

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q**

(Mark one):

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
FOR THE QUARTERLY PERIOD 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: 814-00237

**GLADSTONE CAPITAL CORPORATION**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of incorporation or organization)

**54-2040781**  
(I.R.S. Employer Identification No.)

**1521 WESTBRANCH DRIVE, SUITE 100**  
**McLean, Virginia**  
(Address of principal executive office)

**22102**  
(Zip Code)

**(703) 287-5800**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name, former address and former fiscal year,  
if changed since last report)

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 | GLAD              | The Nasdaq Stock Market LLC               |
| 7.75% notes due 2028                      | GLADZ             | The Nasdaq Stock Market LLC               |

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

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of the issuer's common stock, \$0.001 par value per share, outstanding as of May 5, 2025 was 22,329,852.

---

---

**GLADSTONE CAPITAL CORPORATION  
TABLE OF CONTENTS**

|                        |   |    |
|------------------------|---|----|
| <b><u>PART I.</u></b>  | <b>FINANCIAL INFORMATION</b>  |    |
| <b><u>Item 1.</u></b>  | Financial Statements (Unaudited)  |    |
|                        | Consolidated Statements of Assets and Liabilities as of March 31, 2025 and September 30, 2024     | 2  |
|                        | Consolidated Statements of Operations for the three and six months ended March 31, 2025 and 2024  | 3  |
|                        | Consolidated Statements of Changes in Net Assets for the six months ended March 31, 2025 and 2024 | 4  |
|                        | Consolidated Statements of Cash Flows for the six months ended March 31, 2025 and 2024            | 5  |
|                        | Consolidated Schedules of Investments as of March 31, 2025 and September 30, 2024                 | 6  |
|                        | Notes to Consolidated Financial Statements  | 18 |
| <b><u>Item 2.</u></b>  | Management’s Discussion and Analysis of Financial Condition and Results of Operations             | 45 |
|                        | Overview  | 45 |
|                        | Results of Operations   | 49 |
|                        | Liquidity and Capital Resources   | 58 |
| <b><u>Item 3.</u></b>  | Quantitative and Qualitative Disclosures About Market Risk  | 65 |
| <b><u>Item 4.</u></b>  | Controls and Procedures   | 65 |
| <b><u>PART II.</u></b> | <b>OTHER INFORMATION</b>  |    |
| <b><u>Item 1.</u></b>  | Legal Proceedings   | 66 |
| <b><u>Item 1A.</u></b> | Risk Factors  | 66 |
| <b><u>Item 2.</u></b>  | Unregistered Sales of Equity Securities and Use of Proceeds                                       | 66 |
| <b><u>Item 3.</u></b>  | Defaults Upon Senior Securities   | 66 |
| <b><u>Item 4.</u></b>  | Mine Safety Disclosures   | 66 |
| <b><u>Item 5.</u></b>  | Other Information   | 66 |
| <b><u>Item 6.</u></b>  | Exhibits  | 67 |
| <b>SIGNATURES</b>      |   | 69 |

**Part I. Financial information**

**Item I Financial Statements (Unaudited)**

**GLADSTONE CAPITAL CORPORATION**  
**CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES**  
**(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)**  
**(UNAUDITED)**

|   | March 31,<br>2025 | September 30,<br>2024 |
|---|-------------------|-----------------------|
| <b>ASSETS</b>   |                   |                       |
| Investments, at fair value:   |                   |                       |
| Non-Control/Non-Affiliate investments (Cost of <b>\$700,669</b> and \$716,481, respectively)  | \$ 685,471        | \$ 750,904            |
| Affiliate investments (Cost of <b>\$21,746</b> and \$16,746, respectively)  | 15,932            | 7,438                 |
| Control investments (Cost of <b>\$66,778</b> and \$37,784, respectively)  | 61,233            | 37,918                |
| Cash and cash equivalents   | 2,643             | 2,172                 |
| Restricted cash and cash equivalents  | 154               | 132                   |
| Interest receivable, net  | 5,643             | 5,923                 |
| Due from administrative agent   | 2,018             | 2,802                 |
| Deferred financing costs, net   | 550               | 1,053                 |
| Other assets, net   | 3,136             | 4,126                 |
| <b>TOTAL ASSETS</b>   | <b>\$ 776,780</b> | <b>\$ 812,468</b>     |
| <b>LIABILITIES</b>  |                   |                       |
| Line of credit at fair value (Cost of <b>\$25,100</b> and \$70,600, respectively)   | \$ 25,149         | \$ 70,600             |
| Notes payable, net of unamortized deferred financing costs of <b>\$2,471</b> and \$2,990, respectively  | 254,529           | 254,010               |
| Accounts payable and accrued expenses   | 1,066             | 1,230                 |
| Interest payable  | 2,782             | 2,916                 |
| Fees due to Adviser <sup>(A)</sup>  | 1,990             | 3,889                 |
| Fee due to Administrator <sup>(A)</sup>   | 846               | 569                   |
| Other liabilities   | 631               | 513                   |
| <b>TOTAL LIABILITIES</b>  | <b>\$ 286,993</b> | <b>\$ 333,727</b>     |
| Commitments and contingencies <sup>(B)</sup>  |                   |                       |
| Preferred stock, \$0.001 par value per share, <b>6,000,000</b> and 6,000,000 shares authorized, respectively, and <b>523,193</b> and 349,931 shares issued and outstanding, respectively      | \$ 11,728         | \$ 7,846              |
| <b>NET ASSETS</b>   |                   |                       |
| Common stock, \$0.001 par value per share, <b>44,000,000</b> and 44,000,000 shares authorized, respectively, and <b>22,329,852</b> and 22,230,587 shares issued and outstanding, respectively | \$ 44             | \$ 44                 |
| Capital in excess of par value  | 494,632           | 492,305               |
| Cumulative net unrealized appreciation (depreciation) of investments  | (26,557)          | 25,249                |
| Cumulative net unrealized appreciation of other   | (49)              | —                     |
| Under distributed net investment income   | 5,591             | 6,144                 |
| Accumulated net realized gains (losses)   | 4,398             | (52,847)              |
| Total distributable loss  | (16,617)          | (21,454)              |
| <b>TOTAL NET ASSETS</b>   | <b>\$ 478,059</b> | <b>\$ 470,895</b>     |
| <b>NET ASSET VALUE PER COMMON SHARE</b>   | <b>\$ 21.41</b>   | <b>\$ 21.18</b>       |

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

<sup>(B)</sup> 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 CAPITAL CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)  
(UNAUDITED)

|   | Three Months Ended<br>March 31, |                   | Six Months Ended<br>March 31, |                   |
|---|---------------------------------|-------------------|-------------------------------|-------------------|
|   | 2025                            | 2024              | 2025                          | 2024              |
| <b>INVESTMENT INCOME</b>  |                                 |                   |                               |                   |
| Interest income   |                                 |                   |                               |                   |
| Non-Control/Non-Affiliate investments   | \$ 19,913                       | \$ 22,020         | \$ 39,903                     | \$ 42,830         |
| Control investments   | 439                             | 285               | 885                           | 1,036             |
| Cash and cash equivalents   | 86                              | 25                | 207                           | 52                |
| Total interest income (excluding PIK interest income)                                       | 20,438                          | 22,330            | 40,995                        | 43,918            |
| PIK interest income   |                                 |                   |                               |                   |
| Non-Control/Non-Affiliate investments   | 900                             | 1,303             | 1,663                         | 2,630             |
| Control investments   | —                               | 82                | —                             | 163               |
| Total PIK interest income   | 900                             | 1,385             | 1,663                         | 2,793             |
| Total interest income   | 21,338                          | 23,715            | 42,658                        | 46,711            |
| Dividend income   |                                 |                   |                               |                   |
| Non-Control/Non-Affiliate investments   | —                               | —                 | —                             | 185               |
| Affiliate investments   | 26                              | —                 | 26                            | —                 |
| Total dividend income   | 26                              | —                 | 26                            | 185               |
| Prepayment fee income   |                                 |                   |                               |                   |
| Non-Control/Non-Affiliate investments   | 121                             | 215               | 658                           | 215               |
| Other income  | 84                              | 67                | 187                           | 107               |
| Total investment income   | 21,569                          | 23,997            | 43,529                        | 47,218            |
| <b>EXPENSES</b>   |                                 |                   |                               |                   |
| Base management fee <sup>(A)</sup>  | 3,441                           | 3,439             | 6,993                         | 6,684             |
| Loan servicing fee <sup>(A)</sup>   | 2,278                           | 2,260             | 4,456                         | 4,388             |
| Incentive fee <sup>(A)</sup>  | 2,407                           | 2,669             | 5,111                         | 5,653             |
| Administration fee <sup>(A)</sup>   | 462                             | 469               | 936                           | 923               |
| Interest expense  | 5,019                           | 5,732             | 9,762                         | 10,764            |
| Amortization of deferred financing costs  | 527                             | 441               | 1,045                         | 870               |
| Professional fees   | 99                              | 278               | 495                           | 508               |
| Other general and administrative expenses   | 515                             | 638               | 1,209                         | 1,133             |
| Expenses, before credits from Adviser   | 14,748                          | 15,926            | 30,007                        | 30,923            |
| Credit to base management fee - loan servicing fee <sup>(A)</sup>                           | (2,278)                         | (2,260)           | (4,456)                       | (4,388)           |
| Credits to fees from Adviser - other <sup>(A)</sup>   | (2,146)                         | (446)             | (4,491)                       | (2,028)           |
| Total expenses, net of credits  | 10,324                          | 13,220            | 21,060                        | 24,507            |
| <b>NET INVESTMENT INCOME</b>  | <b>11,245</b>                   | <b>10,777</b>     | <b>22,469</b>                 | <b>22,711</b>     |
| <b>NET REALIZED AND UNREALIZED GAIN (LOSS)</b>  |                                 |                   |                               |                   |
| Net realized gain (loss):   |                                 |                   |                               |                   |
| Non-Control/Non-Affiliate investments   | 7,702                           | 219               | 65,426                        | 219               |
| Control investments   | —                               | —                 | —                             | 259               |
| Other   | 4                               | 1,949             | 94                            | 1,952             |
| Total net realized gain (loss)  | 7,706                           | 2,168             | 65,520                        | 2,430             |
| Net unrealized appreciation (depreciation):   |                                 |                   |                               |                   |
| Non-Control/Non-Affiliate investments   | (8,476)                         | 7,542             | (49,621)                      | 14,593            |
| Affiliate investments   | 3,527                           | (334)             | 3,494                         | (39)              |
| Control investments   | (4,965)                         | 3,487             | (5,679)                       | 3,946             |
| Other   | (49)                            | —                 | (49)                          | —                 |
| Total net unrealized appreciation (depreciation)  | (9,963)                         | 10,695            | (51,855)                      | 18,500            |
| Net realized and unrealized gain (loss)   | (2,257)                         | 12,863            | 13,665                        | 20,930            |
| <b>PREFERRED STOCK DIVIDENDS</b>  | <b>191</b>                      | <b>8</b>          | <b>362</b>                    | <b>8</b>          |
| <b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b>                      | <b>\$ 8,797</b>                 | <b>\$ 23,632</b>  | <b>\$ 35,772</b>              | <b>\$ 43,633</b>  |
| <b>BASIC AND DILUTED PER COMMON SHARE:</b>  |                                 |                   |                               |                   |
| Net investment income <sup>(B)</sup>  | \$ 0.50                         | \$ 0.49           | \$ 1.00                       | \$ 1.04           |
| Net increase (decrease) in net assets resulting from operations <sup>(B)</sup>              | \$ 0.39                         | \$ 1.09           | \$ 1.60                       | \$ 2.00           |
| <b>WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING: Basic and Diluted<sup>(B)</sup></b> | <b>22,329,852</b>               | <b>21,754,449</b> | <b>22,320,576</b>             | <b>21,754,449</b> |

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

<sup>(B)</sup> Per share amounts and weighted average common shares outstanding have been adjusted on a retroactive basis to reflect the Reverse Stock Split effected on April 4, 2024. Refer to Note 2—*Summary of Significant Accounting Policies* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

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

**GLADSTONE CAPITAL CORPORATION**  
**CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**  
**(DOLLAR AMOUNTS IN THOUSANDS)**  
**(UNAUDITED)**

|   | 2025              | 2024              |
|---|-------------------|-------------------|
| <b>NET ASSETS, SEPTEMBER 30</b>   | <b>\$ 470,895</b> | <b>\$ 408,695</b> |
| <b>OPERATIONS</b>   |                   |                   |
| Net investment income   | 11,224            | 11,934            |
| Net realized gain (loss) on investments   | 57,724            | 259               |
| Net realized gain (loss) on other   | 90                | 3                 |
| Net unrealized appreciation (depreciation) of investments   | (41,892)          | 7,805             |
| Preferred stock dividends   | (171)             | —                 |
| Net increase (decrease) in net assets resulting from operations   | <u>26,975</u>     | <u>20,001</u>     |
| <b>DISTRIBUTIONS</b>  |                   |                   |
| Distributions to common stockholders from net investment income (\$0.50 per share and \$0.49 per share, respectively) <sup>(A)(B)</sup> | (11,053)          | (10,768)          |
| Distributions to common stockholders from realized gains (\$0.40 per share and \$0.00 per share, respectively) <sup>(A)</sup>           | (8,932)           | —                 |
| Net decrease in net assets from distributions   | <u>(19,985)</u>   | <u>(10,768)</u>   |
| <b>CAPITAL TRANSACTIONS</b>   |                   |                   |
| Issuance of common stock  | 2,471             | —                 |
| Discounts, commissions and offering costs for issuance of common stock  | (40)              | —                 |
| Net increase (decrease) in net assets resulting from capital transactions   | <u>2,431</u>      | <u>—</u>          |
| <b>NET INCREASE (DECREASE) IN NET ASSETS</b>  | <b>9,421</b>      | <b>9,233</b>      |
| <b>NET ASSETS, DECEMBER 31</b>  | <b>\$ 480,316</b> | <b>\$ 417,928</b> |
| <b>OPERATIONS</b>   |                   |                   |
| Net investment income   | 11,245            | 10,777            |
| Net realized gain (loss) on investments   | 7,702             | 219               |
| Net realized gain (loss) on other   | 4                 | 1,949             |
| Net unrealized appreciation (depreciation) of investments   | (9,914)           | 10,695            |
| Net unrealized appreciation of other  | (49)              | —                 |
| Preferred stock dividends   | (191)             | (8)               |
| Net increase (decrease) in net assets resulting from operations   | <u>8,797</u>      | <u>23,632</u>     |
| <b>DISTRIBUTIONS</b>  |                   |                   |
| Distributions to common stockholders from net investment income (\$0.50 per share and \$0.49 per share, respectively) <sup>(A)(B)</sup> | (11,054)          | (10,769)          |
| Net decrease in net assets from distributions   | <u>(11,054)</u>   | <u>(10,769)</u>   |
| <b>CAPITAL TRANSACTIONS</b>   |                   |                   |
| Issuance of common stock  | —                 | —                 |
| Discounts, commissions and offering costs for issuance of common stock  | —                 | —                 |
| Net increase (decrease) in net assets resulting from capital transactions   | <u>—</u>          | <u>—</u>          |
| <b>NET INCREASE (DECREASE) IN NET ASSETS</b>  | <b>(2,257)</b>    | <b>12,863</b>     |
| <b>NET ASSETS, MARCH 31</b>   | <b>\$ 478,059</b> | <b>\$ 430,791</b> |

<sup>(A)</sup> Refer to Note 9 – *Distributions to Common Stockholders* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

<sup>(B)</sup> Per share amounts have been adjusted on a retroactive basis to reflect the Reverse Stock Split effected on April 4, 2024. Refer to Note 2— *Summary of Significant Accounting Policies* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

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

**GLADSTONE CAPITAL CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(DOLLAR AMOUNTS IN THOUSANDS)**  
**(UNAUDITED)**

|  | Six Months Ended March 31, |                  |
|--|----------------------------|------------------|
|  | 2025                       | 2024             |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                            |                  |
| Net increase (decrease) in net assets resulting from operations  | \$ 35,772                  | \$ 43,633        |
| Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities: |                            |                  |
| Purchase of investments  | (197,211)                  | (102,733)        |
| Principal repayments on investments  | 157,784                    | 35,983           |
| Net proceeds from sale of investments  | 88,927                     | 3,182            |
| Increase in investments due to PIK interest or other   | (1,861)                    | (2,604)          |
| Net change in premiums, discounts and amortization   | (301)                      | 330              |
| Net realized loss (gain) on investments  | (65,426)                   | (478)            |
| Net realized loss (gain) on other  | (94)                       | (1,952)          |
| Net unrealized depreciation (appreciation) of investments  | 51,806                     | (18,500)         |
| Net unrealized appreciation of other   | 49                         | —                |
| Amortization of deferred financing costs   | 1,045                      | 870              |
| Changes in assets and liabilities:   |                            |                  |
| Decrease (increase) in interest receivable, net  | 280                        | (1,584)          |
| Decrease (increase) in funds due from administrative agent   | 784                        | 296              |
| Decrease (increase) in other assets, net   | 987                        | (702)            |
| Increase (decrease) in accounts payable and accrued expenses   | (164)                      | 3                |
| Increase (decrease) in interest payable  | (134)                      | 55               |
| Increase (decrease) in fees due to Adviser <sup>(A)</sup>  | (1,899)                    | 34               |
| Increase (decrease) in fee due to Administrator <sup>(A)</sup>   | 277                        | 226              |
| Increase (decrease) in other liabilities   | 118                        | (1,335)          |
| Net cash provided by (used in) operating activities  | <u>70,739</u>              | <u>(45,276)</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                            |                  |
| Proceeds from line of credit   | 148,500                    | 134,300          |
| Repayments on line of credit   | (194,000)                  | (64,900)         |
| Financing costs  | (23)                       | (152)            |
| Proceeds from issuance of common stock   | 2,471                      | —                |
| Proceeds from issuance of preferred stock  | 3,882                      | 1,576            |
| Discounts, commissions and offering costs for issuance of common stock   | (37)                       | —                |
| Distributions paid to common stockholders  | (31,039)                   | (21,537)         |
| Net cash provided by (used in) financing activities  | <u>(70,246)</u>            | <u>49,287</u>    |
| <b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS</b>                                       | <b>493</b>                 | <b>4,011</b>     |
| <b>CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS, BEGINNING OF PERIOD</b>   | <b>2,304</b>               | <b>1,401</b>     |
| <b>CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS, END OF PERIOD</b>   | <b>\$ 2,797</b>            | <b>\$ 5,412</b>  |
| <b>CASH PAID FOR INTEREST</b>  | <b>\$ 9,896</b>            | <b>\$ 10,709</b> |
| <b>NON-CASH ACTIVITIES</b>   | <b>\$ —</b>                | <b>\$ —</b>      |

<sup>(A)</sup> 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 CAPITAL CORPORATION**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**MARCH 31, 2025**  
**(UNAUDITED)**  
**(DOLLAR AMOUNTS IN THOUSANDS)**

| Company and Investment <sup>(A)(B)(K)(Q)</sup>  | Principal/<br>Shares/<br>Units <sup>(D)(E)</sup> | Cost           | Fair Value     |
|---|--|----------------|----------------|
| <b>NON-CONTROL/NON-AFFILIATE INVESTMENTS<sup>(M)</sup> – 143.4%</b>   |  |                |                |
| <b>Secured First Lien Debt – 105.7%</b>   |  |                |                |
| <b>Aerospace and Defense – 12.2%</b>  |  |                |                |
| Ohio Armor Holdings, LLC – Term Debt (S +8.0%, 12.3% Cash, Due 2/2026) <sup>(C)</sup>   | \$ 15,975  | \$ 15,975      | \$ 15,975      |
| SpaceCo Holdings, LLC – Line of Credit, \$2,500 available (S +6.4%, 10.7% Cash, Due 4/2026) <sup>(C)(H)(T)</sup>                  | —  | —              | —              |
| SpaceCo Holdings, LLC – Term Debt (S +6.4%, 10.7% Cash, Due 4/2026) <sup>(C)(H)(T)</sup>  | 42,164   | 41,953         | 42,164         |
|   |  | <b>57,928</b>  | <b>58,139</b>  |
| <b>Beverage, Food, and Tobacco – 13.7%</b>  |  |                |                |
| Café Zupas – Line of Credit, \$1,750 available (S +7.0%, 11.3% Cash, Due 12/2027) <sup>(C)</sup>                                  | —  | —              | —              |
| Café Zupas – Delayed Draw Term Loan, \$700 available (S +7.0%, 11.3% Cash, Due 12/2027) <sup>(C)</sup>                            | 9,800  | 9,800          | 9,800          |
| Café Zupas – Term Debt (S +7.0%, 11.3% Cash, Due 12/2027) <sup>(C)</sup>  | 26,250   | 26,097         | 26,250         |
| Eegeee's LLC – Line of Credit, \$0 available (S +7.8%, 12.1% Cash, Due 6/2026) <sup>(E)(F)(U)</sup>                               | 3,300  | 3,300          | 2,479          |
| Eegeee's LLC – Line of Credit, \$4,000 available (14.5% PIK, Due 4/2025) <sup>(E)(F)(U)</sup>                                     | 500  | 500            | 376            |
| Eegeee's LLC – Delayed Draw Term Loan, \$0 available (S +7.8%, 12.1% Cash, Due 6/2026) <sup>(E)(F)(U)</sup>                       | 3,171  | 3,171          | 2,382          |
| Eegeee's LLC – Term Debt (S +7.8%, 12.1% Cash, Due 6/2026) <sup>(E)(F)(U)</sup>   | 17,968   | 17,968         | 13,497         |
| Wings 'N More Restaurants LLC – Line of Credit, \$1,500 available (S +6.4%, 10.7% Cash, Due 11/2029) <sup>(C)</sup>               | —  | —              | —              |
| Wings 'N More Restaurants LLC – Term Debt (S +6.4%, 10.7% Cash, Due 11/2029) <sup>(C)</sup>                                       | 10,500   | 10,500         | 10,448         |
| Wings 'N More Restaurants LLC – Delayed Draw Term Loan, \$0,000 available (S +6.4%, 10.7% Cash, Due 11/2029) <sup>(C)</sup>       | —  | —              | —              |
|   |  | <b>71,336</b>  | <b>65,232</b>  |
| <b>Buildings and Real Estate – 0.5%</b>   |  |                |                |
| GFRC 360, LLC – Line of Credit, \$95 available (S +8.0%, 12.3% Cash, Due 9/2025) <sup>(C)</sup>                                   | 1,355  | 1,355          | 1,362          |
| GFRC 360, LLC – Term Debt (S +8.0%, 12.3% Cash, Due 9/2025) <sup>(C)</sup>  | 1,000  | 1,000          | 1,006          |
|   |  | <b>2,355</b>   | <b>2,368</b>   |
| <b>Diversified/Conglomerate Manufacturing – 25.3%</b>   |  |                |                |
| Engineering Manufacturing Technologies, LLC – Line of Credit, \$2,300 available (S +8.3%, 12.6% Cash, Due 10/2026) <sup>(F)</sup> | 700  | 700            | 459            |
| Engineering Manufacturing Technologies, LLC – Term Debt (S +8.3%, 8.0% Cash, 4.6% PIK, Due 10/2026) <sup>(F)</sup>                | 22,629   | 22,629         | 14,834         |
| NeoGraf Solutions LLC – Line of Credit, \$4,500 available (S +7.0%, 11.0% Cash, 0.3% PIK, Due 1/2028) <sup>(C)</sup>              | —  | —              | —              |
| NeoGraf Solutions LLC – Term Debt (S +7.0%, 11.0% Cash, 0.3% PIK, Due 1/2028) <sup>(C)</sup>                                      | 27,545   | 27,545         | 27,545         |
| OCI, LLC – Term Debt (S +7.5%, 11.8% Cash, Due 5/2028) <sup>(C)</sup>   | 16,500   | 16,500         | 16,665         |
| Torrent Photonics Holdco LLC – Term Debt (S +9.5%, 13.8% Cash, Due 4/2027) <sup>(C)</sup>   | 11,589   | 11,589         | 11,696         |
| Torrent Photonics Holdco LLC – Term Debt (S +9.5%, 13.8% Cash, Due 4/2025) <sup>(C)</sup>   | 500  | 500            | 504            |
| Unirac Holdings, Inc. – Line of Credit, \$1,856 available (S +6.5%, 10.8% Cash, Due 9/2027) <sup>(C)</sup>                        | 367  | 367            | 367            |
| Unirac Holdings, Inc. – Delayed Draw Term Loan, \$0 available (S +6.5%, 10.8% Cash, Due 9/2027) <sup>(C)</sup>                    | 1,087  | 1,087          | 1,087          |
| Unirac Holdings, Inc. – Term Debt (S +6.5%, 10.8% Cash, Due 9/2027) <sup>(C)</sup>  | 14,606   | 14,339         | 14,606         |
| Viron International Corp. <sup>(S)</sup> – Term Debt (S +7.0%, 11.3% Cash, Due 2/2030) <sup>(C)</sup>                             | 19,350   | 19,350         | 19,350         |
| Viva Railings, LLC – Line of Credit, \$4,000 available (S +7.1%, 11.4% Cash, Due 5/2027) <sup>(C)</sup>                           | —  | —              | —              |
| Viva Railings, LLC – Term Debt (S +7.1%, 11.4% Cash, Due 5/2027) <sup>(C)</sup>   | 13,984   | 13,984         | 13,984         |
|   |  | <b>128,590</b> | <b>121,097</b> |
| <b>Diversified/Conglomerate Service – 17.5%</b>   |  |                |                |
| Axios Industrial Group, LLC – Term Debt (S +9.6%, 13.9% Cash, Due 10/2027) <sup>(C)</sup>   | 16,190   | 16,065         | 16,190         |
| Leadpoint Business Services, LLC – Term Debt (S +8.5%, 12.8% Cash, Due 2/2028) <sup>(C)</sup>                                     | 28,117   | 28,117         | 28,398         |
| Quality Environmental Midco, Inc. – Line of Credit, \$3,000 available (12.0% Cash, Due 11/2028) <sup>(C)(F)</sup>                 | —  | —              | —              |
| Quality Environmental Midco, Inc. – Term Debt (12.0% Cash, Due 11/2028) <sup>(C)(F)</sup>   | 13,000   | 13,000         | 13,260         |
| Total Access Elevator, LLC – Line of Credit, \$3,000 available (S +6.9%, 11.2% Cash, Due 4/2029) <sup>(C)</sup>                   | —  | —              | —              |
| Total Access Elevator, LLC – Term Debt (S +6.9%, 11.2% Cash, Due 4/2029) <sup>(C)</sup>   | 6,500  | 6,500          | 6,695          |

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

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

| Company and Investment <sup>(A)(B)(K)(Q)</sup>   | Principal/<br>Shares/<br>Units <sup>(D)(J)</sup> | Cost              | Fair Value        |
|--|--|-------------------|-------------------|
| Total Access Elevator, LLC – Delayed Draw Term Loan, \$2,500 available (S + 6.9%, 11.2% Cash, Due 4/2029) <sup>(C)</sup>     | —  | —                 | —                 |
| WorkforceQA, LLC – Line of Credit, \$800 available (S + 6.5%, 10.8% Cash, Due 12/2026) <sup>(C)</sup>                        | 1,200  | 1,200             | 1,200             |
| WorkforceQA, LLC – Term Debt (S + 6.5%, 10.8% Cash, Due 12/2026) <sup>(C)</sup>  | 18,113   | 18,063            | 18,113            |
|  |  | <b>82,945</b>     | <b>83,856</b>     |
| <b>Healthcare, Education, and Childcare – 32.4%</b>  |  |                   |                   |
| ALS Education, LLC – Line of Credit, \$3,000 available (S + 6.8%, 11.1% Cash, Due 12/2028) <sup>(C)</sup>                    | —  | —                 | —                 |
| ALS Education, LLC – Term Debt (S + 6.8%, 11.1% Cash, Due 12/2028) <sup>(C)</sup>  | 31,240   | 31,240            | 31,396            |
| Freedom Dental Management, Inc. – Term Debt (S + 7.3%, 11.6% Cash, Due 6/2030) <sup>(C)</sup>                                | 15,000   | 15,000            | 14,955            |
| HH-Inspire Acquisition, Inc. – Line of Credit, \$0 available (S + 8.0%, 12.3% Cash, 2.0% PIK, Due 4/2028) <sup>(C)</sup>     | 1,843  | 1,843             | 1,697             |
| HH-Inspire Acquisition, Inc. – Term Debt (S + 8.0%, 12.3% Cash, 2.0% PIK, Due 4/2028) <sup>(C)</sup>                         | 19,822   | 19,724            | 18,256            |
| Giving Home Health Care, LLC – Term Debt (S + 5.8%, 10.0% Cash, Due 4/2029) <sup>(C)(H)</sup>                                | 28,125   | 28,125            | 28,462            |
| Turn Key Health Clinics, LLC – Line of Credit, \$4,000 available (S + 7.3%, 11.6% Cash, Due 6/2026) <sup>(C)</sup>           | —  | —                 | —                 |
| Turn Key Health Clinics, LLC – Term Debt (S + 7.3%, 11.6% Cash, Due 6/2026) <sup>(C)</sup>                                   | 17,500   | 17,500            | 17,500            |
| Ver's Choice Radiology LLC <sup>(S)</sup> – Term Debt (S + 7.0%, 11.3% Cash, Due 12/2027) <sup>(C)</sup>                     | 42,750   | 42,750            | 42,606            |
|  |  | <b>156,182</b>    | <b>154,872</b>    |
| <b>Machinery – 3.4%</b>  |  |                   |                   |
| Arc Drilling Holdings LLC – Line of Credit, \$,000 available (S + 7.0%, 11.3% Cash, Due 9/2029) <sup>(C)</sup>               | —  | —                 | —                 |
| Arc Drilling Holdings LLC – Term Debt (S + 7.0%, 11.3% Cash, Due 9/2029) <sup>(C)</sup>                                      | 16,000   | 16,000            | 16,320            |
|  |  | <b>16,000</b>     | <b>16,320</b>     |
| <b>Oil and Gas – 0.0%</b>  |  |                   |                   |
| FES Resources Holdings LLC – Term Debt (4.5% Cash, Due 12/2024) <sup>(E)(F)</sup>  | 325  | 325               | —                 |
| <b>Telecommunications – 0.7%</b>   |  |                   |                   |
| B+T Group Acquisition, Inc. <sup>(S)</sup> – Line of Credit, \$0 available (S + 2.0%, 7.0% Cash, Due 12/2026) <sup>(F)</sup> | 1,320  | 1,320             | 556               |
| B+T Group Acquisition, Inc. <sup>(S)</sup> – Line of Credit, \$52 available (S + 2.0%, 7.0% Cash, Due 6/2025) <sup>(E)</sup> | 398  | 398               | 168               |
| B+T Group Acquisition, Inc. <sup>(S)</sup> – Term Debt (S + 2.0%, 7.0% Cash, Due 12/2026) <sup>(F)</sup>                     | 6,000  | 6,000             | 2,527             |
|  |  | <b>7,718</b>      | <b>3,251</b>      |
| <b>Total Secured First Lien Debt</b>   |  | <b>\$ 523,379</b> | <b>\$ 505,135</b> |
| <b>Secured Second Lien Debt – 28.5%</b>  |  |                   |                   |
| <b>Automobile – 3.7%</b>   |  |                   |                   |
| Sea Link International IRB, Inc. – Term Debt (11.3% Cash, 2.0% PIK, Due 12/2025) <sup>(C)(F)</sup>                           | \$ 13,584  | \$ 13,584         | \$ 13,584         |
| Sea Link International IRB, Inc. – Term Debt (12.0% Cash, 2.0% PIK, Due 12/2025) <sup>(C)(F)</sup>                           | 4,120  | 4,120             | 4,120             |
|  |  | <b>17,704</b>     | <b>17,704</b>     |
| <b>Beverage, Food, and Tobacco – 4.5%</b>  |  |                   |                   |
| 8th Avenue Food & Provisions, Inc. – Term Debt (S + 7.9%, 12.2% Cash, Due 10/2026) <sup>(D)</sup>                            | 3,683  | 3,683             | 3,388             |
| Dutch Gold Honey, Inc. <sup>(S)</sup> – Term Debt (S + 7.5%, 11.8% Cash, Due 8/2030) <sup>(C)</sup>                          | 18,000   | 18,000            | 18,000            |
|  |  | <b>21,683</b>     | <b>21,388</b>     |
| <b>Cargo Transportation – 4.2%</b>   |  |                   |                   |
| RPM Freight Systems, LLC – Term Debt (S + 7.7%, 12.0% Cash, Due 11/2029) <sup>(C)</sup>                                      | 20,000   | 20,000            | 20,200            |
| RPM Freight Systems, LLC – Delayed Draw Term Loan, \$5,000 available (S + 7.7%, 12.0% Cash, Due 11/2029) <sup>(C)</sup>      | —  | —                 | —                 |
|  |  | <b>20,000</b>     | <b>20,200</b>     |
| <b>Diversified/Conglomerate Manufacturing – 7.8%</b>   |  |                   |                   |
| OCI, LLC – Term Debt (7.0% Cash, 7.0% PIK, Due 11/2028) <sup>(C)(F)</sup>  | 2,237  | 2,237             | 2,358             |
| Springfield, Inc. – Term Debt (S + 11.1%, 15.4% Cash, Due 12/2026) <sup>(C)</sup>  | 30,000   | 30,000            | 30,000            |
| Tube Bending Technology, LLC – Term Debt (3.5% Cash, Due 6/2026) <sup>(C)(F)</sup>   | 5,000  | 5,000             | 4,916             |
|  |  | <b>37,237</b>     | <b>37,274</b>     |
| <b>Healthcare, Education, and Childcare – 4.8%</b>   |  |                   |                   |
| Pan-Am Dental, LLC – Term Debt (2.0% Cash, Due 6/2030) <sup>(C)(F)</sup>   | 23,000   | 23,000            | 23,096            |

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

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

| Company and Investment <sup>(A)(B)(K)(Q)</sup>   | Principal/<br>Shares/<br>Units <sup>(H)(J)</sup> | Cost              | Fair Value        |
|--|--|-------------------|-------------------|
| <b>Oil and Gas – 3.5%</b>  |  |                   |                   |
| Imperative Holdings Corporation – Term Debt (S +9.8%, 14.1% Cash, Due 8/2028) <sup>(C)</sup> | 16,516   | 16,426            | 16,516            |
| <b>Total Secured Second Lien Debt</b>  |  | <b>\$ 136,050</b> | <b>\$ 136,178</b> |
| <b>Unsecured Debt – 0.0%</b>   |  |                   |                   |
| <b>Diversified/Conglomerate Service – 0.0%</b>   |  |                   |                   |
| Frontier Financial Group Inc. – Convertible Debt (6.0%, Due 6/2022) <sup>(E)(F)</sup>        | \$ 198   | \$ 198            | \$ 23             |
| <b>Preferred Equity – 3.9%</b>   |  |                   |                   |
| <b>Automobile – 0.1%</b>   |  |                   |                   |
| Sea Link International IRB, Inc. – Preferred Stock <sup>(E)(G)</sup>                         | 98,039   | \$ 98             | \$ 241            |
| <b>Beverage, Food, and Tobacco – 0.0%</b>  |  |                   |                   |
| Triple H Food Processors, LLC – Preferred Stock <sup>(E)(G)</sup>                            | 75   | 75                | 182               |
| <b>Buildings and Real Estate – 0.0%</b>  |  |                   |                   |
| GFRC 360, LLC – Preferred Stock <sup>(E)(G)</sup>  | 1,000  | 1,025             | 11                |
| <b>Diversified/Conglomerate Manufacturing – 0.6%</b>   |  |                   |                   |
| Torrent Photonics Holdco LLC – Preferred Stock <sup>(E)(G)</sup>                             | 2,650  | 2,650             | 2,800             |
| <b>Diversified/Conglomerate Service – 0.9%</b>   |  |                   |                   |
| Frontier Financial Group Inc. – Preferred Stock <sup>(E)(G)</sup>                            | 766  | 500               | —                 |
| Frontier Financial Group Inc. – Preferred Stock Warrant <sup>(E)(G)</sup>                    | 168  | —                 | —                 |
| Quality Environmental Midco, Inc. – Preferred Equity <sup>(E)(G)</sup>                       | 3,000,000  | 3,000             | 4,522             |
|  |  | <b>3,500</b>      | <b>4,522</b>      |
| <b>Healthcare, Education, and Childcare – 1.7%</b>   |  |                   |                   |
| HH-Inspire Acquisition, Inc. – Preferred Stock <sup>(E)(G)</sup>                             | 1,681,949  | 2,604             | 1,917             |
| Pan-Am Dental, LLC – Preferred Stock <sup>(E)(G)</sup>                                       | 5,909,091  | 5,909             | 6,040             |
|  |  | <b>8,513</b>      | <b>7,957</b>      |
| <b>Oil and Gas – 0.6%</b>  |  |                   |                   |
| FES Resources Holdings LLC – Preferred Equity Units <sup>(E)(G)</sup>                        | 6,350  | 6,350             | —                 |
| Imperative Holdings Corporation – Preferred Equity Units <sup>(E)(G)</sup>                   | 972,569  | 488               | 2,693             |
|  |  | <b>6,838</b>      | <b>2,693</b>      |
| <b>Telecommunications – 0.0%</b>   |  |                   |                   |
| B+T Group Acquisition, Inc. <sup>(S)</sup> – Preferred Stock <sup>(E)(G)</sup>               | 6,130  | 2,024             | —                 |
| <b>Total Preferred Equity</b>  |  | <b>\$ 24,723</b>  | <b>\$ 18,406</b>  |
| <b>Common Equity – 5.3%</b>  |  |                   |                   |
| <b>Aerospace and Defense – 0.2%</b>  |  |                   |                   |
| Ohio Armor Holdings, LLC – Common Equity <sup>(E)(G)</sup>                                   | 100  | \$ 1,000          | \$ 1,054          |
| <b>Automobile – 0.1%</b>   |  |                   |                   |
| Sea Link International IRB, Inc. – Common Equity Units <sup>(E)(G)</sup>                     | 823,333  | 823               | 364               |
| <b>Beverage, Food, and Tobacco – 1.3%</b>  |  |                   |                   |
| Dutch Gold Honey, Inc. <sup>(S)</sup> – Common Stock <sup>(E)(G)</sup>                       | 900,000  | 900               | 900               |
| Salt & Straw, LLC – Common Warrant <sup>(E)(G)</sup>   | 0.5 %  | —                 | 121               |
| Sokol & Company Holdings, LLC – Common Stock <sup>(E)(G)</sup>                               | 450,000  | 450               | 3,193             |
| Triple H Food Processors, LLC – Common Stock <sup>(E)(G)</sup>                               | 250,000  | 250               | 1,885             |
|  |  | <b>1,600</b>      | <b>6,099</b>      |
| <b>Buildings and Real Estate – 0.0%</b>  |  |                   |                   |
| GFRC 360, LLC – Common Stock Warrants <sup>(E)(G)</sup>                                      | 45 %   | —                 | —                 |
| <b>Diversified/Conglomerate Manufacturing – 0.4%</b>   |  |                   |                   |
| Engineering Manufacturing Technologies, LLC – Common Stock <sup>(E)(G)</sup>                 | 16,000   | 3,000             | —                 |
| OCI, LLC – Common Units <sup>(E)(G)</sup>  | 306  | —                 | —                 |
| NeoGraf Solutions LLC – Common Stock <sup>(E)(G)</sup>                                       | 2,000,000  | 2,000             | 1,995             |
| Viron International Corp. <sup>(S)</sup> – Common Stock <sup>(E)(G)</sup>                    | 447  | 15                | 15                |
|  |  | <b>5,015</b>      | <b>2,010</b>      |
| <b>Diversified/Conglomerate Service – 0.3%</b>   |  |                   |                   |
| Total Access Elevator, LLC – Common Stock <sup>(E)(G)</sup>                                  | 750,000  | 750               | 1,214             |
| WorkforceQA, LLC – Common Stock <sup>(E)(G)</sup>  | 529  | 532               | 414               |
|  |  | <b>1,282</b>      | <b>1,628</b>      |

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

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

| Company and Investment <sup>(A)(B)(K)(Q)</sup>   | Principal/<br>Shares/<br>Units <sup>(H)(J)</sup> | Cost              | Fair Value        |
|--|--|-------------------|-------------------|
| <b>Healthcare, Education, and Childcare – 1.6%</b>   |  |                   |                   |
| Giving Home Health Care, LLC – Common Stock <sup>(E)(G)</sup>  | 10,667   | —                 | 6,151             |
| GSM MidCo LLC – Common Stock <sup>(E)(G)</sup>   | 767  | 767               | 1,602             |
| Leeds Novamark Capital I, L.P. – Limited Partnership Interest (\$43 uncalled capital commitment) <sup>(G)(L)(R)</sup>          | 3.5 %  | —                 | 36                |
|  |  | <u>767</u>        | <u>7,789</u>      |
| <b>Machinery – 1.4%</b>  |  |                   |                   |
| Arc Drilling Holdings LLC – Common Stock <sup>(E)(G)</sup>   | 53,333   | 5,333             | 6,636             |
| <b>Oil and Gas – 0.0%</b>  |  |                   |                   |
| FES Resources Holdings LLC – Common Equity Units <sup>(E)(G)</sup>   | 6,233  | —                 | —                 |
| Total Safety Holdings, LLC – Common Equity <sup>(E)(G)</sup>   | 435  | 499               | 149               |
|  |  | <u>499</u>        | <u>149</u>        |
| <b>Telecommunications – 0.0%</b>   |  |                   |                   |
| B+T Group Acquisition, Inc. <sup>(S)</sup> – Common Stock Warrant <sup>(E)(K)</sup>  | 1.5 %  | —                 | —                 |
| <b>Total Common Equity</b>   |  | <u>\$ 16,319</u>  | <u>\$ 25,729</u>  |
| <b>Total Non-Control/Non-Affiliate Investments</b>   |  | <u>\$ 700,669</u> | <u>\$ 685,471</u> |
| <b>AFFILIATE INVESTMENTS<sup>(N)</sup> – 3.3%</b>  |  |                   |                   |
| <b>Secured First Lien Debt – 0.0%</b>  |  |                   |                   |
| <b>Diversified/Conglomerate Manufacturing – 0.0%</b>   |  |                   |                   |
| Edge Adhesives Holdings, Inc. <sup>(S)</sup> – Term Debt (S +5.5%, 9.8% Cash, Due 8/2026) <sup>(E)(P)</sup>                    | \$ 6,140   | \$ 6,140          | \$ 229            |
| <b>Preferred Equity – 1.4%</b>   |  |                   |                   |
| <b>Diversified/Conglomerate Manufacturing – 0.0%</b>   |  |                   |                   |
| Edge Adhesives Holdings, Inc. <sup>(S)</sup> – Preferred Stock <sup>(E)(G)</sup>   | 5,466  | \$ 5,466          | \$ —              |
| <b>Diversified/Conglomerate Service – 1.2%</b>   |  |                   |                   |
| Encore Dredging Holdings, LLC – Preferred Stock <sup>(E)(G)</sup>  | 3,840,000  | 3,840             | 5,657             |
| <b>Personal and Non-Durable Consumer Products (Manufacturing Only) – 0.2%</b>  |  |                   |                   |
| Canopy Safety Brands, LLC – Preferred Stock <sup>(E)(G)</sup>  | 500,000  | 500               | 968               |
| <b>Total Preferred Equity</b>  |  | <u>\$ 9,806</u>   | <u>\$ 6,625</u>   |
| <b>Common Equity – 1.9%</b>  |  |                   |                   |
| <b>Finance – 1.0%</b>  |  |                   |                   |
| Gladstone Alternative Income Fund – Common Stock <sup>(G)(R)</sup>   | 500,000  | \$ 5,000          | \$ 4,975          |
| <b>Personal and Non-Durable Consumer Products (Manufacturing Only) – 0.9%</b>  |  |                   |                   |
| Canopy Safety Brands, LLC – Common Stock <sup>(E)(G)</sup>   | 1,170,370  | 800               | 4,103             |
| <b>Total Common Equity</b>   |  | <u>\$ 5,800</u>   | <u>\$ 9,078</u>   |
| <b>Total Affiliate Investments</b>   |  | <u>\$ 21,746</u>  | <u>\$ 15,932</u>  |
| <b>CONTROL INVESTMENTS<sup>(O)</sup> – 12.8%</b>   |  |                   |                   |
| <b>Secured First Lien Debt – 7.6%</b>  |  |                   |                   |
| <b>Diversified/Conglomerate Manufacturing – 0.9%</b>   |  |                   |                   |
| Lonestar EMS, LLC – Term Debt (12.0% Cash, Due 6/2027) <sup>(E)(F)</sup>   | \$ 4,200   | \$ 4,141          | \$ 4,200          |
| <b>Healthcare, Education, and Childcare – 5.1%</b>   |  |                   |                   |
| Technical Resource Management, LLC – Line of Credit, \$00 available (S +8.0%, 12.3% Cash, 2.5% PIK, Due 4/2028) <sup>(C)</sup> | 2,508  | 2,508             | 2,348             |
| Technical Resource Management, LLC – Term Debt (S +8.0%, 12.3% Cash, 2.5% PIK, Due 4/2028) <sup>(C)</sup>                      | 23,565   | 23,497            | 22,065            |
|  |  | <u>26,005</u>     | <u>24,413</u>     |
| <b>Personal and Non-Durable Consumer Products (Manufacturing Only) – 1.6%</b>  |  |                   |                   |
| WB Xcel Holdings, LLC – Line of Credit, \$ available (S +10.5%, 14.8% Cash, Due 11/2026) <sup>(E)</sup>                        | 5,150  | 5,150             | 2,604             |
| WB Xcel Holdings, LLC – Term Debt (S +10.5%, 14.8% Cash, Due 11/2026) <sup>(E)</sup>   | 9,775  | 9,775             | 4,943             |
|  |  | <u>14,925</u>     | <u>7,547</u>      |
| <b>Printing and Publishing – 0.0%</b>  |  |                   |                   |
| TNCP Intermediate HoldCo, LLC – Line of Credit, \$2,000 available (11.0% Cash, Due 10/2027) <sup>(E)(F)</sup>                  | —  | —                 | —                 |
| <b>Total Secured First Lien Debt</b>   |  | <u>\$ 45,071</u>  | <u>\$ 36,160</u>  |

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

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

| Company and Investment <sup>(A)(B)(K)(Q)</sup>  | Principal/<br>Shares/<br>Units <sup>(H)(I)</sup> | Cost              | Fair Value        |
|---|--|-------------------|-------------------|
| <b>Secured Second Lien Debt – 1.8%</b>  |  |                   |                   |
| <b>Automobile – 1.8%</b>  |  |                   |                   |
| Defiance Integrated Technologies, Inc. – Term Debt (S +9.6%, 13.9% Cash, Due 1/2027) <sup>(E)</sup> | \$ 8,792   | \$ 8,792          | \$ 8,792          |
| <b>Unsecured Debt – 0.1%</b>  |  |                   |                   |
| <b>Healthcare, Education, and Childcare – 0.1%</b>  |  |                   |                   |
| Technical Resource Management, LLC – Term Debt (4.0% PIK, Due 10/2028) <sup>(E)(F)</sup>            | \$ 333   | \$ 333            | \$ 312            |
| <b>Preferred Equity – 0.0%</b>  |  |                   |                   |
| <b>Personal and Non-Durable Consumer Products (Manufacturing Only) – 0.0%</b>                       |  |                   |                   |
| WB Xcel Holdings, LLC – Preferred Stock <sup>(E)(G)</sup>   | 333  | \$ 2,750          | \$ —              |
| <b>Common Equity – 3.3%</b>   |  |                   |                   |
| <b>Automobile – 0.2%</b>  |  |                   |                   |
| Defiance Integrated Technologies, Inc. – Common Stock <sup>(E)(G)</sup>                             | 33,321   | \$ 581            | \$ 853            |
| <b>Diversified/Conglomerate Manufacturing – 2.0%</b>  |  |                   |                   |
| Lonestar EMS, LLC – Common Units <sup>(E)(G)</sup>  | 100 %  | 6,750             | 9,601             |
| <b>Healthcare, Education, and Childcare – 0.0%</b>  |  |                   |                   |
| Technical Resource Management, LLC – Common Stock <sup>(E)(G)</sup>                                 | 2,000,000  | 2,000             | —                 |
| Technical Resource Management, LLC – Common Warrants <sup>(E)(G)</sup>                              | 958,041  | —                 | —                 |
|   |  | <u>2,000</u>      | <u>—</u>          |
| <b>Personal and Non-Durable Consumer Products (Manufacturing Only) – 0.0%</b>                       |  |                   |                   |
| WB Xcel Holdings, LLC – Common Warrant <sup>(E)(G)</sup>  | 1  | 1                 | —                 |
| <b>Printing and Publishing – 1.1%</b>   |  |                   |                   |
| TNCP Intermediate HoldCo, LLC – Common Equity Units <sup>(E)(G)</sup>                               | 790,000  | 500               | 5,515             |
| <b>Total Common Equity</b>  |  | <u>\$ 9,832</u>   | <u>\$ 15,969</u>  |
| <b>Total Control Investments</b>  |  | <u>\$ 66,778</u>  | <u>\$ 61,233</u>  |
| <b>TOTAL INVESTMENTS – 159.5%</b>   |  | <u>\$ 789,193</u> | <u>\$ 762,636</u> |

- (A) Certain of the securities listed in this schedule are issued by affiliate(s) of the indicated portfolio company. The majority of the securities listed, totaling \$ 691.1 million at fair value, are pledged as collateral under our revolving line of credit, as described further in Note 5—*Borrowings* in the accompanying *Notes to Consolidated Financial Statements*. Under 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. As of March 31, 2025, our investments in Leeds Novamark Capital I, L.P. (“Leeds”) and Gladstone Alternative Income Fund (“Gladstone Alternative”) are considered non-qualifying assets under Section 55 of the 1940 Act. Such non-qualifying assets represent 0.7% of total investments, at fair value, as of March 31, 2025.
- (B) Unless indicated otherwise, all cash interest rates are indexed to one-month Secured Overnight Financing Rate (“SOFR” or “S”), which was 4.32% as of March 31, 2025. If applicable, paid-in-kind (“PIK”) 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 the reference rate plus a spread. Due dates represent the contractual maturity date.
- (C) Fair value was based on an internal yield analysis or on estimates of value submitted by a third party valuation firm.
- (D) Fair value was based on the indicative bid price on or near March 31, 2025, offered by the respective syndication agent’s trading desk.
- (E) Fair value was based on the total enterprise value of the portfolio company, which was then allocated to the portfolio company’s securities in order of their relative priority in the capital structure.
- (F) Debt security has a fixed interest rate.
- (G) Security is non-income producing.
- (H) The cash interest rate on this investment was indexed to 90-day SOFR, which was 4.29% as of March 31, 2025.
- (I) Represents the principal balance for debt investments and the number of shares/units held for equity investments. Warrants are represented as a percentage of ownership, as applicable.
- (J) 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.
- (K) Category percentages represent the fair value of each category and subcategory as a percentage of net assets as of March 31, 2025.
- (L) There are certain limitations on our ability to withdraw our partnership interest prior to dissolution of the entity, which must occur no later than May 9, 2024 or two years after all outstanding leverage has matured.
- (M) 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.
- (N) Affiliate investments, as defined by the 1940 Act, are those 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.

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

- <sup>(O)</sup> 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.
- <sup>(P)</sup> Debt security is on non-accrual status.
- <sup>(Q)</sup> Unless indicated otherwise, all of our investments are valued using Level 3 inputs within the Financial Accounting Standards Board (“FASB”) Accounting Standard 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.
- <sup>(R)</sup> Fair value was based on net asset value provided by the underlying fund as a practical expedient.
- <sup>(S)</sup> One or more of our affiliated funds, Gladstone Investment Corporation or Gladstone Alternative, co-invested with us in this portfolio company pursuant to an exemptive order granted by the U.S. Securities and Exchange Commission.
- <sup>(T)</sup> Investment was exited subsequent to March 31, 2025. Refer to Note 12 – *Subsequent Events* in the accompanying Notes to the Consolidated Financial Statements for additional information.
- <sup>(U)</sup> In December 2024, Eegee’s LLC filed for Chapter 11 bankruptcy.

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

**GLADSTONE CAPITAL CORPORATION**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**SEPTEMBER 30, 2024**  
**(DOLLAR AMOUNTS IN THOUSANDS)**

| Company and Investment <sup>(A)(B)(K)(Q)</sup>  | Principal/<br>Shares/<br>Units <sup>(D)(E)</sup> | Cost           | Fair Value     |
|---|--|----------------|----------------|
| <b>NON-CONTROL/NON-AFFILIATE INVESTMENTS<sup>(M)</sup> – 159.5%</b>   |  |                |                |
| <b>Secured First Lien Debt – 114.8%</b>   |  |                |                |
| <b>Aerospace and Defense – 19.7%</b>  |  |                |                |
| Antenna Research Associates, Inc. – Term Debt (S +10.0%, 14.8% Cash, 4.0% PIK, Due 11/2026) <sup>(U)</sup>                        | \$ 31,267  | \$ 31,267      | \$ 31,267      |
| Ohio Armor Holdings, LLC – Term Debt (S +8.0%, 12.8% Cash, Due 2/2026) <sup>(C)</sup>   | 16,563   | 16,563         | 16,563         |
| SpaceCo Holdings, LLC – Line of Credit, \$0 available (S +6.4%, 11.0% Cash, Due 12/2025) <sup>(K)(H)</sup>                        | 2,000  | 2,000          | 2,000          |
| SpaceCo Holdings, LLC – Term Debt (S +6.4%, 11.0% Cash, Due 12/2025) <sup>(K)(H)</sup>  | 42,757   | 42,376         | 42,757         |
|   |  | <b>92,206</b>  | <b>92,587</b>  |
| <b>Beverage, Food, and Tobacco – 15.2%</b>  |  |                |                |
| Café Zupas – Line of Credit, \$700 available (S +7.5%, 12.3% Cash, Due 12/2027) <sup>(C)</sup>                                    | 1,050  | 1,050          | 1,061          |
| Café Zupas – Delayed Draw Term Loan, \$3,150 available (S +7.5%, 12.3% Cash, Due 12/2027) <sup>(C)</sup>                          | 7,350  | 7,350          | 7,424          |
| Café Zupas – Term Debt (S +7.5%, 12.3% Cash, Due 12/2027) <sup>(C)</sup>  | 26,250   | 26,074         | 26,513         |
| Eegeee's LLC – Line of Credit, \$500 available (S +7.8%, 12.6% Cash, Due 6/2026) <sup>(C)</sup>                                   | 1,500  | 1,500          | 1,135          |
| Eegeee's LLC – Delayed Draw Term Loan, \$0 available (S +7.8%, 8.0% Cash, 4.6% PIK, Due 6/2026) <sup>(C)</sup>                    | 3,145  | 3,145          | 2,380          |
| Eegeee's LLC – Term Debt (S +7.8%, 8.0% Cash, 4.6% PIK, Due 6/2026) <sup>(C)</sup>  | 17,824   | 17,824         | 13,486         |
| Salt & Straw, LLC – Line of Credit, \$2,000 available (S +9.1%, 13.9% Cash, Due 9/2027) <sup>(C)</sup>                            | —  | —              | —              |
| Salt & Straw, LLC – Delayed Draw Term Loan, \$3,500 available (S +9.1%, 13.9% Cash, Due 9/2027) <sup>(C)</sup>                    | 10,850   | 10,693         | 10,850         |
| Sokol & Company Holdings, LLC – Term Debt (S +6.8%, 11.6% Cash, Due 8/2027) <sup>(C)</sup>  | 8,500  | 8,500          | 8,500          |
|   |  | <b>76,136</b>  | <b>71,349</b>  |
| <b>Buildings and Real Estate – 0.5%</b>   |  |                |                |
| GFRC 360, LLC – Line of Credit, \$95 available (S +8.0%, 12.8% Cash, Due 9/2025) <sup>(C)</sup>                                   | 1,355  | 1,355          | 1,355          |
| GFRC 360, LLC – Term Debt (S +8.0%, 12.8% Cash, Due 9/2025) <sup>(C)</sup>  | 1,000  | 1,000          | 1,000          |
|   |  | <b>2,355</b>   | <b>2,355</b>   |
| <b>Diversified/Conglomerate Manufacturing – 24.2%</b>   |  |                |                |
| Engineering Manufacturing Technologies, LLC – Line of Credit, \$3,000 available (S +8.3%, 13.1% Cash, Due 10/2026) <sup>(F)</sup> | —  | —              | —              |
| Engineering Manufacturing Technologies, LLC – Term Debt (S +8.3%, 10.0% Cash, 3.1% PIK, Due 10/2026) <sup>(F)</sup>               | 22,230   | 22,230         | 19,283         |
| NeoGraf Solutions LLC – Line of Credit, \$4,500 available (S +7.0%, 11.0% Cash, 0.8% PIK, Due 1/2028) <sup>(C)</sup>              | —  | —              | —              |
| NeoGraf Solutions LLC – Term Debt (S +7.0%, 11.0% Cash, 0.8% PIK, Due 1/2028) <sup>(C)</sup>                                      | 27,524   | 27,524         | 26,350         |
| OCI, LLC – Term Debt (S +7.5%, 12.3% Cash, Due 5/2028) <sup>(C)</sup>   | 18,500   | 18,500         | 18,685         |
| Torrent Photonics Holdco LLC – Term Debt (S +9.5%, 14.3% Cash, Due 4/2027) <sup>(C)</sup>   | 12,149   | 12,128         | 12,265         |
| Unirac Holdings, Inc. – Line of Credit, \$1,244 available (S +6.5%, 11.3% Cash, Due 9/2027) <sup>(C)</sup>                        | 978  | 978            | 978            |
| Unirac Holdings, Inc. – Delayed Draw Term Loan, \$0 available (S +6.5%, 11.3% Cash, Due 9/2027) <sup>(C)</sup>                    | 1,097  | 1,097          | 1,108          |
| Unirac Holdings, Inc. – Term Debt (S +6.5%, 11.3% Cash, Due 9/2027) <sup>(C)</sup>  | 14,738   | 14,494         | 14,885         |
| Viva Railings, LLC – Line of Credit, \$1,000 available (S +7.1%, 11.9% Cash, Due 5/2027) <sup>(C)</sup>                           | —  | —              | —              |
| Viva Railings, LLC – Term Debt (S +7.1%, 11.9% Cash, Due 5/2027) <sup>(C)</sup>   | 20,202   | 20,202         | 20,202         |
|   |  | <b>117,153</b> | <b>113,756</b> |
| <b>Diversified/Conglomerate Service – 30.9%</b>   |  |                |                |
| Axios Industrial Group, LLC – Term Debt (S +9.6%, 14.4% Cash, Due 10/2027) <sup>(C)</sup>   | 11,325   | 11,301         | 11,357         |
| Axios Industrial Group, LLC – Term Debt (S +12.6%, 17.4% Cash, Due 10/2027) <sup>(C)</sup>  | 3,000  | 2,925          | 3,008          |
| DKI Ventures, LLC – Line of Credit, \$25 available (0.0% Cash, Due 12/2025) <sup>(K)(F)</sup>                                     | 350  | 350            | 159            |
| DKI Ventures, LLC – Term Debt (0.0% Cash, Due 12/2025) <sup>(K)(F)</sup>  | 5,915  | 5,915          | 2,684          |
| ENET Holdings, LLC – Line of Credit, \$2,500 available (S +7.3%, 12.1% Cash, Due 4/2025) <sup>(C)</sup>                           | —  | —              | —              |
| ENET Holdings, LLC – Term Debt (S +7.3%, 12.1% Cash, Due 4/2028) <sup>(C)</sup>   | 22,289   | 22,289         | 21,973         |

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

**GLADSTONE CAPITAL CORPORATION**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**SEPTEMBER 30, 2024**  
**(DOLLAR AMOUNTS IN THOUSANDS)**

| Company and Investment <sup>(A)(B)(K)(Q)</sup>   | Principal/<br>Shares/<br>Units <sup>(D)(J)</sup> | Cost              | Fair Value        |
|--|--|-------------------|-------------------|
| Fix-It Group, LLC – Line of Credit, \$3,000 available (S + 7.1%, 11.9% Cash, Due 12/2026) <sup>(C)</sup>                         | —  | —                 | —                 |
| Fix-It Group, LLC – Term Debt (S + 7.1%, 11.9% Cash, Due 12/2026) <sup>(C)</sup>   | 13,324   | 13,324            | 13,457            |
| Fix-It Group, LLC – Delayed Draw Term Loan, \$0 available (S + 7.1%, 11.9% Cash, Due 12/2026) <sup>(C)</sup>                     | 6,781  | 6,781             | 6,781             |
| Leadpoint Business Services, LLC – Term Debt (S + 8.5%, 13.3% Cash, Due 2/2028) <sup>(C)</sup>                                   | 25,500   | 25,475            | 26,010            |
| MCG Energy Solutions, LLC – Term Debt (S + 7.6%, 12.4% Cash, 3.5% PIK, Due 3/2026) <sup>(E)</sup>                                | 20,290   | 20,264            | 20,290            |
| Quality Environmental Midco, Inc. – Line of Credit, \$3,000 available (12.0% Cash, Due 11/2028) <sup>(C)(F)</sup>                | —  | —                 | —                 |
| Quality Environmental Midco, Inc. – Term Debt (12.0% Cash, Due 11/2028) <sup>(C)(F)</sup>  | 13,000   | 13,000            | 13,390            |
| Total Access Elevator, LLC – Line of Credit, \$3,000 available (S + 6.9%, 11.7% Cash, Due 4/2029) <sup>(C)</sup>                 | —  | —                 | —                 |
| Total Access Elevator, LLC – Term Debt (S + 6.9%, 11.7% Cash, Due 4/2029) <sup>(C)</sup>   | 6,500  | 6,500             | 6,695             |
| Total Access Elevator, LLC – Delayed Draw Term Loan, \$2,500 available (S + 6.9%, 11.7% Cash, Due 4/2029) <sup>(C)</sup>         | —  | —                 | —                 |
| WorkforceQA, LLC – Line of Credit, \$800 available (S + 6.5%, 11.3% Cash, Due 12/2026) <sup>(C)</sup>                            | 1,200  | 1,200             | 1,200             |
| WorkforceQA, LLC – Term Debt (S + 6.5%, 11.3% Cash, Due 12/2026) <sup>(C)</sup>  | 16,306   | 16,286            | 16,306            |
| WorkforceQA, LLC – Term Debt (S + 7.5%, 12.3% Cash, Due 12/2026) <sup>(C)</sup>  | 2,406  | 2,403             | 2,406             |
|  |  | <b>148,013</b>    | <b>145,716</b>    |
| <b>Healthcare, Education, and Childcare – 20.2%</b>  |  |                   |                   |
| ALS Education, LLC – Line of Credit, \$3,000 available (S + 6.8%, 11.6% Cash, Due 12/2028) <sup>(C)</sup>                        | —  | —                 | —                 |
| ALS Education, LLC – Term Debt (S + 6.8%, 11.6% Cash, Due 12/2028) <sup>(C)</sup>  | 31,680   | 31,680            | 31,997            |
| HH-Inspire Acquisition, Inc. – Line of Credit, \$110 available (S + 8.0%, 12.8% Cash, Due 4/2028) <sup>(C)(H)</sup>              | 1,727  | 1,727             | 1,677             |
| HH-Inspire Acquisition, Inc. – Term Debt (S + 8.0%, 12.8% Cash, Due 4/2028) <sup>(C)(H)</sup>                                    | 15,852   | 15,852            | 15,399            |
| HH-Inspire Acquisition, Inc. – Term Debt (S + 8.0%, 12.8% Cash, Due 4/2028) <sup>(C)(H)</sup>                                    | 3,193  | 3,193             | 3,102             |
| Technical Resource Management, LLC – Line of Credit, \$1,000 available (S + 8.0%, 12.8% Cash, Due 4/2028) <sup>(C)</sup>         | 2,000  | 2,000             | 2,008             |
| Technical Resource Management, LLC – Term Debt (S + 8.0%, 12.8% Cash, 2.5% PIK, Due 4/2028) <sup>(C)</sup>                       | 23,234   | 23,158            | 23,327            |
| Turn Key Health Clinics, LLC – Line of Credit, \$4,000 available (S + 7.3%, 12.1% Cash, Due 6/2026) <sup>(C)</sup>               | —  | —                 | —                 |
| Turn Key Health Clinics, LLC – Term Debt (S + 7.3%, 12.1% Cash, Due 6/2026) <sup>(C)</sup>                                       | 17,500   | 17,500            | 17,500            |
|  |  | <b>95,110</b>     | <b>95,010</b>     |
| <b>Machinery – 3.6%</b>  |  |                   |                   |
| Arc Drilling Holdings LLC – Line of Credit, \$1,000 available (S + 7.0%, 11.8% Cash, Due 9/2029) <sup>(C)</sup>                  | 1,000  | 1,000             | 1,000             |
| Arc Drilling Holdings LLC – Term Debt (S + 7.0%, 11.8% Cash, Due 9/2029) <sup>(C)</sup>  | 16,000   | 16,000            | 16,000            |
|  |  | <b>17,000</b>     | <b>17,000</b>     |
| <b>Oil and Gas – 0.0%</b>  |  |                   |                   |
| FES Resources Holdings LLC – Term Debt (4.5% Cash, Due 12/2024) <sup>(E)(F)</sup>  | 325  | 325               | 163               |
| <b>Telecommunications – 0.5%</b>   |  |                   |                   |
| B+T Group Acquisition, Inc. <sup>(S)</sup> – Line of Credit, \$0 available (S + 2.0%, 7.0% Cash, Due 12/2026) <sup>(E)(P)</sup>  | 1,320  | 1,320             | 471               |
| B+T Group Acquisition, Inc. <sup>(S)</sup> – Line of Credit, \$127 available (S + 2.0%, 7.0% Cash, Due 6/2025) <sup>(E)(P)</sup> | 323  | 323               | 115               |
| B+T Group Acquisition, Inc. <sup>(S)</sup> – Term Debt (S + 2.0%, 7.0% Cash, Due 12/2026) <sup>(E)(P)</sup>                      | 6,000  | 6,000             | 2,139             |
|  |  | <b>7,643</b>      | <b>2,725</b>      |
| <b>Total Secured First Lien Debt</b>   |  | <b>\$ 555,941</b> | <b>\$ 540,661</b> |
| <b>Secured Second Lien Debt – 22.3%</b>  |  |                   |                   |
| <b>Automobile – 3.4%</b>   |  |                   |                   |
| Sea Link International IRB, Inc. – Term Debt (1.3% Cash, 2.0% PIK, Due 12/2025) <sup>(C)(F)</sup>                                | 12,331   | 12,314            | 12,331            |
| Sea Link International IRB, Inc. – Term Debt (12.0% Cash, 2.0% PIK, Due 12/2025) <sup>(C)(F)</sup>                               | 4,079  | 4,079             | 4,079             |
|  |  | <b>16,393</b>     | <b>16,410</b>     |
| <b>Beverage, Food, and Tobacco – 0.7%</b>  |  |                   |                   |
| 8th Avenue Food & Provisions, Inc. – Term Debt (S + 7.9%, 12.7% Cash, Due 10/2026) <sup>(P)</sup>                                | 3,683  | 3,683             | 3,241             |

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

**GLADSTONE CAPITAL CORPORATION**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**SEPTEMBER 30, 2024**  
**(DOLLAR AMOUNTS IN THOUSANDS)**

| Company and Investment <sup>(A)(B)(K)(Q)</sup>  | Principal/<br>Shares/<br>Units <sup>(D)(J)</sup> | Cost              | Fair Value        |
|---|--|-------------------|-------------------|
| <b>Cargo Transportation – 4.3%</b>  |  |                   |                   |
| RPM Freight Systems, LLC – Term Debt (S +7.7%, 12.5% Cash, Due 11/2029) <sup>(C)</sup>                                | 20,000   | 20,000            | 20,200            |
| RPM Freight Systems, LLC – Delayed Draw Term Loan, \$5,000 available (S +7.7% 12.5% Cash, Due 11/2029) <sup>(C)</sup> | —  | —                 | —                 |
|   |  | <b>20,000</b>     | <b>20,200</b>     |
| <b>Diversified/Conglomerate Manufacturing – 6.9%</b>  |  |                   |                   |
| OCI, LLC – Term Debt (7.0% Cash, 7.0% PIK, Due 11/2028) <sup>(C)(F)</sup>   | 2,159  | 2,159             | 2,303             |
| Springfield, Inc. – Term Debt (S +11.1%, 15.9% Cash, Due 12/2026) <sup>(C)</sup>                                      | 30,000   | 30,000            | 30,000            |
|   |  | <b>32,159</b>     | <b>32,303</b>     |
| <b>Diversified/Conglomerate Service – 3.2%</b>  |  |                   |                   |
| Perimeter Solutions Group – Term Debt (S +8.5%, 13.3% Cash, Due 2/2029) <sup>(C)(U)</sup>                             | 15,000   | 15,000            | 15,000            |
| <b>Oil and Gas – 3.8%</b>   |  |                   |                   |
| Imperative Holdings Corporation – Term Debt (S +9.8%, 14.6% Cash, Due 8/2028) <sup>(C)</sup>                          | 18,015   | 17,909            | 18,015            |
| <b>Total Secured Second Lien Debt</b>   |  | <b>\$ 105,144</b> | <b>\$ 105,169</b> |
| <b>Unsecured Debt – 0.1%</b>  |  |                   |                   |
| <b>Diversified/Conglomerate Service – 0.1%</b>  |  |                   |                   |
| Frontier Financial Group Inc. – Convertible Debt (6.0% Cash, Due 6/2022) <sup>(E)(F)</sup>                            | 198  | 198               | 32                |
| <b>Preferred Equity – 5.8%</b>  |  |                   |                   |
| <b>Automobile – 0.1%</b>  |  |                   |                   |
| Sea Link International IRB, Inc. – Preferred Stock <sup>(E)(G)</sup>  | 98,039   | 98                | 220               |
| <b>Beverage, Food, and Tobacco – 2.0%</b>   |  |                   |                   |
| Salt & Straw, LLC – Preferred Equity <sup>(E)(G)</sup>  | 7,000,000  | 7,000             | 9,450             |
| Triple H Food Processors, LLC – Preferred Stock <sup>(E)(G)</sup>   | 75   | 75                | 167               |
|   |  | <b>7,075</b>      | <b>9,617</b>      |
| <b>Buildings and Real Estate – 0.0%</b>   |  |                   |                   |
| GFRC 360, LLC – Preferred Stock <sup>(E)(G)</sup>   | 1,000  | 1,025             | —                 |
| <b>Diversified/Conglomerate Manufacturing – 0.1%</b>  |  |                   |                   |
| Torrent Photonics Holdco LLC – Preferred Stock <sup>(E)(G)</sup>  | 2,650  | 2,650             | 552               |
| <b>Diversified/Conglomerate Service – 2.9%</b>  |  |                   |                   |
| Frontier Financial Group Inc. – Preferred Stock <sup>(E)(G)</sup>   | 766  | 500               | —                 |
| Frontier Financial Group Inc. – Preferred Stock Warrant <sup>(E)(G)</sup>   | 168  | —                 | —                 |
| MCG Energy Solutions, LLC – Preferred Stock <sup>(E)(G)</sup>   | 7,000,000  | 7,000             | 9,954             |
| Quality Environmental Midco, Inc. – Preferred Equity <sup>(E)(G)</sup>  | 3,000,000  | 3,000             | 3,582             |
|   |  | <b>10,500</b>     | <b>13,536</b>     |
| <b>Healthcare, Education, and Childcare – 0.2%</b>  |  |                   |                   |
| HH-Inspire Acquisition, Inc. – Preferred Stock <sup>(E)(G)</sup>  | 1,329,054  | 2,251             | 1,047             |
| <b>Oil and Gas – 0.5%</b>   |  |                   |                   |
| FES Resources Holdings LLC – Preferred Equity Units <sup>(E)(G)</sup>   | 6,350  | 6,350             | —                 |
| Imperative Holdings Corporation – Preferred Equity Units <sup>(E)(G)</sup>  | 972,569  | 488               | 2,275             |
|   |  | <b>6,838</b>      | <b>2,275</b>      |
| <b>Telecommunications – 0.0%</b>  |  |                   |                   |
| B+T Group Acquisition, Inc. <sup>(S)</sup> – Preferred Stock <sup>(E)(G)</sup>  | 6,130  | 2,024             | —                 |
| <b>Total Preferred Equity</b>   |  | <b>\$ 32,461</b>  | <b>\$ 27,247</b>  |
| <b>Common Equity – 16.5%</b>  |  |                   |                   |
| <b>Aerospace and Defense – 12.8%</b>  |  |                   |                   |
| Antenna Research Associates, Inc. – Common Equity Units <sup>(E)(G)(U)</sup>  | 4,283  | 4,283             | 59,423            |
| Ohio Armor Holdings, LLC – Common Equity <sup>(E)(G)</sup>  | 100  | 1,000             | 1,086             |
|   |  | <b>5,283</b>      | <b>60,509</b>     |
| <b>Automobile – 0.1%</b>  |  |                   |                   |
| Sea Link International IRB, Inc. – Common Equity Units <sup>(E)(G)</sup>  | 823,333  | 823               | 160               |
| <b>Beverage, Food, and Tobacco – 0.9%</b>   |  |                   |                   |
| Salt & Straw, LLC – Common Warrant <sup>(E)(G)</sup>  | 0.4 %  | —                 | 47                |
| Sokol & Company Holdings, LLC – Common Stock <sup>(E)(G)</sup>  | 1,500,000  | 1,500             | 2,727             |
| Triple H Food Processors, LLC – Common Stock <sup>(E)(G)</sup>  | 250,000  | 250               | 1,346             |
|   |  | <b>1,750</b>      | <b>4,120</b>      |

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

**GLADSTONE CAPITAL CORPORATION  
CONSOLIDATED SCHEDULE OF INVESTMENTS  
SEPTEMBER 30, 2024  
(DOLLAR AMOUNTS IN THOUSANDS)**

| Company and Investment <sup>(A)(B)(K)(Q)</sup>   | Principal/<br>Shares/<br>Units <sup>(D)(J)</sup> | Cost              | Fair Value        |
|--|--|-------------------|-------------------|
| <b>Buildings and Real Estate – 0.0%</b>  |  |                   |                   |
| GFR3 360, LLC – Common Stock Warrants <sup>(E)(G)</sup>  | 45.0 %   | —                 | —                 |
| <b>Diversified/Conglomerate Manufacturing – 0.2%</b>   |  |                   |                   |
| Engineering Manufacturing Technologies, LLC – Common Stock <sup>(E)(G)</sup>   | 6,000  | 3,000             | —                 |
| OCI, LLC – Common Units <sup>(E)(G)</sup>  | 306  | —                 | —                 |
| NeoGraf Solutions LLC – Common Stock <sup>(E)(G)</sup>   | 2,000,000  | 2,000             | 859               |
|  |  | <b>5,000</b>      | <b>859</b>        |
| <b>Diversified/Conglomerate Service – 0.3%</b>   |  |                   |                   |
| Total Access Elevator, LLC – Common Equity <sup>(E)(G)</sup>   | 750,000  | 750               | 1,234             |
| WorkforceQA, LLC – Common Stock <sup>(E)(G)</sup>  | 532  | 532               | 346               |
|  |  | <b>1,282</b>      | <b>1,580</b>      |
| <b>Healthcare, Education, and Childcare – 1.2%</b>   |  |                   |                   |
| Giving Home Health Care, LLC – Warrant <sup>(E)(G)</sup>   | 10,667   | —                 | 3,995             |
| GSM MidCo LLC – Common Stock <sup>(E)(G)</sup>   | 767  | 767               | 1,583             |
| Leeds Novamark Capital I, L.P. – Limited Partnership Interest (\$843 uncalled capital commitment) <sup>(G)(L)(R)</sup> | 3.5 %  | —                 | 38                |
| Technical Resource Management, LLC – Common Stock <sup>(E)(G)</sup>  | 2,000,000  | 2,000             | 34                |
|  |  | <b>2,767</b>      | <b>5,650</b>      |
| <b>Machinery – 1.0%</b>  |  |                   |                   |
| Arc Drilling Holdings LLC – Common Stock <sup>(E)(G)</sup>   | 53,333   | 5,333             | 4,816             |
| <b>Oil and Gas – 0.0%</b>  |  |                   |                   |
| FES Resources Holdings LLC – Common Equity Units <sup>(E)(G)</sup>   | 6,233  | —                 | —                 |
| Total Safety Holdings, LLC – Common Equity <sup>(E)(G)</sup>   | 435  | 499               | 101               |
|  |  | <b>499</b>        | <b>101</b>        |
| <b>Telecommunications – 0.0%</b>   |  |                   |                   |
| B+T Group Acquisition, Inc. <sup>(S)</sup> – Common Stock Warrant <sup>(E)(G)</sup>                                    | 1.5 %  | —                 | —                 |
| <b>Total Common Equity</b>   |  | <b>\$ 22,737</b>  | <b>\$ 77,795</b>  |
| <b>Total Non-Control/Non-Affiliate Investments</b>   |  | <b>\$ 716,481</b> | <b>\$ 750,904</b> |
| <b>AFFILIATE INVESTMENTS<sup>(N)</sup> – 1.6%</b>  |  |                   |                   |
| <b>Secured First Lien Debt – 0.1%</b>  |  |                   |                   |
| <b>Diversified/Conglomerate Manufacturing – 0.1%</b>   |  |                   |                   |
| Edge Adhesives Holdings, Inc. <sup>(S)</sup> – Term Debt (S +5.5%, 10.3% Cash, Due 8/2026) <sup>(E)(P)</sup>           | 6,140  | 6,140             | 380               |
| <b>Preferred Equity – 0.9%</b>   |  |                   |                   |
| <b>Diversified/Conglomerate Manufacturing – 0.0%</b>   |  |                   |                   |
| Edge Adhesives Holdings, Inc. <sup>(S)</sup> – Preferred Stock <sup>(E)(G)</sup>                                       | 5,466  | 5,466             | \$ —              |
| <b>Diversified/Conglomerate Service – 0.7%</b>   |  |                   |                   |
| Encore Dredging Holdings, LLC – Preferred Stock <sup>(E)(G)</sup>  | 3,840,000  | 3,840             | 3,168             |
| <b>Personal and Non-Durable Consumer Products (Manufacturing Only) – 0.2%</b>  |  |                   |                   |
| Canopy Safety Brands, LLC – Preferred Stock <sup>(E)(G)</sup>  | 500,000  | 500               | 931               |
| <b>Total Preferred Equity</b>  |  | <b>\$ 9,806</b>   | <b>\$ 4,099</b>   |
| <b>Common Equity – 0.6%</b>  |  |                   |                   |
| <b>Personal and Non-Durable Consumer Products (Manufacturing Only) – 0.6%</b>  |  |                   |                   |
| Canopy Safety Brands, LLC – Common Stock <sup>(E)(G)</sup>   | 1,170,370  | 800               | 2,959             |
| <b>Total Affiliate Investments</b>   |  | <b>\$ 16,746</b>  | <b>\$ 7,438</b>   |
| <b>CONTROL INVESTMENTS<sup>(O)</sup> – 8.0%</b>  |  |                   |                   |
| <b>Secured First Lien Debt – 3.0%</b>  |  |                   |                   |
| <b>Diversified/Conglomerate Manufacturing – 0.9%</b>   |  |                   |                   |
| Lonestar EMS, LLC – Term Debt (12.0% Cash, Due 6/2027) <sup>(E)(P)</sup>   | 4,200  | 4,130             | 4,200             |
| <b>Personal and Non-Durable Consumer Products (Manufacturing Only) – 2.1%</b>  |  |                   |                   |
| WB Xcel Holdings, LLC – Line of Credit, \$ available (S +10.5%, 15.3% Cash, Due 11/2026) <sup>(E)(P)</sup>             | 4,750  | 4,750             | 3,171             |
| WB Xcel Holdings, LLC – Term Debt (S +10.5%, 15.3% Cash, Due 11/2026) <sup>(E)(P)</sup>                                | 9,775  | 9,775             | 6,525             |
|  |  | <b>14,525</b>     | <b>9,696</b>      |

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

**GLADSTONE CAPITAL CORPORATION**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**SEPTEMBER 30, 2024**  
**(DOLLAR AMOUNTS IN THOUSANDS)**

| Company and Investment <sup>(A)(B)(K)(Q)</sup>  | Principal/<br>Shares/<br>Units <sup>(D)(J)</sup> | Cost              | Fair Value        |
|---|--|-------------------|-------------------|
| <b>Printing and Publishing – 0.0%</b>   |  |                   |                   |
| TNCP Intermediate HoldCo, LLC – Line of Credit, \$2,000 available (11.0% Cash, Due 10/2027) <sup>(E)(F)</sup> | —  | —                 | —                 |
| <b>Total Secured First Lien Debt</b>  |  | <b>\$ 18,655</b>  | <b>\$ 13,896</b>  |
| <b>Secured Second Lien Debt –1.8%</b>   |  |                   |                   |
| <b>Automobile – 1.8%</b>  |  |                   |                   |
| Defiance Integrated Technologies, Inc. – Term Debt (S +9.6%, 14.4% Cash, Due 1/2027) <sup>(E)</sup>           | 8,547  | 8,547             | 8,547             |
| <b>Preferred Equity – 0.0%</b>  |  |                   |                   |
| <b>Personal and Non-Durable Consumer Products (Manufacturing Only) –0.0%</b>                                  |  |                   |                   |
| WB Xcel Holdings, LLC – Preferred Stock <sup>(E)(G)</sup>   | 333  | 2,750             | —                 |
| <b>Common Equity –3.2%</b>  |  |                   |                   |
| <b>Automobile – 0.6%</b>  |  |                   |                   |
| Defiance Integrated Technologies, Inc. – Common Stock <sup>(E)(G)</sup>                                       | 33,321   | 581               | 2,949             |
| <b>Diversified/Conglomerate Manufacturing – 1.7%</b>  |  |                   |                   |
| Lonestar EMS, LLC – Common Units <sup>(E)(G)</sup>  | 100.0 %  | 6,750             | 8,214             |
| <b>Personal and Non-Durable Consumer Products (Manufacturing Only) –0.0%</b>                                  |  |                   |                   |
| WB Xcel Holdings, LLC – Common Warrant <sup>(E)(G)</sup>  | 1  | 1                 | —                 |
| <b>Printing and Publishing – 0.9%</b>   |  |                   |                   |
| TNCP Intermediate HoldCo, LLC – Common Equity Units <sup>(E)(G)</sup>   | 790,000  | 500               | 4,312             |
| <b>Total Common Equity</b>  |  | <b>\$ 7,832</b>   | <b>\$ 15,475</b>  |
| <b>Total Control Investments</b>  |  | <b>\$ 37,784</b>  | <b>\$ 37,918</b>  |
| <b>TOTAL INVESTMENTS<sup>(D)</sup> – 169.1%</b>   |  | <b>\$ 771,011</b> | <b>\$ 796,260</b> |

- (A) Certain of the securities listed in this schedule are issued by affiliate(s) of the indicated portfolio company. The majority of the securities listed, totaling \$ 714.4 million at fair value, are pledged as collateral under our revolving line of credit, as described further in Note 5—*Borrowings* in the accompanying *Notes to Consolidated Financial Statements*. Under 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 September 30, 2024, our investment in Leeds is considered a non-qualifying asset under Section 55 of the 1940 Act. Such non-qualifying assets represent less than 0.1% of total investments, at fair value, as of September 30, 2024.
- (B) Unless indicated otherwise, all cash interest rates are indexed to one-month SOFR, which was 4.85% as of September 30, 2024. If applicable, PIK 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 SOFR plus a spread. Due dates represent the contractual maturity date.
- (C) Fair value was based on an internal yield analysis or on estimates of value submitted by a third party valuation firm.
- (D) Fair value was based on the indicative bid price on or near September 30, 2024, offered by the respective syndication agent’s trading desk.
- (E) Fair value was based on the total enterprise value of the portfolio company, which was then allocated to the portfolio company’s securities in order of their relative priority in the capital structure.
- (F) Debt security has a fixed interest rate.
- (G) Security is non-income producing.
- (H) The cash interest rate on this investment was indexed to 90-day SOFR, which was 4.59% as of September 30, 2024.
- (I) Represents the principal balance for debt investments and the number of shares/units held for equity investments. Warrants are represented as a percentage of ownership, as applicable.
- (J) 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.
- (K) Category percentages represent the fair value of each category and subcategory as a percentage of net assets as of September 30, 2024.
- (L) There are certain limitations on our ability to withdraw our partnership interest prior to dissolution of the entity, which must occur no later than May 9, 2024 or two years after all outstanding leverage has matured.
- (M) 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.
- (N) Affiliate investments, as defined by the 1940 Act, are those 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.
- (O) 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.
- (P) Debt security is on non-accrual status.

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

- (Q) Unless indicated otherwise, all of our investments are valued using Level 3 inputs within the ASC 820 fair value hierarchy. Refer to Note 3— *Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.
- (R) Fair value was based on net asset value provided by the fund as a practical expedient.
- (S) One of our affiliated funds, Gladstone Investment Corporation, co-invested with us in this portfolio company pursuant to an exemptive order granted by the U.S. Securities and Exchange Commission.
- (T) Cumulative gross unrealized depreciation for federal income tax purposes is \$66.1 million; cumulative gross unrealized appreciation for federal income tax purposes is \$85.8 million. Cumulative net unrealized appreciation is \$19.7 million, based on a tax cost of \$776.5 million.
- (U) Investment was exited subsequent to September 30, 2024.

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

**GLADSTONE CAPITAL CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**MARCH 31, 2025**

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

**NOTE 1. ORGANIZATION**

Gladstone Capital Corporation was incorporated under the Maryland General Corporation Law on May 30, 2001 and completed an initial public offering on August 24, 2001. The terms “the Company,” “we,” “our” and “us” all refer to Gladstone Capital Corporation 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 the 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 operating in the United States (“U.S.”). Our investment objectives are to: (1) achieve and grow current income by investing in debt securities of established lower middle market companies (which we generally define as companies with annual earnings before interest, taxes, depreciation and amortization (“EBITDA”) of \$3 million to \$25 million) in the U.S. 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 (2) provide our stockholders with long-term capital appreciation in the value of our assets by investing in equity securities, in connection with our debt investments, that we believe can grow over time to permit us to sell our equity investments for capital gains.

Gladstone Business Loan, LLC (“Business Loan”), a wholly-owned subsidiary of ours, was established on February 3, 2003, for the sole purpose of holding certain investments pledged as collateral under our line of credit. The financial statements of Business Loan are consolidated with those of Gladstone Capital Corporation. We may also have significant subsidiaries (as defined under Rule 1-02(w)(2) of the U.S. Securities and Exchange Commission’s (“SEC”) Regulation S-X) whose financial statements are not consolidated with ours. 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 three and six month periods ended March 31, 2025 and March 31, 2024.

We are externally managed by Gladstone Management Corporation (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”). 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 additional information regarding these arrangements.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Unaudited Interim Financial Statements and Basis of Presentation*

We prepare our interim financial statements in accordance with accounting principles generally accepted in the U.S. (“GAAP”) for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Articles 6, 10 and 12 of Regulation S-X. Accordingly, we have not included in this quarterly report all of the information and notes required by GAAP for annual financial statements. The accompanying *Consolidated Financial Statements* include our accounts and those of our wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in 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. In our opinion, all adjustments, consisting solely of normal recurring accruals, necessary for the fair statement of financial statements for the interim periods have been included. The results of operations for the three and six months ended March 31, 2025 are not necessarily indicative of results that ultimately may be achieved for the fiscal year ending

September 30, 2025 or any future interim periods. The interim financial statements and notes thereto should be read in conjunction with the financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2024, as filed with the SEC on November 13, 2024.

#### *Retroactive Adjustments for Reverse Stock Split*

The outstanding shares and per share amounts of the Company's common stock in the consolidated financial statements and notes to the consolidated financial statements have been retroactively adjusted for the 1-for-2 reverse stock split (the "Reverse Stock Split") effected on April 4, 2024 (effective April 5, 2024 for trading purposes) for all activity prior to that date.

#### *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 is 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 \$2.4 million and \$2.2 million of cash equivalents in Dreyfus Treasury Obligations Cash Management fund as of March 31, 2025 and September 30, 2024, respectively. Investments in money market funds represent Level 1 investments within the FASB ASC Topic 820, "Fair Value Measurements and Disclosures" ("ASC 820") fair value hierarchy.

#### *Investment Valuation Policy*

##### Accounting Recognition

We record our investments at fair value in accordance with 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, in July 2022, 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 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 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 our 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 (“IBP”) 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.

#### *Revenue Recognition*

#### Interest Income Recognition

Interest income, including the amortization of premiums, acquisition costs and amendment fees, the accretion of original issue discounts (“OID”), and paid-in-kind (“PIK”) interest, 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 for financial reporting purposes 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 such that the interest income is deemed to be collectible. As of March 31, 2025, our loans to B+T Group Acquisition, Inc., Edge Adhesives Holdings, Inc., Eege’s LLC, and WB Xcel Holdings, LLC were on non-accrual status with a cost basis of \$53.7 million, or 7.5% of the cost basis of all debt investments in our portfolio, and a fair value of \$29.8 million, or 4.3% of the fair value of all debt investments in our portfolio. As of September 30, 2024, our loans to B+T Group Acquisition, Inc., Edge Adhesives Holdings, Inc., and WB Xcel Holdings, LLC were on non-accrual status with a cost basis of \$28.3 million, or 4.1% of the cost basis of all debt investments in our portfolio, and a fair value of \$12.8 million, or 1.9% of the fair value of all debt investments in our portfolio.

We currently hold, and we expect to hold in the future, some loans in our portfolio that contain OID or PIK provisions. We recognize OID for loans originally issued at discounts and recognize the income over the life of the obligation based on an

effective yield calculation. PIK interest, computed at the contractual rate specified in a loan agreement, is added to the principal balance of a loan and recorded as income over the life of the obligation. Thus, the actual collection of PIK income may be deferred until the time of debt principal repayment. To maintain our ability to be taxed as a RIC, we may need to pay out both OID and PIK non-cash income amounts in the form of distributions, even though we have not yet collected the cash on either.

As of each of March 31, 2025 and September 30, 2024, we held two OID loans. We recorded OID income of \$0.1 million and \$0.2 million during the three and six months ended March 31, 2025, respectively, and \$0.1 million during each of the three and six months ended March 31, 2024. The unamortized balance of OID investments as of March 31, 2025 and September 30, 2024 totaled \$0.4 million and \$0.6 million, respectively. As of March 31, 2025 and September 30, 2024, we had seven and eight investments which had a PIK interest component, respectively. We recorded PIK interest income of \$0.9 million and \$1.7 million during the three and six months ended March 31, 2025, respectively, and \$1.4 million and \$2.8 million during the three and six months ended March 31, 2024, respectively. We collected \$2.6 million and \$7.2 million of PIK interest in cash during the three and six months ended March 31, 2025, respectively, and \$0 during each of the three and six months ended March 31, 2024.

#### 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.

#### *Related Party Fees*

We are party to the Advisory Agreement with the Adviser, which is indirectly owned 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 our revolving line of credit with KeyBank National Association (“KeyBank”), as administrative agent, lead arranger and lender (as amended and/or restated from time to time, our “Credit Facility”). These fees are accrued at the end of the quarter when the services are performed and generally paid the following quarter.

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.

### NOTE 3. INVESTMENTS

#### *Fair Value*

In accordance with ASC 820, the fair value of each investment 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 in those 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. Investments in funds measured using NAV as a practical expedient are not categorized within the fair value hierarchy.

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 investments in Gladstone Alternative Income Fund (“Gladstone Alternative”) and Leeds Novamark Capital I, L.P. (“Leeds”), which were valued using NAV as a practical expedient. As of September 30, 2024, all of our investments were valued using Level 3 inputs within the ASC 820 fair value hierarchy, except for our investment in Leeds, which was valued using NAV as a practical expedient.

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. During the six months ended March 31, 2025 and 2024, there were no investments transferred into or out of Levels 1, 2 or 3 of the valuation hierarchy.

As of March 31, 2025 and September 30, 2024, our investments, by security type, at fair value were categorized as follows within the ASC 820 fair value hierarchy:

|   | Fair Value Measurements  |   |   | Fair Value        |
|---|--|---|---|-------------------|
|   | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |                   |
| <b>As of March 31, 2025:</b>                  |  |   |   |                   |
| Secured first lien debt                       | \$ —   | \$ —  | \$ 541,524                                | \$ 541,524        |
| Secured second lien debt                      | —  | —   | 144,970                                   | 144,970           |
| Unsecured debt                                | —  | —   | 335                                       | 335               |
| Preferred equity                              | —  | —   | 25,031                                    | 25,031            |
| Common equity/equivalents                     | —  | —   | 45,765                                    | 45,765            |
| <b>Total</b>                                  | <b>\$ —</b>  | <b>\$ —</b>                                   | <b>\$ 757,625</b>                         | <b>\$ 757,625</b> |
| Investments measured at NAV <sup>(A)</sup>    | —  | —   | —   | 5,011             |
| <b>Total Investments as of March 31, 2025</b> | <b>\$ —</b>  | <b>\$ —</b>                                   | <b>\$ 757,625</b>                         | <b>\$ 762,636</b> |

|   | Fair Value Measurements  |   |   | Fair Value        |
|---|--|---|---|-------------------|
|   | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |                   |
| <b>As of September 30, 2024:</b>                  |  |   |   |                   |
| Secured first lien debt                           | \$ —   | \$ —  | \$ 554,937                                | \$ 554,937        |
| Secured second lien debt                          | —  | —   | 113,716                                   | 113,716           |
| Unsecured debt                                    | —  | —   | 32  | 32                |
| Preferred equity                                  | —  | —   | 31,346                                    | 31,346            |
| Common equity/equivalents                         | —  | —   | 96,191                                    | 96,191            |
| <b>Total</b>                                      | <b>\$ —</b>  | <b>\$ —</b>                                   | <b>\$ 796,222</b>                         | <b>\$ 796,222</b> |
| Investments measured at NAV <sup>(A)</sup>        | —  | —   | —   | 38                |
| <b>Total Investments as of September 30, 2024</b> | <b>\$ —</b>  | <b>\$ —</b>                                   | <b>\$ 796,222</b>                         | <b>\$ 796,260</b> |

<sup>(A)</sup> Includes our investments in Gladstone Alternative and Leeds as of March 31, 2025 and our investment in Leeds as of September 30, 2024. 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 quarterly report.

The following table presents our portfolio investments, valued using Level 3 inputs within the ASC 820 fair value hierarchy and carried at fair value as of March 31, 2025 and September 30, 2024, by caption on our accompanying *Consolidated Statements of Assets and Liabilities* and by security type:

|   | <b>Total Recurring Fair Value Measurements Reported in<br/>Consolidated Statements of Assets and Liabilities<br/>Using Significant Unobservable Inputs (Level 3)</b> |                           |
|---|--|---------------------------|
|   | <b>March 31, 2025</b>  | <b>September 30, 2024</b> |
| <b>Non-Control/Non-Affiliate Investments</b>                |  |                           |
| Secured first lien debt                                     | \$ 505,135   | \$ 540,661                |
| Secured second lien debt                                    | 136,178  | 105,169                   |
| Unsecured debt  | 23   | 32                        |
| Preferred equity  | 18,406   | 27,247                    |
| Common equity/equivalents                                   | 25,693 <sup>(A)</sup>  | 77,757 <sup>(B)</sup>     |
| Total Non-Control/Non-Affiliate Investments                 | <u>\$ 685,435</u>  | <u>\$ 750,866</u>         |
| <b>Affiliate Investments</b>                                |  |                           |
| Secured first lien debt                                     | \$ 229   | \$ 380                    |
| Preferred equity  | 6,625  | 4,099                     |
| Common equity/equivalents                                   | 4,103  | 2,959                     |
| Total Affiliate Investments                                 | <u>\$ 10,957</u>   | <u>\$ 7,438</u>           |
| <b>Control Investments</b>                                  |  |                           |
| Secured first lien debt                                     | \$ 36,160  | \$ 13,896                 |
| Secured second lien debt                                    | 8,792  | 8,547                     |
| Unsecured debt  | 312  | —                         |
| Common equity/equivalents                                   | 15,969   | 15,475                    |
| Total Control Investments                                   | <u>\$ 61,233</u>   | <u>\$ 37,918</u>          |
| <b>Total Investments at Fair Value Using Level 3 Inputs</b> | <u><u>\$ 757,625</u></u>   | <u><u>\$ 796,222</u></u>  |

<sup>(A)</sup> Excludes our investments in Gladstone Alternative and Leeds with fair values of \$ 5.0 million and \$36 thousand, respectively, as of March 31, 2025, which were valued using NAV as a practical expedient.

<sup>(B)</sup> Excludes our investment in Leeds with a fair value of \$38 thousand as of September 30, 2024, which was valued using NAV as a practical expedient.

In accordance with ASC 820, the following table provides quantitative information about our Level 3 fair value measurements of our investments as of March 31, 2025 and September 30, 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 |                   |                       |   |                       |                                |                       |
|--|-------------------|-----------------------|---|-----------------------|--------------------------------|-----------------------|
|  | March 31,<br>2025 | September 30,<br>2024 | Valuation<br>Techniques/<br>Methodologies | Unobservable<br>Input | Range / Weighted Average as of |                       |
|  |                   |                       |   |                       | March 31,<br>2025              | September 30,<br>2024 |
| Secured first lien debt  | \$ 467,857        | \$ 464,090            | Yield Analysis                            | Discount Rate         | 9.9% - 17.5%                   | 10.8% - 17.3%         |
|  |                   |                       |   |                       | / 11.7%                        | / 12.6%               |
|  | 73,667            | 90,847                | TEV                                       | EBITDA multiple       | 5.5x - 7.1x                    | 4.1x - 13.9x          |
|  |                   |                       |   |                       | / 6.2x                         | / 10.0x               |
|  |                   |                       |   | EBITDA                | \$2,504 - \$4,222              | \$3,020 - \$16,211    |
|  |                   |                       |   |                       | / \$3,355                      | / \$10,309            |
|  |                   |                       | Revenue multiple                          | 0.4x - 0.7x           | 0.2x - 4.6x                    |                       |
|  |                   |                       |   | / 0.6x                | / 2.1x                         |                       |
|  |                   |                       | Revenue                                   | \$10,667 - \$21,318   | \$6,336 - \$21,118             |                       |
|  |                   |                       |   | / \$15,691            | / \$13,981                     |                       |
| Secured second lien debt                                       | 132,790           | 101,928               | Yield Analysis                            | Discount Rate         | 11.7% - 15.4%                  | 12.2% - 16.0%         |
|  |                   |                       |   |                       | / 13.3%                        | / 14.1%               |
|  | 3,388             | 3,241                 | Market Quote                              | IBP                   | 92.0% - 92.0%                  | 88.0% - 88.0%         |
|  |                   |                       |   |                       | / 92.0%                        | / 88.0%               |
|  | 8,792             | 8,547                 | TEV                                       | EBITDA multiple       | 5.4x - 5.4x                    | 5.4x - 5.4x           |
|  |                   |                       |   |                       | / 5.4x                         | / 5.4x                |
|  |                   |                       | EBITDA                                    | \$2,543 - \$2,543     | \$3,343 - \$3,343              |                       |
|  |                   |                       |   | / \$2,543             | / \$3,343                      |                       |
| Unsecured debt   | 335               | 32                    | TEV                                       | EBITDA multiple       | 7.1x - 7.1x                    | 0.0x - 0.0x           |
|  |                   |                       |   |                       | / 7.1x                         | / 0.0x                |
|  |                   |                       |   | EBITDA                | \$4,222 - \$4,222              | \$0 - \$0             |
|  |                   |                       |   |                       | / \$4,222                      | / \$0                 |
|  |                   |                       |   | Revenue multiple      | 1.0x - 1.0x                    | 1.0x - 1.0x           |
|  |                   |                       |   | Revenue               | \$5,616 - \$5,616              | \$7,834 - \$7,834     |
|  |                   |                       |   | / \$5,616             | / \$7,834                      |                       |
| Preferred and common equity /<br>equivalents <sup>(A)</sup>    | 70,796            | 127,537               | TEV                                       | EBITDA multiple       | 5.0x - 14.5x                   | 4.1x - 13.9x          |
|  |                   |                       |   |                       | / 7.8x                         | / 8.0x                |
|  |                   |                       |   | EBITDA                | \$1,318 - \$144,799            | \$1,182 - \$144,458   |
|  |                   |                       |   |                       | / \$10,694                     | / \$10,847            |
|  |                   |                       |   | Revenue multiple      | 0.4x - 1.0x                    | 0.2x - 4.6x           |
|  |                   |                       |   | Revenue               | \$5,402 - \$21,318             | \$4,672 - \$21,118    |
|  |                   |                       |   | / 0.5x                | / 2.0x                         |                       |
|  |                   |                       |   | / \$10,537            | / \$12,587                     |                       |
| <b>Total Level 3 Investments, at<br/>Fair Value</b>            | <b>\$ 757,625</b> | <b>\$ 796,222</b>     |   |                       |                                |                       |

<sup>(A)</sup> Fair value as of March 31, 2025 excludes our investments in Gladstone Alternative and Leeds with fair values of \$ 5.0 million and \$36 thousand, respectively, as of March 31, 2025, which were valued using NAV as a practical expedient. Fair value as of September 30, 2024 excludes our investment in Leeds with a fair value of \$38 thousand, which was valued using NAV as a practical expedient.

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, respectively, in the fair value of certain of our investments.

*Changes in Level 3 Fair Value Measurements of Investments*

The following tables provide the changes in fair value, broken out by security type, during the three and six months ended March 31, 2025 and 2024 for all investments for which we determine fair value using unobservable (Level 3) inputs.

**Fair Value Measurements Using Significant Unobservable Inputs (Level 3)**

| <b>Three months ended March 31, 2025</b>   | <b>Secured<br/>First Lien<br/>Debt</b> | <b>Secured<br/>Second Lien<br/>Debt</b> | <b>Unsecured<br/>Debt</b> | <b>Preferred<br/>Equity</b> | <b>Common<br/>Equity/<br/>Equivalents</b> | <b>Total</b>      |
|--|--|---|---------------------------|-----------------------------|---|-------------------|
| Fair Value as of December 31, 2024   | \$ 586,409                             | \$ 127,234                              | \$ 359                    | \$ 31,294                   | \$ 49,164                                 | \$ 794,460        |
| Total gains (losses):  |  |   |                           |                             |   |                   |
| Net realized gain (loss) <sup>(A)</sup>  | —                                      | —                                       | —                         | 2,954                       | 4,748                                     | 7,702             |
| Net unrealized appreciation (depreciation) <sup>(B)</sup>                              | (7,292)                                | (12)                                    | (35)                      | 3,691                       | 1,606                                     | (2,042)           |
| Reversal of prior period net depreciation (appreciation) on realization <sup>(B)</sup> | (22)                                   | —                                       | —                         | (2,954)                     | (4,870)                                   | (7,846)           |
| New investments, repayments and settlements: <sup>(C)</sup>                            |  |   |                           |                             |   |                   |
| Issuances/originations   | 27,111                                 | 18,453                                  | 11                        | —                           | 915                                       | 46,490            |
| Settlements/repayments   | (64,682)                               | (705)                                   | —                         | —                           | —   | (65,387)          |
| Net proceeds from sales  | —                                      | —                                       | —                         | (9,954)                     | (5,798)                                   | (15,752)          |
| <b>Fair Value as of March 31, 2025</b>   | <b>\$ 541,524</b>                      | <b>\$ 144,970</b>                       | <b>\$ 335</b>             | <b>\$ 25,031</b>            | <b>\$ 45,765</b>                          | <b>\$ 757,625</b> |

**Fair Value Measurements Using Significant Unobservable Inputs (Level 3)**

| <b>Six months ended March 31, 2025</b>   | <b>Secured<br/>First Lien<br/>Debt</b> | <b>Secured<br/>Second Lien<br/>Debt</b> | <b>Unsecured<br/>Debt</b> | <b>Preferred<br/>Equity</b> | <b>Common<br/>Equity/<br/>Equivalents</b> | <b>Total</b>      |
|--|--|---|---------------------------|-----------------------------|---|-------------------|
| Fair Value as of September 30, 2024  | \$ 554,937                             | \$ 113,716                              | \$ 32                     | \$ 31,346                   | \$ 96,191                                 | \$ 796,222        |
| Total gains (losses):  |  |   |                           |                             |   |                   |
| Net realized gain (loss) <sup>(A)</sup>  | (4,074)                                | —                                       | —                         | 5,404                       | 64,096                                    | 65,426            |
| Net unrealized appreciation (depreciation) <sup>(B)</sup>                              | (10,826)                               | 103                                     | (30)                      | 6,827                       | 14,002                                    | 10,076            |
| Reversal of prior period net depreciation (appreciation) on realization <sup>(B)</sup> | 3,559                                  | —                                       | —                         | (5,404)                     | (60,010)                                  | (61,855)          |
| New investments, repayments and settlements: <sup>(C)</sup>                            |  |   |                           |                             |   |                   |
| Issuances/originations   | 138,865                                | 47,697                                  | 333                       | 6,262                       | 915                                       | 194,072           |
| Settlements/repayments   | (140,937)                              | (16,546)                                | —                         | —                           | —   | (157,483)         |
| Net proceeds from sales  | —                                      | —                                       | —                         | (19,404)                    | (69,429)                                  | (88,833)          |
| <b>Fair Value as of March 31, 2025</b>   | <b>\$ 541,524</b>                      | <b>\$ 144,970</b>                       | <b>\$ 335</b>             | <b>\$ 25,031</b>            | <b>\$ 45,765</b>                          | <b>\$ 757,625</b> |

**Fair Value Measurements Using Significant Unobservable Inputs (Level 3)**

| <b>Three months ended March 31, 2024</b>   | <b>Secured<br/>First Lien<br/>Debt</b> | <b>Secured<br/>Second Lien<br/>Debt</b> | <b>Unsecured<br/>Debt</b> | <b>Preferred<br/>Equity</b> | <b>Common<br/>Equity/<br/>Equivalents</b> | <b>Total</b>      |
|--|--|---|---------------------------|-----------------------------|---|-------------------|
| Fair Value as of December 31, 2023   | \$ 546,602                             | \$ 126,571                              | \$ 23                     | \$ 29,722                   | \$ 46,799                                 | \$ 749,717        |
| Total gains (losses):  |  |   |                           |                             |   |                   |
| Net realized gain (loss) <sup>(A)</sup>  | —                                      | —                                       | —                         | 219                         | —   | 219               |
| Net unrealized appreciation (depreciation) <sup>(B)</sup>                              | (1,998)                                | 2,287                                   | 10                        | 2,496                       | 7,636                                     | 10,431            |
| Reversal of prior period net depreciation (appreciation) on realization <sup>(B)</sup> | (19)                                   | 157                                     | —                         | 130                         | —   | 268               |
| New investments, repayments and settlements: <sup>(C)</sup>                            |  |   |                           |                             |   |                   |
| Issuances/originations   | 29,951                                 | 15,177                                  | —                         | 1,000                       | —   | 46,128            |
| Settlements/repayments   | (10,687)                               | (3,783)                                 | —                         | —                           | —   | (14,470)          |
| Net proceeds from sales  | —                                      | —                                       | —                         | (969)                       | —   | (969)             |
| <b>Fair Value as of March 31, 2024</b>   | <b>\$ 563,849</b>                      | <b>\$ 140,409</b>                       | <b>\$ 33</b>              | <b>\$ 32,598</b>            | <b>\$ 54,435</b>                          | <b>\$ 791,324</b> |

**Fair Value Measurements Using Significant Unobservable Inputs (Level 3)**

| <b>Six months ended March 31, 2024</b>   | <b>Secured<br/>First Lien<br/>Debt</b> | <b>Secured<br/>Second Lien<br/>Debt</b> | <b>Unsecured<br/>Debt</b> | <b>Preferred<br/>Equity</b> | <b>Common<br/>Equity/<br/>Equivalents</b> | <b>Total</b>      |
|--|--|---|---------------------------|-----------------------------|---|-------------------|
| Fair Value as of September 30, 2023  | \$ 510,701                             | \$ 127,854                              | \$ 24                     | \$ 26,855                   | \$ 39,128                                 | \$ 704,562        |
| Total gains (losses):  |  |   |                           |                             |   |                   |
| Net realized gain (loss) <sup>(A)</sup>  | —                                      | —                                       | —                         | 219                         | 259                                       | 478               |
| Net unrealized appreciation (depreciation) <sup>(B)</sup>                              | 4,998                                  | 1,543                                   | 9                         | (3,637)                     | 15,591                                    | 18,504            |
| Reversal of prior period net depreciation (appreciation) on realization <sup>(B)</sup> | (19)                                   | 157                                     | —                         | 130                         | (283)                                     | (15)              |
| New investments, repayments and settlements: <sup>(C)</sup>                            |  |   |                           |                             |   |                   |
| Issuances/originations   | 79,975                                 | 15,362                                  | —                         | 10,000                      | —   | 105,337           |
| Settlements/repayments   | (31,806)                               | (4,507)                                 | —                         | —                           | —   | (36,313)          |
| Net proceeds from sales  | —                                      | —                                       | —                         | (969)                       | (260)                                     | (1,229)           |
| <b>Fair Value as of March 31, 2024</b>   | <b>\$ 563,849</b>                      | <b>\$ 140,409</b>                       | <b>\$ 33</b>              | <b>\$ 32,598</b>            | <b>\$ 54,435</b>                          | <b>\$ 791,324</b> |

<sup>(A)</sup> Included in net realized gain (loss) on investments on our accompanying *Consolidated Statements of Operations* for the corresponding period.

<sup>(B)</sup> Included in net unrealized appreciation (depreciation) on investments on our accompanying *Consolidated Statements of Operations* for the corresponding period.

<sup>(C)</sup> Includes increases in the cost basis of investments resulting from new portfolio investments, accretion of discounts, PIK, 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.

*Investment Activity*

Proprietary Investments

As of March 31, 2025 and September 30, 2024, we held 49 and 47 proprietary investments with an aggregate fair value of \$759.1 million and \$792.9 million, or 99.5% and 99.6% of the total investment portfolio at fair value, respectively. The following significant proprietary investment transactions occurred during the six months ended March 31, 2025:

- In October 2024, our \$15.0 million debt investment in Perimeter Solutions Group paid off at par. We also received a \$0.5 million prepayment penalty in conjunction with the payoff.
- In October 2024, our investment in Antenna Research Associates, Inc. was sold, which resulted in a net realized gain on our common equity of approximately \$59.3 million and the repayment of our debt investment of \$31.3 million at par.
- In November 2024, we invested an additional \$28.9 million in Giving Home Healthcare, LLC, an existing portfolio company, through secured first lien debt.
- In November 2024, we invested \$10.5 million in Wings 'N More Restaurants, LLC ("Wings") through secured first lien debt. We also extended Wings a \$1.5 million secured first lien line of credit commitment and a \$5.0 million secured first lien delayed draw term loan commitment, both of which were unfunded as of March 31, 2025.
- In November 2024, our \$22.3 million debt investment in ENET Holdings, LLC paid off at par.
- In December 2024, we invested \$42.8 million in Vet's Choice Radiology, LLC through secured first lien debt.
- In December 2024, we invested \$28.9 million in Pan-Am Dental, LLC through secured second lien debt and preferred equity.
- In December 2024, we invested \$15.0 million in Freedom Dental Management, Inc. through secured first lien debt.
- In December 2024, we invested \$5.0 million in Tube Bending Technology, LLC through secured second lien debt.
- In December 2024, we invested \$5.0 million in Gladstone Alternative, one of our affiliated funds, through common equity.
- In December 2024, our investment in Salt and Straw, LLC, paid off which resulted in a realized gain of approximately \$2.5 million on our preferred equity and the repayment of our debt investment of \$10.9 million at par. We also received a \$0.1 million prepayment penalty in conjunction with the payoff. We continue to hold warrants for common equity in Salt and Straw, LLC.
- In December 2024, we sold our debt investments in DKI Ventures, LLC, which resulted in a net realized loss on our debt of approximately \$1.1 million.
- In January 2025, our \$20.6 million debt investment in Fix-It Group, LLC paid off at par. We also received a \$0.1 million prepayment penalty.
- In January 2025, our \$5.4 million debt investment in Sokol and Company, LLC ("Sokol") paid off at par. Additionally, in February 2025, a portion of our common equity investment in Sokol was sold, representing a return of our equity cost basis of \$1.1 million and a realized gain of \$4.7 million.
- In February 2025, we invested \$18.9 million in Dutch Gold Honey, Inc. through secured second lien debt and common equity.
- In February 2025, we invested \$19.4 million in Viron International, LLC through secured first lien debt and common equity.
- In March 2025, we received a \$6.0 million partial repayment on our debt investment in Viva Railings, LLC.
- In March 2025, we exited our investment in MCG Energy Solutions, LLC, which resulted in a realized gain on our preferred equity investment of approximately \$3.0 million and the repayment of our debt investment of \$20.4 million at par.

### Syndicated Investments

As of March 31, 2025 and September 30, 2024, we held two syndicated investments with an aggregate fair value of \$3.5 million and \$3.3 million, or 0.5% and 0.4% of the total investment portfolio at fair value, respectively.

### Investment Concentrations

As of March 31, 2025, our investment portfolio consisted of investments in 51 portfolio companies located in 21 states in 14 different industries, with an aggregate fair value of \$762.6 million. The five largest investments at fair value as of March 31, 2025 totaled \$86.8 million, or 24.5% of our total investment portfolio, as compared to the five largest investments at fair value as of September 30, 2024 totaling \$232.7 million, or 29.2% of our total investment portfolio. As of March 31, 2025 and September 30, 2024, our average investment by obligor was \$15.5 million and \$15.7 million at cost, respectively.

The following table outlines our investments by security type as of March 31, 2025 and September 30, 2024:

|                           | March 31, 2025    |                |                   |                | September 30, 2024 |                |                   |                |
|---------------------------|-------------------|----------------|-------------------|----------------|--------------------|----------------|-------------------|----------------|
|                           | Cost              |                | Fair Value        |                | Cost               |                | Fair Value        |                |
| Secured first lien debt   | \$ 574,590        | 72.8 %         | \$ 541,524        | 71.0 %         | \$ 580,736         | 75.3 %         | \$ 554,937        | 69.7 %         |
| Secured second lien debt  | 144,842           | 18.3           | 144,970           | 19.0           | 113,691            | 14.8           | 113,716           | 14.3           |
| Unsecured debt            | 531               | 0.1            | 335               | 0.1            | 198                | 0.0            | 32                | 0.0            |
| Total debt investments    | 719,963           | 91.2           | 686,829           | 90.1           | 694,625            | 90.1           | 668,685           | 84.0           |
| Preferred equity          | 37,279            | 4.7            | 25,031            | 3.3            | 45,017             | 5.8            | 31,346            | 3.9            |
| Common equity/equivalents | 31,951            | 4.1            | 50,776            | 6.6            | 31,369             | 4.1            | 96,229            | 12.1           |
| Total equity investments  | 69,230            | 8.8            | 75,807            | 9.9            | 76,386             | 9.9            | 127,575           | 16.0           |
| <b>Total Investments</b>  | <b>\$ 789,193</b> | <b>100.0 %</b> | <b>\$ 762,636</b> | <b>100.0 %</b> | <b>\$ 771,011</b>  | <b>100.0 %</b> | <b>\$ 796,260</b> | <b>100.0 %</b> |

Our investments at fair value consisted of the following industry classifications as of March 31, 2025 and September 30, 2024:

| Industry Classification                    | March 31, 2025    |                                 | September 30, 2024 |                                 |
|--|-------------------|---------------------------------|--------------------|---------------------------------|
|  | Fair Value        | Percentage of Total Investments | Fair Value         | Percentage of Total Investments |
| Healthcare, Education, and Childcare       | \$ 218,439        | 28.6 %                          | \$ 101,707         | 12.8 %                          |
| Diversified/Conglomerate Manufacturing     | 177,211           | 23.2                            | 160,264            | 20.1                            |
| Diversified/Conglomerate Service           | 95,686            | 12.5                            | 179,032            | 22.5                            |
| Beverage, Food, and Tobacco                | 92,901            | 12.2                            | 88,327             | 11.1                            |
| Aerospace and Defense                      | 59,193            | 7.8                             | 153,096            | 19.2                            |
| Automobile                                 | 27,954            | 3.7                             | 28,286             | 3.6                             |
| Machinery                                  | 22,956            | 3.0                             | 21,816             | 2.7                             |
| Cargo Transportation                       | 20,200            | 2.7                             | 20,200             | 2.5                             |
| Oil and Gas                                | 19,358            | 2.5                             | 20,554             | 2.6                             |
| Personal and Non-Durable Consumer Products | 12,618            | 1.7                             | 13,586             | 1.7                             |
| Printing and Publishing                    | 5,515             | 0.7                             | 4,312              | 0.5                             |
| Other, < 2.0%                              | 10,605            | 1.4                             | 5,080              | 0.7                             |
| <b>Total Investments</b>                   | <b>\$ 762,636</b> | <b>100.0 %</b>                  | <b>\$ 796,260</b>  | <b>100.0 %</b>                  |

Our investments at fair value were included in the following U.S. geographic regions as of March 31, 2025 and September 30, 2024:

| Location                 | March 31, 2025    |                                 | September 30, 2024 |                                 |
|--------------------------|-------------------|---------------------------------|--------------------|---------------------------------|
|                          | Fair Value        | Percentage of Total Investments | Fair Value         | Percentage of Total Investments |
| South                    | \$ 250,685        | 32.9 %                          | \$ 314,010         | 39.4 %                          |
| West                     | 243,031           | 31.8                            | 249,082            | 31.3                            |
| Midwest                  | 215,704           | 28.3                            | 192,897            | 24.2                            |
| Northeast                | 53,216            | 7.0                             | 40,271             | 5.1                             |
| <b>Total Investments</b> | <b>\$ 762,636</b> | <b>100.0 %</b>                  | <b>\$ 796,260</b>  | <b>100.0 %</b>                  |

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

*Investment Principal Repayments*

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 remaining six months ending September 30: | 2025 <sup>(A)</sup>                                   | \$ 9,175          |
| For the fiscal years ending September 30:         | 2026  | 138,231           |
|   | 2027  | 160,243           |
|   | 2028  | 220,197           |
|   | 2029  | 92,463            |
|   | Thereafter  | 100,775           |
|   | <b>Total contractual repayments</b>                   | <b>\$ 721,084</b> |
|   | Adjustments to cost basis of debt investments         | (1,121)           |
|   | Investments in equity securities                      | 69,230            |
|   | <b>Investments held as of March 31, 2025 at cost:</b> | <b>\$ 789,193</b> |

<sup>(A)</sup> Includes debt investments with contractual principal amounts totaling \$ 0.5 million for which the maturity date has passed as of March 31, 2025.

*Receivables from Portfolio Companies*

Receivables from portfolio companies represent non-recurring costs incurred on behalf of such portfolio companies and are included in other assets 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 September 30, 2024, we had gross receivables from portfolio companies of \$1.9 million and \$1.7 million, respectively. The allowance for uncollectible receivables was \$94 thousand and \$75 thousand as of March 31, 2025 and September 30, 2024, respectively.

**NOTE 4. RELATED PARTY TRANSACTIONS**

*Transactions with the Adviser*

We have been externally managed by the Adviser pursuant to the Advisory Agreement since October 1, 2004 pursuant to which we pay the Adviser a base management fee and an incentive fee for its services. Our Board of Directors, including a majority of the directors who are not parties to the Advisory Agreement or interested persons of us or the Adviser, unanimously approved the Advisory Agreement.

We also pay the Adviser a loan servicing fee for its role of servicer pursuant to our Credit Facility. The entire loan servicing fee paid to the Adviser by Business Loan is non-contractually, unconditionally and irrevocably credited against the base management fee otherwise payable to the Adviser, since Business Loan is a consolidated subsidiary of ours, and overall, the base management fee (including any loan servicing fee) cannot exceed 1.75% of total assets (including investments made with proceeds of borrowings, less any uninvested cash or cash equivalents resulting from borrowings) during any given fiscal year pursuant to the Advisory Agreement.

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. Robert Marcotte (our president) also serves as executive vice president of private equity (debt) 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 of our Adviser.

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

|   | Three Months Ended<br>March 31, |                 | Six Months Ended<br>March 31, |                   |
|---|---------------------------------|-----------------|-------------------------------|-------------------|
|   | 2025                            | 2024            | 2025                          | 2024              |
| Average total assets subject to base management fee <sup>(A)(B)</sup> | \$ 786,514                      | \$ 786,057      | \$ 799,200                    | \$ 763,886        |
| Multiplied by prorated annual base management fee of 1.75%            | 0.4375 %                        | 0.4375 %        | 0.8750 %                      | 0.8750 %          |
| <b>Base management fee<sup>(C)</sup></b>                              | <b>\$ 3,441</b>                 | <b>\$ 3,439</b> | <b>\$ 6,993</b>               | <b>\$ 6,684</b>   |
| Portfolio company fee credit  | (712)                           | (325)           | (2,808)                       | (1,876)           |
| Syndicated loan fee credit  | (11)                            | (27)            | (21)                          | (58)              |
| <b>Net Base Management Fee</b>  | <b>\$ 2,718</b>                 | <b>\$ 3,087</b> | <b>\$ 4,164</b>               | <b>\$ 4,750</b>   |
| <b>Loan servicing fee<sup>(C)</sup></b>                               | <b>2,278</b>                    | <b>2,260</b>    | <b>4,456</b>                  | <b>4,388</b>      |
| Credit to base management fee - loan servicing fee <sup>(C)</sup>     | (2,278)                         | (2,260)         | (4,456)                       | (4,388)           |
| <b>Net Loan Servicing Fee</b>   | <b>\$ —</b>                     | <b>\$ —</b>     | <b>\$ —</b>                   | <b>\$ —</b>       |
| <b>Incentive fee<sup>(C)</sup></b>                                    | <b>2,407</b>                    | <b>2,669</b>    | <b>5,111</b>                  | <b>5,653</b>      |
| Incentive fee credit  | (1,423)                         | (94)            | (1,662)                       | (94)              |
| <b>Net Incentive Fee</b>  | <b>\$ 984</b>                   | <b>\$ 2,575</b> | <b>\$ 3,449</b>               | <b>\$ 5,559</b>   |
| Portfolio company fee credit  | (712)                           | (325)           | (2,808)                       | (1,876)           |
| Syndicated loan fee credit  | (11)                            | (27)            | (21)                          | (58)              |
| Incentive fee credit  | (1,423)                         | (94)            | (1,662)                       | (94)              |
| <b>Credits to Fees From Adviser - other<sup>(C)</sup></b>             | <b>\$ (2,146)</b>               | <b>\$ (446)</b> | <b>\$ (4,491)</b>             | <b>\$ (2,028)</b> |

(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 period.

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

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

#### 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 1.75%, computed on the basis of the value of our average total 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 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 for such services against the base management fee that we would otherwise be required to pay to the Adviser.

Our Board of Directors accepted a non-contractual, unconditional, and irrevocable credit from the Adviser to reduce the annual base management fee on syndicated loan participations to 0.5%, to the extent that proceeds resulting from borrowings were used to purchase such syndicated loan participations, for each of the three and six months ended March 31, 2025 and 2024.

#### Loan Servicing Fee

The Adviser also services the loans held by Business Loan (the borrower under the Credit Facility), in return for which the Adviser receives a 1.5% annual fee payable monthly based on the aggregate outstanding balance of loans pledged under our Credit Facility. As discussed in the notes to the table above, 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 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% (2.0% during the period from April 1, 2020 through March 31, 2023) 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 generally 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% (2.50% from April 1, 2022 through March 31, 2023) 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% (2.50% from April 1, 2022 through March 31, 2023) 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 “net realized capital gains” (as defined herein) as of the end of the fiscal year. In determining the capital gains-based incentive fee payable to the Adviser, we calculate “net realized capital gains” at the end of each applicable year by subtracting the sum of our cumulative aggregate realized capital losses and our entire portfolio’s aggregate unrealized capital depreciation from our cumulative aggregate realized capital gains. For this purpose, cumulative aggregate realized capital gains, if any, equals the sum of the differences between the net sales price of each investment, when sold, and the original cost of such investment since inception. Cumulative aggregate realized capital losses equals the sum of the amounts by which the net sales price of each investment, when sold, is less than the original cost of such investment since inception. The entire portfolio’s aggregate unrealized capital depreciation, if any, equals the sum of the difference between the valuation of each investment as of the applicable calculation date and the original cost of such investment. At the end of the applicable fiscal year, the amount of capital gains that serves as the basis for our calculation of the capital gains-based incentive fee equals the cumulative aggregate realized capital gains less cumulative aggregate realized capital losses, less the entire portfolio’s aggregate unrealized capital depreciation, if any. If this number is positive at the end of such fiscal year, 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. No capital gains-based incentive fee has been recorded or paid since our inception through March 31, 2025, as cumulative unrealized capital depreciation has exceeded cumulative realized capital gains net of cumulative realized capital losses.

In accordance with GAAP, a capital gains-based incentive fee accrual is calculated using the aggregate cumulative realized capital gains and losses and aggregate cumulative unrealized capital appreciation and depreciation. If such amount is positive at the end of a period, then GAAP requires us to record a capital gains-based incentive fee equal to 20.0% of such amount, less the aggregate amount of actual capital gains-based incentive fees paid in all prior years. If such amount is negative, then there is no accrual for such period. GAAP requires that the capital gains-based incentive fee accrual consider the cumulative 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 such unrealized capital appreciation will be realized in the future. No GAAP accrual for a capital gains-based incentive fee has been recorded from our inception through March 31, 2025.

Our Board of Directors accepted non-contractual, unconditional and irrevocable credits from the Adviser to reduce the income-based incentive fee to the extent net investment income did not cover 100.0% of distributions to common stockholders for the three and six months ended March 31, 2025 and 2024.

#### *Transactions with the Administrator*

We have entered into the Administration Agreement with the Administrator to provide administrative services. We reimburse the Administrator pursuant to the Administration Agreement for the portion of expenses the Administrator incurs while performing services for us. The Administrator's expenses are primarily rent and the salaries, benefits and expenses of the Administrator's employees, including: our chief financial officer and treasurer, chief compliance officer, chief valuation officer, and general counsel and secretary (who also serves as the Administrator's president, general counsel and secretary) and their respective staffs. David Gladstone (our chairman and chief executive officer) serves as a member of the board of managers and executive officer of the Administrator, which, as of March 31, 2025, is 100% indirectly owned and controlled by Mr. Gladstone. Another of our officers, Michael LiCalsi (our general counsel and secretary), serves as the Administrator's president as well as the executive vice president of administration 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 renewal of the Administration Agreement through August 31, 2025.

#### *Transactions with Gladstone Securities, LLC*

Gladstone Securities, LLC ("Gladstone Securities"), a privately-held broker-dealer registered with the Financial Industry Regulatory Authority and insured by the Securities Investor Protection Corporation, which is 100% indirectly owned and controlled by Mr. Gladstone, our chairman and chief executive officer, 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 or incentive fee. Gladstone Securities received fees from portfolio companies totaling \$0.2 million and \$0.4 million during the three and six months ended March 31, 2025, respectively, and \$0.1 million during each of the three and six months ended March 31, 2024.

We entered into a dealer manager agreement (the "Dealer Manager Agreement") with Gladstone Securities pursuant to which Gladstone Securities serves as our exclusive dealer manager in connection with the offering of our Series A Preferred Stock (as defined in Note 6—Cumulative Redeemable Preferred Stock Offering). Under the Dealer Manager Agreement, Gladstone Securities provides certain sales, promotional and marketing services to us in connection with the offering of the Series A Preferred Stock (the "Series A Offering"), and we pay Gladstone Securities (i) selling commissions of up to 7.0% of the gross proceeds from sales of Series A Preferred Stock in the offering, and (ii) a dealer manager fee of up to 3.0% of the gross proceeds from sales of Series A Preferred Stock in the offering. Gladstone Securities may, in its sole discretion, reallocate a portion of the dealer manager fee to participating broker-dealers in support of the Series A Offering. The terms of the Dealer Manager Agreement were approved by our board of directors, including its independent directors. During the three and six months ended March 31, 2025, we paid Gladstone Securities selling commissions and dealer manager fees totaling \$0.2 million and \$0.4 million, respectively, related to the offering of Series A Preferred Stock, which are netted against gross proceeds from the sales. During each of the three and six months ended March 31, 2024, we paid Gladstone Securities selling commissions and dealer manager fees totaling \$0.2 million.

*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:

|   | March 31, 2025  | September 30, 2024 |
|---|-----------------|--------------------|
| Base management fee due to (from) Adviser | \$ 452          | \$ 809             |
| Loan servicing fee due to Adviser         | 554             | 509                |
| Incentive fee due to Adviser              | 984             | 2,571              |
| <b>Total fees due to Adviser</b>          | <b>1,990</b>    | <b>3,889</b>       |
| Fee due to Administrator                  | 846             | 569                |
| <b>Total Related Party Fees Due</b>       | <b>\$ 2,836</b> | <b>\$ 4,458</b>    |

In addition to the above fees, other operating expenses due to the Adviser as of March 31, 2025 and September 30, 2024 totaled \$9 thousand and \$52 thousand, respectively. In addition, net expenses payable to Gladstone Investment Corporation (for reimbursement purposes), which includes certain co-investment expenses, totaled \$94 thousand and \$75 thousand as of March 31, 2025 and September 30, 2024, respectively. These amounts are generally settled in the quarter subsequent to being incurred and are included in other liabilities on the accompanying *Consolidated Statements of Assets and Liabilities* as of March 31, 2025 and September 30, 2024.

**NOTE 5. BORROWINGS**

*Revolving Line of Credit*

On May 13, 2021, we, through Business Loan, entered into a sixth amended and restated credit agreement with KeyBank as administrative agent, lead arranger, managing agent and lender, the Adviser, as servicer, and certain other lenders party thereto (the “Credit Facility”).

As of March 31, 2025, our Credit Facility had a total commitment amount of \$293.7 million with an “accordion” feature that permits us to increase the size of the facility to \$350.0 million. The Credit Facility has a revolving period end date of October 31, 2025, and a final maturity date of October 31, 2027 (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). The interest rate margin is 3.00% during the revolving period and 3.50% thereafter (in each case plus a 10 basis point SOFR credit spread adjustment).

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

|                                     | March 31, 2025 | September 30, 2024 |
|-------------------------------------|----------------|--------------------|
| Commitment amount                   | \$ 293,659     | \$ 293,659         |
| Line of credit outstanding, at cost | 25,100         | 70,600             |
| Availability <sup>(A)</sup>         | 250,953        | 200,381            |

|  | For the Three Months Ended<br>March 31, |           | For the Six Months Ended March 31, |           |
|--|---|-----------|------------------------------------|-----------|
|  | 2025                                    | 2024      | 2025                               | 2024      |
| Weighted average borrowings outstanding, at cost | \$ 53,680                               | \$ 90,258 | \$ 39,787                          | \$ 69,306 |
| Weighted average interest rate <sup>(B)</sup>    | 11.4 %                                  | 9.9 %     | 13.9 %                             | 10.9 %    |
| Commitment (unused) fees incurred                | \$ 611                                  | \$ 313    | \$ 1,289                           | \$ 750    |

- (A) Available borrowings are subject to various constraints imposed under our Credit Facility, based on the aggregate loan balance pledged by Business Loan, which varies as loans are added and repaid, regardless of whether such repayments are prepayments or made as contractually required.
- (B) Includes unused commitment fees and excludes the impact of deferred financing costs.

Our Credit Facility also requires that any interest or 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 each 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* as of March 31, 2025 and September 30, 2024.

Our Credit Facility contains covenants that require Business Loan to maintain its status as a separate legal entity, prohibit certain significant corporate transactions (such as mergers, consolidations, liquidations or dissolutions), and restrict material changes to our credit and collection policies without the lenders' consent. Our Credit Facility also generally limits distributions to our stockholders on a fiscal year basis to the sum of our net investment income, net capital gains and amounts elected to have been paid during the prior year in accordance with Section 855(a) of the Code. Business Loan is also subject to certain limitations on the type of loan investments it can apply as collateral towards the borrowing base to receive additional borrowing availability under our Credit Facility, including restrictions on geographic concentrations, sector concentrations, loan size, payment frequency and status, average life and lien property. Our Credit Facility further requires Business Loan to comply with other financial and operational covenants, which obligate Business Loan to, among other things, maintain certain financial ratios, including asset and interest coverage and a minimum number of 25 obligors required in the borrowing base.

Additionally, we are required to maintain (i) a minimum net worth (defined in our Credit Facility to include any outstanding redeemable preferred stock) of \$25.0 million plus 50.0% of all equity and subordinated debt raised after May 13, 2021 less 50% of any equity and subordinated debt retired or redeemed after May 13, 2021, which equates to \$422.2 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 our Credit Facility, we had a net worth of \$32.0 million, asset coverage on our "senior securities representing indebtedness" of 270.9%, calculated in accordance with the requirements of Section 18 and 61 of the 1940 Act, and an active status as a BDC and RIC. In addition, we had 33 obligors in our Credit Facility's borrowing base as of March 31, 2025. As of March 31, 2025, we were in compliance with all of our Credit Facility covenants.

#### *Fair Value*

We elected to apply the fair value option of ASC 825, "*Financial Instruments*," specifically for 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 the assumptions that 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. As of March 31, 2025, the discount rate used to determine the fair value of our Credit Facility was one-month Term SOFR, plus 2.75% per annum, plus a 1.00% unused commitment fee. As of September 30, 2024, the discount rate used to determine the fair value of our Credit Facility was one-month Term SOFR, plus 3.10% per annum, plus a 1.00% unused commitment fee. 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. As of March 31, 2025 and September 30, 2024, our Credit Facility was valued using Level 3 inputs and any changes in its fair value are recorded in net unrealized depreciation (appreciation) of other on our accompanying *Consolidated Statements of Operations*.

The following tables present our Credit Facility carried at fair value as of March 31, 2025 and September 30, 2024, on our accompanying *Consolidated Statements of Assets and Liabilities* for Level 3 of the hierarchy established by ASC 820 and the changes in fair value of our Credit Facility during the three and six months ended March 31, 2025 and 2024:

|                        | <b>Total Recurring Fair Value Measurement<br/>Reported in<br/><i>Consolidated Statements of Assets and<br/>Liabilities Using Significant Unobservable<br/>Inputs (Level 3)</i></b> |                           |
|------------------------|--|---------------------------|
|                        | <b>March 31, 2025</b>  | <b>September 30, 2024</b> |
| <b>Credit Facility</b> | <b>\$ 25,149</b>   | <b>\$ 70,600</b>          |

**Fair Value Measurements Using Significant Unobservable Data Inputs (Level 3)**

|   | <b>Three Months Ended<br/>March 31,</b> |                   |
|---|---|-------------------|
|   | <b>2025</b>                             | <b>2024</b>       |
| Fair value as of December 31, 2024 and 2023, respectively     | \$ 61,500                               | \$ 85,000         |
| Borrowings  | 61,000                                  | 64,100            |
| Repayments  | (97,400)                                | (31,900)          |
| Net unrealized appreciation                                   | 49                                      | —                 |
| <b>Fair Value as of March 31, 2025 and 2024, respectively</b> | <b>\$ 25,149</b>                        | <b>\$ 117,200</b> |

**Fair Value Measurements Using Significant Unobservable Data Inputs (Level 3)**

|   | <b>Six Months Ended<br/>March 31,</b> |                   |
|---|---------------------------------------|-------------------|
|   | <b>2025</b>                           | <b>2024</b>       |
| Fair value as of September 30, 2024 and 2023, respectively    | \$ 70,600                             | \$ 47,800         |
| Borrowings  | 148,500                               | 134,300           |
| Repayments  | (194,000)                             | (64,900)          |
| Net unrealized appreciation                                   | 49                                    | —                 |
| <b>Fair Value as of March 31, 2025 and 2024, respectively</b> | <b>\$ 25,149</b>                      | <b>\$ 117,200</b> |

The fair value of the collateral under our Credit Facility totaled approximately \$91.1 million and \$714.4 million as of March 31, 2025 and September 30, 2024, respectively.

*Notes Payable*

In August 2023, we completed an offering of \$57.0 million aggregate principal amount of 7.75% Notes due 2028 (the “2028 Notes”) for net proceeds of approximately \$55.1 million after deducting underwriting discounts, commissions and offering expenses borne by us. The 2028 Notes are traded under the ticker symbol “GLADZ” on the Nasdaq Global Select Market. The 2028 Notes will mature on September 1, 2028 and may be redeemed in whole or in part at any time or from time to time at our option on or after September 1, 2025. The 2028 Notes bear interest at a rate of 7.75% per year. Interest is payable quarterly on March 1, June 1, September 1, and December 1 of each year (which equates to approximately \$4.4 million per year).

In November 2021, we completed a private placement of \$50.0 million aggregate principal amount of 3.75% Notes due 2027 (the “2027 Notes”) for net proceeds of approximately \$48.5 million after deducting initial purchasers’ costs, commissions and offering expenses borne by us. The 2027 Notes will mature on May 1, 2027 and may be redeemed in whole or in part at any time or from time to time at the Company’s option prior to maturity at par plus a “make-whole” premium, if applicable. The 2027 Notes bear interest at a rate of 3.75% per year. Interest is payable semi-annually on May 1 and November 1 of each year (which equates to approximately \$1.9 million per year).

In April 2022, pursuant to the registration rights agreement we entered into in connection with the 2027 Notes, we conducted an exchange offer through which we offered to exchange all of our then outstanding 2027 Notes (the “Restricted Notes”) that were issued on November 4, 2021, for an equal aggregate principal amount of our new 3.75% Notes due 2027.

(the “Exchange Notes”) that had been registered with the SEC under the Securities Act of 1933, as amended. The terms of the Exchange Notes are identical to those of the Restricted Notes, except that the transfer restrictions and registration rights relating to the Restricted Notes do not apply to the Exchange Notes, and the Exchange Notes do not provide for the payment of additional interest in the event of a registration default.

In December 2020, we completed an offering of \$100.0 million aggregate principal amount of 5.125% Notes due 2026 (the “2026 Notes”) for net proceeds of approximately \$97.7 million after deducting underwriting discounts, commissions and offering expenses borne by us. In March 2021, we completed an offering of an additional \$0.0 million aggregate principal amount of the 2026 Notes for net proceeds of approximately \$50.6 million after adding premiums and deducting underwriting costs, commissions and offering expenses borne by us. The 2026 Notes will mature on January 31, 2026 and may be redeemed in whole or in part at any time or from time to time at the Company’s option prior to maturity at par plus a “make-whole” premium, if applicable. The 2026 Notes bear interest at a rate of 5.125% per year. Interest is payable semi-annually on January 31 and July 31 of each year (which equates to approximately \$7.7 million per year).

The indenture relating to the 2028 Notes, the 2027 Notes, and the 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 2028 Notes, the 2027 Notes, and the 2026 Notes, as applicable, and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 2028 Notes, 2027 Notes, and 2026 Notes are recorded at the principal amount, plus applicable premiums, less discounts and offering costs, on our Consolidated Statements of Assets and Liabilities.

The fair value, based on the last quoted closing price, of the 2028 Notes as of March 31, 2025 was \$8.4 million. We consider the trading price of the 2028 Notes to be a Level 1 input within the ASC 820 hierarchy. The fair value, based on a DCF analysis, of the 2027 Notes as of March 31, 2025 was \$47.2 million. The fair value, based on a DCF analysis, of the 2026 Notes as of March 31, 2025 was \$148.2 million. We consider the 2027 Notes and 2026 Notes to be Level 3 within the ASC 820 fair value hierarchy.

#### **NOTE 6. CUMULATIVE REDEEMABLE PREFERRED STOCK OFFERING**

In May 2023, we entered into a Dealer Manager Agreement pursuant to which we may sell a maximum of 6,000,000 shares of 6.25% Series A Cumulative Redeemable Preferred Stock (the “Series A Preferred Stock”), par value \$ 0.001 per share, on a “reasonable best efforts” basis through our affiliated dealer manager, Gladstone Securities, at a public offering price of \$25.00 per share. Pursuant to the Dealer Manager Agreement, the offering will terminate on the date that is the earlier of (1) December 31, 2026 (unless earlier terminated or extended by our Board of Directors) and (2) the date on which all 6,000,000 shares of Series A Preferred Stock offered are sold. See Note 4, *Related-Party Transactions—Other Transactions*, for a discussion of the commissions and fees to be paid to Gladstone Securities in connection with the Series A Offering.

The Series A Preferred Stock is currently being sold pursuant to our shelf registration statement on Form N-2 (File No. 333-275934) (the “2024 Registration Statement”), under the Securities Act of 1933, as amended, and a prospectus supplement, dated November 22, 2024, and a base prospectus dated January 17, 2024. As of March 31, 2025, we had a remaining capacity to sell up to an additional 5,476,807 of Series A Preferred Shares under the Dealer Manager Agreement.

During the three and six months ended March 31, 2025, we sold 72,868 and 173,262 shares of Series A Preferred Stock, respectively, for gross proceeds of \$1.8 million and \$4.3 million, respectively, and net proceeds of \$1.6 million and \$3.9 million, respectively. During each of the three and six months ended March 31, 2024, we sold 70,044 shares of Series A Preferred Stock for gross proceeds of \$ 1.8 million and net proceeds of \$1.6 million. There were 523,193 and 349,931 shares of Series A Preferred Stock outstanding as of March 31, 2025 and September 30, 2024, respectively.

In accordance with ASC 480-10-S99-3A, the Company’s Series A Preferred Stock has been classified in temporary equity on the *Consolidated Statements of Assets and Liabilities*. The Series A Preferred Stock is recorded net of offering and

issuance costs. Dividend payments to our preferred stockholders are included in preferred stock dividends on our *Consolidated Statements of Operations*, which totaled \$0.2 million and \$0.4 million during the three and six months ended March 31, 2025, respectively, and \$8 thousand during each of the three and six months ended March 31, 2024.

We may be required to mandatorily redeem some or all of the shares of our Series A Preferred Stock if we fail to maintain asset coverage of at least the minimum amount required by Sections 18 and 61 of the 1940 Act (which is currently 150%). The asset coverage on our “senior securities that are stock” as of March 31, 2025 was 259.0%, calculated in accordance with Sections 18 and 61 of the 1940 Act.

We paid cash dividends of \$0.130208 per share to holders of our Series A Preferred Stock for each month during the three and six months ended March 31, 2025.

## **NOTE 7. REGISTRATION STATEMENT AND COMMON EQUITY OFFERINGS**

### *Reverse Stock Split*

On April 4, 2024, we completed a 1-for-2 Reverse Stock Split of the Company’s issued and outstanding common stock, by the filing of Articles of Amendment with the State Department of Assessments and Taxation of Maryland pursuant to the Maryland General Corporation Law. The Reverse Stock Split became effective at 4:05 p.m. Eastern Time on April 4, 2024. The Reverse Stock Split was effective for purposes of trading as of the opening of business on the Nasdaq Global Select Market on April 5, 2024.

As a result of the Reverse Stock Split, every two shares of common stock issued and outstanding were automatically combined into one new share of common stock. The Reverse Stock Split did not modify any rights or preferences of the shares of common stock. The common stock issued pursuant to the Reverse Stock Split remains fully paid and non-assessable. The Reverse Stock Split did not affect the number of authorized shares of common stock or the par value of the common stock.

### *Common Stock At-the-Market Offerings*

In August 2024, we entered into an equity distribution agreement with Jefferies LLC and Huntington Securities, Inc, under which we have the ability to issue and sell, from time to time, shares of our common stock with an aggregate offering price of up to \$150.0 million in an “at the market offering” (the “2024 ATM Program”). During the three and six months ended March 31, 2025, we sold 0 and 99,265 shares of our common stock, respectively, under the 2024 ATM Program, at a weighted-average price of \$24.90 per share and raised \$2.5 million of gross proceeds. Net proceeds, after deducting commissions and offering costs borne by us, were approximately \$2.4 million. As of March 31, 2025, we had a remaining capacity to sell up to an additional \$136.5 million of our common stock under the 2024 ATM Program.

### *Shelf Registration Statement*

Our 2024 Registration Statement, which was declared effective on January 17, 2024, permits us to issue, through one or more transactions, up to an aggregate of \$00.0 million in securities, consisting of common stock, preferred stock, subscription rights, debt securities and warrants to purchase common stock or preferred stock. As of March 31, 2025, we had the ability to issue up to \$684.4 million in securities under the 2024 Registration Statement.

**NOTE 8. 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 (decrease) in net assets resulting from operations per weighted average common share for the six months ended March 31, 2025 and 2024:

|   | Three Months Ended<br>March 31, |                | Six Months Ended<br>March 31, |                |
|---|---------------------------------|----------------|-------------------------------|----------------|
|   | 2025                            | 2024           | 2025                          | 2024           |
| Numerator: basic and diluted net increase (decrease) in net assets resulting from operations per common share | \$ 8,797                        | \$ 23,632      | \$ 35,772                     | \$ 43,633      |
| Denominator: basic and diluted weighted average common share  | 22,329,852                      | 21,754,449     | 22,320,576                    | 21,754,449     |
| <b>Basic and diluted net increase (decrease) in net assets resulting from operations per common share</b>     | <b>\$ 0.39</b>                  | <b>\$ 1.09</b> | <b>\$ 1.60</b>                | <b>\$ 2.00</b> |

**NOTE 9. 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 taxable ordinary income plus the excess of our net short-term capital gains over net long-term capital losses (“Investment Company Taxable Income”). The amount to be paid out as distributions to our stockholders is determined by our Board of Directors quarterly and is based on management’s estimate of Investment Company Taxable Income. Based on that estimate, our Board of Directors declares three monthly distributions to common stockholders each quarter.

The federal income tax characteristics of all distributions will be reported to stockholders on the 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.

For the calendar year ended December 31, 2024, 83.1% of distributions to common stockholders were deemed to be paid from ordinary income and 16.9% were deemed to be paid from capital gains for 1099 stockholder reporting purposes. For the calendar year ended December 31, 2023, 100.0% of distributions to common stockholders were deemed to be paid from ordinary income for 1099 stockholder reporting purposes.

We paid the following monthly distributions to common stockholders for the six months ended March 31, 2025 and 2024:

| Fiscal Year                             | Declaration Date  | Record Date       | Payment Date                     | Distribution per<br>Common Share |
|---|-------------------|-------------------|----------------------------------|----------------------------------|
| <b>2025</b>                             | October 8, 2024   | October 22, 2024  | October 31, 2024                 | \$ 0.165                         |
|   | October 8, 2024   | November 20, 2024 | November 29, 2024                | 0.165                            |
|   | November 12, 2024 | December 4, 2024  | December 18, 2024 <sup>(A)</sup> | 0.400                            |
|   | October 8, 2024   | December 20, 2024 | December 31, 2024                | 0.165                            |
|   | January 14, 2025  | January 24, 2025  | January 31, 2025                 | 0.165                            |
|   | January 14, 2025  | February 19, 2025 | February 28, 2025                | 0.165                            |
|   | January 14, 2025  | March 19, 2025    | March 31, 2025                   | 0.165                            |
| <b>Six Months Ended March 31, 2025:</b> |                   |                   |                                  | <b>\$ 1.39</b>                   |

| Fiscal Year                             | Declaration Date | Record Date       | Payment Date      | Distribution per Common Share <sup>(B)</sup> |
|---|------------------|-------------------|-------------------|--|
| 2024                                    | October 10, 2023 | October 20, 2023  | October 31, 2023  | \$ 0.165                                     |
|   | October 10, 2023 | November 20, 2023 | November 30, 2023 | 0.165  |
|   | October 10, 2023 | December 18, 2023 | December 29, 2023 | 0.165  |
|   | January 9, 2024  | January 23, 2024  | January 31, 2024  | 0.165  |
|   | January 9, 2024  | February 21, 2024 | February 29, 2024 | 0.165  |
|   | January 9, 2024  | March 21, 2024    | March 29, 2024    | 0.165  |
| <b>Six Months Ended March 31, 2024:</b> |                  |                   |                   | <b>\$ 0.99</b>                               |

<sup>(A)</sup> Represents a supplemental distribution to common stockholders.

<sup>(B)</sup> Per share data has been adjusted on a retroactive basis to reflect the Reverse Stock Split effected on April 4, 2024, as described in Note 2 - *Summary of Significant Accounting Policies*.

Aggregate distributions declared and paid to our common stockholders were approximately \$1.0 million and \$21.5 million for the six months ended March 31, 2025 and 2024, respectively, and were declared based on estimates of Investment Company Taxable Income. For the fiscal year ended September 30, 2024, our current and accumulated earnings and profits exceeded common stock distributions declared and paid, and, in accordance with Section 855(a) of the Code, we elected to treat \$6.6 million of the first common distributions paid to common stockholders in the subsequent fiscal year as having been paid in the prior year.

For the six months ended March 31, 2025 and the fiscal year ended September 30, 2024, we recorded the following adjustments for book-tax differences to reflect tax character. Results of operations, total net assets, and cash flows were not affected by these adjustments.

|                                      | Six Months Ended March 31, 2025 | Year Ended September 30, 2024 |
|--------------------------------------|---------------------------------|-------------------------------|
| Undistributed net investment income  | \$ (553)                        | \$ (1,299)                    |
| Accumulated net realized gain (loss) | 657                             | 1,310                         |
| Capital in excess of par value       | (104)                           | (11)                          |

## 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 operations 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 September 30, 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, 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 \$1.5 million and \$0.1 million as of March 31, 2025 and September 30, 2024, respectively.

#### *Financial Commitments and Obligations*

We have lines of credit, delayed draw term loans, and an uncalled capital commitment with certain of our portfolio companies that have not been fully drawn. Since these commitments have expiration dates and we expect many will never be fully drawn, the total commitment amounts do not necessarily represent future cash requirements. We estimate the fair value of the combined unused lines of credit, the unused delayed draw term loans and the uncalled capital commitment as of March 31, 2025 and September 30, 2024 to be immaterial.

The following table summarizes the amounts of our unused lines of credit, delayed draw term loans and uncalled capital commitment, at cost, as of March 31, 2025 and September 30, 2024, which are not reflected as liabilities in the accompanying *Consolidated Statements of Assets and Liabilities*:

|  | March 31,<br>2025 | September 30,<br>2024 |
|--|-------------------|-----------------------|
| Unused line of credit commitments <sup>(A)</sup> | \$ 43,852         | \$ 42,601             |
| Delayed draw term loans <sup>(A)</sup>           | 13,200            | 14,150                |
| Uncalled capital commitment                      | 843               | 843                   |
| <b>Total</b>                                     | <b>\$ 57,895</b>  | <b>\$ 57,594</b>      |

<sup>(A)</sup> There may be specific covenant requirements that temporarily limit a portfolio company's availability to draw on an unused line of credit commitment or a delayed draw term loan.

**NOTE 11. FINANCIAL HIGHLIGHTS**

|  | Three Months Ended March 31, |            | Six Months Ended March 31, |            |
|--|------------------------------|------------|----------------------------|------------|
|  | 2025                         | 2024       | 2025                       | 2024       |
| <b>Per Common Share Data:</b>  |                              |            |                            |            |
| Net asset value at beginning of period <sup>(A)</sup>                            | \$ 21.51                     | \$ 19.22   | \$ 21.18                   | \$ 18.78   |
| <i>Income from operations</i> <sup>(B)</sup>                                     |                              |            |                            |            |
| Net investment income  | 0.50                         | 0.49       | 1.00                       | 1.04       |
| Net realized and unrealized gain (loss) on investments                           | (0.10)                       | 0.51       | 0.61                       | 0.87       |
| Net realized and unrealized gain (loss) on other                                 | (0.01)                       | 0.09       | (0.01)                     | 0.09       |
| Total from operations  | 0.39                         | 1.09       | 1.60                       | 2.00       |
| <i>Distributions to common stockholders from</i> <sup>(B)(C)</sup>               |                              |            |                            |            |
| Net investment income  | (0.50)                       | (0.49)     | (1.00)                     | (0.98)     |
| Realized gains   | —                            | —          | (0.40)                     | —          |
| Total distributions  | (0.50)                       | (0.49)     | (1.40)                     | (0.98)     |
| <i>Capital share transactions</i> <sup>(B)</sup>                                 |                              |            |                            |            |
| Anti-dilutive effect of common stock issuance <sup>(D)</sup>                     | —                            | —          | 0.02                       | —          |
| Total capital share transactions   | —                            | —          | 0.02                       | —          |
| Other, net   | 0.01                         | (0.01)     | 0.01                       | 0.01       |
| Net asset value at end of period <sup>(A)</sup>                                  | \$ 21.41                     | \$ 19.81   | \$ 21.41                   | \$ 19.81   |
| Per common share market value at beginning of period                             | \$ 28.44                     | \$ 21.40   | \$ 24.05                   | \$ 19.28   |
| Per common share market value at end of period                                   | 27.46                        | 21.46      | 27.46                      | 21.46      |
| Total return <sup>(E)</sup>  | (1.77)%                      | 2.66 %     | 20.06 %                    | 16.77 %    |
| Common stock outstanding at end of period <sup>(A)</sup>                         | 22,329,852                   | 21,754,449 | 22,329,852                 | 21,754,449 |
| <b>Statement of Assets and Liabilities Data:</b>                                 |                              |            |                            |            |
| Net assets at end of period  | \$ 478,059                   | \$ 430,791 | \$ 478,059                 | \$ 430,791 |
| Average net assets <sup>(F)</sup>  | 481,597                      | 424,518    | 480,458                    | 418,742    |
| <b>Senior Securities Data:</b>   |                              |            |                            |            |
| Borrowings under line of credit, at cost   | 25,100                       | 117,200    | 25,100                     | 117,200    |
| Preferred Stock  | 13,080                       | 1,751      | 13,080                     | 1,751      |
| Notes Payable  | 257,000                      | 257,000    | 257,000                    | 257,000    |
| <b>Ratios/Supplemental Data:</b>   |                              |            |                            |            |
| Ratio of net expenses to average net assets – annualized <sup>(G)(H)</sup>       | 8.58 %                       | 12.46 %    | 8.77 %                     | 11.70 %    |
| Ratio of net investment income to average net assets – annualized <sup>(I)</sup> | 9.34 %                       | 10.15 %    | 9.35 %                     | 10.85 %    |

<sup>(A)</sup> Based on actual shares outstanding at the end of the corresponding period. Per share data and shares outstanding have been adjusted on a retroactive basis to reflect the Reverse Stock Split effected on April 4, 2024, as described in Note 2— *Summary of Significant Accounting Policies* .

<sup>(B)</sup> Based on weighted average basic per share data.

<sup>(C)</sup> 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.

<sup>(D)</sup> During the six months ended March 31, 2025, the anti-dilution was a result of issuing common shares during the period at a price above the then current NAV per share.

<sup>(E)</sup> Total return equals the change in the ending market value of our common stock from the beginning of the fiscal year, taking into account distributions 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, refer to Note 9— *Distributions to Common Stockholders* .

<sup>(F)</sup> Computed using the average of the balance of net assets at the end of each month of the reporting period.

<sup>(G)</sup> Ratio of net expenses to average net assets is computed using total expenses, net of credits from the Adviser, to the base management, loan servicing and incentive fees.

<sup>(H)</sup> Had we not received any non-contractual, unconditional and irrevocable credits of fees from the Adviser, the ratio of net expenses to average net assets would have been 12.29% and 12.53% for the three and six months ended March 31, 2025, respectively, and 15.04% and 14.81% for the three and six months ended March 31, 2024, respectively.

<sup>(I)</sup> Had we not received any non-contractual, unconditional and irrevocable credits of fees from the Adviser, the ratio of net investment income to average net assets would have been 5.68% and 5.65% for the three and six months ended March 31, 2025, respectively, and 7.62% and 7.80% for the three and six months ended March 31, 2024, respectively.

**NOTE 12. SUBSEQUENT EVENTS***Portfolio Activity*

In April 2025, our \$42.2 million debt investment in SpaceCo Holdings, LLC paid off at par.

In April 2025, our investment in Eegees, LLC was restructured as part of the bankruptcy process resulting in a new \$0.5 million investment in Eegee Acquisition Corporation comprised of secured first lien debt and common equity.

*Distributions and Dividends*

On April 8, 2025, our Board of Directors declared the following distributions to common and preferred stockholders:

| <b>Record Date</b> | <b>Payment Date</b>           | <b>Distribution per Common Share</b> |
|--------------------|-------------------------------|--------------------------------------|
| April 21, 2025     | April 30, 2025                | \$ 0.165                             |
| May 21, 2025       | May 30, 2025                  | 0.165                                |
| June 20, 2025      | June 30, 2025                 | 0.165                                |
|                    | <b>Total for the Quarter:</b> | <b>\$ 0.495</b>                      |

| <b>Record Date</b> | <b>Payment Date</b>           | <b>Distribution per Series A Preferred Stock</b> |
|--------------------|-------------------------------|--|
| April 25, 2025     | May 5, 2025                   | \$ 0.130208                                      |
| May 27, 2025       | June 5, 2025                  | 0.130208   |
| June 25, 2025      | July 3, 2025                  | 0.130208   |
|                    | <b>Total for the Quarter:</b> | <b>\$ 0.390624</b>                               |

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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, among other factors. 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 Robert L. Marcotte; (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; (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") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"), and as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"); and (12) those factors described herein, including Item 1A. "Risk Factors" of this Quarterly Report on Form 10-Q and in the "Risk Factors" section of our Annual Report on Form 10-K (our "Annual Report") for the fiscal year ended September 30, 2024, filed with the U.S. Securities and Exchange Commission ("SEC") on November 13, 2024. We caution readers not to place undue reliance on any such forward-looking statements. Actual results could differ materially from those anticipated in our forward-looking statements and future results could differ materially from historical performance. We have based forward-looking statements on information available to us on the date of this report. 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 Quarterly Report on Form 10-Q. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the SEC from time to time, including 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 Quarterly Report on Form 10-Q 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 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 Quarterly Report on Form 10-Q and in our 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 or results of operations for any future periods. Except per share amounts, dollar amounts in the tables included herein are in thousands unless otherwise indicated.

### OVERVIEW

#### General

We were incorporated under the Maryland General Corporation Law on May 30, 2001. 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. In addition, for federal income tax purposes we have elected to be treated as a RIC under the Code. To continue to qualify as a RIC for 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: (1) achieve and grow current income by investing in debt securities of established lower middle market companies in the U.S. 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 (2) provide our stockholders with long-term capital appreciation in the value of our assets by investing in equity securities, in connection with our debt investments, that we believe can grow over time to permit us to sell our equity investments for capital gains. To achieve our investment objectives, our primary investment strategy is to invest in several categories of debt and equity securities, with each investment generally ranging from \$8 million to \$40 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 90.0% debt investments and 10.0% equity investments, at cost. As of March 31, 2025, our investment portfolio was made up of approximately 91.2% debt investments and 8.8% equity investments, at cost.

We focus on investing in lower middle market companies (which we generally define as companies with annual earnings before interest, taxes, depreciation and amortization of \$3 million to \$25 million) in the U.S. that meet certain criteria, including the following: 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 borrower, reasonable capitalization of the borrower, including an ample equity contribution or cushion based on prevailing enterprise valuation multiples and, to a lesser extent, the potential to realize appreciation and gain liquidity in our equity position, if any. We lend to borrowers that need funds for growth capital or to finance acquisitions or recapitalize or 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. 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 Investment Corporation, Gladstone Alternative Income Fund ("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. Since 2012, we have opportunistically made co-investments with Gladstone Investment Corporation 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, our investment is likely to be smaller than if we were investing alone.

We are externally managed by the Adviser, an investment adviser registered with the SEC and an affiliate of ours, pursuant to an investment advisory and management agreement. The Adviser manages our investment activities. We have also entered into an administration agreement with Gladstone Administration, LLC (the "Administrator"), an affiliate of ours and the Adviser, whereby we pay separately for administrative services.

Additionally, Gladstone Securities, LLC ("Gladstone Securities"), a privately-held broker-dealer registered with the Financial Industry Regulatory Authority and insured by the Securities Investor Protection Corporation, which is 100% indirectly owned and controlled by Mr. Gladstone, our chairman and chief executive officer, 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.

## **Business**

### ***Portfolio and Investment Activity***

In general, our investments in debt securities have a term of no more than seven years, accrue interest at variable rates (generally based on one-month Term Secured Overnight Financing Rate ("SOFR")) and, to a lesser extent, at fixed rates. We seek debt instruments that pay interest monthly or, at a minimum, quarterly, may have a success fee or 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 a portfolio company, typically from an exit or sale. Some debt securities 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.

Typically, our equity investments consist of common stock, preferred stock, limited liability company interests, or warrants to purchase the foregoing. Often, these equity investments occur in connection with our original investment, recapitalizing a business, or refinancing existing debt.

During the six months ended March 31, 2025, we invested \$145.4 million in eight new portfolio companies and extended \$51.8 million in investments to existing portfolio companies. In addition, we exited six portfolio companies during the six months ended March 31, 2025. We received a total of \$246.6 million in combined net proceeds and principal repayments from the aforementioned portfolio company exits, as well as principal repayments by existing portfolio companies, during the six months ended March 31, 2025. Our overall portfolio consists of 51 portfolio companies as of March 31, 2025 and increased by \$18.2 million at cost since September 30, 2024. From our initial public offering in August 2001 through March 31, 2025, we have made 688 different loans to, or investments in, 285 companies for a total of approximately \$3.0 billion, before giving effect to principal repayments on investments and divestitures.

During the six months ended March 31, 2025, the following significant transactions occurred:

#### Proprietary Investments

- In October 2024, our \$15.0 million debt investment in Perimeter Solutions Group paid off at par. We also received a \$0.5 million prepayment penalty in conjunction with the payoff.
- In October 2024, our investment in Antenna Research Associates, Inc. was sold, which resulted in a net realized gain on our common equity of approximately \$59.3 million and the repayment of our debt investment of \$31.3 million at par.
- In November 2024, we invested an additional \$28.9 million in Giving Home Healthcare, LLC, an existing portfolio company, through secured first lien debt.
- In November 2024, we invested \$10.5 million in Wings ‘N More Restaurants, LLC (“Wings”) through secured first lien debt. We also extended Wings a \$1.5 million secured first lien line of credit commitment and a \$5.0 million secured first lien delayed draw term loan commitment, both of which were unfunded as of March 31, 2025.
- In November 2024, our \$22.3 million debt investment in ENET Holdings, LLC paid off at par.
- In December 2024, we invested \$42.8 million in Vet’s Choice Radiology, LLC through secured first lien debt.
- In December 2024, we invested \$28.9 million in Pan-Am Dental, LLC through secured second lien debt and preferred equity.
- In December 2024, we invested \$15.0 million in Freedom Dental Management, Inc. through secured first lien debt.
- In December 2024, we invested \$5.0 million in Tube Bending Technology, LLC through secured second lien debt.
- In December 2024, we invested \$5.0 million in Gladstone Alternative, one of our affiliated funds, through common equity.
- In December 2024, our investment in Salt and Straw, LLC, paid off which resulted in a realized gain of approximately \$2.5 million on our preferred equity and the repayment of our debt investment of \$10.9 million at par. We also received a \$0.1 million prepayment penalty in conjunction with the payoff. We continue to hold warrants for common equity in Salt and Straw, LLC.
- In December 2024, we sold our debt investments in DKI Ventures, LLC, which resulted in a net realized loss on our debt of approximately \$1.1 million.
- In January 2025, our \$20.6 million debt investment in Fix-It Group, LLC paid off at par. We also received a \$0.1 million prepayment penalty.
- In January 2025, our \$5.4 million debt investment in Sokol and Company, LLC (“Sokol”) paid off at par. Additionally, in February 2025, we received \$5.8 million related to the partial sale of our common equity investment in Sokol. Additionally, in February 2025, a portion of our common equity investment in Sokol was sold, representing a return of our equity cost basis of \$1.1 million and a realized gain of \$4.7 million.
- In February 2025, we invested \$18.9 million in Dutch Gold Honey, Inc. through secured second lien debt and common equity.
- In February 2025, we invested \$19.4 million in Viron International, LLC through secured first lien debt and common equity.
- In March 2025, we received a \$6.0 million partial repayment on our debt investment in Viva Railings, LLC.
- In March 2025, we exited our investment in MCG Energy Solutions, LLC, which resulted in a realized gain on our preferred equity investment of approximately \$3.0 million and the repayment of our debt investment of \$20.4 million at par.

**Capital Raising**

We have been able to meet our capital needs through extensions of and amendments to our line of credit with KeyBank National Association (“KeyBank”), as administrative agent, lead arranger and lender (as amended and/or restated from time to time, our “Credit Facility”) and by accessing the capital markets in the form of public equity offerings of common and preferred stock and public and private debt offerings. We have successfully extended the Credit Facility’s revolving period multiple times, most recently to October 2025, and currently have a total commitment amount of \$293.7 million. In August 2023, we completed an offering of \$57.0 million aggregate principal amount of the 2028 Notes. Refer to “*Liquidity and Capital Resources — Revolving Line of Credit*,” “*Liquidity and Capital Resources — Equity — Common Stock*,” and “*Liquidity and Capital Resources — Notes Payable*” for further discussion.

Although we have been able to access the capital markets historically and in recent years, market conditions may affect the trading price of our capital stock and thus may inhibit our ability to finance new investments through the issuance of equity in the future. When our common stock trades below net asset value (“NAV”) per common share, our ability to issue equity is constrained by provisions of the 1940 Act, which generally prohibits the issuance and sale of our common stock below NAV per common share without first obtaining approval from our stockholders and our independent directors, other than through sales to our then-existing stockholders pursuant to a rights offering.

On March 31, 2025, the closing market price of our common stock was \$27.46 per share, a 28.3% premium to our March 31, 2025 NAV per share of \$21.41.

**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 an asset coverage (as defined in Sections 18 and 61 of the 1940 Act) of at least 150% on 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, the Company’s asset coverage requirements for senior securities changed from 200% to 150%, effective April 10, 2019.

As of March 31, 2025, our asset coverage on our “senior securities representing indebtedness” was 270.9% and our asset coverage on our “senior securities that are stock” was 259.0%.

**Recent Developments****Distributions**

On April 8, 2025, our Board of Directors declared the following distributions to common and preferred stockholders:

| <b>Record Date</b>            | <b>Payment Date</b> | <b>Distribution per Common Share</b> |
|-------------------------------|---------------------|--------------------------------------|
| April 21, 2025                | April 30, 2025      | \$ 0.165                             |
| May 21, 2025                  | May 30, 2025        | 0.165                                |
| June 20, 2025                 | June 30, 2025       | 0.165                                |
| <b>Total for the Quarter:</b> |                     | <b>\$ 0.495</b>                      |

| <b>Record Date</b>            | <b>Payment Date</b> | <b>Distribution per Series A Preferred Stock</b> |
|-------------------------------|---------------------|--|
| April 25, 2025                | May 5, 2025         | \$ 0.130208                                      |
| May 27, 2025                  | June 5, 2025        | 0.130208   |
| June 25, 2025                 | July 3, 2025        | 0.130208   |
| <b>Total for the Quarter:</b> |                     | <b>\$ 0.390624</b>                               |

**RESULTS OF OPERATIONS**
**Comparison of the Three Months Ended March 31, 2025 to the Three Months Ended March 31, 2024**

|  | Three Months Ended March 31, |                  |                    |                |
|--|------------------------------|------------------|--------------------|----------------|
|  | 2025                         | 2024             | \$ Change          | % Change       |
| <b>INVESTMENT INCOME</b>   |                              |                  |                    |                |
| Interest income  | \$ 21,338                    | \$ 23,715        | \$ (2,377)         | (10.0)%        |
| Success fee, dividend, and other income                                | 231                          | 282              | (51)               | (18.1)         |
| Total investment income  | 21,569                       | 23,997           | (2,428)            | (10.1)         |
| <b>EXPENSES</b>  |                              |                  |                    |                |
| Base management fee  | 3,441                        | 3,439            | 2                  | 0.1            |
| Loan servicing fee   | 2,278                        | 2,260            | 18                 | 0.8            |
| Incentive fee  | 2,407                        | 2,669            | (262)              | (9.8)          |
| Administration fee   | 462                          | 469              | (7)                | (1.5)          |
| Interest expense on line of credit and notes payable                   | 5,019                        | 5,732            | (713)              | (12.4)         |
| Amortization of deferred financing costs                               | 527                          | 441              | 86                 | 19.5           |
| Other expenses   | 614                          | 916              | (302)              | (33.0)         |
| Expenses, before credits from Adviser                                  | 14,748                       | 15,926           | (1,178)            | (7.4)          |
| Credit to base management fee – loan servicing fee                     | (2,278)                      | (2,260)          | (18)               | 0.8            |
| Credits to fees from Adviser – other                                   | (2,146)                      | (446)            | (1,700)            | NM             |
| Total expenses, net of credits   | 10,324                       | 13,220           | (2,896)            | (21.9)         |
| <b>NET INVESTMENT INCOME</b>   | <b>11,245</b>                | <b>10,777</b>    | <b>468</b>         | <b>4.3</b>     |
| <b>NET REALIZED AND UNREALIZED GAIN (LOSS)</b>                         |                              |                  |                    |                |
| Net realized gain (loss) on investments                                | 7,702                        | 219              | 7,483              | NM             |
| Net realized gain (loss) on other                                      | 4                            | 1,949            | (1,945)            | (99.8)         |
| Net unrealized appreciation (depreciation) of investments              | (9,914)                      | 10,695           | (20,609)           | NM             |
| Net unrealized appreciation of other                                   | (49)                         | —                | (49)               | NM             |
| Net gain (loss) from investments and other                             | (2,257)                      | 12,863           | (15,120)           | NM             |
| <b>PREFERRED STOCK DIVIDENDS</b>                                       | <b>191</b>                   | <b>8</b>         | <b>183</b>         | <b>NM</b>      |
| <b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b> | <b>\$ 8,797</b>              | <b>\$ 23,632</b> | <b>\$ (14,835)</b> | <b>(62.8)%</b> |

NM - Not Meaningful

**Investment Income**

Interest income decreased by 10.0% for the three months ended March 31, 2025, as compared to the prior year period. Generally, the level of interest income from investments is directly related to the 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 for the three months ended March 31, 2025 was \$682.6 million, compared to \$680.4 million for the three months ended March 31, 2024, an increase of \$2.2 million, or 0.3%. The weighted average yield on our interest-bearing investments is based on the current stated interest rate on interest-bearing investments, which decreased to 12.6% for the three months ended March 31, 2025, compared to 14.0% for the three months ended March 31, 2024, inclusive of any allowances on interest receivables made during those periods. The decrease in the weighted average yield was driven mainly by decreases in interest rates.

As of March 31, 2025, our loans to B+T Group Acquisition, Inc., Edge Adhesives Holdings, Inc., Eege's LLC, and WB Xcel Holdings, LLC were on non-accrual status with a cost basis of \$53.7 million, or 7.5% of the cost basis of all debt investments in our portfolio, and a fair value of \$29.8 million, or 4.3% of the fair value of all debt investments in our portfolio. As of September 30, 2024, our loans to B+T Group Acquisition, Inc., Edge Adhesives Holdings, Inc., and WB Xcel Holdings, LLC were on non-accrual status with a cost basis of \$28.3 million, or 4.1% of the cost basis of all debt

investments in our portfolio, and a fair value of \$12.8 million, or 1.9% of the fair value of all debt investments in our portfolio.

Success fee, dividend and other income decreased by 18.1% during the three months ended March 31, 2025, as compared to the prior year period, primarily due to an decrease in prepayment fees received period over period.

As of March 31, 2025, no single investment represented greater than 10% of the total investment portfolio at fair value. As of September 30, 2024, our investment in Antenna Research Associates, Inc. represented 11.4% of the total investment portfolio at fair value.

### *Expenses*

Expenses, net of any non-contractual, unconditional and irrevocable credits to fees from the Adviser, decreased \$2.9 million, or 21.9%, for the three months ended March 31, 2025, as compared to the prior year period. This decrease was primarily due to a \$1.6 million decrease in the net incentive fee earned by the Adviser, a \$0.7 million decrease in interest expense, and a \$0.4 million decrease in the net base management fee earned by the Adviser.

Total interest expense on borrowings and notes payable decreased by \$0.7 million, or 12.4%, during the three months ended March 31, 2025, driven by a decrease in the weighted average balance outstanding on our Credit Facility, partially offset by an increase in the effective interest rate on our Credit Facility. Interest expense on our Credit Facility decreased by \$0.7 million due primarily to a decrease in the weighted average balance outstanding which was \$53.7 million during the three months ended March 31, 2025, as compared to \$90.3 million in the prior year period, a decrease of 40.5%. The effective interest rate on our Credit Facility, including unused commitment fees incurred, but excluding the impact of deferred financing costs, was 11.4% during the three months ended March 31, 2025, compared to 9.9% during the prior year period. The increase in the effective interest rate was driven primarily by a \$0.3 million increase in unused commitment fees during the three months ended March 31, 2025 as compared to the prior year period.

The net base management fee earned by the Adviser decreased by \$0.4 million, or 12.0%, for the three months ended March 31, 2025, as compared to the prior year period, resulting from an increase in credits to the base management fee from the Adviser for new deal origination fees period over period.

The income-based incentive fee decreased by \$0.3 million, or 9.8%, for the three months ended March 31, 2025, primarily due to lower pre-incentive fee net investment income as compared to the prior year period. During the three months ended March 31, 2025 and 2024, our Board of Directors accepted non-contractual, unconditional and irrevocable credits from the Adviser of \$1.4 million and \$0.1 million, respectively, to reduce the income-based incentive fee to the extent net investment income did not cover 100.0% of distributions to common stockholders.

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

|   | Three Months Ended<br>March 31, |                 |
|---|---------------------------------|-----------------|
|   | 2025                            | 2024            |
| Average total assets subject to base management fee <sup>(A)(B)</sup> | \$ 786,514                      | \$ 786,057      |
| Multiplied by prorated annual base management fee of 1.75%            | 0.4375 %                        | 0.4375 %        |
| <b>Base management fee<sup>(C)</sup></b>                              | <b>\$ 3,441</b>                 | <b>\$ 3,439</b> |
| Portfolio company fee credit  | (712)                           | (325)           |
| Syndicated loan fee credit  | (11)                            | (27)            |
| <b>Net Base Management Fee</b>  | <b>\$ 2,718</b>                 | <b>\$ 3,087</b> |
| <b>Loan servicing fee<sup>(C)</sup></b>                               | <b>2,278</b>                    | <b>2,260</b>    |
| Credit to base management fee - loan servicing fee <sup>(C)</sup>     | (2,278)                         | (2,260)         |
| <b>Net Loan Servicing Fee</b>   | <b>\$ —</b>                     | <b>\$ —</b>     |
| <b>Incentive fee<sup>(C)</sup></b>                                    | <b>2,407</b>                    | <b>2,669</b>    |
| Incentive fee credit  | (1,423)                         | (94)            |
| <b>Net Incentive Fee</b>  | <b>\$ 984</b>                   | <b>\$ 2,575</b> |
| Portfolio company fee credit  | (712)                           | (325)           |
| Syndicated loan fee credit  | (11)                            | (27)            |
| Incentive fee credit  | (1,423)                         | (94)            |
| <b>Credits to Fees From Adviser - other<sup>(C)</sup></b>             | <b>\$ (2,146)</b>               | <b>\$ (446)</b> |

<sup>(A)</sup> Average total assets subject to the base management fee is defined 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.

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

<sup>(C)</sup> Reflected, on a gross basis, as a line item on our Consolidated Statements of Operations.

**Net Realized Gain (Loss) on Investments**

For the three months ended March 31, 2025, we recorded a net realized gain on investments of \$7.7 million, which resulted primarily from a \$4.7 million realized gain recognized on the partial sale of our common equity investment in Sokol and a \$3.0 million realized gain recognized on our investment in MCG Energy Solutions, LLC.

For the three months ended March 31, 2024, we recorded a net realized gain on investments of \$0.2 million, which resulted primarily from a \$0.2 million realized gain recognized on our investment in Trowbridge Chicago, LLC.

### Net Unrealized Appreciation (Depreciation) of Investments

During the three months ended March 31, 2025, we recorded net unrealized depreciation of investments in the aggregate amount of \$9.9 million. The net realized gain (loss) and unrealized appreciation (depreciation) across our investments for the three months ended March 31, 2025 were as follows:

| Portfolio Company                           | Three Months Ended March 31, 2025 |  |   |                    |
|---|-----------------------------------|--|---|--------------------|
|   | Realized Gain<br>(Loss)           | Unrealized<br>Appreciation<br>(Depreciation) | Reversal of<br>Unrealized<br>(Appreciation)<br>Depreciation | Net<br>Gain (Loss) |
| Encore Dredging Holdings, LLC               | \$ —                              | \$ 2,471                                     | \$ —  | \$ 2,471           |
| Giving Home Health Care, LLC                | —                                 | 1,563  | —   | 1,563              |
| Canopy Safety Brands, LLC                   | —                                 | 1,188  | —   | 1,188              |
| TNCP Intermediate HoldCo, LLC               | —                                 | 735  | —   | 735                |
| Torrent Photonics Holdco LLC                | —                                 | 630  | —   | 630                |
| NeoGraf Solutions, LLC                      | —                                 | 573  | —   | 573                |
| Sokol & Company Holdings, LLC               | 4,748                             | 656  | (4,870)   | 534                |
| MCG Energy Solutions, LLC                   | 2,954                             | —  | (2,976)   | (22)               |
| Leadpoint Business Services, LLC            | —                                 | (313)  | —   | (313)              |
| HH-Inspire Acquisition, Inc.                | —                                 | (1,166)                                      | —   | (1,166)            |
| Technical Resource Management, LLC          | —                                 | (2,030)                                      | —   | (2,030)            |
| Lonestar EMS, LLC                           | —                                 | (2,067)                                      | —   | (2,067)            |
| Engineering Manufacturing Technologies, LLC | —                                 | (4,029)                                      | —   | (4,029)            |
| Other, net (<\$500)                         | —                                 | (279)  | —   | (279)              |
| <b>Total:</b>                               | <b>\$ 7,702</b>                   | <b>\$ (2,068)</b>                            | <b>\$ (7,846)</b>   | <b>\$ (2,212)</b>  |

The primary driver of net unrealized depreciation of \$9.9 million for the three months ended March 31, 2025 was the reversal of unrealized appreciation from the partial sale of our common equity investment in Sokol and the sale of our investment in MCG Energy Solutions, LLC, partially offset by the increase in the financial and operational performance of certain of our other portfolio companies.

During the three months ended March 31, 2024, we recorded net unrealized appreciation of investments in the aggregate amount of \$10.7 million. The net realized gain (loss) and unrealized appreciation (depreciation) across our investments for the three months ended March 31, 2024 were as follows:

| Portfolio Company                  | Three Months Ended March 31, 2024 |  |   |                    |
|------------------------------------|-----------------------------------|--|---|--------------------|
|                                    | Realized Gain<br>(Loss)           | Unrealized<br>Appreciation<br>(Depreciation) | Reversal of<br>Unrealized<br>(Appreciation)<br>Depreciation | Net<br>Gain (Loss) |
| Lonestar EMS, LLC                  | \$ —                              | \$ 5,729                                     | \$ —  | \$ 5,729           |
| Salt & Straw, LLC                  | —                                 | 2,958  | —   | 2,958              |
| Giving Home Health Care, LLC       | —                                 | 2,009  | —   | 2,009              |
| MCG Energy Solutions, LLC          | —                                 | 1,381  | —   | 1,381              |
| Antenna Research Associates, Inc.  | —                                 | 1,305  | —   | 1,305              |
| Springfield, Inc.                  | —                                 | 666  | —   | 666                |
| Encore Dredging Holdings, LLC      | —                                 | 520  | —   | 520                |
| Leadpoint Business Services, LLC   | —                                 | 510  | —   | 510                |
| NeoGraf Solutions, LLC             | —                                 | 495  | —   | 495                |
| Axios Industrial Group, LLC        | —                                 | 493  | —   | 493                |
| 8th Avenue Food & Provisions, Inc. | —                                 | 405  | —   | 405                |
| Trowbridge Chicago, LLC            | 219                               | 43   | 111   | 373                |
| TNCP Intermediate HoldCo, LLC      | —                                 | 337  | —   | 337                |
| ENET Holdings, LLC                 | —                                 | (530)  | —   | (530)              |
| FES Resources Holdings LLC         | —                                 | (828)  | —   | (828)              |
| Eege's LLC                         | —                                 | (833)  | —   | (833)              |
| Edge Adhesives Holdings, Inc.      | —                                 | (892)  | —   | (892)              |
| HH-Inspire Acquisition, Inc.       | —                                 | (916)  | —   | (916)              |
| WB Xcel Holdings, LLC              | —                                 | (2,524)                                      | —   | (2,524)            |
| Other, net (<\$500)                | —                                 | 99   | 157   | 256                |
| <b>Total:</b>                      | <b>\$ 219</b>                     | <b>\$ 10,427</b>                             | <b>\$ 268</b>   | <b>\$ 10,914</b>   |

The primary driver of net unrealized appreciation of \$10.7 million for the three months ended March 31, 2024 was the improvement in the financial and operational performance of Lonestar EMS, LLC, partially offset by the decline in the financial and operational performance of WB Xcel Holdings, LLC.

**Comparison of the Six Months Ended March 31, 2025 to the Six Months Ended March 31, 2024**

|  | Six Months Ended March 31, |                  |                   |                |
|--|----------------------------|------------------|-------------------|----------------|
|  | 2025                       | 2024             | \$ Change         | % Change       |
| <b>INVESTMENT INCOME</b>   |                            |                  |                   |                |
| Interest income  | \$ 42,658                  | \$ 46,711        | \$ (4,053)        | (8.7)%         |
| Success fee, dividend, and other income                                | 871                        | 507              | 364               | 71.8           |
| Total investment income  | <u>43,529</u>              | <u>47,218</u>    | <u>(3,689)</u>    | <u>(7.8)</u>   |
| <b>EXPENSES</b>  |                            |                  |                   |                |
| Base management fee  | 6,993                      | 6,684            | 309               | 4.6            |
| Loan servicing fee   | 4,456                      | 4,388            | 68                | 1.5            |
| Incentive fee  | 5,111                      | 5,653            | (542)             | (9.6)          |
| Administration fee   | 936                        | 923              | 13                | 1.4            |
| Interest expense on line of credit and notes payable                   | 9,762                      | 10,764           | (1,002)           | (9.3)          |
| Amortization of deferred financing costs                               | 1,045                      | 870              | 175               | 20.1           |
| Other expenses   | 1,704                      | 1,641            | 63                | 3.8            |
| Expenses, before credits from Adviser                                  | 30,007                     | 30,923           | (916)             | (3.0)          |
| Credit to base management fee – loan servicing fee                     | (4,456)                    | (4,388)          | (68)              | 1.5            |
| Credits to fees from Adviser – other                                   | (4,491)                    | (2,028)          | (2,463)           | NM             |
| Total expenses, net of credits   | <u>21,060</u>              | <u>24,507</u>    | <u>(3,447)</u>    | <u>(14.1)</u>  |
| <b>NET INVESTMENT INCOME</b>   | <u>22,469</u>              | <u>22,711</u>    | <u>(242)</u>      | <u>(1.1)</u>   |
| <b>NET REALIZED AND UNREALIZED GAIN (LOSS)</b>                         |                            |                  |                   |                |
| Net realized gain (loss) on investments                                | 65,426                     | 478              | 64,948            | NM             |
| Net realized gain (loss) on other                                      | 94                         | 1,952            | (1,858)           | (95.2)         |
| Net unrealized appreciation (depreciation) of investments              | (51,806)                   | 18,500           | (70,306)          | NM             |
| Net unrealized appreciation of other                                   | (49)                       | —                | (49)              | NM             |
| Net gain (loss) from investments and other                             | <u>13,665</u>              | <u>20,930</u>    | <u>(7,265)</u>    | <u>(34.7)</u>  |
| <b>PREFERRED STOCK DIVIDENDS</b>                                       | 362                        | 8                | 354               | NM             |
| <b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b> | <u>\$ 35,772</u>           | <u>\$ 43,633</u> | <u>\$ (7,861)</u> | <u>(18.0)%</u> |

NM - Not Meaningful

**Investment Income**

Interest income decreased by 8.7% for the six months ended March 31, 2025, as compared to the prior year period. Generally, the level of interest income from investments is directly related to the 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 for the six months ended March 31, 2025 was \$662.3 million, compared to \$669.0 million for the six months ended March 31, 2024, a decrease of \$6.7 million, or 1.0%. The weighted average yield on our interest-bearing investments is based on the current stated interest rate on interest-bearing investments, which decreased to 12.9% for the six months ended March 31, 2025, compared to 13.9% for the six months ended March 31, 2024, inclusive of any allowances on interest receivables made during those periods. The decrease in the weighted average yield was driven mainly by decreases in interest rates.

As of March 31, 2025, our loans to B+T Group Acquisition, Inc., Edge Adhesives Holdings, Inc., Eege's LLC, and WB Xcel Holdings, LLC were on non-accrual status with a cost basis of \$53.7 million, or 7.5% of the cost basis of all debt investments in our portfolio, and a fair value of \$29.8 million, or 4.3% of the fair value of all debt investments in our portfolio. As of September 30, 2024, our loans to B+T Group Acquisition, Inc., Edge Adhesives Holdings, Inc., and WB Xcel Holdings, LLC were on non-accrual status with a cost basis of \$28.3 million, or 4.1% of the cost basis of all debt investments in our portfolio, and a fair value of \$12.8 million, or 1.9% of the fair value of all debt investments in our portfolio.

Other income increased by 71.8% during the six months ended March 31, 2025, as compared to the prior year period, primarily due to an increase in prepayment fees received period over period, partially offset by a decrease in dividend income period over period.

As of March 31, 2025, no single investment represented greater than 10% of the total investment portfolio at fair value. As of September 30, 2024, our investment in Antenna Research Associates, Inc. represented 11.4% of the total investment portfolio at fair value.

### *Expenses*

Expenses, net of any non-contractual, unconditional and irrevocable credits to fees from the Adviser, decreased \$3.4 million, or 14.1%, for the six months ended March 31, 2025, as compared to the prior year period. This decrease was primarily due to a \$2.1 million decrease in the net incentive fee earned by the Adviser, a \$1.0 million decrease in interest expense, and a \$0.6 million decrease in the net base management fee earned by the Adviser.

Total interest expense on borrowings and notes payable decreased by \$1.0 million, or 9.3%, during the six months ended March 31, 2025, driven by a decrease in the weighted average balance outstanding on our Credit Facility, partially offset by an increase in the effective interest rate on our Credit Facility. Interest expense on our Credit Facility decreased by \$1.0 million due primarily to a decrease in the weighted average balance outstanding which was \$39.8 million during the six months ended March 31, 2025, as compared to \$69.3 million in the prior year period, a decrease of 42.6%. The effective interest rate on our Credit Facility, including unused commitment fees incurred, but excluding the impact of deferred financing costs, was 13.9% during the six months ended March 31, 2025, compared to 10.9% during the prior year period. The increase in the effective interest rate was driven primarily by a \$0.5 million increase in unused commitment fees during the six months ended March 31, 2025 as compared to the prior year period.

The net base management fee earned by the Adviser decreased by \$0.6 million, or 12.3%, for the six months ended March 31, 2025, as compared to the prior year period, resulting from an increase in credits to the base management fee from the Adviser for new deal origination fees period over period, partially offset by an increase in average total assets subject to the base management fee.

The income-based incentive fee decreased by \$0.5 million, or 9.6%, for the six months ended March 31, 2025, primarily due to lower pre-incentive fee net investment income as compared to the prior year period. During the six months ended March 31, 2025 and 2024, our Board of Directors accepted non-contractual, unconditional and irrevocable credits from the Adviser of \$1.7 million and \$0.1 million, respectively, to reduce the income-based incentive fee to the extent net investment income did not cover 100.0% of distributions to common stockholders.

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

|  | Six Months Ended<br>March 31, |                   |
|--|-------------------------------|-------------------|
|  | 2025                          | 2024              |
| Average total assets subject to base management fee <sup>(A)</sup> | \$ 799,200                    | \$ 763,886        |
| Multiplied by prorated annual base management fee of 1.75%         | 0.8750 %                      | 0.8750 %          |
| <b>Base management fee<sup>(B)</sup></b>                           | <b>\$ 6,993</b>               | <b>\$ 6,684</b>   |
| Portfolio company fee credit                                       | (2,808)                       | (1,876)           |
| Syndicated loan fee credit   | (21)                          | (58)              |
| <b>Net Base Management Fee</b>                                     | <b>\$ 4,164</b>               | <b>\$ 4,750</b>   |
| <b>Loan servicing fee<sup>(B)</sup></b>                            | <b>4,456</b>                  | <b>4,388</b>      |
| Credit to base management fee - loan servicing fee <sup>(B)</sup>  | (4,456)                       | (4,388)           |
| <b>Net Loan Servicing Fee</b>                                      | <b>\$ —</b>                   | <b>\$ —</b>       |
| <b>Incentive fee<sup>(B)</sup></b>                                 | <b>5,111</b>                  | <b>5,653</b>      |
| Incentive fee credit   | (1,662)                       | (94)              |
| <b>Net Incentive Fee</b>   | <b>\$ 3,449</b>               | <b>\$ 5,559</b>   |
| Portfolio company fee credit                                       | (2,808)                       | (1,876)           |
| Syndicated loan fee credit   | (21)                          | (58)              |
| Incentive fee credit   | (1,662)                       | (94)              |
| <b>Credits to Fees From Adviser - other<sup>(B)</sup></b>          | <b>\$ (4,491)</b>             | <b>\$ (2,028)</b> |

<sup>(A)</sup> Average total assets subject to the base management fee is defined 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.

<sup>(B)</sup> Reflected, on a gross basis, as a line item on our *Consolidated Statements of Operations*.

#### Net Realized Gain (Loss) on Investments

For the six months ended March 31, 2025, we recorded a net realized gain on investments of \$65.4 million, which resulted from a \$59.3 million realized gain recognized on the sale of our investment in Antenna Research Associates, Inc., a \$4.7 million realized gain recognized on the partial sale of our common equity investment in Sokol, a \$3.0 million realized gain recognized on our investment in MCG Energy Solutions, LLC, and a \$2.5 million realized gain recognized on our investment in Salt & Straw, LLC, partially offset by a \$4.1 million realized loss recognized on the sale of our investment in DK1 Ventures, LLC.

For the six months ended March 31, 2024, we recorded a net realized gain on investments of \$0.5 million, which resulted from a \$0.3 million realized gain recognized on the sale of our investment in PIC 360, LLC and a \$0.2 million realized gain recognized on the sale of our investment in Trowbridge Chicago, LLC.

### Net Unrealized Appreciation (Depreciation) of Investments

During the six months ended March 31, 2025, we recorded net unrealized depreciation of investments in the aggregate amount of \$51.8 million. The net realized gain (loss) and unrealized appreciation (depreciation) across our investments for the six months ended March 31, 2025 were as follows:

| Portfolio Company                           | Six Months Ended March 31, 2025 |  |   |                    |
|---|---------------------------------|--|---|--------------------|
|   | Realized Gain<br>(Loss)         | Unrealized<br>Appreciation<br>(Depreciation) | Reversal of<br>Unrealized<br>(Appreciation)<br>Depreciation | Net<br>Gain (Loss) |
| Sokol & Company Holdings, LLC               | \$ 4,748                        | \$ 6,386                                     | \$ (4,870)  | \$ 6,264           |
| Antenna Research Associates, Inc.           | 59,348                          | —  | (55,140)  | 4,208              |
| Giving Home Health Care, LLC                | —                               | 2,493  | —   | 2,493              |
| Encore Dredging Holdings, LLC               | —                               | 2,489  | —   | 2,489              |
| NeoGraf Solutions, LLC                      | —                               | 2,310  | —   | 2,310              |
| Torrent Photonics Holdco LLC                | —                               | 2,222  | —   | 2,222              |
| Arc Drilling Holdings LLC                   | —                               | 2,140  | —   | 2,140              |
| Lonestar EMS, LLC                           | —                               | 1,376  | —   | 1,376              |
| TNCP Intermediate HoldCo, LLC               | —                               | 1,203  | —   | 1,203              |
| Canopy Safety Brands, LLC                   | —                               | 1,181  | —   | 1,181              |
| Quality Environmental Midco, Inc.           | —                               | 810  | —   | 810                |
| Triple H Food Processors, LLC               | —                               | 554  | —   | 554                |
| MCG Energy Solutions, LLC                   | 2,954                           | (4)  | (2,976)   | (26)               |
| Salt & Straw, LLC                           | 2,450                           | 74   | (2,607)   | (83)               |
| HH-Inspire Acquisition, Inc.                | —                               | (503)  | —   | (503)              |
| DKI Ventures, LLC                           | (4,074)                         | —  | 3,422   | (652)              |
| Eegee's LLC                                 | —                               | (737)  | —   | (737)              |
| Technical Resource Management, LLC          | —                               | (1,824)                                      | —   | (1,824)            |
| Defiance Integrated Technologies, Inc.      | —                               | (2,096)                                      | —   | (2,096)            |
| WB Xcel Holdings, LLC                       | —                               | (2,549)                                      | —   | (2,549)            |
| Engineering Manufacturing Technologies, LLC | —                               | (5,089)                                      | —   | (5,089)            |
| Other, net (<\$500)                         | —                               | (387)  | 316   | (71)               |
| <b>Total:</b>                               | <b>\$ 65,426</b>                | <b>\$ 10,049</b>                             | <b>\$ (61,855)</b>  | <b>\$ 13,620</b>   |

The primary driver of net unrealized depreciation of \$51.8 million for the six months ended March 31, 2025 was the reversal of unrealized appreciation from the exit of our investment in Antenna Research Associates, Inc., partially offset by the increase in the financial and operational performance of certain of our other portfolio companies.

During the six months ended March 31, 2024, we recorded net unrealized appreciation of investments in the aggregate amount of \$18.5 million. The net realized gain (loss) and unrealized appreciation (depreciation) across our investments for the six months ended March 31, 2024 were as follows:

| Portfolio Company                           | Six Months Ended March 31, 2024 |  |   |                    |
|---|---------------------------------|--|---|--------------------|
|   | Realized Gain<br>(Loss)         | Unrealized<br>Appreciation<br>(Depreciation) | Reversal of<br>Unrealized<br>(Appreciation)<br>Depreciation | Net<br>Gain (Loss) |
| Antenna Research Associates, Inc.           | \$ —                            | \$ 8,074                                     | \$ —  | \$ 8,074           |
| Lonestar EMS, LLC                           | —                               | 6,860  | —   | 6,860              |
| MCG Energy Solutions, LLC                   | —                               | 3,486  | —   | 3,486              |
| Salt & Straw, LLC                           | —                               | 2,934  | —   | 2,934              |
| Engineering Manufacturing Technologies, LLC | —                               | 1,993  | —   | 1,993              |
| Giving Home Health Care, LLC                | —                               | 1,473  | —   | 1,473              |
| TNCP Intermediate HoldCo, LLC               | —                               | 896  | —   | 896                |
| 8th Avenue Food & Provisions, Inc.          | —                               | 820  | —   | 820                |
| Café Zupas                                  | —                               | 763  | —   | 763                |
| Viva Railings, L.L.C.                       | —                               | 704  | —   | 704                |
| Leadpoint Business Services, LLC            | —                               | 611  | —   | 611                |
| OCI, LLC                                    | —                               | 590  | —   | 590                |
| Ohio Armor Holdings, LLC                    | —                               | 555  | —   | 555                |
| SpaceCo Holdings, LLC                       | —                               | 554  | —   | 554                |
| Encore Dredging Holdings, LLC               | —                               | 465  | —   | 465                |
| Canopy Safety Brands, LLC                   | —                               | 454  | —   | 454                |
| Axios Industrial Group, LLC                 | —                               | 450  | —   | 450                |
| Fix-It Group, LLC                           | —                               | 411  | —   | 411                |
| NeoGraf Solutions, LLC                      | —                               | (522)  | —   | (522)              |
| Edge Adhesives Holdings, Inc.               | —                               | (958)  | —   | (958)              |
| HH-Inspire Acquisition, Inc.                | —                               | (1,609)                                      | —   | (1,609)            |
| B+T Group Acquisition Inc.                  | —                               | (2,411)                                      | —   | (2,411)            |
| WB Xcel Holdings, LLC                       | —                               | (3,329)                                      | —   | (3,329)            |
| FES Resources Holdings LLC                  | —                               | (4,545)                                      | —   | (4,545)            |
| Other, net (<\$500)                         | 478                             | (204)  | (15)  | 259                |
| <b>Total:</b>                               | <b>\$ 478</b>                   | <b>\$ 18,515</b>                             | <b>\$ (15)</b>  | <b>\$ 18,978</b>   |

The primary driver of net unrealized appreciation of \$18.5 million for the six months ended March 31, 2024 was the improvement in the financial and operational performance of Antenna Research Associates, Inc. and Lonestar EMS, LLC, partially offset by the decline in the financial and operational performance of FES Resources Holdings LLC and WB Xcel Holdings, LLC.

## LIQUIDITY AND CAPITAL RESOURCES

### Operating Activities

Our cash flows from operating activities are primarily generated from the interest payments on debt securities that we receive from our portfolio companies, as well as net proceeds received through repayments or sales of our investments. We utilize this cash primarily to fund new investments, make interest payments on our Credit Facility, make distributions to our stockholders, pay management and administrative fees to the Adviser and Administrator, and for other operating expenses.

Net cash provided by operating activities for the six months ended March 31, 2025 was \$70.7 million, as compared to net cash used in operating activities of \$45.3 million for the six months ended March 31, 2024. The change was primarily due to an increase in principal repayments and net proceeds from sales period over period, partially offset by an increase in purchases of investments period over period. Repayments and net proceeds from sales were \$246.7 million during the six months ended March 31, 2025 compared to \$39.2 million during the six months ended March 31, 2024. Purchases of

investments were \$197.2 million during the six months ended March 31, 2025, compared to \$102.7 million during the six months ended March 31, 2024.

As of March 31, 2025, we had loans to, syndicated participations in or equity investments in 51 companies, with an aggregate cost basis of approximately \$789.2 million. As of September 30, 2024, we had loans to, syndicated participations in or equity investments in 49 companies, with an aggregate cost basis of approximately \$771.0 million.

The following table summarizes our total portfolio investment activity during the six months ended March 31, 2025 and 2024:

|  | <b>Six Months Ended March 31,</b> |                   |
|--|-----------------------------------|-------------------|
|  | <b>2025</b>                       | <b>2024</b>       |
| Beginning investment portfolio, at fair value                                      | \$ 796,260                        | \$ 704,815        |
| New investments  | 145,424                           | 26,000            |
| Disbursements to existing portfolio companies                                      | 51,787                            | 76,733            |
| Scheduled principal repayments on investments                                      | (5,298)                           | (4,287)           |
| Unscheduled principal repayments on investments                                    | (152,486)                         | (31,696)          |
| Net proceeds from sale of investments  | (88,833)                          | (1,229)           |
| Net unrealized appreciation (depreciation) of investments                          | 10,049                            | 18,515            |
| Reversal of prior period depreciation (appreciation) of investments on realization | (61,855)                          | (15)              |
| Net realized gain (loss) on investments  | 65,426                            | 478               |
| Increase in investments due to PIK <sup>(A)</sup>                                  | 1,861                             | 2,604             |
| Net change in premiums, discounts and amortization                                 | 301                               | (330)             |
| <b>Investment Portfolio, at Fair Value</b>   | <b>\$ 762,636</b>                 | <b>\$ 791,588</b> |

<sup>(A)</sup> PIK interest is a non-cash source of income and is calculated at the contractual rate stated in a loan agreement and added to the principal balance of a loan.

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:

|   |   | <b>Amount</b>     |
|---|---|-------------------|
| For the remaining six months ending September 30: | 2025 <sup>(A)</sup>                                   | \$ 9,175          |
| For the fiscal years ending September 30:         | 2026  | 138,231           |
|   | 2027  | 160,243           |
|   | 2028  | 220,197           |
|   | 2029  | 92,463            |
|   | Thereafter  | 100,775           |
|   | <b>Total contractual repayments</b>                   | <b>\$ 721,084</b> |
|   | Adjustments to cost basis of debt investments         | (1,121)           |
|   | Investments in equity securities                      | 69,230            |
|   | <b>Investments held as of March 31, 2025 at cost:</b> | <b>\$ 789,193</b> |

<sup>(A)</sup> Includes debt investments with contractual principal amounts totaling \$ 0.5 million for which the maturity date has passed as of March 31, 2025.

### **Financing Activities**

Net cash used in financing activities for the six months ended March 31, 2025 was \$70.2 million, which consisted primarily of \$45.5 million in net repayments on our Credit Facility and \$31.0 million in distributions to our common stockholders.

Net cash provided by financing activities for the six months ended March 31, 2024 was \$49.3 million, which consisted primarily of \$69.4 million in net borrowings on our Credit Facility, partially offset by \$21.5 million in distributions to our common stockholders.

## **Distributions 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 to distribute to our stockholders on an annual basis at least 90.0% of our Investment Company Taxable Income. Additionally, our Credit Facility has a covenant that generally restricts the amount of distributions to stockholders that we can pay out to be no greater than our aggregate net investment income, net capital gains and amounts elected to have been paid during the prior year in accordance with Section 855(a) of the Code. In accordance with these requirements, we paid monthly cash distributions of \$0.165 per common share for each month during the six months ended March 31, 2025 and a supplemental distribution of \$0.40 per common share in December 2024. In April 2025, our Board of Directors declared a monthly distribution of \$0.165 per common share for each of April, May, and June 2025. Our Board of Directors declared these distributions to our stockholders based on our estimates of our Investment Company Taxable Income for the fiscal year ending September 30, 2025.

For the fiscal year ended September 30, 2024, our current and accumulated earnings and profits exceeded common stock distributions declared and paid, and, in accordance with Section 855(a) of the Code, we elected to treat \$6.6 million of the first common distributions paid to common stockholders in the subsequent fiscal year as having been paid in the prior year.

The characterization of the common stockholder distributions declared and paid for the fiscal year ending September 30, 2025 will be determined at fiscal year end, based upon our investment company taxable income for the full fiscal year and distributions paid during the full fiscal year. Such a characterization made on a quarterly basis may not be representative of the actual full fiscal year characterization.

### ***Preferred Stock Dividends***

We paid monthly cash dividends of \$0.130208 per share to holders of our Series A Preferred Stock for each month during the six months ended March 31, 2025. In April 2025, our Board of Directors declared monthly cash dividends of \$0.130208 per share to holders of our Series A Preferred Stock for each of April, May, and June 2025. Dividend payments to our preferred stockholders are included in preferred stock dividends on our Consolidated Statements of Operations. For federal income tax purposes, the dividends paid by us to preferred stockholders generally constitute ordinary income to the extent of our current and accumulated earnings and profits and is reported after the end of the calendar year based on tax information for the full fiscal year.

### ***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 make such election will receive their distributions in cash. Common stockholders who receive distributions in the form of stock will be subject to the same federal, state and local tax consequences as stockholders who elect to receive their distributions in cash. The common stockholder will have an adjusted basis in the additional common shares purchased through the plan equal to the amount of the reinvested distribution. The additional 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.

## **Equity**

### ***Registration Statement***

Our shelf registration statement permits us to issue, through one or more transactions, up to an aggregate of \$00.0 million in securities, consisting of common stock, preferred stock, subscription rights, debt securities and warrants to purchase

common stock, preferred stock or debt securities. As of March 31, 2025, we had the ability to issue up to an additional \$84.4 million in securities under the registration statement.

### **Common Stock**

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. To the extent that our common stock trades at a market price below our NAV per share, we will generally be precluded from raising equity capital through public offerings of our common stock, other than pursuant to stockholder and independent director approval or a rights offering to existing common stockholders.

### **Revolving Line of Credit**

On May 13, 2021, we, through Business Loan, entered into a sixth amended and restated credit agreement with KeyBank National Association (“KeyBank”) as administrative agent, lead arranger, managing agent and lender, the Adviser, as servicer, and certain other lenders party thereto (the “Credit Facility”).

As of March 31, 2025, our Credit Facility had a total commitment amount of \$93.7 million with an “accordion” feature that permits us to increase the size of the facility to \$350.0 million. The Credit Facility has a revolving period end date of October 31, 2025, and a final maturity date of October 31, 2027 (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). The interest rate margin is 3.00% during the revolving period and 3.50% thereafter (in each case plus a 10 basis point SOFR credit spread adjustment).

Interest is payable monthly during the term of our Credit Facility. Available borrowings are subject to various constraints imposed under our Credit Facility, based on the aggregate loan balance pledged by Business Loan, which varies as loans are added and repaid, regardless of whether such repayments are prepayments or made as contractually required. Our Credit Facility also requires that any interest or principal payments on pledged loans be remitted directly by the borrower into a lockbox account with KeyBank and with The Bank of New York Mellon Trust Company, N.A. as custodian. KeyBank, which also serves as the trustee of the account, generally remits the collected funds to us once a month.

Our Credit Facility also requires that any interest or 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 each month. Amounts collected in the lockbox account with KeyBank are presented as Due from administrative agent on the accompanying *Consolidated Statement of Assets and Liabilities* as of March 31, 2025 and September 30, 2024.

Our Credit Facility contains covenants that require Business Loan to maintain its status as a separate legal entity, prohibit certain significant corporate transactions (such as mergers, consolidations, liquidations or dissolutions), and restrict material changes to our credit and collection policies without the lenders’ consent. Our Credit Facility also generally limits distributions to our stockholders on a fiscal year basis to the sum of our net investment income, net capital gains and amounts elected to have been paid during the prior year in accordance with Section 855(a) of the Code. Business Loan is also subject to certain limitations on the type of loan investments it can apply as collateral towards the borrowing base to receive additional borrowing availability under our Credit Facility, including restrictions on geographic concentrations, sector concentrations, loan size, payment frequency and status, average life, portfolio company leverage and lien property. Our Credit Facility further requires Business Loan to comply with other financial and operational covenants, which obligate Business Loan to, among other things, maintain certain financial ratios, including asset and interest coverage and a minimum number of 25 obligors required in the borrowing base.

Additionally, we are required to maintain (i) a minimum net worth (defined in our Credit Facility to include any outstanding mandatorily redeemable preferred stock) of \$25.0 million plus 50.0% of all equity and subordinated debt raised after May 13, 2021 less 50% of any equity and subordinated debt retired or redeemed after May 13, 2021, which equates to \$422.2 million as of March 31, 2025, (ii) asset coverage with respect to “senior securities representing indebtedness” of at least 50% (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 our Credit Facility, we had a net worth of \$732.0 million, asset coverage on our “senior securities representing indebtedness” of 270.9%, calculated in accordance with the requirements of Section 18 and 61 of the 1940 Act, and an active status as a BDC and RIC. In addition, we had 33 obligors in our Credit Facility’s

borrowing base as of March 31, 2025. As of March 31, 2025, we were in compliance with all of our Credit Facility covenants. Refer to Note 5—*Borrowings* of the notes to our *Consolidated Financial Statements* included elsewhere in this Quarterly Report for additional information regarding our Credit Facility.

### **Notes Payable**

In August 2023, we completed an offering of \$57.0 million aggregate principal amount of 7.75% Notes due 2028 (the “2028 Notes”) for net proceeds of approximately \$55.1 million after deducting underwriting discounts, commissions and offering expenses borne by us. The 2028 Notes are traded under the ticker symbol “GLADZ” on the Nasdaq Global Select Market. The 2028 Notes will mature on September 1, 2028 and may be redeemed in whole or in part at any time or from time to time at our option on or after September 1, 2025. The 2028 Notes bear interest at a rate of 7.75% per year. Interest is payable quarterly on March 1, June 1, September 1, and December 1 of each year (which equates to approximately \$4.4 million per year).

In November 2021, we completed a private placement of \$50.0 million aggregate principal amount of 3.75% Notes due 2027 (the “2027 Notes”) for net proceeds of approximately \$48.5 million after deducting initial purchasers’ costs, commissions and offering expenses borne by us. The 2027 Notes will mature on May 1, 2027 and may be redeemed in whole or in part at any time or from time to time at the Company’s option prior to maturity at par plus a “make-whole” premium, if applicable. The 2027 Notes bear interest at a rate of 3.75% per year. Interest is payable semi-annually on May 1 and November 1 of each year (which equates to approximately \$1.9 million per year).

In April 2022, pursuant to the registration rights agreement we entered into in connection with the 2027 Notes, we conducted an exchange offer through which we offered to exchange all of our then outstanding 2027 Notes (the “Restricted Notes”) that were issued on November 4, 2021, for an equal aggregate principal amount of our new 3.75% Notes due 2027 (the “Exchange Notes”) that had been registered with the SEC under the Securities Act of 1933, as amended. The terms of the Exchange Notes are identical to those of the Restricted Notes, except that the transfer restrictions and registration rights relating to the Restricted Notes do not apply to the Exchange Notes, and the Exchange Notes do not provide for the payment of additional interest in the event of a registration default.

In December 2020, we completed an offering of \$100.0 million aggregate principal amount of 5.125% Notes due 2026 (the “2026 Notes”) for net proceeds of approximately \$97.7 million after deducting underwriting discounts, commissions and offering expenses borne by us. In March 2021, we completed an offering of an additional \$0.0 million aggregate principal amount of the 2026 Notes for net proceeds of approximately \$50.6 million after adding premiums and deducting underwriting costs, commissions and offering expenses borne by us. The 2026 Notes will mature on January 31, 2026 and may be redeemed in whole or in part at any time or from time to time at the Company’s option prior to maturity at par plus a “make-whole” premium, if applicable. The 2026 Notes bear interest at a rate of 5.125% per year. Interest is payable semi-annually on January 31 and July 31 of each year (which equates to approximately \$7.7 million per year).

The indenture relating to the 2028 Notes, the 2027 Notes, and the 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 2028 Notes, the 2027 Notes, and the 2026 Notes, as applicable, and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 2028 Notes, 2027 Notes, and 2026 Notes are recorded at the principal amount, plus applicable premiums, less discounts and offering costs, on our Consolidated Statements of Assets and Liabilities.

### **Off-Balance Sheet Arrangements**

We generally recognize success fee income when the payment has been received. As of March 31, 2025 and September 30, 2024, we had off-balance sheet success fee receivables on our accruing debt investments of \$5.6 million and \$5.8 million (or approximately \$0.25 per common share and \$0.26 per common share), respectively, that would be owed to us, generally upon a change of control of the portfolio companies. Consistent with GAAP, we generally have not recognized our success fee receivables and related income in our Consolidated Financial Statements until earned. Due to the contingent

nature of our success fees, there are no guarantees that we will be able to collect all of these success fees or know the timing of such collections.

### **Contractual Obligations**

We have lines of credit, delayed draw term loans, and an uncalled capital commitment with certain of our portfolio companies that have not been fully drawn. Since these commitments have expiration dates and we expect many will never be fully drawn, the total commitment amounts do not necessarily represent future cash requirements. We estimate the fair value of the combined unused lines of credit, the unused delayed draw term loans, and the uncalled capital commitment as of March 31, 2025 and September 30, 2024 to be immaterial.

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

| Contractual Obligations <sup>(A)</sup>              | Payments Due by Period |                  |                  |                   | Total             |
|---|------------------------|------------------|------------------|-------------------|-------------------|
|   | Less than 1 Year       | 1-3 Years        | 3-5 Years        | More than 5 Years |                   |
| Credit Facility <sup>(B)</sup>                      | \$ —                   | \$ 25,100        | \$ —             | \$ —              | \$ 25,100         |
| Notes Payable                                       | 150,000                | 50,000           | 57,000           | —                 | 257,000           |
| Interest expense on debt obligations <sup>(C)</sup> | 17,323                 | 19,907           | 2,622            | —                 | 39,852            |
| <b>Total</b>  | <b>\$ 167,323</b>      | <b>\$ 95,007</b> | <b>\$ 59,622</b> | <b>\$ —</b>       | <b>\$ 321,952</b> |

<sup>(A)</sup> Excludes our unused line of credit commitments, unused delayed draw term loans, and uncalled capital commitments to our portfolio companies in an aggregate amount of \$57.9 million, at cost, as of March 31, 2025.

<sup>(B)</sup> Principal balance of borrowings outstanding under our Credit Facility, based on the maturity date following the current contractual revolver period end date.

<sup>(C)</sup> Includes estimated interest payments on our Credit Facility, 2028 Notes, 2027 Notes, and 2026 Notes. The amount of interest expense calculated for purposes of this table was based upon rates and balances as of March 31, 2025.

### **Critical Accounting Estimates**

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 our *Consolidated Financial Statements* included elsewhere in this Quarterly Report. Additionally, refer to Note 3— *Investments* in our accompanying *Notes to Consolidated Financial Statements* included elsewhere in this Quarterly 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 our accompanying *Notes to Consolidated Financial Statements* included elsewhere in this Quarterly 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, 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 our equity securities. For syndicated loans that have been rated by an 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 would 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 medium-sized companies do not exceed the grade of BBB on an NRSRO scale, so there would be no debt securities in the 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 proprietary loans in our portfolio as of March 31, 2025 and September 30, 2024, representing approximately 99.5% of the principal balance of all debt investments in our portfolio at the end of each period:

| <b>Rating</b>    | <b>As of<br/>March 31,<br/>2025</b> | <b>As of<br/>September 30,<br/>2024</b> |
|------------------|-------------------------------------|---|
| Highest          | 10.0                                | 10.0                                    |
| Average          | 7.6                                 | 7.8                                     |
| Weighted Average | 8.1                                 | 8.1                                     |
| Lowest           | 3.0                                 | 3.0                                     |

The following table reflects the risk ratings for all syndicated loans in our portfolio that were rated by an NRSRO as of March 31, 2025 and September 30, 2024, representing approximately 0.5% of the principal balance of all debt investments in our portfolio at the end of each period:

| <b>Rating</b>    | <b>As of<br/>March 31,<br/>2025</b> | <b>As of<br/>September 30,<br/>2024</b> |
|------------------|-------------------------------------|---|
| Highest          | 3.0                                 | 3.0                                     |
| Average          | 3.0                                 | 3.0                                     |
| Weighted Average | 3.0                                 | 3.0                                     |
| Lowest           | 3.0                                 | 3.0                                     |

There were no syndicated loans in our portfolio that were not rated by an NRSRO as of March 31, 2025 and September 30, 2024.

#### ***Tax Status***

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, in order 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 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.

To avoid a 4% federal excise tax on undistributed amounts of income, we must distribute to stockholders, during each calendar year, an amount at least equal to the sum of: (1) 98% of our ordinary income for the calendar year, (2) 98.2% of our capital gain net income (both long-term and short-term) for the one-year period ending on October 31 of the calendar year, and (3) any income realized, but not distributed, in the preceding year (to the extent that income tax was not imposed on such amounts) less certain over-distributions in prior years. 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.

### **Recent Accounting Pronouncements**

Refer to Note 2—*Summary of Significant Accounting Policies* in the notes to our accompanying *Consolidated Financial Statements* included elsewhere in this Quarterly Report for a description of recent accounting pronouncements, if any.

### **ITEM 3. 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, including inflation; 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 rate at which we borrow funds and the rate 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 from time to time 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.

All of our variable-rate debt investments have rates generally associated with the current SOFR rate As of March 31, 2025, our portfolio of debt investments on a principal basis consisted of the following:

|                |                |
|----------------|----------------|
| Variable rates | 90.8 %         |
| Fixed rates    | 9.2 %          |
| Total:         | <u>100.0 %</u> |

There have been no material changes in the quantitative and qualitative market risk disclosures for the six months ended March 31, 2025 from that disclosed in our Annual Report.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **a) Evaluation of Disclosure Controls and Procedures**

As of March 31, 2025 (the end of the period covered by this report), our management, 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) Changes 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.

**PART II—OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS.**

From time to time, we may become involved in various investigations, claims and legal proceedings that arise in the ordinary course of our business. Furthermore, third parties may try to seek to impose liability on us in connection with the activities of our portfolio companies. While we do not expect that the resolution of these matters, if they arise, would materially affect our business, financial condition, results of operations or cash flows, resolution of these matters will be subject to various uncertainties and could result in the expenditure of significant financial and managerial resources. Neither we, nor any of our subsidiaries are currently subject to any material legal proceeding, nor, to our knowledge, is any material legal proceeding pending or threatened against us or any of our subsidiaries.

**ITEM 1A. RISK FACTORS.**

Our business is subject to certain risks and events that, if they occur, could adversely affect our financial condition and results of operations and the trading price of our securities. In addition to the risks in the section captioned “Item 1A. Risk Factors” in Part I of our Annual Report on Form 10-K for the fiscal year ended September 30, 2024, as filed with the SEC on November 13, 2024, we are subject to the following risk:

*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.

The risks described in this section and in our Annual Report are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

*Sales of Unregistered Securities*

Not applicable.

*Issuer Purchases of Equity Securities*

Not applicable.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES.**

Not applicable.

**ITEM 4. MINE SAFETY DISCLOSURES.**

Not applicable.

**ITEM 5. 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) or any “non-Rule 10b5-1 trading arrangement.”

**ITEM 6. EXHIBITS.**

| <b>Exhibit</b> | <b>Description</b>  |
|----------------|---|
| 3.1            | <a href="#">Articles of Amendment and Restatement to the Articles of Incorporation, incorporated by reference to Exhibit 99.a.2 to Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2 (File No. 333-63700), filed July 27, 2001.</a>   |
| 3.2            | <a href="#">Articles Supplementary Establishing and Fixing the Rights and Preferences of Term Preferred Shares, including Appendix A thereto relating to the Term Preferred Shares, 7.125% Series 2016, incorporated by reference to Exhibit 2.a.2 to Post-Effective Amendment No. 5 to the Registration Statement on Form N-2 (File No. 333-162592), filed October 31, 2011.</a> |
| 3.3            | <a href="#">Certificate of Correction to Articles Supplementary Establishing and Fixing the Rights and Preferences of Term Preferred Shares, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 814-00237), filed October 29, 2015.</a>   |
| 3.4            | <a href="#">Articles Supplementary, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 814-00237), filed September 21, 2017.</a>  |
| 3.5            | <a href="#">Articles Supplementary for 6.25% Series A Cumulative Redeemable Preferred Stock, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 814-00237), filed on June 1, 2023.</a>  |
| 3.6            | <a href="#">Articles of Amendment to the Articles of Incorporation, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 814-00237), filed April 5, 2024.</a>   |
| 3.7            | <a href="#">Articles of Amendment to the Articles of Incorporation, incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K (File No. 814-00237), filed April 5, 2024.</a>   |
| 3.8            | <a href="#">Bylaws, incorporated by reference to Exhibit 99.b to Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2 (File No. 333-63700), filed July 27, 2001.</a>   |
| 3.9            | <a href="#">Amendment to Bylaws, incorporated by reference to Exhibit 3.3 to the Quarterly Report on Form 10-Q (File No. 814-00237), filed February 17, 2004.</a>   |
| 3.10           | <a href="#">Second Amendment to Bylaws, incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K (File No. 814-00237), filed July 10, 2007.</a>  |
| 3.11           | <a href="#">Third Amendment to Bylaws, incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K (File No. 814-00237), filed June 10, 2011.</a>   |
| 3.12           | <a href="#">Fourth Amendment to Bylaws, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 814-00237), filed November 29, 2016.</a>   |
| 3.13           | <a href="#">Fifth Amendment to Bylaws of Gladstone Capital Corporation, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 814-00237), filed October 10, 2023.</a>  |
| 4.1            | <a href="#">Form of Certificate for Common Stock, incorporated by reference to Exhibit 99.d.2 to Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-63700), filed August 23, 2001.</a>   |
| 4.2            | <a href="#">Form of Certificate for 6.25% Series A Cumulative Redeemable Preferred Stock, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 814-00237), filed on June 1, 2023.</a>   |
| 4.3            | <a href="#">Indenture between the Registrant and U.S. Bank National Association, dated as of November 6, 2018, incorporated by reference to Exhibit 2.d.10 to Post-Effective Amendment No. 7 to the Registration Statement on Form N-2 (File No. 333-208637), filed November 6, 2018.</a>   |
| 4.4            | <a href="#">Third Supplemental Indenture between Gladstone Capital Corporation and U.S. Bank National Association, dated as of December 15, 2020, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 814-00237), filed December 15, 2020.</a>   |
| 4.5            | <a href="#">Fourth Supplemental Indenture between Gladstone Capital Corporation and U.S. Bank National Association, dated as of November 4, 2021, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 814-00237), filed on November 4, 2021.</a>   |
| 4.6            | <a href="#">Fifth Supplemental Indenture between Gladstone Capital Corporation and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), dated as of August 17, 2023, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 814-00237), filed August 17, 2023.</a>                           |

|         |   |
|---------|---|
| 10.1    | <a href="#">Investment Advisory and Management Agreement, dated January 24, 2025, between Gladstone Capital Corporation and Gladstone Management Corporation, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 814-00237), filed January 24, 2025.</a> |
| 31.1    | <a href="#">Certification of Chief Executive Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002.*</a>  |
| 31.2    | <a href="#">Certification of Chief Financial Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002.*</a>  |
| 32.1    | <a href="#">Certification of Chief Executive Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002.+</a>  |
| 32.2    | <a href="#">Certification of Chief Financial Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002.+</a>  |
| 99.1    | <a href="#">Estimated Value methodology for Series A Cumulative Redeemable Preferred Stock at March 31, 2025.*</a>  |
| 101.INS | XBRL Instance Document  |
| 101.SCH | XBRL Taxonomy Extension Schema 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 Quarterly Report on Form 10-Q 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 September 30, 2024, (ii) the Consolidated Statements of Operations for the three and six months ended March 31, 2025 and 2024, (iii) the Consolidated Statements of Changes in Net Assets for the six months ended March 31, 2025 and 2024, (iv) the Consolidated Statements of Cash Flows for the six months ended March 31, 2025 and 2024, (v) the Consolidated Schedules of Investments as of March 31, 2025 and September 30, 2024, and (vi) the Notes to Consolidated Financial Statements.

All other exhibits for which provision is made in the applicable regulations of the Securities and Exchange Commission are not required under the related instruction or are inapplicable and therefore have been omitted.



**CERTIFICATION**  
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, David Gladstone, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gladstone Capital 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 6, 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, Nicole Schaltenbrand, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gladstone Capital 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 6, 2025

*/s/ Nicole Schaltenbrand*

\_\_\_\_\_  
Nicole Schaltenbrand  
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 Capital 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 Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 ("Form 10-Q"), 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-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 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 Capital 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 Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 ("Form 10-Q"), 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-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2025

*/s/ Nicole Schaltenbrand*

---

Nicole Schaltenbrand

Chief Financial Officer and Treasurer

## Exhibit 99.1

Pursuant to FINRA Rule 2231(c), Gladstone Capital Corporation (the “Company”) determined the estimated value as of March 31, 2025, of its 6.25% Series A Cumulative Redeemable Preferred Stock (the “Series A Preferred Stock”), \$25.00 stated value per share, with the assistance of a third-party valuation service. In particular, the third-party valuation service reviewed the amount resulting from the consolidated total equity of the Company (as reflected on the Company’s Condensed Consolidated Balance Sheet within its Quarterly Report on Form 10-Q for the period ended March 31, 2025 (the “Form 10-Q”), which was prepared in accordance with U.S. generally accepted accounting principles), adjusted for the fair value of its long-term assets (i.e., its investments) and long-term liabilities (each as disclosed within the Form 10-Q (to which this exhibit is attached) under “Non-GAAP Financial Information—Net Asset Value”), divided by the number of shares of the Company’s Series A Preferred Stock outstanding. Based on this methodology and because the result from the calculation above is greater than the \$25.00 per share stated value of the Company’s Series A Preferred Stock, the Company has determined that the estimated value of its Series A Preferred Stock as of March 31, 2025, is \$25.00 per share.