or unliquidated, contingent or non-contingent, and all covenants and duties regarding such amounts, of any kind or nature, present or future, arising under or in respect of any of this Agreement, any other Transaction Document or any Fee Letter delivered in connection with the transactions contemplated by this Agreement, or any Hedging Agreement, as amended or supplemented from time to time, whether or not evidenced by any separate note, agreement or other instrument. This term includes, without limitation, all principal, interest (including interest that accrues after the commencement against the Borrower of any action under the Bankruptcy Code), Breakage Costs, Hedge Breakage Costs, fees, including, without limitation, any and all arrangement fees, loan fees, facility fees, and any and all other fees, expenses, costs or other sums (including attorney costs) chargeable to the Borrower under any of the Transaction Documents or under any Hedging Agreement.

“Obligor” means, with respect to any Loan, the Person or Persons obligated to make payments pursuant to such Loan, including any guarantor thereof. For purposes of calculating the Excess Concentration Amount and the Required Equity Investment, all Loans included in the Collateral or to become part of the Collateral the Obligor of which is an Affiliate of another Obligor shall be aggregated with all Loans of such other Obligor.

“Officer’s Certificate” means a certificate signed by any officer of the Borrower or the Servicer, as the case may be, and delivered to the Administrative Agent.

“Operating Account” means the Borrower’s operating account number 1388338400 at The Bank of New York Mellon Trust Company, N.A.

“Opinion of Counsel” means a written opinion of counsel, who may be counsel for the Borrower or the Servicer, as the case may be, and who shall be reasonably acceptable to the Administrative Agent.

“Originator” means Gladstone Investment Corporation, a Delaware corporation.

“Outstanding Loan Balance” means with respect to any Loan, the then outstanding principal balance thereof, provided, however, that with respect to Current Pay Loans, the “Outstanding Loan Balance” of such Loans shall be equal to 70% of the outstanding principal balance thereof.

“Participant” is defined in Section 11.1(f).

“Payment Date” means the ninth (9th) day of each calendar month or, if such day is not a Business Day, the next succeeding Business Day; provided that for purposes of distributions required pursuant to Section 2.8(a)(viii) only, “Payment Date” shall mean any Business Day.

“Performance Guarantor” is defined in the Performance Guaranty.

“Performance Guaranty” means the Performance Guaranty with respect to the obligations of the Servicer, dated as of the Closing Date, by the Originator in favor of the Borrower and the Administrative Agent, as amended by that certain Amendment No. 1 to Performance Guaranty

dated as of April 14, 2009, that certain Amendment No. 2 to Performance Guaranty dated as of April 13, 2010, that certain Amendment No. 3 to Performance Guaranty dated as of October 26, 2011, that certain Amendment No. 4 to Performance Guaranty dated as of April 30, 2013, and as the same may be further amended, modified, supplemented or restated from time to time.

“Permitted Distribution” means any Distribution:

(a) if no Early Termination Event has occurred and is continuing or will occur as a result thereof, that is made in cash to the members of the Borrower so as to permit the Performance Guarantor to make distributions in cash to the holders of its capital stock to the extent necessary to comply with all applicable RIC/BDC Requirements and to avoid excise taxes imposed on RICs;

(b) if no Early Termination Event has occurred and is continuing or will occur as a result thereof, that is made within 180 days following the payment or prepayment of Advances Outstanding using the proceeds of an offering of securities by the Performance Guarantor (a “Paydown”), provided that such Distribution is in an amount no greater than the amount of such Paydown and provided, further, that the proceeds of such Distribution are applied to retire securities (other debt or preferred stock) of the Performance Guarantor; and

(c) if no Early Termination Event has occurred and is continuing or will occur as a result thereof, after giving effect to which Availability is greater than the amount equal to the sum of the Aggregate Borrowing Base Contribution Amounts for the two Obligor having the two largest Aggregate Borrowing Base Contribution Amounts.

“Permitted Holder” means (a) David Gladstone, (b) spouses, parents and grandparents and any lineal descendants (including adopted children and their lineal descendants) of any Person described in the foregoing clause (a), and (c) any personal investment vehicle, trust or entity owned by, or established for the benefit of, or the estate of, any Person described in the foregoing clauses (a) through (b).

“Permitted Investments” means any one or more of the following types of investments:

(a) marketable obligations of the United States, the full and timely payment of which are backed by the full faith and credit of the United States and that have a maturity of not more than 270 days from the date of acquisition;

(b) marketable obligations, the full and timely payment of which are directly and fully guaranteed by the full faith and credit of the United States and that have a maturity of not more than 270 days from the date of acquisition;

(c) bankers’ acceptances and certificates of deposit and other interest-bearing obligations (in each case having a maturity of not more than 270 days from the date of acquisition) denominated in dollars and issued by any bank with capital, surplus and undivided profits aggregating at least \$100,000,000, the short-term obligations of which are rated A-1 by S&P and P-1 by Moody’s;

(d) repurchase obligations with a term of not more than ten days for underlying securities of the types described in clauses (a), (b) and (c) above entered into with any bank of the type described in clause (c) above;

(e) commercial paper rated at least A-1 by S&P and P-1 by Moody's; and

(f) demand deposits, time deposits or certificates of deposit (having original maturities of no more than 365 days) of depository institutions or trust companies incorporated under the laws of the United States or any state thereof (or domestic branches of any foreign bank) and subject to supervision and examination by federal or state banking or depository institution authorities; provided, however that at the time such investment, or the commitment to make such investment, is entered into, the short-term debt rating of such depository institution or trust company shall be at least A-1 by S&P and P-1 by Moody's.

"Permitted Liens" means (i) Liens created pursuant to the Transaction Documents in favor of the Administrative Agent, as agent for the Secured Parties, (ii) Liens created under the Loan Documents in favor of the Originator and its assigns, or (iii) Permitted Working Capital Liens.

"Permitted Working Capital Lien" means, with respect to an Obligor that is a borrower under a First Lien Loan, a Second Lien Loan or a Mezzanine Loan (collectively "Facility Loans"), a security interest granted to secure a working capital loan for such Obligor in the accounts receivable and/or inventory (and the proceeds thereof) of such Obligor and any of its subsidiaries that are guarantors of such working capital loan; provided, that (i) such Facility Loan has a junior priority lien on such accounts receivable and/or inventory (and the proceeds thereof), and (ii) such working capital facility is not secured by any other assets of such Obligor and does not benefit from any standstill rights or other similar creditor rights agreements (other than customary rights) with respect to any other assets of such Obligor.

"Person" means an individual, partnership, corporation (including a statutory trust), limited liability company, joint stock company, trust, unincorporated association, sole proprietorship, joint venture, government (or any agency or political subdivision thereof) or other entity.

"PIK Loan" means a Loan to an Obligor, which provides for a portion of the interest that accrues thereon to be added to the principal amount of such Loan for some period of the time prior to such Loan requiring the cash payment of interest on a monthly or quarterly basis.

"Portfolio Rate" means on any day, with respect to any Settlement Period, the annualized percentage equivalent of a fraction, the numerator of which is equal to all Interest Collections for such Settlement Period, and the denominator of which is equal to the average Advances Outstanding during such Settlement Period.

"Portfolio Yield" means on any day, the excess, if any, of (a) the Portfolio Rate on such day over (b) the Interest Rate on such day.

"Post-Termination Revolver Loan Fundings" means an advance by the Lenders, made on or following the Revolver Loan Funding Date, which may be used for the sole purpose of funding advances requested by Obligors under the Revolver Loans.

“Prime Rate” means the rate publicly announced by KeyBank from time to time as its prime rate in the United States, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by KeyBank in connection with extensions of credit to debtors.

“Principal Collections” means any and all amounts received in respect of any principal due and payable under any Transferred Loan from or on behalf of Obligor that are deposited into the Collection Account, or received by the Borrower or on behalf of the Borrower by the Servicer or Originator in respect of the Transferred Loans, including, without limitation, proceeds of sales and any hedge termination payments, in the form of cash, checks, wire transfers, electronic transfers or any other form of cash payment.

“Proceeds” means, with respect to any Collateral, whatever is receivable or received when such Collateral is sold, collected, liquidated, foreclosed, exchanged, or otherwise disposed of, whether such disposition is voluntary or involuntary, including all rights to payment with respect to any insurance relating to such Collateral.

“Pro-Rata Share” means, with respect to any Lender on any day, the percentage equivalent of a fraction the numerator of which is such Lender’s Commitment and the denominator of which is the Group Advance Limit of the related Lender Group.

“Projected Available Amount” is defined in Section 7.18(xvii)(B).

“Purchase Agreement” means the Purchase and Sale Agreement dated as of the Closing Date, between the Originator and the Borrower, as amended by that certain Amendment No. 1 to Purchase Agreement dated as of April 14, 2009, that certain Amendment No. 2 to Purchase Agreement dated as of October 26, 2011, that certain Amendment No. 3 to Purchase Agreement dated as of even date herewith, and as the same may be further amended, modified, supplemented or restated from time to time.

“Purchase Date” is defined in the Purchase Agreement.

“Purchased Loan Balance” means as of any date of determination and any Transferred Loan, the lesser of (i) the Outstanding Loan Balance of such Loan as of such date and (ii) the Fair Market Value of such Loan; provided that, for purposes of calculating the Fair Market Value in this definition when there is more than one Eligible Loan to an Obligor, all Eligible Loans to such Obligor shall be measured as a group under clauses (1)(a), 1(b) and 1(c), or 2(a), 2(b) or 2(c) as applicable, of the definition of Fair Market Value and the Fair Market Value for such Eligible Loans to a single Obligor as a group shall equal the lesser of 1(a), 1(b) or 1(c), or 2(a), 2(b) or 2(c) as applicable.

“Purchasing Lender” is defined in Section 11.1(b).

“Qualified Institution” means a depository institution or trust company organized under the laws of the United States or any one of the States thereof or the District of Columbia (or any domestic branch of a foreign bank), (i) (A) that has either (1) a long-term unsecured debt rating of A- or better by S&P and A-3 or better by Moody’s or (2) a short-term unsecured debt rating or

certificate of deposit rating of A-1 or better by S&P or P-1 or better by Moody's, (B) the parent corporation of which has either (1) a long-term unsecured debt rating of A- or better by S&P and A-3 or better by Moody's or (2) a short-term unsecured debt rating or certificate of deposit rating of A-1 or better by S&P and P-1 or better by Moody's or (C) is otherwise acceptable to the Administrative Agent and (ii) whose deposits are insured by the Federal Deposit Insurance Corporation.

"Qualifying Syndicated Loan" means any Loan designated by the Borrower as such in the Loan List.

"Quarterly Valuation Reports" is defined in Section 7.11.

"Real Estate Loan" means a Transferred Loan that is secured primarily by a mortgage, deed of trust or similar lien on commercial real estate (other than hotels, restaurants and casinos) or residential real estate.

"Records" means, with respect to any Transferred Loans, all documents, books, records and other information (including without limitation, computer programs, tapes, disks, punch cards, data processing software and related property and rights) maintained with respect to any item of Collateral and the related Obligors, other than the Loan Documents.

"Recoveries" means, with respect to any Defaulted Loan or Charged-Off Loan, Proceeds of the sale of any Related Property, Proceeds of any related Insurance Policy, and any other recoveries with respect to such Loan and Related Property, and amounts representing late fees and penalties, net of Liquidation Expenses and amounts, if any, received that are required to be refunded to the Obligor on such Loan.

"Register" is defined in Section 11.1(d).

"Related Property" means, with respect to a Loan, any property or other assets of the Obligor thereunder pledged as collateral to the Originator to secure the repayment of such Loan.

"Relevant Governmental Body" means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York or any successor thereto.

"Reporting Date" means the date that is two (2) Business Days prior to each Payment Date.

"Repurchase Price" means for any Transferred Loan purchased by the Servicer pursuant to Section 7.7, an amount equal to the outstanding principal balance of such Loan as of the date of purchase, plus all accrued and unpaid interest on such Loan.

"Required Equity Investment" means the minimum amount of equity investment in the Borrower which shall be maintained by the Originator, in the form of Eligible Loans and/or cash having an outstanding principal balance at all times prior to the Termination Date of an amount equal to the greater of (i) \$75,000,000 or (ii) the sum of the Purchased Loan Balances of the five largest Obligors (measured by Purchased Loan Balance of such Obligors).

“Required Lenders” means at a particular time, (i) if the Facility Amount is less than \$100,000,000, Lenders with Commitments in excess of 66 2/3% of the Facility Amount and (ii) otherwise, Lenders with Commitments in excess of 50% of the Facility Amount; provided that at any time at which there are two or more Lenders, Required Lenders shall also require at least two Lenders. The Commitments and any outstanding Advances of any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“Required Minimum Obligors Test” means a test which is satisfied if, if the Aggregate Outstanding Loan Balance is (i) \$100,000,000 or less, there shall be no fewer than 12 Obligors included in the Collateral, and (ii) \$100,000,001 or more, there shall be no fewer than 14 Obligors included in the Collateral.

“Required Reports” means collectively, the Monthly Report, the Servicer’s Certificate, the annual and quarterly financial statements of the Servicer and the consolidating annual and quarterly financial statements of the Originator and the Borrower, and the Quarterly Valuation Reports, in each case, required to be delivered to the Borrower, the Managing Agents, the Administrative Agent and/or the Backup Servicer pursuant to Section 7.11 hereof.

“Responsible Officer” means, as to the Borrower, David Gladstone, Terry Brubaker, Rachael Easton or David A. R. Dullum, and as to any other Person, any officer of such Person with direct responsibility for the administration of this Agreement and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer’s knowledge of and familiarity with the particular subject. The Borrower may designate other Responsible Officers from time to time by notice to the Administrative Agent.

“Revolver Advance” means an advance made to the Borrower under this Agreement pursuant to Section 2.1(a).

“Revolver Loan” means each Loan with respect to which the Borrower has a revolving credit commitment to advance amounts to the applicable Obligor during a specified term.

“Revolver Loan Funding” is defined in Section 2.14(a).

“Revolver Loan Funding Account” is defined in Section 2.14(a).

“Revolver Loan Funding Account Shortfall” means, on any date, the amount, if any, by which the Revolver Loan Unfunded Commitment Amount at such time exceeds the aggregate amount on deposit in the Revolver Loan Funding Accounts.

“Revolver Loan Funding Account Surplus” means, on any date, the amount, if any, by which the amount on deposit in the Revolver Loan Funding Accounts exceeds the Revolver Loan Unfunded Commitment Amount at such time.

“Revolver Loan Funding Date” means the Termination Date, if Revolver Loans are outstanding on such date.

“Revolver Loan Funding Fee” is defined in Section 2.14(a).

“Revolver Loan Unfunded Commitment Amount” means, at any time, the aggregate unfunded commitments under the Revolver Loans at such time.

“Revolving Period” means the period commencing on the Effective Date and ending on the day immediately preceding the Termination Date.

“RIC/BDC Requirements” means the requirements the Performance Guarantor must satisfy to maintain its status as a “business development company,” within the meaning of the Small Business Incentive Act of 1980 (Section 2(a)(48) of the Investment Company Act), and its election to be treated as a “registered investment company” under the Code.

“Risk Rating” means, with respect to any Loan at any time, if such Loan is at such time (i) rated by both S&P and Moody’s, the lower of such ratings, (ii) rated by either S&P or Moody’s, such rating or (iii) not rated by either S&P or Moody’s, the rating determined by the Servicer’s risk rating model.

“Rolling Three-Month Charged-Off Ratio” means, for any day, the rolling three period average Charged-Off Ratio for the three immediately preceding Settlement Periods.

“Rolling Three-Month Default Ratio” means, for any day, the rolling three period average Default Ratio for the three immediately preceding Settlement Periods.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. and any successor thereto.

“Scheduled Payment” means, on any Determination Date, with respect to any Loan, each monthly payment (whether principal, interest or principal and interest) scheduled to be made by the Obligor thereof after such Determination Date under the terms of such Loan.

“Second Lien Loan” means a Loan (other than a First Lien Loan) that is entitled to the benefit of a first and/or second lien and first and/or second priority perfected security interest on a substantial portion of the assets of the respective Obligor; provided, however, that, in the case of accounts receivable and inventory (and the proceeds thereof), such lien and security interest may be junior in priority to a working capital facility secured by a Permitted Working Capital Lien. For the avoidance of doubt, Last Out Loans (other than to the extent specifically contemplated in the definition of “First Out Loan”) are considered Second Lien Loans.

“Secured Party” means (i) each Lender, (ii) each Managing Agent, and (iii) each Hedge Counterparty that is either a Lender or an Affiliate of a Lender if that Affiliate executes a counterpart of this Agreement agreeing to be bound by the terms of this Agreement applicable to a Secured Party.

“Servicer” means Gladstone Management Corporation, a Delaware corporation, and its permitted successors and assigns.

“Servicer Advance” means an advance of Scheduled Payments made by the Servicer pursuant to Section 7.5.

“Servicer Termination Event” is defined in Section 7.18.

“Servicer’s Certificate” is defined in Section 7.11(b).

“Servicing Duties” means those duties of the Servicer which are enumerated in Section 7.2.

“Servicing Fee” means, for each Payment Date, an amount equal to the sum of the products, for each day during the related Settlement Period, of (i) the Outstanding Loan Balance of each Loan as of the preceding Determination Date, (ii) the applicable Servicing Fee Rate, and (iii) a fraction, the numerator of which is 1 and the denominator of which is 360.

“Servicing Fee Limit Amount” means for each Payment Date, an amount equal to 10% of the Servicing Fee for the related Settlement Period.

“Servicing Fee Rate” means with respect to all Loans, a rate equal to 2.0% per annum.

“Servicing Records” means all documents, books, records and other information (including, without limitation, computer programs, tapes, disks, data processing software and related property rights) prepared and maintained by the Servicer with respect to the Transferred Loans and the related Obligors.

“Settlement Period” means each period from and including a Payment Date to but excluding the following Payment Date.

“SOFR” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Advance” means each Advance bearing interest at a rate based upon the Adjusted Term SOFR Rate.

“SOFR Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“Solvent” means, as to any Person at any time, having a state of affairs such that all of the following conditions are met: (a) the fair value of the property owned by such Person is greater than the amount of such Person’s liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated for purposes of Section 101(32) of the Bankruptcy Code; (b) the present fair salable value of the property owned by such Person in an orderly liquidation of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured; (c) such Person is able to realize upon its property and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business; (d) such

Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature; and (e) such Person is not engaged in business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute unreasonably small capital.

"Spread" means, with respect to Floating Rate Loans, the cash interest spread of such Floating Rate Loan over the Adjusted Term SOFR Rate.

"Structured Finance Obligation" means any Loan or security the payment or repayment of which is based primarily upon the collection of payments from a specified pool of financial assets, either fixed or revolving, that by their terms convert into cash within a finite time period, together with any rights or other assets designed to assure the servicing or timely distribution of proceeds to security holders, including, in any event, any project finance security, any asset backed security and any future flow security.

"Subordinated Debt" means any debt that is subordinated in right of payment to other debt of the Performance Guarantor.

"Successor Servicer" is defined in Section 7.19(a).

"Supplemental Interests" means, with respect to any Transferred Loan, any warrants, equity or other equity interests or interests convertible into or exchangeable for any such interests received by the Originator from the Obligor in connection with such Transferred Loan.

"Swap Breakage and Indemnity Amounts" means any early termination payments, taxes, indemnification payments and any other amounts owed to a Hedge Counterparty under a Hedging Agreement that do not constitute monthly payments.

"Swing Advance" means an Advance made by the Swingline Lender pursuant to Section 2.1(b).

"Swing Prepayment Amount" is defined in Section 12.16(e).

"Swingline Lender" means KeyBank, in its capacity as lender of Swing Advances hereunder.

"Swingline Note" means the promissory note of the Borrower, substantially in the form of Exhibit B-2, evidencing the obligation of the Borrower to repay the Swing Advances, together with all amendments, consolidations, modifications, renewals, and supplements thereto.

"Taxes" means any present or future taxes, levies, imposts, duties, charges, assessments or fees of any nature (including interest, penalties, and additions thereto) that are imposed by any Government Authority.

"Termination Date" means the earliest to occur of (a) the date declared by the Administrative Agent or occurring automatically in respect of the occurrence of an Early Termination Event pursuant to Section 8.1, (b) a date selected by the Borrower upon at least 30

days' prior written notice to the Administrative Agent and each Managing Agent and (c) the Commitment Termination Date.

"Termination Notice" is defined in Section 7.18.

"Termination Premium" is defined in Section 2.3(a).

"Term SOFR" means for any calculation with respect to a SOFR Advance, the Term SOFR Reference Rate on the day (such day, the "Lookback Day") that is two SOFR Business Days prior to the first day of such Settlement Period (and rounded in accordance with the Administrative Agent's customary practice), as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Lookback Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding SOFR Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding SOFR Business Day is not more than three SOFR Business Days prior to such Lookback Day.

"Term SOFR Administrator" means CBA (or a successor administrator of the Term SOFR Reference Rate, as selected by the Administrative Agent in its reasonable discretion).

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR for a period of 30 days.

"Total Funded Debt" means, with respect to any Obligor, at any time the same is to be determined, the sum (without duplication) at such time of (a) all indebtedness for borrowed money of such Obligor and its subsidiaries to Borrower; plus (b) all indebtedness for borrowed money of the Obligor and its subsidiaries to any creditor other than the Borrower; provided, however, that any indebtedness for borrowed money which is (x) subordinated in right of payment of the Loans to such Obligor and (y) owed to a creditor other than the Originator or any of its Affiliates shall be excluded from this clause (b); plus (c) all indebtedness of any other Person, whether secured or unsecured, which (i) is directly or indirectly guaranteed by the Obligor or any of its subsidiaries, (ii) the Obligor or any of its subsidiaries has agreed (contingently or otherwise) to purchase or otherwise acquire, or (iii) the Obligor or any of its subsidiaries has otherwise assured a creditor against loss; provided, however, that any indebtedness which is (A) subordinated in right of payment of the Loans to such Obligor and (B) owed to a creditor other than the Originator or any of its Affiliates shall be excluded from this clause (c).

"Transaction Documents" means this Agreement, the Purchase Agreement, all Hedging Agreements, the Custody Agreement, the Backup Servicing Agreement, the Deposit Account Control Agreements for the Collection Account, the Lock-Box Account and each Operating Account, the Performance Guaranty, any Assignments of Mortgage and any additional document, letter, fee letter, certificate, opinion, agreement or writing the execution of which is necessary or incidental to carrying out the terms of the foregoing documents.

“Transferred Loans” means each Loan that is acquired or in which an interest is acquired by the Borrower under the Purchase Agreement and all Loans received by the Borrower in respect of the Required Equity Investment. Any Transferred Loan that is (i) repurchased or reacquired by the Originator pursuant to the terms of Section 6.1 of the Purchase Agreement, (ii) purchased by the Servicer pursuant to the terms of Section 7.7 or (iii) otherwise released from the lien of this Agreement pursuant to Section 6.3 shall not be treated as a Transferred Loan for purposes of this Agreement (provided that the purchase or repurchase of any Defaulted Loan or Charged-Off Loan shall not alter such Transferred Loan’s status as a Defaulted Loan or Charged-Off Loan for purposes of calculating ratios for periods occurring prior to the purchase or repurchase of such Transferred Loan).

“Transition Costs” means the reasonable costs and expenses incurred by the Backup Servicer in transitioning to Servicer; provided, however, that the Administrative Agent’s consent shall be required if such Transition Costs exceed \$50,000.00 in the aggregate.

“TTM EBITDA” means, with respect to any Obligor, as of any particular date, the EBITDA of such Obligor for the preceding twelve-month period.

“UCC” means the Uniform Commercial Code as from time to time in effect in the specified jurisdiction or, if no jurisdiction is specified, the State of New York.

“United States” means the United States of America.

“Unmatured Termination Event” means an event that, with the giving of notice or lapse of time, or both, would become an Early Termination Event.

“Unreimbursed Servicer Advances” means, at any time, the amount of all previous Servicer Advances (or portions thereof) as to which the Servicer has not been reimbursed as of such time pursuant to Section 2.8 and that the Servicer has determined in its sole discretion will not be recoverable from Collections with respect to the related Transferred Loan.

“Unused Commitment” means, as to any Lender at any time, the amount by which such Lender’s Commitment at such time exceeds the aggregate Advances Outstanding in respect of such Lender.

“Unused Fee” means, for any Settlement Period or portion thereof occurring prior to the Commitment Termination Date, an amount equal to the sum of the following for each day during such Settlement Period: (i) 1.00% per annum on the unused amount of the Commitments for such day if such unused amount is more than sixty-five percent (65%), (ii) 0.75% per annum on the unused amount of the Commitments for such day if such unused amount is more than fifty percent (50%) and equal to or less than sixty-five percent (65%) and (iii) 0.50% per annum on the unused amount of the Commitments for such day if such unused amount is equal to or less than fifty percent (50%).

“Weighted Average Fixed Coupon” means, as of any date of determination, the number, expressed as a percentage, obtained by summing the products obtained by multiplying the cash interest coupon of each Fixed Rate Loan (excluding Defaulted Loans) as of such date by the

Outstanding Loan Balance of such Loans as of such date, dividing such sum by the aggregate Outstanding Loan Balance of all such Fixed Rate Loans and rounding up to the nearest 0.01%. For the purpose of calculating the Weighted Average Fixed Coupon, all Fixed Rate Loans that are not currently paying cash interest shall have an interest rate of 0%.

“Weighted Average Floating Spread” means, as of any date of determination, the number, expressed as a percentage, obtained by summing the products obtained by multiplying, in the case of each Floating Rate Loan (excluding Defaulted Loans) on an annualized basis, the Spread of such Loans (including commitment, letter of credit and all other fees), by the Outstanding Loan Balance of such Loans as of such date and dividing such sum by the aggregate Outstanding Loan Balance of all such Floating Rate Loans and rounding the result up to the nearest 0.01%.

“Weighted Average Life” means, with respect to the Transferred Loans as of any determination date, (i) the quotient obtained by dividing (A) the sum of the amounts calculated for each month (beginning with the month in which such determination is being made and ending with the month in which the last principal payment is scheduled to be received with respect to the Transferred Loans), which amount for each such month shall be equal to the product of (x) the scheduled principal payment amount for the Transferred Loans for such month, multiplied by (y) the number of months that such month occurs from the month in which such determination date occurs (e.g., the month in which such determination date occurs shall have a value of 1, the month occurring immediately after the month in which such determination date occurs shall have a value of 2 etc.) by (B) the total amount of all scheduled principal payments to be received under the Transferred Loans as of such determination date, divided by (ii) 12.

“Weighted Average Spread” means, as of any date of determination, an amount (rounded up to the next 0.01%) equal to the weighted average of (a) for Floating Rate Loans, the Weighted Average Floating Spread of the Floating Rate Loans and (b) for Fixed Rate Loans, the excess of the Weighted Average Fixed Coupon of the Fixed Rate Loans over the then-current weighted average strike rate under the Hedge Transactions, or, if there are no Hedge Transactions outstanding, over the then current Adjusted Term SOFR Rate.

“Williams Mullen Opinion” means the “non-consolidation” opinion letter of Williams Mullen delivered on April 30, 2013, as such opinion letter may be modified, supplemented, replaced or confirmed in any subsequent opinion letter covering such subject matter delivered to the Administrative Agent.

Section 1.2 Other Terms.

All accounting terms not specifically defined herein shall be construed in accordance with GAAP. To the extent any change in GAAP after the Effective Date resulting from the adoption of international accounting standards in the United States affects any computation or determination required to be made under or pursuant to this Agreement, including any computation or determination made with respect to the Borrower or Servicer’s compliance with any covenant or condition hereunder, such computation or determination shall be made as if such change in GAAP had not occurred. All terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9.

Section 1.3 Computation of Time Periods.

Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.”

Section 1.4 Interpretation.

In each Transaction Document, unless a contrary intention appears:

- (i) the singular number includes the plural number and vice versa;
- (ii) reference to any Person includes such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by the Transaction Document;
- (iii) reference to any gender includes each other gender;
- (iv) reference to any agreement (including any Transaction Document), document or instrument means such agreement, document or instrument as amended, supplemented or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms of the other Transaction Documents and reference to any promissory note includes any promissory note that is an extension or renewal thereof or a substitute or replacement therefor; and
- (v) reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any section or other provision of any Applicable Law means that provision of such Applicable Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision.

Section 1.5 SOFR Notification.

The interest rate on Advances may be determined by reference to a benchmark rate that is, or may in the future become, the subject of regulatory reform or cessation. The Administrative Agent does not warrant or accept responsibility for, and shall not, in the absence of any gross negligence or willful misconduct on its part, have any liability with respect to (a) the continuation of, administration of, or submission of the Base Rate, the Term SOFR Reference Rate, the Adjusted Term SOFR Rate or Term SOFR, or any component definition thereof or rates referred to in the definition thereof or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Base Rate, the Term SOFR Reference Rate, the Adjusted Term SOFR Rate or Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Benchmark Replacement Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of the Base Rate, the Term SOFR Reference Rate, Term SOFR, the Adjusted Term SOFR Rate, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Base Rate, the Term SOFR Reference Rate, Term SOFR, the Adjusted Term SOFR Rate or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall, in the absence of any gross negligence or willful misconduct on its part, have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error in any such rate (or component thereof) provided by any such information source or service. In connection with the use or administration of Term SOFR, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Transaction Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Benchmark Replacement Conforming Changes in connection with the use or administration of Term SOFR.

ARTICLE II

ADVANCES

Section 2.1 Advances.

(a) Revolver Advances. On the terms and conditions hereinafter set forth, the Borrower may, by delivery of a Funding Request to the Administrative Agent, from time to time on any Business Day during the Revolving Period, at its option, request that the Lenders make Revolver Advances to it in an amount which, at any time, shall not exceed the Availability in effect

on the related Funding Date; provided, however, that the Borrower may not, without the consent of each Lender, request more than five (5) Revolver Advances per calendar month. Such Funding Request shall be delivered not later than 12:00 noon (New York, New York time) on the date which is one (1) Business Day prior to the requested Funding Date. Following receipt by the Administrative Agent of a Funding Request, the Administrative Agent shall forward such Funding Request to each Managing Agent not later than 1:00 p.m. (New York, New York time) that day. Upon receipt of such Funding Request, each Managing Agent shall promptly forward such Funding Request to its related Lenders, and the applicable portion of the Revolver Advance will be made by the Lenders in such Lender Group in accordance with their Pro-Rata Shares. Notwithstanding anything contained in this Section 2.1 or elsewhere in this Agreement to the contrary, no Lender shall be obligated to make any Revolver Advance in an amount that would (i) result in the aggregate Advances then funded by such Lender exceeding its Commitment then in effect or (ii) cause the average amount of Advances Outstanding to increase by more than \$40,000,000 during the 32-day period ending on the related Funding Date of such Advance; provided, that the foregoing amount set forth in this clause (ii) may be increased (i) upon no less than 32 days prior written notice from the Borrower to the Administrative agent or (ii) by the Administrative Agent in its sole discretion. The obligation of each Lender to remit its Pro-Rata Share of any such Revolver Advance shall be several from that of each other Lender, and the failure of any Lender to so make such amount available to the Borrower shall not relieve any other Lender of its obligation hereunder. Each Revolver Advance to be made hereunder shall be made ratably among the Lender Groups in accordance with their Group Advance Limits.

(b) Swing Advances. In addition to the foregoing, the Swingline Lender shall from time to time, upon the request of the Borrower by delivery of a Funding Request to the Administrative Agent, if the conditions precedent in Article III have been satisfied, make Swing Advances to the Borrower in an aggregate principal amount at any time outstanding not exceeding \$10,000,000; provided that, immediately after such Swing Advance is made, the aggregate principal amount of all Revolver Advances and Swing Advances shall not exceed the lesser of the Facility Amount or the Borrowing Base at such time. Each Swing Advance under this Section 2.1(b) shall be in an aggregate principal amount of \$2,000,000 or any larger multiple of \$1,000,000. Within the foregoing limits, the Borrower may borrow under this Section 2.1(b), prepay and reborrow under this Section 2.1(b) at any time before the Termination Date. Solely for purposes of calculating fees under Section 2.7, Swing Advances shall not be considered a utilization of an Advance of the Swingline Lender or any other Lender hereunder. At any time, upon the request of the Swingline Lender, each Lender other than the Swingline Lender shall, on the third Business Day after such request is made, purchase a participating interest in Swing Advances in an amount equal to its Applicable Percentage of such Swing Advances. On such third Business Day, each Lender will immediately transfer to the Swingline Lender, in immediately available funds, the amount of its participation. Whenever, at any time after the Swingline Lender has received from any such Lender its participating interest in a Swing Advance, the Administrative Agent receives any payment on account thereof, the Administrative Agent will distribute to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded); provided, however, that in the event that such payment received by the Administrative Agent is required to be returned, such Lender will return to the Administrative Agent any portion thereof previously distributed by the Administrative Agent to it.

Each Lender's obligation to purchase such participating interests shall be absolute and unconditional and shall not be affected by any circumstance, including: (i) any set-off, counterclaim, recoupment, defense or other right which such Lender or any other Person may have against the Swingline Lender requesting such purchase or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or the termination of the Commitments; (iii) any adverse change in the condition (financial, business or otherwise) of the Borrower, the Performance Guarantor, the Servicer or any other Person; (iv) any breach of this Agreement by any Loan Party or any other Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. The Borrower may, concurrent with the delivery of a Funding Request for a Swing Advance under this Section 2.1(b) or at any time thereafter, deliver a Funding Request for a Revolver Advance pursuant to Section 2.1(a) and direct that all or any portion of such Revolver Advance be wired or credited to Swingline Lender immediately on the Funding Date of such Revolver Advance to prepay any Swing Advance then outstanding.

Section 2.2 Procedures for Advances.

(a) In the case of the making of any Advance, the repayment of any Advance, or any termination, increase or reduction of the Facility Amount and prepayments of Advances, the Borrower shall give the Administrative Agent a Borrower Notice. Each Borrower Notice shall specify the amount (subject to Section 2.1 hereof) of Advances to be borrowed or repaid and the Funding Date or repayment date (which, in all cases, shall be a Business Day) and whether such Advance is a Revolver Advance or a Swing Advance.

(b) Subject to the conditions described in Section 2.1, the Borrower may request an Advance from the Lenders by delivering to the Administrative Agent at certain times the information and documents set forth in this Section 2.2.

(c) No later than 12:00 noon (New York, New York time) five (5) Business Days prior to the proposed Funding Date for a Revolver Advance (or such shorter period of time or later date as may be agreed to by the Required Lenders), the Borrower shall notify (i) the Collateral Custodian by delivery to the Collateral Custodian of written notice of such proposed Funding Date, and (ii) the Administrative Agent by delivery to the Administrative Agent of a credit report and transaction summary for each Loan that is the subject of the proposed Advance setting forth the credit underwriting by the Originator of such Loan, including without limitation a description of the Obligor and the proposed loan transaction in the form of Exhibit M hereto; provided that, in the case of Advances funding Revolver Loans, the requirements of this Section 2.2(c) shall apply only with respect to the first Advance to be made with respect to each such Revolver Loan. By 5:00 p.m. (New York, New York time) on the next Business Day, the Administrative Agent shall use its best efforts to confirm to the Borrower the receipt of such items and whether it has reviewed such items and found them to be complete and in proper form. If the Administrative Agent makes a determination that the items are incomplete or not in proper form, it will communicate such determination to the Borrower. Failure by the Administrative Agent to respond to the Borrower by 5:00 p.m. (New York, New York time) on the day the related Funding Request is delivered by the Borrower shall constitute an implied determination that the items are incomplete or not in proper form. The Borrower will take such steps requested by the Administrative Agent to correct the problem(s). In the event of a delay in the actual Funding Date due to the need to correct any

such problems, the Funding Date shall be no earlier than two (2) Business Days after the day on which the Administrative Agent confirms to the Borrower that the problems have been corrected.

(d) No later than 1:00 p.m. (New York, New York time) one (1) Business Day prior to the proposed Funding Date for a Revolver Advance (or such shorter period of time or later date as may be agreed to by the Required Lenders), the Administrative Agent, each Managing Agent and the Collateral Custodian, as applicable, shall receive or shall have previously received the following:

- (i) a Funding Request in the form of Exhibit A;
- (ii) a wire disbursement and authorization form shall be delivered to the Administrative Agent; and
- (iii) a certification substantially in the form of Exhibit H concerning the Collateral Custodian's receipt of certain documentation relating to the Eligible Loan(s) related to such Advance shall be delivered to the Administrative Agent, which may be delivered either as a separate document or incorporated in the Monthly Report.

Each Funding Request for a Revolver Advance shall specify the aggregate amount of the requested Advance, which shall be in an amount equal to at least \$500,000.

(e) No later than 12:00 noon (New York, New York time) on the Business Day proposed for a Swing Advance, the Administrative Agent shall receive or shall have previously received the following:

- (i) a Funding Request in the form of Exhibit A; and
 - (ii) a wire disbursement and authorization form.
- (f) Each Funding Request shall be accompanied by (i) a Borrower Notice, depicting the outstanding amount of Advances under this Agreement and representing that all conditions precedent for a funding have been met, including a representation by the Borrower that the requested Advance shall not, on the Funding Date thereof, exceed the Availability on such day, (ii) a calculation of the Borrowing Base as of the applicable Funding Date (which calculation may, for avoidance of doubt, take into account (A) Loans which will become Transferred Loans on or prior to such Funding Date and (B) an updated Loan List including each Loan that is subject to the requested Advance, (C) the proposed Funding Date, and (D) wire transfer instructions for the Advance; provided, however, the Funding Request for a Swing Advance shall be required to contain only the information described in Section 2.2(e)(i) and (ii) above. A Funding Request shall be irrevocable when delivered; provided however, that if the Borrowing Base calculation delivered pursuant to clause (ii) above includes a Loan which does not become a Transferred Loan on or before the applicable Funding Date as anticipated, and the Borrower cannot otherwise make the representations required pursuant to clause (i) above, the Borrower shall revise the Funding Request accordingly, and shall pay any loss, cost or expense incurred by any Lender in connection with the broken funding evidenced by such revised Funding Request.

(g) On the Funding Date following the satisfaction of the applicable conditions set forth in this Section 2.2 and Article III, the Lenders shall make available to the Administrative Agent at its address listed beneath its signature on its signature page to this Agreement (or on the signature page to the Joinder Agreement pursuant to which it became a party hereto), for deposit to the account of the Borrower or its designee in same day funds, at the account specified in the Funding Request, an amount equal to such Lender's ratable share of the Advance then being made (except that in the case of a Swing Advance, the Swingline Lender will make available to the Borrower the amount of any such Swing Advance). Each wire transfer of an Advance to the Borrower shall be initiated by the applicable Lender no later than 3:00 p.m. (New York, New York time) on the applicable Funding Date.

Section 2.3 Optional Changes in Facility Amount; Prepayments.

(a) The Borrower shall be entitled at its option, on any Payment Date prior to the occurrence of an Early Termination Event, to reduce the Facility Amount in whole or in part; provided that (i) the Borrower shall give prior written notice of such reduction to the Administrative Agent and each Managing Agent as provided in paragraph (b) of this Section 2.3, (ii) that any partial reduction of the Facility Amount shall be in an amount equal to \$3,000,000 with integral multiples of \$500,000 above such amount and (iii) if such reduction shall occur on or prior to November 16, 2018, the Borrower shall, on the effective date of such reduction, pay to each Managing Agent, for the benefit of the related Lenders in its Lender Group, an amount (the "Termination Premium") equal to the product of (x) the amount of such reduction and (y) 0.50%, to be paid ratably to in accordance with the amount of such Lender Group's Commitment on the Business Day immediately preceding such reduction. Unless otherwise agreed by the Lenders, the Commitment of each Lender shall be reduced ratably in proportion to such reduction in the Facility Amount. Each such optional prepayment shall be applied first to any Swing Line Advances outstanding and then to prepay ratably the Revolver Advances. Any request for a reduction or termination pursuant to this Section 2.3 shall be irrevocable.

(b) From time to time during the Revolving Period, the Borrower may prepay any portion or all of the Advances Outstanding, other than with respect to Mandatory Prepayments, by delivering to the Administrative Agent and each Managing Agent a Borrower Notice at least two (2) Business Days prior to the date of such repayment; provided that no such reduction shall be given effect unless the Borrower has complied with the terms of any Hedging Agreement requiring that one or more Hedge Transactions be terminated in whole or in part as the result of any such prepayment of the Advances Outstanding, and the Borrower has paid all Hedge Breakage Costs owing to the relevant Hedge Counterparty for any such termination. If any Borrower Notice relating to any prepayment is given, the amount specified in such Borrower Notice and any Breakage Costs (including Hedge Breakage Costs) related thereto shall be due and payable on the date specified therein, and accrued Interest to the payment date on the amount prepaid shall be paid on the next succeeding Payment Date. Any partial prepayment by the Borrower of Advances hereunder, other than with respect to Mandatory Prepayments, shall be in a minimum amount of \$500,000 with integral multiples of \$100,000 above such amount. Any amount so prepaid may, subject to the terms and conditions hereof, be reborrowed during the Revolving Period. A Borrower Notice relating to any such prepayment shall be irrevocable when delivered.

(c) Subject to the terms and conditions set forth herein, the Borrower shall have the right, at any time from August 22, 2018 until the Commitment Termination Date, to increase the Facility Amount by an amount up to \$100,000,000 (for a total maximum Facility Amount of \$300,000,000). The following terms and conditions shall apply to any such increase: (i) any such increase shall be obtained from existing Lenders or from other Eligible Assignees, in each case in accordance with the terms set forth below; (ii) the Commitment of any Lender may not be increased without the prior written consent of such Lender; (iii) any increase in the Facility Amount shall be in a minimum principal amount of \$5,000,000; (iv) the Borrower and Lenders shall execute an acknowledgement (or in the case of the addition of a bank or other financial institution not then a party to this Agreement, a Joinder Agreement) in form and content satisfactory to the Administrative Agent to reflect the revised Commitments and Facility Amount (the Lenders do hereby agree to execute such acknowledgement (or Joinder Agreement) without delay unless the acknowledgement purports to (i) increase the Commitment of a Lender without such Lender's consent or (ii) amend this Agreement or the other Transaction Documents other than as provided for in this Section 2.3); (v) the Borrower shall execute such promissory notes as are necessary to reflect the increase in or creation of the Commitments; (vi) if any Advances are outstanding at the time of any such increase, the Borrower shall make such payments and adjustments on the Advances (including payment of any Breakage Costs owing under Section 2.11 hereof) as necessary to give effect to the revised commitment percentages and outstandings of the Lenders; (vii) the Borrower may solicit commitments from Eligible Assignees that are not then a party to this Agreement so long as such Eligible Assignees are reasonably acceptable to the Administrative Agent and execute a Joinder Agreement in form and content satisfactory to the Administrative Agent; (viii) the conditions set forth in Section 3.2 shall be satisfied in all material respects; (ix) after giving effect to any such increase in the Facility Amount, no Unmatured Early Termination Event or Early Termination Event shall have occurred; (x) the Borrower shall have provided to the Administrative Agent, at least 30 days prior to such proposed increase in the Facility Amount, written evidence demonstrating pro forma compliance with Section 8.1(q) of this Agreement after giving effect to such proposed increase, such evidence to be satisfactory in the sole discretion of the Administrative Agent. The amount of any increase in the Facility Amount hereunder shall be offered first to the existing Lenders, and in the event the additional commitments which existing Lenders are willing to take shall exceed the amount requested by the Borrower, such excess shall be allocated in proportion to the commitments of such existing Lenders willing to take additional commitments. If the amount of the additional commitments requested by the Borrower shall exceed the additional commitments which the existing Lenders are willing to take, then the Borrower may invite other Eligible Assignees reasonably acceptable to the Administrative Agent to join this Agreement as Lenders hereunder for the portion of commitments not taken by existing Lenders, provided that such Eligible Assignees shall enter into such joinder agreements to give effect thereto as the Administrative Agent and the Borrower may reasonably request. Unless otherwise agreed by the Administrative Agent and the Lenders, the terms of any increase in the Facility Amount shall be the same as those in effect prior to any increase; provided, however, that should the terms of the increase agreed to be other than those in effect prior to the increase, then the Transaction Documents shall, with the consent of the Administrative Agent and the Lenders, be amended to the extent necessary to incorporate any such different terms.

Section 2.4 Principal Repayments; Extension Options.

(a) The Advances Outstanding shall be repaid in accordance with Section 2.8, and shall be due and payable in full on the Maturity Date. In addition, Advances Outstanding shall be repaid as and when necessary (first, to Swing Advances outstanding) to cause the Borrowing Base Test to be met, in accordance with Section 2.8 (each such payment, a “Mandatory Prepayment”), and any amount so repaid may, subject to the terms and conditions hereof, be reborrowed hereunder during the Revolving Period.

(b) On or prior to each of the first and second anniversaries of August 22, 2018, the Borrower may, by notice to the Administrative Agent (who shall promptly notify the Lenders) request that the Administrative Agent and the Lenders extend the date set forth in the definition of Commitment Termination Date by one year, and the Administrative Agent and the Lenders may, each in their sole and individual discretion, elect to do so, it being understood that (i) no extension shall be effective unless all Lenders unanimously agree to extend and (ii) any Lender who has not responded to such extension request within fifteen (15) Business Days following the date of the Administrative Agent’s notice of such extension request to the Lenders, shall be deemed to have rejected such request. In the event that one extension request is exercised and accepted by all Lenders, this Agreement shall be automatically amended as of the first anniversary date of the Amendment No. 8 Effective Date to provide that the definition of Commitment Termination Date would be extended to October 30, 2027. In the event that two extension requests are exercised and accepted by all Lenders, upon effectiveness of the second extension, this Agreement shall be automatically amended as of the second anniversary date of the Amendment No. 8 Effective Date to provide that the definition of Commitment Termination Date would be extended to October 30, 2028. Any extension pursuant to this Section 2.4 shall be effective as of the date of the amendment to this Agreement effecting such extension and each such amendment shall be conditioned upon: (x) no Early Termination Event and (y) continued accuracy of the representations and warranties, in each case as of the date of such amendment in all material respects.

(c) All repayments of any Advance or any portion thereof shall be made together with payment of (i) all Interest accrued and unpaid on the amount repaid to (but excluding) the date of such repayment, (ii) any and all Breakage Costs, and (iii) all Hedge Breakage Costs and any other amounts payable by the Borrower under or with respect to any Hedging Agreement.

Section 2.5 The Notes.

(a) The Revolver Advances made by the Lenders hereunder shall be evidenced by a duly executed promissory note of the Borrower payable to each Managing Agent, on behalf of the applicable Lenders in the related Lender Group, in substantially the form of Exhibit B-1 hereto (collectively, the “Revolver Notes”). The Swing Advances made by the Swingline Lender hereunder shall be evidenced by a duly executed promissory note of the Borrower payable to the Swingline Lender, in substantially the form of Exhibit B-2 hereto (the “Swingline Note” and collectively with the Revolver Notes, the “Notes”). The Revolver Notes shall be dated the Effective Date, or, if later, the date on which a Lender becomes party to this Agreement and shall be in a maximum principal amount equal to the applicable Lender Group’s Group Advance Limit, and shall otherwise be duly completed. The Swingline Note shall be dated the Effective Date and shall be in a maximum principal amount of \$10,000,000.

(b) Each Managing Agent is hereby authorized to enter on a schedule attached to its Notes the following notations (which may be computer generated) with respect to each Advance made by each Lender in the applicable Lender Group: (i) the date and principal amount thereof and (ii) each payment and repayment of principal thereof, and any such recordation shall constitute *prima facie* evidence of the accuracy of the information so recorded. The failure of a Managing Agent to make any such notation on the schedule attached to the applicable Note shall not limit or otherwise affect the obligation of the Borrower to repay the Advances in accordance with their respective terms as set forth herein.

Section 2.6 Interest Payments.

(a) Interest shall accrue on each Advance during each Settlement Period at the applicable Interest Rate. The Borrower shall pay Interest on the unpaid principal amount of each Advance for the period commencing on and including the Funding Date of such Advance until but excluding the date that such Advance shall be paid in full. Interest shall accrue during each Settlement Period and be payable on the Advances Outstanding on each Payment Date, unless earlier paid pursuant to a repayment in accordance with Section 2.4(c).

(b) Interest Rates shall be determined by the Administrative Agent in accordance with the definitions thereof, and the Administrative Agent shall advise the Servicer, on behalf of the Borrower, of each calculation thereof.

(c) Subject to Section 2.17, if (i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Adjusted Term SOFR Rate cannot be determined pursuant to the definition thereof or (ii) the Required Lenders determine that for any reason in connection with any request for a borrowing of a SOFR Advance (or a conversion thereto or a continuation thereof) that the Adjusted Term SOFR Rate for the applicable Settlement Period with respect to a proposed Advance does not adequately and fairly reflect the cost to such Lenders of funding such Advance, and the Required Lenders have provided notice of such determination to the Administrative Agent, in each case of (i) and (ii), on or prior to the first day of any Settlement Period, the Administrative Agent will promptly so notify the Borrower and each Lender. Upon notice thereof by the Administrative Agent to the Borrower, any obligation of the Lenders to make or continue Advances bearing interest at a rate based upon the Adjusted Term SOFR Rate shall be suspended (to the extent of the affected Settlement Periods) until the Administrative Agent revokes such notice.

(d) Anything in this Agreement or the other Transaction Documents to the contrary notwithstanding, if at any time the rate of interest payable by any Person under this Agreement and the Transaction Documents exceeds the highest rate of interest permissible under Applicable Law (the "Maximum Lawful Rate"), then, so long as the Maximum Lawful Rate would be exceeded, the rate of interest under this Agreement and the Transaction Documents shall be equal to the Maximum Lawful Rate. If at any time thereafter the rate of interest payable under this Agreement and the Transaction Documents is less than the Maximum Lawful Rate, such Person shall continue to pay interest under this Agreement and the Transaction Documents at the Maximum Lawful Rate until such time as the total interest received from such Person is equal to the total interest that would have been received had Applicable Law not limited the interest rate payable under this Agreement and the Transaction Documents. In no event shall the total interest

received by a Lender under this Agreement and the Transaction Documents exceed the amount that such Lender could lawfully have received, had the interest due under this Agreement and the Transaction Documents been calculated since the Effective Date at the Maximum Lawful Rate.

Section 2.7 Fees.

(a) The Borrower shall pay to the Administrative Agent from the Collection Account on each Payment Date, monthly in arrears in accordance with Section 2.8, the Unused Fee; and, from and after the Revolver Loan Funding Date, the Revolver Loan Funding Fee.

(b) The Borrower shall pay to the Servicer from the Collection Account on each Payment Date, monthly in arrears in accordance with Section 2.8, the Servicing Fee.

(c) The Backup Servicer shall be entitled to receive from the Collection Account on each Payment Date, monthly in arrears in accordance with Section 2.8, the Backup Servicing Fee.

(d) The Collateral Custodian shall be entitled to receive from the Collection Account on each Payment Date, monthly in arrears in accordance with Section 2.8, the Collateral Custodian Fee.

Section 2.8 Settlement Procedures.

On each Payment Date, the Servicer on behalf of the Borrower shall pay, for receipt no later than 1:00 p.m. (New York, New York time), to the following Persons, from (i) the Collection Account, to the extent of available funds, (ii) Servicer Advances, and (iii) amounts received in respect of any Hedge Agreement during such Settlement Period (the sum of such amounts described in clauses (i), (ii) and (iii), minus any amounts required to be deposited to the Revolver Loan Funding Accounts in accordance with Section 2.14 below being the “Available Collections”) the following amounts in the following order of priority:

(a) During the Revolving Period, and in each case unless otherwise specified below, applying Interest Collections first, and then Principal Collections:

(i) FIRST, to the Borrower, the aggregate amount of fees (including up-front, continuing or success fees) received in respect of the Transferred Loans;

(ii) SECOND, to each Hedge Counterparty, any amounts owing that Hedge Counterparty under its respective Hedging Agreement in respect of any Hedge Transaction(s), for the payment thereof, but excluding, to the extent the Hedge Counterparty is not the same Person as the Administrative Agent, any Swap Breakage and Indemnity Amounts;

(iii) THIRD, to the Servicer, in an amount equal to any Unreimbursed Servicer Advances, for the payment thereof;

(iv) FOURTH, to the extent not paid by the Servicer, to the Backup Servicer and any Successor Servicer, as applicable, in an amount equal to any accrued and unpaid Backup Servicing Fee and, if any, accrued and unpaid Transition Costs, Backup Servicer Expenses and Market Servicing Fee Differential, each for the payment thereof;

(v) FIFTH, to the extent not paid by the Servicer, to the Collateral Custodian in an amount equal to any accrued and unpaid Collateral Custodian Fee and Collateral Custodian Expenses, if any, for the payment thereof;

(vi) SIXTH, to the Servicer, in an amount equal to (A) if the Servicer is Gladstone Management Corporation or any of its Affiliates, its accrued and unpaid Servicing Fees to the end of the preceding Settlement Period, up to the Servicing Fee Limit Amount for such Settlement Period, for the payment thereof and (B) otherwise, its accrued and unpaid Servicing Fees to the end of the preceding Settlement Period for the payment thereof;

(vii) SEVENTH, to the Administrative Agent for payment to each Managing Agent, on behalf of the related Lenders, in an amount equal to any accrued and unpaid Interest and Unused Fee for such Payment Date;

(viii) EIGHTH, first, to the extent of available Principal Collections, and second, to the extent of available Interest Collections, to the Administrative Agent for payment to each Managing Agent, on behalf of the related Lenders, an amount equal to the excess, if any, of Advances Outstanding over the lesser of (i) the Borrowing Base or (ii) the Facility Amount, together with the amount of Breakage Costs incurred by the applicable Lenders in connection with any such payment (as such Breakage Costs are notified to the Borrower by the applicable Lender(s)), *pro rata*;

(ix) NINTH, to each Hedge Counterparty, any Swap Breakage and Indemnity Amounts owing that Hedge Counterparty;

(x) TENTH, to the Administrative Agent for payment to each Managing Agent, on behalf of the related Lenders, in the amount of unpaid Breakage Costs (other than Breakage Costs covered in clause (vii) above) with respect to any prepayments made on such Payment Date Increased Costs, and/or Taxes (if any);

(xi) ELEVENTH, to the Swingline Lender, for the portion of the Obligations constituting unpaid principal of the Swing Advances;

(xii) TWELFTH, to the Administrative Agent, all other amounts or Obligations then due under this Agreement or the other Transaction Documents (other than the Performance Guaranty) to the Administrative Agent, the Lenders, the Affected Parties or Indemnified Parties, each for the payment thereof;

(xiii) THIRTEENTH, to the Servicer, in an amount equal to its accrued and unpaid Servicing Fees to the end of the preceding Settlement Period not otherwise paid pursuant to priority SIXTH above; and

- (xiv) FOURTEENTH, all remaining amounts to the Borrower.
- (b) During the Amortization Period, to the extent of available Interest Collections:
- (i) FIRST, unless an Early Termination Event shall have occurred and be continuing, to the Borrower, the aggregate amount of fees (including up-front, continuing or success fees) received in respect of the Transferred Loans;
- (ii) SECOND, to each Hedge Counterparty, any amounts owing that Hedge Counterparty under its respective Hedging Agreement in respect of any Hedge Transaction(s), for the payment thereof, but excluding, to the extent the Hedge Counterparty is not the same Person as the Administrative Agent, any Swap Breakage and Indemnity Amounts;
- (iii) THIRD, to the Servicer, in an amount equal to any Unreimbursed Servicer Advances, for the payment thereof;
- (iv) FOURTH, to the extent not paid by the Servicer, to the Backup Servicer and any Successor Servicer, as applicable, in an amount equal to any accrued and unpaid Backup Servicing Fee and, if any, accrued and unpaid Transition Costs, Backup Servicer Expenses and Market Servicing Fee Differential, each for the payment thereof;
- (v) FIFTH, to the extent not paid by the Servicer, to the Collateral Custodian in an amount equal to any accrued and unpaid Collateral Custodian Fee and Collateral Custodian Expenses, if any, for the payment thereof;
- (vi) SIXTH, to the Servicer, in an amount equal to (A) if the Servicer is Gladstone Management Corporation or any of its Affiliates, its accrued and unpaid Servicing Fees to the end of the preceding Settlement Period, up to the Servicing Fee Limit Amount for such Settlement Period, for the payment thereof and (B) otherwise, its accrued and unpaid Servicing Fees to the end of the preceding Settlement Period for the payment thereof;
- (vii) SEVENTH, to the Administrative Agent for payment to each Managing Agent, on behalf of the related Lenders, in an amount equal to any accrued and unpaid Interest, Unused Fee and Revolver Loan Funding Fee for such Payment Date;
- (viii) EIGHTH, to the Administrative Agent for payment to each Managing Agent, on behalf of the related Lenders, an amount equal to the excess, if any, of Advances Outstanding over the lesser of (i) the Borrowing Base or (ii) the Facility Amount, together with the amount of Breakage Costs incurred by the applicable Lenders in connection with any such payment (as such Breakage Costs are notified to the Borrower by the applicable Lender(s)), *pro rata*;
- (ix) NINTH, all remaining amounts shall be distributed to the Borrower, provided, however, that if an Early Termination Event has occurred and is continuing, all

remaining amounts shall be applied as Principal Collections in accordance with clause (c) below.

(c) During the Amortization Period, to the extent of available Principal Collections:

(i) FIRST, to the parties listed above, any amount remaining unpaid pursuant to clauses FIRST through EIGHTH under clause (b) above, in accordance with the priority set forth thereunder;

(ii) SECOND, following the occurrence of the Termination Date, to the Swingline Lender, for the portion of the Obligations constituting unpaid principal of the Swing Advances in an amount to reduce the outstanding Swing Advances to zero;

(iii) THIRD, following the occurrence of the Termination Date, to the Administrative Agent for ratable payment to each Managing Agent, on behalf of the related Lenders, in an amount to reduce Advances Outstanding to zero and to pay any other Obligations in full;

(iv) FOURTH, to each Hedge Counterparty, any Swap Breakage and Indemnity Amounts owing that Hedge Counterparty;

(v) FIFTH, to the Administrative Agent for payment to each Managing Agent, on behalf of the related Lenders, in the amount of unpaid Breakage Costs (other than Breakage Costs covered in clause (b) above) with respect to any prepayments made on such Payment Date, Increased Costs and/or Taxes (if any);

(vi) SIXTH, to the Administrative Agent, all other amounts or Obligations then due under this Agreement or the other Transaction Documents (other than the Performance Guaranty) to the Administrative Agent, the Lenders, the Affected Parties or Indemnified Parties, each for the payment thereof;

(vii) SEVENTH, to the Servicer, if the Servicer is Gladstone Management Corporation or any of its Affiliates, its accrued and unpaid Servicing Fees to the end of the preceding Settlement Period not otherwise paid pursuant to clause SIXTH of subsection (b) above; and

(viii) EIGHTH, all remaining amounts to the Borrower.

Section 2.9 Collections and Allocations.

(a) The Borrower or the Servicer on behalf of the Borrower shall promptly (but in no event later than two (2) Business Days after the receipt thereof) identify any Collections received by it as being on account of Interest Collections or Principal Collections and deposit all such Interest Collections or Principal Collections received directly by it into the Collection Account. The Servicer on behalf of the Borrower shall make such deposits or payments on the date indicated by wire transfer, in immediately available funds.

(b) Until the occurrence of an Early Termination Event, to the extent there are uninvested amounts deposited in the Collection Account, all amounts shall be invested in Permitted Investments selected by the Servicer on behalf of the Borrower that mature no later than the Business Day immediately preceding the next Payment Date; from and after (i) the occurrence of an Early Termination Event or (ii) the appointment of a Successor Servicer, to the extent there are uninvested amounts deposited in the Collection Account, all amounts may be invested in Permitted Investments selected by the Administrative Agent that mature no later than the next Business Day. Any earnings (and losses) thereon shall be for the account of the Servicer on behalf of the Borrower.

Section 2.10 Payments, Computations, Etc.

(a) Unless otherwise expressly provided herein, all amounts to be paid or deposited by the Borrower or the Servicer on behalf of the Borrower hereunder shall be paid or deposited in accordance with the terms hereof no later than 12:00 noon (New York, New York time) on the day when due in lawful money of the United States in immediately available funds to the Agent's Account. The Borrower shall, to the extent permitted by law, pay to the Secured Parties interest on all amounts not paid or deposited when due hereunder at a rate equal to the Default Rate, payable on demand; provided, however, that such interest rate shall not at any time exceed the Maximum Lawful Rate. All computations of interest and all computations of the Interest Rate and other fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first but excluding the last day) elapsed.

(b) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of Interest, other interest or any fee payable hereunder, as the case may be.

(c) All payments hereunder shall be made without set-off or counterclaim and in such amounts as may be necessary in order that all such payments shall not be less than the amounts otherwise specified to be paid under this Agreement (after withholding for or on account of any Taxes).

Section 2.11 Breakage Costs.

The Borrower shall pay to the Administrative Agent for the account of the applicable Managing Agent, on behalf of the related Lenders, upon the request of any Managing Agent, any Lender or the Administrative Agent on each Payment Date on which a prepayment is made, such amount or amounts as shall, without duplication, compensate the Lenders for any loss, cost or expense (including, without limitation, any loss, cost, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund its SOFR Advances) (the “Breakage Costs”) incurred by the Lenders (as reasonably determined by the applicable Lender) as a result of any prepayment of an Advance (and interest thereon) arising under this Agreement. The determination by any Managing Agent, on behalf of the related Lenders, of the amount of any such loss or expense shall be set forth in a written notice to the Borrower delivered by the applicable Lender prior to the date of such prepayment in the case where notice of such prepayment is delivered to such Lender in accordance with Section 2.3(b) or within two (2) Business Days following such prepayment in the case where no such notice is delivered (in which case, Breakage Costs shall include interest thereon from the date of such prepayment) and shall be conclusive absent manifest error.

Section 2.12 Increased Costs; Capital Adequacy; Illegality.

(a) If after the date hereof, any Managing Agent, Lender or any Affiliate thereof (each of which, an “Affected Party”) shall be charged any fee, expense or increased cost on account of any Change in Law, any accounting principles or any change in any of the foregoing, or any change in the interpretation or administration thereof by any governmental authority, the Financial Accounting Standards Board, any central bank or any comparable agency charged with the interpretation or administration thereof, or compliance with any request or directive (whether or not having the force of law) of any such authority or agency (as clarified by the last sentence of this Section 2.12(a) below, a “Regulatory Change”): (i) that subjects any Affected Party to any charge or withholding on or with respect to any Transaction Document or an Affected Party’s obligations under a Transaction Document, or on or with respect to the Advances, or changes the basis of taxation of payments to any Affected Party of any amounts payable under any Transaction Document (except for changes in the rate of tax on the overall net income of an Affected Party or taxes excluded by Section 2.13) or (ii) that imposes, modifies or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of an Affected Party, or credit extended by an Affected Party pursuant to a Transaction Document or (iii) that imposes any other condition the result of which is to increase the cost to an Affected Party of performing its obligations under a Transaction Document, or to reduce the rate of return on an Affected Party’s capital as a consequence of its obligations under a Transaction Document, or to reduce the amount of any sum received or receivable by an Affected Party under a Transaction Document or to require any payment calculated by reference to the amount of interests or loans held or interest received by it, then, upon demand by the applicable Managing Agent, Borrower shall pay to the Administrative Agent, for payment to the applicable Managing Agent for the benefit of the relevant Affected Party, such amounts charged to such Affected Party or such amounts to otherwise compensate such Affected Party for such increased cost or such reduction. For avoidance of doubt, “Regulatory Change” shall include the compliance, whether commenced prior to or after the date hereof, by any Affected Party with the requirements

of (i) the final rule titled Risk-Based Capital Guidelines; Capital Adequacy Guidelines; Capital Maintenance: Regulatory Capital; Impact of Modifications to Generally Accepted Accounting Principles; Consolidation of Asset-Backed Commercial Paper Programs; and Other Related Issues, adopted by the United States bank regulatory agencies on December 15, 2009, or any rules, regulations, guidance, interpretations or directives promulgated or issued in connection therewith by such agency (whether or not having force of law), (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act adopted by Congress on July 21, 2010, or any existing or future rules, regulations, guidance, interpretations or directives from the United States bank regulatory agencies relating thereto (whether or not having the force of law), and (iii) the July 1988 paper or the June 2006 paper prepared by the Basel Committee on Banking Supervision as set out in the publication entitled: "International Convergence of Capital Measurements and Capital Standards: a Revised Framework", as updated from time to time, or any rules, regulations, guidance, interpretations or directives promulgated or issued in connection therewith by the United States bank regulatory agencies (whether or not having force of law) or any other request, rule, guideline or directive promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel II or Basel III.

(b) If as a result of any event or circumstance similar to those described in clause (a) of this Section 2.12, an Affected Party is required to compensate a bank or other financial institution providing liquidity support, credit enhancement or other similar support or financing to such Affected Party in connection with this Agreement or the funding or maintenance of Advances hereunder, then within ten days after demand by such Affected Party, the Borrower shall pay to such Affected Party such additional amount or amounts as may be necessary to reimburse such Affected Party for any such amounts paid by it.

(c) In determining any amount provided for in this section, the Affected Party may use any reasonable averaging and attribution methods. Any Affected Party making a claim under this section shall submit to the Borrower a certificate as to such additional or increased cost or reduction, which certificate shall calculate in reasonable detail any such charges and shall be conclusive absent demonstrable error.

Section 2.13 Taxes.

(a) All payments made by the Borrower in respect of any Advance and all payments made by the Borrower under this Agreement will be made free and clear of and without deduction or withholding for or on account of any Taxes, unless such withholding or deduction is required by law. In such event, the Borrower shall pay to the appropriate taxing authority any such Taxes required to be deducted or withheld and the amount payable to each Lender or the Administrative Agent (as the case may be) will be increased (such increase, the "Additional Amount") such that every net payment made under this Agreement after deduction or withholding for or on account of any Taxes (including, without limitation, any Taxes on such increase) is not less than the amount that would have been paid had no such deduction or withholding been deducted or withheld. The foregoing obligation to pay Additional Amounts, however, will not apply with respect to, and the term "Additional Amount" shall be deemed not to include net income or franchise taxes imposed on a Lender, any Managing Agent or the Administrative Agent, respectively, with respect to payments required to be made by the Borrower or Servicer on behalf of the Borrower under this

Agreement, by a taxing jurisdiction in which such Lender, such Managing Agent or the Administrative Agent is organized, conducts business or is paying taxes as of the Effective Date (as the case may be). If a Lender, any Managing Agent or the Administrative Agent pays any Taxes in respect of which the Borrower is obligated to pay Additional Amounts under this Section 2.13(a), the Borrower shall promptly reimburse such Lender or Administrative Agent in full.

(b) The Borrower will indemnify each Lender, each Managing Agent and the Administrative Agent for the full amount of Taxes in respect of which the Borrower is required to pay Additional Amounts (including, without limitation, any Taxes imposed by any jurisdiction on such Additional Amounts) paid by such Lender, Managing Agent or the Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto; provided, however, that such Lender, Managing Agent or the Administrative Agent, as appropriate, making a demand for indemnity payment, shall provide the Borrower, at its address set forth under its name on the signature pages hereof, with a certificate from the relevant taxing authority or from a Responsible Officer of such Lender, Managing Agent or the Administrative Agent stating or otherwise evidencing that such Lender, Managing Agent or the Administrative Agent has made payment of such Taxes and will provide a copy of or extract from documentation, if available, furnished by such taxing authority evidencing assertion or payment of such Taxes. This indemnification shall be made within ten days from the date such Lender, Managing Agent or the Administrative Agent (as the case may be) makes written demand therefor.

(c) Within 30 days after the date of any payment by the Borrower of any Taxes, the Borrower will furnish to the Administrative Agent, the Managing Agent or the Lender, as applicable, at its address set forth under its name on the signature pages hereof, appropriate evidence of payment thereof.

(d) If a Lender is not created or organized under the laws of the United States or a political subdivision thereof, such Lender shall, to the extent that it may then do so under Applicable Laws, deliver to the Borrower with a copy to the Administrative Agent (i) within 15 days after the date hereof, or, if later, the date on which such Lender becomes a Lender hereof two (or such other number as may from time to time be prescribed by Applicable Laws) duly completed copies of IRS Form W-8EC1 or Form W-8BEN or any successor forms or other certificates or statements that may be required from time to time by the relevant United States taxing authorities or Applicable Laws), as appropriate, to permit the Borrower to make payments hereunder for the account of such Lender, as the case may be, without deduction or withholding of United States federal income or similar Taxes and (ii) upon the obsolescence of or after the occurrence of any event requiring a change in, any form or certificate previously delivered pursuant to this Section 2.13(d), two copies (or such other number as may from time to time be prescribed by Applicable Laws) of such additional, amended or successor forms, certificates or statements as may be required under Applicable Laws to permit the Borrower to make payments hereunder for the account of such Lender, without deduction or withholding of United States federal income or similar Taxes.

(e) For any period with respect to which a Lender has failed to provide the Borrower with the appropriate form, certificate or statement described in clause (d) of this section (other than if such failure is due to a change in law occurring after the date of this Agreement), such Lender,

as the case may be, shall not be entitled to indemnification under clauses (a) or (b) of this section with respect to any Taxes.

(f) Within 30 days of the written request of the Borrower therefor, the Administrative Agent, the Managing Agent or the Lender, as appropriate, shall execute and deliver to the Borrower such certificates, forms or other documents that can be furnished consistent with the facts and that are reasonably necessary to assist the Borrower in applying for refunds of Taxes remitted hereunder; provided, however, that the Administrative Agent, the Managing Agent and the Lender shall not be required to deliver such certificates forms or other documents if in their respective sole discretion it is determined that the delivery of such certificate, form or other document would have a material adverse effect on the Administrative Agent, the Managing Agent or the Lender and provided further, however, that the Borrower shall reimburse the Administrative Agent, the Managing Agent or the Lender for any reasonable expenses incurred in the delivery of such certificate, form or other document.

(g) If, in connection with an agreement or other document providing liquidity support, credit enhancement or other similar support or financing to the Lenders in connection with this Agreement or the funding or maintenance of Advances hereunder, the Lenders are required to compensate a bank or other financial institution in respect of Taxes under circumstances similar to those described in this section then within ten days after demand by the Lenders, the Borrower shall pay to the Lenders such additional amount or amounts as may be necessary to reimburse the Lenders for any amounts paid by them.

Section 2.14 Revolver Loan Funding.

(a) Upon the occurrence of a Revolver Loan Funding Date, each Lender shall make an advance (each, a "Revolver Loan Funding") in an amount equal to such Lender's ratable share of the aggregate outstanding unfunded commitments under the Revolver Loans. Upon receipt of the proceeds of such Revolver Loan Funding, the Administrative Agent shall deposit such funds into segregated accounts (each, a "Revolver Loan Funding Account"), in its name, referencing the name of such Lender, and maintained at a Qualified Institution. Each Lender hereby grants to the Administrative Agent full power and authority, on its behalf, to withdraw funds from the applicable Revolver Loan Funding Account at the time of, and in connection with, the funding of any Post-Termination Revolver Loan Fundings to be made by the Borrower, and to deposit to the related Revolver Loan Funding Account any funds received in respect of each relevant Lender's ratable share of principal payments under Section 2.8 hereof, all in accordance with the terms of and for the purposes set forth in this Agreement. The deposit of monies in such Revolver Loan Funding Account by any Lender shall not constitute an Advance (and such Lender shall not be entitled to interest on such monies except as provided in clause (d) below) unless and until (and then only to the extent that) such monies are used to make Post-Termination Revolver Loan Fundings pursuant to the first sentence of clause (b) below. On each Payment Date from and after the Revolver Loan Funding Date, the Borrower shall pay the Administrative Agent, for the benefit of the Lenders, a fee (the "Revolver Loan Funding Fee") equal to the sum of (i) the Adjusted Term SOFR Rate for such Settlement Period plus (ii) 3.0%, multiplied by the weighted average amount on deposit in the Revolver Loan Funding Accounts during the applicable Settlement Period, calculated on the basis of a year of 360 days for the actual number of days elapsed.

(b) From and after the establishment of a Revolver Loan Funding Account with respect to any Lender, and until the earlier of (i) the reduction to zero of all outstanding commitments in respect of Revolver Loans and (ii) one year following the Revolver Loan Funding Date, all Post-Termination Revolver Loan Fundings to be made by such Lender hereunder shall be made by withdrawing funds from the applicable Revolver Loan Funding Account. On each Business Day during such time, the Administrative Agent shall, (i) if a Revolver Loan Funding Account Shortfall exists, deposit the lesser of (A) the amount allocable to the repayment of principal to the Lenders and (B) the Revolver Loan Funding Account Shortfall and (ii) if a Revolver Loan Funding Account Surplus exists, pay to the applicable Managing Agent, on behalf of each Lender, such Lender's ratable share of the Revolver Loan Funding Account Surplus. Until the earlier of (i) the reduction to zero of all outstanding commitments in respect of Revolver Loans and (ii) one year following the Revolver Loan Funding Date, all remaining funds then held in such Revolver Loan Funding Account (after giving effect to any Post-Termination Revolver Loan Fundings to be made on such date) shall be paid by the Administrative Agent to the applicable Managing Agent, on behalf of such Lender, and thereafter all payments made in respect of the Loans (whether or not originally funded from such Lender's Revolver Loan Funding Account) shall be paid directly to the applicable Managing Agent, on behalf of such Lender, in accordance with the terms of Section 2.8.

(c) The Administrative Agent may, its sole discretion, advance funds withdrawn from the Revolver Loan Funding Accounts to (i) the Borrower or (ii) the applicable Obligor directly, on behalf of the Borrower, and in either case, such funds shall be used solely for the purpose of funding advances requested by an Obligor under a Revolver Loan.

(d) Proceeds in a Revolver Loan Funding Account shall be invested, at the written direction of the applicable Lender (or the applicable Managing Agent on its behalf) to the applicable Revolver Loan Funding Account bank, only in investments which constitute Permitted Investments. The investment earnings with respect to a Revolver Loan Funding Account shall accrue as the Lender and Revolver Loan Funding Account bank shall agree. The Administrative Agent shall direct the Revolver Loan Funding Account bank to pay all such investment earnings from the relevant account directly to the applicable Managing Agent, for the account of the applicable Lender.

(e) Notwithstanding anything herein to the contrary, none of the Administrative Agent, the other Managing Agents, the other Purchasers nor the Revolver Loan Funding Account bank shall have any liability for any loss arising from any investment or reinvestment made by it with respect to a Revolver Loan Funding Account in accordance with, and pursuant to, the provisions hereof.

Section 2.15 [Reserved].

Section 2.16 Discretionary Sales of Loans.

On any Discretionary Sale Settlement Date, the Borrower shall have the right to prepay all or a portion of the Advances Outstanding in connection with the sale and assignment by the Borrower of, and the release of the Lien by the Administrative Agent over, one or more Transferred Loans, in whole but not in part (and expressly excluding any sale of a Transferred Loan from the

Borrower to the Originator required under the Purchase Agreement) (a “Discretionary Sale”), subject to the following terms and conditions and subject to the other restrictions contained herein:

(a) any Discretionary Sale shall be made by the Borrower in a transaction (A) arranged by the Servicer (or, if a Successor Servicer shall have been appointed pursuant to Section 7.19, arranged by the Borrower with the approval of the Administrative Agent) in accordance with the customary management practices of prudent institutions which manage financial assets similar to the Transferred Loans for their own account or for the account of others, (B) reflecting arm’s-length market terms, (C) in which the Borrower makes no representations, warranties or covenants and provides no indemnification for the benefit of any other party to the Discretionary Sale (other than any representations, warranties or covenants relating to the Borrower’s ownership of or clean title to the Transferred Loans that are the subject of the Discretionary Sale that are standard and customary in connection with such a sale or for which the Originator has agreed to fully indemnify the Borrower), (D) of which the Administrative Agent and the Required Lenders shall have received 2 Business Days’ (or such shorter period as the Required Lenders shall consent to) written notice (such notice, a “Discretionary Sale Notice”) which notice shall provide a description of the terms of the Discretionary Sale, and (E) if occurring after the Termination Date, which the Required Lenders shall have approved in writing (which approval shall not be unreasonably withheld or delayed);

(b) after giving effect to the Discretionary Sale on the related Discretionary Sale Trade Date and the payment of funds from the sale into the Collection Account required under Section 2.16(d), (A) all representations and warranties of the Borrower contained in Section 4.1 shall be true and correct as of the Discretionary Sale Trade Date, (B) neither an Early Termination Event nor Unmatured Termination Event shall have occurred and be continuing, (C) the Borrowing Base Test shall have been satisfied, and, if such Discretionary Sale Trade Date takes place during the Amortization Period, following the application of the funds described in clause (d) below, the ratio of the Borrowing Base to the Drawn Amount shall have been improved, (D) the Collateral Quality Test shall have been satisfied, and, if such Discretionary Sale Trade Date takes place during the Amortization Period, the Collateral Quality Test shall have been improved and (E) the Required Equity Investment shall be maintained;

(c) on the Discretionary Sale Trade Date, the Borrower and the Servicer shall be deemed to have represented and warranted that the requirements of Section 2.16(b) shall have been satisfied as of the related Discretionary Sale Trade Date after giving effect to the contemplated Discretionary Sale; and

(d) on the related Discretionary Sale Settlement Date, the Administrative Agent shall have received into the Collection Account, in immediately available funds, an amount (i) other than as described in clause (ii) below, equal to the sum of (A) the portion of the Advances Outstanding to be prepaid so that the requirements of Section 2.16(b) shall have been satisfied as of such Discretionary Sale Settlement Date plus (B) an amount equal to all unpaid Interest attributable to that portion of the Advances Outstanding to be paid in connection with the Discretionary Sale plus (C) any Breakage Costs owed in connection with the payment and (ii) in the case of a sale of (x) Defaulted Loans or Charged-Off Loans in accordance with Section 7.7, or (y) any Transferred Loans following the end of the Revolving Period, equal to the proceeds of such Discretionary Sale.

In connection with any Discretionary Sale, following receipt by the Administrative Agent of the amounts referred to in Section 2.16(d) above (receipt of which shall be confirmed to the Administrative Agent), there shall be released to the Borrower (for further sale to a purchaser) without recourse, representation or warranty of any kind all of the right, title and interest of the Administrative Agent and the Secured Parties in, to and under the portion of the Collateral subject to such Discretionary Sale and such portion of the Collateral so released shall be released from any Lien and the Loan Documents (subject to the requirements set forth above in this Section 2.16).

In connection with any Discretionary Sale, on the related Discretionary Sale Settlement Date, the Administrative Agent on behalf of the Secured Parties shall (i) execute such instruments of release with respect to the portion of the Collateral to be released to the Borrower, in recordable form if necessary, in favor of the Borrower as the Servicer on behalf of the Borrower may reasonably request, (ii) deliver any portion of the Collateral to be released to the Borrower in its possession to the Borrower and (iii) otherwise take such actions, as are determined by the Borrower or Servicer to be reasonably necessary and appropriate to release the Lien on the portion of the Collateral to be released to the Borrower and release and deliver to the Borrower such portion of the Collateral to be released to the Borrower.

Section 2.17 Effect of Benchmark Transition Event.

Notwithstanding anything to the contrary herein or in any other Transaction Document:

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Transaction Document, upon the occurrence of a Benchmark Transition Event, this Agreement may be amended to replace the Term SOFR Reference Rate or the then-current Benchmark with a Benchmark Replacement by a written document executed by the Borrower, the Required Lenders and the Administrative Agent, subject to the requirements of this Section 2.17. No replacement of the Adjusted Term SOFR Rate with a Benchmark Replacement pursuant to this Section 2.17 will occur prior to the applicable Benchmark Transition Start Date.

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right, in consultation with the Borrower, to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Transaction Document.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Managing Agents and Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Administrative Agent pursuant to this Section 2.17 including, without limitation, any determination with respect to a tenor, rate or adjustment, or implementation of any Benchmark Replacement Conforming Changes, the timing of implementation of any Benchmark Replacement or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take

or refrain from taking any action, will be conclusive and binding on all parties hereto absent manifest error and may be made in its sole discretion and without consent from any other party to this Agreement or any other Transaction Document, except, in each case, as expressly required pursuant to this Section 2.17.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Transaction Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if any then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the administrator of such Benchmark or the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks, then the Administrative Agent may modify the definition of “Settlement Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable, non-representative, non-compliant or non-aligned tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Settlement Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a SOFR Advance to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to a Base Rate Advance.

ARTICLE III

CONDITIONS OF EFFECTIVENESS AND ADVANCES

Section 3.1 Conditions to Effectiveness and Advances.

No Lender (including the Swingline Lender) shall be obligated to make any Advance hereunder from and after the Effective Date, nor shall any Lender, the Administrative Agent or the Managing Agents be obligated to take, fulfill or perform any other action hereunder, until the following conditions have been satisfied, in the sole discretion of, or waived in writing by, the Managing Agents:

(a) This Agreement and all other Transaction Documents or counterparts hereof or thereof shall have been duly executed by, and delivered to, the parties hereto and thereto and the Administrative Agent shall have received such other documents, instruments, agreements and legal

opinions as any Managing Agent shall reasonably request in connection with the transactions contemplated by this Agreement, on or prior to the Effective Date, each in form and substance satisfactory to the Administrative Agent.

(c) The Borrower shall have paid all fees required to be paid by it on the Effective Date, including all fees required hereunder and under the Fee Letters to be paid as of such date, and shall have reimbursed each Lender and the Administrative Agent for all fees, costs and expenses related to the transactions contemplated hereunder and under the other Transaction Documents, including the legal and other document preparation costs incurred by any Lender and/or the Administrative Agent.

(d) The Required Equity Investment shall be maintained.

The Administrative Agent shall promptly notify each Lender of the satisfaction or waiver of the conditions set forth above.

Section 3.2 Additional Conditions Precedent to All Advances.

Each Advance shall be subject to the further conditions precedent that:

(a) On the related Funding Date, the Borrower or the Servicer, as the case may be, shall have certified in the related Borrower Notice that:

(i) The representations and warranties set forth in Sections 4.1 and 7.8 are true and correct on and as of such date, before and after giving effect to such borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(ii) No event has occurred, or would result from such Advance or from the application of the proceeds therefrom, that constitutes an Early Termination Event or an Unmatured Termination Event.

(b) The Termination Date shall not have occurred;

(c) Before and after giving effect to such borrowing and to the application of proceeds therefrom, the Collateral Quality Test shall be satisfied, as calculated on such date;

(d) Before and after giving effect to such borrowing and to the application of proceeds therefrom, the Borrowing Base Test shall be satisfied, as calculated on such date;

(e) No (i) claim has been asserted or proceeding commenced challenging enforceability or validity of any of the Transaction Documents or (ii) material claim has been asserted or proceeding commenced challenging enforceability or validity of any of the Loan Documents, in each case, excluding any instruments, certificates or other documents relating to Loans that were the subject of prior Advances;

(f) There shall have been no Material Adverse Change with respect to the Borrower or the Servicer since the preceding Advance; and

(g) The Servicer and Borrower shall have taken such other action, including delivery of approvals, consents, opinions, documents, and instruments to the Managing Agents as each may reasonably request.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of the Borrower.

The Borrower represents and warrants as follows:

(a) Organization and Good Standing. The Borrower is a Delaware limited liability company duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation, and has full power, authority and legal right to own or lease its properties and conduct its business as such business is presently conducted.

(b) Due Qualification. The Borrower is qualified to do business as a limited liability company, is in good standing, and has obtained all licenses and approvals as required under the laws of all jurisdictions in which the ownership or lease of its property and or the conduct of its business (other than the performance of its obligations hereunder) requires such qualification, standing, license or approval, except to the extent that the failure to so qualify, maintain such standing or be so licensed or approved would not have an adverse effect on the interests of the Lenders. The Borrower is qualified to do business as a limited liability company, is in good standing, and has obtained all licenses and approvals as are required under the laws of all states in which the performance of its obligations pursuant to this Agreement requires such qualification, standing, license or approval and where the failure to qualify or obtain such license or approval would have a material adverse effect on its ability to perform hereunder.

(c) Due Authorization. The execution and delivery of this Agreement and each Transaction Document to which the Borrower is a party and the consummation of the transactions provided for herein and therein have been duly authorized by the Borrower by all necessary action on the part of the Borrower.

(d) No Conflict. The execution and delivery of this Agreement and each Transaction Document to which the Borrower is a party, the performance by the Borrower of the transactions contemplated hereby and thereby and the fulfillment of the terms hereof and thereof will not conflict with or result in any breach of any of the terms and provisions of, and will not constitute (with or without notice or lapse of time or both) a default under, the Borrower's limited liability company agreement or any material Contractual Obligation of the Borrower.

(e) No Violation. The execution and delivery of this Agreement and each Transaction Document to which the Borrower is a party, the performance of the transactions contemplated hereby and thereby and the fulfillment of the terms hereof and thereof will not conflict with or violate, in any material respect, any Applicable Law.

(f) No Proceedings. There are no proceedings or investigations pending or, to the best knowledge of the Borrower, threatened against the Borrower, before any Governmental Authority (i) asserting the invalidity of this Agreement or any Transaction Document to which the Borrower is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any Transaction Document to which the Borrower is a party or (iii) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect.

(g) All Consents Required. All material approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority (if any) required in connection with the due execution, delivery and performance by the Borrower of this Agreement and any Transaction Document to which the Borrower is a party, have been obtained.

(h) Reports Accurate. All Monthly Reports (if prepared by the Borrower, or to the extent that information contained therein is supplied by the Borrower), information, exhibits, financial statements, documents, books, records or reports furnished or to be furnished by the Borrower to the Administrative Agent or a Lender in connection with this Agreement are true, complete and accurate in all material respects.

(i) Solvency. The transactions contemplated under this Agreement and each Transaction Document to which the Borrower is a party do not and will not render the Borrower not Solvent.

(j) Selection Procedures. No procedures believed by the Borrower to be materially adverse to the interests of the Secured Parties were utilized by the Borrower in identifying and/or selecting the Loans that are part of the Collateral.

(k) Taxes. The Borrower has filed or caused to be filed all Tax returns required to be filed by it. The Borrower has paid all Taxes and all assessments made against it or any of its property (other than any amount of Tax the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of the Borrower), and no Tax lien has been filed and, to the Borrower's knowledge, no claim is being asserted, with respect to any such Tax, fee or other charge.

(l) Agreements Enforceable. This Agreement and each Transaction Document to which the Borrower is a party constitute the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with their respective terms, except as such enforceability may be limited by Insolvency Laws and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

(m) No Liens. The Collateral is owned by the Borrower free and clear of any Liens except for Permitted Liens as provided herein, and the Administrative Agent, as agent for the Secured Parties, has a valid and perfected first priority security interest in the Collateral then existing or thereafter arising, free and clear of any Liens except for Permitted Liens. No effective financing statement or other instrument similar in effect covering any Collateral is on file in any recording office except such as may be filed in favor of the Administrative Agent relating to this Agreement or reflecting the transfer of the Collateral from the Originator to the Borrower.

(n) Security Interest. The Borrower has granted a security interest (as defined in the UCC) to the Administrative Agent, as agent for the Secured Parties, in the Collateral, which is enforceable in accordance with Applicable Law. All filings (including, without limitation, such UCC filings) as are necessary in any jurisdiction to perfect the interest of the Administrative Agent as agent for the Secured Parties, in the Collateral have been made.

(o) Location of Offices. The Borrower's jurisdiction of organization, principal place of business and chief executive office and the office where the Borrower keeps all the Records is located at the address of the Borrower referred to in Section 12.2 hereof (or at such other locations as to which the notice and other requirements specified in Section 5.1(m) shall have been satisfied).

(p) Tradenames. The Borrower has no trade names, fictitious names, assumed names or "doing business as" names or other names under which it has done or is doing business.

(q) Purchase Agreement. The Purchase Agreement is the only agreement pursuant to which the Borrower acquires Collateral (other than the Hedge Collateral).

(r) Value Given. The Borrower gave reasonably equivalent value to the Originator in consideration for the transfer to the Borrower of the Transferred Loans under the Purchase Agreement, no such transfer was made for or on account of an antecedent debt owed by the Originator to the Borrower, and no such transfer is voidable or subject to avoidance under any Insolvency Law.

(s) Accounting. The Borrower accounts for the transfers to it from the Originator of interests in the Loans under the Purchase Agreement as sales of such Loans in its books, records and financial statements, in each case consistent with GAAP.

(t) Separate Entity. The Borrower is operated as an entity with assets and liabilities distinct from those of the Originator and any Affiliates thereof (other than the Borrower), and the Borrower hereby acknowledges that the Administrative Agent and the Lenders are entering into the transactions contemplated by this Agreement in reliance upon the Borrower's identity as a separate legal entity from the Originator and from each such other Affiliate of the Originator.

(u) Investments. Except for Supplemental Interests or Supplemental Interests that convert into an equity interest in any Person, the Borrower does not own or hold directly or indirectly, any capital stock or equity security of, or any equity interest in, any Person.

(v) Business. Since its formation, the Borrower has conducted no business other than the purchase and receipt of Loans and Related Property from the Originator under the Purchase Agreement, the borrowing of funds under this Agreement and such other activities as are incidental to the foregoing.

(w) ERISA. The Borrower is in compliance with ERISA and has not incurred and does not expect to incur any liabilities (except for premium payments arising in the ordinary course of business) payable to the Pension Benefit Guaranty Corporation under ERISA.

(x) Investment Company Act.

(i) The Borrower represents and warrants that the Borrower is exempt and will remain exempt from registration as an “investment company” within the meaning of the Investment Company Act of 1940, as amended (the “1940 Act”). The Borrower further represents and warrants that the Borrower is not a “covered fund” under the Volcker Rule, because the Borrower is excluded from the definition of “covered fund” pursuant to Section ____ .10(c)(8) of the Volcker Rule.

(ii) The business and other activities of the Borrower, including but not limited to, the making of the Advances by the Lenders, the application of the proceeds and repayment thereof by the Borrower and the consummation of the transactions contemplated by the Transaction Documents to which the Borrower is a party do not now and will not at any time result in any violations, with respect to the Borrower, of the provisions of the 1940 Act or any rules, regulations or orders issued by the SEC thereunder.

(y) Government Regulations. The Borrower is not engaged in the business of extending credit for the purpose of “purchasing” or “carrying” any “margin security,” as such terms are defined in Regulation U of the Federal Reserve Board as now and from time to time hereafter in effect (such securities being referred to herein as “Margin Stock”). The Borrower owns no Margin Stock, and no portion of the proceeds of any Advance hereunder will be used, directly or indirectly, for the purpose of purchasing or carrying any Margin Stock, for the purpose of reducing or retiring any Indebtedness that was originally incurred to purchase or carry any Margin Stock or for any other purpose that might cause any portion of such proceeds to be considered a “purpose credit” within the meaning of Regulation T, U or X of the Federal Reserve Board. The Borrower will not take or permit to be taken any action that might cause any Transaction Document to violate any regulation of the Federal Reserve Board.

(z) Eligibility of Loans. As of the Effective Date, (i) the Loan List and the information contained in the Borrower Notice delivered pursuant to Sections 2.1 and 2.2 is an accurate and complete listing in all material respects of all the Loans that are part of the Collateral as of the Effective Date, and the information contained therein with respect to the identity of such Loans and the amounts owing thereunder is true and correct in all material respects as of such date and (ii) each such Loan is an Eligible Loan. On each Funding Date, the Borrower shall be deemed to represent and warrant that any additional Loan referenced on the related Borrower Notice delivered pursuant to Sections 2.1 and 2.2 is an Eligible Loan.

(aa) USA PATRIOT Act. Neither the Borrower nor any Affiliate of the Borrower is (1) a country, territory, organization, person or entity named on an Office of Foreign Assets Control (OFAC) list, (2) a Person that resides or has a place of business in a country or territory named on such lists or which is designated as a Non-Cooperative Jurisdiction by the Financial Action Task Force on Money Laundering, or whose subscription funds are transferred from or through such a jurisdiction; (3) a “Foreign Shell Bank” within the meaning of the USA PATRIOT Act, i.e., a foreign bank that does not have a physical presence in any country and that is not affiliated with a bank that has a physical presence and an acceptable level of regulation and supervision; or (4) a person or entity that resides in or is organized under the laws of a jurisdiction designated by the

United States Secretary of the Treasury under Section 311 or 312 of the USA PATRIOT Act as warranting special measures due to money laundering concerns.

(bb) Use of Proceeds. The proceeds of the Advances shall only be used for (i) working capital, (ii) the refinance of existing indebtedness and (iii) other lawful purposes, including without limitation, investments in equity, debt and other securities in the normal course of business.

Section 4.2 Joint Representations and Warranties Regarding Ordinary Course of Business.

(a) Each of the Borrower and the Administrative Agent represents and warrants as to itself that each remittance of Collections by the Borrower to the Administrative Agent pursuant to the terms of this Agreement will have been (i) in payment of a debt incurred by the Borrower in the ordinary course of business or financial affairs of the Borrower and the Administrative Agent and (ii) made in the ordinary course of business or financial affairs of the Borrower and the Administrative Agent.

(b) The representations and warranties set forth in this Section 4.2 and shall survive the termination of this Agreement.

ARTICLE V

GENERAL COVENANTS OF THE BORROWER

Section 5.1 Covenants of the Borrower.

The Borrower hereby covenants that:

(a) Compliance with Laws. The Borrower will comply in all material respects with all Applicable Laws, including those with respect to the Loans in the Collateral and any Related Property.

(b) Preservation of Corporate Existence. The Borrower will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation, and qualify and remain qualified in good standing in each jurisdiction where the failure to maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect.

(c) Security Interests. Except as contemplated in this Agreement, the Borrower will not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien on any Loan or Related Property that is part of the Collateral, whether now existing or hereafter transferred hereunder, or any interest therein. The Borrower will promptly notify the Administrative Agent of the existence of any Lien on any Loan or Related Property that is part of the Collateral and the Borrower shall defend the right, title and interest of the Administrative Agent as agent for the Secured Parties in, to and under any Loan and the Related Property that is part of the Collateral, against all claims of third parties; provided, however, that nothing in this Section

5.1(c) shall prevent or be deemed to prohibit the Borrower from suffering to exist Permitted Liens upon any Loan or any Related Property that is part of the Collateral.

(d) Delivery of Collections. The Borrower agrees to cause the delivery to the Servicer promptly (but in no event later than two (2) Business Days after receipt) all Collections (including any Deemed Collections) received by Borrower in respect of the Loans that are part of the Collateral.

(e) Activities of Borrower. The Borrower shall not engage in any business or activity of any kind, or enter into any transaction or indenture, mortgage, instrument, agreement, contract, Loan or other undertaking, which is not incidental to the transactions contemplated and authorized by this Agreement or the Purchase Agreement.

(f) Indebtedness. The Borrower shall not create, incur, assume or suffer to exist any Indebtedness or other liability whatsoever, except (i) obligations incurred under this Agreement, under any Hedging Agreement required by Section 5.2(a), or the Purchase Agreement, or (ii) liabilities incident to the maintenance of its existence in good standing.

(g) Guarantees. The Borrower shall not become or remain liable, directly or indirectly, in connection with any Indebtedness or other liability of any other Person, whether by guarantee, endorsement (other than endorsements of negotiable instruments for deposit or collection in the ordinary course of business), agreement to purchase or repurchase, agreement to supply or advance funds, or otherwise.

(h) Investments. The Borrower shall not make or suffer to exist any loans or advances to, or extend any credit to, or make any investments (by way of transfer of property, contributions to capital, purchase of stock or securities or evidences of indebtedness, acquisition of the business or assets, or otherwise) in, any Person except for purchases of Loans and Supplemental Interests pursuant to the Purchase Agreement, or for investments in Permitted Investments in accordance with the terms of this Agreement.

(i) Merger; Sales. The Borrower shall not enter into any transaction of merger or consolidation, or liquidate or dissolve itself (or suffer any liquidation or dissolution), or acquire or be acquired by any Person, or convey, sell, loan or otherwise dispose of all or substantially all of its property or business, except as provided for in this Agreement.

(j) Distributions. The Borrower may not declare or pay or make, directly or indirectly, any distribution (whether in cash or other property) with respect to any Person's equity interest in the Borrower (collectively, a "Distribution"), other than (i) any Permitted Distribution or (ii) other Distributions with the consent of the Required Lenders.

(k) Agreements. The Borrower shall not amend or modify (i) the provisions of its limited liability company agreement or (ii) the Purchase Agreement without the consent of the Administrative Agent and prior written notice to each Managing Agent, or issue any power of attorney except to the Administrative Agent or the Servicer.

(l) Separate Existence. The Borrower shall:

(i) Maintain its own deposit account or accounts, separate from those of any Affiliate, with commercial banking institutions. The funds of the Borrower will not be diverted to any other Person or for other than corporate uses of the Borrower.

(ii) Ensure that, to the extent that it shares the same persons as officers or other employees as any of its Affiliates, the salaries of and the expenses related to providing benefits to such officers or employees shall be fairly allocated among such entities, and each such entity shall bear its fair share of the salary and benefit costs associated with all such common officers and employees.

(iii) Ensure that, to the extent that it jointly contracts with any of its Affiliates to do business with vendors or service providers or to share overhead expenses, the costs incurred in so doing shall be allocated fairly among such entities, and each such entity shall bear its fair share of such costs. To the extent that the Borrower contracts or does business with vendors or service providers when the goods and services provided are partially for the benefit of any other Person, the costs incurred in so doing shall be fairly allocated to or among such entities for whose benefit the goods and services are provided, and each such entity shall bear its fair share of such costs. All material transactions between Borrower and any of its Affiliates shall be only on an arm's length basis.

(iv) Maintain a principal executive and administrative office through which its business is conducted separate from those of its Affiliates. To the extent that Borrower and any of its Affiliates have offices in the same location, there shall be a fair and appropriate allocation of overhead costs among them, and each such entity shall bear its fair share of such expenses.

(v) Conduct its affairs strictly in accordance with its limited liability company agreement and observe all necessary, appropriate and customary legal formalities, including, but not limited to, holding all regular and special director's meetings appropriate to authorize all action, keeping separate and accurate records of such meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, payroll and transaction accounts.

(vi) Take or refrain from taking, as applicable, each of the activities specified or assumed in the Williams Mullen Opinion, upon which the conclusions expressed therein are based.

(vii) Maintain the effectiveness of, and continue to perform under the Purchase Agreement and the Performance Guaranty, such that it does not amend, restate, supplement, cancel, terminate or otherwise modify the Purchase Agreement or the Performance Guaranty, or give any consent, waiver, directive or approval thereunder or waive any default, action, omission or breach under the Purchase Agreement or the Performance Guaranty or otherwise grant any indulgence thereunder, without (in each case) the prior written consent of the Administrative Agent and each Managing Agent.

(m) Change of Name or Jurisdiction of Borrower; Records. The Borrower (x) shall not change its name or jurisdiction of organization, without 30 days' prior written notice to the Administrative Agent and (y) shall not move, or consent to the Servicer or Collateral Custodian moving, the Loan Documents without 30 days' prior written notice to the Administrative Agent and (z) will promptly take all actions required of each relevant jurisdiction in order to continue the first priority perfected security interest of the Administrative Agent as agent for the Secured Parties (except for Permitted Liens) in all Collateral, and such other actions as the Administrative Agent may reasonably request, including but not limited to delivery of an Opinion of Counsel.

(n) ERISA Matters. The Borrower will not (a) engage or permit any ERISA Affiliate to engage in any prohibited transaction for which an exemption is not available or has not previously been obtained from the United States Department of Labor; (b) permit to exist any accumulated funding deficiency, as defined in Section 302(a) of ERISA and Section 412(a) of the Code, or funding deficiency with respect to any Benefit Plan other than a Multiemployer Plan; (c) fail to make any payments to a Multiemployer Plan that the Borrower or any ERISA Affiliate may be required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto; (d) terminate any Benefit Plan so as to result in any liability; or (e) permit to exist any occurrence of any reportable event described in Title IV of ERISA.

(o) Originator Collateral. With respect to each item of Collateral acquired by the Borrower, the Borrower will (i) acquire such Collateral pursuant to and in accordance with the terms of the Purchase Agreement, (ii) take all action necessary to perfect, protect and more fully evidence the Borrower's ownership of such Collateral, including, without limitation, (A) filing and maintaining, effective financing statements (Form UCC-1) naming the Originator as seller/debtor and the Borrower as purchaser/creditor in all necessary or appropriate filing offices, and filing continuation statements, amendments or assignments with respect thereto in such filing offices and (B) executing or causing to be executed such other instruments or notices as may be necessary or appropriate, including, without limitation, Assignments of Mortgage, and (iii) take all additional action that the Administrative Agent may reasonably request to perfect, protect and more fully evidence the respective interests of the parties to this Agreement in the Collateral.

(p) Transactions with Affiliates. The Borrower will not enter into, or be a party to, any transaction with any of its Affiliates or Control Affiliates, except (i) the transactions permitted or contemplated by this Agreement, including, without limitation, Controlled Transactions, (ii) the Purchase Agreement and any Hedging Agreements and any transactions incidental to the foregoing, and (iii) other transactions (including, without limitation, transactions related to the use of office space or computer equipment or software by the Borrower to or from an Affiliate or Control Affiliate) (A) in the ordinary course of business, (B) pursuant to the reasonable requirements of the Borrower's business, (C) upon fair and reasonable terms that are no less favorable to the Borrower than could be obtained in a comparable arm's-length transaction with a Person not an Affiliate or Control Affiliate of the Borrower, and (D) not inconsistent with the factual assumptions set forth in the Williams Mullen Opinion, as such assumptions may be modified in any subsequent opinion letters delivered to the Administrative Agent pursuant to Section 3.2 or otherwise. It is understood that any compensation arrangement for any officer or employee shall be permitted under clause (iii)(A) through (C) above if such arrangement has been

expressly approved by the managers of the Borrower in accordance with the Borrower's limited liability company agreement.

(q) Change in the Transaction Documents. The Borrower will not amend, modify, waive or terminate any terms or conditions of any of the Transaction Documents to which it is a party, without the prior written consent of the Administrative Agent.

(r) Credit and Collection Policy. The Borrower will (a) comply in all material respects with the Credit and Collection Policy in regard to each Transferred Loan and the Related Property, and in regard to compliance with Loan Documents, including determinations with respect to the enforcement of its rights thereunder, and (b) furnish to the Administrative Agent and each Managing Agent, at least 20 days prior to its proposed effective date, prompt notice of any material changes in the Credit and Collection Policy. The Borrower will not agree or otherwise permit to occur any material change in the Credit and Collection Policy, which change would impair the collectibility of any Loan or otherwise adversely affect the interests or remedies of the Administrative Agent or the Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Administrative Agent (in its sole discretion).

(s) Extension or Amendment of Loans. The Borrower will not, except as otherwise permitted in Section 7.4(a) extend, amend or otherwise modify, or permit the Servicer on its behalf to extend, amend or otherwise modify, the terms of any Loan.

(t) Reporting. The Borrower will furnish to the Administrative Agent and each Managing Agent:

(i) as soon as possible and in any event within two (2) Business Days after the occurrence of each Early Termination Event and each Unmatured Termination Event, a written statement, signed by a Responsible Officer, setting forth the details of such event and the action that the Borrower proposes to take with respect thereto;

(ii) promptly upon request, such other information, documents, records or reports respecting the Transferred Loans or the condition or operations, financial or otherwise, of the Borrower or Originator as the Administrative Agent may from time to time reasonably request in order to protect the interests of the Administrative Agent or the Secured Parties under or as contemplated by this Agreement;

(iii) promptly, but in no event later than two (2) Business Days after its receipt thereof, copies of any and all notices, certificates, documents, or reports delivered to it by the Originator under the Purchase Agreement; and

(iv) not later than the last day of each calendar month, a report listing each Transferred Loan that became a Credit Modified Loan during such calendar month, including a description in reasonable detail of the modification(s) made to each such Credit Modified Loan and attaching all applicable credit write-ups and/or approvals with respect to such modifications.

(u) Independent Directors. A minimum of two (2) Persons appointed as members of

the Board of Directors of the Borrower will at all times satisfy the definition of an Independent Director specified in the LLC Agreement as in effect on the Effective Date, with such changes to such definition as may thereafter be approved by the Required Lenders. The Borrower will deliver written notice to the Administrative Agent at least eight (8) calendar days prior to the effectiveness of the resignation or termination of an Independent Director.

Section 5.2 Hedging Agreement.

(a) If at any time the aggregate Purchased Loan Balances of Fixed Rate Loans exceeds 20% of the Aggregate Purchased Loan Balance, the Borrower shall, with respect only to such Purchased Loan Balance of Fixed Rate Loans aggregating in excess of 20% of the Aggregate Purchased Loan Balance, enter into and maintain a Hedge Transaction with a Hedge Counterparty which Hedge Transaction shall: (i) be in the form of (A) interest rate caps having a notional amount equal to the Purchased Loan Balance of such Fixed Rate Loans and an amortization schedule that provides for payments through a date which is within three (3) months of the maturity of the applicable Fixed Rate Loans (i.e., the Purchased Loan Balance of Fixed Rate Loans in excess of 20% of the Aggregate Purchased Loan Balance as set forth above) or (B) such other form as shall be approved by the Managing Agents and (ii) shall provide for payments to the Borrower to the extent that the Adjusted Term SOFR Rate shall exceed a rate agreed upon between the Managing Agents and the Borrower.

(b) As additional security hereunder, the Borrower hereby assigns to the Administrative Agent, as agent for the Secured Parties, all right, title and interest of the Borrower in any and all Hedging Agreements, any and all Hedge Transactions, and any and all present and future amounts payable by a Hedge Counterparty to the Borrower under or in connection with its respective Hedging Agreement and Hedge Transaction(s) (collectively, the “Hedge Collateral”), and grants a security interest to the Administrative Agent, as agent for the Secured Parties, in the Hedge Collateral. The Borrower acknowledges that, as a result of that assignment, the Borrower may not, without the prior written consent of the Administrative Agent, exercise any rights under any Hedging Agreement or Hedge Transaction, except for the Borrower’s right under any Hedging Agreement to enter into Hedge Transactions in order to meet the Borrower’s obligations under Section 5.2(a) hereof. Nothing herein shall have the effect of releasing the Borrower from any of its obligations under any Hedging Agreement or any Hedge Transaction, nor be construed as requiring the consent of the Administrative Agent or any Secured Party for the performance by the Borrower of any such obligations.

ARTICLE VI

SECURITY INTEREST

Section 6.1 Security Interest.

As collateral security for the prompt, complete and indefeasible payment and performance in full when due, whether by lapse of time, acceleration or otherwise, of the Obligations, the Borrower hereby assigns, pledges and grants to the Administrative Agent, as agent for the Secured Parties, a lien on and security interest in all of the Borrower’s right, title and interest in, to and under (but none of its obligations under) the Collateral, whether now existing or owned or hereafter

arising or acquired by the Borrower, and wherever located. The assignment under this Section 6.1 does not constitute and is not intended to result in a creation or an assumption by the Administrative Agent, the Managing Agents or any of the Secured Parties of any obligation of the Borrower or any other Person in connection with any or all of the Collateral or under any agreement or instrument relating thereto. Anything herein to the contrary notwithstanding, (a) the Borrower shall remain liable under the Transferred Loans to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Administrative Agent, as agent for the Secured Parties, of any of its rights in the Collateral shall not release the Borrower from any of its duties or obligations under the Collateral, and (c) none of the Administrative Agent, the Managing Agents or any Secured Party shall have any obligations or liability under the Collateral by reason of this Agreement, nor shall the Administrative Agent, the Managing Agents or any Secured Party be obligated to perform any of the obligations or duties of the Borrower thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

Section 6.2 Remedies.

The Administrative Agent (for itself and on behalf of the other Secured Parties) shall have all of the rights and remedies of a secured party under the UCC and other Applicable Law. Upon the occurrence and during the continuance of an Early Termination Event, the Administrative Agent or its designees may (i) deliver a notice of exclusive control to the Collateral Custodian; (ii) instruct the Collateral Custodian to deliver any or all of the Collateral to the Administrative Agent or its designees and otherwise give all instructions and entitlement orders to the Collateral Custodian regarding the Collateral; (iii) require that the Borrower or the Collateral Custodian immediately take action to liquidate the Collateral to pay amounts due and payable in respect of the Obligations; (iv) sell or otherwise dispose of the Collateral in a commercially reasonable manner, all without judicial process or proceedings; (v) take control of the Proceeds of any such Collateral; (vi) exercise any consensual or voting rights in respect of the Collateral; (vii) release, make extensions, discharges, exchanges or substitutions for, or surrender all or any part of the Collateral; (viii) enforce the Borrower's rights and remedies under the Custody Agreement with respect to the Collateral; (ix) institute and prosecute legal and equitable proceedings to enforce collection of, or realize upon, any of the Collateral; (x) remove from the Borrower's, the Servicer's, the Collateral Custodian's and their respective agents' place of business all books, records and documents relating to the Collateral; and/or (xi) endorse the name of the Borrower upon any items of payment relating to the Collateral or upon any proof of claim in bankruptcy against an account debtor. For purposes of taking the actions described in subsections (i) through (xi) of this Section 6.2 the Borrower hereby irrevocably appoints the Administrative Agent as its attorney-in-fact (which appointment being coupled with an interest is irrevocable while any of the Obligations remain unpaid), with power of substitution, in the name of the Administrative Agent or in the name of the Borrower or otherwise, for the use and benefit of the Administrative Agent, but at the cost and expense of the Borrower and without notice to the Borrower; provided that the Administrative Agent hereby agrees to exercise such power only so long as an Early Termination Event shall be continuing. The Administrative Agent and the other Secured Parties agree that the sale of the Collateral shall be conducted in good faith and in accordance with commercially reasonable practices.

Section 6.3 Release of Liens.

(a) If (i) the Borrowing Base Test is met, and (ii) no Early Termination Event or Unmatured Termination Event has occurred and is continuing, at the same time as any Loan that is part of the Collateral expires by its terms and all amounts in respect thereof have been paid by the related Obligor and deposited in the Collection Account, the Administrative Agent as agent for the Secured Parties will, to the extent requested by the Borrower or the Servicer on behalf of the Borrower, release its interest in such Loan and any Supplemental Interests related thereto. In connection with any such release on or after the occurrence of the above, the Administrative Agent, as agent for the Secured Parties, will execute and deliver to the Borrower or the Servicer on behalf of the Borrower any termination statements and any other releases and instruments as the Borrower or the Servicer on behalf of the Borrower may reasonably request in order to effect the release of such Loan and Supplemental Interest; provided that the Administrative Agent as agent for the Secured Parties will make no representation or warranty, express or implied, with respect to any such Loan or Supplemental Interest in connection with such sale or transfer and assignment.

(b) Upon any request for a release of certain Loans in connection with a proposed Discretionary Sale, if, upon application of the proceeds of such transaction in accordance with Section 2.8, the requirements of Section 2.16 shall have been met, the Administrative Agent as agent for the Secured Parties will, to the extent requested by the Borrower or the Servicer on behalf of the Borrower, release its interest in such Loan and any Supplemental Interests related thereto. In connection with any such release on or after the occurrence of the above, the Administrative Agent, as agent for the Secured Parties, will execute and deliver to the Borrower or the Servicer on behalf of the Borrower any termination statements and any other releases and instruments as the Borrower or the Servicer on behalf of the Borrower may reasonably request in order to effect the release of such Loan and Supplemental Interest; provided that the Administrative Agent as agent for the Secured Parties will make no representation or warranty, express or implied, with respect to any such Loan or Supplemental Interest in connection with such sale or transfer and assignment.

(c) Upon receipt by the Administrative Agent of the Proceeds of a repurchase of an Ineligible Loan (as such term is defined in the Purchase Agreement), by the Originator pursuant to the terms of Section 6.1 of the Purchase Agreement, the Administrative Agent, as agent for the Secured Parties, shall be deemed to have automatically released its interest in such Ineligible Loan and any Supplemental Interests related thereto without any further action on its part. In connection with any such release on or after the occurrence of such repurchase, the Administrative Agent, as agent for the Secured Parties, will execute and deliver to the Borrower or the Servicer on behalf of the Borrower any releases and instruments as the Borrower or the Servicer on behalf of the Borrower may reasonably request in order to effect the release of such Ineligible Loan and Supplemental Interest.

(d) Upon receipt by the Administrative Agent of the Proceeds of a purchase of a Transferred Loan by the Servicer pursuant to the terms of Section 7.7, the Administrative Agent, as agent for the Secured Parties, shall be deemed to have automatically released its interest in such Transferred Loan and any Supplemental Interests related thereto without any further action on its part. In connection with any such release on or after the occurrence of such purchase, the Administrative Agent, as agent for the Secured Parties, will execute and deliver to the Borrower

or the Servicer on behalf of the Borrower any releases and instruments as the Borrower or the Servicer on behalf of the Borrower may reasonably request in order to effect the release of such Transferred Loan and Supplemental Interest.

Section 6.4 Assignment of the Purchase Agreement.

The Borrower hereby represents, warrants and confirms to the Administrative Agent that the Borrower has assigned to the Administrative Agent, for the ratable benefit of the Secured Parties hereunder, all of the Borrower's right and title to and interest in the Purchase Agreement. The Borrower confirms that following an Early Termination Event the Administrative Agent shall have the sole right to enforce the Borrower's rights and remedies under the Purchase Agreement for the benefit of the Secured Parties, but without any obligation on the part of the Administrative Agent, the Secured Parties or any of their respective Affiliates to perform any of the obligations of the Borrower under the Purchase Agreement. The Borrower further confirms and agrees that such assignment to the Administrative Agent shall terminate upon the Collection Date; provided, however, that the rights of the Administrative Agent and the Secured Parties pursuant to such assignment with respect to rights and remedies in connection with any indemnities and any breach of any representation, warranty or covenants made by the Originator pursuant to the Purchase Agreement, which rights and remedies survive the Termination of the Purchase Agreement, shall be continuing and shall survive any termination of such assignment.

ARTICLE VII

ADMINISTRATION AND SERVICING OF LOANS

Section 7.1 Appointment of the Servicer.

The Borrower hereby appoints the Servicer to service the Transferred Loans and enforce its respective rights and interests in and under each Transferred Loan in accordance with the terms and conditions of this Article VII and to serve in such capacity until the termination of its responsibilities pursuant to Section 7.18. The Servicer hereby agrees to perform the duties and obligations with respect thereto set forth herein. The Servicer and the Borrower hereby acknowledge that the Administrative Agent and the Secured Parties are third party beneficiaries of the obligations undertaken by the Servicer hereunder.

Section 7.2 Duties and Responsibilities of the Servicer.

(a) The Servicer shall conduct the servicing, administration and collection of the Transferred Loans and shall take, or cause to be taken, all such actions as may be necessary or advisable to service, administer and collect Transferred Loans from time to time on behalf of the Borrower and as the Borrower's agent.

(b) The duties of the Servicer, as the Borrower's agent, shall include, without limitation:

(i) preparing and submitting of claims to, and post-billing liaison with, Obligor on Transferred Loans;

(ii) maintaining all necessary Servicing Records with respect to the Transferred Loans and providing such reports to the Borrower, the Managing Agents and the Administrative Agent in respect of the servicing of the Transferred Loans (including information relating to its performance under this Agreement) as may be required hereunder or as the Borrower, any Managing Agent or the Administrative Agent may reasonably request;

(iii) maintaining and implementing administrative and operating procedures (including, without limitation, an ability to recreate Servicing Records evidencing the Transferred Loans in the event of the destruction of the originals thereof) and keeping and maintaining all documents, books, records and other information reasonably necessary or advisable for the collection of the Transferred Loans (including, without limitation, records adequate to permit the identification of each new Transferred Loan and all Collections of and adjustments to each existing Transferred Loan); provided, however, that any Successor Servicer shall only be required to recreate the Servicing Records of each prior Servicer to the extent such records have been delivered to it in a format reasonably acceptable to such Successor Servicer;

(iv) promptly delivering to the Borrower, any Managing Agent or the Administrative Agent, from time to time, such information and Servicing Records (including information relating to its performance under this Agreement) as the Borrower, such Managing Agent or the Administrative Agent from time to time reasonably request;

(v) identifying each Transferred Loan clearly and unambiguously in its Servicing Records to reflect that such Transferred Loan is owned by the Borrower and pledged to the Administrative Agent;

(vi) complying in all material respects with the Credit and Collection Policy in regard to each Transferred Loan;

(vii) complying in all material respects with all Applicable Laws with respect to it, its business and properties and all Transferred Loans and Collections with respect thereto;

(viii) preserving and maintaining its existence, rights, licenses, franchises and privileges as a corporation in the jurisdiction of its organization, and qualifying and remaining qualified in good standing as a foreign corporation and qualifying to and remaining authorized and licensed to perform obligations as Servicer (including enforcement of collection of Transferred Loans on behalf of the Borrower, Lenders, each Hedge Counterparty and the Collateral Custodian) in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification would materially adversely affect (A) the rights or interests of the Borrower, Lenders, each Hedge Counterparty and the Collateral Custodian in the Transferred Loans, (B) the collectibility of any Transferred Loan, or (C) the ability of the Servicer to perform its obligations hereunder; and

(ix) notifying the Borrower, each Managing Agent and the Administrative Agent of any material action, suit, proceeding, dispute, offset, deduction, defense or counterclaim that is or is threatened to be (1) asserted by an Obligor with respect to any Transferred Loan; or (2) reasonably expected to have a Material Adverse Effect; and

(c) The Borrower and Servicer hereby acknowledge that the Secured Parties, the Administrative Agent and the Collateral Custodian shall not have any obligation or liability with respect to any Transferred Loans, nor shall any of them be obligated to perform any of the obligations of the Servicer hereunder.

Section 7.3 Authorization of the Servicer.

(a) Each of the Borrower, each Managing Agent, on behalf of itself and the related Lenders, the Administrative Agent and each Hedge Counterparty hereby authorizes the Servicer (including any successor thereto) to take any and all reasonable steps in its name and on its behalf necessary or desirable and not inconsistent with the pledge of the Transferred Loans to the Lender, each Hedge Counterparty, and the Collateral Custodian, in the determination of the Servicer, to collect all amounts due under any and all Transferred Loans, including, without limitation, endorsing any of their names on checks and other instruments representing Collections, executing and delivering any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments, with respect to the Transferred Loans and, after the delinquency of any Transferred Loan and to the extent permitted under and in compliance with Applicable Law, to commence proceedings with respect to enforcing payment thereof, to the same extent as the Originator could have done if it had continued to own such Loan; provided, however, that the Servicer may not execute any document in the name of, or which imposes any direct obligation on, any Lender. The Borrower shall furnish the Servicer (and any successors thereto) with any powers of attorney and other documents necessary or appropriate to enable the Servicer to carry out its servicing and administrative duties hereunder, and shall cooperate with the Servicer to the fullest extent in order to ensure the collectibility of the Transferred Loans. In no event shall the Servicer be entitled to make the Borrower, any Lender, any Managing Agent, any Hedge Counterparty, the Collateral Custodian or the Administrative Agent a party to any litigation without such party's express prior written consent, or to make the Borrower a party to any litigation (other than any routine foreclosure or similar collection procedure) without the Administrative Agent's consent.

(b) After an Early Termination Event has occurred and is continuing, at the Administrative Agent's direction, the Servicer shall take such action as the Administrative Agent may deem necessary or advisable to enforce collection of the Transferred Loans; provided, however, that the Administrative Agent may, at any time that an Early Termination Event has occurred and is continuing, notify any Obligor with respect to any Transferred Loans of the assignment of such Transferred Loans to the Administrative Agent and direct that payments of all amounts due or to become due to the Borrower thereunder be made directly to the Administrative Agent or any servicer, collection agent or lock-box or other account designated by the Administrative Agent and, upon such notification and at the expense of the Borrower, the Administrative Agent may enforce collection of any such Transferred Loans and adjust, settle or compromise the amount or payment thereof. The Administrative Agent shall give written notice to any Successor Servicer of the Administrative Agent's actions or directions pursuant to this

Section 7.3(b), and no Successor Servicer shall take any actions pursuant to this Section 7.3(b) that are outside of its Credit and Collection Policy.

Section 7.4 Collection of Payments.

(a) Collection Efforts, Modification of Loans. The Servicer will make reasonable efforts to collect all payments called for under the terms and provisions of the Transferred Loans as and when the same become due, and will follow those collection procedures which it follows with respect to all comparable Loans that it services for itself or others. The Servicer may not waive, modify or otherwise vary any provision of a Transferred Loan, except as may be in accordance with the provisions of the Credit and Collection Policy, including the waiver of any late payment charge or any other fees that may be collected in the ordinary course of servicing any Transferred Loan.

(b) Acceleration. The Servicer shall accelerate the maturity of all or any Scheduled Payments under any Transferred Loan under which a default under the terms thereof has occurred and is continuing (after the lapse of any applicable grace period) promptly after such Loan becomes a Defaulted Loan or such earlier or later time as is consistent with the Credit and Collection Policy.

(c) Taxes and other Amounts. To the extent provided for in any Transferred Loan, the Servicer will use its best efforts to collect all payments with respect to amounts due for taxes, assessments and insurance premiums relating to such Transferred Loans or the Related Property and remit such amounts to the appropriate Governmental Authority or insurer on or prior to the date such payments are due.

(d) Payments to Lock-Box Account. On or before the Closing Date, the Servicer shall have instructed all Obligor to make all payments in respect of Transferred Loans to a Lock-Box or directly to a Lock-Box Account or the Collection Account.

(e) Establishment of the Collection Account. The Borrower or the Servicer on its behalf shall cause to be established, on or before the Closing Date, and maintained in the name of the Borrower and assigned to the Administrative Agent as agent for the Secured Parties, with an office or branch of a depository institution or trust company organized under the laws of the United States or any one of the States thereof or the District of Columbia (or any domestic branch of a foreign bank) a segregated corporate trust account (the "Collection Account") for the purpose of receiving Collections from the Collateral; provided, however, that at all times such trust account shall be maintained with (i) the Administrative Agent or (ii) a Qualified Institution.

(f) Adjustments. If (i) the Servicer makes a deposit into the Collection Account in respect of a Collection of a Loan in the Collateral and such Collection was received by the Servicer in the form of a check that is not honored for any reason or (ii) the Servicer makes a mistake with respect to the amount of any Collection and deposits an amount that is less than or more than the actual amount of such Collection, the Servicer shall appropriately adjust the amount subsequently deposited into the Collection Account to reflect such dishonored check or mistake. Any Scheduled Payment in respect of which a dishonored check is received shall be deemed not to have been paid.

Section 7.5 Servicer Advances.

For each Settlement Period, if the Servicer determines that any Scheduled Payment (or portion thereof) that was due and payable pursuant to a Loan included in the Collateral during such Settlement Period was not received prior to the end of such Settlement Period, the Servicer may, but shall not be obligated to, make an advance in an amount up to the amount of such delinquent Scheduled Payment (or portion thereof) to the extent that the Servicer reasonably expects to be reimbursed for such advance; in addition, if on any day there are not sufficient funds on deposit in the Collection Account to pay accrued Interest on any Advance the Settlement Period of which ends on such day, the Servicer may make an advance in the amount necessary to pay such Interest (in either case, any such advance, a “Servicer Advance”). Notwithstanding the preceding sentence, any Successor Servicer will not be obligated to make any Servicer Advances. The Servicer will deposit any Servicer Advances into the Collection Account on or prior to 1:00 p.m. (New York, New York time) on the related Payment Date, in immediately available funds.

Section 7.6 Realization Upon Defaulted Loans or Charged-Off Loans.

The Servicer will use reasonable efforts to repossess or otherwise comparably convert the ownership of any Related Property with respect to a Defaulted Loan or Charged-Off Loan and will act as sales and processing agent for Related Property that it repossesses. The Servicer will follow the practices and procedures set forth in the Credit and Collection Policy in order to realize upon such Related Property. Without limiting the foregoing, the Servicer may sell any such Related Property with respect to any Defaulted Loan or Charged-Off Loan to the Servicer or its Affiliates for a purchase price equal to the then fair market value thereof; any such sale to be evidenced by a certificate of a Responsible Officer of the Servicer delivered to the Administrative Agent identifying the Defaulted Loan or Charged-Off Loan and the Related Property, setting forth the sale price of the Related Property and certifying that such sale price is the fair market value of such Related Property. In any case in which any such Related Property has suffered damage, the Servicer will not expend funds in connection with any repair or toward the repossession of such Related Property unless it reasonably determines that such repair and/or repossession will increase the Recoveries by an amount greater than the amount of such expenses. The Servicer will remit to the Collection Account the Recoveries received in connection with the sale or disposition of Related Property with respect to a Defaulted Loan or Charged-Off Loan.

Section 7.7 Optional Repurchase of Transferred Loans.

(a) The Servicer may, at any time, notify the Borrower and the Administrative Agent that it (or its assignee) is requesting to purchase any Transferred Loan with respect to which the Borrower or any Affiliate of the Borrower has received notice of the related Obligor’s intention to prepay such Transferred Loan in full within a period of not more than sixty (60) days from the date of such notification.

(b) Either of the Originator or the Servicer (or its assignee) may, at its sole option, with respect to any Transferred Loan that it determines, in the exercise of its reasonable discretion, will likely become a Defaulted Loan or a Charged-Off Loan, or that has become a Defaulted Loan or a Charged-Off Loan, notify the Borrower and the Administrative Agent that it is requesting to purchase each such Transferred Loan.

(c) The Servicer (or its assignee) may request purchase of a Transferred Loan pursuant to paragraph (a) or (b) above, and the Originator may request purchase of a Transferred Loan pursuant to paragraph (b) above, by providing five (5) Business Days' prior written notice to Borrower and the Administrative Agent. The Borrower may agree to such purchase with the consent of the Administrative Agent (which consent shall not be unreasonably withheld). With respect to any such purchase of a Transferred Loan, the party providing the required written notice shall, on the date of purchase, either (i) remit to the Borrower in immediately available funds an amount equal to the Repurchase Price therefor or (ii) in the case of a purchase of a Transferred Loan by the Originator, cause an entry to be made in the books of the Borrower to show a reduction in the Originator's equity investment in the Borrower by an amount equal to the Repurchase Price for such Transferred Loan. Upon each purchase of a Transferred Loan pursuant to this Section 7.7, the Borrower shall automatically and without further action be deemed to transfer, assign and set-over to the purchaser thereof all the right, title and interest of the Borrower in, to and under such Transferred Loan and all monies due or to become due with respect thereto, all proceeds thereof and all rights to security for any such Transferred Loan, and all proceeds and products of the foregoing, free and clear of any Lien created pursuant to this Agreement, all of the Borrower's right, title and interest in such Transferred Loan, including any related Supplemental Interests. Each Lender shall receive five (5) Business Days' notice of any repurchase that results in a prepayment of all or a portion of any Advance.

(d) The Borrower shall, at the sole expense of the party purchasing any Transferred Loan, execute such documents and instruments of transfer as may be prepared by such party and take such other actions as shall reasonably be requested by such party to effect the transfer of the related Transferred Loan pursuant to this Section 7.7.

Section 7.8 Representations and Warranties of the Servicer.

The initial Servicer, and any Successor Servicer (*mutatis mutandis*), hereby represents and warrants as follows:

(a) Organization and Good Standing. The Servicer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation with all requisite corporate power and authority to own its properties and to conduct its business as presently conducted and to enter into and perform its obligations pursuant to this Agreement.

(b) Due Qualification. The Servicer is qualified to do business as a corporation, is in good standing, and has obtained all licenses and approvals as required under the laws of all jurisdictions in which the ownership or lease of its property and or the conduct of its business (other than the performance of its obligations hereunder) requires such qualification, standing, license or approval, except to the extent that the failure to so qualify, maintain such standing or be so licensed or approved would not have an adverse effect on the interests of the Borrower or of the Lenders. The Servicer is qualified to do business as a corporation, is in good standing, and has obtained all licenses and approvals as required under the laws of all states in which the performance of its obligations pursuant to this Agreement requires such qualification, standing, license or approval and where the failure to qualify or obtain such license or approval would have a material adverse effect on its ability to perform hereunder.

(c) Power and Authority. The Servicer has the corporate power and authority to execute and deliver this Agreement and to carry out its terms. The Servicer has duly authorized the execution, delivery and performance of this Agreement by all requisite corporate action.

(d) No Violation. The consummation of the transactions contemplated by, and the fulfillment of the terms of, this Agreement by the Servicer (with or without notice or lapse of time) will not (i) conflict with, result in any breach of any of the terms or provisions of, or constitute a default under, the articles of incorporation or by-laws of the Servicer, or any Contractual Obligation to which the Servicer is a party or by which it or any of its property is bound, (ii) result in the creation or imposition of any Adverse Claim upon any of its properties pursuant to the terms of any such Contractual Obligation (other than this Agreement), or (iii) violate any Applicable Law.

(e) No Consent. No consent, approval, authorization, order, registration, filing, qualification, license or permit of or with any Governmental Authority having jurisdiction over the Servicer or any of its properties is required to be obtained by or with respect to the Servicer in order for the Servicer to enter into this Agreement or perform its obligations hereunder.

(f) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the Servicer, enforceable against the Servicer in accordance with its terms, except as such enforceability may be limited by (i) applicable Insolvency Laws and (ii) general principles of equity (whether considered in a suit at law or in equity).

(g) No Proceeding. There are no proceedings or investigations pending or threatened against the Servicer, before any Governmental Authority (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or (iii) seeking any determination or ruling that might (in the reasonable judgment of the Servicer) have a Material Adverse Effect.

(h) Reports Accurate. All Servicer Certificates, Monthly Reports, information, exhibits, financial statements, documents, books, Servicer Records or other reports furnished or to be furnished by the Servicer to the Administrative Agent or a Lender in connection with this Agreement are and will be accurate, true and correct in all material respects.

Section 7.9 Covenants of the Servicer.

The Servicer hereby covenants that:

(a) Compliance with Law. The Servicer will comply in all material respects with all Applicable Laws, including those with respect to the Transferred Loans and Related Property and Loan Documents or any part thereof.

(b) Preservation of Corporate Existence. The Servicer will preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its formation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect.

(c) Obligations with Respect to Loans. The Servicer will duly fulfill and comply with all material obligations on the part of the Borrower to be fulfilled or complied with under or in connection with each Loan and will do nothing to impair the rights of the Borrower or the Administrative Agent as agent for the Secured Parties or of the Secured Parties in, to and under the Collateral.

(d) Preservation of Security Interest. The Servicer on behalf of the Borrower will execute and file (or cause the execution and filing of) such financing and continuation statements and any other documents that may be required by any law or regulation of any Governmental Authority to preserve and protect fully the interest of the Administrative Agent as agent for the Secured Parties in, to and under the Collateral.

(e) Enforcement of Rights. The Servicer shall not permit any Person appointed by it to a position of control with respect to the Obligor of a Transferred Loan to take or permit to be taken (to the extent within his or her control) any action which shall have (i) caused an equitable subordination of such Transferred Loan to another allowed claim under Section 510(c) of the Bankruptcy Code and (ii) resulted in a loss to the Lenders that is not fully satisfied by or through the assertion of all available claims against the Borrower and through the liquidation of all available Collateral. Each of the parties agrees that under no circumstance shall a violation of this covenant give rise to a recourse obligation of the Servicer.

(f) Change of Name or Jurisdiction; Records. The Servicer (i) shall not change its name or jurisdiction of incorporation, without 30 days' prior written notice to the Borrower and the Administrative Agent, and (ii) shall not move, or consent to the Collateral Custodian moving, the Loan Documents relating to the Transferred Loans without 30 days' prior written notice to the Borrower and the Administrative Agent and, in either case, will promptly take all actions required of each relevant jurisdiction in order to continue the first priority perfected security interest of the Administrative Agent as agent for the Secured Parties on all collateral, and such other actions as the Administrative Agent may reasonably request, including but not limited to delivery of an Opinion of Counsel.

(g) Credit and Collection Policy. The Servicer will (i) comply in all material respects with the Credit and Collection Policy in regard to each Transferred Loan and the Related Property, and in regard to compliance with the Loan Documents, including determinations with respect to the enforcement of the Borrower's rights thereunder and (ii) furnish to each Managing Agent and the Administrative Agent, at least 20 days prior to its proposed effective date, prompt notice of any material change in the Credit and Collection Policy. The Servicer will not agree or otherwise permit to occur any material change in the Credit and Collection Policy, which change would impair the collectibility of any Transferred Loan or otherwise adversely affect the interests or remedies of the Administrative Agent or the Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Required Lenders (in their sole discretion).

(h) Early Termination Events. The Servicer will furnish to each Managing Agent and the Administrative Agent, as soon as possible and in any event within three (3) Business Days after the occurrence of each Early Termination Event or Unmatured Termination Event, a written

statement setting forth the details of such event and the action that the Servicer proposes to take with respect thereto.

(i) Extension or Amendment of Loans. The Servicer will not, except as otherwise permitted in Section 7.4(a), extend, amend or otherwise modify the terms of any Transferred Loan.

(j) Other. The Servicer will furnish to the Borrower, any Managing Agent and the Administrative Agent such other information, documents records or reports respecting the Transferred Loans or the condition or operations, financial or otherwise of the Servicer as the Borrower, such Managing Agent or the Administrative Agent may from time to time reasonably request in order to protect the respective interests of the Borrower, such Managing Agent, the Administrative Agent or the Secured Parties under or as contemplated by this Agreement.

Section 7.10 Payment of Certain Expenses by Servicer.

The Servicer, so long as it is an Affiliate of the Borrower, will be required to pay all expenses incurred by it in connection with its activities under this Agreement, including fees and disbursements of legal counsel and independent accountants, Taxes imposed on the Servicer, expenses incurred in connection with payments and reports pursuant to this Agreement, and all other fees and expenses not expressly stated under this Agreement for the account of the Borrower. In consideration for the payment by the Borrower of the Servicing Fee, the Servicer will be required to pay all reasonable fees and expenses owing to any bank or trust company in connection with the maintenance of the Collection Account, the Backup Servicer Fee pursuant to the Backup Servicing Agreement and the Collateral Custodian Fee pursuant to the Custody Agreement. The Servicer shall be required to pay such expenses for its own account and shall not be entitled to any payment therefor other than the Servicing Fee.

Section 7.11 Reports.

(a) Monthly Report. With respect to each Determination Date and the related Settlement Period, the Servicer will provide to the Borrower, the Backup Servicer, each Managing Agent and the Administrative Agent, on the related Reporting Date, a monthly statement (a "Monthly Report") signed by a Responsible Officer of the Servicer and substantially in the form of Exhibit E. Except as otherwise set forth in the Backup Servicing Agreement, the Backup Servicer shall have no obligation to review any information in the Monthly Report.

(b) Servicer Certificate. Together with each Monthly Report, the Servicer shall submit to the Borrower, the Backup Servicer, each Managing Agent and the Administrative Agent a certificate (a "Servicer's Certificate"), signed by a Responsible Officer of the Servicer and substantially in the form of Exhibit E, which may be incorporated in the Servicer Report. Except as otherwise set forth in the Backup Servicing Agreement, the Backup Servicer shall have no obligation to review any information in the Servicer Certificate.

(c) Annual Reporting. The Servicer shall deliver, within 180 days after the close of each of its respective fiscal years, audited, unqualified financial statements (which shall include balance sheets, statements of income and retained earnings and a statement of cash flow) for such fiscal year certified in a manner acceptable to the Administrative Agent by independent public

accountants acceptable to the Administrative Agent. The provisions of this paragraph (c) shall not apply to any Successor Servicer, including the Backup Servicer.

(d) Quarterly Reporting. The Servicer shall deliver, within 45 days after the close of each quarterly period of each of its respective fiscal years, balance sheets as at the close of each such period and statements of income and retained earnings and a statement of cash flow for the period from the beginning of such fiscal year to the end of such quarter, all certified by its respective chief financial officer. The provisions of this paragraph (d) shall not apply to any Successor Servicer, including the Backup Servicer.

(e) Reserved.

(f) Quarterly Valuation Reports. The Borrower will within ten Business Days after the filing of the Originator's quarterly report on Form 10-Q or annual report on Form 10-K, as applicable (but in any event, not less than once per calendar quarter), submit to each Managing Agent and the Administrative Agent a report showing the price quotes obtained from an Approved Valuation Service for the Transferred Loans, as applicable ("Quarterly Valuation Reports"). Except as otherwise set forth in the Backup Servicing Agreement, the Backup Servicer shall have no duty to review any of the financial information set forth in such Quarterly Valuation Reports.

(g) Financial Statements of the Originator and Borrower. The Borrower and Originator will submit to the Backup Servicer, each Managing Agent and the Administrative Agent, (i) within 45 days after the close of each quarterly period of each respective fiscal year, unaudited consolidating financial statements for such quarterly period, and (ii) within 90 days after the close of each respective fiscal year, unaudited consolidating financial statements for such fiscal year.

Section 7.12 Annual Statement as to Compliance.

The Servicer will provide to the Borrower, each Managing Agent, the Administrative Agent, and the Backup Servicer, within 90 days following the end of each fiscal year of the Servicer, commencing with the fiscal year ending on June 30, 2013, an annual report signed by a Responsible Officer of the Servicer certifying that (a) a review of the activities of the Servicer, and the Servicer's performance pursuant to this Agreement, for the period ending on the last day of such fiscal year has been made under such Person's supervision and (b) the Servicer has performed or has caused to be performed in all material respects all of its obligations under this Agreement throughout such year and no Servicer Termination Event has occurred and is continuing (or if a Servicer Termination Event has so occurred and is continuing, specifying each such event, the nature and status thereof and the steps necessary to remedy such event, and, if a Servicer Termination Event occurred during such year and no notice thereof has been given to the Administrative Agent, specifying such Servicer Termination Event and the steps taken to remedy such event).

Section 7.13 Limitation on Liability of the Servicer and Others.

Except as provided herein, neither the Servicer (including any Successor Servicer) nor any of the directors or officers or employees or agents of the Servicer shall be under any liability to the Borrower, the Administrative Agent, the Lenders or any other Person for any action taken or

for refraining from the taking of any action expressly provided for in this Agreement; provided, however, that this provision shall not protect the Servicer or any such Person against any liability that would otherwise be imposed by reason of its willful misfeasance, bad faith or gross negligence in the performance of duties or by reason of its willful misconduct hereunder.

The Servicer shall not be under any obligation to appear in, prosecute or defend any legal action that is not incidental to its duties to service the Transferred Loans in accordance with this Agreement that in its reasonable opinion may involve it in any expense or liability. The Servicer may, in its sole discretion, undertake any legal action relating to the servicing, collection or administration of Transferred Loans and the Related Property that it may reasonably deem necessary or appropriate for the benefit of the Borrower and the Secured Parties with respect to this Agreement and the rights and duties of the parties hereto and the respective interests of the Borrower and the Secured Parties hereunder.

Section 7.14 The Servicer Not to Resign.

The Servicer shall not resign from the obligations and duties hereby imposed on it except upon its determination that (i) the performance of its duties hereunder is or becomes impermissible under Applicable Law and (ii) there is no reasonable action that it could take to make the performance of its duties hereunder permissible under Applicable Law. Any such determination permitting the resignation of the Servicer shall be evidenced as to clause (i) above by an Opinion of Counsel to such effect delivered to the Borrower and the Administrative Agent. No such resignation shall become effective until a Successor Servicer shall have assumed the responsibilities and obligations of the Servicer in according with the terms of this Agreement.

Section 7.15 Access to Certain Documentation and Information Regarding the Loans.

The Borrower or the Servicer, as applicable, shall provide to the Administrative Agent and each Managing Agent access to the Loan Documents and all other documentation regarding the Transferred Loans and the Related Property, such access being afforded without charge but only (i) upon reasonable prior notice, (ii) during normal business hours and (iii) subject to the Servicer's normal security and confidentiality procedures. From and after (x) the Effective Date and periodically thereafter at the discretion of the Administrative Agent (but in no event limited to fewer than twice per calendar year), the Administrative Agent, on behalf of and with the input of each Managing Agent, may review the Borrower's and the Servicer's collection and administration of the Loans in order to assess compliance by the Servicer with the Servicer's written policies and procedures, as well as with this Agreement and may conduct an audit of the Transferred Loans, Loan Documents and Records in conjunction with such a review, which audit shall be reasonable in scope and shall be completed in a reasonable period of time and (y) the occurrence, and during the continuation of an Early Termination Event, the Administrative Agent and each Managing Agent may review the Borrower's and the Servicer's collection and administration of the Transferred Loans in order to assess compliance by the Servicer with the Servicer's written policies and procedures, as well as with this Agreement, which review shall not be limited in scope or frequency, nor restricted in period. The Administrative Agent may also conduct an audit (as such term is used in clause (x) of this Section 7.15) of the Transferred Loans, Loan Documents

and Records in conjunction with such a review. The Borrower shall bear the cost of such reviews and audits.

Section 7.16 Merger or Consolidation of the Servicer.

The Servicer shall not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person unless:

(i) the Person formed by such consolidation or into which the Servicer is merged or the Person that acquires by conveyance or transfer the properties and assets of the Servicer substantially as an entirety shall be, if the Servicer is not the surviving entity, organized and existing under the laws of the United States or any State or the District of Columbia and shall expressly assume, by an agreement supplemental hereto, executed and delivered to the Borrower and the Administrative Agent in form satisfactory to the Borrower and the Administrative Agent, the performance of every covenant and obligation of the Servicer hereunder (to the extent that any right, covenant or obligation of the Servicer, as applicable hereunder, is inapplicable to the successor entity, such successor entity shall be subject to such covenant or obligation, or benefit from such right, as would apply, to the extent practicable, to such successor entity);

(ii) the Servicer shall have delivered to the Borrower and the Administrative Agent an Officer's Certificate that such consolidation, merger, conveyance or transfer and such supplemental agreement comply with this Section 7.16 and that all conditions precedent herein provided for relating to such transaction have been complied with and an Opinion of Counsel that such supplemental agreement is legal, valid and binding with respect to the successor entity and that the entity surviving such consolidation, conveyance or transfer is organized and existing under the laws of the United States or any State or the District of Columbia. The Borrower and the Administrative Agent shall receive prompt written notice of such merger or consolidation of the Servicer; and

(iii) after giving effect thereto, no Early Termination Event, Unmatured Termination Event or Servicer Termination Event shall have occurred.

Section 7.17 Identification of Records.

The Servicer shall clearly and unambiguously identify each Loan that is part of the Collateral and the Related Property in its computer or other records to reflect that the interest in such Loans and Related Property have been transferred to and are owned by the Borrower and that the Administrative Agent has the interest therein granted by Borrower pursuant to this Agreement.

Section 7.18 Servicer Termination Events.

If any one of the following events (a "Servicer Termination Event") shall occur and be continuing on any day:

(i) any failure by the Servicer to make any payment, transfer or deposit as required by this Agreement and such failure shall continue for two (2) Business Days;

(ii) any failure by the Servicer to give instructions or notice to the Borrower, any Managing Agent and/or the Administrative Agent as required by this Agreement or to deliver any Required Reports hereunder on or before the date occurring two Business Days after the date such instructions, notice or report is required to be made or given, as the case may be, under the terms of this Agreement;

(iii) any failure on the part of the Servicer duly to observe or perform in any material respect any other covenants or agreements of the Servicer set forth in this Agreement or any other Transaction Document to which it is a party as Servicer that continues unremedied for a period of fifteen (15) days after the first to occur of (A) the date on which written notice of such failure requiring the same to be remedied shall have been given to the Servicer by the Administrative Agent, any Managing Agent or the Borrower and (B) the date on which the Servicer becomes or reasonably should have become aware thereof;

(iv) any representation, warranty or certification made by the Servicer in this Agreement or in any certificate delivered pursuant to this Agreement shall prove to have been false or incorrect in any material respect when made and such failure, if susceptible to a cure, shall continue unremedied for a period of fifteen (15) days after the first to occur of (i) the date on which written notice of such failure requiring the same to be remedied shall have been given to the Servicer by the Administrative Agent, any Managing Agent or the Borrower and (ii) the date on which the Servicer becomes or reasonably should have become aware thereof;

(v) the Servicer shall fail to service the Transferred Loans in accordance with the Credit and Collection Policy;

(vi) an Insolvency Event shall occur with respect to the Servicer;

(vii) the Servicer agrees to materially alter the Credit and Collection Policy without the prior written consent of the Required Lenders;

(viii) any financial or asset information reasonably requested by the Administrative Agent or any Managing Agent as provided herein is not provided as requested within five (5) Business Days (or such longer period as the Administrative Agent or such Managing Agent may consent to) of the receipt by the Servicer of such request;

(ix) the rendering against the Servicer of a final judgment, decree or order for the payment of money in excess of U.S. \$5,000,000 (individually or in the aggregate) and the continuance of such judgment, decree or order unsatisfied and in effect for any period of 30 consecutive days without a stay of execution;

(x) the failure of the Performance Guarantor to make any payment due with respect to aggregate recourse debt or other obligations with an aggregate principal amount exceeding U.S. \$1,000,000 or the occurrence of any event or condition that would permit acceleration of such recourse debt or other obligations if such event or condition has not been waived;

(xi) any Guarantor Event of Default shall occur;

(xii) any Material Adverse Change occurs in the financial condition of the Servicer or a material adverse change occurs with regard to the collectibility of the Transferred Loans, taken as a whole;

(xiii) any Change-in-Control of the Servicer is made without the prior written consent of the Borrower and the Administrative Agent, other than a Change-in-Control of the Servicer that is a result of transfer to a Permitted Holder;

(xiv) the Performance Guarantor shall fail to maintain a minimum Net Worth equal to the sum of (i) \$210,000,000 plus (ii) 50% of any equity and Subordinated Debt issued by the Performance Guarantor after the Amendment No. 2 Effective Date minus (iii) 50% of any equity and Subordinated Debt retired or redeemed by the Performance Guarantor after the Amendment No. 2 Effective Date; provided that, in no event shall the minimum Net Worth be less than \$210,000,000;

(xv) the Performance Guarantor shall fail to satisfy the RIC/BDC Requirements;

(xvi) the Performance Guarantor shall fail to maintain “asset coverage” (as defined in and determined pursuant to Section 18 of the 1940 Act, as modified by Section 61 of the 1940 Act) with respect to its “senior securities representing indebtedness” (as defined in Section 18 of the 1940 Act) of at least 150% (or such percentage as may be set forth in Section 18 of the 1940 Act, as modified by Section 61 of the 1940 Act); provided, that for purposes of testing compliance with this Section 7.18(xvi) the impact of the election of ASC 825 or similar accounting guideline with respect to determining the fair value of the debt of the Performance Guarantor on a consolidated basis shall be excluded (for avoidance of doubt, the intent of this language is to cause the debt of the Performance Guarantor to be valued at par value rather than fair value)); or

(xvii) the Performance Guarantor shall pay any cash dividends; provided that the Performance Guarantor shall be permitted to pay cash dividends if the Servicer shall have caused the Performance Guarantor to have delivered a certificate to the Administrative Agent, substantially in the form of Exhibit G hereto, at least 10 Business Days prior to the making of any such cash dividend to the effect that:

(A) the amount of the declared dividend has been determined in good faith by the Board of Directors of the Performance Guarantor on the basis of the most current financial projections of the Performance Guarantor then available for the Related Period (as defined in Exhibit G hereof);

(B) the amount of the declared dividend does not exceed the sum of (i) the net investment income and the net capital gain projected to be realized by the Performance Guarantor for the Related Period based on the financial projections referred to in clause (A) above, and (ii) the amounts deemed by the Performance Guarantor to be considered as having been paid during the prior year in accordance

with Section 855(a) of the Code (together clauses (i) and (ii) comprising the “Projected Available Amount”); and

(C) to the extent the declared dividend referred to in clause (B) above exceeds the sum of (i) the net investment income and the net capital gain actually realized by the Performance Guarantor for the Related Period, plus (ii) the amounts deemed by the Performance Guarantor to be considered as having been paid during the prior year in accordance with Section 855(a) of the Code (the “Excess Payment”); then the proposed dividend to be declared by the Performance Guarantor for the immediately ensuing Related Period shall be reduced by any positive amount resulting from the following calculation: (x) the ensuing Related Period’s proposed declared dividend plus the Excess Payment minus (y) the ensuing Related Period’s Projected Available Amount;

then, notwithstanding anything herein to the contrary, so long as any such Servicer Termination Events shall not have been remedied at the expiration of any applicable cure period, the Administrative Agent may, or at the direction of the Required Lenders shall, by written notice to the Servicer and the Backup Servicer (a “Termination Notice”), subject to the provisions of Section 7.19, either (i) terminate all of the rights and obligations of the Servicer as Servicer under this Agreement or (ii) terminate all of the rights and obligations of the Servicer as Servicer under this Agreement and simultaneously reappoint the Servicer for a period not to exceed one month (subject to renewal at the sole discretion of the Administrative Agent, acting at the direction of the Required Lenders), at the expiration of which appointment the Servicer’s rights and obligations hereunder shall automatically terminate without further action on the part of any party hereto. The Borrower shall pay all reasonable set-up and conversion costs associated with the transfer of servicing rights to the Successor Servicer.

Section 7.19 Appointment of Successor Servicer.

(a) On and after the receipt by the Servicer of a Termination Notice pursuant to Section 7.18, the Servicer shall continue to perform all servicing functions under this Agreement until the date specified in the Termination Notice or otherwise specified by the Administrative Agent, to the Servicer and the Backup Servicer in writing. The Administrative Agent may at the time described in the immediately preceding sentence in its sole discretion, appoint the Backup Servicer as the Servicer hereunder, and the Backup Servicer shall within seven (7) days assume all obligations of the Servicer hereunder, and all authority and power of the Servicer under this Agreement shall pass to and be vested in the Backup Servicer; provided, however, that any Successor Servicer (including, without limitation, the Backup Servicer) shall not (i) be responsible or liable for any past actions or omissions of the outgoing Servicer or (ii) be obligated to make Servicer Advances. The Administrative Agent may appoint (i) the Backup Servicer as successor servicer, or (ii) if the Administrative Agent does not so appoint the Backup Servicer, there is no Backup Servicer or the Backup Servicer is unwilling or unable to assume such obligations on such date, the Administrative Agent shall as promptly as possible appoint an alternate successor servicer to act as Servicer (in each such case, the “Successor Servicer”), and such Successor Servicer shall accept its appointment by a written assumption in a form acceptable to the Administrative Agent.

(b) Upon its appointment as Successor Servicer, the Backup Servicer (subject to Section 7.19(a)) or the alternate successor servicer, as applicable, shall be the successor in all respects to the Servicer with respect to servicing functions under this Agreement, shall assume all Servicing Duties hereunder and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Servicer by the terms and provisions hereof, and all references in this Agreement to the Servicer shall be deemed to refer to the Backup Servicer or the Successor Servicer, as applicable. Any Successor Servicer shall be entitled, with the prior consent of the Administrative Agent, to appoint agents to provide some or all of its duties hereunder, provided that no such appointment shall relieve such Successor Servicer of the duties and obligations of the Successor Servicer pursuant to the terms hereof and that any such subcontract may be terminated upon the occurrence of a Servicer Termination Event.

(c) All authority and power granted to the Servicer under this Agreement shall automatically cease and terminate upon termination of the Servicer under this Agreement and shall pass to and be vested in the Successor Servicer, and, without limitation, the Successor Servicer is hereby authorized and empowered to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, all documents and other instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such transfer of servicing rights. The Servicer agrees to cooperate with the Successor Servicer in effecting the termination of the responsibilities and rights of the Servicer to conduct servicing on the Collateral.

(d) Upon the Backup Servicer receiving notice that it is required to serve as the Successor Servicer hereunder pursuant to the foregoing provisions of this Section 7.19, the Backup Servicer will promptly begin the transition to its role as Successor Servicer.

(e) The Backup Servicer shall be entitled to receive its Transition Costs incurred in transitioning to Servicer.

Section 7.20 Market Servicing Fee.

Notwithstanding anything to the contrary herein, in the event that a Successor Servicer is appointed Servicer, the Servicing Fee shall equal the market rate for comparable servicing duties to be fixed upon the date of such appointment by such Successor Servicer with the consent of the Administrative Agent (the "Market Servicing Fee").

ARTICLE VIII

EARLY TERMINATION EVENTS

Section 8.1 Early Termination Events.

If any of the following events (each, an "Early Termination Event") shall occur and be continuing:

(a) the Borrower shall fail to (i) make payment of any amount required to be made under the terms of this Agreement and such failure shall continue for more than two (2) Business Days; or (ii) repay all Advances Outstanding on or prior to the Maturity Date; or

(b) the Borrowing Base Test shall not be met, and such failure shall continue for more than two (2) Business Days; or

(c) (i) the Borrower shall fail to perform or observe in any material respect any other covenant or other agreement of the Borrower set forth in this Agreement and any other Transaction Document to which it is a party, or (ii) the Originator shall fail to perform or observe in any material respect any term, covenant or agreement of such Originator set forth in any other Transaction Document to which it is a party, in each case when such failure continues unremedied for more than fifteen (15) days after the first to occur of (i) the date on which written notice of such failure requiring the same to be remedied shall have been given to such Person by the Administrative Agent, any Managing Agent or the Collateral Custodian and (ii) the date on which such Person becomes or should have become aware thereof; or

(d) any representation or warranty made or deemed made hereunder shall prove to be incorrect in any material respect as of the time when the same shall have been made; or

(e) an Insolvency Event shall occur with respect to the Borrower or the Originator; or

(f) a Servicer Termination Event occurs; or

(g) any Change-in-Control of the Borrower or Originator occurs; or

(h) the Borrower or the Servicer defaults in making any payment required to be made under any material agreement for borrowed money to which either is a party and such default is not cured within the relevant cure period; or

(i) the Administrative Agent, as agent for the Secured Parties, shall fail for any reason to have a valid and perfected first priority security interest in any of the Collateral; or

(j) (i) a final judgment for the payment of money in excess of (A) \$10,000,000.00 shall have been rendered against the Originator or (B) \$500,000 against the Borrower by a court of competent jurisdiction and, if such judgment relates to the Originator, such judgment, decree or order shall continue unsatisfied and in effect for any period of 30 consecutive days without a stay of execution, or (ii) the Originator or the Borrower, as the case may be, shall have made payments of amounts in excess of \$10,000,000.00 or \$500,000 respectively, in settlement of any litigation; or

(k) the Borrower or the Servicer agrees or consents to, or otherwise permits to occur, any amendment, modification, change, supplement or recession of or to the Credit and Collection Policy in whole or in part that could have a material adverse effect upon the Transferred Loans or interest of any Lender, without the prior written consent of the Required Lenders; or

(l) a Key Man Event occurs; or

(m) on any Determination Date, the Portfolio Yield does not equal or exceed 7.0% on and such failure continues on the next succeeding Determination Date; or

(n) the Rolling Three-Month Default Ratio shall exceed 7.5%; or

- (o) the Rolling Three-Month Charged-Off Ratio shall exceed 5.0%; or
- (p) the Borrower shall become an “investment company” subject to registration under the 1940 Act; or
- (q) the business and other activities of the Borrower or the Originator, including but not limited to, the acceptance of the Advances by the Borrower made by the Lenders, the application and use of the proceeds thereof by the Borrower and the consummation and conduct of the transactions contemplated by the Transaction Documents to which the Borrower or the Originator is a party result in a violation by the Originator, the Borrower, or any other person or entity of the 1940 Act or the rules and regulations promulgated thereunder; or
- (r) on any Determination Date, the Interest Coverage Ratio does not equal or exceed 200.0% and such failure continues on the next succeeding Determination Date; or
- (s) any Material Adverse Change occurs with respect to the Borrower, the Originator or the Servicer; or
- (t) the Required Equity Investment shall not be maintained, and such failure shall continue unremedied for a period of five Business Days;

then, and in any such event, the Administrative Agent shall, at the request, or may with the consent, of the Required Lenders, by notice to the Borrower declare the Termination Date to have occurred, without demand, protest or future notice of any kind, all of which are hereby expressly waived by the Borrower, and all Advances Outstanding and all other amounts owing by the Borrower under this Agreement shall be accelerated and become immediately due and payable, provided that in the event that the Early Termination Event described in subsection (e) herein has occurred, the Termination Date shall automatically occur, without demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower. Upon its receipt of written notice thereof, the Administrative Agent shall promptly notify each Lender of the occurrence of any Early Termination Event.

Section 8.2 Remedies.

(a) Upon any such declaration or automatic occurrence of the Termination Date as specified under Section 8.1, no further Advances will be made, and the Administrative Agent and the other Secured Parties shall have, in addition to all other rights and remedies under this Agreement or otherwise, all rights and remedies provided under the UCC of each applicable jurisdiction and other Applicable Laws, including the right to sell the Collateral, which rights and remedies shall be cumulative. The Administrative Agent and the other Secured Parties agree that the sale of the Collateral shall be conducted in good faith and in accordance with commercially reasonable practices.

(b) Upon any such declaration or automatic occurrence of the Termination Date as specified under Section 8.1, the Borrower and the Servicer hereby agree that they will, at the expense of Borrower or, if such Termination Date occurred as a result of a Servicer Termination Event, at the expense of the initial Servicer or any Affiliate of the initial Servicer if appointed as

Successor Servicer hereunder, and upon request of the Administrative Agent, forthwith, (i) assemble all or any part of the Collateral as directed by the Administrative Agent, and make the same available to the Administrative Agent, at a place to be designated by the Administrative Agent, and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at a public sale in accordance with commercially reasonable practices. If there is no recognizable public market for sale of any portion of Collateral, then a private sale of that Collateral may be conducted only on an arm's length basis and in accordance with commercially reasonable practices. The Borrower agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to the Borrower of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Administrative Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Administrative Agent, may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. All cash Proceeds received by the Administrative Agent in respect of any sale of, collection from, or other realization upon, all or any part of the Collateral (after payment of any amounts incurred by the Administrative Agent or any of the Secured Parties in connection with such sale) shall be deposited into the Collection Account and applied against all or any part of the Obligations pursuant to Section 2.8.

(c) If the Administrative Agent proposes to sell the Collateral or any part thereof in one or more parcels at a public or private sale, the Borrower shall have the right of first refusal to repurchase the Collateral, in whole but not in part, prior to such sale at a price not less than the Obligations as of the date of such proposed repurchase. The aforementioned rights and remedies shall be without limitation, and shall be in addition to all other rights and remedies of the Administrative Agent and the Secured Parties otherwise available under any provision of this Agreement by operation of law, at equity or otherwise, each of which are expressly preserved.

ARTICLE IX

INDEMNIFICATION

Section 9.1 Indemnities by the Borrower.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Borrower hereby agrees to indemnify the Administrative Agent, the Managing Agents, the Backup Servicer, any Successor Servicer, the Collateral Custodian, any Secured Party or its assignee and each of their respective Affiliates and officers, directors, employees, members and agents thereof (collectively, the "Indemnified Parties"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts") awarded against or incurred by, any such Indemnified Party or other non-monetary damages of any such Indemnified Party any of them arising out of or as a result of this Agreement, excluding, however, Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of any Indemnified Party. Without limiting the foregoing, the Borrower shall indemnify the Indemnified Parties for Indemnified Amounts relating to or resulting from:

(i) any Loan treated as or represented by the Borrower to be an Eligible Loan that is not at the applicable time an Eligible Loan;

(ii) reliance on any representation or warranty made or deemed made by the Borrower, the Servicer (or one of its Affiliates) or any of their respective officers under or in connection with this Agreement, which shall have been false or incorrect in any material respect when made or deemed made or delivered;

(iii) the failure by the Borrower or the Servicer (or one of its Affiliates) to comply with any term, provision or covenant contained in this Agreement or any agreement executed in connection with this Agreement, or with any Applicable Law with respect to any Loan comprising a portion of the Collateral, or the nonconformity of any Loan, the Related Property with any such Applicable Law or any failure by the Originator, the Borrower or any Affiliate thereof to perform its respective duties under the Loans included as a part of the Collateral;

(iv) the failure to vest and maintain vested in the Administrative Agent a first priority perfected security interest in the Collateral;

(v) the failure to file, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other Applicable Laws with respect to any Collateral whether at the time of any Advance or at any subsequent time and as required by the Transaction Documents;

(vi) any dispute, claim, offset or defense (other than the discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Transferred Loan that is, or is purported to be, an Eligible Loan (including, without limitation, (A) a defense based on the Loan not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms or (B) the equitable subordination of such Loan);

(vii) any failure of the Borrower or the Servicer (if the Originator or one of its Affiliates) to perform its duties or obligations in accordance with the provisions of this Agreement or any failure by the Originator, the Borrower or any Affiliate thereof to perform its respective duties under the Transferred Loans;

(viii) any products liability claim or personal injury or property damage suit or other similar or related claim or action of whatever sort arising out of or in connection with merchandise or services that are the subject of any Transferred Loan or the Related Property;

(ix) the failure by Borrower to pay when due any Taxes for which the Borrower is liable, including without limitation, sales, excise or personal property taxes payable in connection with the Collateral;

(x) any repayment by the Administrative Agent, any Managing Agent or a Secured Party of any amount previously distributed in reduction of Advances Outstanding or payment of Interest or any other amount due hereunder or under any Hedging

Agreement, in each case which amount the Administrative Agent, such Managing Agent or a Secured Party believes in good faith is required to be repaid;

(xi) any investigation, litigation or proceeding related to this Agreement or the use of proceeds of Advances or in respect of any Transferred Loan or the Related Property;

(xii) any failure by the Borrower to give reasonably equivalent value to the Originator in consideration for the transfer by the Originator to the Borrower of any Transferred Loan or the Related Property or any attempt by any Person to void or otherwise avoid any such transfer under any statutory provision or common law or equitable action, including, without limitation, any provision of the Bankruptcy Code, or

(xiii) the failure of the Borrower, the Originator or any of their respective agents or representatives to remit to the Servicer or the Administrative Agent, Collections on the Collateral remitted to the Borrower or any such agent or representative in accordance with the terms hereof or the commingling by the Borrower or any Affiliate of any collections.

(b) Any amounts subject to the indemnification provisions of this Section 9.1 shall be paid by the Borrower to the applicable Indemnified Party within two (2) Business Days following the Administrative Agent's demand therefor.

(c) If for any reason the indemnification provided above in this Section 9.1 is unavailable to the Indemnified Party or is insufficient to hold an Indemnified Party harmless, then the Borrower, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Indemnified Party on the one hand and the Borrower, on the other hand but also the relative fault of such Indemnified Party as well as any other relevant equitable considerations.

(d) The obligations of the Borrower under this Section 9.1 shall survive the removal of the Administrative Agent or any Managing Agent and the termination of this Agreement.

(e) The parties hereto agree that the provisions of Section 9.1 shall not be interpreted to provide recourse to the Borrower against loss by reason of the bankruptcy or insolvency (or other credit condition) of, or default by, an Obligor on, any Transferred Loan.

Section 9.2 Indemnities by the Servicer.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Servicer hereby agrees to indemnify each Indemnified Party, forthwith on demand, from and against any and all Indemnified Amounts (calculated without duplication of Indemnified Amounts paid by the Borrower pursuant to Section 9.1 above) awarded against or incurred by any such Indemnified Party by reason of any acts, omissions or alleged acts or omissions of the Servicer, including, but not limited to (i) any representation or warranty made by the Servicer under or in connection with any Transaction Documents to which it is a party, any Monthly Report, Servicer's Certificate or any other information or report delivered by or on behalf of the Servicer pursuant hereto, which shall have been false, incorrect or misleading in any material

respect when made or deemed made, (ii) the failure by the Servicer to comply with any Applicable Law, (iii) the failure of the Servicer to comply with its duties or obligations in accordance with the Agreement or (iv) any litigation, proceedings or investigation against the Servicer, excluding, however, (a) Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of such Indemnified Party, and (b) under any Federal, state or local income or franchise taxes or any other Tax imposed on or measured by income (or any interest or penalties with respect thereto or arising from a failure to comply therewith) required to be paid by such Indemnified Party in connection herewith to any taxing authority. The provisions of this indemnity shall run directly to and be enforceable by an injured party subject to the limitations hereof. If the Servicer has made any indemnity payment pursuant to this Section 9.2 and such payment fully indemnified the recipient thereof and the recipient thereafter collects any payments from others in respect of such Indemnified Amounts, the recipient shall repay to the Servicer an amount equal to the amount it has collected from others in respect of such indemnified amounts.

(b) If for any reason the indemnification provided above in this Section 9.2 is unavailable to the Indemnified Party or is insufficient to hold an Indemnified Party harmless, then Servicer shall contribute to the amount paid or payable to such Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Indemnified Party on the one hand and Servicer on the other hand but also the relative fault of such Indemnified Party as well as any other relevant equitable considerations.

(c) The obligations of the Servicer under this Section 9.2 shall survive the resignation or removal of the Administrative Agent or any Managing Agents and the termination of this Agreement.

(d) The parties hereto agree that the provisions of this Section 9.2 shall not be interpreted to provide recourse to the Servicer against loss by reason of the bankruptcy or insolvency (or other credit condition) of, or default by, the related Obligor, on any Transferred Loan.

(e) The Servicer shall not be permitted to liquidate any of the Collateral to pay any indemnification payable by the Servicer pursuant to this Section 9.2.

ARTICLE X

THE ADMINISTRATIVE AGENT AND THE MANAGING AGENTS

Section 10.1 Authorization and Action.

(a) Each Secured Party hereby designates and appoints KeyBank as Administrative Agent hereunder, and authorizes KeyBank to take such actions as agent on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms of this Agreement together with such powers as are reasonably incidental thereto. The Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Secured Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Administrative Agent shall be read into this Agreement

or otherwise exist for the Administrative Agent. In performing its functions and duties hereunder, the Administrative Agent shall act solely as agent for the Secured Parties and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower or any of its successors or assigns. The Administrative Agent shall not be required to take any action that exposes the Administrative Agent to personal liability or that is contrary to this Agreement or Applicable Law. The appointment and authority of the Administrative Agent hereunder shall terminate at the indefeasible payment in full of the Obligations.

(b) Each Lender hereby designates and appoints the Managing Agent for such Lender's Lender Group as its Managing Agent hereunder, and authorizes such Managing Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Managing Agents by the terms of this Agreement together with such powers as are reasonably incidental thereto. No Managing Agent shall have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the applicable Managing Agent shall be read into this Agreement or otherwise exist for the applicable Managing Agent. In performing its functions and duties hereunder, each Managing Agent shall act solely as agent for the Lenders in the related Lender Group and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower or any of its successors or assigns. No Managing Agent shall be required to take any action that exposes it to personal liability or that is contrary to this Agreement or Applicable Law. The appointment and authority of each Managing Agent hereunder shall terminate at the indefeasible payment in full of the Obligations.

Section 10.2 Delegation of Duties.

(a) The Administrative Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

(b) Each Managing Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. No Managing Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 10.3 Exculpatory Provisions.

(a) Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement (except for its, their or such Person's own gross negligence or willful misconduct or, in the case of the Administrative Agent, the breach of its obligations expressly set forth in this Agreement), or (ii) responsible in any manner to any of the Secured Parties for any recitals, statements, representations or warranties made by the Borrower contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other document

furnished in connection herewith, or for any failure of the Borrower to perform its obligations hereunder, or for the satisfaction of any condition specified in Article III. The Administrative Agent shall not be under any obligation to any Secured Party to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Borrower. The Administrative Agent shall not be deemed to have knowledge of any Early Termination Event unless the Administrative Agent has received notice of such Early Termination Event, in a document or other written communication titled "Notice of Early Termination Event" from the Borrower or a Secured Party.

(b) Neither any Managing Agent nor any of its respective directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement (except for its, their or such Person's own gross negligence or willful misconduct or, in the case of a Managing Agent, the breach of its obligations expressly set forth in this Agreement), or (ii) responsible in any manner to the Administrative Agent or any of the Secured Parties for any recitals, statements, representations or warranties made by the Borrower contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other document furnished in connection herewith, or for any failure of the Borrower to perform its obligations hereunder, or for the satisfaction of any condition specified in Article III. No Managing Agent shall be under any obligation to the Administrative Agent or any Secured Party to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Borrower. No Managing Agent shall be deemed to have knowledge of any Early Termination Event unless such Managing Agent has received notice of such Early Termination Event, in a document or other written communication titled "Notice of Early Termination Event" from the Borrower, the Administrative Agent or a Secured Party.

(c) None of the Administrative Agent, any Managing Agent or any Lender shall be deemed to have any fiduciary relationship with the Borrower or the Servicer under this Agreement, and no implied covenants, functions, responsibilities, duties, obligations or liabilities creating any such fiduciary relationship shall be inferred from or in connection with this Agreement except as otherwise provided herein or under Applicable Law.

Section 10.4 Reliance.

(a) The Administrative Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other document furnished in connection herewith unless it shall first receive such advice or concurrence of the Required Lenders or all of the Secured Parties, as applicable, as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders, provided that, unless and until the Administrative Agent shall have received such advice, the Administrative Agent may

take or refrain from taking any action, as the Administrative Agent shall deem advisable and in the best interests of the Secured Parties, The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of the Required Lenders or all of the Secured Parties, as applicable, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Secured Parties.

(b) Each Managing Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by such Managing Agent. Each Managing Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other document furnished in connection herewith unless it shall first receive such advice or concurrence of the Lenders in its related Lender Group as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders in its related Lender Group, provided that unless and until such Managing Agent shall have received such advice, the Managing Agent may take or refrain from taking any action, as the Managing Agent shall deem advisable and in the best interests of the Lenders in its Lender Group. Each Managing Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of the Lenders in such Managing Agent's Lender Group and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders in such Managing Agent's Lender Group.

Section 10.5 Non-Reliance on Administrative Agent, Managing Agents and Other Lenders.

Each Secured Party expressly acknowledges that neither the Administrative Agent, any other Secured Party nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent or any other Secured Party hereafter taken, including, without limitation, any review of the affairs of the Borrower, shall be deemed to constitute any representation or warranty by the Administrative Agent or any other Secured Party. Each Secured Party represents and warrants to the Administrative Agent and to each other Secured Party that it has and will, independently and without reliance upon the Administrative Agent or any other Secured Party and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Borrower and made its own decision to enter into this Agreement.

Section 10.6 Reimbursement and Indemnification.

The Lenders agree to reimburse and indemnify the Administrative Agent, and the Lenders in each Lender Group agree to reimburse the Managing Agent for such Lender Group, and their respective officers, directors, employees, representatives and agents ratably according to their Commitments, as applicable, to the extent not paid or reimbursed by the Borrower (i) for any amounts for which the Administrative Agent, acting in its capacity as Administrative Agent, or any Managing Agent, acting in its capacity as a Managing Agent, is entitled to reimbursement by the Borrower hereunder and (ii) for any other expenses incurred by the Administrative Agent, in its capacity as Administrative Agent, or any Managing Agent, acting in its capacity as a Managing Agent, and acting on behalf of the related Lenders, in connection with the administration and enforcement of this Agreement and the other Transaction Documents.

Section 10.7 Administrative Agent and Managing Agents in their Individual Capacities.

The Administrative Agent, each Managing Agent and each of their respective Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower or any Affiliate of the Borrower as though the Administrative Agent or such Managing Agent, as the case may be, were not the Administrative Agent or a Managing Agent, as the case may be, hereunder. With respect to the acquisition of Advances pursuant to this Agreement, the Administrative Agent, each Managing Agent and each of their respective Affiliates shall have the same rights and powers under this Agreement as any Lender and may exercise the same as though it were not the Administrative Agent or a Managing Agent, as the case may be, and the terms “Lender” and “Lenders” shall include the Administrative Agent or a Managing Agent, as the case may be, in its individual capacity.

Section 10.8 Successor Administrative Agent or Managing Agent.

(a) The Administrative Agent may, upon 5 days’ notice to the Borrower and the Secured Parties, and the Administrative Agent will, upon the direction of all of the Lenders resign as Administrative Agent. If the Administrative Agent shall resign, then the Required Lenders during such 5-day period shall appoint from among the Secured Parties a successor agent. If for any reason no successor Administrative Agent is appointed by the Required Lenders during such 5-day period, then effective upon the expiration of such 5-day period, the Secured Parties shall perform all of the duties of the Administrative Agent hereunder and the Borrower shall make all payments in respect of the Obligations or under any Fee Letter delivered by the Borrower to the Administrative Agent and the Secured Parties directly to the applicable Managing Agents, on behalf of the Lenders in the applicable Lender Group and for all purposes shall deal directly with the Secured Parties. After any retiring Administrative Agent’s resignation hereunder as Administrative Agent, the provisions of Article IX and Article X shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

(b) Any Managing Agent may, upon 5 days’ notice to the Borrower, the Administrative Agent and the related Lenders, and any Managing Agent will, upon the direction of all of the related Lenders resign as a Managing Agent. If a Managing Agent shall resign, then the related Lenders during such 5-day period shall appoint from among the related Lenders a successor

Managing Agent. If for any reason no successor Managing Agent is appointed by such Lenders during such 5-day period, then effective upon the expiration of such 5-day period, such Lenders shall perform all of the duties of the related Managing Agent hereunder. After any retiring Managing Agent's resignation hereunder as a Managing Agent, the provisions of Article IX and Article X shall inure to its benefit as to any actions taken or omitted to be taken by it while it was a Managing Agent under this Agreement.

ARTICLE XI

ASSIGNMENTS; PARTICIPATIONS

Section 11.1 Assignments and Participations.

(a) Neither Borrower nor the Servicer shall have the right to assign its rights or obligations under this Agreement.

(b) Any Lender may at any time and from time to time assign to one or more Persons ("Purchasing Lenders") all or any part of its rights and obligations under this Agreement pursuant to an assignment agreement, substantially in the form set forth in Exhibit C hereto (the "Assignment and Acceptance") executed by such Purchasing Lender and such selling Lender. In addition, except with respect to an assignment to an Affiliate of such Lender, so long as no Early Termination Event or Unmatured Termination Event has occurred and is continuing at such time, the written consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required prior to the effectiveness of any such assignment; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent and the assigning Lender within ten (10) Business Days after having received written notice thereof. Each assignee of a Lender must be an Eligible Assignee and must agree to deliver to the Administrative Agent, promptly following any request therefor by the Managing Agent for its Lender Group, an enforceability opinion in form and substance satisfactory to such Managing Agent. Upon delivery of the executed Assignment and Acceptance to the Administrative Agent, such selling Lender shall be released from its obligations hereunder to the extent of such assignment. Thereafter the Purchasing Lender shall for all purposes be a Lender party to this Agreement and shall have all the rights and obligations of a Lender under this Agreement to the same extent as if it were an original party hereto and no further consent or action by Borrower, the Lenders or the Administrative Agent shall be required. Notwithstanding the foregoing, no assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates, (B) to any Defaulting Lender or (C) a natural person.

(c) By executing and delivering an Assignment and Acceptance, the Purchasing Lender thereunder and the selling Lender thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such selling Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such Purchasing Lender confirms that it has received a copy of this Agreement, together with copies of such financial statements and other documents and information as it has deemed appropriate to

make its own credit analysis and decision to enter into such Assignment and Acceptance; (iii) such Purchasing Lender will, independently and without reliance upon the Administrative Agent or any Managing Agent, the selling Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (iv) such Purchasing Lender and such selling Lender confirm that such Purchasing Lender is an Eligible Assignee; (v) such Purchasing Lender appoints and authorizes each of the Administrative Agent and the applicable Managing Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to such agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vi) such Purchasing Lender agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) The Administrative Agent shall maintain at its address referred to herein a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount of, each Advance owned by each Lender from time to time (the “Register”). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Lenders, the Borrower and the Managing Agents may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Lenders, any Managing Agent or the Borrower at any reasonable time and from time to time upon reasonable prior notice.

(e) Subject to the provisions of this Section 11.1, upon their receipt of an Assignment and Acceptance executed by a selling Lender and a Purchasing Lender, the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit C hereto, accept such Assignment and Acceptance, and the Administrative Agent shall then (i) record the information contained therein in the Register and (ii) give prompt notice thereof to each Managing Agent.

(f) Any Lender may, in the ordinary course of its business at any time sell to one or more Persons (each a “Participant”) participating interests in its Pro-Rata Share of the Advances of the Lenders or any other interest of such Lender hereunder. Notwithstanding any such sale by a Lender of a participating interest to a Participant, such Lender’s rights and obligations under this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance of its obligations hereunder, and the Borrower, the other Lenders, the Managing Agents and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Each Lender agrees that any agreement between such Lender and any such Participant in respect of such participating interest shall not restrict such Lender’s right to agree to any amendment, supplement, waiver or modification to this Agreement, except for any amendment, supplement, waiver or modification set forth in Section 12.1(iii) of this Agreement.

(g) Each Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 11.1, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrower or Servicer furnished to such Lender by or on behalf of the Borrower or the Servicer.

(h) Nothing herein shall prohibit any Lender from pledging or assigning as collateral any of its rights under this Agreement to any Federal Reserve Bank or other central bank having jurisdiction over such Lender in accordance with Applicable Law and any such pledge or collateral assignment may be made without compliance with Section 11.1(b) or Section 11.1(c).

(i) In the event any Lender causes increased costs, expenses or taxes to be incurred by the Administrative Agent or Managing Agents in connection with the assignment or participation of such Lender's rights and obligations under this Agreement to an Eligible Assignee then such Lender agrees that it will make reasonable efforts to assign such increased costs, expenses or taxes to such Eligible Assignee in accordance with the provisions of this Agreement.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Amendments and Waivers.

Except as provided in this Section 12.1, no amendment, waiver or other modification of any provision of this Agreement shall be effective without the written agreement of the Borrower, the Administrative Agent, the Swingline Lender, the Required Lenders and the Managing Agents of the Required Lenders; provided, however, that (i) without the consent of the Lenders in any Lender Group (other than the Lender Group to which such Lenders are being added), the Administrative Agent, the Swingline Lender and the applicable Managing Agent may, with the consent of Borrower, amend this Agreement solely to add additional Persons as Lenders hereunder, (ii) any amendment of this Agreement that is solely for the purpose of increasing the Commitment of a specific Lender or increasing the Group Advance Limit of the related Lender Group may be effected with the written consent of the Borrower, the Administrative Agent and the affected Lender, and (iii) the consent of each Lender shall be required to: (A) extend the Commitment Termination Date or the date of any payment or deposit of Collections by the Borrower or the Servicer, (B) reduce the amount (other than by reason of the repayment thereof) or extend the time of payment of Advances Outstanding or reduce the rate or extend the time of payment of Interest (or any component thereof), (C) reduce any fee payable to the Administrative Agent, the Swingline Lender or any Managing Agent for the benefit of the Lenders, (D) amend, modify or waive any provision of the definition of Required Lenders or Sections 2.8, 11.1(a), or 12.1, (E) consent to or permit the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement, (F) amend or waive any Servicer Termination Event or Early Termination Event, (G) change the definition of "Borrowing Base," "Charged-Off Ratio," "Default Ratio," "Eligible Loan" or "Payment Date," or (H) amend or modify any defined term (or any defined term used directly or indirectly in such defined term) used in clauses (A) through (G) above in a manner that would circumvent the intention of the restrictions set forth in such clauses. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver, or consent hereunder (and any amendment, waiver, or consent which by its terms requires the consent of all Lenders may be effected with the consent of all Lenders other than Defaulting Lenders) provided that, without in any way limiting Section 12.16, any such amendment, waiver, or consent that would increase or extend the term of

the Commitment or Advances of such Defaulting Lender, extend the date fixed for the payment of principal or interest owing to such Defaulting Lender hereunder, reduce the principal amount of any obligation owing to such Defaulting Lender, reduce the amount of or the rate or amount of interest on any amount owing to such Defaulting Lender or of any fee payable to such Defaulting Lender hereunder, or alter the terms of this proviso, shall require the consent of such Defaulting Lender.

Notwithstanding anything to the contrary, unless signed by the Administrative Agent and the Swingline Lender, no amendment, waiver or consent shall affect the rights or duties of the Administrative Agent or the Swingline Lender, as applicable, under this Agreement or any other Loan Document.

No amendment, waiver or other modification (i) affecting the rights or obligations of any Hedge Counterparty or (ii) having a material effect on the rights or obligations of the Collateral Custodian or the Backup Servicer (including any duties of the Servicer that the Backup Servicer would have to assume as Successor Servicer) shall be effective against such Person without the written agreement of such Person. The Borrower or the Servicer on its behalf will deliver a copy of all waivers and amendments to the Collateral Custodian and the Backup Servicer.

Section 12.2 Notices, Etc.

All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including communication by electronic mail or facsimile copy) and mailed, sent by overnight courier, transmitted or hand delivered, as to each party hereto, at its address set forth under its name on the signature pages hereof or specified in such party's Assignment and Acceptance or Joinder Agreement or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, upon receipt, or in the case of (a) notice by mail, five days after being deposited in the United States mail, first class postage prepaid, (b) notice by courier mail, when it is officially recorded as being delivered to the intended recipient by return receipt, proof of delivery or equivalent, or (c) notice by facsimile copy, when verbal communication of receipt is obtained, except that notices and communications pursuant to this Article XII shall not be effective until received with respect to any notice sent by mail.

Section 12.3 No Waiver, Rights and Remedies.

No failure on the part of the Administrative Agent or any Secured Party or any assignee of any Secured Party to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies herein provided are cumulative and not exclusive of any rights and remedies provided by law.

Section 12.4 Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent, the Secured Parties and their respective successors and permitted assigns

and, in addition, the provisions of Section 2.8 shall inure to the benefit of each Hedge Counterparty, whether or not that Hedge Counterparty is a Secured Party, and the provisions relating to the Backup Servicer, including Sections 2.8, 7.18, 9.1 and 9.2 shall inure to the benefit of the Backup Servicer.

Section 12.5 Term of this Agreement.

This Agreement, including, without limitation, the Borrower's obligation to observe its covenants set forth in Article V, and the Servicer's obligation to observe its covenants set forth in Article VII, shall remain in full force and effect until the Collection Date; provided, however, that the rights and remedies with respect to any breach of any representation and warranty made or deemed made by the Borrower pursuant to Articles III and IV and the indemnification and payment provisions of Article IX and Article X and the provisions of Section 12.9 and Section 12.10 shall be continuing and shall survive any termination of this Agreement.

Section 12.6 GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF OBJECTION TO VENUE.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. EACH OF THE SECURED PARTIES, THE BORROWER AND THE ADMINISTRATIVE AGENT HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO AND EACH SECURED PARTY HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 12.2 (EXCEPT THAT FACSIMILE NOTICES SHALL NOT BE EFFECTIVE FOR SERVICE OF PROCESS). NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

Section 12.7 WAIVER OF JURY TRIAL.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE

FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 12.8 Costs, Expenses and Taxes.

(a) In addition to the rights of indemnification granted to the Administrative Agent, the Managing Agents, the other Secured Parties and its or their Affiliates and officers, directors, employees and agents thereof under Article IX hereof, the Borrower agrees to pay on demand all reasonable costs and expenses of the Administrative Agent, the Managing Agents and the other Secured Parties incurred in connection with the preparation, execution, delivery, administration (including periodic auditing), amendment or modification of, or any waiver or consent issued in connection with, this Agreement and the other documents to be delivered hereunder or in connection herewith, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent, the Managing Agents and the other Secured Parties with respect thereto and with respect to advising the Administrative Agent, the Managing Agents and the other Secured Parties as to their respective rights and remedies under this Agreement and the other documents to be delivered hereunder or in connection herewith, and all costs and expenses, if any (including reasonable counsel fees and expenses), incurred by the Administrative Agent, the Managing Agents or the other Secured Parties in connection with the enforcement of this Agreement and the other documents to be delivered hereunder or in connection herewith (including any Hedge Agreement).

(b) The Borrower shall pay on demand any and all stamp, sales, excise and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement, the other documents to be delivered hereunder or any agreement or other document providing liquidity support, credit enhancement or other similar support to the Lender in connection with this Agreement or the funding or maintenance of Advances hereunder.

(c) The Borrower shall pay on demand all other costs, expenses and taxes (excluding income taxes), including, without limitation, all reasonable costs and expenses incurred by the Administrative Agent or any Managing Agent in connection with periodic audits of the Borrower's or the Servicer's books and records, which are incurred as a result of the execution of this Agreement.

Section 12.9 No Proceedings.

Each of the parties hereto (other than the Administrative Agent and the Secured Parties) hereby agrees that it will not institute against, or join any other Person in instituting against the Borrower any Insolvency Proceeding so long as there shall not have elapsed one year and one day since the Collection Date.

Section 12.10 Recourse Against Certain Parties.

(a) No recourse under or with respect to any obligation, covenant or agreement (including, without limitation, the payment of any fees or any other obligations) of the Administrative Agent or any Secured Party as contained in this Agreement or any other agreement, instrument or document entered into by it pursuant hereto or in connection herewith shall be had against any Person or any manager or administrator of such Person or any incorporator, affiliate, stockholder, officer, employee or director of such Person or of the Borrower or of any such manager or administrator, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise.

(b) The provisions of this Section 12.10 shall survive the termination of this Agreement.

Section 12.11 Protection of Security Interest; Appointment of Administrative Agent as Attorney-in-Fact.

(a) The Borrower shall, or shall cause the Servicer to, cause this Agreement, all amendments hereto and/or all financing statements and continuation statements and any other necessary documents covering the right, title and interest of the Administrative Agent as agent for the Secured Parties and of the Secured Parties to the Collateral to be promptly recorded, registered and filed, and at all time to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title and interest of the Administrative Agent as agent for the Secured Parties hereunder to all property comprising the Collateral. The Borrower shall deliver or, shall cause the Servicer to deliver, to the Administrative Agent file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. The Borrower and the Servicer shall cooperate fully in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this Section 12.11.

(b) The Borrower agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents, and take all actions, that may reasonably be necessary or desirable, or that the Administrative Agent may reasonably request, to perfect, protect or more fully evidence the security interest granted to the Administrative Agent, as agent for the Secured Parties, in the Collateral, or to enable the Administrative Agent or the Secured Parties to exercise and enforce their rights and remedies hereunder.

(c) If the Borrower or the Servicer fails to perform any of its obligations hereunder after five Business Days' notice from the Administrative Agent, the Administrative Agent or any Lender may (but shall not be required to) perform, or cause performance of, such obligation; and the Administrative Agent's or such Lender's reasonable costs and expenses incurred in connection therewith shall be payable by the Borrower (if the Servicer that fails to so perform is the Borrower or an Affiliate thereof) as provided in Article IX, as applicable. The Borrower irrevocably authorizes the Administrative Agent and appoints the Administrative Agent as its attorney-in-fact to act on behalf of the Borrower, (i) to execute on behalf of the Borrower as debtor and to file financing statements necessary or desirable in the Administrative Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Secured Parties in the Collateral and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Collateral as a financing statement in such offices as the

Administrative Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the interests of the Lenders in the Collateral. This appointment is coupled with an interest and is irrevocable.

(d) Without limiting the generality of the foregoing, Borrower will, not earlier than six (6) months and not later than three (3) months prior to the fifth anniversary of the date of filing of any financing statement referred to in Section 5.1(o) or any other financing statement filed pursuant to this Agreement or in connection with any Advance hereunder, unless the Collection Date shall have occurred:

(i) execute and deliver and file or cause to be filed an appropriate continuation statement with respect to such financing statement; and

(ii) deliver or cause to be delivered to the Administrative Agent an opinion of the counsel for Borrower, in form and substance reasonably satisfactory to the Administrative Agent, confirming and updating the opinion delivered pursuant to Section 3.1(a) with respect to perfection and otherwise to the effect that the Collateral hereunder continues to be subject to a perfected security interest in favor of the Administrative Agent, as agent for the Secured Parties, subject to no other Liens of record except as provided herein or otherwise permitted hereunder, which opinion may contain usual and customary assumptions, limitations and exceptions.

Section 12.12 Confidentiality.

(a) Each of the Administrative Agent, the Managing Agents, the other Secured Parties and the Borrower shall maintain and shall cause each of its employees and officers to maintain the confidentiality of this Agreement and the other confidential proprietary information with respect to the other parties hereto and their respective businesses obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that each such party and its officers and employees may (i) disclose such information to its external accountants and attorneys and as required by an Applicable Law, as required to be publicly filed with SEC, or as required by an order of any judicial or administrative proceeding, (ii) disclose the existence of this Agreement, but not the financial terms thereof, (iii) disclose this Agreement and such information in any suit, action, proceeding or investigation (whether in law or in equity or pursuant to arbitration) involving any of the Transaction Documents, Loan Documents or any Hedging Agreement for the purpose of defending itself, reducing its liability, or protecting or exercising any of its claims, rights, remedies, or interests under or in connection with any of the Transaction Documents, Loan Documents or any Hedging Agreement and (iv) disclose such information to its Affiliates to the extent necessary in connection with the administration or enforcement of this Agreement or the other Transaction Documents.

(b) Anything herein to the contrary notwithstanding, the Borrower hereby consents to the disclosure of any nonpublic information with respect to it for use in connection with the transactions contemplated herein and in the Transaction Documents (i) to the Administrative Agent or the Secured Parties by each other, (ii) by the Administrative Agent or the Secured Parties to any prospective or actual Eligible Assignee or participant of any of them or in connection with a pledge or assignment to be made pursuant to Section 11.1(h) or (iii) by the Administrative Agent

or the Secured Parties to any provider of a surety, guaranty or credit or liquidity enhancement to a Secured Party and to any officers, directors, members, employees, outside accountants and attorneys of any of the foregoing, provided each such Person is informed of the confidential nature of such information and agrees to be bound hereby. In addition, the Secured Parties and the Administrative Agent may disclose any such nonpublic information pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings, including, without limitation, at the request of any self-regulatory authority having jurisdiction over a Lender.

(c) The Borrower and the Servicer each agrees that it shall not (and shall not permit any of its Affiliates to) issue any news release or make any public announcement pertaining to the transactions contemplated by this Agreement and the Transaction Documents without the prior written consent of the Administrative Agent (which consent shall not be unreasonably withheld) unless such news release or public announcement is required by law, in which case the Borrower or the Servicer shall consult with the Administrative Agent and each Managing Agent prior to the issuance of such news release or public announcement. The Borrower and the Servicer each may, however, disclose the general terms of the transactions contemplated by this Agreement and the Transaction Documents to trade creditors, suppliers and other similarly-situated Persons so long as such disclosure is not in the form of a news release or public announcement.

Section 12.13 Execution in Counterparts; Severability; Integration.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. This Agreement contains the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings other than any Fee Letter.

Section 12.14 Amendment and Restatement.

This Agreement amends and restates in its entirety that certain Fourth Amended and Restated Credit Agreement dated as of October 26, 2011, among the Borrower, the Servicer, the lenders party thereto, the managing agents named therein, and Branch Banking and Trust Company, as administrative agent.

Section 12.15 Patriot Act.

Each Lender that is subject to the USA PATRIOT Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower and the Servicer that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record

information that identifies the Borrower and the Servicer, which information includes the name and address of the Borrower and the Servicer and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower and the Servicer in accordance with the USA PATRIOT Act.

Section 12.16 Defaulting Lenders. Notwithstanding anything contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(a) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 12.1.

(b) Defaulting Lender Waterfall. Until such time as the Default Excess with respect to such Defaulting Lender shall have been reduced to zero:

except as otherwise provided in this Section 12.16, any payment of principal, interest, fees, or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise, and including any amounts made available to the Administrative Agent by such Defaulting Lender pursuant to Section 12.16), shall be deemed paid to and redirected by such Defaulting Lender to be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Swingline Lender hereunder; third, as the Borrower may request (so long as no Early Termination Event exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fourth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Advances under this Agreement; fifth, to the payment of any amounts owing to the Lenders or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; sixth, so long as no Early Termination Event exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and seventh, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Advances in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made at a time when the conditions set forth in Section 3.2 were satisfied or waived, such payment shall be applied solely to pay the Advances of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Advances of such

Defaulting Lender until such time as all Advances and funded and unfunded participations in Swing Advances are held by the Lenders pro rata in accordance with the Commitments without giving effect to Section 12.16(d).

(c) Unused Fee. No Defaulting Lender shall be entitled to receive any Unused Fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(d) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in Swing Advances shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that (x) the conditions set forth in Section 3.2 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(e) Repayment of Swing Advances. If the reallocation described in Section 12.16(d) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, prepay Swing Advances in an amount equal to the Swingline Lender's Fronting Exposure (the "Swing Prepayment Amount"). Borrower shall pay the Swing Prepayment Amount within forty-five (45) days of written demand from the Administrative Agent; provided, however, upon the occurrence of an Early Termination Event, the Swing Prepayment Amount, if any, shall be immediately due and payable by Borrower.

(f) Defaulting Lender Cure. If the Borrower, the Administrative Agent and the Swingline Lender agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Advances of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Advances and funded and unfunded participations in Swing Advances to be held pro rata by the Lenders in accordance with the Commitments (without giving effect to Section 12.16(d)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(g) New Swing Advances. So long as any Lender is a Defaulting Lender, the Swingline Lender shall not fund Swing Advances unless (i) each Non-Defaulting Lender shall have consented

thereto, and (ii) the Swingline Lender is satisfied that it will have no Fronting Exposure after giving effect to such Swing Advance and any reallocation to other Lenders.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

BORROWER:

GLADSTONE BUSINESS INVESTMENT, LLC

By _____

Title:

Name:

Gladstone Business Investment, LLC

1521 Westbranch Drive, Suite 100

McLean, Virginia 22102

Attention: President

Facsimile No.: (703) 287-5801

Phone No.: (703) 287-5800

SERVICER:

GLADSTONE MANAGEMENT
CORPORATION

By _____

Title:

Name:

Gladstone Management Corporation

1521 Westbranch Drive, Suite 100

McLean, Virginia 22102

Attention: Chairman

Facsimile No.: (703) 287-5801

Phone No.: (703) 287-5800

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

[Signature Page to Fifth Amended and Restated Credit Agreement]

LENDER, SWINGLINE LENDER, MANAGING
AGENT and LEAD ARRANGER:

KEYBANK NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

Commitment: \$50,000,000

Specialty Finance and Syndications
1000 South McCaslin Blvd.
Superior, CO 80027
Attention: Richard Andersen
Facsimile No.: (216) 370-9166
Telephone No.: (720) 304-1247
E-mail: LAS.Operations.KEF@key.com

with a copy to:

KeyBank National Association
18101 Von Karman Avenue
Suite 1100
Mailstop: CA-01-19-0250
Irvine, CA 92612
Attention: Rian Emmett
Facsimile No.: (216) 357-6708
Telephone No.: (949) 757-8942
E-mail: rian.w.emmett@key.com

LENDER AND MANAGING AGENT:

BRANCH BANKING AND TRUST COMPANY

By: _____
Name: _____
Title: _____

Commitment: \$20,000,000

8200 Greensboro Drive, Suite 800

McLean, VA 22102

Attention: John K. Perez

Team Leader/Senior Vice President

Facsimile No.: (703) 442-5544

Telephone No.: (703) 442-4040

E-mail: jkperez@bbandt.com

ADMINISTRATIVE AGENT:

KEYBANK NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

Specialty Finance and Syndications
1000 South McCaslin Blvd.
Superior, CO 80027
Attention: Richard Andersen
Facsimile No.: (216) 370-9166
Telephone No.: (720) 304-1247
E-mail: LAS.Operations.KEF@key.com

with a copy to:

KeyBank National Association
18101 Von Karman Avenue
Suite 1100
Mailstop: CA-01-19-0250
Irvine, CA 92612
Attention: Rian Emmett
Facsimile No.: (216) 357-6708
Telephone No.: (949) 757-8942
E-mail: rian.w.emmett@key.com

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Summary report: Litera Compare for Word 11.10.0.38 Document comparison done on 2/21/2025 2:19:51 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: GAIN - Ex A to 10th Amd - Conformed Copy of 5th AR Credit Agreement (Execution Version, Feb 10, 2025) v5.docx	
Modified filename: GAIN - Ex A to 11th Amd - Conformed Copy of 5th AR Credit Agreement (Execution Version, Feb 24, 2025) v3.docx	
Changes:	
Add	7
Delete	5
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	12

EXHIBIT B

SCHEDULE I

Commitments of Lenders

Lenders	Commitment	Pro Rata
KeyBank National Association	\$100,000,000.00	37.037%
Cadence Bank, N.A.	\$20,000,000.00	7.407%
Huntington Bank	\$30,000,000.00	11.111%
Manufacturers and Traders Trust Company	\$50,000,000.00	18.519%
Fifth Third Bank, National Association	\$70,000,000.00	25.926%
Total	\$270,000,000.00	100.00%

**Code of Ethics and Business Conduct
For
Gladstone Capital Corporation
Gladstone Commercial Corporation
Gladstone Investment Corporation
Gladstone Land Corporation
Gladstone Alternative Income Fund
Gladstone Management Corporation
Gladstone Administration LLC
Gladstone Securities, LLC
and their subsidiaries**

(UPDATED OCTOBER 8, 2024)

I. Core Values:

This Code of Ethics and Business Conduct (hereafter referred to as the “Code”) reflects our commitment to our Core Values, our Valued Relationships and to the Standards of Ethics and Business Conduct that support these values and relationships. We expect every employee, officer and director to read and understand this Code and its application to the performance of his or her business responsibilities.

We are committed to the highest standards of ethical and professional conduct in all of our business operations, as well as in our interactions with customers, business partners and employees. The following are the values we hold in highest esteem...the values that we propose to use as our guide in our quest for excellence and success. To assist and encourage you to apply our Core Values in your day-to-day activities, each Core Value includes amplifying and implementing guidance.

A. Golden Rule and Respect

- a. Following the Golden Rule means we will strive to always do the right thing...the thing we would want others to do to us.
- b. Treating others the way we would like to be treated is our foundational value and the golden rule is a good summary of our other core values.
- c. Respect means we respect the rights, opinions and beliefs of others so long as they are consistent with our other core values.

Amplifying and implementing guidance:

- Be a good listener, encourage diverse opinions and be willing to accept them.
- Recognize the achievement of others.

- Don't prejudge another person's qualities or intentions.
- Respect confidences.
- Recognize each individual's human dignity and value.

B. Honesty and Openness

- a. Honesty means we refuse to lie, cheat, steal or deceive in any way.
- b. We will never deliberately mislead, or misrepresent the truth.
- c. We will always do the legal and fair thing, fulfilling the intent of our commitments and the law.
- d. Openness means we will be free, forthright and sincere in our discussions, as candid as possible, and will openly share appropriate information in each relationship.

Amplifying and implementing guidance:

- Be forthright and never use information as a source of power.
- Strive for clarity: avoid "slippery" words.
- Focus on issues, not personalities.
- Carry no hidden agendas.
- Be willing to admit your own mistakes and be tolerant of other's mistakes.

C. Integrity

- a. Integrity means we will refuse to be corrupted or unfaithful to our values.
- b. We will do what we say we will do, and we will conduct ourselves in accordance with our values and our code of ethics.
- c. We will always try to do the right thing.
- d. We will operate within both the letter and the spirit of the law.

Amplifying and implementing guidance:

- Act and speak ethically.
- What you do when no one is looking should agree with your professed ethics.

D. Teamwork and Innovation

- a. Teamwork means working together to achieve our goals and values as a group and not working at cross purposes.
- b. Innovation means encouraging each other to seek new ways of doing our business to improve our quality and efficiency.

Amplifying and implementing guidance:

- Acknowledge all co-workers as valuable team members.
- Show confidence in the character and truthfulness of others.
- Practice solidarity by respecting and supporting team decisions.
- Encourage initiative and participation.
- Be accountable to the team.
- Lead by example.
- Recognize that taking and accepting reasonable risks is necessary business conduct.

E. Responsibility

- a. Responsibility means we are morally and legally accountable for our actions.

b. We are determined to do the right thing, and to be good stewards of the things that have been entrusted into our care.

Amplifying and implementing guidance:

- Accept responsibility for your own mistakes, and give credit to others for their accomplishments.
- Keep commitments.

F. Loyalty and Hard work

a. We will be loyal to our Company and protect its assets and trade secrets. We will be faithful in carrying out our duties.

b. We will always work hard and do our best.

Amplifying and implementing guidance:

- Demand excellence from yourself, and seek and encourage it from others.
- Demonstrate a sense of urgency in all that you do.
- Our success is directly related to our loyalty to each other and to our company.

Always remember that at our companies, **your ethical behavior is the ultimate “bottom line”**. We are committed to do what is right even when it does not seem to be profitable, expedient or conventional. We are committed to following the above core values in everything we do... that means we will be truthful, ethical, law-abiding, and respectful in all of our dealings with others.

II. Our Valued Relationships

We will deal fairly and honestly in all of our relationships, treating all our business associates as long-term valued partners. We will operate our business based on the practical application of the Golden Rule, our other values, and all other provisions of our Code of Ethics and Business Conduct, for the mutual benefit of all our valued relationships. We will strive to be dependable and respectable in all our dealings with our business associates and our employees, value each shareholder and lender to our company, and we will be faithful stewards of their funds. We are committed to providing a work environment where there is no conflict between work and moral or ethical values, or family responsibilities, and where everyone is treated justly and with respect.

We have certain relationships that we hold dear and they are:

- Customers and clients are the reason we are in business. We seek to help our customers and clients to achieve their goals. We know that if we help them reach their goals, they will help us reach our goals too.
- Employees are the full extent of our company. We are no greater than our employees. Each employee is an integral part of our team. We seek to have the best employees and the best organization to support the growth of each employee.

- Shareholders have entrusted us with their assets. We seek to increase the value of those assets. As trustees we will do our best to protect and grow the assets that have been entrusted to us.
- Suppliers provide us with the things we need to achieve our goals. They have the goods and services we need to grow our business. We will treat each supplier as a valued partner in the growth of our business.
- Our government is part of our operations. We seek to fulfill the regulatory aspects of our business operations in a timely and accurate manner.
- Our relationship with God is one that is valued highest. We will do our best to perform in a way that will be pleasing to God.

III. Code of Ethics Implementing Guidance and Procedures

As with any written guidance, this Code of Ethics may not clearly address every situation you may encounter. If concerns or questions that you have about a course of action are not addressed specifically by this Code, you should ask yourself the following six questions to begin your evaluation process:

Ethics “Quick Test”

1. Is it legal?
2. Would doing it make me feel bad or ashamed in any way?
3. Is it consistent with our Core Values?
4. Would I want my family or friends to read about it in the newspaper?
5. Would failing to act make the situation worse or allow a “wrong” to continue?
6. Does it follow the Golden Rule set out above?

If you still have questions or concerns, do not act until your questions and concerns have been raised and resolved. Our employee handbook, your supervisor, our Chief Compliance Officer (“CCO”) and staff (the “Compliance Officers”) or the Ethics Committee are all available to help you. Additionally, if you are not comfortable addressing potential violations of this Code with any of these persons directly, you may also raise your concerns by anonymously contacting Global Compliance Services (See Part V, Section 15 of this Code for contact and other information regarding the compliance resources available to you).

If you are aware of a suspected or actual violation of Code standards by others, you have a responsibility to report it. You are expected to promptly notify a Compliance Officer or contact another compliance reporting resource to provide a specific description of the violation that you believe has occurred, including any information you have about the persons involved and the time of the violation. Whether you choose to speak with your supervisor or one of the Compliance

Officers, you should do so without fear of any form of retaliation. We will take prompt disciplinary action against any employee who retaliates against you.

Supervisors must promptly report any complaints or observations of Code violations to the CCO. If you believe your supervisor has not taken appropriate action, you should contact one of our Compliance Officers directly. The Compliance Officers will investigate all reported possible Code violations promptly and with the highest degree of confidentiality that is possible under the specific circumstances. Neither you nor your supervisor may conduct any preliminary investigation, unless authorized to do so by the CCO. Your cooperation in the investigation will be expected. As needed, the CCO will consult with the Ethics Committee and the Audit Committee of the Board of Directors. It is our policy to employ a fair process by which to determine violations of this Code.

With respect to any complaints or observations of Code violations that may involve accounting, internal accounting controls and auditing concerns, the CCO shall promptly inform the chair of the Ethics Committee, who will then turn over such information to the Audit Committee or such other persons as the Audit Committee of the Board of Directors determines to be appropriate under the circumstances shall be responsible for supervising and overseeing the inquiry and any investigation that is undertaken.

If any investigation indicates that a potential violation of this Code has occurred, we will take such action as we believe to be appropriate under the circumstances. Violations of this Code will not be tolerated. Any employee who violates this Code may be subject to disciplinary action, which, depending on the nature of the violation and the history of the employee, may range from a warning or reprimand to and including termination of employment and, in appropriate cases, civil legal action or referral for regulatory enforcement action. Appropriate action may also be taken to deter any future Code violations.

IV. Code of Ethics

References in this Code to employees are intended to cover all employees including officers and, as applicable, directors. References to “our companies” mean all the affiliated companies in the Gladstone group of companies, including Gladstone Capital Corporation (“Gladstone Capital”), Gladstone Commercial Corporation (“Gladstone Commercial”), Gladstone Investment Corporation (“Gladstone Investment”), Gladstone Land Corporation (“Gladstone Land”), Gladstone Alternative Income Fund (the “Interval Fund”), Gladstone Management Corporation (the “Adviser”), Gladstone Administration LLC (the “Administrator”), Gladstone Securities, LLC (“Gladstone Securities”) and their subsidiaries. References to Gladstone Capital, Gladstone Commercial, Gladstone Investment, Gladstone Land, the Interval Fund, the Adviser, and the Administrator shall include all subsidiaries of those companies. References to the Board of Directors mean the Boards of Directors of all of the affiliated companies in the Gladstone group of companies, as applicable. References to the Ethics Committee mean the Ethics, Nominating and Corporate Governance Committees of Gladstone Capital, Gladstone Commercial, Gladstone Land, Gladstone Investment or the Interval Fund, as applicable.

Officers, managers and other supervisors are expected to develop in employees a sense of commitment not only to the letter, but to the spirit of this Code. Supervisors are also expected to ensure that all agents and contractors conform to this Code's standards when working for or on behalf of our companies. The environment regarding compliance with this Code within each supervisor's assigned area of responsibility will be a significant factor in evaluating the quality of that individual's performance. In addition, any employee who makes an exemplary effort to implement and uphold our Core Values, Valued Relationships and Standards of Business Conduct and Ethics will be recognized for that effort in his or her performance review. Nothing in this Code alters the at-will employment policy of our companies.

The Code addresses conduct that is particularly important to proper dealings with the people and entities with which we interact, but may not address every aspect of our commitment to honest and ethical conduct. From time to time we may adopt additional policies and procedures with which our employees, officers and directors are expected to comply, if applicable to them. However, it is the responsibility of each employee to apply common sense, together with his or her own highest personal ethical standards, in making business decisions where there is no stated guideline in this Code.

Action by members of your immediate family or other persons who live in your household also may potentially result in ethical issues to the extent that they involve our companies' business. For example, acceptance of inappropriate gifts by a family member from one of our suppliers or portfolio companies could create a conflict of interest and result in a Code violation attributable to you. Consequently, in complying with this Code, you should consider not only your own conduct, but also that of your immediate family members and other persons who live in your household.

PLEASE NOTE THAT YOU WILL BE ASKED TO CERTIFY COMPLIANCE WITH THIS CODE ON AN ANNUAL BASIS. THUS, YOU SHOULD NOT HESITATE TO ASK QUESTIONS, VOICE CONCERNS OR CLARIFY GRAY AREAS ABOUT WHETHER ANY CONDUCT MAY VIOLATE THIS CODE. THE APPENDICES CONTAIN RESOURCES AVAILABLE TO YOU TO DETERMINE COMPLIANCE WITH THIS CODE. IN ADDITION, YOU ARE RESPONSIBLE FOR REPORTING SUSPECTED OR ACTUAL VIOLATIONS OF THIS CODE BY OTHERS. YOU SHOULD BE ALERT TO POSSIBLE VIOLATIONS OF THIS CODE BY OTHERS, AND MUST REPORT SUSPECTED VIOLATIONS, WITHOUT FEAR OF ANY FORM OF RETALIATION, AS FURTHER DESCRIBED IN PART V, SECTION 15 OF THIS CODE.

V. Standards of Ethics and Business Conduct

Underlying our Core Values, described in Part I above, is our commitment to maintain the highest standards of ethics and business conduct.

1. Honest and Ethical Conduct

It is the policy of our companies to promote high standards of integrity by conducting our affairs in an honest and ethical manner. The integrity and reputation of our companies depends on

the honesty, fairness and integrity brought to the job by each person associated with us. Unyielding personal integrity is the foundation of corporate integrity.

2. Legal Compliance

Obedying the law, both in letter and in spirit, is the foundation of this Code. Our success depends upon each employee's operating within legal guidelines and cooperating with local, national and international authorities. We expect employees to understand the legal and regulatory requirements applicable to their business units and areas of responsibility. We hold periodic training sessions to ensure that all employees comply with this Code, the compliance policies and procedures of our companies, and other relevant laws, rules and regulations associated with their employment. While we do not expect you to know every detail of these laws, rules and regulations, we expect you to be familiar with this Code and our compliance policies and procedures, so that you are able to determine when to seek advice from others. If you do have a question in the area of legal compliance, it is important that you not hesitate to seek answers from your supervisor or one of the Compliance Officers (see Section 15 of this Part IV below for more information about the Compliance Officers).

Disregard of the law will not be tolerated. Violation of domestic or foreign laws, rules and regulations may subject an individual, as well as our companies, to civil or criminal penalties. You should be aware that conduct and records, including emails, are subject to internal and external audits and to discovery by third parties in the event of a government investigation or civil litigation. It is in everyone's best interest to know and comply with our legal obligations.

3. Insider Trading

Employees who have access to confidential (or "inside") information are not permitted to use or share that information for stock trading purposes or for any other purpose except to conduct our business. All non-public information about our companies or about companies with which we do business is considered confidential information. To use material non-public information in connection with buying or selling securities, including "tipping" others who might make an investment decision on the basis of this information, is not only unethical, it is illegal. You must exercise the utmost care when handling material inside information.

The Company's Insider Trading Policy (the "Trading Policy"), which is attached to this Code as Appendix A and is incorporated by reference into this Code, has been instituted to help you avoid prohibited insider trading, and to ensure that our companies comply with the separate requirements of Rules 17j-1 of the Investment Company Act of 1940 and 204A of the Investment Advisers' Act of 1940. All employees are expected to understand and comply with all Trading Policy provisions applicable to them.

The Trading Policy addresses detailed legal provisions of the Act and imposes requirements, and in some cases, restrictions, on certain securities trades that you may wish to make. The Trading Policy contains provisions that require you to obtain pre-clearance for all investments in any initial public offering, and for securities trades for which you may have insider information, especially the Gladstone Funds. To request pre-clearance of a securities transaction,

you should complete Schedule A (for limited offering transactions) or schedule B (for transactions involving Gladstone Funds) of the attached Appendix A and forward it to our CCO. The Trading Policy also requires all employees to provide certain reports of their holdings or transactions in certain securities. The particular reports you will be required to provide are described more fully in the Trading Policy.

If you have questions regarding the requirements or compliance procedures under the Trading Policy, or if you don't know whether your situation requires pre-clearance or reporting, you should contact one of our Compliance Officers.

4. International Business Laws

You are expected to comply with the applicable laws in all countries to which you travel, in which we operate and where we otherwise do business, including laws prohibiting bribery, corruption or the conduct of business with specified individuals, companies or countries. The fact that, in some countries, certain laws are not enforced or that violation of those laws is not subject to public criticism will not be accepted as an excuse for noncompliance. In addition, we expect you to comply with U.S. laws, rules and regulations governing the conduct of business by its citizens and corporations outside the U.S. If you have a question as to whether an activity is restricted or prohibited, seek assistance before taking any action, including giving any verbal assurances that might be regulated by international laws.

5. Environmental Compliance

It is our policy to conduct our business in an environmentally responsible way that minimizes environmental impacts. We are committed to minimizing and, if practicable, eliminating the use of any substance or material that may cause environmental damage, reducing waste generation and disposing of all waste through safe and responsible methods, minimizing environmental risks by employing safe technologies and operating procedures, and being prepared to respond appropriately to accidents and emergencies.

6. Conflicts of Interest

We respect the rights of our employees to manage their personal affairs and investments and do not wish to impinge on their personal lives. At the same time, you should avoid conflicts of interest that occur when your personal interests may interfere in any way with the performance of your duties or the best interests of our companies. A conflicting personal interest could result from an expectation of personal gain now or in the future or from a need to satisfy a prior or concurrent personal obligation. We expect you to be free from influences that conflict with the best interests of our companies, or might deprive our companies of your undivided loyalty in business dealings. Even the appearance of a conflict of interest where none actually exists can be damaging and should be avoided. Whether or not a conflict of interest exists or will exist can be unclear.

If you have any questions about a potential conflict or if you become aware of an actual or potential conflict, and you are not an officer or director of one of our companies, you should

discuss the matter with your supervisor or with one of our Compliance Officers. Supervisors may not authorize conflict of interest matters or make determinations as to whether a problematic conflict of interest exists without first seeking the approval of the CCO and providing the CCO with a written description of the activity. If the supervisor is involved in the potential or actual conflict, you should discuss the matter directly with the CCO. Officers and directors may seek authorizations and determinations from the Ethics Committee of the Board of Directors. Factors that may be considered in evaluating a potential conflict of interest are, among others:

- whether it may interfere with the employee's job performance, responsibilities or morale;
- whether the employee has access to confidential information;
- whether it may interfere with the job performance, responsibilities or morale of others within the organization;
- any potential adverse or beneficial impact on our business;
- any potential adverse or beneficial impact on our relationships with our customers or suppliers or other service providers;
- whether it would enhance or support a competitor's position;
- the extent to which it would result in financial or other benefit (direct or indirect) to the employee;
- the extent to which it would result in financial or other benefit (direct or indirect) to one of our customers, suppliers or other service providers; and
- the extent to which it would appear improper to an outside observer.

Although no list can include every possible situation in which a conflict of interest could arise, the following are examples of situations that may, depending on the facts and circumstances, involve problematic conflicts of interests:

- **Employment by (including consulting for) or service on the board of a competitor, customer or supplier or other service provider.** Activity that enhances or supports the position of a competitor to the detriment of one or more of our companies is prohibited, including employment by or service on the board of a competitor. Employment by or service on the board of a customer or supplier or other service provider is generally discouraged and you must seek authorization in advance if you plan to take such a position.
- **Owning, directly or indirectly, a significant financial interest in any entity that does business, seeks to do business or competes with us.** In addition to the factors described above, persons evaluating ownership in other entities for conflicts of interest will consider the size and nature of the investment; the nature of the relationship between the other entity

and any one of our companies; the employee's access to confidential information and the employee's ability to influence one of our companies decisions. If you would like to acquire a financial interest of any kind, you must seek written approval in advance from the CCO.

- **Soliciting or accepting gifts, favors, loans or preferential treatment from any person or entity that does business or seeks to do business with us.** See Section 10 for further discussion of the issues involved in this type of conflict.
- **Soliciting contributions to any charity or for any political candidate from any person or entity that does business or seeks to do business with us.**
- **Taking personal advantage of corporate opportunities.** See Section 7 for further discussion of the issues involved in this type of conflict.
- **Working at a second job without permission.**
- **Conducting business transactions between any one of our companies and your family member or a business in which you or a family member has a significant financial interest.** Material related-party transactions must be approved by the Audit Committee and the Ethics Committee and, if that activity involves any executive officer or director, that activity will be required to be publicly disclosed as required by applicable laws and regulations.

Loans to, or guarantees of obligations of, employees or their family members by our companies could constitute an improper personal benefit to the recipients of these loans or guarantees, depending on the facts and circumstances. Some loans are expressly prohibited by law and applicable law requires that our Board of Directors approve all loans and guarantees to employees. As a result, all loans and guarantees by our companies must be approved in advance by the Board of Directors.

7. Corporate Opportunities.

You may not take personal advantage of the opportunities of our companies that are presented to you or discovered by you as a result of your position with us or through your use of corporate property or information, unless authorized by the Board of Directors. Even opportunities that are acquired privately by you may be questionable if they are related to our existing or proposed lines of business. Significant participation in an investment or outside business opportunity that is directly related to our lines of business must be pre-approved by the board of directors of our company that is affected. You may not use your position with us or corporate property or information for improper personal gain, nor should you compete with us in any way.

8. Maintenance of Corporate Books, Records, Documents and Accounts; Financial Integrity; Public Reporting

The integrity of our records and public disclosure depends upon the validity, accuracy and completeness of the information supporting the entries to our books of account. Therefore, our corporate and business records should be completed accurately and honestly. The making of false or misleading entries, whether they relate to financial results or test results, is strictly prohibited. Our records serve as a basis for managing our business and are important in meeting our obligations to customers, suppliers, creditors, employees and others with whom we do business. As a result, it is important that our books, records and accounts accurately and fairly reflect, in reasonable detail, our assets, liabilities, revenues, costs and expenses, as well as all transactions and changes in assets and liabilities. We require that:

- no entry be made in our books and records that intentionally hides or disguises the nature of any transaction or of any of our liabilities or misclassifies any transactions as to accounts or accounting periods;
- transactions be supported by appropriate documentation;
- the terms of sales and other commercial transactions be reflected accurately in the documentation for those transactions and all such documentation be reflected accurately in our books and records;
- employees comply with our system of internal controls; and
- no cash or other assets be maintained for any purpose in any unrecorded or “off-the-books” fund.

Our accounting records are also relied upon to produce reports for our management, stockholders and creditors, as well as for governmental agencies. In particular, we rely upon our accounting and other business and corporate records in preparing the periodic and current reports that we file with the Securities and Exchange Commission (the “SEC”). Securities laws require that these reports provide full, fair, accurate, timely and understandable disclosure and fairly present our financial condition and results of operations. Employees who collect, provide or analyze information for or otherwise contribute in any way in preparing or verifying these reports should strive to ensure that our financial disclosure is accurate and transparent and that our reports contain all of the information about the Gladstone group of companies that would be important to enable stockholders and potential investors to assess the soundness and risks of our business and finances and the quality and integrity of our accounting and disclosures. In addition:

- no employee may take or authorize any action that would intentionally cause our financial records or financial disclosure to fail to comply with generally accepted accounting principles, the rules and regulations of the SEC or other applicable laws, rules and regulations;
- all employees must cooperate fully with our Accounting Department and, when one is established, Internal Auditing Departments, as well as our independent public accountants and counsel, respond to their questions with candor and provide them with complete and

accurate information to help ensure that our books and records, as well as our reports filed with the SEC, are accurate and complete; and

- no employee should knowingly make (or cause or encourage any other person to make) any false or misleading statement in any of our reports filed with the SEC or knowingly omit (or cause or encourage any other person to omit) any information necessary to make the disclosure in any of our reports accurate in all material respects.

Any employee who becomes aware of any departure from these standards has a responsibility to report his or her knowledge promptly to a supervisor, a Compliance Officer, the Audit Committee or one of the other compliance resources described in Section 15.

9. Fair Dealing

We strive to outperform our competition fairly and honestly. Advantages over our competitors are to be obtained through superior performance of our products and services, not through unethical or illegal business practices. Acquiring proprietary information from others through improper means, possessing trade secret information that was improperly obtained, or inducing improper disclosure of confidential information from past or present employees of other companies is prohibited, even if motivated by an intention to advance our interests. If information is obtained by mistake that may constitute a trade secret or other confidential information of another business, or if you have any questions about the legality of proposed information gathering, you must consult your supervisor or one of our Compliance Officers, as further described in Section 15.

You are expected to deal fairly with our customers, suppliers, employees and anyone else with whom you have contact in the course of performing your job. Be aware that the Federal Trade Commission Act provides that “unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are declared unlawful.” It is a violation of this Act to engage in deceptive, unfair or unethical practices and to make misrepresentations in connection with sales activities.

Employees involved in procurement have a special responsibility to adhere to principles of fair competition in the purchase of products and services by selecting suppliers based exclusively on normal commercial considerations, such as quality, cost, availability, service and reputation, and not on the receipt of special favors.

10. Gifts and Entertainment

Business gifts and entertainment are meant to create goodwill and sound working relationships and not to gain improper advantage with customers or facilitate approvals from government officials. The exchange, as a normal business courtesy, of meals or entertainment (such as tickets to a game or the theatre or a round of golf) is a common and acceptable practice as long as it is not extravagant. Unless express written permission is received from a supervisor, the CCO or the Ethics Committee, gifts and entertainment cannot be offered, provided or accepted by any employee unless consistent with customary business practices and not (a) of more than

token or nominal monetary value, (b) in cash, (c) susceptible of being construed as a bribe or kickback, (d) made or received on a regular or frequent basis or (e) in violation of any laws. This principle applies to our transactions everywhere in the world, even where the practice is widely considered “a way of doing business.” Employees should not accept gifts or entertainment that may reasonably be deemed to affect their judgment or actions in the performance of their duties. Our customers, suppliers and the public at large should know that our employees’ judgment is not for sale.

11. Protection and Proper Use of Company Assets

All employees are expected to protect our assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on our profitability. Our property, such as office supplies, computer equipment, buildings and products, are expected to be used only for legitimate business purposes, although incidental personal use may be permitted. You may not, however, use our corporate name, any brand name or trademark owned or associated with our companies or any letterhead stationery for any personal purpose.

We each have personal responsibility to guard and ensure the security of our information systems and data. Our employees will exercise reasonable cyber security awareness by managing their access to our equipment, systems and information/data assets with the utmost care, confidentiality and professionalism. These assets are intended to advance the success of the company. Our assets include facilities, equipment, computers and information systems, smartphones, information and data assets.

- Protect company assets from loss or harm.
- Don’t appropriate, borrow or loan company assets without permission.
- Use care when transferring confidential information via email.
- Use care when transferring confidential information onto a portable storage device such as a memory stick.
- Keep computer equipment safe and secure at all times and protect your user IDs and passwords.
- Keep confidential and proprietary information safe and secure.

Exercise cyber security by looking after our intellectual property and be vigilant of potential attempts (ex., phishing/spam/fraudulent emails, unusual system activity, etc.) to breach our computer systems by notifying compliance, resource management, or our IT service when suspicion arises.

You may not, while acting on behalf of our companies or while using our computing or communications equipment or facilities, either:

- Permit an external entity to access our computer systems without authorization from compliance or resource management; or

- access the internal computer system (also known as “hacking”) or other resource of another entity without express written authorization from the entity responsible for operating that resource; or
- if you receive authorization to access another entity’s internal computer system or other resource, you must make a permanent record of that authorization so that it may be retrieved for future reference, and you may not exceed the scope of that authorization; or
- commit any unlawful or illegal act, including harassment, libel, fraud, sending of unsolicited bulk email (also known as “spam”) in violation of applicable law, trafficking in contraband of any kind or espionage.

Unsolicited bulk email is regulated by law in a number of jurisdictions. If you intend to send unsolicited bulk email to persons outside of our companies, either while acting on our behalf or using our computing or communications equipment or facilities, you should contact your supervisor or the CCO for approval.

All data residing on or transmitted through our computing and communications facilities, including email and word processing documents, is the property of our companies and subject to inspection, retention and review by us, with or without an employee’s or third party’s knowledge, consent or approval, in accordance with applicable law. Any misuse or suspected misuse of our assets must be immediately reported to your supervisor or a Compliance Officer.

12. Confidentiality

One of our most important assets is our confidential information. As an employee of our companies, you may learn of information about our business that is confidential and proprietary. You also may learn of information before that information is released to the general public. Employees who have received or have access to confidential information should take care to keep this information confidential. Confidential information includes non-public information that might be of use to competitors or harmful to our companies or its customers if disclosed, such as business, marketing and service plans, financial information, product architecture, source codes, designs, databases, customer lists, pricing strategies, personnel data, personally identifiable information pertaining to our employees, customers or other individuals, and similar types of information provided to us by our customers, suppliers and partners. This information may be protected by patent, trademark, copyright and trade secret laws.

In addition, because we interact with other companies and organizations, there may be times when you learn confidential information about other companies before that information has been made available to the public. You must treat this information in the same manner as you are required to treat our confidential and proprietary information. There may even be times when you must treat as confidential the fact that we have an interest in, or are involved with, another company.

You are expected to keep confidential and proprietary information confidential unless and until that information is released to the public through approved channels (usually through a press

release, an SEC filing or a formal communication from a member of senior management, as further described in Section 13). Every employee has a duty to refrain from disclosing to any person confidential or proprietary information about us or any other company learned in the course of employment here, until that information is disclosed to the public through approved channels. This policy requires you to refrain from discussing confidential or proprietary information with outsiders and even with other of our companies' employees, unless those fellow employees have a legitimate need to know the information in order to perform their job duties. Unauthorized use or distribution of this information could also be illegal and result in civil liability or criminal penalties.

You should also take care not to inadvertently disclose confidential information. Materials that contain confidential information, such as memos, notebooks, computer disks and laptop computers, should be stored securely. Unauthorized posting or discussion of any information concerning our business, information or prospects on the Internet is prohibited. You may not discuss our business, information or prospects in any "chat room," regardless of whether you use your own name or a pseudonym. Be cautious when discussing sensitive information in public places like elevators, airports, restaurants and "quasi-public" areas within the Gladstone group of companies. All our companies emails, voicemails and other communications are presumed confidential and should not be forwarded or otherwise disseminated outside of our companies, except where required for legitimate business purposes.

In addition to the above responsibilities, if you are handling information protected by any privacy policy published by us, such as our website privacy policy, then you must handle that information in accordance with the applicable policy.

13. Media and Public Discussions

It is our policy to disclose material information concerning our companies to the public only through specific limited channels to avoid inappropriate publicity and to ensure that all those with an interest in the company will have equal access to information. All inquiries or calls from the press and financial analysts should be referred to the Chief Executive Officer ("CEO") or our Investor Relations Manager. We have designated our CEO as our official spokesperson for financial matters. We have designated the President of one of our companies or our Chief Investment Officer ("CIO") as our official spokesperson for marketing, and other related information. Unless a specific exception has been made by the CEO, these designees are the only people who may communicate with the press on behalf of our companies. In addition, our compliance policies and procedures require that communications of this nature, including advertisements, presentations or speeches and website content, be reviewed by the CCO. You also may not provide any information to the media about us off the record, for background, confidentially or secretly.

14. Waivers

Any waiver of this Code for executive officers (including our principal executive officer, principal financial officer, principal accounting officer or controller (or persons performing similar

functions) or directors may be authorized only by the Board of Directors of our companies, and will be disclosed to stockholders as required by applicable laws, rules and regulations.

15. Compliance Standards and Procedures

Compliance Resources; Compliance Officers

To facilitate compliance with this Code, we have implemented a program of Code awareness, training and review. We have designated our CCO to oversee this program. The CCO will have staff to assist in oversight of the program. The Compliance Officers are persons to whom you can address any questions or concerns. Please contact your manager or the head of Human Resources to determine who has been appointed as a Compliance Officer. In addition to fielding questions or concerns with respect to potential violations of this Code, the CCO is responsible for:

- investigating possible violations of this Code;
- training new employees in Code policies;
- conducting annual training sessions to refresh employees' familiarity with this Code;
- reviewing all personal securities transactions and holdings reports required by Appendix A to this Code;
- distributing this Code by hard copy or by email to each employee upon initial hire and annually thereafter, and upon any amendment of this Code, and requiring written acknowledgement of the receipt of this Code and any such amendments as a reminder that each employee is responsible for reading, understanding and complying with this Code;
- updating this Code as needed and alerting employees to any updates, with appropriate approval of the Ethics Committee, to reflect changes in the law, our companies operations and in recognized best practices, and to reflect our companies experience; and
- otherwise promoting an atmosphere of responsible and ethical conduct.
- Your most immediate resource for any matter related to this Code is your supervisor. He or she may have the information you need or may be able to refer the question to another appropriate source.

There may, however, be times when you prefer not to go to your supervisor. In these instances, you should feel free to discuss your concern with a Compliance Officer. If you are uncomfortable speaking with a Compliance Officer because he or she works in your department or is one of your supervisors, please contact a member of the Ethics Committee. You may also report violations directly to members of the Ethics Committee by either sending a letter to Global Compliance Services, 13950 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277 or by calling our companies' toll-free hotline run by Global Compliance Services at 1-888-475-4914 and speaking with a representative who will transmit the information to the Ethics Committee. The

Ethics Committee will pass on to the Audit Committee of the Board of Directors all information related to complaints or observations that involve accounting, internal accounting controls and auditing concerns.

You may call the toll-free number anonymously if you prefer as it is not equipped with caller identification, although Global Compliance Services will be unable to obtain follow-up details from you that may be necessary to investigate the matter. Whether you identify yourself or remain anonymous, your telephonic contact with Global Compliance Services through the toll-free number will be kept strictly confidential to the extent reasonably possible within the objectives of this Code.

16. Amendments and Modifications

This Code of Ethics and Business Conduct may not be amended or modified except in a written form which is specifically approved by majority vote of the independent directors of the applicable entities.

This Code of Ethics and Business Conduct was adopted by the Board of Directors of Gladstone Capital, Gladstone Investment, Gladstone Land, Gladstone Commercial and the Interval Fund, including the independent directors, on January 28, 2013.

17. Pay to Play Policy

In light of recent scandals involving public pension plans and the practice of making campaign contributions to elected officials in order to influence the awarding of lucrative contracts for the management of public pension plan assets and similar government investment accounts, so-called “pay to play,” the Securities and Exchange Commission adopted Rule 206(4)-5 amending the Investment Advisers Act of 1940 (hereinafter “Rule 206(4)-5” or the “Rule”) prohibiting investment advisors from receiving compensation for advisory services rendered to a public pension plan or other government investment account if certain political contributions are made by the adviser, or certain of its executives and employees. The Rule covers, among other things, all direct contributions made to incumbent state or local officials, or candidates for state or local office, direct contributions to state or local political party committees, and indirect contributions such as in-kind contributions, and soliciting or coordinating contributions.

Rule 206(4)-5 applies to the Adviser because it is a registered investment adviser under the Investment Advisers Act of 1940 and to Gladstone Securities because it is a registered broker dealer soliciting Government Entities on behalf of the Adviser.¹ Although the Adviser may not

¹ The Rule makes it unlawful for any investment adviser subject to the Rule or any of the adviser’s covered associates to make direct or indirect payment to any person to solicit government clients for investment advisory services on the investment adviser’s behalf unless the “solicitor” is subject to prohibitions against participating in pay to play practices and subject to oversight by the Securities and Exchange Commission or a registered national securities association

currently be providing advisory services to a public pension plan or other government investment account, the Rule has a two year look back provision which could impact the ability of the Adviser to provide such services in the coming years. This policy is being adopted to avoid inadvertent violations of the Rule which would result in loss of business for the Adviser. Any questions regarding this policy or activities discussed herein should be directed to the CCO or his designee. Please refer to Appendix B for further information.

such as FINRA. The SEC adopted this Rule to prevent a third party placement agent from being used as an indirect means of making political contributions on the investment's advisers behalf. Under the Rule, FINRA's rules must be at least as restrictive as Rule 206(4)-5 for a broker dealer to be able to solicit government clients on the investment adviser's behalf. While Gladstone Securities is not a registered investment adviser under the Investment Advisers Act of 1940, any contributions made by a Covered Associate of Gladstone Securities could be deemed to have been made by the Adviser, thus prohibiting the Adviser from providing investment advisory services to the applicable Government Entity. Likewise, contributions made by a newly hired employee prior to his or her employment at the Adviser or Gladstone Securities could be deemed to have been made by the Adviser, triggering the prohibitions on the Adviser providing advisory services to a Government Entity.

Appendix A

**Insider Trading Policy
For
Gladstone Capital Corporation
Gladstone Commercial Corporation
Gladstone Investment Corporation
Gladstone Land Corporation
Gladstone Alternative Income Fund
Gladstone Management Corporation
Gladstone Administration LLC
Gladstone Securities, LLC**

This Insider Trading Policy (the “Policy”) has been adopted to comply with Rules 17j-1 under the Investment Company Act of 1940 (the “Investment Company Act”) and 204A under the Investment Advisers’ Act of 1940 (the “Advisers’ Act”) (the “Rules”). The Policy establishes standards and procedures designed to address conflicts of interest and detect and prevent abuse of fiduciary duty by persons with knowledge of the investments and investment intentions of Gladstone Management Corporation (the “Adviser”), Gladstone Administration LLC (the “Administrator”), Gladstone Securities, LLC, Gladstone Capital Corporation, Gladstone Commercial Corporation, Gladstone Investment Corporation, Gladstone Land Corporation, Gladstone Alternative Income Fund, their subsidiaries, and other funds managed and administered by the Adviser and the Administrator (collectively, the “Funds”).

THIS POLICY WAS ORIGINALLY INCORPORATED BY REFERENCE INTO AND MADE A PART OF THE CODE OF ETHICS AND BUSINESS CONDUCT ADOPTED BY THE BOARDS OF DIRECTORS OF THE ADVISER AND THE FUNDS ON OCTOBER 11, 2005 (THE “CODE OF ETHICS”). ANY VIOLATION OF THIS POLICY IS SUBJECT TO SANCTIONS DESCRIBED IN THE CODE OF ETHICS.

(a) General Policy

(i) It is the policy of the Adviser, the Administrator and the Funds to oppose the unauthorized disclosure of any non-public information acquired in the workplace and the misuse of Material Non-public Information in securities trading. It is also the policy of the Adviser, the Administrator and the Funds to restrict trading of the Fund’s securities in a manner that minimizes the possibility of any unintentional violation of the securities laws. We have adopted several specific restrictions, outlined in this Policy, to effect the Company’s general policy.

(ii) This Policy acknowledges the general principles that officers, directors and employees of the Adviser, the Administrator, the Funds or any other company in a Control relationship to the Adviser, the Administrator or the Funds, referred to in this Policy as “Covered Persons,” (A) owe a fiduciary obligation to the Funds, the Administrator and the Adviser; (B) have the duty at all times to protect the interests of stockholders; (C) must conduct all personal securities transactions in such a manner as to avoid any actual or potential conflict of interest or abuse of an individual’s position of trust and responsibility; and (D) should not take inappropriate advantage of their positions in relation to the Funds, the Administrator or the Adviser. In recognition of the relationship between Covered Persons and members of their immediate family sharing a household with the Covered Person and entities whose investment decisions are influenced or controlled by such individuals, this Policy also applies to such persons, who are referred to in this Policy as “Insiders.”

(iii) The Rules make it unlawful for Covered Persons to engage in conduct which is deceitful, fraudulent or manipulative, or which involves false or misleading statements, in connection with the purchase or sale of securities by an investment company. Accordingly, under the Rules and this Policy no Covered Person shall use any information concerning the investments or investment intentions of the Funds, or his or her ability to influence such investment intentions, for personal gain or in a manner detrimental to the interests of the Funds. In addition, the Rules and this Policy also contain additional restrictions for Covered Persons who are involved in or have access to information regarding securities recommendations made to the Funds, referred to in this Policy as Access Persons.

(iv) Generally speaking, the restrictions in this Policy are time-based, to take account of events we know will occur on a regular basis, such as quarterly earnings releases, and circumstance-based, to address situations where information such as anticipated significant investment transactions, securities offerings, or any other such information that would likely affect the price of the Funds’ securities, is not yet known to the general public.

(b) Definitions.

For purposes of this Policy,

(i) “**Access Person**” means any officer, employee director or managing director of the Adviser, the Administrator or the Funds, or any other company in a Control relationship to the Adviser, the Administrator or the Funds who is involved in or has access to information regarding securities recommendations made to the Funds.

(ii) “**Administrative Officer**” means the CCO of the Relevant Fund, or, if the CCO of the Relevant Fund is not available, then the General Counsel of the Relevant Fund, or if the CCO and General Counsel of the Relevant Fund are not available, then the Chief Financial Officer of the Relevant Fund. Notwithstanding the foregoing, in the case of the pre-clearance of a Covered Transaction within the meaning of Section (b)(viii)(2) below, “**Administrative Officer**” means the CCO of the Adviser, or, if the CCO of the Adviser is not available, then the General Counsel of the Adviser, or if the CCO and General Counsel of the Adviser are not available, then the Chief Financial Officer of the Adviser.

Appendix A-2

(iii) **“Beneficial Interest”** means any interest by which a Covered Person or any member of his or her Immediate Family, can directly or indirectly derive a monetary benefit from the purchase, sale (or other acquisition or disposition) or ownership of a Security, except such interests as Clearing Officers (defined below) shall determine to be too remote for the purpose of this Policy. (A transaction in which a Covered Person acquires or disposes of a Security in which he or she has or thereby acquires a direct or indirect Beneficial Interest is sometimes referred to in this Code of Ethics as a “personal securities” transaction or as a transaction for the person’s “own account”).

(iv) **“CCO”** means Chief Compliance Officer, as duly appointed.

(v) **“Control”** means the power to exercise a controlling influence over the management or policies of a company (unless such power is solely the result of an official position with such company). Any person who owns beneficially, directly or through one or more controlled companies, more than 25% of the voting securities of a company shall be presumed to control such company. For purposes of this Policy, natural persons and portfolio companies of the Funds shall be presumed not to be controlled persons.

(vi) **“Covered Person”** means any officer, director or employee of the Adviser, the Administrator, the Funds or any other company in a Control relationship to the Adviser, the Administrator or the Funds, but does not include portfolio companies of the Funds.

(vii) **“Covered Security”** includes any Fund Securities and all debt obligations, stock and other instruments comprising the investments of the Funds, including any warrant or option to acquire or sell a security and financial futures contracts, but excludes securities issued by the U.S. government or its agencies, bankers’ acceptances, bank certificates of deposit, commercial paper and shares of a mutual Company. References to a “Covered Security” in this Policy shall include any warrant for, option in, or security convertible into that “Covered Security.”

(viii) **“Covered Transaction”** means any of the following transactions:

(1) A transaction in which such Covered Person knows or should know at the time of entering into the transaction that: (i) any of the Funds has engaged in a transaction in the same Security within the last 180 days, or is engaging in a transaction or is going to engage in a transaction in the same Security in the next 180 days; or (ii) the Adviser has within the last 180 days considered a transaction in the same Security for any of the Funds or is considering such a transaction in the Security or within the next 180 days is going to consider such a transaction in the Security;

(2) a transaction that involves the direct or indirect acquisition of Securities in an initial public offering or Limited Offering of any issuer; or

(3) a transaction in any Fund Security.

(ix) **“Fund Security”** means any security issued by any of the Funds. References to a “Fund Security” in this Policy shall include any warrant for, option in, or security convertible into that “Fund Security.”

(x) **“Immediate Family”** includes any children, stepchildren, grandchildren, parents, stepparents, grandparents, spouses, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, or sisters-in-law, including adoptive relationships, who live in the same household.

(xi) **“Independent Officer”** means an officer of the Relevant Fund other than the Administrative Officer who is not a party to the transaction or a relative of a party to the transaction. Notwithstanding the foregoing, in the case of the pre-clearance of a Covered Transaction within the meaning of Section (b)(viii)(2) below, **“Independent Officer”** means an officer of the Adviser other than the Administrative Officer who is not a party to the transaction or a relative of a party to the transaction.

(xii) **“Insiders”** means Covered Persons, their Immediate Family and entities whose investment decisions are influenced or controlled by such individuals.

(xiii) **“Limited Offering”** means an offering that is exempt from registration under Sections 4(2) or 4(6) of, or Regulation D under, the Securities Act of 1933. Limited Offerings may include, among other things, limited partnership or limited liability company interests, or other Securities purchased through private placements.

(xiv) **“Loan Officer”** means an Access Person who is responsible for making decisions as to Securities to be bought or sold for the Funds’ portfolio.

(xv) **“Non-Access Person”** means any employee of the Adviser, the Administrator, the Funds, or any other company in a Control relationship to the Adviser or the Funds, which employee is not an “Access Person.”

(xvi) **“Relevant Fund”** means the Fund to which the relevant Covered Securities relate.

(xvii) A **“Security held or to be acquired”** by the Funds means any Security which, within the most recent 180 days is or has been held by the Funds or is being or has been considered for purchase by the Funds.

(xviii) A Security is **“being considered for purchase or sale”** from the time an amendment letter is signed by or on behalf of the Funds until the closing with respect to that Security is completed or aborted.

(xix) **“Security”** means any note, stock, treasury stock, security future, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional

undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a “security”, or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

(xx) **“Trading Day”** means a day on which the Nasdaq Global Market is open for trading. A Trading Day begins at the time trading begins on such day following the date of public disclosure of the financial results for that quarter.

(c) **Material Non-public Information.** Material Non-public Information means any information that a reasonable investor would likely consider important in a decision to buy, hold or sell Covered Securities that has not already been disclosed generally to the public. Either positive or negative information may be material.

(i) **Materiality.** While it may be difficult to determine whether particular information is material, there are various categories of information that are particularly sensitive and, as a general rule, should always be considered material. Examples of such information include, but are not limited to: (1) a Fund’s financial results, (2) known but unannounced large deviations in planned future earnings or losses, (3) execution or termination of significant investment transactions, (4) news of a pending or proposed merger or other acquisition, (5) changes in a Fund’s dividend rate or dividend policy, (6) news of the disposition, construction or acquisition of significant assets, (7) impending bankruptcy or financial liquidity problems, (8) significant developments involving corporate relationships, (9) new equity or debt offerings, (10) security buyback programs, (11) positive or negative developments in significant outstanding litigation, (12) significant litigation exposure due to actual or threatened litigation, (13) significant changes to existing debt facilities and (14) major changes in senior management.

(ii) **Non-public.** Information about the Adviser, the Administrator and the Funds that is not yet in general circulation should be considered non-public. It is important to note that information is not necessarily public merely because it has been discussed in the press, which will sometimes report rumors. All information that a Covered Person learns about the Adviser, the Administrator or the Funds or their business plans in connection with his or her employment is non-public information unless you can point to its official release by the Adviser, the Administrator or the Funds in a press release, a filing with the Securities and Exchange Commission (the “SEC”) or a publicly available webcast or similar broadcast sponsored by the Adviser, the Administrator or the Funds. If you are considering engaging in a Covered Transaction and have any question as to whether information of which you are aware has been made public, contact the CCO of the Relevant Fund.

(d) **Specific Requirements for Trading in Fund Securities**

(i) **Trading Window.** Except as permitted in Section (e)(iii) of this Policy, Insiders may only conduct transactions involving the purchase or sale of a Fund Security during

the period commencing at the open of the market on the third Trading Day following the date of the Relevant Fund's filing of its Form 10-Q or 10-K for the most recently completed fiscal period and continuing until the close of the market on the fifteenth (15th) calendar day prior to the last day of the fiscal quarter (the "**Trading Window**"), after which time the Trading Window will be closed until it re-opens on the third Trading Day following the date of filing of the Form 10-Q or 10-K for the subsequent period. Notwithstanding anything in this Policy to the contrary, in certain special circumstances involving a high level of market volatility, Insiders may conduct transactions involving the purchase or sale of a Fund Security outside the Trading Window, but not later than the last day of the fiscal quarter, provided that each such trade complies with the pre-clearance procedures outlined in Section (e)(i) of this Policy and is also approved in advance by the Relevant Fund's Chief Executive Officer or President who is not placing the particular trade. In the event that the Insider and the Relevant Fund's Chief Executive Officer and President are the same person, he or she must receive the approval of the Chief Operating Officer.

In special circumstances, when insiders may have Material Non-public information, the CCO, General Counsel or the Chief Financial Officer of the Relevant Fund may, upon the concurrence of any two of such persons, close or open Trading Window or prevent a scheduled Trading Window from opening as originally scheduled. Upon determination that any such information no longer constitutes Material Non-public Information, the CCO, General Counsel or Chief Financial Officer of the Relevant Fund may, upon the concurrence of any two of such persons, re-open a Trading Window.

(ii) Reserved.

(iii) No Safe Harbor for Possession of Material Non-Public Information.

Regardless of whether the Trading Window is open, the Funds and Insiders may not trade in Fund Securities while in possession of any Material Non-public Information (with the exception of trades pursuant to Rule 10b5-1 Trading Plans established in accordance with this Policy). Trading in Fund Securities during the Trading Window should not be considered a "safe harbor" from liability, and all Insiders should use good judgment at all times.

(iv) Limit Orders. The prohibition against trading during the closed Trading Windows encompasses the fulfillment of "limit orders" (often referred to as "good until canceled orders") by any broker with whom any such limit order is placed. Any unfilled limit orders in Fund Securities must be immediately canceled whenever (A) a Trading Window closes, including upon the imposition of a special circumstances closed Trading Window, or (B) the Insider comes into possession of Material Non-public Information.

(v) Short Sales and Derivative Securities. No Insiders shall engage in a short sale of any Fund Security. A short sale is a sale of securities not owned by the seller or, if owned, not delivered against such sale within 20 days thereafter. In addition, trading in options to buy or sell Fund Securities (including put or call options), warrants, convertible securities, stock appreciation rights, or other similar rights with an exercise or conversion privilege at a price related to an equity security or with a value derived from the value of an equity security relating to a Fund Security (collectively, "**Derivative Securities**"), whether or not issued by the Funds, such as

exchange-traded options, are prohibited. Short sales and Derivative Security trading are prohibited by this Policy even when the Trading Window is open.

(vi) Other Prohibited Activities. In addition, no Covered Person shall, directly or indirectly in connection with the purchase or sale of a “security held or to be acquired” (as defined in Section (b)(xvii) of this Policy) by the Funds: (a) employ any device, scheme or artifice to defraud the Funds; or (b) make to the Funds or the Adviser any untrue statement of a material fact or omit to state to any of the foregoing a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; or (c) engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the Funds; or (d) engage in any manipulative practice with respect to the Funds.

In addition, no Fund shall, directly or indirectly in connection with the purchase or sale of its securities: (a) employ any device, scheme or artifice to defraud; or (b) make any untrue statement of a material fact or omit to state to any of the foregoing a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; or (c) engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

(e) Pre-Clearance of Covered Transactions

(i) Pre-Clearance of Transactions in Fund Securities. Except for transactions that are exempted under Section (e)(iii) below, all Covered Persons must obtain pre-clearance for any transactions in Fund Securities using the following procedures:

(1) From Whom Obtained. Before any Insider engages in any transaction in Fund Securities, the relevant Covered Person must pre-clear the proposed transaction with the Administrative Officer (the CCO of the Relevant Fund, or, if the CCO of the Relevant Fund is not available, then the General Counsel of the Relevant Fund, or if the CCO and General Counsel of the Relevant Fund are not available, then the Chief Financial Officer of the Relevant Fund). Until the Administrative Officer provides pre-clearance for the proposed transaction, such Insider shall not execute the proposed transaction. The Administrative Officer may consult management and counsel in reviewing and pre-clearing transactions, although the primary responsibility to assess whether a proposed transaction complies with this Policy and applicable law will lie with the Covered Person.

(2) Pre-clearance Period. The Covered Person will have until the end of fourteen (14) calendar days following the day pre-clearance is received, or until such earlier time that the Trading Window closes or the Insider comes into possession of Material Non-Public Information, to execute the transaction. If for any reason the transaction is not completed within this period of time, pre-clearance must be re-obtained from the Administrative Officer. Execution of a trade shall include the actual sale or purchase, rather than simply placing of an order to do so.

(3) Form. To initiate pre-clearance, you must contact the Administrative Officer in person, by phone, or email. After discussing the proposed trade, pre-clearance can be obtained by (i) completing and signing Schedule B, and obtaining the approval

and signature of the Administrative Officer; or (ii) responding affirmatively to an email sent by the Administrative Officer containing all the required information of Schedule B and receiving a reply email from the Administrative Officer indicating such approval. Schedule B may be amended from time to time by the CCO of the Relevant Fund, with the permission of the Chairman of the Ethics Committee of the Relevant Fund. The Administrative Officer is the CCO of the Relevant Fund, or, if the CCO is not available, then the General Counsel of the Relevant Fund, or if the CCO and General Counsel are not available, then the CFO of the Relevant Fund.

(4) **Filing.** A copy of all completed pre-clearance forms, with all required signatures (or, as applicable, email correspondence), shall be retained by the CCO of the Relevant Fund.

(5) **Insider's Responsibility.** Notwithstanding the foregoing, even if a proposed trade is pre-cleared, the Insider is prohibited from trading any Fund Securities while in possession of Material Non-public Information.

(ii) **Pre-Clearance of Non-Fund Securities Covered Transactions.** With the exception of transactions in Fund Securities (covered in Section (e)(i) above) and transactions that are exempted under Section (e)(iii) below, Insiders proposing to engage in Covered Transactions must obtain pre-clearance of such Covered Transaction using the following procedures:

(1) **From Whom Obtained.** Pre-clearance must be obtained from the Administrative Officer and one Independent Officer.

(2) **Pre-clearance Period.** In the case of a proposed Covered Transaction, if the relevant Covered Person receives pre-clearance, the Insider will have until the end of fourteen (14) calendar days following the day pre-clearance is received to execute the transaction. If for any reason the transaction is not completed within this period of time, pre-clearance must be re-obtained before the transaction can be executed.

(3) **Form.** Pre-clearance must be obtained in writing by completing and signing the "Request for Permission to Engage in a Non-Fund Securities Covered Transaction" form attached hereto as **Schedule A**, which form shall set forth the details of the proposed transaction, and obtaining the signatures of the Administrative Officer and one Independent Officer. Schedule A may be amended from time to time by the CCO of the Relevant Fund, with the permission of the Chairman of the Ethics Committee of the Relevant Fund.

(4) **Filing.** A copy of all completed pre-clearance forms, with all required signatures, shall be retained by the CCO of the Relevant Fund.

(5) **Factors to be Considered in Pre-clearance of Non-Fund Securities Covered Transactions.** The persons responsible for pre-clearance may refuse to grant pre-clearance of a Covered Transaction in their absolute discretion. Generally, such persons will consider the following factors in determining whether or not to clear a Covered Transaction: (1) whether the Insider is in possession of Material Non-Public Information, (2) whether the amount or nature of the transaction or person making it is likely to affect the price or market for the

Security; (3) whether the individual making the proposed purchase or sale is likely to benefit from purchases or sales being made or being considered by the Funds; (4) whether the Security proposed to be purchased or sold is one that would qualify for purchase or sale by the Funds; (5) whether the transaction is non-volitional on the part of the individual, such as receipt of a stock dividend, bequest or inheritance; (6) whether potential harm to the Funds from the transaction is remote; (7) whether the transaction would be likely to affect a highly institutional market; and (8) whether the transaction is related economically to Securities being considered for purchase or sale (as defined in Section (b)(xviii) of this Policy) by the Funds.

(iii) Exemptions From Pre-Clearance Requirements

The following transactions are exempt from the pre-clearance provisions of this Policy:

(1) Not Controlled Securities. Purchases, sales or other acquisitions or dispositions of Securities for an account over which the Insider has no direct influence or Control and does not exercise indirect influence or Control;

(2) Involuntary Transactions. Involuntary purchases or sales made by an Insider;

(3) DRPs. Purchases which are part of an automatic dividend reinvestment plan;

(4) Rights Offerings. Purchases or other acquisitions or dispositions resulting from the exercise of rights acquired from an issuer as part of a pro rata distribution to all holders of a class of Securities of such issuer and the sale of such rights; and

(5) Rule 10b5-1 Plans.

a. Trades Pursuant to Trading Plan Exempted from Compliance with Trading Windows and Pre-clearance Requirements. A transaction in Fund Securities in accordance with a trading plan adopted in accordance with the SEC's Rule 10b5-1(c) and this Section (e)(iii)(5) (the "**Trading Plan**") shall not be required to be effected during an open Trading Window nor shall it require pre-clearance, even though such transaction takes place during a closed Trading Window or while the Insider was aware of Material Non-public Information.

b. Adoption and Approval of Trading Plan. The Trading Plan must be adopted during (i) an open Trading Window and (ii) at a time when such Insider is not in possession of Material Non-public Information. Each Trading Plan must be pre-approved by the Administrative Officer to confirm compliance with this Policy and applicable securities laws, and such approval is subject to the sole discretion of the Administrative Officer. Approval of a Trading Plan shall not be deemed a representation by the Adviser, Administrator or the applicable Fund that such plan complies with Rule 10b5-1, nor an assumption by the Adviser, Administrator or the applicable Fund of any liability or responsibility to the individual or any other party if the plan does not comply with Rule 10b5-1. The initial trades under such Trading Plan

shall not be permitted until at least thirty calendar days have passed following the establishment of the Trading Plan.

c. Amendment of Trading Plan. An Insider may amend or replace his or her Trading Plan only during periods when trading is permitted in accordance with this Policy, and the relevant Covered Person must submit any proposed amendment or replacement of a Trading Plan to the Administrative Officer for approval prior to adoption. The relevant Covered Person must provide notice to the Administrative Officer prior to an Insider terminating a Trading Plan.

d. Form. Pre-clearance of a Trading Plan must be obtained in writing by (i) completing and signing the "Request for Permission to Establish Rule 10b5-1 Trading Plan" form attached hereto as **Schedule C**, and (ii) obtaining the signature of the Administrative Officer. Schedule C may be amended from time to time by the CCO of the Relevant Fund, with the permission of the Chairman of the Ethics Committee of the Relevant Fund.

e. Filing. A copy of all completed pre-clearance forms, with all required signatures, shall be retained by the CCO of the Relevant Fund.

(f) Reporting Requirements.

(i) Access Persons.

(1) Holdings Reports.

a. Initial Holdings Report. Within ten (10) days of becoming an Access Person, each Access Person shall make a written report to the CCO of the Relevant Fund of all Securities in which such Access Person holds a direct or indirect Beneficial Interest. Access Persons need not report any such Securities that are exempt under subsection (i)(1)(d) of this Section (f). The initial holdings report shall be made on the form provided for such purpose by the CCO of the Relevant Fund. Each initial holdings report must be current as of a date no more than forty-five (45) days prior to the date that the reporting person became an Access Person.

b. Annual Holdings Reports. No later than February 13th of each year, each Access Person shall make a written report to the CCO of the Relevant Fund of all Securities in which such Access Person holds a direct or indirect Beneficial Interest. Access Persons need not report any such Securities that are exempt under subsection (i)(1)(d) of this Section (f). The annual holdings report shall be made on the form provided for such purpose by the CCO of the Relevant Fund. Each annual holdings report must be current as of a date no later than December 31st of the prior year.

c. Contents of Holdings Reports. Holdings reports must contain, at a minimum, the following information with respect to each Security: (i) the title and type of each Security for which an Access Person holds a direct or indirect Beneficial Interest; (ii) for publicly traded Securities, the ticker symbol or CUSIP number for each such Security; (iii) the

principal amount of each Security; (iv) the name of any broker, dealer or bank with whom you, or any members of your Immediate Family, maintain an account in which any Securities are held for your direct or indirect benefit; and (v) the date of submission of the report.

d. Exemptions from Holdings Reports. The following Securities are not required to be included in holdings reports made by Access Persons:

- i. Securities held in accounts over which an Access Person has no direct or indirect influence or control;
- ii. Direct obligations of the Government of the United States;
- iii. Bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; and
- iv. Shares issued by open-end funds.

(2) Transaction Reports.

a. Quarterly Report. Within thirty (30) days of the end of each calendar quarter, each Access Person must submit a quarterly report to the CCO of the Relevant Fund, on the form provided for such purpose by the CCO of the Relevant Fund, of all transactions during the calendar quarter in any Securities in which such Access Person has any direct or indirect Beneficial Interest.

b. Contents of Transaction Reports. Quarterly Transaction Reports must contain, at a minimum, the following information with respect to each transaction in a Security: (i) the title and type of each Security involved; (ii) for publicly traded Securities, the ticker symbol or CUSIP number for each such Security; (iii) the number of shares, interest rate, and maturity date and principal amount, as applicable, of each Security involved; (iv) the price of the Security at which the transaction was effected; (v) the name of any broker, dealer or bank through which the transaction was effected; and (vi) the date of submission of the report.

c. Exemptions from Transaction Reports. The following transactions are not required to be included in Quarterly transactions reports of Access Persons:

- i. Transactions in Securities over which an Access Person has no direct or indirect influence or control;
- ii. Transactions in Direct obligations of the Government of the United States;
- iii. Transactions in Bankers' acceptances, bank certificates of deposit, commercial paper and high

quality short-term debt instruments, including repurchase agreements;

- iv. Transactions in shares issued by open-end funds; and
- v. Transactions which are part of an automatic dividend reinvestment plan.

(ii) Non-Access Persons.

(1) Annual Transactions Report. Within 10 days of the end of each calendar year, each Non-Access Person shall make a written report to the CCO of the Relevant Fund of all transactions by which they acquired or disposed of a direct or indirect Beneficial Interest in any Covered Security.

(2) Form. Each annual report shall be provided on the form “Annual Securities Transactions Confidential Report of Non-Access Persons” form attached hereto as ***Schedule D***, which form shall set forth the information regarding each transaction requested in the form. Schedule D may be amended from time to time by the CCO of the Relevant Fund, who shall promptly provide any form so amended to all Non-Access Persons.

(3) Filing. A copy of all reports submitted pursuant to this Section (f), with all required signatures, shall be retained by the CCO of the Relevant Fund.

(iii) Disclaimer. Any report made by an Access Person or Non-Access Person under this Section (e) may contain a statement that the report is not to be construed as an admission that the person making it has or had any direct or indirect Beneficial Interest in any Security or Covered Security to which the report relates.

(iv) Responsibility to Report. It is the responsibility of all Covered Persons to take the initiative to provide each report required to be made by them under this Policy. Any effort by the Adviser, the Administrator or the Funds to facilitate the reporting process does not change or alter that responsibility.

(g) Confidentiality of Transactions

Until disclosed in a public report to stockholders or to the SEC in the normal course, all information concerning Securities being considered for purchase or sale (as defined in Section (b)(xv) of this Policy) by the Funds shall be kept confidential by all Access Persons and disclosed by them only on a “need to know” basis. It shall be the responsibility of the CCO to report any inadequacy found by him or her to the Board of Directors of the Company or any committee appointed by the Board of Directors to deal with such information.

(h) Sanctions

Any violation of this Policy shall be subject to the imposition of such sanctions by the Funds or the Adviser as may be deemed appropriate under the circumstances to achieve the purposes of the Rules and this Policy, which may include suspension or termination of employment, a letter of censure or restitution of an amount equal to the difference between the price paid or received by the Funds and the more advantageous price paid or received by the offending person. Sanctions for violation of this Policy by a director of the Funds will be determined by a majority vote of the independent directors of the applicable Fund.

(i) Administration and Construction

(i) Administration. The administration of this Policy shall be the responsibility of the CCO of the Adviser and the Funds.

(ii) Duties. The duties of the CCO under this Policy include: (1) continuous maintenance of a current list of the names of all Access and Non-Access Persons, with an appropriate description of their title or employment; (2) providing each Covered Person a copy of this Policy and informing them of their duties and obligations hereunder, and assuring that Covered Persons are familiar with applicable requirements of this Appendix; (3) supervising the implementation of this Policy and its enforcement by the Adviser, the Administrator and the Funds; (4) maintaining or supervising the maintenance of all records and reports required by this Policy; (5) preparing listings of all transactions effected by any Access Person within thirty (30) days of the date on which the same security was held, purchased or sold by any of the Funds; (6) issuing either personally or with the assistance of counsel, as may be appropriate, any interpretation of this Policy which may appear consistent with the objectives of the Rules and this Policy; (7) conducting of such inspections or investigations, including scrutiny of the listings referred to in the preceding subparagraph, as shall reasonably be required to detect and report, with recommendations, any apparent violations of this Policy to the Board of Directors of the Funds or any Committee appointed by them to deal with such information; and (8) submitting a quarterly report to the directors of the Funds containing a description of any (i) violation and the sanction imposed; (ii) transactions which suggest the possibility of a violation of interpretations issued by the CCO of the Relevant Fund; and (iii) any other significant information concerning the appropriateness of this Policy.

(j) Required Records.

The CCO shall maintain and cause to be maintained in an easily accessible place, the following records:

(i) Code of Ethics and Policies. Copies of the Code of Ethics into which this Policy has been incorporated, this Policy, and any other codes of ethics or insider trading policies adopted pursuant to the Rules ("Rule 17 and Rule 204A Codes") which have been in effect during the past five (5) years;

(ii) Violations. A record of any violation of any such Rule 17 and Rule 204A Codes and of any action taken as a result of such violation;

(iii) **Reports.** A copy of each report made by the CCO within two (2) years from the end of the fiscal year of the Funds in which such report or interpretation is made or issued, and for an additional three (3) years in a place which need not be easily accessible; and

(iv) **List.** A list of all persons who are, or within the past five (5) years have been, required to make reports pursuant to the Rules and any Rule 17 Code.

(k) **Amendments and Modifications**

This Policy may not be amended or modified except in a written form which is specifically approved by majority vote of the independent directors of the applicable Funds.

This Policy was adopted by the Funds' Boards of Directors, including the independent directors, on **January 28, 2013**.

SCHEDULE A
REQUEST FOR PERMISSION TO ENGAGE IN A NON-FUND SECURITIES COVERED TRANSACTION

I hereby request permission to effect a transaction in securities as indicated below for my own account or other account in which I have a beneficial interest or legal title. I acknowledge that if I am granted pre-clearance for my Transaction Request, I will have until the end of fourteen (14) calendar days following the day pre-clearance is received to execute the transaction. I also acknowledge that, if for any reason the transaction is not completed within this period of time, pre-clearance must be re-obtained before the transaction can be executed.

(Use approximate dates and amounts of proposed transactions.)

PURCHASES AND ACQUISITIONS

Date	IPO or Limited Offering?	No. of Shares or Principal Amount	Name and Trading Symbol of Security	Unit Price	Total Price	Brokerage Firm

SALES AND OTHER DISPOSITIONS

Name: _____ **Request Date:** _____ **Signature:** _____

Permission Granted ☐
Permission Denied ☐

Signature: _____ Date: _____
(Administrative Officer)

Signature: _____ Date: _____
(Independent Officer or President/CEO)

SCHEDULE B
REQUEST FOR PRE-CLEARANCE AND CERTIFICATION IN CONNECTION WITH A TRANSACTION
IN FUND SECURITIES

Instructions: To initiate pre-clearance, you must contact the Administrative Officer in person, by phone, or email. After discussing the proposed trade, pre-clearance can be obtained by (1) completing and signing this Schedule B, and obtaining the approval and signature of the Administrative Officer; or (2) responding affirmatively to an email sent by the Administrative Officer containing all the required information of this Schedule B and receiving a reply email from the Administrative Officer indicating such approval. The Administrative Officer is the CCO of the Relevant Fund, or, if the CCO is not available, then the General Counsel of the Relevant Fund, or if the CCO and General Counsel are not available, then the CFO of the Relevant Fund. Capitalized terms used in this Schedule B have the meanings given them in the Insider Trading Policy as adopted by the Boards of Directors of the Funds on January 28, 2013 (the "Policy").

REQUEST FOR PRE-CLEARANCE

I hereby request permission to effect a transaction in Fund Securities as indicated below for my own account or other account in which I have a beneficial interest or legal title.

Requestor's name: _____

Transaction type (Buy or Sell): _____ Proposed order date: _____

Approximate number of shares (if debt securities, principal dollar amount) of trade: _____

Name and trading symbol of Fund Security: _____

CERTIFICATION

Pursuant to the Policy, and in connection with the above request for pre-clearance (the "**Transaction Request**"), I, _____, hereby certify that I am not in possession of any Material Non-public Information, as defined in the Policy. I further certify I have read and understand the Insider Trading Policy as adopted by the Boards of Directors of the Funds and am personally responsible for abiding by all the policies and procedures contained within the Policy and aware of the consequences of failing to do so.

Signature: _____ Date: _____

PRE-CLEARANCE CONSIDERATIONS AND DECISION

1) Is the Fund involved in a stock offering (overnight, ATM, etc.)? If yes, consider whether requestor is an Affiliated Purchaser under Regulation M and precluded from trading in securities of Fund during offering period.

2) Is the trader currently subject to any lockup agreements resulting from recent stock offerings for this fund? Confirm with legal and compliance. If yes, determine if proposed trade is not allowed during the proposed trade period.

Pre-clearance Granted ☐
Pre-clearance Denied ☐

Administrative Officer Signature: _____
Pre-clearance Granted/Denied Date: _____

SCHEDULE C
CERTIFICATION/REQUEST FOR PRE-APPROVAL OF RULE 10b5-1 TRADING PLAN

Instructions: Contact the Administrative Officer to discuss your eligibility for a Rule 10b5-1 Trading Plan. The Administrative Officer is the CCO of the Relevant Fund, or, if the CCO is not available, then the General Counsel of the Relevant Fund, or if the CCO and General Counsel are not available, then the CFO of the Relevant Fund. Capitalized terms used in this Schedule C have the meanings given them in the Insider Trading Policy as adopted by the Boards of Directors of the Funds on January 28, 2013 (the "Policy").

REQUEST FOR PRE-CLEARANCE

Pursuant to the Policy, I hereby request permission to enter into a Trading Plan pursuant to Rule 10b5-1 under the Exchange Act. In connection with this request, I, _____, hereby certify that:

1. I have delivered herewith the form of Trading Plan to the Administrative Officer.
2. I am not in possession of any Material Non-public Information, as defined in the Policy.
3. I further certify I have read and understand the Insider Trading Policy as adopted by the Boards of Directors of the Funds and am personally responsible for abiding by all the policies and procedures contained within the Policy and aware of the consequences of failing to do so.

Signature: _____ Date: _____

PRE-CLEARANCE CONSIDERATION AND DECISION

1) Is the Fund involved in a stock offering (overnight, ATM, etc.)? If yes, consider whether requestor is an Affiliated Purchaser under Regulation M and precluded from trading in securities of Fund during offering period.

2) Is the trader currently subject to any lockup agreements resulting from recent stock offerings for this fund? Confirm with legal and compliance. If yes, determine if proposed trade is not allowed during the proposed trade period.

Pre-approval Granted ☐
Pre-approval Denied ☐

Administrative Officer Signature: _____
Pre-approval Granted/Denied Date: _____

SCHEDULE D
ANNUAL SECURITIES TRANSACTIONS
CONFIDENTIAL REPORT OF NON-ACCESS PERSONS

The following schedule lists all transactions during the year ending December 31, ____ in which I had any direct or indirect Beneficial Interest in any Covered Security. Capitalized terms used in this schedule have the meanings given them in the Insider Trading Policy as adopted by the Boards of Directors of the Funds on January 28, 2013. *(If no transactions took place you may write "None")*

PURCHASES AND ACQUISITIONS

Date	No. of Shares or Principal Amount	Name of Security	Unit Price	Total Price	Brokerage Firm

SALES AND OTHER DISPOSITIONS

If you wish to disclaim Beneficial Ownership of any of the Covered Securities listed above, please check the statement below and describe the Securities for which you disclaim Beneficial Ownership.

___ *This report is not to be construed as an admission that the person making it has or had any direct or indirect Beneficial Interest in the following Securities to which this report relates:*

For the year ending _____ Name: _____
Date: _____ Signature: _____

Appendix B

**Pay to Play Policy
For
Gladstone Capital Corporation
Gladstone Commercial Corporation
Gladstone Investment Corporation
Gladstone Land Corporation
Gladstone Alternative Income Fund
Gladstone Management Corporation
Gladstone Securities, LLC**

A. Prohibited Conduct

1. Covered Associates (as defined in Section C. and explained further in the accompanying footnote) may not make any Political Contribution (defined Section C.) to any Official of a Government Entity (defined in Section C.), unless such Political Contribution has first been approved in writing by the CCO or his designee.

This prohibition includes “in-kind” contributions, *e.g.*, contributions of GMC or Gladstone Securities property, services or other assets including employee work time spent on political activities and the solicitation of contributions by an employee. Failure to comply with this requirement may result in GMC's being barred from receiving compensation for supplying advisory services to such Government Entity or to a Covered Investment Pool (defined below) in which such Government Entity invests for a two-year period. This prohibition applies to fundraising activities, including soliciting or making Political Contributions, either monetary or in-kind.

Please note, nothing in this Policy is meant to discourage Covered Associates from participating in the political process by expressing support for political candidates² or voting. Covered Associates may support candidates in other ways, such as volunteering their time, so long as such volunteering occurs during non-work hours or on vacation time. Additionally, to avoid potentially problematic in-kind contributions, Covered Associates are prohibited from using GMC or Gladstone Securities resources, including telephones, copiers, personnel, or other facilities to conduct political activities.

Individuals who are Covered Associates may make a *de minimis* Political Contribution to an Official of a Government Entity for whom the Covered Associate is entitled to vote at the time of the contribution, provided that the Political Contribution does not exceed \$350 in the aggregate to any one Official, per election. Individuals who are Covered Associates may also make a *de minimis* Political Contribution to an Official of a Government Entity for whom the Covered Associate is not

² Please note, not all political candidates or incumbent politicians are included within the definition of Official of a Government Entity. Incumbent federal officeholders and candidates for federal office who do not hold a state or local office while running for federal office are not Officials of a Government Entity.

entitled to vote, provided that the Political Contribution does not exceed \$150 in the aggregate to any one Official, per election. Under both exceptions, primary and general elections would be considered separate elections. All *de minimis* contributions must also be disclosed to the CCO. Please note that broker dealers and individuals who are municipal finance professionals are subject to a lower *de minimis* contribution limit of \$250 under MSRB Rule G-37.

2. A Covered Associate may not, without the prior written consent of the CCO or his designee, solicit or co-ordinate: (i) Political Contributions to Officials of a Government Entity, or (ii) payments to a state or local political party. For purposes of this Policy, solicitation or coordination of a Political Contribution or payment includes communicating, directly or indirectly, for the purpose of obtaining or arranging a Political Contribution or payment and would include asking, directing, or suggesting that a Political Contribution be made. For example, use of an individual's name on fundraising literature for a candidate would be soliciting Political Contributions for that candidate. Similarly, even forwarding a solicitation to friends or family on behalf of a candidate or political party would be coordinating Political Contributions for that candidate or political party.

3. A Covered Associate may not compensate a third party placement agent or "finder" to solicit advisory business³ from a Government Entity on behalf of the Covered Associate, unless the third party is a registered broker-dealer or SEC-registered investment adviser subject to Rule 206(4)-5.

4. Covered Associates may not circumvent these prohibitions by requesting, directing or causing contributions or payments to be made through other parties, including, but not limited to, spouses, family members or friends, or in any other way.

B. Quarterly Reports

Within 30 days after the end of each calendar quarter, each Covered Associate must submit a Political Contribution Report to the CCO in such form as he shall prescribe. As part of the hiring process, each newly-hired Covered Associate will be required to report information on any Political Contribution or other activity covered by this Policy.

C. Definitions

A **Covered Associate**⁴ includes: (i) GMC, (ii) Gladstone Securities, (iii) GMC's or Gladstone Securities' President; (iii) any Vice-President or similar executive officer of GMC or Gladstone Securities in charge of a business unit, division or function (such as sales, administration or finance); (iv) any other person who performs a policy-making function; (v) an employee who solicits a government entity for GMC; (vi) any person who directly or indirectly supervises an employee described in (v); or (vii) any political action committee controlled by GMC, Gladstone Securities or any of their covered associates.

³ "Soliciting advisory business" means engaging in a communication that is reasonably calculated to obtain or retain a Government Entity as an advisory client.

⁴ Although Gladstone Securities employees are not employees of the investment adviser GMC, for purposes of this policy and Rule 206(4)-5's restrictions regarding third party placement agents discussed in footnote 1, Gladstone Securities and certain of its employees will be deemed to be Covered Associates.

In addition to the positions listed above, as of the date of this Policy, the following shall be considered Covered Associates:

- Individuals holding Series 7 or 79 License
- Individuals designated or acting in the position of Managing Director or higher;
- Individuals designated as the head of a department;
- Individuals having marketing responsibilities/Individuals designated as part of the Marketing Department; and
- Individuals who solicit business from government entities or who supervise those who do.

For internal reference only, on a quarterly basis, the CCO or his designee shall update Exhibit A hereto (delineating each individual he believes to be included within the definition of Covered Associate).

A **Covered Investment Pool** includes an investment company registered under the Investment Company Act of 1940 that is an investment option of a plan or program of a Government Entity or any company that would be an investment company under section 3(a) of the Investment Company Act of 1940 but for the exclusion provided from that definition by 3(c)(1), 3(c)(7) or 3(c)(11) of the Investment Company Act of 1940.⁵

A **Government Entity** means any state or political subdivision thereof, including public pension funds and retirement systems. This includes such an entity's agency, authority or instrumentality; a pool of assets sponsored or established by the state or political subdivision, agency, authority or instrumentality thereof; a plan or program of a government entity; and officers, agents or employees of the government entity acting in their official capacity.

An **Official of a Government Entity** is someone who can influence the hiring of an investment adviser for a government entity. This term includes someone who has the sole authority to select investment advisers for the government entity; someone who serves on a governing board that selects investment advisers; or someone who appoints those who select the investment advisers. It includes an incumbent, a candidate, or a successful candidate for state or local elective office. Note that it can also include a candidate for federal office, if that person is a covered state or local official at the time the Political Contribution is made. In certain circumstances, a national political party committee may be considered an Official of a Government Entity after the party's nominating convention has concluded if at least one of the party's nominees for president or vice president is a covered state or local official.⁶

⁵ Please note, at the time of writing this Policy, a Covered Investment Pool would include any private fund that GMC may wish to manage and raise capital from any state or political subdivision thereof, including public pension funds and retirement systems. It would also include a pooled investment vehicle sponsored or advised by an investment adviser as a funding vehicle or investment option in a government sponsored plan, such as a 529 plan (qualified tuition plan), 403(b) plan (tax-deferred employee benefit retirement plan), or a 457 plan (tax-deferred employee benefit retirement plan) that typically allow participants to select among pre-established investment options or particular investment pools (often invested in registered investment companies or funds of funds, such as target date funds).

⁶ The national political party committees are the RNC, DNC, NRSC, DSCC, NRCC, and DCCC. Contributions or solicitations for contributions to a national political party committee may violate Rule 206(4)-5 if one or more of the party's nominees for president or vice president is a covered state or local official. For example, in 2008, contributions

A **Political Contribution** means a gift, subscription, loan, advance, deposit of money or anything of value made for the purpose of influencing an election. Political Contributions include not only monetary donations but also the provision of goods and services provided to a campaign, or on behalf of a campaign, without charge. This includes payments for debts incurred in such an election, as well as transition or inaugural expenses.

to the RNC after the nominating convention which chose Sarah Palin, then incumbent Governor of Alaska, as vice presidential nominee were subject to then in effect pay to play restrictions of \$250. Similarly, contributions to McCain-Palin were also subject to the \$250 limit.

On August 13, 2011, Governor Rick Perry of Texas announced his candidacy for president of the United States. As an Official of a Government Entity, individuals who are Covered Associates may only contribute \$350 per election to Governor Perry's campaign and may not solicit contributions on Perry's behalf. Depending on the outcome of the republican nominating convention in 2012, if Governor Perry or another incumbent state or local official becomes the republican party nominee for president or vice president, contributions to the RNC after the convention would be subject to the *de minimis* limits, as would contributions to the campaign committee for the presidential/vice presidential nominees.

Quarterly Political Contribution Report

GMC, as a registered investment adviser under the Investment Advisers Act of 1940, is required by law to maintain books and records regarding certain political contributions made by its **Covered Associates**. Pursuant to our Pay to Pay Policy, please provide information regarding your Political Contributions. If you are unsure whether to report a **Political Contribution**, please contact the CCO or General Counsel for assistance.

All terms in bold/italics used on this report have the same definitions as they appear in the Pay to Pay Policy included as Appendix B to our Code of Ethics. For more guidance regarding this report specifically, or our Pay to Play Policy generally, please contact our CCO or General Counsel.

Period Covered by the Report - 20

☐ First Quarter ☐ Second Quarter ☐ Third Quarter ☐ Fourth Quarter
☐ Other Period

Covered Activity

Except as otherwise described below, during the period covered by this report, I have not, directly or indirectly (including, but not limited to, through a family member or political action committee):

- a. Made or caused to be made a **Political Contribution** to any **Official of a Government Entity**;
- b. Solicited or coordinated:
 - (i) **Political Contributions** to any **Official of a Government Entity**, or
 - (ii) payments to a state or local political party; or
- c. Compensated any third parties for “**soliciting advisory business**” from a **Government Entity**.

Describe each Political Contribution, including those *de minimis contributions* made to candidates for whom you are eligible to vote. Include name, title and city/county/state or other political subdivision of each recipient and the amounts and dates of each Political Contribution:

Name

Date

Initial Political Contribution Report

GMC, as a registered investment adviser under the Investment Advisers Act of 1940, is required by law to maintain books and records regarding certain political contributions made by its executives and employees. Please provide information regarding **Political Contributions** made after March 14, 2011 until now. If you are unsure whether to report a **Political Contribution**, please contact the CCO or General Counsel for assistance.

All terms in bold/italics used on this report have the same definitions as they appear in the Pay to Pay Policy included as Appendix B to our Code of Ethics. For more guidance regarding this report specifically, or our Pay to Play Policy generally, please contact our CCO or General Counsel.

Except as otherwise described below, during the period from March 14, 2011 until the date of this report, I have not, directly or indirectly (including through a family member or political action committee):

- a. Made a **Political Contribution** to any **Official of a Government Entity**;
- b. Solicited or coordinated:
 - (i) Political Contributions to an **Official of a Government Entity**, or
 - (ii) payments to a political party of a state or locality; or
- c. Compensated any third parties for "**soliciting advisory business**" from **Government Entities**.

Describe any exceptions. Include name, title and city/county/state or other political subdivision of each recipient and the amounts and dates of each contribution or payment:

Name

Date

Political Contribution Pre-Clearance Form

Name and Title of Contributor:

Recipient Information

Name:

Title:

City/County/State/Other Political Subdivision:

Amount of Contribution:

Proposed Date of Contribution: _____

Contribution is for: ☐ Primary Election ☐ General Election

Is this Contributor able to vote for this Recipient? ☐ Yes ☐ No

Has this Contributor made other contributions to this recipient during this election cycle?

☐ Yes ☐ No

If yes, describe:

Has this Contributor ever had a contribution returned because the Contributor was not eligible to vote for the recipient candidate and it was more than the \$150 *de minimis* allowed?

☐ Yes ☐ No

If yes, describe:

☐ **Contribution Approved**

☐ **Contribution Denied**

Name

Date

SUBSIDIARIES OF THE REGISTRANT

Gladstone Business Investment, LLC (organized in Delaware)
Edge Adhesives Holdings, Inc. (organized in Delaware)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form N-2 (No. 333-277452) of Gladstone Investment Corporation of our report dated May 13, 2025 relating to the financial statements, financial statement schedule, and senior securities table, which appears in this Form 10-K. We also consent to the reference to us under the heading “Senior Securities” in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Washington, District Of Columbia
May 13, 2025

CERTIFICATION
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David Gladstone, certify that:

1. I have reviewed this Annual Report on Form 10-K of Gladstone Investment Corporation;
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: May 13, 2025

/s/ David Gladstone

David Gladstone

*Chief Executive Officer and
Chairman of the Board of Directors*

CERTIFICATION
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Taylor Ritchie, certify that:

1. I have reviewed this Annual Report on Form 10-K of Gladstone Investment Corporation;
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: May 13, 2025

/s/ Taylor Ritchie

Taylor Ritchie

Chief Financial Officer and Treasurer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, the Chief Executive Officer and Chairman of the Board of Gladstone Investment Corporation (the “Company”), hereby certifies on the date hereof, pursuant to 18 U.S.C. §1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K for the fiscal year ended March 31, 2025 (“Form 10-K”), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 13, 2025

/s/ David Gladstone

David Gladstone

*Chief Executive Officer and
Chairman of the Board of Directors*

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, the Chief Financial Officer of Gladstone Investment Corporation (the “Company”), hereby certifies on the date hereof, pursuant to 18 U.S.C. §1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K for the fiscal year ended March 31, 2025 (“Form 10-K”), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 13, 2025

/s/ Taylor Ritchie

Taylor Ritchie

Chief Financial Officer and Treasurer

Gladstone Investment Corporation
Compensation Recoupment Policy

1. Purpose. The purpose of this Compensation Recoupment Policy of the Company (as amended from time to time, the “Policy”), dated as of October 10, 2023 (the “Adoption Date”) is to describe the circumstances in which current and former Executive Officers will be required to repay or return Erroneously Awarded Compensation to members of the Company Group. The Company has adopted this Policy to comply with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as codified by Section 10D of the Exchange Act, Exchange Act Rule 10D-1 promulgated thereunder, and the rules and requirements of Nasdaq (including Nasdaq Listing Rule 5608) (such legal requirements, and rules and requirements of Nasdaq, collectively, the “SEC/Nasdaq Clawback Rules”). Each Executive Officer shall be required to sign and return to the Company an acknowledgment to this Policy in the form attached hereto as Exhibit A pursuant to which such Executive Officer will agree to be bound by the terms and comply with this Policy.

2. Administration. This Policy shall be administered by the Committee. The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy, and any such determinations made by the Committee shall be in the Committee’s sole discretion, and shall be final and binding on all affected individuals. Subject to applicable legal requirements and the rules and requirements of Nasdaq, the Committee may delegate any or all of its powers and duties under the Policy to authorized officers of the Company, subject to such limitations on such delegated powers and duties as the Committee may impose, if any. Except as otherwise required by applicable legal requirements or the rules and requirements of the Nasdaq, any determinations of the Committee hereunder need not be uniform with respect to one or more Executive Officers (whether current or former).

3. Definitions. For purposes of this Policy, the following capitalized terms shall have the meanings set forth below:

(a) “Accounting Restatement” shall mean an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements (a “Big R” restatement), or (ii) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a “little r” restatement).

(b) “Board” shall mean the Board of Directors of the Company.

(c) “Clawback Eligible Incentive Compensation” shall mean all Incentive-Based Compensation Received by any current or former Executive Officer on or after the Nasdaq Effective Date, provided that:

- (i) such Incentive-Based Compensation is Received after such individual began serving as an Executive Officer;
 - (ii) such individual served as an Executive Officer at any time during the performance period for such Incentive-Based Compensation;
-

- (iii) such Incentive-Based Compensation is Received while the Company has a class of securities listed on Nasdaq; and
- (iv) such Incentive-Based Compensation is Received during the applicable Clawback Period.

(d) “Clawback Period” shall mean, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date and any transition period (that results from a change in the Company’s fiscal year) of less than nine months within or immediately following those three completed fiscal years.

(e) “Committee” shall mean the Compensation Committee of the Board.

(f) “Common Stock” shall mean the common stock, par value \$0.001 per share, of the Company.

(g) “Company” shall mean Gladstone Investment Corporation, a Delaware corporation.

(h) “Company Group” shall mean the Company, together with each of its direct and indirect subsidiaries.

(i) “Erroneously Awarded Compensation” shall mean, with respect to any current or former Executive Officer in connection with any Accounting Restatement, the amount of Clawback Eligible Incentive Compensation Received by such current or former Executive Officer that exceeds the amount of Clawback Eligible Incentive Compensation that otherwise would have been Received by such current or former Executive Officer had such Clawback Eligible Incentive Compensation been determined based on the restated amounts as reflected in connection with such Accounting Restatement, computed without regard to any taxes paid.

(j) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(k) “Executive Officer” shall mean any officer as defined in Rule 10D-1(d) (or any successor provision thereof) under the Exchange Act.

(l) “Financial Reporting Measures” shall mean measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any other measures that are derived wholly or in part from such measures. For purposes of this Policy, stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) shall be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented within the Company’s financial statements or included in a filing with the SEC.

(m) “Incentive-Based Compensation” shall mean any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

(n) “Nasdaq” shall mean the Nasdaq Stock Market.

(o) “Nasdaq Effective Date” shall mean October 2, 2023.

(p) “Received” shall mean when Incentive-Based Compensation is received, and Incentive-Based Compensation shall be deemed received in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if payment or grant of the Incentive-Based Compensation occurs after the end of that period.

(q) “Restatement Date” shall mean the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

(r) “SEC” shall mean the U.S. Securities and Exchange Commission.

4. Recoupment of Erroneously Awarded Compensation.

(a) In the event that the Company is required to prepare an Accounting Restatement, (i) the Committee shall determine the amount of any Erroneously Awarded Compensation for each applicable current or former Executive Officer (whether or not such individual is serving as an Executive Officer at such time) (the “Applicable Executives”) in connection with such Accounting Restatement, and (ii) the Company will reasonably promptly require the recoupment of such Erroneously Awarded Compensation from any such Applicable Executive, and any such Applicable Executive shall surrender such Erroneously Awarded Compensation to the Company, at such time(s), and via such method(s), as determined by the Committee in accordance with the terms of this Policy. In such event, any such Applicable Executive shall enter into any recoupment or similar agreement as may be requested by the Committee in connection with the Company’s recoupment of Erroneously Awarded Compensation from such Applicable Executive pursuant to the terms of this Policy.

(b) For Incentive-Based Compensation based on (or derived from) stock price or total shareholder return where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, (i) such amount shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received, and (ii) the Company will maintain documentation of the determination of that reasonable estimate and provide such documentation to Nasdaq.

(c) The Committee shall determine, in its sole discretion, the method(s) for recouping any Erroneously Awarded Compensation from any Applicable Executive, which may include one or more of the following:

(i) requiring one or more cash payments to the Company Group from such Applicable Executive, including, but not limited to, the repayment of cash Incentive-Based Compensation previously paid by the Company Group to such Applicable Executive;

(ii) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer or other disposition of any equity-based awards previously made by the Company to such Applicable Executive and/or otherwise requiring the delivery to the Company of shares of Common Stock held by such Applicable Executive;

(iii) withholding, reducing or eliminating future cash compensation (including cash incentive payments), future equity awards and/or other benefits or amounts otherwise to be paid or awarded by the Company Group to such Applicable Executive;

(iv) offsetting amounts against compensation or other amounts otherwise payable by the Company Group to such Applicable Executive;

(v) cancelling, adjusting or offsetting against some or all outstanding vested or unvested equity awards of the Company held by such Applicable Executive; and/or

(vi) taking any other remedial and recovery actions with respect to such Applicable Executive permitted by applicable legal requirements and the rules and regulations of Nasdaq, as determined by the Committee.

(d) Notwithstanding anything herein to the contrary, the Company shall not be required to recover Erroneously Awarded Compensation from any Applicable Executive pursuant to the terms of this Policy if (1) the Committee determines that such recovery would be impracticable, and (2) any of the following conditions is met:

(i) the direct expenses paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered, provided that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement pursuant to this clause (i), the Company has (x) made a reasonable attempt to recover such Erroneously Awarded Compensation, (y) documented such reasonable attempt(s) to recover, and (z) provided such documentation to Nasdaq;

(ii) recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to Nasdaq, that recovery would result in such a violation, has provided copy of the opinion is provided to Nasdaq; or

(iii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

5. No Indemnification, Etc. The Company Group shall not (x) indemnify any current or former Executive Officer against the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (y) pay or reimburse any current or former Executive Officers for insurance premiums to recover losses incurred under this Policy.

6. Supersedure. This Policy will supersede any provisions in (x) any agreement, plan or other arrangement applicable to any member of the Company Group, and (y) any organizational documents of any entity that is part of Company Group that, in any such case, (a) exempt any Incentive-Based Compensation from the application of this Policy, (b) waive or otherwise prohibit or restrict the Company Group's right to recover any Erroneously Awarded Compensation, including, without limitation, in connection with exercising any right of setoff as provided herein, and/or (c) require or provide for indemnification to the extent that such indemnification is prohibited under Section 5 above.

7. Amendment; Termination; Interpretation. The Committee may amend or terminate this Policy at any time, subject to compliance with all applicable legal requirements and the rules and requirements of Nasdaq. It is intended that this Policy be interpreted in a manner that is consistent with the SEC/Nasdaq Clawback Rules.

8. Other Recoupment Rights; No Additional Payments.

(a) Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company Group pursuant to (i) the terms of any recoupment provisions in any employment agreement, incentive or equity compensation plan or award or other agreement, (ii) any other legal requirements, including, but not limited to, Section 304 of Sarbanes-Oxley Act of 2002 (subject to Section 8(b) of this Policy below), and (iii) any other legal rights or remedies available to the Company.

(b) Notwithstanding anything herein to the contrary, to the extent that the Committee determines that any Erroneously Awarded Compensation includes any amounts that have been actually reimbursed to the Company Group from any Applicable Executive pursuant to Section 304 of the Sarbanes-Oxley Act (any such amounts that have been reimbursed to the Company Group, the “Applicable SOX Recoupment Amount”), in order to prevent duplicative recovery, the amount of any Erroneously Awarded Compensation to be recovered from any such Applicable Executive shall be reduced by the Applicable SOX Recoupment Amount.

(c) To the extent so determined by the Committee, the Company shall be entitled to recover from any Applicable Executive all fees and expenses incurred by the Company Group in connection with enforcing its rights under this Policy against any Applicable Executive.

9. Successors. This Policy shall be binding and enforceable against all current and former Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.

Exhibit A

Form of Acknowledgment

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Gladstone Investment Corporation Compensation Recoupment Policy (the “Policy”). Capitalized terms used but not otherwise defined in this acknowledgment shall have the meanings ascribed to such terms in the Policy.

By signing this acknowledgment, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned’s employment with the Company Group. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation to the Company Group to the extent required by the Policy.

Signature

Print Name

Date