

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

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

For the quarterly period ended **September 30, 2024**

OR

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

Commission File Number: **814-00659**

PROSPECT CAPITAL CORPORATION

(Exact name of registrant as specified in its charter)

| | |
|--|---|
| Maryland (State or other jurisdiction of incorporation or organization) 10 East 40th Street, 42nd Floor New York, New York (Address of principal executive offices) | 43-2048643 (I.R.S. Employer Identification No.) 10016 (Zip Code) |
| Registrant's telephone number, including area code: (212) 448-0702 | |

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

| <u>Title of each class</u> | <u>Trading symbols</u> | <u>Name of each exchange on which registered</u> |
|---|------------------------|--|
| Common Stock, \$0.001 par value | PSEC | NASDAQ Global Select Market |
| 5.35% Series A Fixed Rate Cumulative Perpetual Preferred Stock, par value \$0.001 | PSEC PRA | New York Stock Exchange |

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 (§232.405 of this chapter) 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 checked="" type="checkbox"/> | Accelerated filer <input type="checkbox"/> |
| Non-accelerated filer <input type="checkbox"/> | Smaller reporting company <input type="checkbox"/> |
| | Emerging growth company <input type="checkbox"/> |

(Do not check if a smaller reporting company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with 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 Act). Yes ☐ No ☒

As of November 6, 2024, there were 436,175,983 shares of the registrant's common stock, \$0.001 par value per share, outstanding.

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FORWARD-LOOKING STATEMENTS

This report contains information that may constitute “forward-looking statements.” Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “will,” “should,” “could,” “may,” “plan” and similar expressions identify forward-looking statements, which generally are not historical in nature. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future—including statements relating to volume growth, share of sales and earnings per share growth, and statements expressing general views about future operating results—are forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in Part II, “Item 1A. Risk Factors” and elsewhere in this report and in our Annual Report on Form 10-K for the year ended June 30, 2024, and those described from time to time in reports that we have filed or in the future may file with the Securities and Exchange Commission.

The forward-looking statements contained in this report involve a number of risks and uncertainties, including statements concerning:

- our, or our portfolio companies', future operating results;
- our business prospects and the prospects of our portfolio companies;
- the return or impact of current or future investments that we expect to make;
- our contractual arrangements and relationships with third parties;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the impact of global events outside of our control, including, the consequences of the ongoing conflict between Russia and Ukraine and the Israel-Hamas war, on our and our portfolio companies' business and the global economy;
- uncertainty surrounding inflation and the financial stability of the United States, Europe, and China;
- the financial condition of, and ability of our current and prospective portfolio companies to, achieve their objectives;
- difficulty in obtaining financing or raising capital, especially in the current credit and equity environment, and the impact of a protracted decline in the liquidity of credit markets on our and our portfolio companies' business;
- the level, duration and volatility of prevailing interest rates and credit spreads, magnified by the current turmoil in the credit markets;
- the impact of alternative reference rates on our business and certain of our investments;
- adverse developments in the availability of desirable loan and investment opportunities whether they are due to competition, regulation or otherwise;
- a compression of the yield on our investments and the cost of our liabilities, as well as the level of leverage available to us;
- the impact of changes in laws or regulations governing our operations or the operations of our portfolio companies;
- our regulatory structure and tax treatment, including our ability to operate as a business development company and a regulated investment company;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments;
- the timing, form and amount of any dividend distributions;
- authoritative generally accepted accounting principles or policy changes from such standard-setting bodies as the Financial Accounting Standards Board, the Securities and Exchange Commission, Internal Revenue Service, the NASDAQ Global Select Market, the New York Stock Exchange LLC, and other authorities that we are subject to, as well as their counterparts in any foreign jurisdictions where we might do business; and
- any of the other risks, uncertainties and other factors we identify herein or in our Annual Report on Form 10-K for the year ended June 30, 2024.

PART I

Item 1. Financial Statements

PROSPECT CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(in thousands, except share and per share data)

| | September 30, 2024 | June 30, 2024 |
|--|---------------------|---------------------|
| | (Unaudited) | (Audited) |
| Assets | | |
| Investments at fair value: | | |
| Control investments (amortized cost of \$3,326,598 and \$3,280,415, respectively)(Note 14) | \$ 3,744,510 | \$ 3,872,575 |
| Affiliate investments (amortized cost of \$11,735 and \$11,594, respectively) | 21,658 | 18,069 |
| Non-control/non-affiliate investments (amortized cost of \$3,991,005 and \$4,155,165, respectively) | 3,710,473 | 3,827,599 |
| Total investments at fair value (amortized cost of \$7,329,338 and \$7,447,174, respectively)(Note 3) | 7,476,641 | 7,718,243 |
| Cash and cash equivalents (restricted cash of \$2,736 and \$3,974, respectively) | 57,022 | 85,872 |
| Receivables for: | | |
| Interest, net | 27,486 | 26,936 |
| Other | 943 | 1,091 |
| Deferred financing costs on Revolving Credit Facility (Note 4) | 22,368 | 22,975 |
| Prepaid expenses | 872 | 1,162 |
| Due from broker | 7,197 | 734 |
| Due from Affiliate (Note 13) | 176 | 79 |
| Total Assets | 7,592,705 | 7,857,092 |
| Liabilities | | |
| Revolving Credit Facility (Notes 4 and 8) | 547,231 | 794,796 |
| Public Notes (less unamortized discount and debt issuance costs of \$1,211 and \$12,433, respectively) (Notes 6 and 8) | 976,504 | 987,567 |
| Prospect Capital InterNotes® (less unamortized debt issuance costs of \$9,040 and \$7,999, respectively) (Notes 7 and 8) | 594,222 | 496,029 |
| Convertible Notes (less unamortized debt issuance costs of \$409 and \$649, respectively) (Notes 5 and 8) | 155,759 | 155,519 |
| Due to broker | 84,643 | 10,272 |
| Due to Prospect Capital Management (Note 13) | 54,286 | 58,624 |
| Dividends payable | 26,346 | 25,804 |
| Interest payable | 21,714 | 21,294 |
| Due to Prospect Administration (Note 13) | 4,579 | 5,433 |
| Accrued expenses | 4,037 | 3,591 |
| Due to Affiliate (Note 13) | — | — |
| Other liabilities | 269 | 242 |
| Total Liabilities | 2,469,590 | 2,559,171 |
| Commitments and Contingencies (Note 3 and Note 15) | | |
| Preferred Stock, par value \$0.001 per share (647,900,000 and 647,900,000 shares of preferred stock authorized, with 80,000,000 and 80,000,000 as Series A1, 80,000,000 and 80,000,000 as Series M1, 80,000,000 and 80,000,000 as Series M2, 20,000,000 and 20,000,000 as Series AA1, 20,000,000 and 20,000,000 as Series MM1, 1,000,000 and 1,000,000 as Series A2, 6,900,000 and 6,900,000 as Series A, 80,000,000 and 80,000,000 as Series A3, 80,000,000 and 80,000,000 as Series M3, 80,000,000 and 80,000,000 as Series A4, 80,000,000 and 80,000,000 as Series M4, 20,000,000 and 20,000,000 as Series AA2, and 20,000,000 and 20,000,000 as Series MM2, each as of September 30, 2024 and June 30, 2024; 28,266,559 and 28,932,457 Series A1 shares issued and outstanding, 1,409,007 and 1,788,851 Series M1 shares issued and outstanding, 0 and 0 Series M2 shares issued and outstanding, 0 and 0 Series AA1 shares issued and outstanding, 0 and 0 Series MM1 shares issued and outstanding, 164,000 and 164,000 Series A2 shares issued and outstanding, 5,251,157 and 5,251,157 Series A shares issued and outstanding, 24,608,472 and 24,810,648 Series A3 shares issued and outstanding, 3,025,020 and 3,351,101 Series M3 shares issued and outstanding, 1,847,915 and 1,401,747 Series M4 shares issued and outstanding, 5,801,035 and 3,766,166 Series A4 issued and outstanding, 0 and 0 Series AA2 shares issued and outstanding, and 0 and 0 Series MM2 shares issued and outstanding as of September 30, 2024 and June 30, 2024, respectively) at carrying value plus cumulative accrued and unpaid dividends (Note 9) | 1,612,302 | 1,586,188 |
| Net Assets Applicable to Common Shares | \$ 3,510,813 | \$ 3,711,733 |
| Components of Net Assets Applicable to Common Shares and Net Assets, respectively | | |
| Common stock, par value \$0.001 per share (1,352,100,000 and 1,352,100,000 common shares authorized; 433,560,728 and 424,846,963 issued and outstanding, respectively) (Note 9) | 434 | 425 |
| Paid-in capital in excess of par (Note 9 and 12) | 4,250,105 | 4,208,607 |
| Total distributable (loss) (Note 12) | (739,726) | (497,299) |
| Net Assets Applicable to Common Shares | \$ 3,510,813 | \$ 3,711,733 |
| Net Asset Value Per Common Share (Note 16) | \$ 8.10 | \$ 8.74 |

PROSPECT CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)
(Unaudited)

| | Three Months Ended September 30, | |
|--|----------------------------------|------------------|
| | 2024 | 2023 |
| Investment Income | | |
| Interest income (excluding payment-in-kind ("PIK") interest income): | | |
| Control investments | \$ 52,382 | \$ 49,126 |
| Affiliate investments | — | — |
| Non-control/non-affiliate investments | 94,910 | 106,356 |
| Structured credit securities | 4,179 | 16,687 |
| Total interest income (excluding PIK interest income) | 151,471 | 172,169 |
| PIK interest income: | | |
| Control investments | 19,710 | 24,117 |
| Affiliate investments | — | — |
| Non-control/non-affiliate investments | 13,434 | 6,161 |
| Total PIK Interest Income | 33,144 | 30,278 |
| Total interest income (Note 2) | 184,615 | 202,447 |
| Dividend income: | | |
| Control investments | — | 227 |
| Affiliate investments | 141 | 1,307 |
| Non-control/non-affiliate investments | 2,269 | 1,525 |
| Total dividend income | 2,410 | 3,059 |
| Other income: | | |
| Control investments | 6,967 | 29,745 |
| Affiliate investments | — | — |
| Non-control/non-affiliate investments | 2,316 | 994 |
| Total other income (Note 10) | 9,283 | 30,739 |
| Total Investment Income | 196,308 | 236,245 |
| Operating Expenses | | |
| Base management fee (Note 13) | 38,606 | 39,289 |
| Income incentive fee (Note 13) | 15,680 | 25,617 |
| Interest and credit facility expenses | 39,760 | 40,593 |
| Allocation of overhead from Prospect Administration (Note 13) | 5,708 | 2,113 |
| Audit, compliance and tax related fees | 1,720 | 1,017 |
| Directors' fees | 150 | 135 |
| Other general and administrative expenses | 4,807 | 1,869 |
| Total Operating Expenses | 106,431 | 110,633 |
| Net Investment Income | 89,877 | 125,612 |
| Net Realized and Net Change in Unrealized Gains (Losses) from Investments | | |
| Net realized gains (losses) | | |
| Control investments | 6,367 | (147) |
| Affiliate investments | — | — |
| Non-control/non-affiliate investments | (106,737) | (207,342) |
| Net realized gains (losses) | (100,370) | (207,489) |
| Net change in unrealized gains (losses) | | |
| Control investments | (174,248) | (17,794) |
| Affiliate investments | 3,448 | 837 |
| Non-control/non-affiliate investments | 47,033 | 215,586 |
| Net change in unrealized gains (losses) | (123,767) | 198,629 |
| Net Realized and Net Change in Unrealized Gains (Losses) from Investments | (224,137) | (8,860) |
| Net realized gains (losses) on extinguishment of debt | 248 | (91) |
| Net Increase (Decrease) in Net Assets Resulting from Operations | (134,012) | 116,661 |
| Preferred Stock dividends | (27,157) | (23,151) |
| Net gain (loss) on redemptions of Preferred Stock | 2,304 | 501 |
| Gain (loss) on Accretion to Redemption Value of Preferred Stock | (6,204) | — |
| Net Increase (Decrease) in Net Assets Resulting from Operations applicable to Common Stockholders | \$ (165,069) | \$ 94,011 |

PROSPECT CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)
(Unaudited)

| | Three Months Ended September 30, | |
|---|----------------------------------|-------------|
| | 2024 | 2023 |
| Basic and diluted earnings (loss) per common share (Note 11) | | |
| Basic | \$ (0.38) | \$ 0.23 |
| Diluted | \$ (0.38) | \$ 0.18 |
| Weighted-average shares of common stock outstanding (Note 11) | | |
| Basic | 428,873,206 | 406,350,619 |
| Diluted | 428,873,206 | 635,590,328 |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS AND TEMPORARY EQUITY
(in thousands, except share and per share data)
(Unaudited)

| | Preferred Stock Classified as Temporary Equity | | Common Stock | | | | |
|--|---|---------------------|--------------------|---------------|--|---|---------------------|
| | Shares | Carrying Value | Shares | Par | Paid-in capital in excess of par(1) | Distributable earnings (loss) (1) | Total Net Assets |
| Three Months Ended September 30, 2024 | | | | | | | |
| Balance as of June 30, 2024 | 69,466,127 | \$ 1,586,188 | 424,846,963 | \$425 | \$ 4,208,607 | \$ (497,299) | \$ 3,711,733 |
| Net Increase (Decrease) in Net Assets and Temporary Equity Resulting from Operations: | | | | | | | |
| Net investment income | | | | | | 89,877 | 89,877 |
| Net realized losses | | | | | | (104,022) | (104,022) |
| Net change in unrealized losses | | | | | | (123,767) | (123,767) |
| Distributions to Shareholders | | | | | | | |
| Distributions from earnings (Note 16) | | | | | | (104,515) | (104,515) |
| Capital Transactions | | | | | | | |
| Issuance of preferred stock | 2,371,281 | 52,944 | | | | | |
| Accretion of preferred stock to redemption value | | 6,204 | | | | | |
| Shares issued through reinvestment of dividends | 40,157 | 956 | 1,834,082 | 2 | 9,270 | | 9,272 |
| Redemption of Preferred Stock | (1,844) | (46) | | | | | |
| Conversion of preferred stock to common stock | (1,502,556) | (34,523) | 6,879,683 | 7 | 32,228 | | 32,235 |
| Net increase in preferred dividend accrual | | 579 | | | | | |
| Total increase (decrease) for the three months ended September 30, 2024 | 907,038 | 26,114 | 8,713,765 | 9 | 41,498 | (242,427) | (200,920) |
| Balance as of September 30, 2024 | 70,373,165 | \$ 1,612,302 | 433,560,728 | \$ 434 | \$ 4,250,105 | \$ (739,726) | \$ 3,510,813 |

| | Preferred Stock Classified as Temporary Equity | | Common Stock | | | | |
|---|---|---------------------|--------------------|---------------|--|---|---------------------|
| | Shares | Carrying Value | Shares | Par | Paid-in capital in excess of par(1) | Distributable earnings (loss) (1) | Total Net Assets |
| Three Months Ended September 30, 2023 | | | | | | | |
| Balance as of June 30, 2023 | 62,102,009 | \$ 1,418,014 | 404,033,549 | \$ 404 | \$ 4,085,207 | \$ (352,946) | \$ 3,732,665 |
| Net Increase in Net Assets and Temporary Equity Resulting from Operations: | | | | | | | |
| Net investment income | | | | | | 125,612 | 125,612 |
| Net realized losses | | | | | | (207,079) | (207,079) |
| Net change in unrealized gains | | | | | | 198,629 | 198,629 |
| Distributions to Shareholders(1) | | | | | | | |
| Distributions from earnings(Note 16) | | | | | | (89,944) | (89,944) |
| Return of capital to common stockholders(Note 12) | | | | | (6,459) | | (6,459) |
| Capital Transactions | | | | | | | |
| Issuance of Preferred Stock | 3,198,085 | 71,342 | | | | | |
| Repurchase of Preferred Stock | (62,309) | (1,503) | | | | | |
| Shares issued through reinvestment of dividends | 29,413 | 709 | 1,538,258 | 2 | 9,162 | | 9,164 |
| Conversion of preferred stock to common stock | (773,473) | (18,278) | 3,046,897 | 3 | 18,275 | | 18,278 |
| Net (decrease) in preferred dividend accrual | | (37) | | | | | |
| Total increase (decrease) for the three months ended September 30, 2023 | 2,391,716 | 52,233 | 4,585,155 | 5 | 20,978 | 27,218 | 48,201 |
| Balance as of September 30, 2023 | 64,493,725 | \$ 1,470,247 | 408,618,704 | \$ 409 | \$ 4,106,185 | \$ (325,728) | \$ 3,780,866 |

(1) Tax character of distributions is not yet finalized for the respective fiscal period and will not be finalized until we file our tax return for our tax year ending August 31, 2024. See Note 2 and Note 12 within the accompanying notes to consolidated financial statements for further discussion on tax reclassification of net assets and tax basis components of dividends.

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, except share data)
(Unaudited)

| | Three Months Ended September 30, | |
|--|---|------------------|
| | 2024 | 2023 |
| Operating Activities | | |
| Net increase (decrease) in net assets resulting from operations | \$ (134,012) | \$ 116,661 |
| Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash used in operating activities: | | |
| Net realized losses (gains) on extinguishment of debt | (248) | 91 |
| Net realized losses on investments | 100,370 | 207,489 |
| Net change in unrealized losses (gains) on investments | 123,767 | (198,629) |
| Accretion of premiums, net | (2,447) | (1,349) |
| Amortization of deferred financing costs | 2,248 | 1,843 |
| Accretion of original issue discount | 735 | 716 |
| Payment-In-Kind interest | (33,144) | (30,278) |
| Structuring fees | (1,514) | (656) |
| Change in operating assets and liabilities: | | |
| Payments for purchases of investments | (255,982) | (100,140) |
| Proceeds from sale of investments and collection of investment principal | 289,201 | 93,454 |
| Net Reductions to Subordinated Structured Notes and related investment cost | 21,351 | 18,223 |
| (Increase) decrease in interest receivable, net | (549) | (8,095) |
| (Increase) decrease in due from broker | (6,463) | 182 |
| (Increase) decrease in other receivables | 148 | (6) |
| (Increase) decrease in due from Affiliate | (97) | (15) |
| (Increase) decrease in prepaid expenses | 290 | 256 |
| Increase (decrease) in due to broker | 74,371 | (78) |
| Increase (decrease) in due to Prospect Administration | (854) | (2,545) |
| Increase (decrease) in due to Prospect Capital Management | (4,338) | 3,255 |
| Increase (decrease) in accrued expenses | 446 | (1,336) |
| Increase (decrease) in interest payable | 420 | (2,381) |
| Increase (decrease) in due to Affiliate | — | (161) |
| Increase (decrease) in other liabilities | 27 | (1,417) |
| Net Cash Provided by Operating Activities | 173,726 | 95,084 |
| Financing Activities | | |
| Borrowings under Revolving Credit Facility (Note 4) | 355,000 | 219,000 |
| Principal payments under Revolving Credit Facility (Note 4) | (602,565) | (318,682) |
| Redemptions of Public Notes (Note 6) | (11,930) | — |
| Issuances of Prospect Capital InterNotes® (Note 7) | 101,734 | 3,976 |
| Redemptions of Prospect Capital InterNotes®, net (Note 7) | (2,500) | (3,247) |
| Financing costs paid and deferred | (2,062) | (409) |
| Proceeds from issuance of preferred stock, net of underwriting costs | 53,799 | 72,651 |
| Offering costs from issuance of preferred stock | (855) | (1,309) |
| Repurchase of Preferred Stock | — | (1,001) |
| Dividends paid and distributions to common and preferred stockholders | (93,197) | (92,802) |
| Net Cash Provided by (Used in) Financing Activities | (202,576) | (121,823) |
| Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash | (28,850) | (26,739) |
| Cash, Cash Equivalents and Restricted Cash at beginning of period | 85,872 | 95,646 |
| Cash, Cash Equivalents and Restricted Cash at End of Period | \$ 57,022 | \$ 68,907 |
| Supplemental Disclosures | | |
| Cash paid for interest | \$ 36,357 | \$ 40,415 |
| Non-Cash Financing Activities | | |
| Value of shares issued through reinvestment of dividends | 10,228 | 9,873 |
| Conversion of preferred stock to common stock | 34,569 | 18,278 |

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF SEPTEMBER 30, 2024 (Unaudited)
(in thousands, except share data)

| | | | | | | | September 30, 2024 | | | | |
|--|----------------------------------|---|----------------------|------------------------------|-------|----------------|--------------------|----------------|---------------|-----------------|----------|
| Portfolio Company | Industry(46) | Investments(1)(35) | Acquisition Date(42) | Coupon/Yield | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | |
| Control Investments (greater than 25.00% voting control)(38) | | | | | | | | | | | |
| CP Energy Services Inc. (18) | Energy Equipment & Services | First Lien Term Loan | 10/1/2017 | 13.86% (3M SOFR + 9.00%) | 1.00 | 4/4/2027 | \$ 63,003 | \$ 63,003 | \$ 54,994 | 1.6% | (8)(37) |
| | | First Lien Term Loan | 4/5/2022 | 13.86% (3M SOFR + 9.00%) | 1.00 | 4/4/2027 | 8,191 | 8,191 | 7,149 | 0.2% | (8)(37) |
| | | First Lien Term Loan | 1/6/2023 | 13.86% (3M SOFR + 9.00%) | 1.00 | 4/4/2027 | 16,223 | 16,223 | 14,160 | 0.4% | (8)(37) |
| | | First Lien Term Loan A to Spartan Energy Services, LLC | 10/20/2014 | 12.87% PIK (3M SOFR + 8.00%) | 1.00 | 12/31/2025 | 38,752 | 38,752 | 34,731 | 1.0% | (8)(37) |
| | | First Lien Term Loan A to Spartan Energy Services, LLC | 10/20/2014 | 13.59% (3M SOFR + 8.00%) | 1.00 | 12/31/2025 | 4,569 | 4,569 | 4,095 | 0.1% | (8) |
| | | Series A Preferred Units to Spartan Energy Holdings, Inc. (10,000 shares) | 9/25/2020 | 15.00% | | N/A | | 26,193 | — | —% | (14) |
| | | Series B Redeemable Preferred Stock (790 shares) | 10/30/2015 | 16.00% | | N/A | | 63,225 | — | —% | (14) |
| | | Common Stock (102,924 shares) | 8/2/2013 | | | N/A | | 86,240 | — | —% | (14) |
| | | | | | | | | 306,396 | 115,129 | 3.3% | |
| Credit Central Loan Company, LLC (19) | Consumer Finance | First Lien Term Loan | 12/28/2012 | 5.00% plus 5.00% PIK | — | 9/15/2027 | 83,990 | 83,990 | 74,197 | 2.1% | (12)(37) |
| | | Class A Units (14,867,312 units) | 12/28/2012 | | | N/A | | 19,331 | — | —% | (12)(14) |
| | | Preferred Class P Shares (12,876,441 units) | 7/1/2022 | 12.75% PIK | | N/A | | 11,520 | — | —% | (12)(14) |
| | | Net Revenues Interest (25% of Net Revenues) | 1/28/2015 | | | N/A | | — | — | —% | (12)(14) |
| | | | | | | 114,841 | 74,197 | 2.1% | | | |
| Echelon Transportation, LLC | Trading Companies & Distributors | First Lien Term Loan | 3/31/2014 | 6.00% | — | 12/7/2026 | 55,849 | 55,849 | 55,849 | 1.6% | (37) |
| | | Membership Interest (100%) | 3/31/2014 | | | N/A | | 22,738 | — | —% | (14) |
| | | Preferred Units (41,751,342 shares) | 1/31/2022 | 12.75% PIK | | N/A | | 32,843 | 8,015 | 0.2% | (14) |
| | | | | | | 111,430 | 63,864 | 1.8% | | | |
| First Tower Finance Company LLC (21) | Consumer Finance | First Lien Term Loan to First Tower, LLC | 6/24/2014 | 10.00% plus 5.00% PIK | — | 12/18/2027 | 430,555 | 430,555 | 430,555 | 12.3% | (12)(37) |
| | | Class A Units (95,709,910 units) | 6/14/2012 | | | N/A | | 31,146 | 189,254 | 5.4% | (12)(14) |
| | | | | | | 461,701 | 619,809 | 17.7% | | | |
| Freedom Marine Solutions, LLC (22) | Marine Transport | Membership Interest (100%) | 11/9/2006 | | | N/A | | 47,116 | 12,451 | 0.4% | (14) |
| | | | | | | 47,116 | 12,451 | 0.4% | | | |
| InterDent, Inc. | Health Care Providers & Services | First Lien Delayed Draw Term Loan B - \$15,000 Commitment | 9/30/2024 | 5.00% plus 7.00% PIK | — | 9/5/2025 | 3,000 | 3,000 | 3,000 | 0.1% | (13) |
| | | First Lien Term Loan A/B | 8/1/2018 | 19.61% (1M SOFR + 14.65%) | 2.00 | 9/5/2025 | 14,249 | 14,249 | 14,249 | 0.4% | (3)(8) |
| | | First Lien Term Loan A | 8/3/2012 | 10.46% (1M SOFR + 5.50%) | 1.00 | 9/5/2025 | 95,823 | 95,823 | 95,823 | 2.7% | (3)(8) |
| | | First Lien Term Loan B | 8/3/2012 | 5.00% plus 7.00% PIK | — | 9/5/2025 | 210,128 | 210,128 | 210,128 | 6.0% | (37) |
| | | Common Stock (99,900 shares) | 5/3/2019 | | | N/A | | 45,118 | 80,527 | 2.3% | (14) |
| | | | | | | 368,318 | 403,727 | 11.5% | | | |
| Kickapoo Ranch Pet Resort | Diversified Consumer Services | First Lien Term Loan | 1/11/2024 | 12.10% (3M SOFR + 7.50%) | 3.00 | 1/10/2029 | 1,500 | 1,500 | 1,500 | —% | (8) |
| | | Membership Interest (100%) | 8/26/2019 | | — | N/A | — | 2,378 | 3,535 | 0.1% | |
| | | | | | | 3,878 | 5,035 | 0.1% | | | |

| | | | | | | | | | | | |
|-----------------|--------------------------------|---|-----------|--|------|-----------|--------|--------|--------|------|---------|
| MITY, Inc. (23) | | First Lien Term Loan A | 9/19/2013 | 13.88% (3M SOFR + 9.02%) | 3.00 | 4/30/2025 | 48,724 | 48,724 | 48,724 | 1.4% | (3)(8) |
| | Commercial Services & Supplies | First Lien Term Loan B | 6/23/2014 | 11.86% (3M SOFR + 7.00%) plus 10.00% PIK | 3.00 | 4/30/2025 | 8,274 | 8,274 | 8,274 | 0.2% | (8)(37) |
| | | Unsecured Note to Broda Enterprises ULC | 9/19/2013 | 10.00% | — | 1/1/2028 | 5,456 | 7,200 | 5,456 | 0.2% | (12) |
| | | Common Stock (42,206 shares) | 9/19/2013 | | | N/A | | 27,349 | 28,001 | 0.8% | (14) |
| | | | | | | | 91,547 | 90,455 | 2.6% | | |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF SEPTEMBER 30, 2024 (Unaudited)
(in thousands, except share data)

| | | | | | | | September 30, 2024 | | | |
|--|---|---|----------------------|--|-------|----------------|--------------------|----------------|---------------|-------------------|
| Portfolio Company | Industry(46) | Investments(1)(35) | Acquisition Date(42) | Coupon/Yield | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets |
| Control Investments (greater than 25.00% voting control)(38) | | | | | | | | | | |
| National Property REIT Corp. (24) | Residential Real Estate Investment Trusts (REITs) / Consumer Finance / Structured Finance | First Lien Term Loan A | 12/31/2018 | 4.25% (3M SOFR + 0.25%) plus 2.00% PIK | 4.00 | 3/31/2026 | \$ 651,417 | \$ 651,417 | \$ 651,417 | 18.6% (8)(37) |
| | | First Lien Term Loan B | 12/31/2018 | 6.87% (3M SOFR + 2.00%) | 3.00 | 3/31/2026 | 20,630 | 20,630 | 20,630 | 0.6% (8) |
| | | First Lien Term Loan C | 10/31/2019 | 14.87% (3M SOFR + 10.00%) plus 2.25% PIK | 1.00 | 3/31/2026 | 190,500 | 190,500 | 190,500 | 5.4% (8)(37) |
| | | First Lien Term Loan D | 6/19/2020 | 4.25% (3M SOFR + 0.25%) plus 2.00% PIK | 4.00 | 3/31/2026 | 183,425 | 183,425 | 183,425 | 5.2% (8)(37) |
| | | First Lien Term Loan E | 11/14/2022 | 7.00% (3M SOFR + 1.50%) plus 7.00% PIK | 5.50 | 3/31/2026 | 50,837 | 50,837 | 50,837 | 1.4% (8)(37) |
| | | Residual Profit Interest | 12/31/2018 | | | N/A | | — | 39,863 | 1.1% (33) |
| | | Common Stock (3,374,914 shares) | 12/31/2013 | | | N/A | | 20,030 | 493,295 | 14.1% (14)(43) |
| | | | | | | | 1,116,839 | 1,629,967 | 46.4% | |
| Nationwide Loan Company LLC (25) | Consumer Finance | First Lien Delayed Draw Term Loan - \$7,350 Commitment | 5/15/2024 | 10.00% plus 10.00% PIK | — | 5/15/2029 | 5,717 | 5,717 | 5,717 | 0.2% (12)(13)(37) |
| | | First Lien Term Loan | 6/18/2014 | 10.00% plus 10.00% PIK | — | 5/15/2029 | 29,083 | 29,083 | 29,083 | 0.8% (12)(37) |
| | | Class A Units (38,550,460 units) | 1/31/2013 | | | N/A | | 20,845 | 5,636 | 0.2% (12)(14) |
| | | | | | | | 55,645 | 40,436 | 1.2% | |
| NMMB, Inc. (26) | Media | First Lien Term Loan | 12/30/2019 | 13.36% (3M SOFR + 8.50%) | 2.00 | 3/31/2027 | 29,723 | 29,723 | 29,723 | 0.8% (3)(8) |
| | | Common Stock (21,418 shares) | 12/30/2019 | | | N/A | | — | 51,564 | 1.5% |
| | | | | | | | 29,723 | 81,287 | 2.3% | |
| Pacific World Corporation (34) | Personal Care Products | First Lien Revolving Line of Credit - \$30,200 Commitment | 9/26/2014 | 9.10% PIK (1M SOFR + 4.25%) | 1.00 | 9/26/2025 | 39,910 | 39,910 | 39,910 | 1.1% (8)(13)(37) |
| | | First Lien Term Loan A | 12/31/2014 | 9.10% PIK (1M SOFR + 4.25%) | 1.00 | 9/26/2025 | 65,785 | 65,785 | 65,785 | 1.9% (8)(37) |
| | | Convertible Preferred Equity (626,472 shares) | 6/15/2018 | 12.00% PIK | | N/A | | 221,795 | 4,647 | 0.1% (14) |
| | | Common Stock (6,778,414 shares) | 9/29/2017 | | | N/A | | — | — | —% (14) |
| | | | | | | | 327,490 | 110,342 | 3.1% | |
| R-V Industries, Inc. | Machinery | First Lien Term Loan | 12/15/2020 | 13.86% (3M SOFR + 9.00%) | 1.00 | 12/15/2028 | 37,322 | 37,322 | 37,322 | 1.1% (3)(8) |
| | | Common Stock (745,107 shares) | 6/26/2007 | | | N/A | | 6,866 | 67,516 | 1.9% (14) |
| | | | | | | | 44,188 | 104,838 | 3.0% | |
| Universal Turbine Parts, LLC (32) | Aerospace & Defense | First Lien Delayed Draw Term Loan - \$6,965 Commitment | 2/28/2019 | 12.61% (3M SOFR + 7.75%) | 1.00 | 10/5/2026 | 5,545 | 5,545 | 5,545 | 0.2% (8)(13) |
| | | First Lien Term Loan A | 7/22/2016 | 10.61% (3M SOFR + 5.75%) | 1.00 | 10/5/2026 | 29,575 | 29,575 | 29,575 | 0.8% (3)(8) |
| | | Preferred Units (73,642,781 units) | 3/31/2021 | 12.75% PIK | | N/A | | 32,500 | 32,328 | 0.9% (14) |
| | | Common Stock (10,000 units) | 12/10/2018 | | | N/A | | — | — | —% (14) |
| | | | | | | | 67,620 | 67,448 | 1.9% | |
| USES Corp. (28) | Commercial Services & Supplies | First Lien Term Loan | 12/30/2020 | 14.11% (1M SOFR + 9.00%) | 1.00 | 8/15/2026 | 2,000 | 2,000 | 2,000 | 0.1% (8) |
| | | First Lien Equipment Term Loan | 8/3/2022 | 14.11% (1M SOFR + 9.00%) | 1.00 | 8/15/2026 | 15,735 | 15,735 | 15,735 | 0.4% (8)(37) |
| | | First Lien Term Loan A | 3/31/2014 | 9.00% PIK | — | 8/15/2026 | 74,093 | 30,651 | 2,406 | 0.1% (7) |
| | | First Lien Term Loan B | 3/31/2014 | 15.50% PIK | — | 8/15/2026 | 128,795 | 35,568 | — | —% (7) |

| | | | | | | | | | | |
|---|---|------------|--|------|------------|-----------|--------------|--------|------|------------|
| Common Stock (268,962 shares) 6/15/2016 | | | | N/A | | — | — | —% | (14) | |
| | | | | | | 83,954 | 20,141 | 0.6% | | |
| Valley Electric Company, Inc. Construction & Engineering (29) | First Lien Term Loan to Valley Electric Co. of Mt. Vernon, Inc. | 12/31/2012 | 9.86% (3M SOFR + 5.00%) plus 2.50% PIK | 3.00 | 12/31/2024 | 10,452 | 10,452 | 10,452 | 0.2% | (3)(8)(37) |
| | First Lien Term Loan | 6/24/2014 | 8.00% plus 10.00% PIK | — | 4/30/2028 | 38,630 | 38,630 | 38,630 | 1.1% | (3)(37) |
| | First Lien Term Loan B | 3/28/2022 | 7.00% plus 5.50% PIK | — | 4/30/2028 | 34,777 | 34,777 | 34,777 | 1.0% | (3)(37) |
| | Consolidated Revenue Interest (2.00%) | 6/22/2018 | | | N/A | — | 1,764 | 0.1% | (10) | |
| | Common Stock (50,000 shares) | 12/31/2012 | | | N/A | 12,053 | 219,761 | 6.3% | (14) | |
| | | | | | | 95,912 | 305,384 | 8.7% | | |
| Total Control Investments \$ | | | | | | 3,326,598 | \$ 3,744,510 | 106.7% | | |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF SEPTEMBER 30, 2024 (Unaudited)
(in thousands, except share data)

| | | | | | | | September 30, 2024 | | | |
|--|----------------------------------|-----------------------------|----------------------|--------------|-------|----------------|--------------------|----------------|---------------|-----------------|
| Portfolio Company | Industry | Investments(1)(35) | Acquisition Date(42) | Coupon/Yield | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets |
| Affiliate Investments (5.00% to 24.99% voting control)(39) | | | | | | | | | | |
| Nixon, Inc. (30) | Textiles, Apparel & Luxury Goods | Common Stock (857 units) | 5/12/2017 | | | N/A | \$ — | \$ — | — | % (14) |
| | | | | | | | | — | — | — % |
| RGIS Services, LLC | Commercial Services & Supplies | Membership Interest (8.00%) | 6/25/2020 | | | N/A | 11,735 | 21,658 | 0.6 | % |
| | | | | | | | 11,735 | 21,658 | 0.6 | % |
| Total Affiliate Investments | | | | | | | \$ 11,735 | \$ 21,658 | 0.6 | % |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF SEPTEMBER 30, 2024 (Unaudited)
(in thousands, except share data)

| | | | | | | | September 30, 2024 | | | |
|--|--|--|-------------|--|-------|----------------|--------------------|-----------|-----------|-------------------|
| | | | Acquisition | | | | Principal | Amortized | Fair | % of Net |
| Portfolio Company | Industry(46) | Investments(1)(35) | Date(42) | Coupon/Yield | Floor | Legal Maturity | Value | Cost | Value(2) | Assets |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| | | | | | | | | | | |
| 8th Avenue Food & Provisions, Inc. | Food Products | Second Lien Term Loan | 9/21/2018 | 12.71% (1M SOFR + 7.75%) | — | 10/1/2026 | \$ 32,133 | \$ 32,054 | \$ 29,270 | 0.8 % (8) |
| | | | | | | | | 32,054 | 29,270 | 0.8 % |
| Apidos CLO XI | Structured Finance | Subordinated Structured Note | 12/6/2012 | Residual Interest, current yield 9.63% | — | 4/17/2034 | 67,783 | 38,238 | 34,209 | 1.0 % (5)(12) |
| | | | | | | | | 38,238 | 34,209 | 1.0 % |
| Apidos CLO XII | Structured Finance | Subordinated Structured Note | 3/15/2013 | Residual Interest, current yield 0.00% | — | 4/15/2031 | 52,203 | 26,961 | 22,383 | 0.6 % (5)(12)(15) |
| | | | | | | | | 26,961 | 22,383 | 0.6 % |
| Apidos CLO XV | Structured Finance | Subordinated Structured Note | 9/13/2013 | Residual Interest, current yield 0.00% | — | 4/21/2031 | 48,515 | 22,610 | 20,233 | 0.6 % (5)(12)(15) |
| | | | | | | | | 22,610 | 20,233 | 0.6 % |
| Apidos CLO XXII | Structured Finance | Subordinated Structured Note | 9/16/2015 | Residual Interest, current yield 0.00% | — | 4/21/2031 | 35,855 | 22,043 | 19,569 | 0.6 % (5)(12)(15) |
| | | | | | | | | 22,043 | 19,569 | 0.6 % |
| Atlantis Health Care Group (Puerto Rico), Inc. | Health Care Providers & Services | First Lien Term Loan | 2/21/2013 | 13.60% (3M SOFR + 8.75%) | 2.00 | 5/15/2025 | 57,980 | 57,980 | 57,980 | 1.7 % (3)(8) |
| | | | | | | | | 57,980 | 57,980 | 1.7 % |
| Aventiv Technologies, LLC | Diversified Telecommunication Services | Second Out Super Priority First Lien Term Loan | 4/2/2024 | 12.37% (3M SOFR + 7.50%) | 1.00 | 7/31/2025 | 664 | 664 | 664 | — % (8)(47) |
| | | Third Out Super Priority First Lien Term Loan | 3/28/2024 | 5.87% (3M SOFR + 1.00%) plus 4.09% PIK | 1.00 | 7/31/2025 | 25,624 | 22,117 | 22,428 | 0.6 % (8)(37)(47) |
| | | Second Lien Term Loan | 3/28/2024 | 13.92% (3M SOFR + 9.05%) | 1.00 | 11/1/2025 | 87,401 | 58,476 | 48,080 | 1.4 % (8)(37) |
| | | | | | | | | | | 81,257 |
| Barings CLO 2018-III | Structured Finance | Subordinated Structured Note | 10/9/2014 | Residual Interest, current yield 0.00% | — | 7/20/2029 | 82,809 | 7,539 | 6,671 | 0.2 % (5)(12)(15) |
| | | | | | | | | 7,539 | 6,671 | 0.2 % |
| Barracuda Parent, LLC | IT Services | Second Lien Term Loan | 8/15/2022 | 12.31% (6M SOFR + 7.00%) | 0.50 | 8/15/2030 | 20,000 | 19,563 | 19,278 | 0.5 % |
| | | | | | | | | 19,563 | 19,278 | 0.5 % |
| BCPE North Star US Holdco 2, Inc. | Food Products | Second Lien Term Loan | 6/7/2021 | 12.21% (1M SOFR + 7.25%) | 0.75 | 6/11/2029 | 99,999 | 99,488 | 94,462 | 2.7 % (8) |
| | | | | | | | | 99,488 | 94,462 | 2.7 % |
| BCPE Osprey Buyer, Inc. | Health Care Technology | First Lien Revolving Line of Credit - \$4,239 Commitment | 10/18/2021 | 10.77% (1M SOFR + 5.75%) | 0.75 | 8/21/2026 | 2,826 | 2,826 | 2,826 | 0.1 % (8)(13)(49) |
| | | First Lien Delayed Draw Term Loan - \$4,691 Commitment | 10/18/2021 | 10.71% (1M SOFR + 5.75%) | 0.75 | 8/23/2028 | 4,656 | 4,614 | 4,656 | 0.1 % (3)(8)(13) |
| | | First Lien Term Loan | 10/18/2021 | 11.07% (3M SOFR + 5.75%) | 0.75 | 8/23/2028 | 63,213 | 63,213 | 63,213 | 1.8 % (3)(8) |
| | | | | | | | | 70,653 | 70,695 | 2.0 % |
| Belnick, LLC (d/b/a The Ubique Group) | Household Durables | First Lien Term Loan | 1/20/2022 | 13.36% (3M SOFR + 8.50%) | 4.00 | 1/20/2027 | 82,666 | 82,666 | 81,829 | 2.3 % (3)(8) |
| | | | | | | | | 82,666 | 81,829 | 2.3 % |
| Broder Bros., Co. | Textiles, Apparel & Luxury Goods | First Lien Term Loan | 12/4/2017 | 10.97% (3M SOFR + 6.00%) | 1.00 | 12/4/2025 | 152,482 | 152,482 | 152,482 | 4.3 % (3)(8) |
| | | | | | | | | 152,482 | 152,482 | 4.3 % |
| Burgess Point Purchaser Corporation | Automobile Components | Second Lien Term Loan | 7/25/2022 | 14.19% (1M SOFR + 9.00%) | 0.75 | 7/25/2030 | 30,000 | 30,000 | 28,500 | 0.8 % (3)(8) |

| | | | | | | | | | | | |
|--------------------------------------|--------------------------------|------------------------------|------------|--|------|------------|--------|--------|--------|-----|---------------|
| | | | | | | | | 30,000 | 28,500 | 0.8 | % |
| California Street CLO IX Ltd. | Structured Finance | Subordinated Structured Note | 4/19/2012 | Residual Interest, current yield 3.38% | — | 7/16/2032 | 58,915 | 34,482 | 27,980 | 0.8 | % (5)(12) |
| | | | | | | | | 34,482 | 27,980 | 0.8 | % |
| Capstone Logistics Acquisition, Inc. | Commercial Services & Supplies | Second Lien Term Loan | 11/12/2020 | 13.45% (1M SOFR + 8.50%) | 1.00 | 11/13/2030 | 8,500 | 8,336 | 8,500 | 0.2 | % (8) |
| | | | | | | | | 8,336 | 8,500 | 0.2 | % |
| Carlyle C17 CLO Limited | Structured Finance | Subordinated Structured Note | 1/24/2013 | Residual Interest, current yield 0.00% | — | 4/30/2031 | 24,870 | 6,209 | 5,627 | 0.2 | % (5)(12)(15) |
| | | | | | | | | 6,209 | 5,627 | 0.2 | % |

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PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF SEPTEMBER 30, 2024 (Unaudited)
(in thousands, except share data)

| | | | | | | | September 30, 2024 | | | |
|--|----------------------------------|--|-------------------------|--|-------|----------------|--------------------|-----------|----------|-------------------|
| | | | | | | | Principal | Amortized | Fair | % of Net |
| Portfolio Company | Industry(46) | Investments(1)(35) | Acquisition Date(42) | Coupon/Yield | Floor | Legal Maturity | Value | Cost | Value(2) | Assets |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| | | | | | | | | | | |
| Carlyle Global Market Strategies CLO 2014-4-R, Ltd. | Structured Finance | Subordinated Structured Note | 4/7/2017 | Residual Interest, current yield 0.00% | — | 7/15/2030 | \$ 25,534 | \$ 9,829 | \$ 8,929 | 0.3 % (5)(12)(15) |
| | | | | | | | | 9,829 | 8,929 | 0.3 % |
| Carlyle Global Market Strategies CLO 2016-3, Ltd. | Structured Finance | Subordinated Structured Note | 8/9/2016 | Residual Interest, current yield 4.12% | — | 7/20/2034 | 32,200 | 30,094 | 24,149 | 0.7 % (5)(12) |
| | | | | | | | | 30,094 | 24,149 | 0.7 % |
| Cent CLO 21 Limited | Structured Finance | Subordinated Structured Note | 5/15/2014 | Residual Interest, current yield 0.00% | — | 7/29/2030 | 49,552 | — | 168 | — % (5)(12)(15) |
| | | | | | | | | — | 168 | — % |
| CIFC Funding 2013-III-R, Ltd. | Structured Finance | Subordinated Structured Note | 8/2/2013 | Residual Interest, current yield 0.00% | — | 4/24/2031 | 44,100 | 14,594 | 13,136 | 0.4 % (5)(12)(15) |
| | | | | | | | | 14,594 | 13,136 | 0.4 % |
| CIFC Funding 2013-IV, Ltd. | Structured Finance | Subordinated Structured Note | 10/22/2013 | Residual Interest, current yield 0.00% | — | 4/28/2031 | 45,500 | 21,355 | 19,114 | 0.5 % (5)(12)(15) |
| | | | | | | | | 21,355 | 19,114 | 0.5 % |
| CIFC Funding 2014-IV-R, Ltd. | Structured Finance | Subordinated Structured Note | 8/5/2014 | Residual Interest, current yield 9.51% | — | 1/17/2035 | 50,143 | 36,186 | 28,801 | 0.8 % (5)(12) |
| | | | | | | | | 36,186 | 28,801 | 0.8 % |
| CIFC Funding 2016-I, Ltd. | Structured Finance | Subordinated Structured Note | 12/9/2016 | Residual Interest, current yield 9.37% | — | 10/21/2031 | 34,000 | 31,052 | 29,415 | 0.8 % (5)(12) |
| | | | | | | | | 31,052 | 29,415 | 0.8 % |
| Collections Acquisition Company, Inc. | Financial Services | First Lien Term Loan | 12/3/2019 | 12.51% (3M SOFR + 7.65%) | 2.50 | 6/3/2027 | 44,885 | 44,885 | 44,885 | 1.3 % (3)(8) |
| | | | | | | | | 44,885 | 44,885 | 1.3 % |
| Columbia Cent CLO 27 Limited | Structured Finance | Subordinated Structured Note | 12/18/2013 | Residual Interest, current yield 5.57% | — | 1/25/2035 | 48,978 | 30,410 | 26,111 | 0.7 % (5)(12) |
| | | | | | | | | 30,410 | 26,111 | 0.7 % |
| Credit.com Holdings, LLC (6) | Diversified Consumer Services | First Lien Term Loan A | | 15.87% (3M SOFR + 9/28/2023 11.00%) | 1.50 | 9/28/2028 | 34,677 | 34,677 | 33,107 | 0.9% (8)(37) |
| | | First Lien Term Loan B | | 16.87% (3M SOFR + 9/28/2023 12.00%) | 1.50 | 9/28/2028 | 59,547 | 59,547 | 42,560 | 1.2% (8)(37) |
| | | Class B of PGX TopCo II LLC (999 Non-Voting Units) | 9/28/2023 | | N/A | | — | 556 | —% | (14) |
| | | | | | | | | | | 94,224 |
| Discovery Point Retreat, LLC (50) | Health Care Providers & Services | First Lien Term Loan | | 12.62% (3M SOFR + 6/14/2024 7.75%) | 3.25 | 6/14/2029 | 17,000 | 17,000 | 16,935 | 0.5% (3)(8) |
| | | First Lien Revolving Line of Credit - \$2,500 Commitment | | 12.62% (3M SOFR + 6/14/2024 7.75%) | 3.25 | 12/14/2024 | 900 | 900 | 897 | —% (8)(13) |
| | | Series A Preferred Stock of Discovery MSO HoldCo LLC - 7,785 Units | | 6/14/2024 8.00% PIK | | N/A | | 7,950 | 15,898 | 0.5% (14) |
| | | | | | | | | 25,850 | 33,730 | 1.0 % |
| DRI Holding Inc. | Commercial Services & Supplies | First Lien Term Loan | 12/21/2021 | 10.20% (1M SOFR + 5.25%) | 0.50 | 12/21/2028 | 33,561 | 32,697 | 33,561 | 1.0 % (3)(8) |
| | | Second Lien Term Loan | 12/21/2021 | 12.95% (1M SOFR + 8.00%) | 0.50 | 12/21/2029 | 145,000 | 145,000 | 144,821 | 4.1 % (3)(8) |
| | | | | | | | | 177,697 | 178,382 | 5.1 % |
| | | First Lien Term Loan | 9/30/2024 | 12.10% (3M SOFR + | 3.00 | 10/4/2029 | 50,000 | 50,000 | 50,000 | 1.4 % (8) |

| | | | | | | | | | | | | |
|--------------------------|-----------------------|---|-----------|--|--|--|--|--|--|--|--|--|
| Druid City Infusion, LLC | Pharmaceuticals | First Lien Convertible Note to Druid City Intermediate, Inc. | 9/30/2024 | 7.50%) 6.00% plus 2.00% PIK — 10/4/2033 18,950 18,950 37,521 1.1 % | | | | | | | | |
| | | | | 68,950 87,521 2.5 % | | | | | | | | |
| DTI Holdco, Inc. | Professional Services | First Lien Term Loan | 4/26/2022 | 9.60% (1M SOFR + 4.75%) 0.75 4/26/2029 18,176 17,934 18,176 0.5 % (3)(8)(45) | | | | | | | | |
| | | | | 17,934 18,176 0.5 % | | | | | | | | |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF SEPTEMBER 30, 2024 (Unaudited)
(in thousands, except share data)

| | | | | | | | September 30, 2024 | | | | |
|--|--------------------------------|--|-------------------------|--|-------|----------------|--------------------|-----------|----------|----------|---------------|
| | | | | | | | Principal | Amortized | Fair | % of Net | |
| Portfolio Company | Industry(46) | Investments(1)(35) | Acquisition Date(42) | Coupon/Yield | Floor | Legal Maturity | Value | Cost | Value(2) | Assets | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Dukes Root Control Inc. | Commercial Services & Supplies | First Lien Revolving Line of Credit - \$4,464 Commitment | 12/8/2022 | 11.88% (3M SOFR + 6.50%) | 1.00 | 12/8/2028 | \$ 1,839 | \$ 1,860 | \$ 1,839 | 0.1% | (8)(13)(49) |
| | | First Lien Delayed Draw Term Loan - \$8,929 Commitment | 12/8/2022 | 11.79% (3M SOFR + 6.50%) | 1.00 | 12/8/2028 | 3,230 | 3,219 | 3,230 | 0.1% | (8)(13)(49) |
| | | First Lien Term Loan | 12/8/2022 | 11.71% (3M SOFR + 6.50%) | 1.00 | 12/8/2028 | 35,967 | 36,138 | 35,967 | 1.0% | (3)(8) |
| | | | | | | | | 41,217 | 41,036 | 1.2% | |
| Easy Gardener Products, Inc. | Household Durables | Class A Units of EZG Holdings, LLC (200 units) | 6/11/2020 | | | N/A | | 313 | — | — | % (14) |
| | | Class B Units of EZG Holdings, LLC (12,525 units) | 6/11/2020 | | | N/A | | 1,688 | — | — | % (14) |
| | | | | | | | | 2,001 | — | — | % |
| Engineered Machinery Holdings, Inc. | Machinery | Incremental Amendment No. 2 Second Lien Term Loan | 5/6/2021 | 11.37% (3M SOFR + 6.50%) | 0.75 | 5/21/2029 | 5,000 | 4,995 | 5,000 | 0.1 | % (3)(8) |
| | | Incremental Amendment No. 3 Second Lien Term Loan | 8/6/2021 | 10.87% (3M SOFR + 6.00%) | 0.75 | 5/21/2029 | 5,000 | 5,000 | 5,000 | 0.1 | % (3)(8) |
| | | | | | | | | 9,995 | 10,000 | 0.2 | % |
| Emerge Intermediate, Inc. (48) | Pharmaceuticals | First Lien Term Loan | 2/26/2024 | 11.31% (3M SOFR + 6.25%) | 1.00 | 2/26/2026 | 56,188 | 56,188 | 55,907 | 1.6 | % (3)(8) |
| | | | | | | | | 56,188 | 55,907 | 1.6 | % |
| Enseo Acquisition, Inc. | Media | First Lien Term Loan | 6/2/2021 | 12.86% (3M SOFR + 8.00%) | 1.00 | 6/2/2026 | 52,979 | 52,979 | 52,979 | 1.5 | % (3)(8) |
| | | | | | | | | 52,979 | 52,979 | 1.5 | % |
| Eze Castle Integration, Inc. | Software | First Lien Delayed Draw Term Loan - \$8,036 Commitment | 7/15/2020 | 12.81% (3M SOFR + 7.50%) | 3.00 | 1/15/2027 | 1,774 | 1,774 | 1,774 | 0.1 | % (8)(13)(49) |
| | | First Lien Term Loan | 7/15/2020 | 12.93% (3M SOFR + 7.50%) | 3.00 | 1/15/2027 | 46,286 | 46,286 | 46,286 | 1.3 | % (3)(8) |
| | | | | | | | | 48,060 | 48,060 | 1.4 | % |
| Faraday Buyer, LLC | Electrical Equipment | First Lien Delayed Draw Term Loan - \$6,540 - Commitment | 10/11/2022 | 10.60% (3M SOFR + 6.00%) | 1.00 | 10/11/2028 | — | — | — | — | % (8)(13) |
| | | First Lien Term Loan | 10/11/2022 | 10.60% (3M SOFR + 6.00%) | 1.00 | 10/11/2028 | 61,835 | 61,835 | 61,835 | 1.8 | % (3)(8) |
| | | | | | | | | 61,835 | 61,835 | 1.8 | % |
| First Brands Group | Automobile Components | First Lien Term Loan | 3/24/2021 | 10.51% (3M SOFR + 5.00%) | 1.00 | 3/30/2027 | 22,054 | 22,069 | 21,885 | 0.6 | % (3)(8)(45) |
| | | Second Lien Term Loan | 3/24/2021 | 14.01% (3M SOFR + 8.50%) | 1.00 | 3/30/2028 | 37,000 | 36,893 | 36,916 | 1.1 | % (3)(8) |
| | | | | | | | | 58,962 | 58,801 | 1.7 | % |
| Galaxy XV CLO, Ltd. | Structured Finance | Subordinated Structured Note | 2/13/2013 | Residual Interest, current yield 0.00% | — | 10/15/2030 | 50,525 | 17,751 | 15,802 | 0.5 | % (5)(12)(15) |
| | | | | | | | | 17,751 | 15,802 | 0.5 | % |
| Galaxy XXVII CLO, Ltd. | Structured Finance | Subordinated Structured Note | 9/30/2013 | Residual Interest, current yield 0.00% | — | 5/16/2031 | 24,575 | 8,228 | 7,350 | 0.2 | % (5)(12)(15) |
| | | | | | | | | 8,228 | 7,350 | 0.2 | % |
| Galaxy XXVIII CLO, Ltd. | Structured Finance | Subordinated Structured Note | 5/30/2014 | Residual Interest, current yield 0.00% | — | 7/15/2031 | 39,905 | 13,914 | 12,489 | 0.4 | % (5)(12)(15) |
| | | | | | | | | 13,914 | 12,489 | 0.4 | % |
| Global Tel*Link Corporation (d./b/a ViaPath) | Diversified Telecommunication | First Lien Term Loan | 8/6/2024 | 12.35% (1M SOFR + 7.50%) | 3.00 | 8/6/2029 | 127,000 | 122,089 | 123,725 | 3.5 | % (3)(8) |

| Technologies) | | Services | | | | | | | | | | |
|--|--------------------|------------------------------|-----------|---|---|------------|--------|---------|---------|-----|---------------|--|
| | | | | | | | | 122,089 | 123,725 | 3.5 | % | |
| Halcyon Loan Advisors Funding 2014-2 Ltd. | Structured Finance | Subordinated Structured Note | 4/14/2014 | Residual Interest, current yield 0.00% | — | 4/28/2025 | 41,164 | 4 | 4 | — | % (5)(12)(15) | |
| | | | | | | | | 4 | 4 | — | % | |
| Halcyon Loan Advisors Funding 2015-3 Ltd. | Structured Finance | Subordinated Structured Note | 7/23/2015 | Residual Interest, current yield 0.00% | — | 10/18/2027 | 39,598 | 40 | 39 | — | % (5)(12)(15) | |
| | | | | | | | | 40 | 39 | — | % | |

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF SEPTEMBER 30, 2024 (Unaudited)
(in thousands, except share data)

| | | | | | | | September 30, 2024 | | | | |
|--|-------------------------------------|---|-------------------------|---|-------|----------------|--------------------|-----------|----------|-------------------|-------|
| | | | | | | | Principal | Amortized | Fair | % of Net | |
| Portfolio Company | Industry(46) | Investments(1)(35) | Acquisition Date(42) | Coupon/Yield | Floor | Legal Maturity | Value | Cost | Value(2) | Assets | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | |
| | | | | | | | | | | | |
| HarbourView CLO VII-R, Ltd. | Structured Finance | Subordinated Structured Note | 6/5/2015 | Residual Interest, current yield 0.00% | — | 7/18/2031 | \$ 19,025 | \$ 2,731 | \$ 2,396 | 0.1 % (5)(12)(15) | |
| | | | | | | | | | 2,731 | 2,396 | 0.1 % |
| Help/Systems Holdings, Inc. (d/b/a Forta, LLC) | Software | Second Lien Term Loan | 11/14/2019 | 11.70% (3M SOFR + 6.75%) | 0.75 | 11/19/2027 | 52,500 | 52,419 | 49,727 | 1.4 % (3)(8) | |
| | | | | | | | | | 52,419 | 49,727 | 1.4 % |
| Imperative Worldwide, LLC (f/k/a MAGNATE WORLDWIDE, LLC) | Air Freight & Logistics | First Lien Term Loan | 3/11/2022 | 10.25% (3M SOFR + 5.50%) | 0.75 | 12/30/2028 | 37,394 | 37,256 | 37,394 | 1.1 % (3)(8) | |
| | | Second Lien Term Loan | 12/30/2021 | 13.25% (3M SOFR + 8.50%) | 0.75 | 12/30/2029 | 95,000 | 95,000 | 95,000 | 2.7 % (3)(8) | |
| | | | | | | | | | 132,256 | 132,394 | 3.8 % |
| Interventional Management Services, LLC | Health Care Providers & Services | First Lien Revolving Line of Credit - \$5,000 Commitment | 2/22/2021 | 13.85% (3M SOFR + 9.00%) | 1.00 | 2/22/2025 | 5,000 | 5,000 | 5,000 | 0.1 % (8)(13) | |
| | | First Lien Term Loan | 2/22/2021 | 13.85% (3M SOFR + 9.00%) | 1.00 | 2/20/2026 | 65,213 | 65,213 | 65,213 | 1.9 % (3)(8) | |
| | | | | | | | | | 70,213 | 70,213 | 2.0 % |
| iQor Holdings, Inc. | Professional Services | First Lien Term Loan | 6/11/2024 | 12.37% (3M SOFR + 7.50%) | 2.50 | 6/11/2029 | 50,000 | 50,000 | 49,620 | 1.4 % (3)(8) | |
| | | Common Stock of Bloom Parent, Inc. (10,450 units) | 6/11/2024 | | | N/A | | 10,450 | 11,677 | 0.3 % (14) | |
| | | | | | | | | | 60,450 | 61,297 | 1.7 % |
| Japs-Olson Company, LLC (31) | Commercial Services & Supplies | First Lien Term Loan | 5/25/2023 | 11.35% (3M SOFR + 6.75%) | 2.00 | 5/25/2028 | 57,535 | 57,535 | 57,535 | 1.6 % (3)(8) | |
| | | | | | | | | | 57,535 | 57,535 | 1.6 % |
| Jefferson Mill CLO Ltd. | Structured Finance | Subordinated Structured Note | 6/26/2015 | Residual Interest, current yield 0.00% | — | 10/20/2031 | 23,594 | 10,578 | 9,588 | 0.3 % (5)(12)(15) | |
| | | | | | | | | | 10,578 | 9,588 | 0.3 % |
| Julie Lindsey, Inc. | Textiles, Apparel & Luxury Goods | First Lien Revolving Line of Credit - \$2,000 Commitment | 7/27/2023 | 10.60% (3M SOFR + 6.00%) | 4.00 | 7/27/2027 | — | — | — | — % (8)(13) | |
| | | First Lien Term Loan | 7/27/2023 | 10.60% (3M SOFR + 6.00%) | 4.00 | 7/27/2028 | 19,500 | 19,500 | 19,500 | 0.6 % (3)(8) | |
| | | | | | | | | | 19,500 | 19,500 | 0.6 % |
| K&N HoldCo, LLC | Automobile Components | Class A Common Units (137,215 units) | 2/14/2023 | | | N/A | | 25,802 | 696 | — % (14) | |
| | | | | | | | | | 25,802 | 696 | — % |
| KM2 Solutions LLC | Professional Services | First Lien Term Loan | 12/17/2020 | 14.35% (3M SOFR + 9.60%) | 3.00 | 12/17/2025 | 17,832 | 17,832 | 17,832 | 0.5 % (3)(8) | |
| | | | | | | | | | 17,832 | 17,832 | 0.5 % |
| LCM XIV Ltd. | Structured Finance | Subordinated Structured Note | 6/25/2013 | Residual Interest, current yield 0.00% | — | 7/21/2031 | 49,934 | 5,870 | 5,422 | 0.2 % (5)(12)(15) | |
| | | | | | | | | | 5,870 | 5,422 | 0.2 % |
| LGC US FINCO, LLC | Machinery | First Lien Term Loan | 1/17/2020 | 11.46% (1M SOFR + 6.50%) | 1.00 | 12/20/2025 | 29,081 | 28,877 | 29,081 | 0.8 % (3)(8) | |
| | | | | | | | | | 28,877 | 29,081 | 0.8 % |
| Lucky US BuyerCo LLC | Financial Services | First Lien Revolving Line of Credit - \$2,775 Commitment | 4/3/2023 | 12.22% (3M SOFR + 7.50%) | 1.00 | 4/1/2029 | 1,665 | 1,665 | 1,665 | — % (8)(13)(49) | |
| | | First Lien Term Loan | 4/3/2023 | 12.10% (3M SOFR + 7.50%) | 1.00 | 4/1/2029 | 21,402 | 21,402 | 21,402 | 0.6 % (3)(8) | |
| | | | | | | | | | 23,067 | 23,067 | 0.6 % |

| | | | | | | | | | | | |
|--------------------------------------|----------------------------------|--|-----------|--|------|------------|--------|---------------|---------------|------------|---------------|
| MAC Discount, LLC | Distributors | First Lien Term Loan | 5/11/2023 | 13.35% (3M SOFR + 8.50%) | 1.50 | 5/11/2028 | 34,244 | 33,982 | 34,244 | 1.0 | % (3)(8) |
| | | Class A Senior Preferred Stock to MAC Discount Investments, LLC (1,500,000 shares) | 5/11/2023 | 12.00% | | N/A | | 1,500 | 1,483 | — | % (14) |
| | | | | | | | | 35,482 | 35,727 | 1.0 | % |
| Medical Solutions Holdings, Inc. (4) | Health Care Providers & Services | Second Lien Term Loan | 11/1/2021 | 12.35% (1M SOFR + 7.00%) | 0.50 | 11/1/2029 | 54,463 | 54,435 | 40,311 | 1.1 | % (3)(8) |
| | | | | | | | | 54,435 | 40,311 | 1.1 | % |
| Mountain View CLO 2013-I Ltd. | Structured Finance | Subordinated Structured Note | 4/17/2013 | Residual Interest, current yield 0.00% | — | 10/15/2030 | 43,650 | 5,865 | 5,484 | 0.2 | % (5)(12)(15) |
| | | | | | | | | 5,865 | 5,484 | 0.2 | % |
| Mountain View CLO IX Ltd. | Structured Finance | Subordinated Structured Note | 5/13/2015 | Residual Interest, current yield 0.00% | — | 7/15/2031 | 47,830 | 5,472 | 5,210 | 0.1 | % (5)(12)(15) |

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PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF SEPTEMBER 30, 2024 (Unaudited)
(in thousands, except share data)

| | | | | | | | September 30, 2024 | | | |
|--|--------------------------------|--|-------------------------|--|-------|----------------|--------------------|-----------|-----------|-------------------|
| Portfolio Company | Industry(46) | Investments(1)(35) | Acquisition Date(42) | Coupon/Yield | Floor | Legal Maturity | Principal | Amortized | Fair | % of Net |
| | | | | | | | Value | Cost | Value(2) | Assets |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| | | | | | | | | 5,472 | 5,210 | 0.1 % |
| Nexus Buyer LLC | Capital Markets | Second Lien Term Loan | 11/5/2021 | 11.20% (1M SOFR + 6.25%) | 0.50 | 11/5/2029 | \$ 42,500 | \$ 42,500 | \$ 42,500 | 1.2 % (3)(8) |
| | | | | | | | 42,500 | 42,500 | 1.2 % | |
| NH Kronos Buyer, Inc. | Pharmaceuticals | First Lien Term Loan | 12/7/2022 | 11.20% (3M SOFR + 6.25%) | 1.00 | 11/1/2028 | 83,296 | 83,207 | 83,296 | 2.4 % (3)(8) |
| | | | | | | | 83,207 | 83,296 | 2.4 % | |
| Octagon Investment Partners XV, Ltd. | Structured Finance | Subordinated Structured Note | 1/24/2013 | Residual Interest, current yield 0.00% | — | 7/19/2030 | 42,064 | 14,862 | 13,224 | 0.4 % (5)(12)(15) |
| | | | | | | | 14,862 | 13,224 | 0.4 % | |
| Octagon Investment Partners 18-R Ltd. | Structured Finance | Subordinated Structured Note | 8/12/2015 | Residual Interest, current yield 0.00% | — | 4/16/2031 | 46,016 | 7,941 | 7,261 | 0.2 % (5)(12)(15) |
| | | | | | | | 7,941 | 7,261 | 0.2 % | |
| OneTouchPoint Corp | Commercial Services & Supplies | First Lien Term Loan | 2/19/2021 | 12.85% (3M SOFR + 8.00%) | 1.00 | 2/19/2026 | 34,845 | 34,845 | 34,845 | 1.0 % (3)(8) |
| | | | | | | | 34,845 | 34,845 | 1.0 % | |
| PeopleConnect Holdings, Inc (9) | Interactive Media & Services | First Lien Term Loan | 1/22/2020 | 13.00% (3M SOFR + 8.25%) | 2.75 | 1/22/2026 | 120,594 | 120,594 | 120,594 | 3.4 % (3)(8) |
| | | | | | | | 120,594 | 120,594 | 3.4 % | |
| PlayPower, Inc. | Leisure Products | First Lien Revolving Line of Credit - \$2,626 Commitment | 8/28/2024 | 9.85% (3M SOFR + 5.25%) | 0.75 | 8/28/2030 | — | — | — | — % (8)(13) |
| | | First Lien Term Loan | 8/28/2024 | 9.85% (3M SOFR + 5.25%) | 0.75 | 8/28/2030 | 17,374 | 17,078 | 17,090 | 0.5 % (3)(8) |
| | | | | | | | 17,078 | 17,090 | 0.5 % | |
| Precisely Software Incorporated (27) | Software | Second Lien Term Loan | 4/23/2021 | 12.76% (3M SOFR + 7.25%) | 0.75 | 4/23/2029 | 80,000 | 79,475 | 77,370 | 2.2 % (3)(8) |
| | | | | | | | 79,475 | 77,370 | 2.2 % | |
| Preventics, Inc. (d/b/a Legere Pharmaceuticals) (44) | Personal Care Products | First Lien Term Loan | 11/12/2021 | 15.37% (3M SOFR + 10.50%) | 1.00 | 11/12/2026 | 8,859 | 8,859 | 8,859 | 0.3 % (3)(8) |
| | | Series A Convertible Preferred Stock (320 units) | 11/12/2021 | 8.00% | | N/A | | 127 | 231 | — % (14) |
| | | Series C Convertible Preferred Stock (3,575 units) | 11/12/2021 | 8.00% | | N/A | | 1,419 | 2,585 | 0.1 % (14) |
| | | | | | | | 10,405 | 11,675 | 0.4 % | |
| Raisin Acquisition Co, Inc. | Pharmaceuticals | First Lien Revolving Line of Credit - \$3,583 Commitment | 6/17/2022 | 12.36% (3M SOFR + 7.00%) | 1.00 | 12/13/2026 | 779 | 779 | 779 | — % (8)(13) |
| | | First Lien Delayed Draw Term Loan - \$1,554 Commitment | 6/17/2022 | 11.87% (3M SOFR + 7.00%) | 1.00 | 12/13/2026 | 1,406 | 1,386 | 1,406 | — % (8)(13) |
| | | First Lien Term Loan | 6/17/2022 | 12.21% (3M SOFR + 7.00%) | 1.00 | 12/13/2026 | 22,290 | 21,921 | 22,290 | 0.6 % (3)(8) |
| | | | | | | | 24,086 | 24,475 | 0.6 % | |
| Reception Purchaser, LLC | Air Freight & Logistics | First Lien Term Loan | 4/28/2022 | 10.75% (3M SOFR + 6.00%) | 0.75 | 3/24/2028 | 62,096 | 61,413 | 42,722 | 1.2 % (8) |
| | | | | | | | 61,413 | 42,722 | 1.2 % | |
| Redstone Holdco 2 LP (20) | IT Services | Second Lien Term Loan | 4/16/2021 | 13.26% (1M SOFR + 7.75%) | 0.75 | 4/27/2029 | 50,000 | 49,487 | 37,717 | 1.1 % (8) |
| | | | | | | | 49,487 | 37,717 | 1.1 % | |
| | | First Lien First Out Term Loan | 7/15/2024 | 10.38% (3M SOFR + 5.00%) | 1.00 | 7/15/2028 | 365 | 358 | 361 | — % (8) |

| | | | | | | | | | | | |
|--|-----------------------|---|-----------|-----------------------------|------|------------|--------|--------|-------|-----|-----------|
| Research Now Group, LLC and Dynata, LLC | Professional Services | First Lien Second Out Term Loan | 7/15/2024 | 10.88% (3M SOFR + 5.50%) | 1.00 | 10/15/2028 | 8,056 | 8,056 | 7,268 | 0.2 | % (8)(47) |
| | | Common Stock of New Insight Holdings, Inc. - 210,781 | 7/15/2024 | | | N/A | | 3,329 | 3,329 | 0.1 | % (14) |
| | | Shares | | | | | | | | | |
| | | Warrants (to purchase 285,714 shares of Common Stock of New Insight Holdings, Inc.) | 7/15/2024 | | | 7/15/2029 | | | — | — | % (14) |
| | | | | | | | | | | | |
| | | | | | | | 11,743 | 10,958 | 0.3 | % | |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF SEPTEMBER 30, 2024 (Unaudited)
(in thousands, except share data)

| | | | | | | | September 30, 2024 | | | |
|--|----------------------------------|---|-------------|--|-----------|----------------|--------------------|-----------|----------|-------------------|
| | | | Acquisition | | | | Principal | Amortized | Fair | % of Net |
| Portfolio Company | Industry(46) | Investments(1)(35) | Date(42) | Coupon/Yield | Floor | Legal Maturity | Value | Cost | Value(2) | Assets |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| | | | | | | | | | | |
| Rising Tide Holdings, Inc. | Specialty Retail | First Lien First Out Term Loan | 9/25/2024 | 15.00% PIK | — | 6/13/2028 | \$ 2,116 | \$ 2,116 | \$ 2,116 | 0.1 % (37) |
| | | First Lien Second Out Term Loan | 9/25/2024 | 12.00% PIK | — | 6/13/2028 | 5,674 | 5,291 | 4,568 | 0.1 % (37) |
| | | Class A Common Units of Marine One Holdco, LLC (345,600 units) | 9/12/2023 | | | N/A | | 23,898 | 485 | — % (14) |
| | | Warrants (to purchase 3,456,000 Class A Common Units of Marine One Holdco, LLC) | 9/25/2024 | | 9/25/2044 | | — | — | — % (14) | |
| | | Warrants (to purchase 50,456 Class A Common Units of Marine One Holdco, LLC) | 9/12/2023 | | 9/12/2028 | | — | — | — % (14) | |
| | | | | | | | | 31,305 | 7,169 | 0.2 % |
| The RK Logistics Group, Inc. | Commercial Services & Supplies | First Lien Term Loan | 3/24/2022 | 15.37% (3M SOFR + 10.50%) | 1.00 | 12/18/2028 | 5,670 | 5,670 | 5,670 | 0.2 % (3)(8) |
| | | First Lien Term Loan | 12/19/2023 | 12.37% (3M SOFR + 7.50%) | 4.00 | 12/18/2028 | 33,543 | 33,543 | 33,284 | 0.9 % (3)(8) |
| | | Class A Common Units (263,000 units) | 3/24/2022 | | — | N/A | — | 263 | 1,619 | — % (14) |
| | | Class B Common Units (1,435,000 units) | 3/24/2022 | | — | N/A | — | 2,487 | 8,835 | 0.3 % (14) |
| | | Class C Common Units (450,000 units) | 6/28/2024 | | — | N/A | — | 2,250 | 2,771 | 0.1 % |
| | | | | | | | | 44,213 | 52,179 | 1.5 % |
| RME Group Holding Company | Media | First Lien Term Loan A | 5/4/2017 | 10.35% (3M SOFR + 5.50%) | 1.00 | 5/6/2025 | 19,437 | 19,437 | 19,437 | 0.6 % (3)(8) |
| | | First Lien Term Loan B | 5/4/2017 | 15.85% (3M SOFR + 11.00%) | 1.00 | 5/6/2025 | 20,420 | 20,420 | 20,420 | 0.6 % (3)(8) |
| | | | | | | | | 39,857 | 39,857 | 1.2 % |
| Romark WM-R Ltd. | Structured Finance | Subordinated Structured Note | 4/11/2014 | Residual Interest, current yield 0.00% | — | 4/21/2031 | 27,725 | 9,839 | 8,981 | 0.3 % (5)(12)(15) |
| | | | | | | | | 9,839 | 8,981 | 0.3 % |
| Rosa Mexicano | Hotels, Restaurants & Leisure | First Lien Revolving Line of Credit - \$5,195 Commitment | 3/29/2018 | 16.00% | — | 6/13/2026 | 5,194 | 5,194 | 4,419 | 0.1 % (13) |
| | | First Lien Term Loan | 3/29/2018 | 12.36% (3M SOFR + 7.50%) | 1.25 | 6/13/2026 | 22,359 | 22,359 | 17,595 | 0.5 % (8)(37) |
| | | | | | | | | 27,553 | 22,014 | 0.6 % |
| ShiftKey, LLC | Health Care Technology | First Lien Term Loan | 6/21/2022 | 10.62% (3M SOFR + 5.75%) | 1.00 | 6/21/2027 | 63,537 | 63,227 | 61,851 | 1.8 % (3)(8) |
| | | | | | | | | 63,227 | 61,851 | 1.8 % |
| Shutterfly Finance, LLC | Household Durables | First Lien Term Loan | 6/5/2023 | 11.06% (3M SOFR + 6.00%) | 1.00 | 10/1/2027 | 2,406 | 2,431 | 2,406 | 0.1 % (8) |
| | | Second Lien Term Loan | 6/6/2023 | 5.60% (3M SOFR + 1.00%) plus 4.00% PIK | 1.00 | 10/1/2027 | 18,878 | 18,878 | 16,346 | 0.5 % (8)(37) |
| | | | | | | | | 21,309 | 18,752 | 0.6 % |
| Spectrum Vision Holdings, LLC | Health Care Providers & Services | First Lien Term Loan | 5/2/2023 | 11.37% (3M SOFR + 6.50%) | 1.00 | 11/17/2025 | 29,545 | 29,545 | 29,545 | 0.8 % (3)(8) |
| | | | | | | | | 29,545 | 29,545 | 0.8 % |
| Stelcor Energy, LLC | Energy Equipment & Services | Overriding Royalty Interest | 12/1/2006 | | | N/A | | | | 0.6 (11) |

| | | | | | | | | | | |
|------------------------|--------------------|------------------------------|------------|---|-----|-----------|--------|--------|--------|-----------------------|
| Baytex Energy, LLC | Services | Overriding Royalty Interest | 12/4/2000 | | N/A | | — | — | — | % (11) |
| | | | | | | | — | — | — | % |
| Symphony CLO XIV, Ltd. | Structured Finance | Subordinated Structured Note | 5/6/2014 | Residual Interest, current yield 0.00% | — | 7/14/2026 | 49,250 | — | — | (5)(12)(15) % (17) |
| | | | | | | | — | — | — | % |
| Symphony CLO XV, Ltd. | Structured Finance | Subordinated Structured Note | 10/17/2014 | Residual Interest, current yield 0.00% | — | 1/19/2032 | 63,831 | 25,263 | 22,966 | 0.7 % (5)(12)(15) |
| | | | | | | | 25,263 | 22,966 | 0.7 | % |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF SEPTEMBER 30, 2024 (Unaudited)
(in thousands, except share data)

| | | | | | | | September 30, 2024 | | | |
|--|----------------------------------|--|-------------------------|---|-------|----------------|--------------------|-----------|------------|-------------------|
| | | | | | | | Principal | Amortized | Fair | % of Net |
| Portfolio Company | Industry(46) | Investments(1)(35) | Acquisition Date(42) | Coupon/Yield | Floor | Legal Maturity | Value | Cost | Value(2) | Assets |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| Town & Country Holdings, Inc. | Distributors | First Lien Term Loan | 11/17/2022 | 12.00% PIK | 12.00 | 8/29/2028 | \$ 28,197 | \$ 28,197 | \$ 28,631 | 0.8 % (37) |
| | | First Lien Term Loan | 1/26/2018 | 3.00% plus 9.00% PIK | 3.00 | 8/29/2028 | 40,660 | 40,660 | 41,286 | 1.2 % |
| | | First Lien Term Loan | 1/26/2018 | 12.00% PIK | 12.00 | 8/29/2028 | 161,697 | 161,697 | 164,187 | 4.7 % (37) |
| | | Class B of Town & Country TopCo LLC (999 Non-Voting Units) | 11/17/2022 | | N/A | | — | 9,472 | 0.3 % (14) | |
| | | | | | | | | | 230,554 | 243,576 |
| TPS, LLC | Machinery | First Lien Term Loan | 11/30/2020 | 14.26% (3M SOFR + 9.00%) plus 1.50% PIK | 5.00 | 11/30/2025 | 20,864 | 20,864 | 20,864 | 0.6 % (3)(8)(37) |
| | | | | | | | 20,864 | 20,864 | 0.6 % | |
| United Sporting Companies, Inc. (16) | Distributors | Second Lien Term Loan | 9/28/2012 | 15.96% (1M LIBOR + 11.00%) plus 2.00% PIK | 2.25 | 11/16/2019 | 190,556 | 89,853 | 10,218 | 0.3 % (7) |
| | | | | | | | 89,853 | 10,218 | 0.3 % | |
| Upstream Newco, Inc. | Health Care Providers & Services | Second Lien Term Loan | 11/20/2019 | 13.85% (3M SOFR + 8.50%) | — | 11/20/2027 | 22,000 | 21,919 | 18,592 | 0.5 % (8) |
| | | | | | | | 21,919 | 18,592 | 0.5 % | |
| USG Intermediate, LLC | Leisure Products | First Lien Revolving Line of Credit - \$14,000 Commitment | 4/15/2015 | 14.20% (1M SOFR + 9.25%) | 1.00 | 2/9/2028 | 14,000 | 14,000 | 14,000 | 0.4 % (8)(13) |
| | | First Lien Term Loan B | 4/15/2015 | 16.70% (1M SOFR + 11.75%) | 1.00 | 2/9/2028 | 59,515 | 59,515 | 59,515 | 1.7 % (3)(8) |
| | | Equity | 4/15/2015 | | N/A | | 1 | — | — % (14) | |
| | | | | | | | 73,516 | 73,515 | 2.1 % | |
| Victor Technology, LLC | Distributors | First Lien Term Loan | 12/3/2021 | 12.36% (3M SOFR + 7.50%) | 1.00 | 12/3/2028 | 12,175 | 12,175 | 11,698 | 0.3 % (3)(8) |
| | | | | | | | 12,175 | 11,698 | 0.3 % | |
| Voya CLO 2012-4, Ltd. | Structured Finance | Subordinated Structured Note | 11/5/2012 | Residual Interest, current yield 0.00% | — | 10/15/2030 | 40,612 | 8,928 | 8,096 | 0.2 % (5)(12)(15) |
| | | | | | | | 8,928 | 8,096 | 0.2 % | |
| Voya CLO 2014-1, Ltd. | Structured Finance | Subordinated Structured Note | 2/5/2014 | Residual Interest, current yield 0.00% | — | 4/18/2031 | 40,773 | 7,881 | 7,112 | 0.2 % (5)(12)(15) |
| | | | | | | | 7,881 | 7,112 | 0.2 % | |
| Voya CLO 2016-3, Ltd. | Structured Finance | Subordinated Structured Note | 9/30/2016 | Residual Interest, current yield 0.00% | — | 10/20/2031 | 28,100 | 18,414 | 15,964 | 0.5 % (5)(12)(15) |
| | | | | | | | 18,414 | 15,964 | 0.5 % | |
| Voya CLO 2017-3, Ltd. | Structured Finance | Subordinated Structured Note | 6/13/2017 | Residual Interest, current yield 5.24% | — | 4/20/2034 | 44,885 | 48,038 | 39,909 | 1.1 % (5)(12) |
| | | | | | | | 48,038 | 39,909 | 1.1 % | |
| WatchGuard Technologies, Inc. | IT Services | First Lien Term Loan | 8/17/2022 | 10.10% (1M SOFR + 5.25%) | 0.75 | 6/30/2029 | 34,388 | 34,388 | 34,318 | 1.0 % (3)(8) |
| | | | | | | | 34,388 | 34,318 | 1.0 % | |
| Wellful Inc. | Food Products | First Lien Term Loan | 5/26/2022 | 11.21% (1M SOFR + 6.25%) | 0.75 | 4/21/2027 | 13,248 | 12,926 | 8,916 | 0.3 % (8) |
| | | Incremental First Lien Term Loan | 7/21/2022 | 11.21% (1M SOFR + 6.25%) | 0.75 | 4/21/2027 | 14,250 | 13,717 | 9,590 | 0.3 % (8) |
| | | | | | | | 26,643 | 18,506 | 0.6 % | |
| Wellpath Holdings, Inc. | Health Care Providers & Services | First Lien Term Loan | 5/13/2019 | 10.82% (3M SOFR + 5.50%) | — | 10/1/2025 | 14,091 | 14,026 | 8,737 | 0.2 % (7)(8) |
| | | Second Lien Term Loan | 9/25/2018 | 14.32% (3M SOFR + 9.00%) | — | 10/1/2026 | 37,000 | 36,791 | 19,240 | 0.5 % (7)(8) |

| | | | |
|---|--------------|--------------|---------|
| | | | |
| | 50,817 | 27,977 | 0.7 % |
| Total Non-Control/Non-Affiliate Investments | \$ 3,991,005 | \$ 3,710,473 | 105.7 % |
| | | | |
| Total Portfolio Investments | \$ 7,329,338 | \$ 7,476,641 | 213.0 % |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2024
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(35) | Acquisition Date(42) | Coupon/Yield | Floor | Legal Maturity | June 30, 2024 | | | | |
|--|----------------------------------|---|----------------------|-----------------------------|-------|----------------|-----------------|----------------|---------------|-----------------|------------|
| | | | | | | | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | |
| Control Investments (greater than 25.00% voting control)(40) | | | | | | | | | | | |
| CP Energy Services Inc. (18) | Energy Equipment & Services | First Lien Term Loan | 10/1/2017 | 14.56% (3M SOFR+ 9.00%) | 1.00 | 4/4/2027 | \$ 59,303 | \$ 59,303 | \$ 51,139 | 1.4% | (8)(37) |
| | | First Lien Term Loan | 4/5/2022 | 14.56% (3M SOFR+ 9.00%) | 1.00 | 4/4/2027 | 7,619 | 7,619 | 6,570 | 0.2% | (8)(37) |
| | | First Lien Term Loan | 1/6/2023 | 14.56% (3M SOFR + 9.00%) | 1.00 | 4/4/2027 | 15,090 | 15,090 | 13,012 | 0.4% | (8)(37) |
| | | First Lien Term Loan A to Spartan Energy Services, LLC | 10/20/2014 | 13.59% PIK (3M SOFR+ 8.00%) | 1.00 | 12/31/2025 | 36,608 | 36,608 | 35,103 | 0.9% | (8)(37) |
| | | First Lien Term Loan A to Spartan Energy Services, LLC | 10/20/2014 | 13.60% (3M SOFR+ 8.00%) | 1.00 | 12/31/2025 | 4,569 | 4,569 | 4,382 | 0.1% | (10) |
| | | Series A Preferred Units to Spartan Energy Holdings, Inc. (10,000 shares) | 9/25/2020 | 15.00% | | N/A | | 26,193 | — | —% | (14) |
| | | Series B Redeemable Preferred Stock (790 shares) | 10/30/2015 | 16.00% | | N/A | | 63,225 | — | —% | (14) |
| | | Common Stock (102,924 shares) | 8/2/2013 | | | N/A | | 86,240 | — | —% | (14) |
| | | | | | | | 298,847 | 110,206 | 3.0% | | |
| Credit Central Loan Company, LLC (19) | Consumer Finance | First Lien Term Loan | 12/28/2012 | 5.00% plus 5.00% PIK | — | 9/15/2027 | 82,629 | 82,629 | 79,230 | 2.1% | (12)(37) |
| | | Class A Units (14,867,312 units) | 12/28/2012 | | | N/A | | 19,331 | — | —% | (12)(14) |
| | | Preferred Class P Shares (12,897,188 units) | 7/1/2022 | 12.75% | | N/A | | 11,520 | — | —% | (12)(14) |
| | | Net Revenues Interest (25% of Net Revenues) | 1/28/2015 | | | N/A | | — | — | —% | (12)(14) |
| | | | | | | | 113,480 | 79,230 | 2.1% | | |
| Echelon Transportation, LLC | Aerospace & Defense | First Lien Term Loan | 3/31/2014 | 6.00% | — | 12/7/2026 | 54,739 | 54,739 | 54,739 | 1.5% | |
| | | Membership Interest (100%) | 3/31/2014 | | | N/A | | 22,738 | — | —% | (14) |
| | | Preferred Units (41,751,342 shares) | 1/31/2022 | 12.75% PIK | | N/A | | 32,843 | 12,184 | 0.3% | (14) |
| | | | | | | | 110,320 | 66,923 | 1.8% | | |
| First Tower Finance Company LLC (21) | Consumer Finance | First Lien Term Loan to First Tower, LLC | 6/24/2014 | 10.00% plus 5.00% PIK | — | 12/18/2027 | 424,992 | 424,992 | 424,992 | 11.4% | (12)(37) |
| | | Class A Units (95,709,910 units) | 6/14/2012 | | | N/A | | 31,146 | 180,936 | 4.9% | (12)(14) |
| | | | | | | | 456,138 | 605,928 | 16.3% | | |
| Freedom Marine Solutions, LLC (22) | Energy Equipment & Services | Membership Interest (100%) | 11/9/2006 | | | N/A | | 46,142 | 12,651 | 0.3% | (14) |
| | | | | | | | 46,142 | 12,651 | 0.3% | | |
| InterDent, Inc. | Health Care Providers & Services | First Lien Term Loan A/B | 8/1/2018 | 20.11% (1M SOFR+ 14.65%) | 2.00 | 9/5/2025 | 14,249 | 14,249 | 14,249 | 0.4% | (3)(8) |
| | | First Lien Term Loan A | 8/3/2012 | 10.96% (1M SOFR+ 5.50%) | 1.00 | 9/5/2025 | 95,823 | 95,823 | 95,823 | 2.6% | (3)(8) |
| | | First Lien Term Loan B | 8/3/2012 | 12.00% PIK | | 9/5/2025 | 206,356 | 206,356 | 206,356 | 5.6% | (37) |
| | | Common Stock (99,900 shares) | 5/3/2019 | | | N/A | | 45,118 | 147,455 | 4.0% | (14) |
| | | | | | | | 361,546 | 463,883 | 12.6% | | |
| Kickapoo Ranch Pet Resort | Diversified Consumer Services | First Lien Term Loan | 1/11/2024 | 12.83% (3M SOFR+ 7.50%) | 3.00 | 1/10/2029 | 1,500 | 1,500 | 1,500 | —% | (8) |
| | | Membership Interest (100%) | 8/26/2019 | | | N/A | | 2,378 | 3,242 | 0.1% | |
| | | | | | | | 3,878 | 4,742 | 0.1% | | |
| | Commercial Services & Support | First Lien Term Loan A | 9/19/2013 | 12.59% (3M SOFR+ 7.00%) | 3.00 | 4/30/2025 | 37,224 | 37,224 | 37,224 | 1.0% | (3)(8)(37) |
| | | First Lien Term Loan B | 6/23/2014 | 12.59% (3M SOFR+ 7.00%) | 3.00 | 4/30/2025 | 18,274 | 18,274 | 18,274 | 0.5% | (8)(37) |

| | | | | | | | | | | | |
|-----------------|--------------------------------|---|-----------|------------------------|---|----------|-------|---------------|---------------|-------------|------|
| MITY, Inc. (23) | Commercial Services & Supplies | Unsecured Note to Broda Enterprises ULC | 9/19/2013 | 7.00%) plus 10.00% PIK | — | 1/1/2028 | 5,380 | 7,200 | 7,200 | 0.2% | (12) |
| | | Common Stock (42,206 shares) | 9/19/2013 | | | N/A | | 27,349 | 22,885 | 0.6% | (14) |
| | | | | | | | | 90,047 | 85,583 | 2.3% | |
| | | | | | | | | | | | |

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2024 (Continued)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(35) | Acquisition Date(42) | Coupon/Yield | Floor | Legal Maturity | June 30, 2024 | | | | |
|--|--|---|----------------------|--|-------|----------------|-----------------|----------------|---------------|-----------------|-------------|
| | | | | | | | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | |
| Control Investments (greater than 25.00% voting control)(40) | | | | | | | | | | | |
| National Property REIT Corp. (24) | Equity Real Estate Investment Trusts (REITs) / Online Lending / Structured Finance | First Lien Term Loan A | 12/31/2018 | 4.25% (3M SOFR+ 0.25%) plus 2.00% PIK | 4.00 | 3/31/2026 | \$ 643,801 | \$ 643,801 | \$ 643,801 | 17.4% | (8)(37) |
| | | First Lien Term Loan B | 12/31/2018 | 7.60% (3M SOFR+ 2.00%) | 3.00 | 3/31/2026 | 20,630 | 20,630 | 20,630 | 0.6% | (8)(37) |
| | | First Lien Term Loan C | 10/31/2019 | 15.60%(3M SOFR+ 10.00%) plus 2.25% PIK | 1.00 | 3/31/2026 | 190,500 | 190,500 | 190,500 | 5.1% | (8)(37) |
| | | First Lien Term Loan D | 6/19/2020 | 4.25% (3M SOFR+ 0.25%) plus 2.00% PIK | 4.00 | 3/31/2026 | 183,425 | 183,425 | 183,425 | 4.9% | (8)(37) |
| | | First Lien Term Loan E | 11/14/2022 | 7.00% (3M SOFR + 1.50%) plus 7.00% PIK | 5.50 | 3/31/2026 | 49,925 | 49,925 | 49,925 | 1.3% | (8)(37) |
| | | Residual Profit Interest | 12/31/2018 | | | N/A | | — | 46,193 | 1.2% | (33) |
| | | Common Stock (3,374,914 shares) | 12/31/2013 | | | N/A | | 20,030 | 561,988 | 15.1% | (14)(43) |
| | | | | | | | 1,108,311 | 1,696,462 | 45.6% | | |
| Nationwide Loan Company LLC (25) | Consumer Finance | First Lien Delayed Draw Term Loan - \$7,350 Commitment | 5/15/2024 | 10.00% plus 10.00% PIK | — | 5/15/2029 | 5,378 | 5,378 | 5,378 | 0.2% | (12)(37) |
| | | First Lien Term Loan | 6/18/2014 | 10.00% plus 10.00% PIK | — | 5/15/2029 | 27,192 | 27,192 | 27,192 | 0.8% | (12)(37) |
| | | Class A Units (38,550,460 units) | 1/31/2013 | | | N/A | | 20,845 | 10,592 | 0.3% | (12)(14) |
| | | | | | | | 53,415 | 43,162 | 1.3% | | |
| NMMB, Inc. (26) | Media | First Lien Term Loan | 12/30/2019 | 14.09% (3M SOFR+ 8.50%) | 2.00 | 3/31/2027 | 29,723 | 29,723 | 29,723 | 0.8% | (3)(8) |
| | | Common Stock (21,418 shares) | 12/30/2019 | | | N/A | | — | 64,542 | 1.7% | |
| | | | | | | | 29,723 | 94,265 | 2.5% | | |
| Pacific World Corporation (34) | Personal Products | First Lien Revolving Line of Credit - \$26,000 Commitment | 9/26/2014 | 9.59% PIK (1M SOFR+ 3.99%) | 1.00 | 9/26/2025 | 34,174 | 34,174 | 34,174 | 0.9% | (8)(13)(37) |
| | | First Lien Term Loan A | 12/31/2014 | 9.59% PIK (1M SOFR+ 3.99%) | 1.00 | 9/26/2025 | 64,427 | 64,427 | 64,427 | 1.7% | (8)(37) |
| | | Convertible Preferred Equity (608,048 shares) | 6/15/2018 | 12.00% PIK | | N/A | | 221,795 | 6,062 | 0.2% | (14) |
| | | Common Stock (6,778,414 shares) | 9/29/2017 | | | N/A | | — | — | —% | (14) |
| | | | | | | | 320,396 | 104,663 | 2.8% | | |
| R-V Industries, Inc. | Machinery | First Lien Term Loan | 12/15/2020 | 14.59% (3M SOFR+ 9.00%) | 1.00 | 12/15/2028 | 37,322 | 37,322 | 37,322 | 1.0% | (3)(8) |
| | | Common Stock (745,107 shares) | 6/26/2007 | | | N/A | | 6,866 | 65,080 | 1.8% | (14) |
| | | | | | | | 44,188 | 102,402 | 2.8% | | |
| Universal Turbine Parts, LLC Trading Companies & (32) | Distributors | First Lien Delayed Draw Term Loan - \$6,965 Commitment | 2/28/2019 | 13.34% (3M SOFR+ 7.75%) | 1.00 | 10/5/2026 | 5,560 | 5,560 | 5,560 | 0.1% | (8)(13) |
| | | First Lien Term Loan A | 7/22/2016 | 11.34% (3M SOFR+ 5.75%) | 1.00 | 10/5/2026 | 29,575 | 29,575 | 29,575 | 0.8% | (3)(8) |
| | | Preferred Units (71,039,647 units) | 3/31/2021 | 12.75% PIK | | N/A | | 32,500 | 32,932 | 0.9% | (14) |
| | | Common Stock (10,000 units) | 12/10/2018 | | | N/A | | — | — | —% | (14) |
| | | | | | | | 67,635 | 68,067 | 1.8% | | |
| USES Corp. (28) | Commercial Services & Supplies | First Lien Term Loan | 12/30/2020 | 14.59% (1M SOFR + 9.00%) | 1.00 | 7/29/2024 | 2,000 | 2,000 | 2,000 | 0.1% | (8) |
| | | First Lien Equipment Term Loan | 8/3/2022 | 14.59% (1M SOFR + 9.00%) | 1.00 | 7/29/2024 | 12,219 | 12,219 | 12,219 | 0.3% | (8)(37) |
| | | First Lien Term Loan A | 3/31/2014 | 9.00% PIK | — | 7/29/2024 | 71,875 | 30,651 | 3,770 | 0.1% | (7) |
| | | First Lien Term Loan B | 3/31/2014 | 15.50% PIK | — | 7/29/2024 | 122,247 | 35,568 | — | —% | (7) |

| | | | | | | | | | | |
|---|---|------------|--|------|------------|--------------|--------------|--------|------|------------|
| Common Stock (268,962 shares) 6/15/2016 | | | | N/A | | — | — | —% | (14) | |
| | | | | | | 80,438 | 17,989 | 0.5% | | |
| Valley Electric Company, Inc. Construction & Engineering (29) | First Lien Term Loan to Valley Electric Co. of Mt. Vernon, Inc. | 12/31/2012 | 10.56% (3M SOFR+ 5.00%) plus 2.50% PIK | 3.00 | 12/31/2024 | 10,452 | 10,452 | 10,452 | 0.3% | (3)(8)(37) |
| | First Lien Term Loan | 6/24/2014 | 8.00% plus 10.00% PIK | — | 4/30/2028 | 38,629 | 38,629 | 38,629 | 1.0% | (3)(37) |
| | First Lien Term Loan B | 3/28/2022 | 7.00% plus 5.50% PIK | — | 4/30/2028 | 34,777 | 34,777 | 34,777 | 0.9% | (3)(37) |
| | Consolidated Revenue Interest (2.00%) | 6/22/2018 | | | N/A | — | 1,863 | 0.1% | (10) | |
| | Common Stock (50,000 shares) | 12/31/2012 | | | N/A | 12,053 | 230,698 | 6.2% | (14) | |
| | | | | | | 95,911 | 316,419 | 8.5% | | |
| Total Control Investments \$ | | | | | | \$ 3,280,415 | \$ 3,872,575 | 104.3% | | |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2024 (Continued)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(35) | Acquisition Date(42) | Coupon/Yield | Floor | Legal Maturity | June 30, 2024 | | | | |
|--|-------------------------------------|-----------------------------|-------------------------|--------------|-------|-------------------|--------------------|-------------------|------------------|--------------------|--------|
| | | | | | | | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | |
| Affiliate Investments (5.00% to 24.99% voting control)(41) | | | | | | | | | | | |
| Nixon, Inc. (30) | Textiles, Apparel & Luxury Goods | Common Stock (857 units) | 5/12/2017 | | | N/A | \$ | — | \$ | — | % (14) |
| | | | | | | | | — | | — | % |
| RGIS Services, LLC | Commercial Services & Supplies | Membership Interest (8.00%) | 6/25/2020 | | | N/A | | 11,594 | | 18,069 | 0.5 % |
| | | | | | | | | 11,594 | | 18,069 | 0.5 % |
| Total Affiliate Investments \$ | | | | | | | \$ | 11,594 | \$ | 18,069 | 0.5 % |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2024 (Continued)
(in thousands, except share data)

| | | | | | | | June 30, 2024 | | | |
|--|----------------------------------|--|-------------------------|---|-------|----------------|---------------|-----------|-----------|-------------------|
| Portfolio Company | Industry | Investments(1)(35) | Acquisition Date(42) | Coupon/Yield | Floor | Legal Maturity | Principal | Amortized | Fair | % of Net |
| | | | | | | | Value | Cost | Value(2) | Assets |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| 8th Avenue Food & Provisions, Inc. | Food Products | Second Lien Term Loan | 9/21/2018 | 13.21% (1M SOFR+ 7.75%) | — | 10/1/2026 | \$ 32,133 | \$ 32,044 | \$ 29,965 | 0.8 % (8) |
| | | | | | | | | 32,044 | 29,965 | 0.8 % |
| Apidos CLO XI | Structured Finance | Subordinated Structured Note | 12/6/2012 | Residual Interest, current yield 10.21% | — | 4/17/2034 | 67,783 | 38,825 | 32,235 | 0.9 % (5)(12) |
| | | | | | | | | 38,825 | 32,235 | 0.9 % |
| Apidos CLO XII | Structured Finance | Subordinated Structured Note | 3/15/2013 | Residual Interest, current yield 5.44% | — | 4/15/2031 | 52,203 | 29,081 | 25,312 | 0.7 % (5)(12) |
| | | | | | | | | 29,081 | 25,312 | 0.7 % |
| Apidos CLO XV | Structured Finance | Subordinated Structured Note | 9/13/2013 | Residual Interest, current yield 0.00% | — | 4/21/2031 | 48,515 | 28,562 | 24,092 | 0.6 % (5)(12)(15) |
| | | | | | | | | 28,562 | 24,092 | 0.6 % |
| Apidos CLO XXII | Structured Finance | Subordinated Structured Note | 9/16/2015 | Residual Interest, current yield 0.00% | — | 4/21/2031 | 35,855 | 26,173 | 22,359 | 0.6 % (5)(12)(15) |
| | | | | | | | | 26,173 | 22,359 | 0.6 % |
| Atlantis Health Care Group (Puerto Rico), Inc. | Health Care Providers & Services | First Lien Term Loan | 2/21/2013 | 14.30% (3M SOFR+ 8.75%) | 2.00 | 5/15/2025 | 58,184 | 58,184 | 58,184 | 1.6 % (3)(8) |
| | | | | | | | | 58,184 | 58,184 | 1.6 % |
| Aventiv Technologies, LLC | Communications Equipment | Second Out Super Priority First Lien Term Loan | 4/2/2024 | 13.10% (3M SOFR+ 7.50%) | 1.00 | 7/31/2025 | 1,499 | 1,499 | 1,499 | — % (8)(47) |
| | | Third Out Super Priority First Lien Term Loan | 3/28/2024 | 6.60% (3M SOFR+ 1.00%) plus 4.09% PIK | 1.00 | 7/31/2025 | 25,415 | 20,860 | 20,914 | 0.6 % (8)(37)(47) |
| | | Second Lien Term Loan | 3/28/2024 | 14.65% (3M SOFR+ 9.05%) | 1.00 | 11/1/2025 | 85,602 | 56,671 | 46,098 | 1.2 % (8)(37) |
| | | | | | | | | 79,030 | 68,511 | 1.8 % |
| Barings CLO 2018-III | Structured Finance | Subordinated Structured Note | 10/9/2014 | Residual Interest, current yield 0.00% | — | 7/20/2029 | 82,809 | 9,423 | 8,188 | 0.2 % (5)(12)(15) |
| | | | | | | | | 9,423 | 8,188 | 0.2 % |
| Barracuda Parent, LLC | IT Services | Second Lien Term Loan | 8/15/2022 | 12.31% (6M SOFR+ 7.00%) | 0.50 | 8/15/2030 | 20,000 | 19,544 | 20,000 | 0.5 % |
| | | | | | | | | 19,544 | 20,000 | 0.5 % |
| BCPE North Star US Holdco 2, Inc. | Food Products | Second Lien Delayed Draw Term Loan - \$5,185 Commitment | 6/7/2021 | 12.71% (1M SOFR+ 7.25%) | 0.75 | 6/11/2029 | 5,185 | 5,147 | 4,987 | 0.1 % (8)(13) |
| | | Second Lien Term Loan | 6/7/2021 | 12.71% (1M SOFR+ 7.25%) | 0.75 | 6/11/2029 | 94,815 | 94,313 | 91,193 | 2.5 % (8) |
| | | | | | | | | 99,460 | 96,180 | 2.6 % |
| BCPE Osprey Buyer, Inc. | Health Care Technology | First Lien Revolving Line of Credit - \$4,239 Commitment | 10/18/2021 | 11.20% (1M SOFR+ 5.75%) | 0.75 | 8/21/2026 | 2,261 | 2,261 | 2,261 | 0.1 % (8)(13)(49) |
| | | First Lien Delayed Draw Term Loan - \$4,691 Commitment | 10/18/2021 | 11.21% (1M SOFR+ 5.75%) | 0.75 | 8/23/2028 | 4,668 | 4,623 | 4,668 | 0.1 % (3)(8)(13) |
| | | First Lien Term Loan | 10/18/2021 | 11.35% (3M SOFR+ 5.75%) | 0.75 | 8/23/2028 | 63,375 | 63,375 | 63,375 | 1.7 % (3)(8) |
| | | | | | | | | 70,259 | 70,304 | 1.9 % |
| Belnick, LLC (d/b/a The Ubique Group) | Household Durables | First Lien Term Loan | 1/20/2022 | 13.59% (3M SOFR+ 8.00%) | 4.00 | 1/20/2027 | 84,552 | 84,552 | 84,250 | 2.3 % (3)(8) |
| | | | | | | | | 84,552 | 84,250 | 2.3 % |
| Boostability Parent, Inc. | IT Services | First Lien Term Loan | 1/31/2022 | 13.56% (3M SOFR + 8.00%) | 4.00 | 1/31/2027 | 42,770 | 42,770 | 42,770 | 1.2 % (3)(8) |
| | | | | | | | | 42,770 | 42,770 | 1.2 % |

| | | | | | | | | | | | |
|-------------------------------------|----------------------------------|------------------------------|-----------|--|------|-----------|---------|----------------|----------------|------------|-----------|
| Broder Bros., Co. | Textiles, Apparel & Luxury Goods | First Lien Term Loan | 12/4/2017 | 11.60% (3M SOFR+ 6.00%) | 1.00 | 12/4/2025 | 153,514 | 153,514 | 153,514 | 4.1 | % (3)(8) |
| | | | | | | | | 153,514 | 153,514 | 4.1 | % |
| Burgess Point Purchaser Corporation | Automobile Components | Second Lien Term Loan | 7/25/2022 | 14.44% (1M SOFR+ 9.00%) | 0.75 | 7/25/2030 | 30,000 | 30,000 | 30,000 | 0.8 | % (3)(8) |
| | | | | | | | | 30,000 | 30,000 | 0.8 | % |
| California Street CLO IX Ltd. | Structured Finance | Subordinated Structured Note | 4/19/2012 | Residual Interest, current yield 3.62% | — | 7/16/2032 | 58,915 | 36,482 | 27,997 | 0.8 | % (5)(12) |
| | | | | | | | | 36,482 | 27,997 | 0.8 | % |

See notes to consolidated financial statements.

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PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2024 (Continued)
(in thousands, except share data)

| | | | | | | | June 30, 2024 | | | |
|--|----------------------------------|--|-------------------------|---|-------|----------------|---------------|-----------|-----------|-------------------|
| Portfolio Company | Industry | Investments(1)(35) | Acquisition Date(42) | Coupon/Yield | Floor | Legal Maturity | Principal | Amortized | Fair | % of Net |
| | | | | | | | Value | Cost | Value(2) | Assets |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| Capstone Logistics Acquisition, Inc. | Commercial Services & Supplies | Second Lien Term Loan | 11/12/2020 | 14.19% (1M SOFR+ 8.75%) | 1.00 | 11/13/2028 | \$ 8,500 | \$ 8,326 | \$ 8,500 | 0.2 % (3)(8) |
| | | | | | | | | 8,326 | 8,500 | 0.2 % |
| Carlyle C17 CLO Limited | Structured Finance | Subordinated Structured Note | 1/24/2013 | Residual Interest, current yield 0.00% | — | 4/30/2031 | 24,870 | 8,626 | 7,675 | 0.2 % (5)(12)(15) |
| | | | | | | | | 8,626 | 7,675 | 0.2 % |
| Carlyle Global Market Strategies CLO 2014-4-R, Ltd. | Structured Finance | Subordinated Structured Note | 4/7/2017 | Residual Interest, current yield 0.00% | — | 7/15/2030 | 25,534 | 13,058 | 11,882 | 0.3 % (5)(12)(15) |
| | | | | | | | | 13,058 | 11,882 | 0.3 % |
| Carlyle Global Market Strategies CLO 2016-3, Ltd. | Structured Finance | Subordinated Structured Note | 8/9/2016 | Residual Interest, current yield 5.40% | — | 7/20/2034 | 32,200 | 30,456 | 24,009 | 0.6 % (5)(12) |
| | | | | | | | | 30,456 | 24,009 | 0.6 % |
| Cent CLO 21 Limited | Structured Finance | Subordinated Structured Note | 5/15/2014 | Residual Interest, current yield 0.00% | — | 7/29/2030 | 49,552 | — | — | — % (5)(12)(15) |
| | | | | | | | | — | — | — % |
| CIFC Funding 2013-III-R, Ltd. | Structured Finance | Subordinated Structured Note | 8/2/2013 | Residual Interest, current yield 0.00% | — | 4/24/2031 | 44,100 | 18,932 | 16,604 | 0.4 % (5)(12)(15) |
| | | | | | | | | 18,932 | 16,604 | 0.4 % |
| CIFC Funding 2013-IV, Ltd. | Structured Finance | Subordinated Structured Note | 10/22/2013 | Residual Interest, current yield 0.00% | — | 4/28/2031 | 45,500 | 27,528 | 23,921 | 0.6 % (5)(12)(15) |
| | | | | | | | | 27,528 | 23,921 | 0.6 % |
| CIFC Funding 2014-IV-R, Ltd. | Structured Finance | Subordinated Structured Note | 8/5/2014 | Residual Interest, current yield 10.98% | — | 1/17/2035 | 50,143 | 36,313 | 28,668 | 0.8 % (5)(12) |
| | | | | | | | | 36,313 | 28,668 | 0.8 % |
| CIFC Funding 2016-I, Ltd. | Structured Finance | Subordinated Structured Note | 12/9/2016 | Residual Interest, current yield 12.38% | — | 10/21/2031 | 34,000 | 31,837 | 29,854 | 0.8 % (5)(12) |
| | | | | | | | | 31,837 | 29,854 | 0.8 % |
| Collections Acquisition Company, Inc. | Diversified Financial Services | First Lien Term Loan | 12/3/2019 | 13.21% (3M SOFR+ 7.65%) | 2.50 | 6/3/2027 | 45,039 | 45,039 | 45,039 | 1.2 % (3)(8) |
| | | | | | | | | 45,039 | 45,039 | 1.2 % |
| Columbia Cent CLO 27 Limited | Structured Finance | Subordinated Structured Note | 12/18/2013 | Residual Interest, current yield 5.47% | — | 1/25/2035 | 48,978 | 30,872 | 25,397 | 0.7 % (5)(12) |
| | | | | | | | | 30,872 | 25,397 | 0.7 % |
| Credit.com Holdings, LLC (6) | Diversified Consumer Services | First Lien Term Loan A | | 16.60% (3M SOFR + 9/28/2023 11.00%) | 1.50 | 9/28/2028 | 33,237 | 33,237 | 31,658 | 0.9% (8) |
| | | First Lien Term Loan B | | 17.60% (3M SOFR + 9/28/2023 12.00%) | 1.50 | 9/28/2028 | 56,931 | 56,931 | 40,488 | 1.1% (8) |
| | | Class B of PGX TopCo II LLC (999 Non-Voting Units) | 9/28/2023 | | | N/A | — | 426 | —% (14) | |
| | | | | | | | | 90,168 | 72,572 | 2.0 % |
| Discovery Point Retreat, LLC (50) | Health Care Providers & Services | First Lien Term Loan | | 13.35% (3M SOFR+ 6/14/2024 7.75%) | 3.25 | 6/14/2029 | 17,000 | 17,000 | 16,632 | 0.5% (8) |
| | | First Lien Revolving Line of Credit - \$2,500 Commitment | | 13.35% (3M SOFR + 6/14/2024 7.75%) | 3.25 | 12/14/2024 | 900 | 900 | 881 | —% (8) |
| | | Series A Preferred Stock of Discovery MSO HoldCo LLC - 7,632 Units | | 6/14/2024 8.00% PIK | | N/A | 7,950 | 15,900 | 0.4% (14) | |
| | | | | | | | | 25,850 | 33,413 | 0.9 % |
| DBI Holding Inc. | Commercial Services | First Lien Term Loan | 12/21/2021 | 10.69% (1M SOFR+ 5.25%) | 0.50 | 12/21/2028 | 33,561 | 32,646 | 33,561 | 0.9 % (3)(8) |

| | | | | | | | | | | | |
|------------------|-----------------------|-----------------------|------------|-------------------------|------|------------|---------|---------|---------|--------|--------------|
| DTI Holding Inc. | & Supplies | Second Lien Term Loan | 12/21/2021 | 13.43% (1M SOFR+ 8.00%) | 0.50 | 12/21/2029 | 145,000 | 145,000 | 145,000 | 3.9 | % (3)(8) |
| | | | | | | | | 177,646 | 178,561 | 4.8 | % |
| DTI Holdco, Inc. | Professional Services | First Lien Term Loan | 4/26/2022 | 10.09%(1M SOFR+ 4.75%) | 0.75 | 4/26/2029 | 18,176 | 17,921 | 18,176 | 0.5 | % (3)(8)(45) |
| | | Second Lien Term Loan | 4/26/2022 | 13.09% (1M SOFR+ 7.75%) | 0.75 | 4/26/2030 | 75,000 | 75,000 | 75,000 | 2.0 | % (3)(8) |
| | | | | | | | | | | 92,921 | 93,176 |

See notes to consolidated financial statements.

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PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2024 (Continued)
(in thousands, except share data)

| | | | | | | | June 30, 2024 | | | | |
|--|--|--|-------------|--|-------|----------------|---------------|-----------|----------|----------|-------------------|
| | | | Acquisition | | | | Principal | Amortized | Fair | % of Net | |
| Portfolio Company | Industry | Investments(1)(35) | Date(42) | Coupon/Yield | Floor | Legal Maturity | Value | Cost | Value(2) | Assets | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | |
| Dukes Root Control Inc. | Commercial Services & Supplies | First Lien Revolving Line of Credit - \$4,464 Commitment | 12/8/2022 | 11.98% (3M SOFR + 6.50%) | 1.00 | 12/8/2028 | \$ 2,375 | \$ 2,392 | \$ 2,375 | 0.1% | (8)(13)(49) |
| | | First Lien Delayed Draw Term Loan - \$8,929 Commitment | 12/8/2022 | 11.98% (3M SOFR + 6.50%) | 1.00 | 12/8/2028 | 3,238 | 3,226 | 3,238 | 0.1% | (8)(13)(49) |
| | | First Lien Term Loan | 12/8/2022 | 11.99% (3M SOFR + 6.50%) | 1.00 | 12/8/2028 | 36,058 | 36,195 | 36,058 | 1.0% | (3)(8) |
| | | | | | | | | 41,813 | 41,671 | 1.2% | |
| Easy Gardener Products, Inc. | Household Durables | Class A Units of EZG Holdings, LLC (200 units) | 6/11/2020 | | | N/A | | 313 | — | — | % (14) |
| | | Class B Units of EZG Holdings, LLC(12,525 units) | 6/11/2020 | | | N/A | | 1,688 | — | — | % (14) |
| | | | | | | | | 2,001 | — | — | % |
| Engineered Machinery Holdings, Inc. | Machinery | Incremental Amendment No. 2 Second Lien Term Loan | 5/6/2021 | 12.10% (3M SOFR+ 6.50%) | 0.75 | 5/21/2029 | 5,000 | 4,994 | 5,000 | 0.2 | % (3)(8) |
| | | Incremental Amendment No. 3 Second Lien Term Loan | 8/6/2021 | 11.60% (3M SOFR+ 6.00%) | 0.75 | 5/21/2029 | 5,000 | 5,000 | 5,000 | 0.1 | % (3)(8) |
| | | | | | | | | 9,994 | 10,000 | 0.3 | % |
| Emerge Intermediate, Inc. (48) | Health Care Providers & Services | First Lien Term Loan | 2/26/2024 | 11.60% (3M SOFR+ 6.25%) | 1.00 | 2/26/2026 | 56,329 | 56,329 | 56,329 | 1.5 | % (3)(8) |
| | | | | | | | | 56,329 | 56,329 | 1.5 | % |
| Enseo Acquisition, Inc. | IT Services | First Lien Term Loan | 6/2/2021 | 13.56% (3M SOFR+ 8.00%) | 1.00 | 6/2/2026 | 53,116 | 53,116 | 53,116 | 1.4 | % (3)(8) |
| | | | | | | | | 53,116 | 53,116 | 1.4 | % |
| Eze Castle Integration, Inc. | IT Services | First Lien Delayed Draw Term Loan - \$8,036 Commitment | 7/15/2020 | 12.84% (3M SOFR+ 7.50%) | 3.00 | 1/15/2027 | 1,783 | 1,783 | 1,783 | — | % (8)(13)(37)(49) |
| | | First Lien Term Loan | 7/15/2020 | 12.97% (3M SOFR+ 7.50%) | 3.00 | 1/15/2027 | 46,527 | 46,527 | 46,527 | 1.3 | % (3)(8)(37) |
| | | | | | | | | 48,310 | 48,310 | 1.3 | % |
| Faraday Buyer, LLC | Electrical Equipment | First Lien Delayed Draw Term Loan - \$6,540 Commitment | 10/11/2022 | 11.33% (3M SOFR + 6.00%) | 1.00 | 10/11/2028 | — | — | — | — | % (8)(13) |
| | | First Lien Term Loan | 10/11/2022 | 11.33% (3M SOFR + 6.00%) | 1.00 | 10/11/2028 | 61,991 | 61,991 | 61,991 | 1.7 | % (3)(8) |
| | | | | | | | | 61,991 | 61,991 | 1.7 | % |
| First Brands Group | Automobile Components | First Lien Term Loan | 3/24/2021 | 10.59% (3M SOFR+ 5.00%) | 1.00 | 3/30/2027 | 22,126 | 22,124 | 22,019 | 0.6 | % (3)(8)(45) |
| | | Second Lien Term Loan | 3/24/2021 | 14.09% (3M SOFR+ 8.50%) | 1.00 | 3/30/2028 | 37,000 | 36,850 | 36,788 | 1.0 | % (3)(8) |
| | | | | | | | | 58,974 | 58,807 | 1.6 | % |
| Galaxy XV CLO, Ltd. | Structured Finance | Subordinated Structured Note | 2/13/2013 | Residual Interest, current yield 0.00% | — | 10/15/2030 | 50,525 | 22,434 | 20,386 | 0.5 | % (5)(12)(15) |
| | | | | | | | | 22,434 | 20,386 | 0.5 | % |
| Galaxy XXVII CLO, Ltd. | Structured Finance | Subordinated Structured Note | 9/30/2013 | Residual Interest, current yield 0.00% | — | 5/16/2031 | 24,575 | 10,789 | 9,811 | 0.3 | % (5)(12)(15) |
| | | | | | | | | 10,789 | 9,811 | 0.3 | % |
| Galaxy XXVIII CLO, Ltd. | Structured Finance | Subordinated Structured Note | 5/30/2014 | Residual Interest, current yield 0.00% | — | 7/15/2031 | 39,905 | 18,822 | 17,247 | 0.5 | % (5)(12)(15) |
| | | | | | | | | 18,822 | 17,247 | 0.5 | % |
| Global Tel*Link Corporation (d/b/a ViaPath Technologies.) | Diversified Telecommunication Services | First Lien Term Loan | 8/7/2019 | 9.69% (1M SOFR + 4.25%) | — | 11/29/2025 | 9,497 | 9,405 | 9,456 | 0.3 | % (3)(8)(45) |
| | | Second Lien Term Loan | 11/20/2018 | 15.44% (1M SOFR + | — | 11/29/2026 | 122,670 | 122,165 | 122,670 | 3.3 | % (3)(8) |

| | | | | | | | | | | |
|--|--------------------|------------------------------|-----------|---|---|------------|---------|---------|-----|-----------------|
| 10.00%) | | | | | | | | | | |
| | | | | | | | 131,570 | 132,126 | 3.6 | % |
| Halcyon Loan Advisors Funding 2014-2 Ltd. | Structured Finance | Subordinated Structured Note | 4/14/2014 | Residual Interest, current yield 0.00% | — | 4/28/2025 | 41,164 | 8 | 8 | — % (5)(12)(15) |
| | | | | | | | 8 | 8 | — | % |
| Halcyon Loan Advisors Funding 2015-3 Ltd. | Structured Finance | Subordinated Structured Note | 7/23/2015 | Residual Interest, current yield 0.00% | — | 10/18/2027 | 39,598 | 53 | 49 | — % (5)(12)(15) |
| | | | | | | | 53 | 49 | — | % |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2024 (Continued)
(in thousands, except share data)

| | | | | | | | June 30, 2024 | | | | |
|--|----------------------------------|--|-------------|--|-------|----------------|---------------|-----------|----------|----------|---------------|
| | | | Acquisition | | | | Principal | Amortized | Fair | % of Net | |
| Portfolio Company | Industry | Investments(1)(35) | Date(42) | Coupon/Yield | Floor | Legal Maturity | Value | Cost | Value(2) | Assets | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | |
| HarbourView CLO VII-R, Ltd. | Structured Finance | Subordinated Structured Note | 6/5/2015 | Residual Interest, current yield 0.00% | — | 7/18/2031 | \$ 19,025 | \$ 4,285 | \$ 3,676 | 0.1 | % (5)(12)(15) |
| | | | | | | | | 4,285 | 3,676 | 0.1 | % |
| Help/Systems Holdings, Inc. (d/b/a Forta, LLC) | Software | Second Lien Term Loan | 11/14/2019 | 12.20% (3M SOFR+ 6.75%) | 0.75 | 11/19/2027 | 52,500 | 52,405 | 47,813 | 1.3 | % (3)(8) |
| | | | | | | | | 52,405 | 47,813 | 1.3 | % |
| Imperative Worldwide, LLC (f/k/a MAGNATE WORLDWIDE, LLC) | Air Freight & Logistics | First Lien Term Loan | 3/11/2022 | 10.98% (3M SOFR + 5.50%) | 0.75 | 12/30/2028 | 31,394 | 31,375 | 31,394 | 0.9 | % (3)(8) |
| | | Second Lien Term Loan | 12/30/2021 | 13.98% (3M SOFR + 8.50%) | 0.75 | 12/30/2029 | 95,000 | 95,000 | 89,758 | 2.4 | % (3)(8) |
| | | | | | | | | 126,375 | 121,152 | 3.3 | % |
| Interventional Management Services, LLC | Health Care Providers & Services | First Lien Revolving Line of Credit - \$5,000 Commitment | 2/22/2021 | 14.58% (3M SOFR+ 9.00%) | 1.00 | 2/22/2025 | 5,000 | 5,000 | 4,855 | 0.1 | % (8)(13) |
| | | First Lien Term Loan | 2/22/2021 | 14.58% (3M SOFR+ 9.00%) | 1.00 | 2/20/2026 | 65,565 | 65,565 | 63,669 | 1.7 | % (3)(8) |
| | | | | | | | | 70,565 | 68,524 | 1.8 | % |
| iQor Holdings, Inc. | Diversified Consumer Services | First Lien Term Loan | 6/11/2024 | 13.10% (3M SOFR+ 7.50%) | 2.50 | 6/11/2029 | 50,000 | 50,000 | 50,000 | 1.3 | % (8) |
| | | Common Stock of Bloom Parent, Inc. | 6/11/2024 | | | N/A | | 10,450 | 10,232 | 0.3 | % (14) |
| | | | | | | | | 60,450 | 60,232 | 1.6 | % |
| Japs-Olson Company, LLC (31) | Commercial Services & Supplies | First Lien Term Loan | 5/25/2023 | 12.08% (3M SOFR + 6.75%) | 2.00 | 5/25/2028 | 57,960 | 57,960 | 57,960 | 1.6 | % (3)(8) |
| | | | | | | | | 57,960 | 57,960 | 1.6 | % |
| Jefferson Mill CLO Ltd. | Structured Finance | Subordinated Structured Note | 6/26/2015 | Residual Interest, current yield 0.00% | — | 10/20/2031 | 23,594 | 12,391 | 10,955 | 0.3 | % (5)(12)(15) |
| | | | | | | | | 12,391 | 10,955 | 0.3 | % |
| Julie Lindsey, Inc. | Textiles, Apparel & Luxury Goods | First Lien Revolving Line of Credit - \$2,000 Commitment | 7/27/2023 | 11.33% (3M SOFR + 6.00%) | 4.00 | 7/27/2027 | — | — | — | — | % (8)(13) |
| | | First Lien Term Loan | 7/27/2023 | 11.33% (3M SOFR + 6.00%) | 4.00 | 7/27/2028 | 19,600 | 19,600 | 19,600 | 0.5 | % (3)(8) |
| | | | | | | | | 19,600 | 19,600 | 0.5 | % |
| K&N HoldCo, LLC | Automobile Components | Class A Common Units (84,553 units) | 2/14/2023 | | | N/A | | 25,697 | 783 | — | % (14) |
| | | | | | | | | 25,697 | 783 | — | % |
| KM2 Solutions LLC | IT Services | First Lien Term Loan | 12/17/2020 | 15.05% (3M SOFR+ 9.60%) | 3.00 | 12/17/2025 | 17,877 | 17,877 | 17,793 | 0.5 | % (3)(8) |
| | | | | | | | | 17,877 | 17,793 | 0.5 | % |
| LCM XIV Ltd. | Structured Finance | Subordinated Structured Note | 6/25/2013 | Residual Interest, current yield 0.00% | — | 7/21/2031 | 49,934 | 8,510 | 7,699 | 0.2 | % (5)(12)(15) |
| | | | | | | | | 8,510 | 7,699 | 0.2 | % |
| LGC US FINCO, LLC | Machinery | First Lien Term Loan | 1/17/2020 | 11.96% (1M SOFR+ 6.50%) | 1.00 | 12/20/2025 | 29,231 | 28,985 | 29,231 | 0.8 | % (3)(8) |
| | | | | | | | | 28,985 | 29,231 | 0.8 | % |
| Lucky US BuyerCo LLC | Professional Services | First Lien Revolving Line of Credit - \$2,775 Commitment | 4/3/2023 | 12.85% (3M SOFR + 7.50%) | 1.00 | 4/1/2029 | 1,665 | 1,665 | 1,665 | — | % (8)(13) |
| | | First Lien Term Loan | 4/3/2023 | 12.83% (3M SOFR + 7.50%) | 1.00 | 4/1/2029 | 21,457 | 21,457 | 21,457 | 0.6 | % (3)(8) |
| | | | | | | | | 23,122 | 23,122 | 0.6 | % |
| | | | | 14.08% (3M SOFR + | 1.50 | 5/11/2028 | 21,457 | 21,457 | 21,457 | 0.6 | % (3)(8) |

| | | | | | | | | | | | |
|--------------------------------------|----------------------------------|---|-----------|-------------------------|------|-----------|--------|--------|--------|-----|----------|
| MAC Discount, LLC | Household Durables | First Lien Term Loan | 5/11/2023 | 8.50%) | 1.50 | 5/11/2028 | 34,434 | 34,153 | 34,410 | 0.9 | % (3)(8) |
| | | Class A Senior Preferred Stock | | | | | | | | | |
| | | to MAC Discount Investments, LLC (1,500,000 shares) | 5/11/2023 | 12.00% | | N/A | | 1,500 | 1,266 | — | % (14) |
| | | | | | | | | 35,653 | 35,676 | 0.9 | % |
| Medical Solutions Holdings, Inc. (4) | Health Care Providers & Services | Second Lien Term Loan | 11/1/2021 | 12.44% (1M SOFR+ 7.00%) | 0.50 | 11/1/2029 | 54,463 | 54,433 | 44,976 | 1.2 | % (3)(8) |
| | | | | | | | | 54,433 | 44,976 | 1.2 | % |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2024 (Continued)
(in thousands, except share data)

| | | | | | | | June 30, 2024 | | | | |
|--|----------------------------------|--|-------------------------|--|-------|----------------|---------------|-----------|----------|----------|---------------|
| Portfolio Company | Industry | Investments(1)(35) | Acquisition Date(42) | Coupon/Yield | Floor | Legal Maturity | Principal | Amortized | Fair | % of Net | |
| | | | | | | | Value | Cost | Value(2) | Assets | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | |
| Mountain View CLO 2013-I Ltd. | Structured Finance | Subordinated Structured Note | 4/17/2013 | Residual Interest, current yield 0.00% | — | 10/15/2030 | \$ 43,650 | \$ 8,036 | \$ 7,286 | 0.2 | % (5)(12)(15) |
| | | | | | | | | 8,036 | 7,286 | 0.2 | % |
| Mountain View CLO IX Ltd. | Structured Finance | Subordinated Structured Note | 5/13/2015 | Residual Interest, current yield 0.00% | — | 7/15/2031 | 47,830 | 11,717 | 10,658 | 0.3 | % (5)(12)(15) |
| | | | | | | | | 11,717 | 10,658 | 0.3 | % |
| Nexus Buyer LLC | Capital Markets | Second Lien Term Loan | 11/5/2021 | 11.69% (1M SOFR+ 6.25%) | 0.50 | 11/5/2029 | 42,500 | 42,500 | 42,500 | 1.1 | % (3)(8) |
| | | | | | | | | 42,500 | 42,500 | 1.1 | % |
| NH Kronos Buyer, Inc. | Pharmaceuticals | First Lien Term Loan | 12/7/2022 | 11.73% (3M SOFR + 6.25%) | 1.00 | 11/1/2028 | 83,562 | 83,467 | 83,562 | 2.3 | % (3)(8) |
| | | | | | | | | 83,467 | 83,562 | 2.3 | % |
| Octagon Investment Partners XV, Ltd. | Structured Finance | Subordinated Structured Note | 1/24/2013 | Residual Interest, current yield 0.00% | — | 7/19/2030 | 42,064 | 16,842 | 14,471 | 0.4 | % (5)(12)(15) |
| | | | | | | | | 16,842 | 14,471 | 0.4 | % |
| Octagon Investment Partners 18-R Ltd. | Structured Finance | Subordinated Structured Note | 8/12/2015 | Residual Interest, current yield 0.00% | — | 4/16/2031 | 46,016 | 11,267 | 10,177 | 0.3 | % (5)(12)(15) |
| | | | | | | | | 11,267 | 10,177 | 0.3 | % |
| OneTouchPoint Corp | Professional Services | First Lien Term Loan | 2/19/2021 | 13.58% (3M SOFR+ 8.00%) | 1.00 | 2/19/2026 | 35,047 | 35,047 | 35,047 | 0.9 | % (3)(8) |
| | | | | | | | | 35,047 | 35,047 | 0.9 | % |
| PeopleConnect Holdings, Inc (9) | Interactive Media & Services | First Lien Term Loan | 1/22/2020 | 13.73% (3M SOFR+ 8.25%) | 2.75 | 1/22/2025 | 120,594 | 120,594 | 120,594 | 3.2 | % (3)(8) |
| | | | | | | | | 120,594 | 120,594 | 3.2 | % |
| PlayPower, Inc. | Leisure Products | First Lien Term Loan | 5/7/2019 | 10.96% (3M SOFR+ 5.50%) | — | 5/10/2026 | 5,711 | 5,693 | 5,526 | 0.1 | % (8) |
| | | | | | | | | 5,693 | 5,526 | 0.1 | % |
| Precisely Software Incorporated (27) | IT Services | Second Lien Term Loan | 4/23/2021 | 12.84% (3M SOFR+ 7.25%) | 0.75 | 4/23/2029 | 80,000 | 79,447 | 79,865 | 2.2 | % (3)(8) |
| | | | | | | | | 79,447 | 79,865 | 2.2 | % |
| Preventics, Inc. (d/b/a Legere Pharmaceuticals) (44) | Health Care Providers & Services | First Lien Term Loan | 11/12/2021 | 16.10% (3M SOFR+ 10.50%) | 1.00 | 11/12/2026 | 8,906 | 8,906 | 8,906 | 0.2 | % (3)(8) |
| | | Series A Convertible Preferred Stock (320 units) | 11/12/2021 | 8.00% | | N/A | | 127 | 183 | — | % (16) |
| | | Series C Convertible Preferred Stock (3,575 units) | 11/12/2021 | 8.00% | | N/A | | 1,419 | 2,042 | 0.1 | % (14) |
| | | | | | | | | 10,452 | 11,131 | 0.3 | % |
| Raisin Acquisition Co, Inc. | Pharmaceuticals | First Lien Revolving Line of Credit - \$3,583 Commitment | 6/17/2022 | 12.61% (3M SOFR+ 7.00%) | 1.00 | 12/13/2026 | — | — | — | — | % (8)(13) |
| | | First Lien Delayed Draw Term Loan - \$1,554 Commitment | 6/17/2022 | 12.60% (3M SOFR+ 7.00%) | 1.00 | 12/13/2026 | 1,425 | 1,403 | 1,425 | — | % (8)(13) |
| | | First Lien Term Loan | 6/17/2022 | 12.61% (3M SOFR+ 7.00%) | 1.00 | 12/13/2026 | 22,601 | 22,190 | 22,601 | 0.6 | % (3)(8) |
| | | | | | | | | 23,593 | 24,026 | 0.6 | % |
| Reception Purchaser, LLC | Air Freight & Logistics | First Lien Term Loan | 4/28/2022 | 11.48% (3M SOFR+ 6.00%) | 0.75 | 3/24/2028 | 62,255 | 61,522 | 53,539 | 1.4 | % (3)(8) |
| | | | | | | | | 61,522 | 53,539 | 1.4 | % |
| Redstone Holdco 2 LP (20) | IT Services | Second Lien Term Loan | 4/16/2021 | 13.21% (1M SOFR+ 7.75%) | 0.75 | 4/27/2029 | 50,000 | 49,460 | 47,360 | 1.3 | % (3)(8) |
| | | | | | | | | 49,460 | 47,360 | 1.3 | % |

| | | | | | | | | | | | |
|--|-----------------------|-----------------------|-----------|----------------------------|------|------------|--------|--------|-------|-----|----------|
| Research Now Group, LLC and Dynata, LLC | Professional Services | First Lien Term Loan | 6/3/2024 | 14.21% (1M SOFR+ 8.75%) | 1.00 | 8/6/2024 | 366 | 359 | 366 | — | % (8) |
| | | First Lien Term Loan | 12/8/2017 | 13.09% (3M SOFR+ 7.50%) | 1.00 | 12/20/2024 | 11,835 | 10,726 | 9,320 | 0.3 | % (7)(8) |
| | | Second Lien Term Loan | 12/8/2017 | 15.09% (3M SOFR+ 9.50%) | 1.00 | 12/20/2025 | 50,000 | 49,082 | 1,948 | 0.1 | % (7)(8) |
| | | | | | | | 60,167 | 11,634 | 0.4 | % | |

See notes to consolidated financial statements.

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PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2024 (Continued)
(in thousands, except share data)

| | | | | | | | June 30, 2024 | | | |
|--|------------------------------------|--|-------------------------|--|-------|----------------|---------------|-----------|----------|---------------------|
| Portfolio Company | Industry | Investments(1)(35) | Acquisition Date(42) | Coupon/Yield | Floor | Legal Maturity | Principal | Amortized | Fair | % of Net |
| | | | | | | | Value | Cost | Value(2) | Assets |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| Rising Tide Holdings, Inc. | Diversified Consumer Services | First Lien Term Loan | 9/25/2023 | 6.58% (3M SOFR+ 1.00%) plus 7.00% PIK | 2.00 | 9/12/2028 | \$ 5,565 | \$ 5,158 | \$ 5,165 | 0.1 % (8) |
| | | Class A Common Units of Marine One Holdco, LLC (345,600 units) | 9/12/2023 | | | N/A | | 23,898 | 3,923 | 0.1 % (14) |
| | | Warrants of Marine One Holdco, LLC | 9/12/2023 | | | N/A | | — | — | — % (14) |
| | | | | | | | | | 29,056 | 9,088 |
| The RK Logistics Group, Inc. | Commercial Services & Supplies | First Lien Term Loan | 3/24/2022 | 16.10% (3M SOFR+ 10.50%) | 1.00 | 12/18/2028 | 5,685 | 5,685 | 5,685 | 0.2 % (3)(8) |
| | | First Lien Term Loan | 12/19/2023 | 13.10% (3M SOFR + 7.50%) | 4.00 | 12/18/2028 | 33,594 | 33,594 | 33,293 | 0.9 % (3)(8) |
| | | Class A Common Units (263,000 units) | 3/24/2022 | | — | N/A | — | 263 | 1,719 | — % (14) |
| | | Class B Common Units (1,435,000 units) | 3/24/2022 | | — | N/A | — | 2,487 | 9,381 | 0.3 % (14) |
| | | Class C Common Units (450,000 units) | 6/28/2024 | | — | N/A | — | 2,250 | 2,942 | 0.1 % |
| | | | | | | | 44,279 | 53,020 | 1.5 % | |
| RME Group Holding Company Media | | First Lien Term Loan A | 5/4/2017 | 11.08% (3M SOFR+ 5.50%) | 1.00 | 5/6/2025 | 19,624 | 19,624 | 19,624 | 0.5 % (3)(8) |
| | | First Lien Term Loan B | 5/4/2017 | 16.58% (3M SOFR+ 11.00%) | 1.00 | 5/6/2025 | 20,483 | 20,483 | 20,483 | 0.6 % (3)(8) |
| | | | | | | | 40,107 | 40,107 | 1.1 % | |
| Romark WM-R Ltd. | Structured Finance | Subordinated Structured Note | 4/11/2014 | Residual Interest, current yield 0.00% | — | 4/21/2031 | 27,725 | 12,450 | 11,173 | 0.3 % (5)(12)(15) |
| | | | | | | | 12,450 | 11,173 | 0.3 % | |
| Rosa Mexicano | Hotels, Restaurants & Leisure | First Lien Revolving Line of Credit - \$5,182 Commitment | 3/29/2018 | 16.00% | — | 6/13/2026 | 5,224 | 5,224 | 4,281 | 0.1 % (13) |
| | | First Lien Term Loan | 3/29/2018 | 13.09% (3M SOFR+ 7.50%) | 1.25 | 6/13/2026 | 22,358 | 22,358 | 17,269 | 0.5 % (8) |
| | | | | | | | 27,582 | 21,550 | 0.6 % | |
| ShiftKey, LLC | Health Care Technology | First Lien Term Loan | 6/21/2022 | 11.35% (3M SOFR+ 5.75%) | 1.00 | 6/21/2027 | 63,700 | 63,361 | 62,227 | 1.7 % (3)(8) |
| | | | | | | | 63,361 | 62,227 | 1.7 % | |
| Shutterfly Finance, LLC | Internet & Direct Marketing Retail | First Lien Term Loan | 6/5/2023 | 11.35% (3M SOFR + 6.00%) | 1.00 | 10/1/2027 | 2,406 | 2,426 | 2,406 | 0.1 % (8) |
| | | Second Lien Term Loan | 6/6/2023 | 6.33% (3M SOFR + 1.00%) plus 4.00% PIK | 1.00 | 10/1/2027 | 18,683 | 18,683 | 15,987 | 0.4 % (8)(37) |
| | | | | | | | 21,109 | 18,393 | 0.5 % | |
| Spectrum Vision Holdings, LLC | Health Care Providers & Services | First Lien Term Loan | 5/2/2023 | 12.10% (3M SOFR + 6.50%) | 1.00 | 11/17/2024 | 29,620 | 29,620 | 29,620 | 0.8 % (3)(8) |
| | | | | | | | 29,620 | 29,620 | 0.8 % | |
| Stryker Energy, LLC | Energy Equipment & Services | Overriding Royalty Interest | 12/4/2006 | | | N/A | | — | — | — % (11) |
| | | | | | | | — | — | — % | |
| Symphony CLO XIV, Ltd. | Structured Finance | Subordinated Structured Note | 5/6/2014 | Residual Interest, current yield 0.00% | — | 7/14/2026 | 49,250 | — | — | — % (5)(12)(15)(17) |
| | | | | | | | — | — | — % | |
| Symphony CLO XV, Ltd. | Structured Finance | Subordinated Structured Note | 10/17/2014 | Residual Interest, current yield 0.00% | — | 1/19/2032 | 63,831 | 27,151 | 23,371 | 0.6 % (5)(12)(15) |

| | | | | | | | 27,151 | 23,371 | 0.6 | % | |
|-------------------------------|--------------|----------------------------------|------------|----------------------|-------|-----------|---------|---------|---------|-----|--------|
| Town & Country Holdings, Inc. | Distributors | First Lien Term Loan | 11/17/2022 | 12.00% PIK | 12.00 | 8/29/2028 | 27,332 | 27,332 | 27,706 | 0.7 | % (37) |
| | | First Lien Term Loan | 1/26/2018 | 3.00% plus 9.00% PIK | 3.00 | 8/29/2028 | 40,660 | 40,660 | 41,217 | 1.1 | % (37) |
| | | First Lien Term Loan | 1/26/2018 | 12.00% PIK | 12.00 | 8/29/2028 | 156,734 | 156,734 | 158,882 | 4.3 | % (37) |
| | | Class B of Town & Country | | | | | | | | | |
| | | TopCo LLC (999 Non-Voting Units) | 11/17/2022 | | | N/A | | — | 13,304 | 0.4 | % (14) |
| | | | | | | | 224,726 | 241,109 | 6.5 | % | |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2024 (Continued)
(in thousands, except share data)

| | | | | | | | June 30, 2024 | | | |
|--|----------------------------------|---|-------------|--|-------|----------------|---------------|--------------|--------------|-------------------|
| Portfolio Company | Industry | Investments(1)(35) | Acquisition | Coupon/Yield | Floor | Legal Maturity | Principal | Amortized | Fair | % of Net |
| | | | Date(42) | | | | Value | Cost | Value(2) | Assets |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| TPS, LLC | Machinery | First Lien Term Loan | 11/30/2020 | 14.59% (3M SOFR+ 9.00%) plus 1.50% PIK | 5.00 | 11/30/2025 | \$ 21,414 | \$ 21,414 | \$ 21,414 | 0.6 % (3)(8)(37) |
| | | | | | | | | 21,414 | 21,414 | 0.6 % |
| United Sporting Companies, Inc. (16) | Distributors | Second Lien Term Loan | 9/28/2012 | 16.45% (1ML+ 11.00%) plus 2.00% PIK | 2.25 | 11/16/2019 | 190,556 | 89,853 | 10,289 | 0.3 % (7)(8) |
| | | | | | | | | 89,853 | 10,289 | 0.3 % |
| Upstream Newco, Inc. | Health Care Providers & Services | Second Lien Term Loan | 11/20/2019 | 13.93% (3M SOFR+ 8.50%) | — | 11/20/2027 | 22,000 | 21,913 | 19,145 | 0.5 % (3)(8) |
| | | | | | | | | 21,913 | 19,145 | 0.5 % |
| USG Intermediate, LLC | Leisure Products | First Lien Revolving Line of Credit - \$14,000 Commitment | 4/15/2015 | 14.69% (1M SOFR+ 9.25%) | 1.00 | 2/9/2028 | 14,000 | 14,000 | 14,000 | 0.4 % (8)(13) |
| | | First Lien Term Loan B | 4/15/2015 | 17.19% (1M SOFR+ 11.75%) | 1.00 | 2/9/2028 | 59,765 | 59,765 | 59,765 | 1.6 % (3)(8) |
| | | Equity | 4/15/2015 | | | N/A | | 1 | — | — % (14) |
| | | | | | | | | 73,766 | 73,765 | 2.0 % |
| Victor Technology, LLC | Commercial Services & Supplies | First Lien Term Loan | 12/3/2021 | 13.09% (3M SOFR+ 7.50%) | 1.00 | 12/3/2028 | 14,250 | 14,250 | 13,946 | 0.4 % (3)(8) |
| | | | | | | | | 14,250 | 13,946 | 0.4 % |
| Voya CLO 2012-4, Ltd. | Structured Finance | Subordinated Structured Note | 11/5/2012 | Residual Interest, current yield 0.00% | — | 10/15/2030 | 40,613 | 11,746 | 10,385 | 0.3 % (5)(12)(15) |
| | | | | | | | | 11,746 | 10,385 | 0.3 % |
| Voya CLO 2014-1, Ltd. | Structured Finance | Subordinated Structured Note | 2/5/2014 | Residual Interest, current yield 0.00% | — | 4/18/2031 | 40,773 | 10,781 | 9,437 | 0.3 % (5)(12)(15) |
| | | | | | | | | 10,781 | 9,437 | 0.3 % |
| Voya CLO 2016-3, Ltd. | Structured Finance | Subordinated Structured Note | 9/30/2016 | Residual Interest, current yield 0.00% | — | 10/20/2031 | 28,100 | 21,233 | 16,556 | 0.4 % (5)(12)(15) |
| | | | | | | | | 21,233 | 16,556 | 0.4 % |
| Voya CLO 2017-3, Ltd. | Structured Finance | Subordinated Structured Note | 6/13/2017 | Residual Interest, current yield 7.50% | — | 4/20/2034 | 44,885 | 49,017 | 40,152 | 1.1 % (5)(12) |
| | | | | | | | | 49,017 | 40,152 | 1.1 % |
| WatchGuard Technologies, Inc. | IT Services | First Lien Term Loan | 8/17/2022 | 10.59% (1M SOFR+ 5.25%) | 0.75 | 6/30/2029 | 34,388 | 34,388 | 34,334 | 0.9 % (3)(8) |
| | | | | | | | | 34,388 | 34,334 | 0.9 % |
| Wellful Inc. | Food & Staples | First Lien Term Loan | 5/26/2022 | 11.71% (1M SOFR+ 6.25%) | 0.75 | 4/21/2027 | 13,338 | 12,932 | 10,721 | 0.3 % (3)(8) |
| | Retailing | Incremental First Lien Term Loan | 7/21/2022 | 11.71% (1M SOFR+ 6.25%) | 0.75 | 4/21/2027 | 14,344 | 13,811 | 11,530 | 0.3 % (3)(8) |
| | | | | | | | | 26,743 | 22,251 | 0.6 % |
| Wellpath Holdings, Inc. | Health Care | First Lien Term Loan | 5/13/2019 | 11.11% (3M SOFR+ 5.50%) | — | 10/1/2025 | 14,091 | 14,030 | 12,689 | 0.3 % (8) |
| | Providers & Services | Second Lien Term Loan | 9/25/2018 | 14.61% (3M SOFR+ 9.00%) | — | 10/1/2026 | 37,000 | 36,799 | 24,027 | 0.6 % (8) |
| | | | | | | | | 50,829 | 36,716 | 0.9 % |
| Total Non-Control/Non-Affiliate Investments | | | | | | | | \$ 4,155,165 | \$ 3,827,599 | 103.1 % |
| Total Portfolio Investments | | | | | | | | \$ 7,447,174 | \$ 7,718,243 | 207.9 % |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024

- (1) The terms "Prospect," "the Company," "we," "us" and "our" mean Prospect Capital Corporation and its subsidiaries unless the context specifically requires otherwise. The securities in which Prospect has invested were acquired in transactions that were exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). These securities may be resold only in transactions that are exempt from registration under the Securities Act.
- (2) Fair value is determined by or under the direction of our Board of Directors. Unless otherwise indicated by endnote 45 below, all of our investments are valued using significant unobservable inputs. In accordance with ASC 820, such investments are classified as Level 3 within the fair value hierarchy. See Notes 2 and 3 within the accompanying notes to consolidated financial statements for further discussion.
- (3) Security, or a portion thereof, is held by Prospect Capital Funding LLC ("PCF"), our wholly owned subsidiary and a bankruptcy remote special purpose entity, and is pledged as collateral for the Revolving Credit Facility and such security is not available as collateral to our general creditors (see Note 4). The fair value of the investments held by PCF at September 30, 2024 and June 30, 2024 were \$2,678,373 and \$2,793,051, respectively, representing 35.8% and 36.2% of our total investments, respectively.
- (4) Medical Solutions Holdings, Inc. and Medical Solutions, LLC are joint borrowers on the Second Lien Term Loan.
- (5) This investment is in the equity class of the collateralized loan obligation ("CLO") security, which is referred to as "Subordinated Structured Note," or "SSN". The SSN investments are entitled to recurring distributions which are generally equal to the excess cash flow generated from the underlying investments after payment of the contractual payments to debt holders and fund expenses. The current estimated yield, calculated using amortized cost, is based on the current projections of this excess cash flow taking into account assumptions which have been made regarding expected prepayments, losses and future reinvestment rates. These assumptions are periodically reviewed and adjusted. Ultimately, the actual yield may be higher or lower than the estimated yield if actual results differ from those used for the assumptions.
- (6) On September 28, 2023, in connection with a Chapter 11 process, PGX Holdings, Inc. ("PGX") sold the majority of its assets to a new entity, Credit.com Holdings, LLC ("Credit.com"). As part of the transaction, we rolled the majority of our existing First Lien Term Loan into a new First Lien Term Loan A and new First Lien Term Loan B at Credit.com. We were also issued equity at Credit.com, which we hold through our Class B non-voting equity investment in PGX Topco II LLC. As of September 30, 2024 and June 30, 2024, we classify our investment in Credit.com as non-control/non-affiliate.
- (7) Investment on non-accrual status as of the reporting date (See Note 2).
- (8) Certain variable rate securities in our portfolio bear interest at a rate determined by a publicly disclosed base rate plus a basis point spread. The 1-Month Secured Overnight Financing Rate or "1M SOFR", was 4.85% as of September 30, 2024 and 5.34% as of June 30, 2024. The 3-Month Secured Overnight Financing Rate or "3M SOFR", was 4.59% as of September 30, 2024 and 5.32% as of June 30, 2024. The 6-Month Secured Overnight Financing Rate or "6M SOFR" was 4.25% as of September 30, 2024 and 5.26% as of June 30, 2024. The PRIME Rate or "PRIME" was 8.00% as of September 30, 2024 and 8.50% as of June 30, 2024. The impact of a SOFR credit spread adjustment, if applicable, is included within the stated all-in interest rate.
- (9) PeopleConnect Holdings, Inc. and Pubrec Holdings, Inc. are joint borrowers.
- (10) The consolidated revenue interest is equal to the lesser of (i) 2.0% of consolidated revenue for the twelve-month period ending on the last day of the prior fiscal quarter (or portion thereof) and (ii) 25% of the amount of interest accrued on the Notes at the cash interest rate for such fiscal quarter (or portion thereof).
- (11) The overriding royalty interests held receive payments at the stated rates based upon operations of the borrower.
- (12) Investment has been designated as an investment not "qualifying" under Section 55(a) of the Investment Company Act of 1940 (the "1940 Act"). Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of our total assets as calculated in accordance with regulatory requirements. As of September 30, 2024 and June 30, 2024, our qualifying assets, as a percentage of total assets, stood at 83.96% and 83.78%, respectively. We monitor the status of these assets on an ongoing basis.
- (13) Undrawn committed revolvers and delayed draw term loans to our portfolio companies incur commitment and unused fees ranging from 0.00% to 5.75%. As of September 30, 2024 and June 30, 2024, we had \$ 47,914 and \$34,771, respectively, of undrawn revolver and delayed draw term loan commitments to our portfolio companies.

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024 (Continued)

- (14) Represents non-income producing security that has not paid a dividend in the year preceding the reporting date.
- (15) The effective yield has been estimated to be 0% as expected future cash flows are anticipated to not be sufficient to repay the investment at cost. If the expected investment proceeds increase, there is a potential for future investment income from the investment. Distributions, once received, will be recognized as return of capital, and when called, any remaining unamortized investment costs will be written off if the actual distributions are less than the amortized investment cost. To the extent that the cost basis of the SSN is fully recovered, any future distributions will be recorded as realized gains.
- (16) Ellett Brothers, LLC, Evans Sports, Inc., Jerry's Sports, Inc., Simmons Gun Specialties, Inc., Bonitz Brothers, Inc., and Outdoor Sports Headquarters, Inc. are joint borrowers on the second lien term loan. United Sporting Companies, Inc. ("USC") is a parent guarantor of this debt investment, and is 100% owned by SportCo Holdings, Inc. ("SportCo"). In June 2019, USC filed for Chapter 11 bankruptcy and began liquidating its remaining assets.
- (17) Security was called for redemption and the liquidation of the underlying loan portfolio is ongoing.
- (18) CP Holdings of Delaware LLC ("CP Holdings"), a consolidated entity in which we own 100% of the membership interests, owns 99.8% of CP Energy Services Inc. ("CP Energy") as of September 30, 2024 and June 30, 2024. CP Energy owns directly or indirectly 100% of each of CP Well Testing, LLC; Wright Foster Disposals, LLC; Foster Testing Co., Inc.; ProHaul Transports, LLC; and Wright Trucking, Inc. We report CP Energy as a separate controlled company. In June 2019, CP Energy purchased a controlling interest in the common equity of Spartan Energy Holdings, Inc. ("Spartan Holdings"), which owns 100% of Spartan Energy Services, LLC ("Spartan"), a portfolio company of Prospect with \$43,321 and \$41,177 in first lien term loans (the "Spartan Term Loans") due to us as of September 30, 2024 and June 30, 2024, respectively. As a result of CP Energy's purchase, and given Prospect's controlling interest in CP Energy, our Spartan Term Loans are presented as control investments under CP Energy. Spartan remains the direct borrower and guarantor to Prospect for the Spartan Term Loans. In September 2020, we made a new \$26,193 Series A preferred stock investment in Spartan Energy Holdings, Inc., which equates to 100% of the Series A non-voting redeemable preferred stock outstanding.
- (19) Credit Central Holdings of Delaware, LLC ("Credit Central Delaware"), a consolidated entity in which we own 100% of the membership interests, owns 99.8% and 99.8% of Credit Central Loan Company, LLC (f/k/a Credit Central Holdings, LLC ("Credit Central")) as of September 30, 2024 and June 30, 2024, respectively. Credit Central owns 100% of each of Credit Central, LLC; Credit Central South, LLC; Credit Central of Texas, LLC; and Credit Central of Tennessee, LLC, the operating companies. We report Credit Central as a separate controlled company.
- (20) Redstone Holdco 2 LP is the parent borrower on the second lien term loan. Redstone Buyer, LLC, Redstone Intermediate (Archer) HoldCo LLC, Redstone Intermediate (FRI) HoldCo LLC, Redstone Intermediate (NetWitness) HoldCo, LLC, and Redstone Intermediate (SecurID) HoldCo, LLC are joint borrowers on the Second Lien Term Loan.
- (21) First Tower Holdings of Delaware LLC ("First Tower Delaware"), a consolidated entity in which we own 100% of the membership interests, owns 80.10% of the voting interest and 78.06% of the fully-diluted economic interest of First Tower Finance Company LLC ("First Tower Finance"). First Tower Finance owns 100% of First Tower, LLC, the operating company. We report First Tower Finance as a separate controlled company. Effective March 17, 2021, the First Tower, LLC lenders were granted a first priority security interest in First Tower Finance's assets and our investment became classified as a First Lien Term Loan.
- (22) Energy Solutions Holdings Inc., a consolidated entity in which we own 100% of the equity, owns 100% of Freedom Marine Solutions, LLC ("Freedom Marine"), which owns Vessel Company, LLC, Vessel Company II, LLC and Vessel Company III, LLC. We report Freedom Marine as a separate controlled company.
- (23) MITY Holdings of Delaware Inc. ("MITY Delaware"), a consolidated entity in which we own 100% of the common stock, owns 100% of the equity of MITY, Inc. (f/k/a MITY Enterprises, Inc.) ("MITY"). MITY owns 100% of each of MITY-Lite, Inc. ("Mity-Lite"); Broda Enterprises USA, Inc.; and Broda Enterprises ULC ("Broda Canada"). We report MITY as a separate controlled company. Our subordinated unsecured note issued and outstanding to Broda Canada is denominated in Canadian Dollars ("CAD"). As of September 30, 2024 and June 30, 2024, the principal balance of this note was CAD 7,371. In accordance with ASC 830, *Foreign Currency Matters* ("ASC 830"), this note was remeasured into our functional currency, US Dollars (USD), and is presented on our *Consolidated Schedule of Investments* in USD. We formed a separate legal entity domiciled in the United States, MITY FSC, Inc., ("MITY FSC") in which Prospect owns 100% of the equity. MITY FSC does not have material operations. This entity earns commission payments from MITY-Lite based on its sales to foreign customers, and distributes it to its shareholder.

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024 (Continued)

- (24) NPH Property Holdings, LLC ("NPH"), a consolidated entity in which we own 100% of the membership interests, owns 100% of the common equity of National Property REIT Corp. ("NPRC") (f/k/a National Property Holdings Corp.), a property REIT which holds investments in several real estate properties. Additionally, NPRC invests in online consumer loans and rated secured structured notes through American Consumer Lending Limited ("ACLL") and National General Lending Limited ("NGL"), respectively, its wholly owned subsidiaries. We report NPRC as a separate controlled company. See Note 3 for further discussion of the investments held by NPRC.
- (25) Nationwide Acceptance Holdings LLC ("Nationwide Holdings"), a consolidated entity in which we own 100% of the membership interests, owns 94.48% of Nationwide Loan Company LLC, the operating company, as of September 30, 2024 and June 30, 2024. We report Nationwide Loan Company LLC as a separate controlled company. Prospect has a first priority security interest in the assets of Nationwide.
- (26) NMMB Holdings, Inc. ("NMMB Holdings"), a consolidated entity in which we own 100% of the equity, owns 92.77% of the fully diluted equity of NMMB, Inc. ("NMMB") as of September 30, 2024 and June 30, 2024. NMMB owns 100% of Refuel Agency, Inc., which owns 100% of Armed Forces Communications, Inc. We report NMMB as a separate controlled company.
- (27) Vision Solutions, Inc. and Precisely Software Incorporate are joint borrowers on the Second Lien Term Loan.
- (28) Prospect owns 99.96% of the equity of USES Corp. as of September 30, 2024 and June 30, 2024 .
- (29) Valley Electric Holdings I, Inc., a consolidated entity in which we own 100% of the common stock, owns 100% of Valley Electric Holdings II, Inc. ("Valley Holdings II"), another consolidated entity. Valley Holdings II owns 94.99% of Valley Electric Company, Inc. ("Valley Electric"). Valley Electric owns 100% of the equity of VE Company, Inc., which owns 100% of the equity of Valley Electric Co. of Mt. Vernon, Inc. We report Valley Electric as a separate controlled company.
- (30) As of September 30, 2024 and June 30, 2024, Prospect owns 8.57% of the equity in Encinitas Watches Holdco, LLC, the parent company of Nixon, Inc.
- (31) Japs-Olson Company, LLC, Alpha Mail Debt Merger Sub, LLC and J-O Building Company LLC are joint borrowers on the First Lien Term Loan.
- (32) UTP Holdings Group, Inc. ("UTP Holdings") owns all of the voting stock of Universal Turbine Parts, LLC ("UTP") and has appointed a Board of Directors to UTP Holdings, consisting of three employees of the Investment Adviser. UTP Holdings owns UTP. UTP Holdings is a wholly-owned holding company controlled by Prospect and therefore Prospect's investment in UTP is classified as a control investment.
- (33) As of September 30, 2024 and June 30, 2024, the residual profit interest includes both (i) 8.33% of TLA, TLD and TLE residual profit and (ii) 100% of TLC residual profits, with both calculated quarterly in arrears.
- (34) Prospect owns 100% of the preferred equity of Pacific World Corporation ("Pacific World"), which represents a 99.99% and 99.98% ownership interest of Pacific World as of September 30, 2024 and as of June 30, 2024, respectively. As a result, Prospect's investment in Pacific World is classified as a control investment.

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024 (Continued)

(35) The following shows the composition of our investment portfolio at cost by control designation, investment type and by industry as of September 30,

| Industry(46) | 1st Lien Term Loan | 2nd Lien Term Loan | Subordinated Structured Notes | Unsecured Debt | Equity ^(B) | Cost Total |
|---|-----------------------|-----------------------|-------------------------------|----------------|-----------------------|------------------|
| Control Investments | | | | | | |
| Aerospace & Defense | \$ 35,120 | \$ — | \$ — | \$ — | 35,500 | 67,620 |
| Commercial Services & Supplies | 140,952 | — | — | 7,200 | 27,349 | 175,501 |
| Construction & Engineering | 83,859 | — | — | — | 12,053 | 95,912 |
| Consumer Finance | 569,975 | — | — | — | 82,842 | 652,817 |
| Diversified Consumer Services | 1,500 | — | — | — | 2,378 | 3,878 |
| Energy Equipment & Services | 130,738 | — | — | — | 175,658 | 306,396 |
| Residential Real Estate Investment Trusts (REITs) | 885,679 | — | — | — | 20,030 | 905,709 |
| Health Care Providers & Services | 323,200 | — | — | — | 45,118 | 368,318 |
| Machinery | 37,322 | — | — | — | 6,866 | 44,188 |
| Marine Transport | — | — | — | — | 47,116 | 47,116 |
| Media | 29,723 | — | — | — | — | 29,723 |
| Personal Care Products | 105,695 | — | — | — | 221,795 | 327,490 |
| Trading Companies & Distributors | 55,849 | — | — | — | 55,581 | 111,430 |
| Structured Finance(A) | 190,500 | — | — | — | — | 190,500 |
| Total Control Investments | \$ 2,590,112 | \$ — | \$ — | 7,200 | 729,286 | 3,326,598 |
| Affiliate Investments | | | | | | |
| Commercial Services & Supplies | \$ — | \$ — | \$ — | \$ — | 11,735 | 11,735 |
| Total Affiliate Investments | \$ — | \$ — | \$ — | \$ — | 11,735 | 11,735 |
| Non-Control/Non-Affiliate Investments | | | | | | |
| Air Freight & Logistics | \$ 98,669 | 95,000 | \$ — | \$ — | \$ — | 193,669 |
| Automobile Components | 22,069 | 66,893 | — | — | 25,802 | 114,764 |
| Capital Markets | — | 42,500 | — | — | — | 42,500 |
| Commercial Services & Supplies | 205,507 | 153,336 | — | — | 5,000 | 363,843 |
| Distributors | 276,711 | 89,853 | — | — | 1,500 | 368,064 |
| Diversified Consumer Services | 94,224 | — | — | — | — | 94,224 |
| Diversified Telecommunication Services | 144,870 | 58,476 | — | — | — | 203,346 |
| Electrical Equipment | 61,835 | — | — | — | — | 61,835 |
| Financial Services | 67,952 | — | — | — | — | 67,952 |
| Food Products | 26,643 | 131,542 | — | — | — | 158,185 |
| Health Care Providers & Services | 189,664 | 113,145 | — | — | 7,950 | 310,759 |
| Health Care Technology | 133,880 | — | — | — | — | 133,880 |
| Hotels, Restaurants & Leisure | 27,553 | — | — | — | — | 27,553 |
| Household Durables | 85,097 | 18,878 | — | — | 2,001 | 105,976 |
| Interactive Media & Services | 120,594 | — | — | — | — | 120,594 |
| IT Services | 34,388 | 69,050 | — | — | — | 103,438 |
| Leisure Products | 90,593 | — | — | — | 1 | 90,594 |
| Machinery | 49,741 | 9,995 | — | — | — | 59,736 |
| Media | 92,836 | — | — | — | — | 92,836 |
| Personal Care Products | 8,859 | — | — | — | 1,546 | 10,405 |
| Pharmaceuticals | 232,431 | — | — | — | — | 232,431 |
| Professional Services | 94,180 | — | — | — | 13,779 | 107,959 |
| Software | 48,060 | 131,894 | — | — | — | 179,954 |
| Specialty Retail | 7,407 | — | — | — | 23,898 | 31,305 |
| Textiles, Apparel & Luxury Goods | 171,982 | — | — | — | — | 171,982 |
| Structured Finance | — | — | 543,221 | — | — | 543,221 |
| Total Non-Control/Non-Affiliate | \$ 2,385,745 | 980,562 | 543,221 | \$ — | 85,477 | 3,991,005 |
| Total Portfolio Investment Cost 2024: | \$ 4,975,857 | 980,562 | 543,221 | 7,200 | 825,498 | 7,329,338 |

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024 (Continued)

The following table shows the composition of our investment portfolio at fair value by control designation, investment type and by industry as of September 30, 2024:

| Industry(46) | 1st Lien Term Loan | 2nd Lien Term Loan | Subordinated Structured Notes | Unsecured Debt | Equity ^(B) | Fair Value Total | Fair Value % of Net Assets Applicable to Common Stock |
|--|-----------------------|-----------------------|----------------------------------|-------------------|-----------------------|---------------------|---|
| Control Investments | | | | | | | |
| Aerospace & Defense | \$ 35,120 | \$ — | \$ — | \$ — | \$ 32,328 | \$ 67,448 | 1.9 % |
| Commercial Services & Supplies | 77,139 | — | — | 5,456 | 28,001 | 110,596 | 3.2 % |
| Construction & Engineering | 83,859 | — | — | — | 221,525 | 305,384 | 8.7 % |
| Consumer Finance | 560,182 | — | — | — | 194,890 | 755,072 | 21.5 % |
| Diversified Consumer Services | 1,500 | — | — | — | 3,535 | 5,035 | 0.1 % |
| Energy Equipment & Services | 115,129 | — | — | — | — | 115,129 | 3.3 % |
| Residential Real Estate Investment Trusts(REITs) | 885,679 | — | — | — | 533,158 | 1,418,837 | 40.4 % |
| Health Care Providers & Services | 323,200 | — | — | — | 80,527 | 403,727 | 11.5 % |
| Machinery | 37,322 | — | — | — | 67,516 | 104,838 | 3.0 % |
| Marine Transport | — | — | — | — | 12,451 | 12,451 | 0.4 % |
| Media | 29,723 | — | — | — | 51,564 | 81,287 | 2.3 % |
| Personal Care Products | 105,695 | — | — | — | 4,647 | 110,342 | 3.1 % |
| Trading Companies & Distributors | 55,849 | — | — | — | 8,015 | 63,864 | 1.8 % |
| Structured Finance(A) | 190,500 | — | — | — | — | 190,500 | 5.4 % |
| Total Control Investments | \$ 2,500,897 | \$ — | \$ — | \$ 5,456 | \$ 1,238,157 | \$ 3,744,510 | 106.7 % |
| Fair Value % of Net Assets | 71.2 % | — % | — % | 0.2 % | 35.3 % | 106.7 % | |
| Affiliate Investments | | | | | | | |
| Commercial Services & Supplies | \$ — | \$ — | \$ — | \$ — | \$ 21,658 | \$ 21,658 | 0.4 % |
| Total Affiliate Investments | \$ — | \$ — | \$ — | \$ — | \$ 21,658 | \$ 21,658 | 0.6 % |
| Fair Value % of Net Assets | — % | — % | — % | — % | 0.6 % | 0.6 % | |
| Non-Control/Non-Affiliate Investments | | | | | | | |
| Air Freight & Logistics | \$ 80,116 | \$ 95,000 | \$ — | \$ — | \$ — | \$ 175,116 | 5.0 % |
| Automobile Components | 21,885 | 65,416 | — | — | 696 | 87,997 | 2.5 % |
| Capital Markets | — | 42,500 | — | — | — | 42,500 | 1.2 % |
| Commercial Services & Supplies | 205,931 | 153,321 | — | — | 13,225 | 372,477 | 10.6 % |
| Distributors | 280,046 | 10,218 | — | — | 10,955 | 301,219 | 8.6 % |
| Diversified Consumer Services | 75,667 | — | — | — | 556 | 76,223 | 2.2 % |
| Diversified Telecommunication Services | 146,817 | 48,080 | — | — | — | 194,897 | 5.6 % |
| Electrical Equipment | 61,835 | — | — | — | — | 61,835 | 1.8 % |
| Financial Services | 67,952 | — | — | — | — | 67,952 | 1.9 % |
| Food Products | 18,506 | 123,732 | — | — | — | 142,238 | 4.1 % |
| Health Care Providers & Services | 184,307 | 78,143 | — | — | 15,898 | 278,348 | 7.9 % |
| Health Care Technology | 132,546 | — | — | — | — | 132,546 | 3.8 % |
| Hotels, Restaurants & Leisure | 22,014 | — | — | — | — | 22,014 | 0.6 % |
| Household Durables | 84,235 | 16,346 | — | — | — | 100,581 | 2.9 % |
| Interactive Media & Services | 120,594 | — | — | — | — | 120,594 | 3.4 % |
| IT Services | 34,318 | 56,995 | — | — | — | 91,313 | 2.6 % |
| Leisure Products | 90,605 | — | — | — | — | 90,605 | 2.6 % |
| Machinery | 49,945 | 10,000 | — | — | — | 59,945 | 1.7 % |
| Media | 92,836 | — | — | — | — | 92,836 | 2.6 % |
| Personal Care Products | 8,859 | — | — | — | 2,816 | 11,675 | 0.3 % |
| Pharmaceuticals | 251,199 | — | — | — | — | 251,199 | 7.2 % |
| Professional Services | 93,257 | — | — | — | 15,006 | 108,263 | 3.1 % |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024 (Continued)

| Industry ⁽⁴⁶⁾ | 1st Lien Term Loan | 2nd Lien Term Loan | Subordinated Structured Notes | Unsecured Debt | Equity ^(B) | Fair Value Total | Fair Value % of Net Assets Applicable to Common Stock |
|--|-----------------------|-----------------------|----------------------------------|-------------------|-----------------------|---------------------|---|
| Software | 48,060 | 127,097 | — | — | — | 175,157 | 5.0 % |
| Specialty Retail | 6,684 | — | — | — | 485 | 7,169 | 0.2 % |
| Textiles, Apparel & Luxury Goods | 171,982 | — | — | — | — | 171,982 | 4.9 % |
| Structured Finance (A) | — | — | 473,792 | — | — | 473,792 | 13.5 % |
| Total Non-Control/Non-Affiliate | \$ 2,350,196 | \$ 826,848 | \$ 473,792 | \$ — | \$ 59,637 | \$ 3,710,473 | 105.7 % |
| Fair Value % of Net Assets | 66.9 % | 23.6 % | 13.5 % | — % | 1.7 % | 105.7 % | |
| Total Portfolio | \$ 4,851,093 | \$ 826,848 | \$ 473,792 | \$ 5,456 | \$ 1,319,452 | \$ 7,476,641 | 213.0 % |
| Fair Value % of Net Assets | 138.2 % | 23.6 % | 13.5 % | 0.2 % | 37.6 % | 213.0 % | |

(A) Our SSN investments do not have industry concentrations and as such have been separated in the tables above.

(B) Equity, unless specifically stated otherwise, includes our investments in preferred stock, common stock, membership interests, net profits interests, net operating income interests, net revenue interests, overriding royalty interests, escrows receivable, and warrants.

(36) The following table shows the composition of our investment portfolio at cost by control designation, investment type and by industry as of June 30,

| | Industry | 1st Lien | 2nd Lien | Subordinated | Structured Notes | Unsecured Debt | Equity ^(B) | Cost Total |
|--|----------|-----------|-----------|--------------|------------------|----------------|-----------------------|------------|
| | | Term Loan | Term Loan | | | | | |
| Control Investments | | | | | | | | |
| Aerospace & Defense | \$ | 54,739 | \$ — | \$— | | \$— | \$5,581 | 110,320 |
| Commercial Services & Supplies | | 135,936 | — | — | | 7,200 | 27,349 | 170,485 |
| Construction & Engineering | | 83,858 | — | — | | — | 12,053 | 95,911 |
| Consumer Finance | | 540,191 | — | — | | — | 82,842 | 623,033 |
| Diversified Consumer Services | | 1,500 | — | — | | — | 2,378 | 3,878 |
| Energy Equipment & Services | | 123,189 | — | — | | — | 221,800 | 344,989 |
| Equity Real Estate Investment Trusts (REITs) | | 877,151 | — | — | | — | 20,030 | 897,181 |
| Health Care Providers & Services | | 316,428 | — | — | | — | 45,118 | 361,546 |
| Machinery | | 37,322 | — | — | | — | 6,866 | 44,188 |
| Media | | 29,723 | — | — | | — | — | 29,723 |
| Online Lending | | 20,630 | — | — | | — | — | 20,630 |
| Personal Products | | 98,601 | — | — | | — | 221,795 | 320,396 |
| Trading Companies & Distributors | | 35,135 | — | — | | — | 32,500 | 67,635 |
| Structured Finance (A) | | 190,500 | — | — | | — | — | 190,500 |
| Total Control Investments | \$ | 2,544,903 | \$ — | \$— | | 7,800 | 788,312 | 3,280,415 |
| Affiliate Investments | | | | | | | | |
| Commercial Services & Supplies | \$ | \$ — | \$ — | \$— | | \$— | \$1,594 | 11,594 |
| Total Affiliate Investments | \$ | \$ — | \$ — | \$— | | \$— | \$1,594 | 11,594 |
| Non-Control/Non-Affiliate Investments | | | | | | | | |
| Air Freight & Logistics | \$ | 92,897 | 95,000 | \$— | | \$— | \$ — | 187,897 |
| Automobile Components | | 22,124 | 66,850 | — | | — | 25,697 | 114,671 |
| Capital Markets | | — | 42,500 | — | | — | — | 42,500 |
| Commercial Services & Supplies | | 185,948 | 153,326 | — | | — | 5,000 | 344,274 |
| Communications Equipment | | 22,359 | 56,671 | — | | — | — | 79,030 |
| Distributors | | 224,726 | 89,853 | — | | — | — | 314,579 |
| Diversified Consumer Services | | 145,326 | — | — | | — | 34,348 | 179,674 |
| Diversified Financial Services | | 45,039 | — | — | | — | — | 45,039 |
| Diversified Telecommunication Services | | 9,405 | 122,165 | — | | — | — | 131,570 |
| Electrical Equipment | | 61,991 | — | — | | — | — | 61,991 |
| Food & Staples Retailing | | 26,743 | — | — | | — | — | 26,743 |
| Food Products | | — | 131,504 | — | | — | — | 131,504 |
| Health Care Providers & Services | | 255,534 | 113,145 | — | | — | 9,496 | 378,175 |
| Health Care Technology | | 133,620 | — | — | | — | — | 133,620 |
| Hotels, Restaurants & Leisure | | 27,582 | — | — | | — | — | 27,582 |
| Household Durables | | 118,705 | — | — | | — | 3,501 | 122,206 |
| Interactive Media & Services | | 120,594 | — | — | | — | — | 120,594 |
| Internet & Direct Marketing Retail | | 2,426 | 18,683 | — | | — | — | 21,109 |

2024:

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024 (Continued)

| Industry | 1st Lien | | 2nd Lien | | Unsecured Debt | Equity ^(B) | Cost Total |
|---------------------------|--------------|-----------|--------------|------------------|----------------|-----------------------|------------|
| | Term Loan | Term Loan | Subordinated | Structured Notes | | | |
| ices | 196,461 | 148,451 | — | — | — | — | 344,912 |
| Products | 79,458 | — | — | — | — | 1 | 79,459 |
| ery | 50,399 | 9,994 | — | — | — | — | 60,393 |
| | 40,107 | — | — | — | — | — | 40,107 |
| aceuticals | 107,060 | — | — | — | — | — | 107,060 |
| sional Services | 87,175 | 124,082 | — | — | — | — | 211,257 |
| re | — | 52,405 | — | — | — | — | 52,405 |
| s, Apparel & Luxury Goods | 173,114 | — | — | — | — | — | 173,114 |
| red Finance (A) | — | — | 623,700 | — | — | — | 623,700 |
| Non-Control/Non-Affiliate | \$ 2,288,793 | 1,284,629 | 623,700 | — | \$ — | \$8,043 | 4,155,165 |
| Portfolio Investment Cost | \$ 4,783,696 | 1,284,629 | 623,700 | 7,800 | 8\$7,949 | | 7,447,174 |

The following table shows the composition of our investment portfolio at fair value by control designation, investment type and by industry as of June 30, 2024:

| Industry | 1st Lien | | 2nd Lien | | Subordinated Structured | | | Fair Value % of Net | | | | | |
|--|-----------|-----------|-----------|---------|-------------------------|----------------|----|-----------------------|----|------------------|--------|-----------|---------|
| | Term Loan | | Term Loan | | Notes | Unsecured Debt | | Equity ^(B) | | Fair Value Total | Assets | | |
| Control Investments | | | | | | | | | | | | | |
| Aerospace & Defense | \$ | 54,739 | \$ | — | \$ | — | \$ | — | \$ | 12,184 | \$ | 66,923 | 1.8 % |
| Commercial Services & Supplies | | 73,487 | | — | | — | | 7,200 | | 22,885 | | 103,572 | 2.8 % |
| Construction & Engineering | | 83,858 | | — | | — | | — | | 232,561 | | 316,419 | 8.5 % |
| Consumer Finance | | 536,792 | | — | | — | | — | | 191,528 | | 728,320 | 19.6 % |
| Diversified Consumer Services | | 1,500 | | — | | — | | — | | 3,242 | | 4,742 | 0.1 % |
| Energy Equipment & Services | | 110,206 | | — | | — | | — | | 12,651 | | 122,857 | 3.3 % |
| Equity Real Estate Investment Trusts (REITs) | | 877,151 | | — | | — | | — | | 608,181 | | 1,485,332 | 40.0 % |
| Health Care Providers & Services | | 316,428 | | — | | — | | — | | 147,455 | | 463,883 | 12.5 % |
| Machinery | | 37,322 | | — | | — | | — | | 65,080 | | 102,402 | 2.8 % |
| Media | | 29,723 | | — | | — | | — | | 64,542 | | 94,265 | 2.5 % |
| Online Lending | | 20,630 | | — | | — | | — | | — | | 20,630 | 0.6 % |
| Personal Products | | 98,601 | | — | | — | | — | | 6,062 | | 104,663 | 2.8 % |
| Trading Companies & Distributors | | 35,135 | | — | | — | | — | | 32,932 | | 68,067 | 1.8 % |
| Structured Finance (A) | | 190,500 | | — | | — | | — | | — | | 190,500 | 5.1 % |
| Total Control Investments | \$ | 2,466,072 | \$ | — | \$ | — | \$ | 7,200 | \$ | 1,399,303 | \$ | 3,872,575 | 104.3 % |
| Fair Value % of Net Assets | | 66.4 % | | — % | | — % | | 0.2 % | | 37.7 % | | 104.3 % | |
| Affiliate Investments | | | | | | | | | | | | | |
| Commercial Services & Supplies | \$ | — | \$ | — | \$ | — | \$ | — | \$ | 18,069 | \$ | 18,069 | 0.4 % |
| Total Affiliate Investments | \$ | — | \$ | — | \$ | — | \$ | — | \$ | 18,069 | \$ | 18,069 | 0.5 % |
| Fair Value % of Net Assets | | — % | | — % | | — % | | — % | | 0.5 % | | 0.5 % | |
| Non-Control/Non-Affiliate Investments | | | | | | | | | | | | | |
| Air Freight & Logistics | \$ | 84,933 | \$ | 89,758 | \$ | — | \$ | — | \$ | — | \$ | 174,691 | 4.7 % |
| Automobile Components | | 22,019 | | 66,788 | | — | | — | | 783 | | 89,590 | 2.4 % |
| Capital Markets | | — | | 42,500 | | — | | — | | — | | 42,500 | 1.1 % |
| Commercial Services & Supplies | | 186,116 | | 153,500 | | — | | — | | 14,042 | | 353,658 | 9.5 % |
| Communications Equipment | | 22,413 | | 46,098 | | — | | — | | — | | 68,511 | 1.8 % |
| Distributors | | 227,805 | | 10,289 | | — | | — | | 13,304 | | 251,398 | 6.8 % |
| Diversified Consumer Services | | 127,311 | | — | | — | | — | | 14,581 | | 141,892 | 3.8 % |
| Diversified Financial Services | | 45,039 | | — | | — | | — | | — | | 45,039 | 1.2 % |
| Diversified Telecommunication Services | | 9,456 | | 122,670 | | — | | — | | — | | 132,126 | 3.6 % |
| Electrical Equipment | | 61,991 | | — | | — | | — | | — | | 61,991 | 1.7 % |
| Food & Staples Retailing | | 22,251 | | — | | — | | — | | — | | 22,251 | 0.6 % |
| Food Products | | — | | 126,145 | | — | | — | | — | | 126,145 | 3.4 % |
| Health Care Providers & Services | | 251,765 | | 88,148 | | — | | — | | 18,125 | | 358,038 | 9.6 % |
| Health Care Technology | | 132,531 | | — | | — | | — | | — | | 132,531 | 3.6 % |
| Hotels, Restaurants & Leisure | | 21,550 | | — | | — | | — | | — | | 21,550 | 0.6 % |
| Household Durables | | 118,660 | | — | | — | | — | | 1,266 | | 119,926 | 3.2 % |
| Interactive Media & Services | | 120,594 | | — | | — | | — | | — | | 120,594 | 3.2 % |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024 (Continued)

| Industry | 1st Lien Term Loan | 2nd Lien Term Loan | Subordinated Structured Notes | Unsecured Debt | Equity ^(B) | Fair Value Total | Fair Value % of Net Assets |
|--|-----------------------|-----------------------|----------------------------------|-----------------|-----------------------|---------------------|-------------------------------|
| Internet & Direct Marketing Retail | 2,406 | 15,987 | — | — | — | 18,393 | 0.5 % |
| IT Services | 196,323 | 147,225 | — | — | — | 343,548 | 9.3 % |
| Leisure Products | 79,291 | — | — | — | — | 79,291 | 2.1 % |
| Machinery | 50,645 | 10,000 | — | — | — | 60,645 | 1.6 % |
| Media | 40,107 | — | — | — | — | 40,107 | 1.1 % |
| Pharmaceuticals | 107,588 | — | — | — | — | 107,588 | 2.9 % |
| Professional Services | 86,031 | 76,948 | — | — | — | 162,979 | 4.4 % |
| Software | — | 47,813 | — | — | — | 47,813 | 1.3 % |
| Textiles, Apparel & Luxury Goods | 173,114 | — | — | — | — | 173,114 | 4.7 % |
| Structured Finance (A) | — | — | 531,690 | — | — | 531,690 | 14.3 % |
| Total Non-Control/Non-Affiliate | \$ 2,189,939 | \$ 1,043,869 | \$ 531,690 | \$ — | \$ 62,101 | \$ 3,827,599 | 103.1 % |
| Fair Value % of Net Assets | 59.0 % | 28.1 % | 14.3 % | — % | 1.7 % | 103.1 % | |
| Total Portfolio | \$ 4,656,011 | \$ 1,043,869 | \$ 531,690 | \$ 7,200 | \$ 1,479,473 | \$ 7,718,243 | 207.9 % |
| Fair Value % of Net Assets | 125.4 % | 28.1 % | 14.3 % | 0.2 % | 39.9 % | 207.9 % | |

(A) Our SSN investments do not have industry concentrations and as such have been separated in the tables above.

(B) Equity, unless specifically stated otherwise, includes our investments in preferred stock, common stock, membership interests, net profits interests, net operating income interests, net revenue interests, overriding royalty interests, escrows receivable, and warrants.

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024 (Continued)

- (37) The interest rate on these investments, excluding those on non-accrual, contains a paid in kind ("PIK") provision, whereby the issuer has either the option or the obligation to make interest payments with the issuance of additional securities. The interest rate in the schedule represents the current interest rate in effect for these investments.

The following table provides additional details on these PIK investments, including the maximum annual PIK interest rate allowed under the existing credit agreements, as of and for three months ended September 30, 2024:

| Security Name | PIK Rate - Capitalized | PIK Rate - Paid as cash | Maximum Current PIK Rate |
|--|------------------------|-------------------------|--------------------------|
| Aventiv Technologies, LLC - Third Out Super Priority First Lien Term Loan | 4.09% | —% | 4.09% |
| Aventiv Technologies, LLC - Second Lien Term Loan | 8.05% | 5.87% | —% (A) |
| CP Energy Services Inc. - First Lien Term Loan | 11.53% | 2.33% | —% (B) |
| CP Energy Services Inc. - First Lien Term Loan | 13.86% | —% | —% (B) |
| CP Energy Services Inc. - First Lien Term Loan | 13.86% | —% | —% (B) |
| CP Energy Services Inc. - First Lien Term Loan A to Spartan Energy Services, LLC | 12.87% | —% | —% (C) |
| Credit Central Loan Company, LLC - First Lien Term Loan | 6.49% | 3.51% | 5.00% (D) |
| Credit.com Holdings, LLC - First Lien Term Loan A | 15.87% | —% | —% (E) |
| Credit.com Holdings, LLC - First Lien Term Loan B | 16.87% | —% | —% (E) |
| Echelon Transportation, LLC - First Lien Term Loan | 4.55% | 1.45% | —% (F) |
| First Tower Finance Company LLC - First Lien Term Loan | 4.13% | 10.87% | 5.00% (G) |
| InterDent, Inc. - First Lien Term Loan B | 7.00% | —% | 7.00% |
| MITY, Inc. - First Lien Term Loan B | —% | 10.00% | 10.00% |
| National Property REIT Corp. - First Lien Term Loan A | —% | 2.00% | 2.00% |
| National Property REIT Corp. - First Lien Term Loan C | —% | 2.25% | 2.25% |
| National Property REIT Corp. - First Lien Term Loan D | —% | 2.00% | 2.00% |
| National Property REIT Corp. - First Lien Term Loan E | 7.00% | —% | 7.00% |
| Nationwide Loan Company LLC - First Lien Term Loan | 20.00% | —% | 10.00% (H) |
| Nationwide Loan Company LLC - Delayed Draw Term Loan | 20.00% | —% | 10.00% (H) |
| Pacific World Corporation - First Lien Revolving Line of Credit | 8.10% | 1.00% | 9.10% |
| Pacific World Corporation - First Lien Term Loan A | 7.62% | 1.47% | 9.10% |
| Rising Tide Holdings, Inc. - First Lien First Out Term Loan | 15.00% | —% | 15.00% |
| Rising Tide Holdings, Inc. - First Lien Second Out Term Loan | 12.00% | —% | 12.00% |
| Rosa Mexicano - First Lien Term Loan | 2.03% | 10.33% | —% (I) |
| Shutterfly, LLC - Second Lien Term Loan | 4.00% | —% | 4.00% |
| Town & Country Holdings, Inc. - First Lien Term Loan | 12.00% | —% | 12.00% |
| Town & Country Holdings, Inc. - First Lien Term Loan | 12.00% | —% | 12.00% |
| TPS, LLC - First Lien Term Loan | 1.50% | —% | 1.50% |
| USES Corp. - First Lien Equipment Term Loan | 14.11% | —% | —% (J) |
| Valley Electric Co. of Mt. Vernon, Inc. - First Lien Term Loan | —% | 2.50% | 2.50% |
| Valley Electric Company, Inc. - First Lien Term Loan | —% | 10.00% | 10.00% |
| Valley Electric Company, Inc. - First Lien Term Loan B | —% | 5.50% | 5.50% |

- (A) On December 29, 2023, the Aventiv Technologies, LLC Second Lien Term Loan was amended to allow a portion of interest accruing in cash to be payable in kind.
- (B) On January 6, 2023, the CP Energy Services, Inc. Amendment No. 16 to Loan Agreement was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 13.86%.
- (C) On August 22, 2022, the Spartan Energy Services, LLC Twenty-Fifth Amendment to Amended and Restated Senior Secured Loan Agreement was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 12.87%.
- (D) On September 30, 2022, the Credit Central Senior Subordinated Loan Agreement was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 10.00%.
- (E) On September 28, 2023, the Credit.com First Lien Term Loan A and First Lien Term Loan B were amended to allow a portion of interest accruing in cash to be payable in kind.
- (F) Echelon Transportation, LLC First Lien Term Loan allows a portion interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 6.00%.
- (G) On December 30, 2022, the First Tower Finance Company LLC Amendment No. 15 was amended to reduce the PIK rate to 5.00% and allow the interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 15.00%.
- (H) Nationwide Senior Secured Term Loan and Delayed Draw Term Loan allow a portion interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 20.00%.
- (I) On September 27, 2024, the Rosa Mexicano First Lien Term Loan was amended to allow a portion of interest accruing in cash to be payable in kind.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024 (Continued)

(J) On March 28, 2023, the USES Corp. First Lien Equipment Term loan was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 14.11%.

The following table provides additional details on these PIK investments, including the maximum annual PIK interest rate allowed under the existing credit agreements, as of and for three months ended June 30, 2024:

| Security Name | PIK Rate - Capitalized | PIK Rate - Paid as cash | Maximum Current PIK Rate |
|--|------------------------|-------------------------|--------------------------|
| Aventiv Technologies, LLC - Third Out Super Priority First Lien Term Loan | 4.09% | —% | 4.09% |
| Aventiv Technologies, LLC - Second Lien Term Loan | 8.05% | 5.05% | —% (A) |
| CP Energy Services Inc. - First Lien Term Loan | 14.56% | —% | —% (B) |
| CP Energy Services Inc. - First Lien Term Loan | 14.56% | —% | —% (B) |
| CP Energy Services Inc. - First Lien Term Loan | 14.56% | —% | —% (B) |
| CP Energy Services Inc. - First Lien Term Loan A to Spartan Energy Services, LLC | 13.59% | —% | 13.59% (C) |
| Credit Central Loan Company, LLC - First Lien Term Loan | 0.62% | 14.38% | 5.00% (D) |
| Credit.com Holdings, LLC - First Lien Term Loan A | 16.60% | —% | —% (E) |
| Credit.com Holdings, LLC - First Lien Term Loan B | 17.60% | —% | —% (E) |
| Eze Castle Integration, Inc. - First Lien Term Loan | 0.75% | —% | —% |
| Eze Castle Integration, Inc. - Delayed Draw Term Loan | 0.75% | —% | —% |
| First Tower Finance Company LLC - First Lien Term Loan | 9.80% | 5.20% | 5.00% (F) |
| InterDent, Inc. - First Lien Term Loan B | 12.00% | —% | 12.00% |
| MITY, Inc. - First Lien Term Loan B | —% | 10.00% | 10.00% |
| National Property REIT Corp. - First Lien Term Loan A | —% | 2.00% | 2.00% |
| National Property REIT Corp. - First Lien Term Loan C | —% | 2.25% | 2.25% |
| National Property REIT Corp. - First Lien Term Loan D | —% | 2.00% | 2.00% |
| National Property REIT Corp. - First Lien Term Loan E | 7.00% | —% | 7.00% |
| Nationwide Loan Company LLC - First Lien Term Loan | 20.00% | —% | 10.00% (G) |
| Nationwide Loan Company LLC - Delayed Draw Term Loan | 20.00% | —% | 10.00% (G) |
| Pacific World Corporation - First Lien Revolving Line of Credit | 9.59% | —% | 9.59% |
| Pacific World Corporation - First Lien Term Loan A | 8.01% | 1.58% | 9.59% |
| Rising Tide Holdings, Inc. - Exit Facility Term Loan | 7.00% | 6.58% | 7.00% (H) |
| Rosa Mexicano - First Lien Revolving Line of Credit | 9.72% | 6.28% | —% |
| Rosa Mexicano - First Lien Term Loan | 13.11% | —% | —% |
| Shutterfly, LLC - Second Lien Term Loan | 4.00% | —% | 4.00% |
| Town & Country Holdings, Inc. - First Lien Term Loan | 12.00% | —% | 12.00% |
| Town & Country Holdings, Inc. - First Lien Term Loan | 12.00% | —% | 12.00% |
| Town & Country Holdings, Inc. - First Lien Term Loan | 9.00% | —% | 9.00% |
| TPS, LLC - First Lien Term Loan | 1.50% | —% | 1.50% |
| USES Corp. - First Lien Equipment Term Loan | 14.59% | —% | —% (I) |
| Valley Electric Co. of Mt. Vernon, Inc. - First Lien Term Loan | —% | 2.50% | 2.50% |
| Valley Electric Company, Inc. - First Lien Term Loan | 10.00% | —% | 10.00% (J) |
| Valley Electric Company, Inc. - First Lien Term Loan B | 8.00% | —% | 5.50% (J) |

- (A) On December 29, 2023, the Aventiv Technologies, LLC Second Lien Term Loan was amended to allow a portion of interest accruing in cash to be payable in kind.
- (B) On January 6, 2023, the CP Energy Services, Inc. Amendment No. 16 to Loan Agreement was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 14.59%. PIK was due July 1, 2024 for CP Energy Services, Inc. loans.
- (C) On August 22, 2022, the Spartan Energy Services, LLC Twenty-Fifth Amendment to Amended and Restated Senior Secured Loan Agreement was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 13.59%. PIK was due July 1, 2024 for Spartan Energy Services, LLC.
- (D) On September 30, 2022, the Credit Central Senior Subordinated Loan Agreement was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 10.00%.
- (E) On September 28, 2023, the Credit.com First Lien Term Loan A and First Lien Term Loan B were amended to allow a portion of interest accruing in cash to be payable in kind.
- (F) On December 30, 2022, the First Tower Finance Company LLC Amendment No. 15 was amended to reduce the PIK rate to 5.00% and allow the interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 15.00%.
- (G) Nationwide Senior Secured Term Loan and Delayed Draw Term Loan allow a portion interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 20.00%.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024 (Continued)

(H) On September 12, 2023, the Rising Tide Holdings, Inc. Exit Facility Term loan was amended to allow a portion of interest accruing in cash to be payable in kind.

(I) On March 28, 2023, the USES Corp. First Lien Equipment Term loan was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 14.59%. PIK was due July 1, 2024 for USES Corp.

(J) PIK was due July 1, 2024 for Valley Electric Company, Inc. loans. The payment of PIK was in cash. The PIK rate was amended to 5.50%.

(38) As defined in the 1940 Act, we are deemed to “Control” these portfolio companies because we own more than 25% of the portfolio company's outstanding voting securities. Transactions during the three months ended September 30, 2024 with these controlled investments were as follows:

| Controlled Companies | Fair Value at June 30, 2024 | Gross Additions (Cost)(A) | Gross Reductions (Cost)(B) | Net unrealized gains (losses) | Fair Value at September 30, 2024 | Interest income | Dividend income | Other income | Net realized gains (losses) |
|---|--------------------------------|---------------------------------|----------------------------------|--|--|--------------------|--------------------|-----------------|--------------------------------------|
| CP Energy Services Inc. | \$ 70,721 | \$ 5,405 | \$ — | \$ 177 | \$ 76,303 | \$ 3,164 | \$ — | \$ — | \$ — |
| CP Energy - Spartan Energy Services, Inc. | 39,485 | 2,144 | — | (2,803) | 38,826 | 1,460 | — | — | — |
| Credit Central Loan Company, LLC | 79,230 | 1,361 | — | (6,394) | 74,197 | 2,121 | — | — | — |
| Echelon Transportation, LLC | 66,923 | 1,260 | (150) | (4,169) | 63,864 | 852 | — | — | — |
| First Tower Finance Company LLC | 605,928 | 5,999 | (437) | 8,319 | 619,809 | 16,461 | — | — | — |
| Freedom Marine Solutions, LLC | 12,651 | 975 | — | (1,175) | 12,451 | — | — | — | — |
| InterDent, Inc. | 463,883 | 6,772 | — | (66,928) | 403,727 | 9,736 | — | — | — |
| Kickapoo Ranch Pet Resort | 4,742 | — | — | 293 | 5,035 | 49 | — | — | — |
| MITY, Inc. | 85,583 | 1,500 | — | 3,372 | 90,455 | 2,396 | — | 37 | 1 |
| National Property REIT Corp. | 1,696,462 | 22,528 | (14,000) | (75,023) | 1,629,967 | 24,316 | — | 6,665 | — |
| Nationwide Loan Company LLC | 43,162 | 2,230 | — | (4,956) | 40,436 | 1,748 | — | — | — |
| NMMB, Inc. | 94,265 | — | — | (12,978) | 81,287 | 1,070 | — | — | 6,366 |
| Pacific World Corporation | 104,663 | 7,094 | — | (1,415) | 110,342 | 2,535 | — | 98 | — |
| R-V Industries, Inc. | 102,402 | — | — | 2,436 | 104,838 | 1,320 | — | — | — |
| Universal Turbine Parts, LLC | 68,067 | — | (14) | (605) | 67,448 | 1,046 | — | — | — |
| USES Corp. | 17,989 | 3,516 | — | (1,364) | 20,141 | 644 | — | — | — |
| Valley Electric Company, Inc. | 316,419 | — | — | (11,035) | 305,384 | 3,174 | — | 167 | — |
| Total | \$ 3,872,575 | \$ 60,784 | \$ (14,601) | \$ (174,248) | \$ 3,744,510 | \$ 72,092 | \$ — | \$ 6,967 | \$ 6,367 |

(A) Gross additions include increases in the cost basis of the investments resulting from new portfolio investments, OID accretion and PIK interest, and any transfer of investments.

(B) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investments repayments or sales, impairments, and any transfer of investments.

(39) As defined in the 1940 Act, we are deemed to be an “Affiliated company” of these portfolio companies because we own more than 5% of the portfolio company's outstanding voting securities. Transactions during the three months ended September 30, 2024 with these affiliated investments were as follows:

| Affiliated Companies | Fair Value at June 30, 2024 | Gross Additions (Cost)(A) | Gross Reductions (Cost)(B) | Net unrealized gains (losses) | Fair Value at September 30, 2024 | Interest income | Dividend income | Other income | Net realized gains (losses) |
|-------------------------------|--------------------------------|---------------------------------|----------------------------------|--|--|--------------------|--------------------|-----------------|--------------------------------------|
| Valley Electric Company, Inc. | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | — |
| CP Energy Services, LLC | 18,069 | — | 141 | 3,448 | 21,658 | — | 141 | — | — |
| Total | \$ 18,069 | \$ — | \$ 141 | \$ 3,448 | \$ 21,658 | \$ — | \$ 141 | \$ — | — |

(A) Gross additions include increases in the cost basis of the investments resulting from new portfolio investments, PIK interest, and any transfer of investments.

(B) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investments repayments or sales, impairments, and any transfer of investments.

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024 (Continued)

(40) As defined in the 1940 Act, we are deemed to “Control” these portfolio companies because we own more than 25% of the portfolio company's outstanding voting securities. Transactions during the year ended June 30, 2024 with these controlled investments were as follows:

| Portfolio Company | Fair Value at June 30, 2023 | Gross Additions (Cost)(A) | Gross Reductions (Cost)(B) | Net unrealized gains (losses) | Fair Value at June 30, 2024 | Interest income | Dividend income | Other income | Net realized gains (losses) |
|---|--------------------------------|---------------------------------|----------------------------------|----------------------------------|--------------------------------|--------------------|--------------------|------------------|-----------------------------------|
| CP Energy Services Inc. | \$ 79,355 | \$ 11,355 | \$ — | \$ (19,989) | \$ 70,721 | \$ 11,452 | \$ — | \$ — | \$ — |
| CP Energy - Spartan Energy Services, Inc. | 34,665 | 8,523 | — | (3,703) | 39,485 | 4,840 | — | — | — |
| Credit Central Loan Company, LLC | 73,642 | 5,987 | — | (399) | 79,230 | 9,312 | — | — | — |
| Echelon Transportation LLC | 64,198 | — | (1,861) | 4,586 | 66,923 | 3,470 | — | — | — |
| First Tower Finance Company LLC | 598,382 | 29,385 | (319) | (21,520) | 605,928 | 62,675 | — | — | — |
| Freedom Marine Solutions, LLC | 12,710 | — | — | (59) | 12,651 | — | — | — | — |
| InterDent, Inc. | 457,967 | 23,249 | — | (17,333) | 463,883 | 36,946 | — | — | — |
| Kickapoo Ranch Pet Resort | 3,242 | 1,500 | — | — | 4,742 | 92 | 80 | 75 | — |
| MITY, Inc. | 68,178 | 5,150 | — | 12,255 | 85,583 | 8,988 | — | 130 | (1) |
| National Property REIT Corp. | 1,659,976 | 253,948 | (108,950) | (108,512) | 1,696,462 | 99,538 | — | 66,799 | — |
| Nationwide Loan Company LLC | 47,572 | 9,972 | — | (14,382) | 43,162 | 5,111 | — | 147 | — |
| NMMB, Inc. | 94,180 | — | — | 85 | 94,265 | 4,255 | 657 | — | 1,040 |
| Pacific World Corporation | 65,746 | 41,521 | — | (2,604) | 104,663 | 10,164 | — | 812 | — |
| R-V Industries, Inc. | 81,508 | 3,700 | — | 17,194 | 102,402 | 5,358 | — | 106 | — |
| Universal Turbine Parts, LLC | 45,065 | 2,500 | (49) | 20,551 | 68,067 | 4,030 | — | — | — |
| USES Corp. | 19,527 | 1,545 | — | (3,083) | 17,989 | 1,990 | — | — | — |
| Valley Electric Company, Inc. | 165,784 | 4,763 | — | 145,872 | 316,419 | 12,316 | — | 666 | — |
| Total | \$ 3,571,697 | \$ 403,098 | \$ (111,179) | \$ 8,959 | \$ 3,872,575 | \$ 280,537 | \$ 737 | \$ 68,735 | \$ 1,039 |

(A) Gross additions include increases in the cost basis of the investments resulting from new portfolio investments, PIK interest, and any transfer of investments.

(B) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investments repayments or sales, impairments, and any transfer of investments.

(41) As defined in the 1940 Act, we are deemed to be an “Affiliated company” of these portfolio companies because we own more than 5% of the portfolio company's outstanding voting securities. Transactions during the year ended June 30, 2024 with these affiliated investments were as follows:

| Portfolio Company | Fair Value at June 30, 2023 | Gross Additions (Cost)(A) | Gross Reductions (Cost)(B) | Net unrealized gains (losses) | Fair Value at June 30, 2024 | Interest income | Dividend income | Other income | Net realized gains (losses) |
|--------------------|--------------------------------|---------------------------------|----------------------------------|----------------------------------|--------------------------------|--------------------|--------------------|-----------------|-----------------------------------|
| Nixon, Inc. | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| RGIS Services, LLC | 10,397 | 1,432 | 1,307 | 4,933 | 18,069 | — | 2,291 | — | — |
| | 10,397 | 1,432 | 1,307 | 4,933 | 18,069 | — | 2,291 | — | — |

(A) Gross additions include increases in the cost basis of the investments resulting from new portfolio investments, PIK interest, and any transfer of investments.

(B) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investments repayments or sales, impairments, and any transfer of investments.

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024 (Continued)

- (42) Acquisition date represents the date of PSEC's initial investment. Follow-on acquisitions have occurred on the following dates to arrive at PSEC's current investment (excluding effects of capitalized PIK interest, premium/original issue discount amortization/accretion, and partial repayments) (See endnote 43 for NPRC equity follow-on acquisitions):

| Portfolio Company | Investment | Follow-On Acquisition Dates | Follow-On Acquisitions (Excluding initial investment cost) |
|--|--|--|---|
| 8th Avenue Food & Provisions, Inc. | Second Lien Term Loan | 11/17/2020, 9/17/2021 | \$ 7,051 |
| Apidos CLO XI | Subordinated Structured Note | 11/2/2016, 4/8/2021 | 7,559 |
| Apidos CLO XII | Subordinated Structured Note | 1/26/2018 | 4,070 |
| Apidos CLO XV | Subordinated Structured Note | 3/29/2018 | 6,480 |
| Apidos CLO XXII | Subordinated Structured Note | 2/24/2020 | 1,912 |
| Atlantis Health Care Group (Puerto Rico), Inc. | First Lien Revolving Line of Credit | 4/15/2013, 5/21/2013, 3/11/2014, 6/26/2017, 9/29/2017, 10/12/2017, 10/31/2017, 5/10/2023 | 9,500 |
| Atlantis Health Care Group (Puerto Rico), Inc. | First Lien Term Loan | 12/9/2016 | 42,000 |
| Aventiv Technologies, LLC | Second Lien Term Loan - Exchanged | 11/13/2017, 11/24/2017, 8/6/2018, 8/24/2018, 3/18/2019, 3/4/2024 | 24,432 |
| Aventiv Technologies, LLC | First Lien Term Loan - Exchanged | 2/9/2024, 3/4/2024 | 10,679 |
| Aventiv Technologies, LLC | Second Out Super Priority First Lien Term Loan | 6/28/2024 | 834 |
| Barings CLO 2018-III | Subordinated Structured Note | 5/18/2018 | 9,255 |
| BCPE North Star US Holdco 2, Inc. | Second Lien Delayed Draw Term Loan | 10/28/2022 | 5,133 |
| BCPE North Star US Holdco 2, Inc. | Second Lien Term Loan | 12/30/2021 | 65,000 |
| BCPE Osprey Buyer, Inc. | First Lien Revolving Line of Credit | 2/22/2023, 5/23/2023, 9/14/2023, 11/22/2023, 3/28/2024, 7/11/2024 | 5,652 |
| BCPE Osprey Buyer, Inc. | First Lien Delayed Draw Term Loan | 9/26/2023 | 4,639 |
| Belnick, LLC (d/b/a The Ubique Group) | First Lien Term Loan | 6/27/2022, 12/1/2023 | 18,000 |
| Broder Bros., Co. | First Lien Term Loan | 1/29/2019, 2/28/2019, 9/10/2021, 9/30/2021 | 25,370 |
| California Street CLO IX Ltd. | Subordinated Structured Note | 9/6/2016, 10/17/2016 | 6,842 |
| Cent CLO 21 Limited | Subordinated Structured Note | 7/12/2018 | 1,024 |
| CIFC Funding 2014-IV-R, Ltd. | Subordinated Structured Note | 10/12/2018, 12/20/2021 | 2,860 |
| Collections Acquisition Company, Inc. | First Lien Term Loan | 1/13/2022, 3/14/2024 | 15,800 |
| Columbia Cent CLO 27 Limited | Subordinated Structured Note | 12/2/2021 | 7,815 |
| CP Energy Services Inc. | First Lien Term Loan | 8/31/2023 | 2,900 |
| CP Energy Services Inc. | First Lien Term Loan A to Spartan Energy Services, LLC | 4/9/2021, 1/10/2022, 2/10/2023, 6/7/2024 | 19,250 |
| CP Energy Services Inc. | Common Stock | 10/11/2013, 12/26/2013, 4/6/2018, 12/31/2019 | 69,586 |
| Credit Central Loan Company, LLC | Class A Units | 12/28/2012, 3/28/2014, 6/26/2014, 9/28/2016, 8/21/2019 | 11,975 |
| Credit Central Loan Company, LLC | First Lien Term Loan | 6/26/2014, 9/28/2016, 12/16/2022, 1/27/2023 | 45,995 |
| Credit Central Loan Company, LLC | Class P Units | 1/27/2023 | 1,540 |
| DRI Holding, Inc. | First Lien Term Loan | 4/26/2022, 7/21/2022 | 12,999 |
| DRI Holding, Inc. | Second Lien Term Loan | 5/18/2022 | 10,000 |
| Dukes Root Control Inc. | First Lien Revolving Line of Credit | 4/24/2023, 11/27/2023, 2/2/2024, 2/26/2024 | 3,161 |
| Dukes Root Control Inc. | First Lien Delayed Draw Term Loan | 5/26/2023, 10/26/2023 | 3,254 |
| Echelon Transportation, LLC | Membership Interest | 3/31/2014, 9/30/2014, 12/9/2016 | 22,488 |
| Echelon Transportation, LLC | First Lien Term Loan | 11/14/2018, 7/9/2019, 5/5/2020, 10/9/2020, 1/21/2021, 3/18/2021 | 5,465 |
| Emerge Intermediate, Inc. | First Lien Term Loan | 6/14/2024 | 1,467 |
| Eze Castle Integration, Inc. | First Lien Delayed Draw Term Loan | 10/7/2022, 9/5/2023 | 1,786 |
| Faraday Buyer, LLC | First Lien Delayed Draw Term Loan | 5/18/2023 | 4,468 |
| First Brands Group | First Lien Term Loan | 4/27/2022 | 5,955 |
| First Brands Group | Second Lien Term Loan | 5/12/2022 | 4,938 |
| First Tower Finance Company LLC | Class A Units | 12/30/2013, 6/24/2014, 12/15/2015, 11/21/2016, 3/9/2018 | 39,885 |
| First Tower Finance Company LLC | First Lien Term Loan to First Tower, LLC | 12/15/2015, 3/9/2018, 3/24/2022 | 43,047 |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024 (Continued)

| Portfolio Company | Investment | Follow-On Acquisition Dates | Follow-On Acquisitions (Excluding initial investment cost) |
|---|-------------------------------------|--|---|
| Freedom Marine Solutions, LLC | Membership Interest | 10/1/2009, 12/22/2009, 1/13/2010, 3/30/2010, 5/13/2010, 2/14/2011, 4/28/2011, 7/7/2011, 10/20/2011, 10/30/2015, 1/7/2016, 4/11/2016, 8/11/2016, 1/30/2017, 4/20/2017, 6/13/2017, 8/30/2017, 1/17/2018, \$2/15/2018, 5/8/2018, 10/31/2018, 5/14/2021, 4/18/2022, 2/15/2023, 7/2/2024 | 43,093 |
| Galaxy XV CLO, Ltd. | Subordinated Structured Note | 8/21/2015, 3/10/2017 | 9,161 |
| Galaxy XXVII CLO, Ltd. | Subordinated Structured Note | 6/11/2015 | 1,460 |
| Global Tel*Link Corporation (d/b/a ViaPath Technologies.) | Second Lien Term Loan | 4/10/2019, 8/22/2019, 9/20/2019, 9/14/2021, 9/17/2021, 12/17/2021, 2/7/2022 | 96,743 |
| Help/Systems Holdings, Inc. (d/b/a Forta, LLC) | Second Lien Term Loan | 5/11/2021, 10/14/2021 | 54,649 |
| Imperative Worldwide, LLC (f/k/a MAGNATE WORLDWIDE, LLC) | First Lien Delayed Draw Term Loan | 10/26/2022, 6/1/2023, 9/30/2024 | 8,190 |
| InterDent, Inc. | First Lien Term Loan A | 2/11/2014, 4/21/2014, 11/25/2014, 12/23/2014, 7/14/2021, 3/28/2022 | 93,903 |
| InterDent, Inc. | First Lien Term Loan B | 2/11/2014, 4/21/2014, 11/25/2014, 12/23/2014 | 76,125 |
| Interventional Management Services, LLC | First Lien Revolving Line of Credit | 2/25/2021, 11/17/2021 | 5,000 |
| Jefferson Mill CLO Ltd. | Subordinated Structured Note | 9/21/2018 | 2,047 |
| K&N HoldCo, LLC | Class A Membership Units | 7/31/2024 | 105 |
| Kickapoo Ranch Pet Resort | Membership Interest | 10/21/2019, 12/4/2019 | 28 |
| LCM XIV Ltd. | Subordinated Structured Note | 9/25/2015, 5/18/2018 | 9,422 |
| LGC US FINCO, LLC | First Lien Term Loan | 3/2/2022 | 2,095 |
| Lucky US BuyerCo LLC | First Lien Revolving Line of Credit | 3/21/2024, 6/24/2024 | 1,665 |
| Medical Solutions Holdings, Inc. | Second Lien Term Loan | 5/4/2022, 9/22/2022 | 1,423 |
| MITY, Inc. | Common Stock | 6/23/2014 | 7,200 |
| MITY, Inc. | First Lien Term Loan A | 1/17/2017, 3/23/2021, 2/14/2024, 3/15/2024, 5/15/2024, 9/16/2024 | 17,300 |
| MITY, Inc. | First Lien Term Loan B | 1/17/2017, 6/3/2019 | 11,000 |
| Nationwide Loan Company LLC | Class A Units | 3/28/2014, 6/18/2014, 9/30/2014, 6/29/2015, 3/31/2016, 8/31/2016, 5/31/2017, 10/31/2017 | 20,469 |
| Nationwide Loan Company LLC | First Lien Term Loan | 12/28/2015, 8/31/2016 | 1,999 |
| Nationwide Loan Company LLC | First Lien Delayed Draw Term Loan | 6/26/2024 | 2,250 |
| National Property REIT Corp. | First Lien Term Loan A | 4/3/2020, 5/15/2020, 6/10/2020, 7/29/2020, 8/14/2020, 9/15/2020, 10/15/2020, 10/30/2020, 11/10/2020, 11/13/2020, 11/19/2020, 12/11/2020, 1/27/2021, 2/25/2021, 3/11/2021, 5/14/2021, 6/14/2021, 6/25/2021, 8/16/2021, 11/15/2021, 11/26/2021, 12/1/2021, 12/28/2021, 1/14/2022, 2/15/2022, 3/17/2022, 3/28/2022, 4/1/2022, 4/7/2022, 5/24/2022, 6/6/2022, 7/5/2022, 8/31/2022, 10/6/2022, 1/10/2023, 2/28/2023, 4/4/2023, 4/6/2023, 4/28/2023, 6/9/2023, 6/14/2023, 7/5/2023, 7/14/2023, 8/31/2023, 9/29/2023, 10/4/2023, 10/20/2023, 11/30/2023, 1/3/2024, 1/18/2024, 2/29/2024, 3/8/2024, 4/2/2024, 5/31/2024, 7/8/2024, 8/30/2024 | 858,088 |
| National Property REIT Corp. | First Lien Term Loan B | 12/8/2021, 12/17/2021, 1/13/2022, 2/8/2022, 2/14/2022, 2/17/2022, 2/24/2022 | 28,880 |
| National Property REIT Corp. | First Lien Term Loan C | 10/23/2019, 1/23/2020, 3/31/2020, 4/8/2020, 8/4/2020, 12/7/2021, 1/7/2022, 2/2/2022, 5/12/2022, 5/19/2022, 6/6/2022, 8/1/2022, 9/15/2022, 9/19/2022, 10/21/2022, 6/6/2023, 11/2/2023 | 263,000 |
| National Property REIT Corp. | First Lien Term Loan E | 6/26/2024 | 35,300 |
| NH Kronos Buyer, Inc. | First Lien Term Loan | 4/10/2024 | 9,900 |
| NMMB, Inc. | First Lien Term Loan | 12/30/2019, 3/28/2022 | 40,100 |
| Octagon Investment Partners XV, Ltd. | Subordinated Structured Note | 4/27/2015, 8/3/2015, 6/27/2017 | 10,516 |
| Octagon Investment Partners 18-R Ltd. | Subordinated Structured Note | 3/23/2018 | 8,908 |
| Pacific World Corporation | First Lien Revolving Line of Credit | 10/21/2014, 12/19/2014, 4/7/2015, 4/22/2015, 8/12/2016, 10/18/2016, 2/7/2017, 2/21/2017, 4/26/2017, 10/11/2017, 10/17/2017, 1/16/2018, 12/27/2018, 3/15/2019, 7/2/2019, 8/15/2019, 9/1/2021, 10/19/2021, 9/6/2022, 7/10/2024 | 46,200 |
| Pacific World Corporation | Convertible Preferred Equity | 4/3/2019, 4/29/2019, 6/3/2019, 10/4/2019, 11/12/2019, 12/20/2019, 1/7/2020, 3/5/2020, 12/30/2021, 1/26/2024 | 55,100 |
| Pacific World Corporation | First Lien Term Loan A | 12/22/2022 | 10,500 |
| PeopleConnect Holdings, Inc. | First Lien Term Loan | 10/21/2021 | 82,005 |

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024 (Continued)

| Portfolio Company | Investment | Follow-On Acquisition Dates | Follow-On Acquisitions (Excluding initial investment cost) |
|---|-------------------------------------|--|---|
| Precisely Software Incorporated | Second Lien Term Loan | 5/28/2021, 6/24/2021, 6/3/2022 | \$ 59,333 |
| Raisin Acquisition Co, Inc. | Revolving Line of Credit | 8/19/2024 | 779 |
| Reception Purchaser, LLC | First Lien Term Loan | 7/29/2022, 9/22/2022 | 9,655 |
| RGIS Services, LLC | Membership Interest | 5/28/2024 | 1,432 |
| Redstone Holdco 2 LP | Second Lien Term Loan | 9/10/2021 | 17,903 |
| Research Now Group, LLC and Dynata, LLC | First Lien Term Loan | 2/21/2024 | 1,425 |
| Romark WM-R Ltd. | Subordinated Structured Note | 3/29/2018 | 5,125 |
| Rosa Mexicano | First Lien Revolving Line of Credit | 3/27/2020, 10/13/2023, 2/7/2024, 5/17/2024 | 5,400 |
| R-V Industries, Inc. | First Lien Term Loan | 3/4/2022, 9/25/2023 | 8,700 |
| R-V Industries, Inc. | Common Stock | 12/27/2016 | 1,854 |
| Shiftkey, LLC | First Lien Term Loan | 8/26/2022, 9/14/2022, 9/23/2022 | 39,450 |
| Symphony CLO XV, Ltd. | Subordinated Structured Note | 12/7/2018 | 2,655 |
| The RK Logistics Group, Inc. | Class B Common Units | 12/19/2023 | 1,250 |
| The RK Logistics Group, Inc. | First Lien Term Loan | 6/28/2024 | 13,000 |
| Town & Country Holdings, Inc. | First Lien Term Loan | 7/13/2018, 7/16/2018, 2/27/2024, 3/28/2024, 4/23/2024 | 115,000 |
| United Sporting Companies, Inc. | Second Lien Term Loan | 3/7/2013, 3/14/2024 | 59,325 |
| Universal Turbine Parts, LLC | First Lien Delayed Draw Term Loan | 10/24/2019, 2/7/2020, 2/26/2020, 4/5/2021, 11/24/2023 | 5,716 |
| USES Corp. | First Lien Term Loan A | 6/15/2016, 6/29/2016, 2/22/2017, 4/27/2017, 5/4/2017, 8/30/2017, 10/11/2017, 12/11/2018, 8/30/2019 | 14,100 |
| USES Corp. | First Lien Equipment Term Loan | 6/23/2023, 7/3/2024 | 6,700 |
| USG Intermediate, LLC | First Lien Revolving Line of Credit | 7/2/2015, 9/23/2015, 9/14/2017, 8/21/2019, 9/17/2020, 9/18/2021, 5/19/2022, 5/22/2023, 10/12/2023 | 21,700 |
| USG Intermediate, LLC | First Lien Term Loan B | 8/24/2017, 7/30/2021, 2/9/2022, 8/17/2022, 5/12/2023, 12/20/2023 | 104,475 |
| USG Intermediate, LLC | Equity | 5/12/2023 | 100 |
| Valley Electric Company, Inc. | Common Stock | 12/31/2012, 6/24/2014 | 18,502 |
| Valley Electric Company, Inc. | First Lien Term Loan | 6/30/2014, 8/31/2018, 3/28/2022 | 18,129 |
| Valley Electric Company, Inc. | First Lien Term Loan B | 5/1/2023 | 19,000 |
| Voya CLO 2014-1, Ltd. | Subordinated Structured Note | 3/29/2018 | 3,943 |
| Wellful Inc. | First Lien Term Loan | 7/28/2022 | 3,860 |
| Wellpath Holdings, Inc. | First Lien Term Loan | 10/8/2019, 10/8/2021 | 9,592 |
| Wellpath Holdings, Inc. | Second Lien Term Loan | 8/20/2019 | 1,993 |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2024 (Unaudited) and June 30, 2024 (Continued)

- (43) Since Prospect's initial common equity investment in NPRC on December 31, 2013, we have made numerous additional follow-on investments that have been used to invest in new and existing properties as well as online consumer loans and rated secured structured notes. These follow-on acquisitions are summarized by fiscal year below (excluding effects of return of capital distributions). Details of specific transactions are included in the respective fiscal year Form 10-K filing (refer to endnote 42 for NPRC term loan follow-on investments):

| Fiscal Year | Follow-On Investments (NPRC Common Stock, excluding cost of initial investment) |
|-------------|--|
| 2014 | \$ 4,555 |
| 2015 | 68,693 |
| 2016 | 93,857 |
| 2017 | 116,830 |
| 2018 | 137,024 |
| 2019 | 11,582 |
| 2020 | 19,800 |
| 2022 | 15,620 |
| 2023 | 3,600 |
| 2024 | 4,600 |

- (44) Prospect owns 38.95% of the preferred stock of Legere Pharmaceutical Holdings, Inc. ("Legere"), which represents 4.98% voting interest in Legere. Legere is the parent company of the borrower, Preventics, Inc. (d/b/a Legere Pharmaceuticals).
- (45) This investment represents a Level 2 security in the ASC 820 table as of September 30, 2024 and June 30, 2024. See Notes 2 and 3 within the accompanying notes to consolidated financial statements for further discussion.
- (46) As of September 30, 2024, certain industries classifications have been revised compared to June 30, 2024 to align with updated industry structures.
- (47) The Company has entered into an intercreditor agreement that entitles the Company to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche(s) with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company may receive a higher interest rate than the "first out" lenders and the Consolidated Schedule of Investments above reflects such higher rate, as applicable.
- (48) Emerge Intermediate, Inc., HD Research, LLC, ERG Buyer, LLC, and ERG Blocker, Inc. are joint borrowers on the First Lien Term Loan.
- (49) The stated interest rate on the drawn revolver and delayed drawn term loan commitments represents a weighted average interest rate for the funded amounts of the investment.
- (50) Discovery Point Retreat, LLC, Discovery MSO LLC, Eating Disorder Solutions of Texas LLC, Discovery Point Retreat Waxahachie, LLC are joint borrowers on the First Lien Term Loan.

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands, except share and per share data)

Note 1. Organization

In this report, the terms “Prospect”, “the Company”, “we”, “us” and “our” mean Prospect Capital Corporation and its subsidiaries unless the context specifically requires otherwise.

Prospect is a financial services company that primarily lends to and invests in middle market privately-held companies. We are a closed-end investment company incorporated in Maryland. We have elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940 (the “1940 Act”). As a BDC, we have elected to be treated as a regulated investment company (“RIC”), under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). We were organized on April 13, 2004, and were funded in an initial public offering completed on July 27, 2004.

On May 15, 2007, we formed a wholly owned subsidiary Prospect Capital Funding LLC (“PCF”), a Delaware limited liability company and a bankruptcy remote special purpose entity, which holds certain of our portfolio loan investments that are used as collateral for the revolving credit facility at PCF. On September 30, 2014, we formed a wholly-owned subsidiary Prospect Yield Corporation, LLC (“PYC”) and effective October 23, 2014, PYC holds a portion of our collateralized loan obligations (“CLOs”), which we also refer to as subordinated structured notes (“SSNs”). Each of these subsidiaries have been consolidated since operations commenced.

We consolidate certain of our wholly owned and substantially wholly owned holding companies formed by us in order to facilitate our investment strategy. The following companies are included in our consolidated financial statements and are collectively referred to as the “Consolidated Holding Companies”: CP Holdings of Delaware LLC (“CP Holdings”); Credit Central Holdings of Delaware, LLC; Energy Solutions Holdings Inc.; First Tower Holdings of Delaware LLC (“First Tower Delaware”); MITY Holdings of Delaware Inc.; Nationwide Acceptance Holdings LLC; NMMB Holdings, Inc. (“NMMB Holdings”); NPH Property Holdings, LLC (“NPH”); Prospect Opportunity Holdings I, Inc. (“POHI”); SB Forging Company, Inc. (“SB Forging”); STI Holding, Inc.; UTP Holdings Group Inc. (“UTP Holdings”); Valley Electric Holdings I, Inc. (“Valley Holdings I”); and Valley Electric Holdings II, Inc. (“Valley Holdings II”).

We are externally managed by our investment adviser, Prospect Capital Management L.P. (“Prospect Capital Management” or the “Investment Adviser”). Prospect Administration LLC (“Prospect Administration” or the “Administrator”), a wholly-owned subsidiary of the Investment Adviser, provides administrative services and facilities necessary for us to operate.

Our investment objective is to generate both current income and long-term capital appreciation through debt and equity investments. We invest primarily in senior and subordinated debt and equity of private companies in need of capital for acquisitions, divestitures, growth, development, recapitalizations and other purposes. We work with the management teams or financial sponsors to identify investments with historical cash flows, asset collateral or contracted pro forma cash flows for investment.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Note 2. Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying interim consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP") for interim financial information and pursuant to the requirements for reporting on Form 10-Q, ASC 946, *Financial Services—Investment Companies* ("ASC 946"), and Articles 6 and 10 of Regulation S-X. Accordingly, certain disclosures accompanying the annual consolidated financial statements prepared in accordance with GAAP are omitted. The current period's results of operations will not necessarily be indicative of results that ultimately may be achieved for the fiscal year ending June 30, 2025.

Under the 1940 Act, ASC 946, and the regulations pursuant to Article 6 of Regulation S-X, we are precluded from consolidating any entity other than another investment company or an operating company which provides substantially all of its services to benefit us. Our consolidated financial statements include the accounts of Prospect, PCF, PYC, and the Consolidated Holding Companies. The consolidated financial statements reflect all adjustments and reclassifications that, in the opinion of management, are necessary for the fair presentation of the results of operations and financial condition as of and for the periods presented. All intercompany balances and transactions have been eliminated in consolidation. The financial results of our non-substantially wholly-owned holding companies and operating portfolio company investments are not consolidated in the financial statements. Any operating companies owned by the Consolidated Holding Companies are not consolidated.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents consist of cash and highly liquid investments with an original maturity of three months or less at the date of purchase. Cash, cash equivalents, and restricted cash are carried at cost, which approximates fair value.

All cash and restricted cash balances are maintained with high credit quality financial institutions. Cash and restricted cash held at financial institutions, at times, has exceeded the Federal Deposit Insurance Corporation ("FDIC") insured limit. The Company has not incurred any losses on these accounts, and the credit risk exposure is mitigated by the financial strength of the banking institutions where the amounts are held.

Restricted cash relates to a contractual requirement for our Revolving Credit Facility to maintain a minimum cash balance in a reserve account. The contractual requirement is based upon our outstanding borrowing on our Revolving Credit Facility.

Reclassifications

Certain reclassifications have been made in the presentation of prior consolidated financial statements and accompanying notes to conform to the presentation as of and for the three months ended September 30, 2024. Refer to Note 16. *Financial Highlights*.

In our Form 10-Q for the quarterly period ended September 30, 2023 filed on November 8, 2023, we previously reported total interest income of \$ 73,243 and \$112,517 from our control and non-control/non-affiliate investments, respectively within our *Consolidated Statement of Operations*. In accordance with Regulation S-X 6-07.01 *Statement of Operations – Investment Income* and to conform to the presentation for the three months ended September 30, 2024, we have subsequently reclassified portions of the prior year interest income to separately state the amounts attributable to payment-in-kind interest income.

Use of Estimates

The preparation of the consolidated financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of income, expenses, and gains and losses during the reported period. Changes in the economic environment, financial markets, creditworthiness of the issuers of our investment portfolio and any other parameters used in determining these estimates could cause actual results to differ, and these differences could be material.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Investment Classification

We are a non-diversified company within the meaning of the 1940 Act. As required by the 1940 Act, we classify our investments by level of control. As defined in the 1940 Act, "Control Investments" are those where there is the ability or power to exercise a controlling influence over the management or policies of a company. Control is generally deemed to exist when a company or individual possesses a beneficial ownership of more than 25% of the voting securities of an investee company. Under the 1940 Act, "Affiliate Investments" are defined by a lesser degree of influence and are deemed to exist through owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of another person. "Non-Control/Non-Affiliate Investments" are those that are neither Control Investments nor Affiliate Investments.

As a BDC, we must not acquire any assets other than "qualifying assets" specified in the 1940 Act unless, at the time the acquisition is made, at least 70% of our total assets are qualifying assets (with certain limited exceptions). As of September 30, 2024 and June 30, 2024, our qualifying assets as a percentage of total assets, stood at 83.96% and 83.78%, respectively.

Investment Transactions

Investments are recognized when we assume an obligation to acquire a financial instrument and assume the risks for gains or losses related to that instrument. Specifically, we record all security transactions on a trade date basis. We determine the fair value of our investments on a quarterly basis (as discussed in *Investment Valuation* below), with changes in fair value reflected as a net change in unrealized gains (losses) from investments in the *Consolidated Statement of Operations*.

Investments are derecognized when we assume an obligation to sell a financial instrument and forego the risks for gains or losses related to that instrument. Realized gains or losses on the sale of investments are calculated using the specific identification method. Amounts for investments traded but not yet settled are reported in Due to Broker or Due from Broker, in the *Consolidated Statements of Assets and Liabilities*. As of September 30, 2024 and June 30, 2024, we have no assets going through foreclosure.

Foreign Currency

Foreign currency amounts are translated into US Dollars (USD) on the following basis:

- i. fair value of investment securities, other assets and liabilities—at the spot exchange rate on the last business day of the period; and
- ii. purchases and sales of investment securities, income and expenses—at the rates of exchange prevailing on the respective dates of such investment transactions, income or expenses.

We do not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in fair values of investments held or disposed of during the period. Such fluctuations are included within the net realized and net change in unrealized gains or losses from investments in the *Consolidated Statements of Operations*.

Investment Risks

Our investments are subject to a variety of risks. Those risks include the following:

Market Risk

Market risk represents the potential loss that can be caused by a change in the fair value of the financial instrument.

Credit Risk

Credit risk represents the risk that we would incur if the counterparties failed to perform pursuant to the terms of their agreements with us.

Liquidity Risk

Liquidity risk represents the possibility that we may not be able to rapidly adjust the size of our investment positions in times of high volatility and financial stress at a reasonable price.

Interest Rate Risk

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Interest rate risk represents a change in interest rates, which could result in an adverse change in the fair value of an interest-bearing financial instrument.

Prepayment Risk

Many of our debt investments allow for prepayment of principal without penalty. Downward changes in interest rates may cause prepayments to occur at a faster than expected rate, thereby effectively shortening the maturity of the security and making us less likely to fully earn all of the expected income of that security and reinvesting in a lower yielding instrument.

Structured Credit Related Risk

CLO investments may be riskier and less transparent to us than direct investments in underlying companies. CLOs typically will have no significant assets other than their underlying senior secured loans. Therefore, payments on CLO investments are and will be payable solely from the cash flows from such senior secured loans.

Foreign Currency

Investments denominated in foreign currencies and foreign currency transactions may involve certain considerations and risks not typically associated with those of domestic origin. These risks include, but are not limited to, currency fluctuations and revaluations and future adverse political, social and economic developments, which could cause investments in foreign markets to be less liquid and prices more volatile than those of comparable U.S. companies or U.S. government securities.

Other Risks

Political developments, including civil conflicts and war, sanctions or other measures by the United States or other governments, natural disasters, public health crises and other events outside the Company's control can directly or indirectly have a material adverse impact on the Company and our portfolio companies.

Investment Valuation

As a BDC, and in accordance with the 1940 Act, we fair value our investment portfolio on a quarterly basis, with any unrealized gains and losses reflected in net increase (decrease) in net assets resulting from operations on our *Consolidated Statement of Operations*. To value our investments, we follow the guidance of ASC 820, *Fair Value Measurement* ("ASC 820"), that defines fair value, establishes a framework for measuring fair value in conformity with GAAP, and requires disclosures about fair value measurements. In accordance with ASC 820, the fair value of our investments is defined as the price that we would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market in which that investment is transacted.

ASC 820 classifies the inputs used to measure these fair values into the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities, accessible by us at the measurement date.

Level 2: Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.

Level 3: Unobservable inputs for the asset or liability.

In all cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each investment.

Our Board of Directors has established procedures for the valuation of our investment portfolio. These procedures are detailed below.

Investments for which market quotations are readily available are valued at such market quotations.

For most of our investments, market quotations are not available. With respect to investments for which market quotations are not readily available or when such market quotations are deemed not to represent fair value, due to factors such as volume and frequency of price quotes, our Board of Directors has approved a multi-step valuation process each quarter, as described below.

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1. Each portfolio company or investment is reviewed by our investment professionals with independent valuation firms engaged by our Board of Directors.
2. The independent valuation firms prepare independent valuations for each investment based on their own independent assessments and issue their report.
3. The Audit Committee of our Board of Directors reviews and discusses with the independent valuation firms the valuation reports, and then makes a recommendation to the Board of Directors of the value for each investment.
4. The Board of Directors discusses valuations and determines the fair value of each investment in our portfolio in good faith based on the input of the Investment Adviser, the respective independent valuation firm and the Audit Committee.

Our non-CLO investments that are classified as *Level 3* are valued utilizing a yield technique, enterprise value ("EV") technique, net asset value technique, asset recovery technique, discounted cash flow technique, or a combination of techniques, as appropriate. The yield technique uses loan spreads for loans and other relevant information implied by market data involving identical or comparable assets or liabilities. Under the EV technique, the EV of a portfolio company is first determined and allocated over the portfolio company's securities in order of their preference relative to one another (i.e., "waterfall" allocation). To determine the EV, we typically use a market (multiples) valuation approach that considers relevant and applicable market trading data of guideline public companies, transaction metrics from precedent merger and acquisitions transactions, and/or a discounted cash flow technique. The net asset value technique, an income approach, is used to derive a value of an underlying investment (such as real estate property) by dividing a relevant earnings stream by an appropriate capitalization rate. For this purpose, we consider capitalization rates for similar properties as may be obtained from guideline public companies and/or relevant transactions. The asset recovery technique is intended to approximate the net recovery value of an investment based on, among other things, assumptions regarding liquidation proceeds based on a hypothetical liquidation of a portfolio company's assets. The discounted cash flow technique converts future cash flows or earnings to a range of fair values from which a single estimate may be derived utilizing an appropriate discount rate. The fair value measurement is based on the net present value indicated by current market expectations about those future amounts.

In applying these methodologies, additional factors that we consider in valuing our investments may include, as we deem relevant: security covenants, call protection provisions, and information rights; the nature and realizable value of any collateral; the portfolio company's ability to make payments; the principal markets in which the portfolio company does business; publicly available financial ratios of peer companies; the principal market; and enterprise values, among other factors.

Our investments in CLOs are classified as Level 3 fair value measured securities under ASC 820 and are valued using a discounted multi-path cash flow model. The CLO structures are analyzed to identify the risk exposures and to determine an appropriate call date (i.e., expected maturity). These risk factors are sensitized in the multi-path cash flow model using Monte Carlo simulations, which is a simulation used to model the probability of different outcomes, to generate probability-weighted (i.e., multi-path) cash flows from the underlying assets and liabilities. These cash flows are discounted using appropriate market discount rates, and relevant data in the CLO market as well as certain benchmark credit indices are considered, to determine the value of each CLO investment. In addition, we generate a single-path cash flow utilizing our best estimate of expected cash receipts, and assess the reasonableness of the implied discount rate that would be effective for the value derived from the multi-path cash flows. We are not responsible for and have no influence over the asset management of the portfolios underlying the CLO investments we hold, as those portfolios are managed by non-affiliated third-party CLO collateral managers. The main risk factors are default risk, prepayment risk, interest rate risk, downgrade risk, and credit spread risk.

Convertible Notes

We have recorded the Convertible Notes at their contractual amounts and at issuance, we determined that the embedded conversion options in the Convertible Unsecured Notes are not required to be separately accounted for as a derivative under ASC 815, *Derivatives and Hedging*. See Note 5 for further discussion on our Convertible Notes outstanding.

Revenue Recognition

Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis. Original issue discounts and market discounts are capitalized and accreted into interest income over the respective terms of the applicable loans using the effective interest method or straight-line, as applicable, and adjusted only for material amendments or prepayments. Upon a prepayment of a loan, prepayment premiums, original issue discount, or market discounts are recorded as interest income.

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Loans are placed on non-accrual status when there is reasonable doubt that principal or interest will be collected. Unpaid accrued interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans are either applied to the cost basis or interest income, depending upon management's judgment of the collectability of the loan receivable. Non-accrual loans are restored to accrual status when past due principal and interest is paid and in management's judgment, is likely to remain current and future principal and interest collections when due are probable. Interest received and applied against cost while a loan is on non-accrual, and payment-in-kind ("PIK") interest capitalized but not recognized while on non-accrual, is recognized prospectively on the effective yield basis through maturity of the loan when placed back on accrual status, to the extent deemed collectible by management. As of September 30, 2024 and June 30, 2024 approximately 0.5% and 0.3% of our total assets at fair value are in non-accrual status, respectively.

Some of our loans and other investments may have contractual PIK interest or dividends. PIK income computed at the contractual rate is accrued into income and reflected as receivable up to the capitalization date. PIK investments offer issuers the option at each payment date of making payments in cash or in additional securities. When additional securities are received, they typically have the same terms, including maturity dates and interest rates as the original securities issued. On these payment dates, we capitalize the accrued interest (reflecting such amounts in the basis as additional securities received). PIK generally becomes due at maturity of the investment or upon the investment being called by the issuer. At the point that we believe PIK is not fully expected to be realized, the PIK investment will be placed on non-accrual status. When a PIK investment is placed on non-accrual status, the accrued, uncapitalized interest or dividends are reversed from the related receivable through interest or dividend income, respectively. We do not reverse previously capitalized PIK interest or dividends. Upon capitalization, PIK is subject to the fair value estimates associated with their related investments. PIK investments on non-accrual status are restored to accrual status if we believe that PIK is expected to be realized.

Interest income from investments in Subordinated Structured Notes (typically preferred shares, income notes or subordinated notes of CLO funds) and "equity" class of security of securitized trust is recorded based upon an estimation of an effective yield to expected maturity utilizing assumed cash flows in accordance with ASC 325-40, *Beneficial Interests in Securitized Financial Assets*. We monitor the expected cash inflows from our CLO and securitized trust equity investments, including the expected residual payments, and the effective yield is determined and updated periodically. The Company modified its policy during the year ended June 30, 2024, with respect to the timing of when it recognizes realized losses for certain CLO equity investments for which the Company determines that a CLO's expected remaining cash flows do not exceed amortized cost basis. In such situations, the amortized cost basis of the CLO is written down and recognized as a realized loss.

Dividend income is recorded on the ex-dividend date. Each distribution received from limited liability company ("LLC") and limited partnership ("LP") investments is evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, the Company will not record distributions from equity investments in LLCs and LPs as dividend income unless there are sufficient current or accumulated tax-basis earnings and profits in the LLC or LP prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

Other income consists of structuring fees, amendment fees, overriding royalty interests, receipts related to net profit and revenue interests, deal deposits, administrative agent fees, and other miscellaneous receipts, which are recognized as revenue when received.

Structuring fees and certain other amendment or advisory fees are considered fees in exchange for the provision of certain services and are subject to the provisions of ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). All other types of income are derived from lending or equity investments, which is recognized in accordance with ASC 310-20, *Nonrefundable Fees and Other Costs*. See Note 10 Other Income.

Realized gains or losses on the sale of investments are calculated using the specific identification method. Refer to *Investment Transactions* above.

Federal and State Income Taxes

We have elected to be treated as a RIC and intend to continue to comply with the requirements of the Code applicable to RICs. We are required to distribute at least 90% of our investment company taxable income and intend to distribute (or retain through a deemed distribution) all of our investment company taxable income and net capital gain to stockholders; therefore, we have made no provision for income taxes. The character of income and gains that we will distribute is determined in accordance with income tax regulations that may differ from GAAP. Book and tax basis differences relating to stockholder dividends and distributions and other permanent book and tax differences are reclassified to paid-in capital.

If we do not distribute (or are not deemed to have distributed) at least 98% of our annual ordinary income and 98.2% of our capital gains in the calendar year earned, we will generally be required to pay an excise tax equal to 4% of the amount by which

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98% of our annual ordinary income and 98.2% of our capital gains exceed the distributions from such taxable income for the year. To the extent that we determine that our estimated current year annual taxable income will be in excess of estimated current year dividend distributions from such taxable income, we accrue excise taxes, if any, on estimated excess taxable income. As of September 30, 2024, we do not expect to have any excise tax due for the 2024 calendar year. Thus, we have not accrued any excise tax for this period.

If we fail to satisfy the annual distribution requirement or otherwise fail to qualify as a RIC in any taxable year, we would be subject to tax on all of our taxable income at regular corporate income tax rates. We would not be able to deduct distributions to stockholders, nor would we be required to make distributions. Distributions would generally be taxable to our individual and other non-corporate taxable stockholders as ordinary dividend income eligible for the reduced maximum rate applicable to qualified dividend income to the extent of our current and accumulated earnings and profits, provided certain holding period and other requirements are met. Subject to certain limitations under the Code, corporate distributions would be eligible for the dividends-received deduction. To qualify again to be taxed as a RIC in a subsequent year, we would be required to distribute to our stockholders our accumulated earnings and profits attributable to non-RIC years. In addition, if we failed to qualify as a RIC for a period greater than two taxable years, then, in order to qualify as a RIC in a subsequent year, we would be required to elect to recognize and pay tax on any net built-in gain (the excess of aggregate gain, including items of income, over aggregate loss that would have been realized if we had been liquidated) or, alternatively, be subject to taxation on such built-in gain recognized for a period of five years.

We follow ASC 740, *Income Taxes* ("ASC 740"). ASC 740 provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the consolidated financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing our tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. As of September 30, 2024, we did not record any unrecognized tax benefits or liabilities. Management's determinations regarding ASC 740 may be subject to review and adjustment at a later date based upon factors including, but not limited to, an on-going analysis of tax laws, regulations, and interpretations thereof. Although we file both federal and state income tax returns, our major tax jurisdiction is federal. Our federal tax returns for the tax years ended August 31, 2021 and thereafter remain subject to examination by the Internal Revenue Service.

Taxable Subsidiaries

Certain of our consolidated subsidiaries are subject to U.S. federal and state corporate-level income taxes. As of September 30, 2024, and June 30, 2024, no net tax benefit was recorded since they did not result in a material provision for income taxes. As of September 30, 2024, and June 30, 2024, the net deferred tax asset was not material to the financial statements after taking into account valuation allowances.

Dividends and Distributions to Common Shareholders

Dividends and distributions to common stockholders are recorded on the ex-dividend date. The amount, if any, to be paid as a monthly dividend or distribution is approved by our Board of Directors quarterly and is generally based upon our management's estimate of our future taxable earnings. Net realized capital gains, if any, are distributed at least annually.

Our distributions may exceed our earnings, and therefore, portions of the distributions that we make may be a return of the money originally invested and represent a return of capital distribution to shareholders for tax purposes.

Financing Costs

We record origination expenses related to our Revolving Credit Facility as deferred financing costs. These expenses are deferred and amortized as part of interest expense using the straight-line method over the stated life of the obligation for our Revolving Credit Facility. Debt issuance costs and origination discounts related to our Convertible Notes and Public Notes are presented net against the outstanding principal of the respective instrument and amortized as part of interest expense using the effective interest method over the stated life of the respective instrument. Debt issuance costs and origination discounts related to our Prospect Capital InterNotes® (collectively, with our Convertible Notes and Public Notes, our "Unsecured Notes") are net against the outstanding principal amount of our Prospect Capital InterNotes® and are amortized as part of interest expense using the straight-line method over the stated maturity of the respective note. In the event that we modify or extinguish our debt before maturity, we follow the guidance in ASC 470-50, *Modification and Extinguishments* ("ASC 470-50"). For modifications to or exchanges of our Revolving Credit Facility, any unamortized deferred costs relating to lenders who are not part of the new lending group are expensed. For extinguishments of our Unsecured Notes, any unamortized deferred costs are deducted from the carrying amount of the debt in determining the gain or loss from the extinguishment.

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Unamortized deferred financing costs are presented as a direct deduction to the respective Unsecured Notes (see Notes 5, 6, and 7).

We may record registration expenses related to shelf filings as prepaid expenses. These expenses consist principally of the Securities and Exchange Commission ("SEC") registration fees, legal fees and accounting fees incurred. These prepaid expenses are charged to capital upon the receipt of proceeds from an equity offering or charged to expense if no offering is completed. As of September 30, 2024 and June 30, 2024, there are no prepaid expenses related to registration expenses and all amounts incurred have been expensed.

Per Share Information

In accordance with ASC 946, senior equity securities, such as preferred stock, are not considered in the calculation of net asset value per common share. Net asset value per common share also excludes the effects of assumed conversion of outstanding convertible securities, regardless of whether their conversion would have a diluting effect. Therefore, our net asset value is presented on the basis of per common share outstanding as of the applicable period end.

We compute earnings per common share in accordance with ASC 260, Earnings Per Share ("ASC 260"). Basic earnings per common share is calculated by dividing the net increase (decrease) in net assets resulting from operations applicable to common stockholders by the weighted average number of shares of common stock outstanding. Diluted earnings per share gives effect to all dilutive potential common shares outstanding using the if-converted method for our Convertible Preferred Stock and Convertible Notes (together, "convertible instruments"). Diluted earnings per share excludes all dilutive potential common shares if their effect is anti-dilutive.

Preferred Stock

In accordance with ASC 480-10-S99-3A, the Company's Preferred Stock (as defined in "Note 9. Equity Offerings, Offering Expenses, and Distributions") has been classified in temporary equity on the *Consolidated Statement of Assets and Liabilities*. Beginning with the period ended September 30, 2021, limitations on our ability to exercise our Issuer Optional Conversion on the 5.50% Preferred Stock and 6.50% Preferred Stock created the possibility of redemption outside of the Company's control if dividends on the Preferred Stock have accumulated and been unpaid for a period of two years. The 5.50% Preferred Stock, 6.50% Preferred Stock and 5.35% Series A Preferred Stock issued as temporary equity is recorded net of offering costs and issuance costs due to this possibility. The 5.50% Preferred Stock issued prior to the issuance of our 5.35% Series A Preferred Stock has a carrying value on our *Consolidated Statement of Assets and Liabilities* equal to liquidation value per share.

The Floating Rate Preferred Stock is redeemable at the election of the Holder at any time and is probable of redemption outside of the Company's control. In accordance with ASC 480-10-S99-3A, the Floating Rate Preferred Stock is accreted to redemption value within temporary equity upon issuance. Accretion to redemption value is treated as an adjustment to net increase (decrease) in net assets resulting from operations applicable to common stockholders on our *Consolidated Statement of Operations*.

Accrued and unpaid dividends relating to the Preferred Stock are included in the preferred stock carrying value on the *Consolidated Statement of Assets and Liabilities*. Dividends declared on the Preferred Stock are included in preferred stock dividends on the *Consolidated Statement of Operations*.

Recent Accounting Pronouncements

The Company considers the applicability and impact of all accounting standard updates ("ASU") issued by the Financial Accounting Standards Board ("FASB"). The Company has assessed currently issued ASUs and has determined that they are not applicable or expected to have minimal impact on its consolidated financial statements.

Note 3. Portfolio Investments

At September 30, 2024, we had investments in 117 long-term portfolio investments and CLOs, which had an amortized cost of \$ 7,329,338 and a fair value of \$7,476,641. At June 30, 2024, we had investments in 117 long-term portfolio investments and CLOs, which had an amortized cost of \$ 7,447,174 and a fair value of \$7,718,243.

The original cost basis of debt placement and equity securities acquired, including follow-on investments for existing portfolio companies, payment-in-kind interest, and structuring fees, totaled \$290,639 and \$131,074 during the three months ended

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September 30, 2024 and September 30, 2023, respectively. Debt repayments and considerations from sales of equity securities of approximately \$282,328 and \$93,646 were received during the three months ended September 30, 2024 and September 30, 2023, respectively.

Throughout the remainder of this footnote, we aggregate our portfolio investments by type of investment, which may differ slightly from the nomenclature used by the constituent instruments defining the rights of holders of the investment, as disclosed on our *Consolidated Schedules of Investments* ("SOI"). The following investments are included in each category:

- First Lien Revolving Line of Credit includes our debt investments in first lien revolvers as well as our debt investments in delayed draw term loans.
- First Lien Debt includes our debt investments listed on the SOI such as first lien term loans (including "unitranche" loans, which are loans that combine both senior and subordinated debt and "last out" loans which are loans that have a secondary payment priority behind "first out" first-lien loans).
- Second Lien Revolving Line of Credit includes our debt investments in second lien revolvers as well as our debt investments in delayed draw term loans.
- Second Lien Debt includes our debt investments listed on the SOI as second lien term loans.
- Unsecured Debt includes our debt investments listed on the SOI as unsecured.
- Subordinated Structured Notes includes our investments in the "equity" security class of CLO funds such as income notes, preference shares, and subordinated notes.
- Equity, unless specifically stated otherwise, includes our investments in preferred stock, common stock, membership interests, net profits interests, net operating income interests, net revenue interests, overriding royalty interests, escrows receivable, and warrants.

The following table shows the composition of our investment portfolio as of September 30, 2024 and June 30, 2024:

| | September 30, 2024 | | June 30, 2024 | |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Cost | Fair Value | Cost | Fair Value |
| First Lien Revolving Line of Credit | \$ 111,467 | \$ 110,753 | \$ 87,589 | \$ 86,544 |
| First Lien Debt (1) | 4,864,390 | 4,740,340 | 4,686,107 | 4,569,467 |
| Second Lien Revolving Line of Credit | — | — | 5,147 | 4,987 |
| Second Lien Debt | 980,562 | 826,848 | 1,219,482 | 1,038,882 |
| Unsecured Debt | 7,200 | 5,456 | 7,200 | 7,200 |
| Subordinated Structured Notes | 543,221 | 473,792 | 623,700 | 531,690 |
| Equity | 822,498 | 1,319,452 | 817,949 | 1,479,473 |
| Total Investments | <u>\$ 7,329,338</u> | <u>\$ 7,476,641</u> | <u>\$ 7,447,174</u> | <u>\$ 7,718,243</u> |

(1) First lien debt includes a loan that the Company classifies as "unitranche" and a loan classified as "first lien last out" The total amortized cost and fair value of the unitranche and/or last out loans were \$22,781 and \$23,092, respectively, as of September 30, 2024. The total amortized cost and fair value of the unitranche and/or last out loans were \$22,359 and \$22,413, respectively, as of June 30, 2024.

The following table shows the fair value of our investments disaggregated into the three levels of the ASC 820 valuation hierarchy as of September 30, 2024:

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| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|---------|-----------|--------------|--------------|
| First Lien Revolving Line of Credit | \$ — | \$ — | \$ 110,753 | \$ 110,753 |
| First Lien Debt(1) | — | 40,061 | 4,700,279 | 4,740,340 |
| Second Lien Revolving Line of Credit | — | — | — | — |
| Second Lien Debt | — | — | 826,848 | 826,848 |
| Unsecured Debt | — | — | 5,456 | 5,456 |
| Subordinated Structured Notes | — | — | 473,792 | 473,792 |
| Equity | — | — | 1,319,452 | 1,319,452 |
| Total Investments | \$ — | \$ 40,061 | \$ 7,436,580 | \$ 7,476,641 |

(1) First lien debt includes a loan that the Company classifies as “unitranche”. The total amortized cost and fair value of the unitranche loan was \$22,781 and \$23,092, respectively, as of September 30, 2024.

The following table shows the fair value of our investments disaggregated into the three levels of the ASC 820 valuation hierarchy as of June 30, 2024:

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|---------|-----------|--------------|--------------|
| First Lien Revolving Line of Credit | \$ — | \$ — | \$ 86,544 | \$ 86,544 |
| First Lien Debt (1) | — | 49,651 | 4,519,816 | 4,569,467 |
| Second Lien Revolving Line of Credit | — | — | 4,987 | 4,987 |
| Second Lien Debt | — | — | 1,038,882 | 1,038,882 |
| Unsecured Debt | — | — | 7,200 | 7,200 |
| Subordinated Structured Notes | — | — | 531,690 | 531,690 |
| Equity | — | — | 1,479,473 | 1,479,473 |
| Total Investments | \$ — | \$ 49,651 | \$ 7,668,592 | \$ 7,718,243 |

(1) First lien debt includes a loan that the Company classifies as “unitranche” and a loan classified as “first lien last out”. The total amortized cost and fair value of the unitranche and/or last out loans were \$22,359 and \$22,413, respectively, as of June 30, 2024.

The following tables show the aggregate changes in the fair value of our Level 3 investments during the three months ended September 30, 2024:

| Fair Value Measurements Using Unobservable Inputs (Level 3) | | | | |
|---|---------------------|-----------------------|---------------------------------------|--------------|
| | Control Investments | Affiliate Investments | Non-Control/Non-Affiliate Investments | Total |
| Fair value as of June 30, 2024 | \$ 3,872,575 | \$ 18,069 | \$ 3,777,948 | \$ 7,668,592 |
| Net realized gains (losses) on investments | 6,367 | — | (107,045) | (100,678) |
| Net change in unrealized (losses) gains | (174,248) | 3,448 | 47,125 | (123,675) |
| Net realized and unrealized (losses) gains | (167,881) | 3,448 | (59,920) | (224,353) |
| Purchases of portfolio investments(3) | 34,765 | — | 217,385 | 252,150 |
| Payment-in-kind interest | 26,019 | — | 12,470 | 38,489 |
| Accretion of discounts and premiums, net | — | — | 2,417 | 2,417 |
| Decrease to Subordinated Structured Notes cost, net(4) | — | — | (21,351) | (21,351) |
| Repayments and sales of portfolio investments(3) | (20,968) | 141 | (267,993) | (288,820) |
| Transfers into Level 3(1) | — | — | 9,456 | 9,456 |
| Fair value as of September 30, 2024 | \$ 3,744,510 | \$ 21,658 | \$ 3,670,412 | \$ 7,436,580 |

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| | First Lien | | Second Lien | | Unsecured | Subordinated | Equity | Total |
|---|-----------------------------|-----------------------|-----------------------------|---------------------|-----------|------------------|--------------|--------------|
| | Revolving Line of Credit | First Lien Debt(2) | Revolving Line of Credit | Second Lien Debt | Debt | Structured Notes | | |
| Fair value as of June 30, 2024 | \$ 86,544 | \$ 4,519,816 | \$ 4,987 | \$ 1,038,882 | \$ 7,200 | \$ 531,690 | \$ 1,479,473 | \$ 7,668,592 |
| Net realized gains (losses) on investments | — | 6,369 | — | (48,118) | 1 | (58,930) | — | (100,678) |
| Net change in unrealized gains (losses) | 331 | (7,318) | 160 | 26,886 | (1,744) | 22,580 | (164,570) | (123,675) |
| Net realized and unrealized gains (losses) | 331 | (949) | 160 | (21,232) | (1,743) | (36,350) | (164,570) | (224,353) |
| Purchases of portfolio investments(3) | 28,440 | 227,475 | (5,147) | 1,133 | — | — | 249 | 252,150 |
| Payment-in-kind interest | 1,200 | 35,295 | — | 1,994 | — | — | — | 38,489 |
| Accretion of discounts and premiums, net | 13 | 1,713 | — | 691 | — | — | — | 2,417 |
| Decrease to Subordinated Structured Notes cost, net(4) | — | — | — | — | — | (21,351) | — | (21,351) |
| Repayments and sales of portfolio investments(3) | (628) | (90,315) | — | (197,819) | (1) | (197) | 140 | (288,820) |
| Transfers within Level 3(1) | (5,147) | (2,212) | — | 3,199 | — | — | 4,160 | — |
| Transfers into Level 3(1) | — | 9,456 | — | — | — | — | — | 9,456 |
| Fair value as of September 30, 2024 | \$ 110,753 | \$ 4,700,279 | \$ — | \$ 826,848 | \$ 5,456 | \$ 473,792 | \$ 1,319,452 | \$ 7,436,580 |

(1) Transfers are assumed to have occurred at the beginning of the quarter during which the asset was transferred. During the three months ended September 30, 2024, one of our first lien notes transferred out of Level 2 to Level 3 because inputs to the valuation became unobservable.

(2) First lien debt includes a loan that the Company classifies as “unitranche” and a loan classified as “first lien last out”. The total amortized cost and fair value of the unitranche and/or last out loans were \$22,781 and \$23,092, respectively, as of September 30, 2024. The total amortized cost and fair value of the unitranche and/or last out loans were \$22,359 and \$22,413, respectively, as of June 30, 2024.

(3) Includes reorganizations and restructuring of investments.

(4) Reduction to cost value of our Subordinated Structured Notes investments represents the difference between distributions received, or entitled to be received, for the three months ended September 30, 2024, of \$84,655 and the effective yield interest income recognized on our Subordinated Structured Notes of \$179.

The following tables show the aggregate changes in the fair value of our Level 3 investments during the three months ended September 30, 2023:

| Fair Value Measurements Using Unobservable Inputs (Level 3) | | | | |
|---|------------------------|--------------------------|--|--------------|
| | Control Investments | Affiliate Investments | Non-Control/ Non-Affiliate Investments | Total |
| Fair value as of June 30, 2023 | \$ 3,571,697 | \$ 10,397 | \$ 4,135,356 | \$ 7,717,450 |
| Net realized (losses) gains on investments | (147) | — | (207,342) | (207,489) |
| Net change in unrealized gains (losses) | (17,794) | 837 | 214,788 | 197,831 |
| Net realized and unrealized gains (losses) | (17,941) | 837 | 7,446 | (9,658) |
| Purchases of portfolio investments (3) | 69,905 | — | 36,604 | 106,509 |
| Payment-in-kind interest | 16,870 | — | 6,233 | 23,103 |
| Accretion of discounts and premiums, net | 250 | — | 1,067 | 1,317 |
| Decrease to Subordinated Structured Notes cost, net(4) | — | — | (18,223) | (18,223) |
| Repayments and sales of portfolio investments (3) | (15,173) | 1,307 | (77,948) | (91,814) |
| Transfers out of Level 3(1) | — | — | (39,813) | (39,813) |
| Fair Value as of as of September 30, 2023 | \$ 3,625,608 | \$ 12,541 | \$ 4,050,722 | \$ 7,688,871 |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| | | Second Lien | | | | | | |
|--|----------------------|--------------|----------------|--------------|-----------|------------------|--------------|--------------|
| | First Lien Revolving | First Lien | Revolving Line | Second Lien | Unsecured | Subordinated | | |
| | Line of Credit | Debt(2) | of Credit | Debt | Debt | Structured Notes | Equity | Total |
| Fair value as of June 30, 2023 | \$ 58,058 | \$ 4,295,314 | \$ 4,646 | \$ 1,257,862 | \$ 7,200 | \$ 665,002 | \$ 1,429,368 | \$ 7,717,450 |
| Net realized gains (losses) on investments | — | (1,505) | — | (179,986) | — | (25,851) | (147) | (207,489) |
| Net change in unrealized gains (losses) | 194 | 3,047 | 121 | 198,499 | — | 5,818 | (9,848) | 197,831 |
| Net realized and unrealized gains (losses) | 194 | 1,542 | 121 | 18,513 | — | (20,033) | (9,995) | (9,658) |
| Purchases of portfolio investments(3) | 7,414 | 86,826 | — | (11,630) | — | — | 23,899 | 106,509 |
| Payment-in-kind interest | 995 | 21,883 | — | 225 | — | — | — | 23,103 |
| Accretion of discounts and premiums, net | 10 | 726 | 2 | 579 | — | — | — | 1,317 |
| Decrease to Subordinated Structured Notes cost, net(4) | — | — | — | — | — | (18,223) | — | (18,223) |
| Repayments and sales of portfolio investments(3) | (2,920) | (45,198) | — | (45,150) | — | — | 1,454 | (91,814) |
| Transfers out of Level 3(1) | — | (39,813) | — | — | — | — | — | (39,813) |
| Fair value as of September 30, 2023 | \$ 63,751 | \$ 4,321,280 | \$ 4,769 | \$ 1,220,399 | \$ 7,200 | \$ 626,746 | \$ 1,444,726 | \$ 7,688,871 |

(1) Transfers are assumed to have occurred at the beginning of the quarter during which the asset was transferred. During the three months ended September 30, 2023, two of our first lien notes transferred out of Level 2 to Level 3 because inputs to the valuation became unobservable. During the three months ended September 30, 2023, one of our first lien notes transferred out of Level 3 to Level 2 because inputs to the valuation became observable.

(2) First lien debt includes a loan that the Company classifies as "unitranche" and a loan classified as "first lien last out." The total amortized cost and fair value of the unitranche and/or last out loans and were \$37,000 and \$37,000, respectively, as of September 30, 2023. The total amortized cost and fair value of the unitranche and/or last out loans were \$49,625 and \$48,332, respectively, as of June 30, 2023.

(3) Includes reorganizations and restructuring of investments.

(4) Reduction to cost value of our Subordinated Structured Notes investments represents the difference between distributions received, or entitled to be received, for the three months ended September 30, 2023, of \$35,046 and the effective yield interest income recognized on our Subordinated Structured Notes of \$16,821.

The net change in unrealized (losses) gains on the investments that use Level 3 inputs was \$(171,811) and \$1,424 for investments still held as of September 30, 2024 and September 30, 2023, respectively.

The following table shows industries that comprise of greater than 10% of our portfolio at fair value as of September 30, 2024 and June 30, 2024:

| | September 30, 2024 | | | June 30, 2024 | | |
|--|--------------------|--------------|----------------|---------------|--------------|----------------|
| | Cost | Fair Value | % of Portfolio | Cost | Fair Value | % of Portfolio |
| Equity Real Estate Investment Trusts (REITs) | \$ 905,709 | \$ 1,418,837 | 19.0 % | \$ 897,181 | \$ 1,485,332 | 19.1 % |
| Health Care Providers & Services | 679,077 | 682,075 | 9.1 % | 739,721 | 821,921 | 10.6 % |
| Consumer Finance | 652,817 | 755,072 | 10.2 % | 623,033 | 728,320 | 9.4 % |
| All Other Industries | 5,091,735 | 4,620,657 | 61.7 % | 5,187,239 | 4,682,670 | 60.9 % |
| Total | \$ 7,329,338 | \$ 7,476,641 | 100.0 % | \$ 7,447,174 | \$ 7,718,243 | 100.0 % |

As of September 30, 2024 investments in California comprised 10.5% of our investments at fair value, with a cost of \$ 984,392 and a fair value of \$783,356. As of June 30, 2024 investments in California comprised 10.9% of our investments at fair value, with a cost of \$ 970,217 and a fair value of \$839,303.

PROSPECT CAPITAL CORPORATION
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(in thousands, except share and per share data)

The ranges of unobservable inputs used in the fair value measurement of our Level 3 investments as of September 30, 2024 were as follows:

| Asset Category | Fair Value | Primary Valuation Approach or Technique | Unobservable Input | | | | |
|--------------------------------------|--------------|---|------------------------------|-------|----|-------|----------------------|
| | | | Input | Range | | | Weighted Average (4) |
| First Lien Debt | \$ 1,984,065 | Discounted cash flow (Yield analysis) | Market yield | 7.6% | to | 34.2% | 11.3% |
| First Lien Debt | 596,151 | Enterprise value waterfall (Market approach) | EBITDA multiple | 0.5x | to | 11.5x | 7.6x |
| First Lien Debt | 323,200 | Enterprise value waterfall (Market approach) | EBITDA multiple | 9.3x | to | 12.5x | 10.9x |
| | | Enterprise value waterfall (Discounted cash flow) | Discount rate | 15.0% | to | 17.0% | 16.0% |
| First Lien Debt | 164,662 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.3x | to | 2.0x | 1.1x |
| First Lien Debt | 57,349 | Enterprise value waterfall (Discounted cash flow) | Discount rate | 6.0% | to | 30.0% | 7.5% |
| First Lien Debt | 49,244 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.3x | to | 1.5x | 1.1x |
| | | Enterprise value waterfall (Discounted cash flow) | Discount rate | 13.5% | to | 55.0% | 31.7% |
| First Lien Debt (1) | 20,630 | Enterprise value waterfall | Loss-adjusted discount rate | 8.2% | to | 8.2% | 8.2% |
| | | | Projected loss rates | 2.0% | to | 2.0% | 2.0% |
| First Lien Debt (1) | 190,500 | Enterprise value waterfall | Discount rate (2) | 10.0% | to | 28.5% | 12.1% |
| First Lien Debt | 108,997 | Enterprise value waterfall (Market approach) | Tangible book value multiple | 1.0x | to | 2.1x | 1.5x |
| First Lien Debt | 430,555 | Enterprise value waterfall (Market approach) | Tangible book value multiple | 2.6x | to | 3.1x | 2.8x |
| | | | Earnings multiple | 9.5x | to | 12.5x | 11.0x |
| First Lien Debt | 885,679 | Discounted cash flow | Discount Rate | 6.3% | to | 9.8% | 7.2% |
| | | | Terminal Cap Rate | 5.3% | to | 8.3% | 5.9% |
| Second Lien Debt | 816,630 | Discounted cash flow (Yield analysis) | Market yield | 8.0% | to | 60.8% | 14.5% |
| Second Lien Debt | 10,218 | Asset recovery analysis | Recoverable amount | n/a | | | n/a |
| Unsecured Debt | 5,456 | Enterprise value waterfall (Market approach) | EBITDA multiple | 6.0x | to | 7.3x | 6.6x |
| Subordinated Structured Notes | 473,792 | Discounted cash flow | Discount rate (2) | 5.1% | to | 17.1% | 10.0% |
| Preferred Equity | 7,463 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.3x | to | 2.0x | 1.2x |
| Preferred Equity | 33,811 | Enterprise value waterfall (Market approach) | EBITDA multiple | 3.0x | to | 9.5x | 8.9x |
| Preferred Equity | 8,015 | Enterprise value waterfall (Discounted cash flow) | Discount rate | 6.0% | to | 8.0% | 7.0% |
| Common Equity/Interests/Warrants | 442,797 | Enterprise value waterfall (Market approach) | EBITDA multiple | 3.0x | to | 11.5x | 8.5x |
| Common Equity/Interests/Warrants | 1,041 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.3x | to | 1.5x | 0.8x |
| | | Enterprise value waterfall (Discounted cash flow) | Discount rate | 13.5% | to | 55.0% | 25.6% |
| Common Equity/Interests/Warrants | 80,527 | Enterprise value waterfall (Market approach) | EBITDA multiple | 9.3x | to | 12.5x | 10.9x |
| | | Enterprise value waterfall (Discounted cash flow) | Discount rate | 15.0% | to | 17.0% | 16.0% |
| Common Equity/Interests/Warrants (1) | 54,802 | Enterprise value waterfall | Loss-adjusted discount rate | 8.2% | to | 8.2% | 8.2% |
| | | | Projected loss rates | 2.0% | to | 2.0% | 2.0% |
| | | | Discount rate (2) | 10.0% | to | 28.5% | 12.1% |
| Common Equity/Interests/Warrants (3) | 39,863 | Discounted cash flow | Discount rate | 6.3% | to | 9.8% | 7.2% |
| | | | Terminal Cap Rate | 5.3% | to | 8.3% | 5.9% |
| Common Equity/Interests/Warrants | 5,636 | Enterprise value waterfall (Market approach) | Tangible book value multiple | 1.0x | to | 2.1x | 1.2x |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| Asset Category | Fair Value | Primary Valuation Approach or Technique | Unobservable Input | | | |
|----------------------------------|---------------------|---|------------------------------|-------|----------|----------------------|
| | | | Input | Range | | Weighted Average (4) |
| Common Equity/Interests/Warrants | 189,254 | Enterprise value waterfall (Market approach) | Tangible book value multiple | 2.6x | to 3.1x | 2.8x |
| | | | Earnings multiple | 9.5x | to 12.5x | 11.0x |
| Common Equity/Interests/Warrants | 438,493 | Discounted cash flow | Discount rate | 6.3% | to 9.8% | 7.2% |
| | | | Terminal Cap Rate | 5.3% | to 8.3% | 5.9% |
| Common Equity/Interests/Warrants | 5,299 | Enterprise value waterfall (Discounted cash flow) | Discount Rate | 18.5% | to 30.0% | 23.0% |
| Common Equity/Interests/Warrants | 12,451 | Asset recovery analysis | Recoverable amount | n/a | | n/a |
| Total Level 3 Investments | <u>\$ 7,436,580</u> | | | | | |

- (1) Represents the fair value of investments held by NPRC (see *National Property REIT Corp.* section below) through its wholly owned subsidiaries, American Consumer Lending Limited ("ACLL") and National General Lending Limited ("NGL"), and valued using a discounted cash flow valuation technique.
- (2) Represents the implied discount rate based on our internally generated single-cash flow model that is derived from the fair value estimated by the corresponding multi-path cash flow model utilized by the independent valuation firm.
- (3) Represents Residual Profit Interests in Real Estate Investments.
- (4) The weighted average information is generally derived by assigning each disclosed unobservable input a proportionate weight based on the fair value of the related investment. For the Loss-adjusted discount rate and Projected loss rate unobservable inputs of investments represented in (1), the weighted average is determined based on the purchase yield of recently issued loans within each respective term-grade cohort.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

The ranges of unobservable inputs used in the fair value measurement of our Level 3 investments as of June 30, 2024 were as follows:

| | | | Unobservable Input | | | | |
|----------------------------------|--------------|---|------------------------------|-------|----|-------|----------------------|
| Asset Category | Fair Value | Primary Valuation Approach or Technique | Input | Range | | | Weighted Average (5) |
| First Lien Debt | \$ 1,803,971 | Discounted cash flow (Yield analysis) | Market yield | 8.3% | to | 34.1% | 12.4% |
| First Lien Debt | 602,921 | Enterprise value waterfall (Market approach) | EBITDA multiple | 3.3x | to | 11.5x | 8.2x |
| First Lien Debt | 316,428 | Enterprise value waterfall (Market approach) | EBITDA multiple | 10.5x | to | 12.5x | 11.5x |
| | | Enterprise value waterfall (Discounted cash flow) | Discount rate | 9.3% | to | 11.3% | 10.3% |
| First Lien Debt | 156,075 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.3x | to | 2.0x | 1.1x |
| First Lien Debt | 56,239 | Enterprise value waterfall (Discounted cash flow) | Discount rate | 5.8% | to | 30.0% | 7.2% |
| First Lien Debt | 40,488 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.9x | to | 1.5x | 1.2x |
| | | Enterprise value waterfall (Discounted cash flow) | Discount rate | 14.0% | to | 55.0% | 34.5% |
| First Lien Debt | 5,165 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.4x | to | 0.7x | 0.6x |
| | | Discounted cash flow (Yield analysis) | Market yield | 13.7% | to | 19.7% | 16.7% |
| First Lien Debt (1) | 20,630 | Enterprise value waterfall | Loss-adjusted discount rate | 8.2% | to | 8.2% | 8.2% |
| | | | Projected loss rates | 3.0% | to | 3.0% | 3.0% |
| First Lien Debt (1) | 190,500 | Enterprise value waterfall | Discount rate (2) | 11.2% | to | 29.1% | 13.2% |
| First Lien Debt | 111,800 | Enterprise value waterfall (Market approach) | Tangible book value multiple | 1.0x | to | 2.1x | 1.6x |
| First Lien Debt | 424,992 | Enterprise value waterfall (Market approach) | Tangible book value multiple | 2.5x | to | 3.0x | 2.7x |
| | | | Earnings multiple | 9.0x | to | 12.0x | 10.5x |
| First Lien Debt | 877,151 | Discounted cash flow | Discount Rate | 6.3% | to | 9.8% | 7.2% |
| | | | Terminal Cap Rate | 5.3% | to | 8.3% | 6.0% |
| Second Lien Debt | 1,031,632 | Discounted cash flow (Yield analysis) | Market yield | 8.3% | to | 64.6% | 15.3% |
| Second Lien Debt | 1,948 | Enterprise value waterfall (Market approach) | EBITDA multiple | 4.5x | to | 5.5x | 5.0x |
| Second Lien Debt | 10,289 | Asset recovery analysis | Recoverable amount | n/a | | | n/a |
| Unsecured Debt | 7,200 | Enterprise value waterfall (Market approach) | EBITDA multiple | 5.8x | to | 7.0x | 6.4x |
| Subordinated Structured Notes | 531,690 | Discounted cash flow | Discount rate (2) | 5.4% | to | 20.8% | 11.7% |
| Preferred Equity | 8,287 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.3x | to | 2.0x | 1.2x |
| Preferred Equity | 34,198 | Enterprise value waterfall (Market approach) | EBITDA multiple | 3.3x | to | 9.5x | 8.9x |
| Preferred Equity | 12,184 | Enterprise value waterfall (Discounted cash flow) | Discount rate | 5.8% | to | 7.8% | 6.8% |
| Common Equity/Interests/Warrants | 455,535 | Enterprise value waterfall (Market approach) | EBITDA multiple | 3.3x | to | 11.5x | 8.4x |
| Common Equity/Interests/Warrants | 3,923 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.4x | to | 1.5x | 0.6x |
| Common Equity/Interests/Warrants | 426 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.9x | to | 1.5x | 1.2x |
| | | Enterprise value waterfall (Discounted cash flow) | Discount rate | 14.0% | to | 55.0% | 34.5% |
| Common Equity/Interests/Warrants | 147,455 | Enterprise value waterfall (Market approach) | EBITDA multiple | 10.5x | to | 12.5x | 11.5x |
| | | Enterprise value waterfall (Discounted cash flow) | Discount rate | 9.3% | to | 11.3% | 10.3% |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| Asset Category | Fair Value | Primary Valuation Approach or Technique | Unobservable Input | | | |
|--------------------------------------|---------------------|---|------------------------------|-------|----------|----------------------|
| | | | Input | Range | | Weighted Average (5) |
| Common Equity/Interests/Warrants (1) | 53,860 | Enterprise value waterfall | Loss-adjusted discount rate | 8.2% | to 8.2% | 8.2% |
| | | | Projected loss rates | 3.0% | to 3.0% | 3.0% |
| | | | Discount rate (2) | 11.2% | to 29.1% | 13.2% |
| Common Equity/Interests/Warrants (3) | 46,193 | Discounted cash flow | Discount rate | 6.3% | to 9.8% | 7.2% |
| | | | Terminal Cap Rate | 5.3% | to 8.3% | 6.0% |
| Common Equity/Interests/Warrants | 10,592 | Enterprise value waterfall (Market approach) | Tangible book value multiple | 1.0x | to 2.1x | 1.2x |
| Common Equity/Interests/Warrants | 180,936 | Enterprise value waterfall (Market approach) | Tangible book value multiple | 2.5x | to 3.0x | 2.7x |
| | | | Earnings multiple | 9.0x | to 12.0x | 10.5x |
| | | | Discount rate | 6.3% | to 9.8% | 7.2% |
| Common Equity/Interests/Warrants | 508,128 | Discounted cash flow | Terminal Cap Rate | 5.3% | to 8.3% | 6.0% |
| | | | Discount Rate | 18.5% | to 30.0% | 22.8% |
| Common Equity/Interests/Warrants | 5,105 | Enterprise value waterfall (Discounted cash flow) | Discount Rate | 18.5% | to 30.0% | 22.8% |
| Common Equity/Interests/Warrants | 12,651 | Asset recovery analysis | Recoverable amount | n/a | | n/a |
| Total Level 3 Investments | <u>\$ 7,668,592</u> | | | | | |

- (1) Represents the fair value of investments held by NPRC (see *National Property REIT Corp* section below) through its wholly owned subsidiaries, American Consumer Lending Limited ("ACLL") and National General Lending Limited ("NGL"), and valued using a discounted cash flow valuation technique.
- (2) Represents the implied discount rate based on our internally generated single-cash flow model that is derived from the fair value estimated by the corresponding multi-path cash flow model utilized by the independent valuation firm.
- (3) Represents Residual Profit Interests in Real Estate Investments.
- (4) The weighted average information is generally derived by assigning each disclosed unobservable input a proportionate weight based on the fair value of the related investment. For the Loss-adjusted discount rate and Projected loss rate unobservable inputs of investments represented in (1), the weighted average is determined based on the purchase yield of recently issued loans within each respective term-grade cohort.

Investments for which market quotations are readily available are valued at such market quotations. In order to validate market quotations, management and the independent valuation firm look at a number of factors to determine if the quotations are representative of fair value, including the source and nature of the quotations. These investments are classified as Level 1 or Level 2 in the fair value hierarchy.

The fair value of debt investments specifically classified as Level 2 in the fair value hierarchy are generally valued by an independent pricing agent or more than one principal market maker, if available, otherwise a principal market maker or a primary market dealer. We generally value over-the-counter securities by using the prevailing bid and ask prices from dealers during the relevant period end, which were provided by an independent pricing agent and screened for validity by such service.

In determining the range of values for debt instruments where market quotations are not readily available, and are therefore classified as Level 3 in the fair value hierarchy, except CLOs and debt investments in controlling portfolio companies, management and the independent valuation firm estimated corporate and security credit ratings and identified corresponding yields to maturity for each loan from relevant market data. A discounted cash flow technique was then applied using the appropriate yield to maturity as the discount rate, to determine a range of values. In determining the range of values for debt investments of controlled companies and equity investments, the enterprise value was determined by applying a market approach such as using earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples, net income and/or book value multiples for similar guideline public companies and/or similar recent investment transactions and/or an income approach, such as the discounted cash flow technique. The enterprise value technique may also be used to value debt investments which are credit impaired. For stressed debt and equity investments, asset recovery analysis was used.

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(in thousands, except share and per share data)

In determining the range of values for our investments in CLOs, the independent valuation firm uses a discounted multi-path cash flow model. The valuations were accomplished through the analysis of the CLO deal structures to identify the risk exposures from the modeling point of view as well as to determine an appropriate call date (i.e., expected maturity). These risk factors are sensitized in the multi-path cash flow model using Monte Carlo simulations to generate probability-weighted (i.e., multi-path) cash flows for the underlying assets and liabilities. These cash flows are discounted using appropriate market discount rates, and relevant data in the CLO market and certain benchmark credit indices are considered, to determine the value of each CLO investment. In addition, we generate a single-path cash flow utilizing our best estimate of expected cash receipts, and assess the reasonableness of the implied discount rate that would be effective for the value derived from the corresponding multi-path cash flow model.

Our portfolio consists of residual interests and debt investments in CLOs, which involve a number of significant risks. CLOs are typically very highly levered (10 - 14 times), and therefore the residual interest tranches that we invest in are subject to a higher degree of risk of total loss. In particular, investors in CLO residual interests indirectly bear risks of the underlying loan investments held by such CLOs. We generally have the right to receive payments only from the CLOs, and generally do not have direct rights against the underlying borrowers or the entity that sponsored the CLOs. While the CLOs we target generally enable the investor to acquire interests in a pool of senior loans without the expenses associated with directly holding the same investments, the prices of indices and securities underlying our CLOs will rise or fall. These prices (and, therefore, the prices of the CLOs) will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally. The failure by a CLO investment in which we invest to satisfy financial covenants, including with respect to adequate collateralization and/or interest coverage tests, could lead to a reduction in its payments to us. In the event that a CLO fails certain tests, holders of debt senior to us would be entitled to additional payments that would, in turn, reduce the payments we would otherwise be entitled to receive. Separately, we may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting CLO or any other investment we may make. If any of these occur, it could materially and adversely affect our operating results and cash flows.

The interests we have acquired in CLOs are generally thinly traded or have only a limited trading market. CLOs are typically privately offered and sold, even in the secondary market. As a result, investments in CLOs may be characterized as illiquid securities. In addition to the general risks associated with investing in debt securities, CLO residual interests carry additional risks, including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) our investments in CLO tranches will likely be subordinate to other senior classes of note tranches thereof; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the CLO investment or unexpected investment results. Our net asset value may also decline over time if our principal recovery with respect to CLO residual interests is less than the cost of those investments. Our CLO investments and/or the CLOs' underlying senior secured loans may prepay more quickly or slowly than expected, which could have an adverse impact on our value. These investments are classified as Level 3 in the fair value hierarchy.

An increase in SOFR would materially increase the CLO's financing costs. Since most of the collateral positions within the CLOs have SOFR floors, there may not be corresponding increases in investment income (if SOFR increases but stays below the SOFR floor rate of such investments) resulting in materially smaller distribution payments to the residual interest investors.

We hold more than a 10% interest in certain foreign corporations that are treated as controlled foreign corporations ("CFC") for U.S. federal income tax purposes (including our residual interest tranche investments in CLOs). Therefore, we are treated as receiving a deemed distribution (taxable as ordinary income) each year from such foreign corporations in an amount equal to our pro rata share of the corporation's income for that tax year (including both ordinary earnings and capital gains). We are required to include such deemed distributions from a CFC in our taxable income and we are required to distribute at least 90% of such income to maintain our RIC status, regardless of whether or not the CFC makes an actual distribution during such year.

If we acquire shares in "passive foreign investment companies" ("PFICs") (including residual interest tranche investments in CLOs that are PFICs), we may be subject to federal income tax on a portion of any "excess distribution" or gain from the disposition of such shares even if such income is distributed as a taxable dividend to our stockholders. Certain elections may be available to mitigate or eliminate such tax on excess distributions, but such elections (if available) will generally require us to recognize our share of the PFIC's income for each year regardless of whether we receive any distributions from such PFICs. We must nonetheless distribute such income to maintain our status as a RIC.

Legislation known as FATCA and regulations thereunder impose a withholding tax of 30% on payments of U.S. source interest and dividends, to certain non-U.S. entities, including certain non-U.S. financial institutions and investment funds, unless such non-U.S. entity complies with certain reporting requirements regarding its United States account holders and its United States owners. Most CLOs in which we invest will be treated as non-U.S. financial entities for this purpose, and therefore will be

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(in thousands, except share and per share data)

required to comply with these reporting requirements to avoid the 30% withholding. If a CLO in which we invest fails to properly comply with these reporting requirements, it could reduce the amounts available to distribute to residual interest and junior debt holders in such CLO vehicle, which could materially and adversely affect our operating results and cash flows.

If we are required to include amounts in income prior to receiving distributions representing such income, we may have to sell some of our investments at times and/or at prices management would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose.

The significant unobservable input used to value our investments based on the yield technique and discounted cash flow technique is the market yield (or applicable discount rate) used to discount the estimated future cash flows expected to be received from the underlying investment, which includes both future principal and interest/dividend payments. Increases or decreases in the market yield (or applicable discount rate) would result in a decrease or increase, respectively, in the fair value measurement. Management and the independent valuation firms consider the following factors when selecting market yields or discount rates: risk of default, rating of the investment and comparable company investments, and call provisions.

The significant unobservable inputs used to value our investments based on the EV analysis may include market multiples of specified financial measures such as EBITDA, net income, or book value of identified guideline public companies, implied valuation multiples from precedent M&A transactions, and/or discount rates applied in a discounted cash flow technique. The independent valuation firm identifies a population of publicly traded companies with similar operations and key attributes to that of the portfolio company. Using valuation and operating metrics of these guideline public companies and/or as implied by relevant precedent transactions, a range of multiples of the latest twelve months EBITDA, or other measure such as net income or book value, is typically calculated. The independent valuation firm utilizes the determined multiples to estimate the portfolio company's EV generally based on the latest twelve months EBITDA of the portfolio company (or other meaningful measure). Increases or decreases in the multiple would result in an increase or decrease, respectively, in EV which would result in an increase or decrease in the fair value measurement of the debt of controlled companies and/or equity investment, as applicable. In certain instances, a discounted cash flow analysis may be considered in estimating EV, in which case, discount rates based on a weighted average cost of capital and application of the capital asset pricing model may be utilized.

The significant unobservable input used to value our private REIT investments based on the discounted cash flow analysis is the discount rate and terminal capitalization rate applied to projected cash flows of the underlying properties. Increases or decreases in the discount rate and terminal capitalization rate would result in a decrease or increase, respectively, in the fair value measurement.

Changes in market yields, discount rates, capitalization rates or EBITDA multiples, each in isolation, may change the fair value measurement of certain of our investments. Generally, an increase in market yields, discount rates or capitalization rates, or a decrease in EBITDA (or other) multiples may result in a decrease in the fair value measurement of certain of our investments.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Additionally, the fair value of our investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that we may ultimately realize. 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 we have recorded it.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected in the currently assigned valuations.

Changes in Valuation Techniques

During the three months ended September 30, 2024, there were no material changes in valuation techniques.

Credit Quality Indicators and Undrawn Commitments

As of September 30, 2024, \$4,510,871 of our loans to portfolio companies, at fair value, bear interest at floating rates and have LIBOR or SOFR floors ranging from 0.0% - 5.5%. As of September 30, 2024, \$1,172,526 of our loans to portfolio companies, at fair value, bear interest at fixed rates ranging from 3.0% to 16.0%. As of June 30, 2024, \$4,592,731 of our loans to portfolio companies, at fair value, bore interest at floating rates and have LIBOR or SOFR floors ranging from 0.0% to 5.5%. As of June 30, 2024, \$1,114,349 of our loans to portfolio companies, at fair value, bore interest at fixed rates ranging from 6.0% to 20.0%

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As of September 30, 2024 and June 30, 2024, the cost basis of our loans on non-accrual status amounted to \$ 206,889 and \$215,880 respectively, with fair value of \$40,601 and \$25,327, respectively. The fair values of these investments represent approximately 0.5% and 0.3% of our total assets at fair value as of September 30, 2024 and June 30, 2024, respectively.

Undrawn committed revolvers and delayed draw term loans to our portfolio companies incur commitment and unused fees ranging from 0.00% to 5.75%. As of September 30, 2024 and June 30, 2024, we had \$47,914 and \$34,771, respectively, of undrawn revolver and delayed draw term loan commitments to our portfolio companies. The fair value of our undrawn committed revolvers and delayed draw term loans was zero as of September 30, 2024 and June 30, 2024 as they were all floating rate instruments that repriced frequently.

National Property REIT Corp.

Prospect owns 100% of the equity of NPH Property Holdings, LLC ("NPH"), a consolidated holding company which owns 100% of the common equity of NPRC.

NPRC is a Maryland corporation and a qualified REIT for federal income tax purposes. NPRC was formed to hold for investment, operate, finance, lease, manage, and sell a portfolio of real estate assets and engage in any and all other activities as may be necessary, incidental or convenient to carry out the foregoing. NPRC acquires real estate assets, including, but not limited to, industrial, commercial, and multi-family properties. NPRC may acquire real estate assets directly or through joint ventures by making a majority equity investment in a property-owning entity ("JV"). Additionally, through its wholly-owned subsidiaries, NPRC invests in online consumer loans and rated secured structured notes ("RSSN").

During the three months ended September 30, 2024, we provided \$ 21,615 of debt financing to NPRC to fund real estate capital expenditures, provide working capital, and to fund purchases of rated secured structured notes.

During the three months ended September 30, 2024, we received partial repayments of \$ 14,000 of our loans previously outstanding with NPRC and its wholly owned subsidiary.

During the three months ended September 30, 2023, we provided \$63,305 of debt financing to NPRC to fund real estate capital expenditures and provide working capital.

During the three months ended September 30, 2023, we received partial repayments of \$ 13,450 of our loans previously outstanding with NPRC and its wholly owned subsidiary.

The rated secured structured note investments held by certain of NPRC's wholly owned subsidiaries are subordinated debt interests in broadly syndicated loans managed by established collateral management teams with many years of experience in the industry. As of September 30, 2024, the outstanding investment in rated secured structured notes by certain of NPRC's wholly owned subsidiaries was comprised of 106 investments with a fair value of \$403,258 and face value of \$ 423,984. The average outstanding note is approximately \$4,000 with an expected maturity date ranging from July 2028 to July 2034 and weighted-average expected maturity of 5 years as of September 30, 2024. Coupons range from three-month SOFR ("3M") plus 5.20% to 9.23% with a weighted-average coupon of 3M + 6.90%. As of September 30, 2024, our senior secured term loan debt and common equity investments in NPRC and its wholly-owned subsidiaries relating to rated secured structured notes had a fair value of \$243,364. As of September 30, 2024, based on outstanding notional balance, 34.9% of the portfolio was invested in Single - B or below rated tranches and 65.1% of the portfolio in BB or above rated tranches.

As of September 30, 2024, investments held by certain of NPRC's wholly-owned subsidiaries was comprised of residual interest in two securitizations valued at \$2,553, one corporate bond valued at \$18,359 and other assets valued at \$ 1,656 for an aggregate fair value of \$22,568.

As of September 30, 2024, our investment in NPRC and its wholly owned subsidiaries had an amortized cost of \$1,116,839 and a fair value of \$1,629,967. The fair value of \$1,364,035 related to NPRC's real estate portfolio was comprised of forty-nine multi-family properties, six student housing properties, four senior living properties, and two commercial properties. The following table shows the location, acquisition date, purchase price, and mortgage outstanding due to other parties for each of the properties held by NPRC as of September 30, 2024:

| No. | Property Name | City | Acquisition Date | Purchase Price | Mortgage Outstanding |
|-----|------------------------------|----------------------|------------------|----------------|----------------------|
| 1 | Arlington Park Marietta, LLC | Marietta, GA | 5/8/2013 | \$ 14,850 | \$ 13,418 |
| 2 | Taco Bell, OK | Yukon, OK | 6/4/2014 | 1,719 | — |
| 3 | Taco Bell, MO | Marshall, MO | 6/4/2014 | 1,405 | — |
| 4 | Abbie Lakes OH Partners, LLC | Canal Winchester, OH | 9/30/2014 | 12,600 | 21,569 |

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| No. | Property Name | City | Acquisition Date | Purchase Price | Mortgage Outstanding |
|-----|--|----------------------|------------------|----------------|----------------------|
| 5 | Kengary Way OH Partners, LLC | Reynoldsburg, OH | 9/30/2014 | 11,500 | 22,945 |
| 6 | Lakeview Trail OH Partners, LLC | Canal Winchester, OH | 9/30/2014 | 26,500 | 43,656 |
| 7 | Lakepoint OH Partners, LLC | Pickerington, OH | 9/30/2014 | 11,000 | 25,935 |
| 8 | Sunbury OH Partners, LLC | Columbus, OH | 9/30/2014 | 13,000 | 21,372 |
| 9 | Heatherbridge OH Partners, LLC | Blacklick, OH | 9/30/2014 | 18,416 | 31,810 |
| 10 | Jefferson Chase OH Partners, LLC | Blacklick, OH | 9/30/2014 | 13,551 | 27,625 |
| 11 | Goldenstrand OH Partners, LLC | Hilliard, OH | 10/29/2014 | 7,810 | 17,195 |
| 12 | Vesper Tuscaloosa, LLC | Tuscaloosa, AL | 9/28/2016 | 54,500 | 40,911 |
| 13 | Vesper Iowa City, LLC | Iowa City, IA | 9/28/2016 | 32,750 | 23,590 |
| 14 | Vesper Corpus Christi, LLC | Corpus Christi, TX | 9/28/2016 | 14,250 | 10,263 |
| 15 | Vesper Campus Quarters, LLC | Corpus Christi, TX | 9/28/2016 | 18,350 | 13,470 |
| 16 | Vesper College Station, LLC | College Station, TX | 9/28/2016 | 41,500 | 30,463 |
| 17 | Vesper Statesboro, LLC | Statesboro, GA | 9/28/2016 | 7,500 | 7,408 |
| 18 | 9220 Old Lantern Way, LLC | Laurel, MD | 1/30/2017 | 187,250 | 152,230 |
| 19 | 7915 Baymeadows Circle Owner, LLC | Jacksonville, FL | 10/31/2017 | 95,700 | 88,169 |
| 20 | 8025 Baymeadows Circle Owner, LLC | Jacksonville, FL | 10/31/2017 | 15,300 | 15,348 |
| 21 | 23275 Riverside Drive Owner, LLC | Southfield, MI | 11/8/2017 | 52,000 | 53,948 |
| 22 | 23741 Pond Road Owner, LLC | Southfield, MI | 11/8/2017 | 16,500 | 18,667 |
| 23 | 150 Steeplechase Way Owner, LLC | Largo, MD | 1/10/2018 | 44,500 | 35,679 |
| 24 | Olentangy Commons Owner LLC | Columbus, OH | 6/1/2018 | 113,000 | 92,876 |
| 25 | Villages of Wildwood Holdings LLC | Fairfield, OH | 7/20/2018 | 46,500 | 58,393 |
| 26 | Falling Creek Holdings LLC | Richmond, VA | 8/8/2018 | 25,000 | 25,374 |
| 27 | Crown Pointe Passthrough LLC | Danbury, CT | 8/30/2018 | 108,500 | 89,400 |
| 28 | Lorring Owner LLC | Forestville, MD | 10/30/2018 | 58,521 | 47,680 |
| 29 | Hamptons Apartments Owner, LLC | Beachwood, OH | 1/9/2019 | 96,500 | 79,520 |
| 30 | 5224 Long Road Holdings, LLC | Orlando, FL | 6/28/2019 | 26,500 | 21,200 |
| 31 | Druid Hills Holdings LLC | Atlanta, GA | 7/30/2019 | 96,000 | 78,923 |
| 32 | Bel Canto NPRC Parcstone LLC | Fayetteville, NC | 10/15/2019 | 45,000 | 42,793 |
| 33 | Bel Canto NPRC Stone Ridge LLC | Fayetteville, NC | 10/15/2019 | 21,900 | 21,545 |
| 34 | Sterling Place Holdings LLC | Columbus, OH | 10/28/2019 | 41,500 | 34,196 |
| 35 | SPCP Hampton LLC | Dallas, TX | 11/2/2020 | 36,000 | 38,843 |
| 36 | Palmetto Creek Holdings LLC | North Charleston, SC | 11/10/2020 | 33,182 | 25,865 |
| 37 | Valora at Homewood Holdings LLC | Homewood, AL | 11/19/2020 | 81,250 | 63,844 |
| 38 | NPRC Fairburn LLC | Fairburn, GA | 12/14/2020 | 52,140 | 43,900 |
| 39 | NPRC Grayson LLC | Grayson, GA | 12/14/2020 | 47,860 | 40,500 |
| 40 | NPRC Taylors LLC | Taylors, SC | 1/27/2021 | 18,762 | 14,075 |
| 41 | Parkside at Laurel West Owner LLC | Spartanburg, SC | 2/26/2021 | 57,005 | 42,025 |
| 42 | Willows at North End Owner LLC | Spartanburg, SC | 2/26/2021 | 23,255 | 19,000 |
| 43 | SPCP Edge CL Owner LLC | Webster, TX | 3/12/2021 | 34,000 | 25,496 |
| 44 | Jackson Pear Orchard LLC | Ridgeland, MS | 6/28/2021 | 50,900 | 42,975 |
| 45 | Jackson Lakeshore Landing LLC | Ridgeland, MS | 6/28/2021 | 22,600 | 17,955 |
| 46 | Jackson Reflection Pointe LLC | Flowood, MS | 6/28/2021 | 45,100 | 33,203 |
| 47 | Jackson Crosswinds LLC | Pearl, MS | 6/28/2021 | 41,400 | 38,601 |
| 48 | Elliot Apartments Norcross, LLC | Norcross, GA | 11/30/2021 | 128,000 | 106,711 |
| 49 | Orlando 442 Owner, LLC (West Vue Apartments) | Orlando, FL | 12/30/2021 | 97,500 | 73,000 |
| 50 | NPRC Wolfchase LLC | Memphis, TN | 3/18/2022 | 82,100 | 60,000 |
| 51 | NPRC Twin Oaks LLC | Hattiesburg, MS | 3/18/2022 | 44,850 | 36,151 |
| 52 | NPRC Lancaster LLC | Birmingham, AL | 3/18/2022 | 37,550 | 29,326 |
| 53 | NPRC Rutland LLC | Macon, GA | 3/18/2022 | 29,750 | 24,129 |
| 54 | Southport Owner LLC (Southport Crossing) | Indianapolis, IN | 3/29/2022 | 48,100 | 36,075 |
| 55 | TP Cheyenne, LLC | Cheyenne, WY | 5/26/2022 | 27,500 | 17,656 |
| 56 | TP Pueblo, LLC | Pueblo, CO | 5/26/2022 | 31,500 | 20,166 |
| 57 | TP Stillwater, LLC | Stillwater, OK | 5/26/2022 | 26,100 | 15,328 |

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| No. | Property Name | City | Acquisition Date | Purchase Price | Mortgage Outstanding |
|-----|---------------------------------|-----------------|------------------|---------------------|----------------------|
| 58 | TP Kokomo, LLC | Kokomo, IN | 5/26/2022 | 20,500 | 12,753 |
| 59 | Terraces at Perkins Rowe JV LLC | Baton Rouge, LA | 11/14/2022 | 41,400 | 29,566 |
| 60 | NPRC Apex Holdings LLC | Cincinnati, OH | 1/19/2024 | 34,225 | 27,712 |
| 61 | NPRC Parkton Holdings LLC | Cincinnati, OH | 1/19/2024 | 45,775 | 37,090 |
| | | | | <u>\$ 2,629,676</u> | <u>\$ 2,279,516</u> |

Unconsolidated Significant Subsidiaries

Our investments are generally in small and mid-sized companies in a variety of industries. In accordance with Regulation S-X 3-09 and Regulation S-X 4-08(g), we must determine which of our unconsolidated controlled portfolio companies are considered "significant subsidiaries," if any, as defined in Rule 1-02(w)(2) for BDC's and closed end investment companies. Regulation S-X 3-09 requires separate audited financial statements of an unconsolidated subsidiary in an annual report. Regulation S-X 4-08(g) requires summarized financial information in an annual report.

Pursuant to Regulation S-X 10-01(b), Interim Financial Statements, summarized interim income statement information is required for an unconsolidated subsidiary within a quarterly report if the unconsolidated subsidiary would otherwise require separate audited financial statements within an annual report pursuant to Regulation S-X 3-09.

For the three months ended September 30, 2024 and September 30, 2023, NPRC was deemed to be a significant subsidiary due to income. The following table shows summarized income statement information for NPRC for the periods included in this quarterly report:

| Summary Statement of Operations | Three Months Ended September 30, | |
|---------------------------------|----------------------------------|--------------------|
| | 2024 | 2023 |
| Total income | \$ 110,730 | \$ 104,139 |
| Operating expenses | (58,126) | (54,490) |
| Operating income | 52,604 | 49,649 |
| Interest expense | (62,429) | (73,896) |
| Depreciation and amortization | (30,061) | (26,428) |
| Fair value adjustment | (4,676) | (2,017) |
| Net (loss) | <u>\$ (44,562)</u> | <u>\$ (52,692)</u> |

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During the three months ended September 30, 2024, First Tower Finance Company LLC ("First Tower Finance") was not deemed a significant subsidiary due to income. During the three months ended September 30, 2023, First Tower Finance Company LLC ("First Tower Finance") was deemed a significant subsidiary due to income. The following table shows First Tower Finance summarized income statement information for the periods included within this quarterly report:

| Summary Statement of Operations | Three Months Ended September 30, | |
|---------------------------------|----------------------------------|-------------|
| | 2024 | 2023 |
| Total income | \$ 77,698 | \$ 76,437 |
| Gross profit | \$ 18,911 | \$ 8,753 |
| Net (loss) | \$ (2,696) | \$ (13,942) |

During the three months ended September 30, 2024, InterDent, Inc. ("InterDent") was deemed a significant subsidiary due to income. During the three months ended September 30, 2023, InterDent, Inc. ("InterDent") was not deemed a significant subsidiary due to income. The following table shows InterDent summarized income statement information for the periods included within this quarterly report:

| Summary Statement of Operations | Three Months Ended September 30, | |
|---------------------------------|----------------------------------|-------------|
| | 2024 | 2023 |
| Total income | \$ 78,397 | \$ 78,425 |
| Gross profit | \$ 11,618 | \$ 14,963 |
| Net (loss) | \$ (12,710) | \$ (11,323) |

Note 4. Revolving Credit Facility

On May 15, 2007, we formed our wholly owned subsidiary, PCF, a Delaware limited liability company and a bankruptcy remote special purpose entity, which holds certain of our portfolio loan investments that are used as collateral for the revolving credit facility at PCF. Since origination of the revolving credit facility, we have renegotiated the terms and extended the commitments of the revolving credit facility several times. Most recently, effective June 28, 2024, we completed an extension and upsizing of the revolving credit facility (the "Revolving Credit Facility"). The lenders have extended commitments of \$2,121,500 as of September 30, 2024. The Revolving Credit Facility includes an accordion feature which allows commitments to be increased up to \$2,250,000 in the aggregate. The extension and upsizing of the Revolving Credit Facility extended the maturity date to June 28, 2029 and the revolving period through June 28, 2028, followed by an additional one-year amortization period, with distributions allowed to Prospect after the completion of the revolving period. During such one-year amortization period, all principal payments on the pledged assets will be applied to reduce the balance. At the end of the one-year amortization period, the remaining balance will become due.

The Revolving Credit Facility contains restrictions pertaining to the geographic and industry concentrations of funded loans, maximum size of funded loans, interest rate payment frequency of funded loans, maturity dates of funded loans and minimum equity requirements, among other items. The Revolving Credit Facility also contains certain requirements relating to portfolio performance, including required minimum portfolio yield and limitations on delinquencies and charge-offs, violation of which could result in the early termination of the Revolving Credit Facility. As of September 30, 2024, we were in compliance with the applicable covenants of the Revolving Credit Facility.

The interest rate on borrowings under the Revolving Credit Facility is one-month SOFR plus 205 basis points. Additionally, the lenders charge a fee on the unused portion of the revolving credit facility amount equal to either 40 basis points if more than 60% of the revolving credit facility amount is drawn, 70 basis points if more than 35% and an amount less than or equal to 60% of the revolving credit facility amount is drawn, or 150 basis points if an amount less than or equal to 35% of the revolving credit facility amount is drawn. The Revolving Credit Facility requires us to pledge assets as collateral in order to borrow under the Revolving Credit Facility. As of September 30, 2024, the investments, including cash and cash equivalents, used as collateral for the Revolving Credit Facility, had an aggregate fair value of \$2,709,243, which represents 36.0% of our total

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investments, including cash and cash equivalents. These assets are held and owned by PCF, a bankruptcy remote special purpose entity, and, as such, these investments are not available to our general creditors. As additional eligible investments are transferred to PCF and pledged under the Revolving Credit Facility, PCF will generate additional availability up to the current commitment amount of \$2,121,500. The release of any assets from PCF requires the approval of the facility agent.

For the three months ended September 30, 2024, and September 30, 2023, the average stated interest rate (i.e., rate in effect plus the spread) and average outstanding borrowings for the Revolving Credit Facility were as follows:

| | Three Months Ended September 30, | |
|------------------------------|----------------------------------|--------------|
| | 2024 | 2023 |
| Average stated interest rate | 7.35% | 7.31% |
| Average outstanding balance | \$ 847,580 | \$ 1,100,598 |

As of September 30, 2024 and June 30, 2024, we had \$ 973,630 and \$830,124, respectively, available to us for borrowing under the Revolving Credit Facility, net of \$547,231 and \$794,796 outstanding borrowings as of the respective balance sheet dates.

In connection with the origination and amendments of the Revolving Credit Facility, we incurred \$ 38,278 of fees, all of which are being amortized over the term of the facility. As of September 30, 2024 and June 30, 2024, \$22,368 and \$22,975, respectively, of the fees remain to be amortized and is reflected as deferred financing costs on the *Consolidated Statements of Assets and Liabilities*.

During the three months ended September 30, 2024 and September 30, 2023, we recorded \$19,378 and \$22,700, respectively, of interest costs, unused fees and amortization of financing costs on the Revolving Credit Facility as interest expense.

Note 5. Convertible Notes

2022 Notes

On April 11, 2017, we issued \$225,000 aggregate principal amount of convertible notes that matured on July 15, 2022 (the "Original 2022 Notes"), unless previously converted or repurchased in accordance with their terms. The Original 2022 Notes bore interest at a rate of 4.95% per year, payable semi-annually on January 15 and July 15 each year, beginning July 15, 2017. Total proceeds from the issuance of the Original 2022 Notes, net of underwriting discounts and offering costs, were \$218,010. On May 18, 2018, we issued an additional \$ 103,500 aggregate principal amount of convertible notes that matured on July 15, 2022 (the "Additional 2022 Notes," and together with the Original 2022 Notes, the "2022 Notes"), unless previously converted or repurchased in accordance with their terms. The Additional 2022 Notes were a further issuance of, and were fully fungible and ranked equally in right of payment with, the Original 2022 Notes and bore interest at a rate of 4.95% per year, payable semi-annually on January 15 and July 15 each year, beginning July 15, 2018. Total proceeds from the issuance of the Additional 2022 Notes, net of underwriting discounts and offering costs, were \$100,749.

During the year ended June 30, 2023, we converted \$3 in outstanding principal amount of the 2022 Notes to 300 shares of common stock at a rate of 100.2305 shares of common stock per \$1 principal amount, together with cash in lieu of fractional shares, in accordance with a Holder Conversion Notice.

On July 15, 2022 we repaid the remaining outstanding principal amount of \$ 60,498 of the 2022 Notes, plus interest, at maturity. Following the maturity of the 2022 Notes, none of the 2022 Notes remained outstanding.

2025 Notes

On March 1, 2019, we issued \$175,000 aggregate principal amount of senior convertible notes that mature on March 1, 2025 (the "2025 Notes"), unless previously converted or repurchased in accordance with their terms. We granted the underwriters a 13-day over-allotment option to purchase up to an additional \$26,250 aggregate principal amount of the 2025 Notes. The underwriters fully exercised the over-allotment option on March 11, 2019 and we issued \$26,250 aggregate principal amount of 2025 Notes at settlement on March 13, 2019. The 2025 Notes bear interest at a rate of 6.375% per year, payable semi-annually on March 1 and September 1 each year, beginning September 1, 2019. Total proceeds from the issuance of the 2025 Notes, net of underwriting discounts and offering costs, were \$198,674.

As of September 30, 2024 and June 30, 2024, the outstanding aggregate principal amount of the 2025 Notes were \$ 156,168 and \$156,168, respectively.

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Certain key terms related to the convertible features for the 2025 Notes are listed below:

| | 2025 Notes |
|--|-------------------|
| Initial conversion rate(1) | 110.7420 |
| Initial conversion price | \$ 9.03 |
| Conversion rate at September 30, 2024(1)(2) | 110.7420 |
| Conversion price at September 30, 2024(2)(3) | \$ 9.03 |
| Last conversion price calculation date | 3/1/2024 |
| Dividend threshold amount (per share)(4) | \$ 0.060000 |

- (1) Conversion rates denominated in shares of common stock per \$1 principal amount of the Convertible Notes converted.
- (2) Represents conversion rate and conversion price, as applicable, taking into account certain de minimis adjustments that will be made on the conversion date.
- (3) The conversion price will increase only if the current monthly dividends (per share) exceed the dividend threshold amount (per share).
- (4) The conversion rate is increased if monthly cash dividends paid to common shares exceed the monthly dividend threshold amount, subject to adjustment. Current dividend rates are at or below the minimum dividend threshold amount for further conversion rate adjustments for all bonds.

Interest accrues from the date of the original issuance of the Convertible Notes or from the most recent date to which interest has been paid or duly provided. Upon conversion, the holder will receive a separate cash payment with respect to the notes surrendered for conversion representing accrued and unpaid interest to, but not including, the conversion date. Any such payment will be made on the settlement date applicable to the relevant conversion on the Convertible Notes. If a holder converts the Convertible Notes after a record date for an interest payment but prior to the corresponding interest payment date, the holder will receive shares of our common stock based on the conversion formula described above, a cash payment representing accrued and unpaid interest through the record date in the normal course and a separate cash payment representing accrued and unpaid interest from the record date to the conversion date.

No holder of Convertible Notes will be entitled to receive shares of our common stock upon conversion to the extent (but only to the extent) that such receipt would cause such converting holder to become, directly or indirectly, a beneficial owner (within the meaning of Section 13(d) of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder) of more than 5.0% of the shares of our common stock outstanding at such time. The 5.0% limitation shall no longer apply following the effective date of any fundamental change. We will not issue any shares in connection with the conversion or redemption of the Convertible Notes which would equal or exceed 20% of the shares outstanding at the time of the transaction in accordance with NASDAQ rules.

Subject to certain exceptions, holders may require us to repurchase, for cash, all or part of their Convertible Notes upon a fundamental change at a price equal to 100% of the principal amount of the Convertible Notes being repurchased plus any accrued and unpaid interest up to, but excluding, the fundamental change repurchase date. In addition, upon a fundamental change that constitutes a non-stock change of control we will also pay holders an amount in cash equal to the present value of all remaining interest payments (without duplication of the foregoing amounts) on such Convertible Notes through and including the maturity date.

In connection with the issuance of the Convertible Notes, we recorded a discount of \$ 3,369 and debt issuance costs of \$2,090 which are being amortized over the terms of the Convertible Notes. As of September 30, 2024 and June 30, 2024, \$249 and \$395 of the original issue discount and \$160 and \$254, respectively, of the debt issuance costs remain to be amortized and is included as a reduction within Convertible Notes on the *Consolidated Statement of Assets and Liabilities*.

During the three months ended September 30, 2024 and September 30, 2023, we recorded \$2,729 and \$2,717, respectively, of interest costs and amortization of financing costs on the Convertible Notes as interest expense.

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Note 6. Public Notes

2023 Notes

On March 15, 2013, we issued \$250,000 aggregate principal amount of unsecured notes that mature on March 15, 2023 (the "Original 2023 Notes"). The Original 2023 Notes bear interest at a rate of 5.875% per year, payable semi-annually on March 15 and September 15 of each year, beginning September 15, 2013. Total proceeds from the issuance of the Original 2023 Notes, net of underwriting discounts and offering costs, were \$243,641. On June 20, 2018, we issued an additional \$70,000 aggregate principal amount of unsecured notes that mature on March 15, 2023 (the "Additional 2023 Notes", and together with the Original 2023 Notes, the "2023 Notes"). The Additional 2023 Notes were a further issuance of, and are fully fungible and rank equally in right of payment with, the Original 2023 Notes and bear interest at a rate of 5.875% per year, payable semi-annually on March 15 and September 15 of each year, beginning September 15, 2018. Total proceeds from the issuance of the Additional 2023 Notes, net of underwriting discounts, were \$69,403.

During the year ended June 30, 2023, we commenced various tender offers to purchase for cash any and all outstanding aggregate principal amount of the 2023 Notes at prices ranging from 98.00% to 98.75%, plus accrued and unpaid interest. As a result, \$2,104 aggregate principal amount of the 2023 Notes were validly tendered and accepted, and we recognized a realized loss of \$30 from the extinguishment of debt in the amount of the difference between the reacquisition price and the net carrying amount of the 2023 Notes, net of the proportionate amount of unamortized debt issuance costs.

As of June 30, 2022, the outstanding aggregate principal amount of the 2023 Notes was \$284,219. On March 15, 2023, we repaid the remaining outstanding principal amount of \$282,115 of the 2023 Notes, plus interest, at maturity.

6.375% 2024 Notes

On October 1, 2018, we issued \$100,000 aggregate principal amount of unsecured notes that mature on January 15, 2024 (the "6.375% 2024 Notes"). The 6.375% 2024 Notes bear interest at a rate of 6.375% per year, payable semi-annually on January 15 and July 15 of each year, beginning January 15, 2019. Total proceeds from the issuance of the 6.375% 2024 Notes, net of underwriting discounts and offering costs, were \$98,985.

As of June 30, 2023, the outstanding aggregate principal amount of the 6.375% 2024 Notes was \$81,240. On January 16, 2024, we repaid the remaining outstanding principal amount of \$81,240 of the 6.375% 2024 Notes, plus interest, at maturity.

2026 Notes

On January 22, 2021, we issued \$325,000 aggregate principal amount of unsecured notes that mature on January 22, 2026 (the "Original 2026 Notes"). The Original 2026 Notes bear interest at a rate of 3.706% per year, payable semi-annually on July 22, and January 22 of each year, beginning on July 22, 2021. Total proceeds from the issuance of the 2026 Notes, net of underwriting discounts and offering costs, were \$317,720. On February 19, 2021, we issued an additional \$75,000 aggregate principal amount of unsecured notes that mature on January 22, 2026 (the "Additional 2026 Notes", and together with the Original 2026 Notes, the "2026 Notes"). The Additional 2026 Notes were a further issuance of, and are fully fungible and rank equally in right of payment with, the Original 2026 Notes and bear interest at a rate of 3.706% per year, payable semi-annually on July 22 and January 22 of each year, beginning July 22, 2021. Total proceeds from the issuance of the Additional 2026 Notes, net of underwriting discounts and offering costs, were \$74,061.

During the three months ended September 30, 2024, we commenced various tender offers to purchase for cash any and all outstanding aggregate principal amount of the 2026 Notes at prices ranging from 96.96% to 97.12%, plus accrued and unpaid interest. As a result, \$12,285 aggregate principal amount of the 2026 Notes were validly tendered and accepted, and we recognized a realized gain of \$307 from the extinguishment of debt in the amount of the difference between the reacquisition price and the net carrying amount of the 2026 Notes, net of the proportionate amount of unamortized debt issuance costs.

As of September 30, 2024 and June 30, 2024, the outstanding aggregate principal amount of the 2026 Notes were \$387,715 and \$400,000, respectively.

3.364% 2026 Notes

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

On May 27, 2021, we issued \$300,000 aggregate principal amount of unsecured notes that mature on November 15, 2026 (the "3.364% 2026 Notes"). The 3.364% 2026 Notes bear interest at a rate of 3.364% per year, payable semi-annually on November 15, and May 15 of each year, beginning on November 15, 2021. Total proceeds from the issuance of the 3.364% 2026 Notes, net of underwriting discounts and offering costs, were \$293,283. As of September 30, 2024 and June 30, 2024, the outstanding aggregate principal amount of the 3.364% 2026 Notes were \$300,000 and \$300,000, respectively.

3.437% 2028 Notes

On September 30, 2021, we issued \$300,000 aggregate principal amount of unsecured notes that mature on October 15, 2028 (the "3.437% 2028 Notes"). The 3.437% 2028 Notes bear interest at a rate of 3.437% per year, payable semi-annually on April 15 and October 15 of each year, beginning on April 15, 2022. Total proceeds from the issuance of the 3.437% 2028 Notes, net of underwriting discounts and offering costs, were \$291,798. As of September 30, 2024 and June 30, 2024, the outstanding aggregate principal amount of the 3.437% 2028 Notes were \$300,000 and \$300,000, respectively.

The 2023 Notes, the 6.375% 2024 Notes, the 2026 Notes, the 3.364% 2026 Notes, and the 3.437% 2028 Notes (collectively, the "Public Notes") are direct unsecured obligations and rank equally with all of our unsecured indebtedness from time to time outstanding.

In connection with the issuance of the Public Notes we recorded a discount of \$13,137 and debt issuance costs of \$12,663, which are being amortized over the term of the notes. As of September 30, 2024 and June 30, 2024, \$5,873 and \$6,462 of the original issue discount and \$5,338 and \$5,971, respectively, of the debt issuance costs remain to be amortized and are included as a reduction within Public Notes on the *Consolidated Statement of Assets and Liabilities*.

During the three months ended September 30, 2024 and September 30, 2023, we recorded \$9,981 and \$11,274, respectively, of interest costs and amortization of financing costs on the Public Notes as interest expense.

Note 7. Prospect Capital InterNotes®

On February 13, 2020, we entered into a selling agent agreement with InspereX LLC (formerly known as "Incapital LLC") (the "Selling Agent Agreement"), authorizing the issuance and sale from time to time of up to \$1,000,000 of Prospect Capital InterNotes® (collectively with previously authorized selling agent agreements, the "InterNotes® Offerings"). On February 8, 2023, our Board of Directors reauthorized \$1,000,000 of Prospect Capital InterNotes® for sale under the Selling Agent Agreement. Additional agents may be appointed by us from time to time in connection with the InterNotes® Offering and become parties to the Selling Agent Agreement. We have, from time to time, repurchased certain notes issued through the InterNotes® Offerings and, therefore, as of September 30, 2024, \$603,262 aggregate principal amount of Prospect Capital InterNotes® were outstanding.

These notes are direct unsecured obligations and rank equally with all of our unsecured indebtedness from time to time outstanding. Each series of notes will be issued by a separate trust. These notes bear interest at fixed interest rates and offer a variety of maturities no less than twelve months from the original date of issuance.

During the three months ended September 30, 2024, we issued \$101,734 aggregate principal amount of Prospect Capital InterNotes® for net proceeds of \$100,266. These notes were issued with stated interest rates ranging from 6.50% to 7.50% with a weighted average interest rate of 7.14%. These notes will mature between July 15, 2027 and October 15, 2034. The following table summarizes the Prospect Capital InterNotes® issued during the three months ended September 30, 2024:

| Tenor at Origination (in years) | Principal Amount | Interest Rate Range | Weighted Average Interest Rate | Maturity Date Range |
|---------------------------------------|---------------------|------------------------|--------------------------------------|----------------------------------|
| 3 | \$ 39,149 | 6.50% – 7.13% | 6.93% | July 15, 2027 – October 15, 2027 |
| 5 | 31,662 | 6.75% – 7.38% | 7.16% | July 15, 2029 – October 15, 2029 |
| 10 | 30,923 | 7.00% – 7.50% | 7.39% | July 15, 2034 – October 15, 2034 |
| | <u>\$ 101,734</u> | | | |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

During the three months ended September 30, 2023, we issued \$ 3,976 aggregate principal amount of our Prospect Capital InterNotes® for net proceeds of \$3,892. These notes were issued with a stated interest rates ranging from 5.75% to 6.50% with a weighted average interest rate of 6.17%. These notes will mature between July 15, 2026 and September 15, 2043. The following table summarizes the Prospect Capital InterNotes® issued during the three months ended September 30, 2023:

| Tenor at Origination (in years) | Principal Amount | Interest Rate | Weighted Average Interest Rate | Maturity Date Range |
|---------------------------------|------------------|---------------|--------------------------------|------------------------------------|
| 3 | \$ 1,019 | 5.75% | 5.75% | July 15, 2026 – September 15, 2026 |
| 6 | 734 | 6.00% | 6.00% | July 15, 2029 – September 15, 2029 |
| 10 | 678 | 6.25% | 6.25% | July 15, 2033 – September 15, 2033 |
| 20 | 1,545 | 6.50% | 6.50% | July 15, 2043 – September 15, 2043 |
| | <u>\$ 3,976</u> | | | |

During the three months ended September 30, 2024, we repaid \$2,500 aggregate principal amount of Prospect Capital InterNotes® at par in accordance with the Survivor's Option of the InterNotes®. As a result of these transactions, we recorded a loss in the amount of the unamortized debt issuance costs. The net loss on the extinguishment of Prospect Capital InterNotes® in the three months ended September 30, 2024 was \$59.

The following table summarizes the Prospect Capital InterNotes® outstanding as of September 30, 2024:

| Tenor at Origination (in years) | Principal Amount | Interest Rate Range | Weighted Average Interest Rate | Maturity Date Range |
|---------------------------------|-------------------|---------------------|--------------------------------|---------------------------------------|
| 3 | \$ 103,588 | 2.50% – 7.25% | 6.64% | February 15, 2025 – October 15, 2027 |
| 5 | 175,054 | 2.25% – 7.75% | 5.06% | January 15, 2026 – October 15, 2029 |
| 6 | 18,348 | 3.00% – 6.25% | 3.56% | June 15, 2027 – November 15, 2029 |
| 7 | 34,508 | 2.75% – 8.00% | 4.06% | January 15, 2028 – December 15, 2030 |
| 8 | 3,215 | 3.40% – 3.50% | 3.45% | June 15, 2029 – July 15, 2029 |
| 10 | 153,540 | 3.15% – 8.00% | 5.73% | August 15, 2029 – October 15, 2034 |
| 12 | 13,626 | 3.70% – 4.00% | 3.95% | June 15, 2033 – July 15, 2033 |
| 15 | 13,808 | 3.50% – 4.50% | 3.84% | July 15, 2036 – February 15, 2037 |
| 18 | 2,949 | 4.50% – 5.50% | 4.82% | January 15, 2031 – April 15, 2031 |
| 20 | 3,864 | 5.75% – 7.50% | 6.23% | November 15, 2032 – November 15, 2043 |
| 25 | 7,494 | 6.25% – 6.50% | 6.37% | November 15, 2038 – May 15, 2039 |
| 30 | 73,268 | 4.00% – 6.63% | 5.36% | November 15, 2042 – March 15, 2052 |
| Principal Outstanding | <u>\$ 603,262</u> | | | |
| Less Discounts | | | | |
| Unamortized Debt Issuance | (9,040) | | | |
| Carrying Amount | <u>\$ 594,222</u> | | | |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

During the three months ended September 30, 2023, we repaid \$ 3,247 aggregate principal amount of Prospect Capital InterNotes® at par in accordance with the Survivor's Option, as defined in the InterNotes® Offering prospectus. As a result of these transactions, we recorded a loss in the amount of the unamortized debt issuance costs. The net loss on the extinguishment of Prospect Capital InterNotes® in the year ended June 30, 2024 was \$ 248.

The following table summarizes the Prospect Capital InterNotes® outstanding as of June 30, 2024:

| Tenor at Origination (in years) | Principal Amount | Interest Rate Range | Weighted Average Interest Rate | Maturity Date Range |
|---------------------------------------|---------------------|------------------------|--------------------------------------|---------------------------------------|
| 3 | \$ 64,439 | 2.50% - 7.25% | 6.46% | February 15, 2025 – June 15, 2027 |
| 5 | 143,554 | 2.25% - 7.75% | 4.60% | January 15, 2026 – June 15, 2029 |
| 6 | 18,348 | 3.00% - 6.25% | 3.56% | June 15, 2027 – November 15, 2029 |
| 7 | 34,601 | 2.75% - 8.00% | 4.05% | January 15, 2028 – December 15, 2030 |
| 8 | 3,215 | 3.40% - 3.50% | 3.45% | June 15, 2029 – July 15, 2029 |
| 10 | 123,477 | 3.15% - 8.00% | 5.30% | August 15, 2029 – June 15, 2034 |
| 12 | 13,748 | 3.70% - 4.00% | 3.95% | June 15, 2033 – July 15, 2033 |
| 15 | 14,016 | 3.50% - 4.50% | 3.84% | July 15, 2036 – February 15, 2037 |
| 18 | 2,949 | 4.50% - 5.50% | 4.82% | January 15, 2031 – April 15, 2031 |
| 20 | 3,864 | 5.75% - 7.50% | 6.23% | November 15, 2032 – November 15, 2043 |
| 25 | 7,494 | 6.25% - 6.50% | 6.37% | November 15, 2038 – May 15, 2039 |
| 30 | 74,323 | 4.00% - 6.63% | 5.34% | November 15, 2042 – March 15, 2052 |
| Principal Outstanding | \$ 504,028 | | | |
| Less Discounts | | | | |
| Unamortized debt issuance | (7,999) | | | |
| Carrying Amount | \$ 496,029 | | | |

During the three months ended September 30, 2024 and September 30, 2023, we recorded \$7,672 and \$3,902, respectively, of interest costs and amortization of financings costs on the Prospect Capital InterNotes® as interest expense.

Note 8. Fair Value and Maturity of Debt Outstanding

As of September 30, 2024, our asset coverage ratio stood at 323.0% based on the outstanding principal amount of our senior securities representing indebtedness of \$2,294,376 and our asset coverage ratio on our senior securities that are stock was 182.8%. As of June 30, 2024, our asset coverage ratio stood at 315.5% based on the outstanding principal amount of our senior securities representing indebtedness of \$ 2,454,992 and our asset coverage ratio on our senior securities that are stock was 184.8%. Refer to Note 9, *Equity Offerings, Offering Expenses and Distributions* for additional discussion on our senior securities that are stock.

Information about our senior securities is shown in the following table as of the end of each of the last ten fiscal years and as of September 30, 2024 (All figures in this item are in thousands except per unit data):

| | Total Amount Outstanding(1) | Asset Coverage per Unit(2) | Involuntary Liquidating Preference per Unit | Average Market Value per Unit(3) |
|--|--------------------------------|----------------------------------|--|---|
| Credit Facility | | | | |
| Fiscal 2025 (as of September 30, 2024) | \$ 547,231 | \$ 13,543 | — | — |
| Fiscal 2024 (as of June 30, 2024) | 794,796 | 9,746 | — | — |
| Fiscal 2023 (as of June 30, 2023) | 1,014,703 | 7,639 | — | — |
| Fiscal 2022 (as of June 30, 2022) | 839,464 | 9,015 | — | — |
| Fiscal 2021 (as of June 30, 2021) | 356,937 | 17,408 | — | — |
| Fiscal 2020 (as of June 30, 2020) | 237,536 | 22,000 | — | — |
| Fiscal 2019 (as of June 30, 2019) | 167,000 | 34,298 | — | — |
| Fiscal 2018 (as of June 30, 2018) | 37,000 | 155,503 | — | — |
| Fiscal 2017 (as of June 30, 2017) | — | — | — | — |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| | | | | |
|-----------------------------------|---------|--------|---|---|
| Fiscal 2016 (as of June 30, 2016) | — | — | — | — |
| Fiscal 2015 (as of June 30, 2015) | 368,700 | 18,136 | — | — |

2015 Notes(4)

| | | | | | | |
|-----------------------------------|----|---------|----|-------|---|---|
| Fiscal 2015 (as of June 30, 2015) | \$ | 150,000 | \$ | 2,241 | — | — |
|-----------------------------------|----|---------|----|-------|---|---|

2016 Notes(5)

| | | | | | | |
|-----------------------------------|----|---------|----|-------|---|---|
| Fiscal 2016 (as of June 30, 2016) | \$ | 167,500 | \$ | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | | 167,500 | | 2,241 | — | — |

2017 Notes(6)

| | | | | | | |
|-----------------------------------|----|---------|----|-------|---|---|
| Fiscal 2017 (as of June 30, 2017) | \$ | 50,734 | \$ | 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | | 129,500 | | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | | 130,000 | | 2,241 | — | — |

2018 Notes(7)

| | | | | | | |
|-----------------------------------|----|---------|----|-------|---|---|
| Fiscal 2017 (as of June 30, 2017) | \$ | 85,419 | \$ | 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | | 200,000 | | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | | 200,000 | | 2,241 | — | — |

2019 Notes(8)

| | | | | | | |
|-----------------------------------|----|---------|----|-------|---|---|
| Fiscal 2018 (as of June 30, 2018) | \$ | 101,647 | \$ | 2,452 | — | — |
| Fiscal 2017 (as of June 30, 2017) | | 200,000 | | 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | | 200,000 | | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | | 200,000 | | 2,241 | — | — |

5.00% 2019 Notes(9)

| | | | | | | |
|-----------------------------------|----|---------|----|-------|---|---|
| Fiscal 2018 (as of June 30, 2018) | \$ | 153,536 | \$ | 2,452 | — | — |
| Fiscal 2017 (as of June 30, 2017) | | 300,000 | | 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | | 300,000 | | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | | 300,000 | | 2,241 | — | — |

2020 Notes(12)

| | | | | | | |
|-----------------------------------|----|---------|----|-------|---|---|
| Fiscal 2019 (as of June 30, 2019) | \$ | 224,114 | \$ | 2,365 | — | — |
| Fiscal 2018 (as of June 30, 2018) | | 392,000 | | 2,452 | — | — |
| Fiscal 2017 (as of June 30, 2017) | | 392,000 | | 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | | 392,000 | | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | | 392,000 | | 2,241 | — | — |

2022 Notes(16)

| | | | | | | |
|-----------------------------------|----|---------|----|-------|---|---|
| Fiscal 2022 (as of June 30, 2022) | \$ | 60,501 | \$ | 2,733 | — | — |
| Fiscal 2021 (as of June 30, 2021) | | 111,055 | | 2,740 | — | — |
| Fiscal 2020 (as of June 30, 2020) | | 258,240 | | 2,408 | — | — |
| Fiscal 2019 (as of June 30, 2019) | | 328,500 | | 2,365 | — | — |
| Fiscal 2018 (as of June 30, 2018) | | 328,500 | | 2,452 | — | — |
| Fiscal 2017 (as of June 30, 2017) | | 225,000 | | 2,251 | — | — |

2023 Notes(10)(17)

| | | | | | | |
|-----------------------------------|----|---------|----|-------|---|---|
| Fiscal 2022 (as of June 30, 2022) | \$ | 284,219 | \$ | 2,733 | — | — |
| Fiscal 2021 (as of June 30, 2021) | | 284,219 | | 2,740 | — | — |
| Fiscal 2020 (as of June 30, 2020) | | 319,145 | | 2,408 | — | — |
| Fiscal 2019 (as of June 30, 2019) | | 318,863 | | 2,365 | — | — |
| Fiscal 2018 (as of June 30, 2018) | | 318,675 | | 2,452 | — | — |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| | | | | |
|-----------------------------------|---------|-------|---|---|
| Fiscal 2017 (as of June 30, 2017) | 248,507 | 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | 248,293 | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | 248,094 | 2,241 | — | — |

2024 Notes(13)

| | | | | | | | |
|-----------------------------------|----|---------|----|-------|---|----|-------|
| Fiscal 2020 (as of June 30, 2020) | \$ | 233,788 | \$ | 2,408 | — | \$ | 959 |
| Fiscal 2019 (as of June 30, 2019) | | 234,443 | | 2,365 | — | | 1,002 |
| Fiscal 2018 (as of June 30, 2018) | | 199,281 | | 2,452 | — | | 1,029 |
| Fiscal 2017 (as of June 30, 2017) | | 199,281 | | 2,251 | — | | 1,027 |
| Fiscal 2016 (as of June 30, 2016) | | 161,364 | | 2,269 | — | | 951 |

6.375% 2024 Notes(10)(18)

| | | | | | | |
|-----------------------------------|----|--------|----|-------|---|---|
| Fiscal 2023 (as of June 30, 2023) | \$ | 81,240 | \$ | 2,970 | — | — |
| Fiscal 2022 (as of June 30, 2022) | | 81,240 | | 2,733 | — | — |
| Fiscal 2021 (as of June 30, 2021) | | 81,389 | | 2,740 | — | — |
| Fiscal 2020 (as of June 30, 2020) | | 99,780 | | 2,408 | — | — |
| Fiscal 2019 (as of June 30, 2019) | | 99,726 | | 2,365 | — | — |

2025 Notes

| | | | | | | |
|--|----|---------|----|-------|---|---|
| Fiscal 2025 (as of September 30, 2024) | \$ | 156,168 | \$ | 3,230 | — | — |
| Fiscal 2024 (as of June 30, 2024) | | 156,168 | | 3,155 | — | — |
| Fiscal 2023 (as of June 30, 2023) | | 156,168 | | 2,970 | — | — |
| Fiscal 2022 (as of June 30, 2022) | | 156,168 | | 2,733 | — | — |
| Fiscal 2021 (as of June 30, 2021) | | 156,168 | | 2,740 | — | — |
| Fiscal 2020 (as of June 30, 2020) | | 201,250 | | 2,408 | — | — |
| Fiscal 2019 (as of June 30, 2019) | | 201,250 | | 2,365 | — | — |

2026 Notes

| | | | | | | |
|--|----|---------|----|-------|---|---|
| Fiscal 2025 (as of September 30, 2024) | \$ | 387,715 | \$ | 3,230 | — | — |
| Fiscal 2024 (as of June 30, 2024) | | 400,000 | | 3,155 | — | — |
| Fiscal 2023 (as of June 30, 2023) | | 400,000 | | 2,970 | — | — |
| Fiscal 2022 (as of June 30, 2022) | | 400,000 | | 2,733 | — | — |
| Fiscal 2021 (as of June 30, 2021) | | 400,000 | | 2,740 | — | — |

3.364% 2026 Notes

| | | | | | | |
|--|----|---------|----|-------|---|---|
| Fiscal 2025 (as of September 30, 2024) | \$ | 300,000 | \$ | 3,230 | — | — |
| Fiscal 2024 (as of June 30, 2024) | | 300,000 | | 3,155 | — | — |
| Fiscal 2023 (as of June 30, 2023) | | 300,000 | | 2,970 | — | — |
| Fiscal 2022 (as of June 30, 2022) | | 300,000 | | 2,733 | — | — |
| Fiscal 2021 (as of June 30, 2021) | | 300,000 | | 2,740 | — | — |

3.437% 2028 Notes

| | | | | | | |
|--|----|---------|----|-------|---|---|
| Fiscal 2025 (as of September 30, 2024) | \$ | 300,000 | \$ | 3,230 | — | — |
| Fiscal 2024 (as of June 30, 2024) | | 300,000 | | 3,155 | — | — |
| Fiscal 2023 (as of June 30, 2023) | | 300,000 | | 2,970 | — | — |
| Fiscal 2022 (as of June 30, 2022) | | 300,000 | | 2,733 | — | — |

2028 Notes(14)

| | | | | | | | |
|-----------------------------------|----|--------|----|-------|---|----|-------|
| Fiscal 2020 (as of June 30, 2020) | \$ | 70,761 | \$ | 2,408 | — | \$ | 950 |
| Fiscal 2019 (as of June 30, 2019) | | 70,761 | | 2,365 | — | | 984 |
| Fiscal 2018 (as of June 30, 2018) | | 55,000 | | 2,452 | — | | 1,004 |

2029 Notes(15)

| | | | | | | | |
|-----------------------------------|----|--------|----|-------|---|----|-------|
| Fiscal 2021 (as of June 30, 2021) | \$ | 69,170 | \$ | 2,740 | — | \$ | 1,028 |
| Fiscal 2020 (as of June 30, 2020) | | 69,170 | | 2,408 | — | | 970 |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| | | | | |
|-----------------------------------|--------|-------|---|-----|
| Fiscal 2019 (as of June 30, 2019) | 69,170 | 2,365 | — | 983 |
|-----------------------------------|--------|-------|---|-----|

Prospect Capital InterNotes®

| | | | | | | |
|--|----|---------|----|-------|---|---|
| Fiscal 2025 (as of September 30, 2024) | \$ | 603,262 | \$ | 3,230 | — | — |
| Fiscal 2024 (as of June 30, 2024) | | 504,028 | | 3,155 | — | — |
| Fiscal 2023 (as of June 30, 2023) | | 358,105 | | 2,970 | — | — |
| Fiscal 2022 (as of June 30, 2022) | | 347,564 | | 2,733 | — | — |
| Fiscal 2021 (as of June 30, 2021) | | 508,711 | | 2,740 | — | — |
| Fiscal 2020 (as of June 30, 2020) | | 680,229 | | 2,408 | — | — |
| Fiscal 2019 (as of June 30, 2019) | | 707,699 | | 2,365 | — | — |
| Fiscal 2018 (as of June 30, 2018) | | 760,924 | | 2,452 | — | — |
| Fiscal 2017 (as of June 30, 2017) | | 980,494 | | 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | | 908,808 | | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | | 827,442 | | 2,241 | — | — |

Floating Rate Preferred Stock

| | | | | | | | | |
|--|----|---------|----|----|----|----|----|---|
| Fiscal 2025 (as of September 30, 2024) | \$ | 191,224 | \$ | 46 | \$ | 25 | \$ | — |
| Fiscal 2024 (as of June 30, 2024) | | 129,198 | | 46 | | 25 | | — |

6.50% Preferred Stock

| | | | | | | | | |
|--|----|---------|----|----|----|----|----|---|
| Fiscal 2025 (as of September 30, 2024) | \$ | 690,837 | \$ | 46 | \$ | 25 | \$ | — |
| Fiscal 2024 (as of June 30, 2024) | | 704,044 | | 46 | | 25 | | — |
| Fiscal 2023 (as of June 30, 2023) | | 533,216 | | 47 | | 25 | | — |

5.50% Preferred Stock

| | | | | | | | | |
|--|----|---------|----|----|----|----|--|---|
| Fiscal 2025 (as of September 30, 2024) | \$ | 745,989 | \$ | 46 | \$ | 25 | | — |
| Fiscal 2024 (as of June 30, 2024) | | 772,133 | | 46 | | 25 | | — |
| Fiscal 2023 (as of June 30, 2023) | | 870,268 | | 47 | | 25 | | — |
| Fiscal 2022 (as of June 30, 2022) | | 590,197 | | 54 | | 25 | | — |
| Fiscal 2021 (as of June 30, 2021) | | 137,040 | | 65 | | 25 | | — |

5.35% Preferred Stock

| | | | | | | | | |
|--|----|---------|----|----|----|----|----|-------|
| Fiscal 2025 (as of September 30, 2024) | \$ | 131,279 | \$ | 46 | \$ | 25 | \$ | 18.10 |
| Fiscal 2024 (as of June 30, 2024) | | 131,279 | | 46 | \$ | 25 | | 17.25 |
| Fiscal 2023 (as of June 30, 2023) | | 149,066 | | 47 | \$ | 25 | | 15.98 |
| Fiscal 2022 (as of June 30, 2022) | | 150,000 | | 54 | \$ | 25 | | 21.08 |

All Senior Securities(10)(11)

| | | | | | | |
|--|----|-----------|----|-------|---|---|
| Fiscal 2025 (as of September 30, 2024) | \$ | 4,053,705 | \$ | 1,828 | — | — |
| Fiscal 2024 (as of June 30, 2024) | | 4,191,646 | | 1,848 | — | — |
| Fiscal 2023 (as of June 30, 2023) | | 4,162,766 | | 1,862 | — | — |
| Fiscal 2022 (as of June 30, 2022) | | 3,509,353 | | 2,156 | — | — |
| Fiscal 2021 (as of June 30, 2021) | | 2,404,689 | | 2,584 | — | — |
| Fiscal 2020 (as of June 30, 2020) | | 2,169,899 | | 2,408 | — | — |
| Fiscal 2019 (as of June 30, 2019) | | 2,421,526 | | 2,365 | — | — |
| Fiscal 2018 (as of June 30, 2018) | | 2,346,563 | | 2,452 | — | — |
| Fiscal 2017 (as of June 30, 2017) | | 2,681,435 | | 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | | 2,707,465 | | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | | 2,983,736 | | 2,241 | — | — |

(1) Except as noted, the total amount of each class of senior securities outstanding at the end of the year/period presented (in 000's).

(2) The asset coverage ratio for a class of secured senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by secured senior securities representing indebtedness. The asset coverage ratio for a class of unsecured senior securities representing indebtedness is inclusive of all senior securities

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representing indebtedness. With respect to the senior securities represented by indebtedness, this asset coverage ratio is multiplied by \$1,000 to determine the Asset Coverage Per Unit. The asset coverage ratio for a class of senior securities representing preferred stock is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by the sum of all senior securities representing indebtedness and the involuntary liquidation preference of senior securities representing preferred stock (the "Total Asset Coverage Ratio"). With respect to the Preferred Stock, the Asset Coverage Per Unit figure is expressed in terms of a dollar amount per share of outstanding Preferred Stock (based on a per share liquidation preference of \$25). The rows reflecting "All Senior Securities" reflect the Total Asset Coverage Ratio as the asset coverage ratio, and express Asset Coverage Per Unit as per \$1,000 of indebtedness or per \$1,000 of Preferred Stock liquidation preference.

- (3) This column is inapplicable, except for the 2024 Notes, the 2028 Notes, the 2029 Notes, and the 5.35% Preferred Stock. The average market value per unit is calculated as an average of quarter-end prices. With respect to the senior securities represented by indebtedness, the market value is shown per \$1,000 of indebtedness.
- (4) We repaid the outstanding principal amount of the 2015 Notes on December 15, 2015.
- (5) We repaid the outstanding principal amount of the 2016 Notes on August 15, 2016.
- (6) We repaid the outstanding principal amount of the 2017 Notes on October 15, 2017.
- (7) We repaid the outstanding principal amount of the 2018 Notes on March 15, 2018.
- (8) We repaid the outstanding principal amount of the 2019 Notes on January 15, 2019.
- (9) We redeemed the 5.00% 2019 Notes on September 26, 2018.
- (10) For the fiscal years ended June 30, 2020 or prior, the 2023 Notes and 6.375% 2024 Notes are presented net of unamortized discount.
- (11) While we do not consider commitments to fund under revolving arrangements to be Senior Securities, if we were to elect to treat such unfunded commitments, which were \$47,914 as of September 30, 2024 as Senior Securities for purposes of Section 18 of the 1940 Act, our asset coverage per unit would be \$,807.
- (12) We repaid the outstanding principal amount of the 2020 Notes on April 15, 2020.
- (13) We redeemed the 2024 Notes on February 16, 2021.
- (14) We redeemed the 2028 Notes on June 15, 2021.
- (15) We redeemed the 2029 Notes on December 30, 2021.
- (16) We redeemed the 2022 Notes on July 15, 2022.
- (17) We redeemed the 2023 Notes on March 15, 2023.
- (18) We redeemed the 6.375% 2024 Notes on January 16, 2024.

The following table shows our outstanding debt as of September 30, 2024:

| | Principal Outstanding | Unamortized Discount & Debt Issuance Costs | Net Carrying Value | Fair Value | Effective Interest Rate |
|------------------------------|--------------------------|--|---------------------------|---------------------------|--------------------------------|
| Revolving Credit Facility | \$ 547,231 | \$ 22,368 | \$ 547,231 ⁽¹⁾ | \$ 547,231 ⁽²⁾ | 1M SOFR + 2.05% ⁽⁵⁾ |
| 2025 Notes | 156,168 | 409 | 155,759 | 156,149 ⁽³⁾ | 6.63 % ⁽⁶⁾ |
| Convertible Notes | 156,168 | | 155,759 | 156,149 | |
| 2026 Notes | 387,715 | 2,700 | 385,015 | 375,781 ⁽³⁾ | 3.98 % ⁽⁶⁾ |
| 3.364% 2026 Notes | 300,000 | 3,045 | 296,955 | 279,567 ⁽³⁾ | 3.60 % ⁽⁶⁾ |
| 3.437% 2028 Notes | 300,000 | 5,466 | 294,534 | 261,864 ⁽³⁾ | 3.64 % ⁽⁶⁾ |
| Public Notes | 987,715 | | 976,504 | 917,212 | |
| Prospect Capital InterNotes® | 603,262 | 9,040 | 594,222 | 599,170 ⁽⁴⁾ | 6.53 % ⁽⁷⁾ |
| Total | \$ 2,294,376 | | \$ 2,273,716 | \$ 2,219,762 | |

(1) Net Carrying Value excludes deferred financing costs associated with the Revolving Credit Facility. See Note 2 for accounting policy details.

(2) The fair value of the Revolving Credit Facility is equal to its carrying value because the revolver is a floating rate facility that reprices to a market rate frequently. The fair value is categorized as Level 2 under ASC 820.

(3) We use available market quotes to estimate the fair value of the Convertible Notes and Public Notes. The fair value of these debt obligations are categorized as Level 1 under ASC 820.

(4) The fair value of Prospect Capital InterNotes® is estimated by discounting remaining payments using current Treasury rates plus spread based on observable market inputs. The fair value of these debt obligations are categorized as Level 2 under ASC 820.

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- (5) Represents the rate on drawn down and outstanding balances. Deferred debt issuance costs are amortized on a straight-line method over the stated life of the obligation.
- (6) The effective interest rate is equal to the effect of the stated interest, the accretion of original issue discount and amortization of debt issuance costs.
- (7) For the Prospect Capital InterNotes®, the rate presented is the weighted average effective interest rate. Interest expense and deferred debt issuance costs, which are amortized on a straight-line method over the stated life of the obligation which approximates level yield, are weighted against the average year-to-date principal balance.

The following table shows our outstanding debt as of June 30, 2024:

| | Principal Outstanding | Unamortized Discount & Debt Issuance Costs | Net Carrying Value | Fair Value | Effective Interest Rate |
|------------------------------|--------------------------|--|-----------------------|---------------------|--------------------------|
| Revolving Credit Facility | \$ 794,796 | \$ 22,975 | \$ 794,796 | (1) \$ 794,796 | (2) 1M SOFR + 2.05 % (5) |
| 2025 Notes | 156,168 | 649 | 155,519 | 155,632 | (3) 6.63 % (6) |
| Convertible Notes | 156,168 | | 155,519 | 155,632 | |
| 2026 Notes | 400,000 | 3,263 | 396,737 | 381,344 | (3) 3.98 % (6) |
| 3.364% 2026 Notes | 300,000 | 3,388 | 296,612 | 275,601 | (3) 3.60 % (6) |
| 3.437% 2028 Notes | 300,000 | 5,782 | 294,218 | 256,050 | (3) 3.64 % (6) |
| Public Notes | 1,000,000 | | 987,567 | 912,995 | |
| Prospect Capital InterNotes® | 504,028 | 7,999 | 496,029 | 479,748 | (4) 6.33 % (7) |
| Total | \$ 2,454,992 | | \$ 2,433,911 | \$ 2,343,171 | |

- (1) Net Carrying Value excludes deferred financing costs associated with the Revolving Credit Facility. See Note 2 for accounting policy details.
- (2) The fair value of the Revolving Credit Facility is equal to its carrying value because the revolver is a floating rate facility that reprices to a market rate frequently. The fair value is categorized as Level 2 under ASC 820.
- (3) We use available market quotes to estimate the fair value of the Convertible Notes and Public Notes. The fair value of these debt obligations are categorized as Level 1 under ASC 820.
- (4) The fair value of Prospect Capital InterNotes® is estimated by discounting remaining payments using current Treasury rates plus spread based on observable market inputs. The fair value of these debt obligations are categorized as Level 2 under ASC 820.
- (5) Represents the rate on drawn down and outstanding balances. Deferred debt issuance costs are amortized on a straight-line method over the stated life of the obligation.
- (6) The effective interest rate is equal to the effect of the stated interest, the accretion of original issue discount and amortization of debt issuance costs.
- (7) For the Prospect Capital InterNotes®, the rate presented is the weighted average effective interest rate. Interest expense and deferred debt issuance costs, which are amortized on a straight-line method over the stated life of the obligation which approximates level yield, are weighted against the average year-to-date principal balance.

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The following table shows the contractual maturities by fiscal year of our Revolving Credit Facility, Convertible Notes, Public Notes and Prospect Capital InterNotes® as of September 30, 2024:

| Payments Due by Fiscal Year ending June 30, | | | | | | | |
|--|---------------------|---------------------|-------------------|-------------------|------------------|-------------------|----------------------|
| | Total | Remainder of | | | | | |
| | | 2025 | 2026 | 2027 | 2028 | 2029 | After 5 Years |
| Revolving Credit Facility | \$ 547,231 | \$ — | \$ — | \$ — | \$ — | \$ 547,231 | \$ — |
| Convertible Notes | 156,168 | 156,168 | — | — | — | — | — |
| Public Notes | 987,715 | — | 387,715 | 300,000 | — | 300,000 | — |
| Prospect Capital InterNotes® | 603,262 | 1,499 | 54,674 | 154,201 | 27,891 | 99,948 | 265,049 |
| Total Contractual Obligations | \$ 2,294,376 | \$ 157,667 | \$ 442,389 | \$ 454,201 | \$ 27,891 | \$ 947,179 | \$ 265,049 |

We may from time to time seek to cancel or purchase our outstanding debt through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions or otherwise. The amounts involved may be material. In addition, we may from time to time enter into additional debt facilities, increase the size of existing facilities or issue additional debt securities, including secured debt, unsecured debt and/or debt securities convertible into common stock. Any such purchases or exchanges of outstanding debt would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors.

Note 9. Equity Offerings, Offering Expenses, and Distributions

On February 10, 2023, we filed a registration statement on Form N-2 (File No. 333-269714) that was effective upon filing pursuant to Rule 462(e) under the Securities Act, and which replaced our previously effective registration statement on Form N-2 that had been filed on February 13, 2020 and which was also effective upon filing pursuant to Rule 462(e) under the Securities Act. The registration statement permits us to issue, through one or more transactions, an indeterminate amount of securities, consisting of common stock, preferred stock, debt securities, subscription rights to purchase our securities, warrants representing rights to purchase our securities or separately tradable units combining two or more of our securities.

Preferred Stock

On August 3, 2020, we entered into a Dealer Manager Agreement with Preferred Capital Securities, LLC (“PCS”), as amended on June 9, 2022, October 7, 2022, February 10, 2023, and December 29, 2023, pursuant to which PCS has agreed to serve as the Company’s agent, principal distributor and dealer manager for the Company’s offering of up to 80,000,000 shares, par value \$0.001 per share, of preferred stock, with a liquidation preference of \$25.00 per share. Such convertible preferred stock may be issued in multiple series, including the 5.50% Series A1 Preferred Stock (“Series A1 Preferred Stock”), the 5.50% Series M1 Preferred Stock (“Series M1 Preferred Stock”), the 5.50% Series M2 Preferred Stock (“Series M2 Preferred Stock”), the 6.50% Series A3 Preferred Stock (“Series A3 Preferred Stock”), and the 6.50% Series M3 Preferred Stock (“Series M3 Preferred Stock”); however as disclosed in the Supplement No. 1 dated September 6, 2024 to the Prospectus Supplement dated December 29, 2023, the Company is no longer offering the Series A1 Preferred Stock, the Series M1 Preferred Stock, the Series M2 Preferred Stock, the Series A3 Preferred Stock and the Series M3 Preferred Stock and, as a result, any additional preferred stock offered under this offering will be only in any combination of our Floating Rate Series A4 Preferred Stock (“Series A4 Preferred Stock”) and the Floating Rate Series M4 Preferred Stock (“Series M4 Preferred Stock”, and together with the Series A4 Preferred Stock, the “Floating Rate Preferred Stock”), which are not convertible. In connection with such offering, on August 3, 2020, June 9, 2022, October 11, 2022, February 10, 2023 and December 28, 2023 (two filings) we filed Articles Supplementary with the State Department of Assessments and Taxation of Maryland (“SDAT”), reclassifying and designating 120,000,000, 60,000,000, 120,000,000, 60,000,000, 160,000,000, and 40,000,000 shares, respectively, of the Company’s authorized and unissued shares of common stock into shares of preferred stock as “Convertible Preferred Stock.”

On October 30, 2020, and as amended on February 18, 2022, October 7, 2022 and February 10, 2023, we entered into a Dealer Manager Agreement with InspereX LLC, pursuant to which InspereX LLC has agreed to serve as the Company’s agent and dealer manager for the Company’s offering of up to 10,000,000 shares, par value \$0.001 per share, of preferred stock, with a liquidation preference of \$ 25.00 per share. Such preferred stock will initially be issued in multiple series, including the 5.50% Series AA1 Preferred Stock (the “Series AA1 Preferred Stock”), the 5.50% Series MM1 Preferred Stock (the “Series MM1 Preferred Stock”), the 6.50% Series AA2 Preferred Stock (the “Series AA2 Preferred Stock”), and the 6.50% Series MM2 Preferred Stock (the “Series MM2 Preferred Stock” and together with the Series M1 Preferred Stock, the Series M2 Preferred Stock, the Series M3 Preferred Stock, and the Series MM1 Preferred Stock, the “Series M Preferred Stock”, and the Series MM2 Preferred Stock, together with the Series AA2 Preferred Stock, the Series A3 Preferred Stock and the Series M3 Preferred Stock, the “6.50% Preferred Stock”); however as disclosed in the Supplement No. 2 dated September 6, 2024 to the Prospectus

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Supplement dated February 10, 2023, the Company is no longer offering the Series AA1 Preferred Stock, the Series MM1 Preferred Stock, the Series AA2 Preferred Stock and the Series MM2 Preferred Stock. On October 30, 2020, February 17, 2022, and October 11, 2022, we filed Articles Supplementary with the SDAT, reclassifying and designating an additional 80,000,000 shares of the Company's authorized and unissued shares of common stock into shares of preferred stock as Convertible Preferred Stock. On May 19, 2021, we entered into an Underwriting Agreement with UBS Securities LLC, relating to the offer and sale of 187,000 shares, par value \$0.001 per share, of 5.50% Series A2 Preferred Stock, with a liquidation preference of \$25.00 per share (the "Series A2 Preferred Stock", and together with the Series A1 Preferred Stock, Series M1 Preferred Stock, Series M2 Preferred Stock, Series AA1 Preferred Stock, and Series MM1 Preferred Stock, the "5.50% Preferred Stock"). The issuance of the Series A2 Preferred Stock settled on May 26, 2021. In connection with such offering, on May 19, 2021, we filed Articles Supplementary with the SDAT, reclassifying and designating an additional 1,000,000 shares of the Company's authorized and unissued shares of common stock into shares of preferred stock as Convertible Preferred Stock.

In connection with the offerings of the 5.50% Preferred Stock, the 6.50% Preferred Stock, and the Floating Rate Preferred Stock, we adopted and amended, respectively, a preferred stock dividend reinvestment plan (the "Preferred Stock Plan" or the "Preferred Stock DRIP"), pursuant to which (i) holders of the Floating Rate Preferred Stock will have dividends on their Floating Rate Preferred Stock reinvested in additional shares of Floating Rate Preferred Stock at a price per share of \$25.00 and (ii) holders of the 5.50% Preferred Stock and the 6.50% Preferred Stock will have dividends on their 5.50% Preferred Stock and 6.50% Preferred Stock automatically reinvested in additional shares of such 5.50% Preferred Stock and 6.50% Preferred Stock at a price per share of \$23.75 (95% of the stated value of \$ 25.00 per share), if they elect.

At any time prior to the listing of the 5.50% Preferred Stock and the 6.50% Preferred Stock on a national securities exchange, shares of the 5.50% Preferred Stock and the 6.50% Preferred Stock are convertible, at the option of the holder of the 5.50% Preferred Stock and the 6.50% Preferred Stock (the "Holder Optional Conversion"). We will settle any Holder Optional Conversion by paying or delivering, as the case may be, (A) any portion of the Settlement Amount (as defined below) that we elect to pay in cash and (B) a number of shares of our common stock at a conversion rate equal to (1) (a) the Settlement Amount, minus (b) any portion of the Settlement Amount that we elect to pay in cash, divided by (2) the arithmetic average of the daily volume weighted average price of shares of our common stock over each of the five consecutive trading days ending on the Holder Conversion Exercise Date (such arithmetic average, the "5-day VWAP"). For the Series A1 Preferred Stock, the Series A3 Preferred Stock, the Series AA1 Preferred Stock, the Series AA2 Preferred Stock and the Series A2 Preferred Stock, "Settlement Amount" means (A) \$ 25.00 per share (the "Stated Value"), plus (B) unpaid dividends accrued to, but not including, the Holder Conversion Exercise Date, minus (C) the applicable Holder Optional Conversion Fee for the respective Holder Conversion Deadline. For the Series M Preferred Stock, "Settlement Amount" means (A) the Stated Value, plus (B) unpaid dividends accrued to, but not including, the Holder Conversion Exercise Date, minus (C) the applicable Series M Clawback, if any. "Series M Clawback", if applicable, means an amount equal to the aggregate amount of all dividends, whether paid or accrued, on such share of Series M Stock in the three full months prior to the Holder Conversion Exercise Date. Subject to certain limited exceptions, we will not pay any portion of the Settlement Amount in cash (other than cash in lieu of fractional shares of our common stock) until the five year anniversary of the date on which a share of 5.50% Preferred Stock or 6.50% Preferred Stock has been issued. Beginning on the five year anniversary of the date on which a share of 5.50% Preferred Stock or 6.50% Preferred Stock is issued, we may elect to settle all or a portion of any Holder Optional Conversion in cash without limitation or restriction. The right of holders to convert a share of 5.50% Preferred Stock or 6.50% Preferred Stock will terminate upon the listing of such share on a national securities exchange. Shares of the Floating Rate Preferred Stock do not have a Holder Optional Conversion feature.

Subject to certain limited exceptions allowing earlier redemption, beginning on the earlier of the five year anniversary of the date on which a share of 5.50% Preferred Stock or 6.50% Preferred Stock has been issued, or the two year anniversary of the date on which a share of Floating Rate Preferred Stock has been issued or, for listed shares of 5.50% Preferred Stock or 6.50% Preferred Stock, five years from the earliest date on which any series that has been listed was first issued and for listed shares of Floating Rate Preferred Stock, two years from the earliest date on which any series that has been listed was first issued (the earlier of such dates as applicable to a series of Preferred Stock, the "Redemption Eligibility Date"), such share of Preferred Stock may be redeemed at any time or from time to time at our option (the "Issuer Optional Redemption"), at a redemption price of 100% of the Stated Value of the shares to be redeemed plus unpaid dividends accrued to, but not including, the date fixed for redemption.

Shares of the Floating Rate Preferred Stock are redeemable, at the option of the holder of such Floating Rate Preferred Stock, on a monthly basis (the "Holder Optional Redemption"). For all shares of Floating Rate Preferred Stock duly submitted for redemption on or before a monthly Holder Redemption Deadline (defined in the prospectus supplement dated December 29, 2023), the HOR Settlement Amount (as defined below) is determined on any business day after such Holder Redemption Deadline but before the Holder Redemption Deadline occurring two months thereafter (such date, the "Holder Redemption Exercise Date"). Within such period, we may select the Holder Redemption Exercise Date in our sole discretion. We will settle

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any Holder Optional Redemption by paying the HOR Settlement Amount in cash. In addition, the aggregate amount of Holder Optional Redemptions by the holder of Floating Rate Preferred Stock is subject to the following redemption limits: (i) no more than 2% of the outstanding Floating Rate Preferred Stock, in aggregate, as of the end of the most recent fiscal quarter will be redeemed per calendar month; (ii) no more than 5% of the outstanding Floating Rate Preferred Stock, in aggregate, as of the end of the most recent fiscal quarter will be redeemed per fiscal quarter and (iii) no more than 20% of the outstanding Floating Rate Preferred Stock, in aggregate, as of the end of the most recent fiscal quarter will be redeemed per Annual Redemption Period. An "Annual Redemption Period" means our then current fiscal quarter and the three fiscal quarters immediately preceding our then current fiscal quarter. A share of Series A4 Preferred Stock is subject to an early redemption fee if it is redeemed by its holder within five years of issuance. Redemption capacity of the Floating Rate Preferred Stock will be allocated on a pro rata basis based on the number of shares of Floating Rate Preferred Stock, as applicable, submitted in the event that a monthly redemption is oversubscribed, based on any of the foregoing redemption limits. We may waive the foregoing redemption limits in our sole discretion at any time.

For the Series A4 Preferred Stock, "HOR Settlement Amount" means (A) the stated value, plus (B) unpaid dividends accrued to, but not including, the Holder Redemption Exercise Date, minus (C) the Series A4 Preferred Stock Holder Optional Redemption fee applicable on the respective Holder Redemption Deadline.

For the Series M4 Preferred Stock, "HOR Settlement Amount" means (A) the stated value, plus (B) unpaid dividends accrued to, but not including, the Holder Redemption Exercise Date, but if a holder of Series M4 Preferred Stock exercises a Holder Optional Redemption within the first twenty-four months of issuance of such Series M4 Preferred Stock, the HOR Settlement Amount payable to such holder will be reduced by (i) during the first twelve months of issuance of such Series M4 Preferred Stock, the aggregate amount of all dividends, whether paid or accrued, on such Series M4 Preferred Stock in the six-month period prior to the Holder Redemption Exercise Date, and (ii) during the second twelve months of issuance of such Series M4 Preferred Stock, the aggregate amount of all dividends, whether paid or accrued, on such Series M4 Preferred Stock in the three-month period prior to the Holder Redemption Exercise Date (such amount, the "Series M4 Shares Clawback"). We are permitted to waive the Series M4 Shares Clawback through public announcement of the terms and duration of such waiver. Any such waiver would apply to any holder of Preferred Stock qualifying for the waiver and exercising a Holder Optional Redemption during the pendency of the term of such waiver. Although we have retained the right to waive the Series M4 Shares Clawback in the manner described above, we are not required to establish any such waivers and we may never establish any such waivers.

Subject to certain limitations, each share of 5.50% Preferred Stock or 6.50% Preferred Stock may be converted at our option (the "Issuer Optional Conversion"). We will settle any Issuer Optional Conversion by paying or delivering, as the case may be, (A) any portion of the IOC Settlement Amount (as defined below) that we elect to pay in cash and (B) a number of shares of our common stock at a conversion rate equal to (1) (a) the IOC Settlement Amount, minus (b) any portion of the IOC Settlement Amount that we elect to pay in cash, divided by (2) the 5-day VWAP, subject to our ability to obtain or maintain any stockholder approval that may be required under the 1940 Act to permit us to sell our common stock below net asset value if the 5-day VWAP represents a discount to our net asset value per share of common stock. For the 5.50% Preferred Stock and 6.50% Preferred Stock, "IOC Settlement Amount" means (A) the Stated Value, plus (B) unpaid dividends accrued to, but not including, the date fixed for conversion. In connection with an Issuer Optional Conversion, we will use commercially reasonable efforts to obtain or maintain any stockholder approval that may be required under the 1940 Act to permit us to sell our common stock below net asset value. If we do not have or obtain any required stockholder approval under the 1940 Act to sell our common stock below net asset value and the 5-day VWAP is at a discount to our net asset value per share of common stock, we will settle any conversions in connection with an Issuer Optional Conversion by paying or delivering, as the case may be, (A) any portion of the IOC Settlement Amount that we elect to pay in cash and (B) a number of shares of our common stock at a conversion rate equal to (1) (a) the IOC Settlement Amount, minus (b) any portion of the IOC Settlement Amount that we elect to pay in cash, divided by (2) the NAV per share of common stock at the close of business on the business day immediately preceding the date of conversion. We will not pay any portion of the IOC Settlement Amount from an Issuer Optional Conversion in cash (other than cash in lieu of fractional shares of our common stock) until the Redemption Eligibility Date. Beginning on the Redemption Eligibility Date, we may elect to settle any Issuer Optional Conversion in cash without limitation or restriction. In the event that we exercise an Issuer Optional Conversion with respect to any shares of 5.50% Preferred Stock or 6.50% Preferred Stock, the holder of such 5.50% Preferred Stock or 6.50% Preferred Stock may instead elect a Holder Optional Conversion with respect to such 5.50% Preferred Stock or 6.50% Preferred Stock provided that the date of conversion for such Holder Optional Conversion would occur prior to the date of conversion for an Issuer Optional Conversion. Shares of the Floating Rate Preferred Stock do not have an Issuer Optional Conversion feature. The Company actively manages its offerings of preferred stock and, although it may or may not be presently offering a particular series of its preferred stock, the Company may determine to issue any of its authorized series of preferred stock (and, in connection therewith, to relaunch the offering of any particular series, if previously terminated) based on its assessment of market conditions, demand, and appropriate cost of capital in light of the foregoing and the overall construction of its portfolio and capital structure.

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On July 12, 2021, we entered into an underwriting agreement by and among us, Prospect Capital Management L.P., Prospect Administration LLC, and Morgan Stanley & Co. LLC, RBC Capital Markets, LLC and UBS Securities LLC, as representatives of the underwriters, relating to the offer and sale of 6,000,000 shares, or \$150,000 in aggregate liquidation preference, of our 5.35% Series A Fixed Rate Cumulative Perpetual Preferred Stock, par value \$0.001 per share (the "Series A Preferred Stock" or "5.35% Preferred Stock"), at a public offering price of \$25.00 per share. Pursuant to the Underwriting Agreement, we also granted the underwriters a 30-day option to purchase up to an additional 900,000 shares of Series A Preferred Stock solely to cover over-allotments. The offer settled on July 19, 2021, and no additional shares of the Series A Preferred Stock were issued pursuant to the option. In connection with such offering, on July 15, 2021, we filed Articles Supplementary with SDAT, reclassifying and designating 6,900,000 shares of the Company's authorized and unissued shares of Common Stock into shares of Series A Preferred Stock.

Each series of 5.50% Preferred Stock, 6.50% Preferred Stock, Floating Rate Preferred Stock and Series A Preferred Stock ranks (with respect to the payment of dividends and rights upon liquidation, dissolution or winding up) (a) senior to our common stock, (b) on parity with each other series of our preferred stock, and (c) junior to our existing and future secured and unsecured indebtedness. See Note 8, *Fair Value and Maturity of Debt Outstanding* for further discussion on our senior securities.

We may from time to time seek to cancel or purchase our outstanding preferred stock through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions or otherwise. The amounts involved may be material. Any such purchases or exchanges of preferred stock would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. On June 16, 2022, our Board of Directors authorized the repurchase of up to 1.5 million shares our Series A Preferred Stock and further on October 11, 2023, authorized any and all outstanding Series A Preferred Stock to be repurchased. The manner, price, volume and timing of preferred share repurchases are subject to a variety of factors, including market conditions and applicable SEC rules.

During the three months ended September 30, 2023, we repurchased 62,309 shares of Series A Preferred Stock for a total cost of approximately \$1,001, including fees and commissions paid to the broker, representing an average repurchase price of \$15.88 per share. The difference in the consideration transferred and the net carrying value of the Series A Preferred Stock repurchased, which was \$1,469, resulted in a gain applicable to common stock holders of approximately \$501 during the three months ended September 30, 2023. The repurchased shares reverted to authorized but unissued shares of Series A Preferred Stock and thus the Company holds no treasury stock.

During the three months ended September 30, 2024, we exchanged an aggregate of 87,433 Series M1 Preferred Stock for an aggregate of 5,842 and 81,589 newly-issued Series M3 Preferred Stock and Series M4 Preferred Stock, respectively, pursuant to Section 3(a)(9) of the Securities Act. During the three months ended September 30, 2024, we exchanged an aggregate of 131,917 Series M3 Preferred Stock for an aggregate of 131,914 newly-issued Series M4 Preferred Stock pursuant to the Securities Act.

The Series M3 Preferred Stock and Series M4 Preferred Stock issued in the exchanges were issued in each case to an existing security holder of the Company exclusively in exchange for such holder's securities. No commission or other remuneration was paid or given for soliciting the exchange. Stockholders who exchange Series M1 Preferred Stock for Series M3 Preferred Stock or Series M4 Preferred Stock or Series M3 Preferred Stock for Series M4 Preferred Stock will receive unpaid dividends on their Series M1 Preferred Stock or Series M3 Preferred Stock accrued to, but not including, the Exchange Exercise Date, plus any fractional amount of a Series M1 Preferred Stock or Series M3 Preferred Stock exchanged multiplied by \$25.00 in cash. Upon settlement, the carrying amount (including any premiums or discounts and a proportional amount of any issuance costs) of the Series M1 Preferred Stock or Series M3 Preferred Stock are reclassified to Series M3 Preferred Stock or Series M4 Preferred stock, respectively, with no gain or loss recognized.

Subject to certain limited exceptions allowing earlier redemption, at any time after the close of business on July 19, 2026 (any such date, an "Optional Redemption Date"), at our sole option, we may redeem the Series A Preferred Stock in whole or, from time to time, in part, out of funds legally available for such redemption, at a price per share equal to the liquidation preference of \$25.00 per share, plus an amount equal to all unpaid dividends on such shares (whether or not earned or declared, but excluding interest thereon) accumulated up to, but excluding, the date fixed for redemption. We may also redeem the Series A Preferred Stock at any time, in whole or, from time to time, in part, including prior to the Optional Redemption Date, pro rata, based on liquidation preference, with all other series of our then outstanding preferred stock, in the event that our Board of Directors determines to redeem any series of our preferred stock, in whole or, from time to time, in part, because such redemption is deemed necessary by our Board of Directors to comply with the asset coverage requirements of the 1940 Act or for us to maintain RIC status.

PROSPECT CAPITAL CORPORATION
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In the event of a Change of Control Triggering Event (as defined below), we may, at our option, exercise our special optional redemption right to redeem the Series A Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control Triggering Event has occurred by paying the liquidation preference, plus an amount equal to all unpaid dividends on such shares (whether or not earned or declared, but excluding interest thereon) accumulated up to, but excluding, the date fixed for such redemption. To the extent that we exercise our optional redemption right or our special optional redemption right relating to the Series A Preferred Stock, the holders of Series A Preferred Stock will not be permitted to exercise the conversion right described below in respect of their shares called for redemption.

Except to the extent that we have elected to exercise our optional redemption right or our special optional redemption right by providing notice of redemption prior to the Change of Control Conversion Date (as defined below), upon the occurrence of a Change of Control Triggering Event, each holder of Series A Preferred Stock will have the right to convert some or all of the Series A Preferred Stock held by such holder on the Change of Control Conversion Date into a number of our shares of common stock per Series A Preferred Stock to be converted equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the Liquidation Preference per share plus an amount equal to all unpaid dividends thereon (whether or not earned or declared, but excluding interest thereon) accumulated up to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a Record Date for a Series A Preferred Stock dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividends will be included in this sum) by (ii) the Common Stock Price (as defined below); and
- 6.03865, subject to certain adjustments,

subject, in each case, to provisions for the receipt of alternative consideration upon conversion as described in the applicable prospectus supplement.

If we have provided or provide a redemption notice with respect to some or all of the Series A Preferred Stock, holders of any Series A Preferred Stock that we have called for redemption will not be permitted to exercise their Change of Control Conversion Right in respect of any of their Series A Preferred Stock that have been called for redemption, and any Series A Preferred Stock subsequently called for redemption that have been tendered for conversion will be redeemed on the applicable date of redemption instead of converted on the Change of Control Conversion Date.

For purposes of the foregoing discussion of a redemption upon the occurrence of a Change of Control Triggering Event, the following definitions are applicable:

“Change of Control Triggering Event” means the occurrence of any of the following:

- the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation and other than an Excluded Transaction) in one or a series of related transactions, of all or substantially all of the assets of the Company and its Controlled Subsidiaries taken as a whole to any “person” or “group” (as those terms are used in Section 13(d)(3) of the Exchange Act) (other than to any Permitted Holders); provided that, for the avoidance of doubt, a pledge of assets pursuant to any of our secured debt instruments or the secured debt instruments of our Controlled Subsidiaries shall not be deemed to be any such sale, lease, transfer, conveyance or disposition; or
- the consummation of any transaction (including, without limitation, any merger or consolidation and other than an Excluded Transaction) the result of which is that any “person” or “group” (as those terms are used in Section 13(d)(3) of the Exchange Act) (other than any Permitted Holders) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of our outstanding Voting Stock, measured by voting power rather than number of shares.

Notwithstanding the foregoing, the consummation of any of the transactions referred to in the bullet points above will not be deemed a Change of Control Triggering Event if we or the acquiring or surviving consolidated entity has or continues to have a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE American or NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American or NASDAQ, or is otherwise listed or quoted on a national securities exchange.

The “Change of Control Conversion Date” is the date the shares of Series A Preferred Stock are to be converted, which will be a business day selected by us that is no fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of Series A Preferred Stock.

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The "Common Stock Price" will be (i) if the consideration to be received in the Change of Control Triggering Event by the holders of our common stock is solely cash, the amount of cash consideration per share of our common stock or (ii) if the consideration to be received in the Change of Control Triggering Event by holders of our common stock is other than solely cash (x) the average of the closing sale prices per share of our common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control Triggering Event as reported on the principal U.S. securities exchange on which our common stock is then traded, or (y) the average of the last quoted bid prices for our common stock in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control Triggering Event, if our common stock is not then listed for trading on a U.S. securities exchange.

"Controlled Subsidiary" means any of our subsidiaries, 50% or more of the outstanding equity interests of which are owned by us and our direct or indirect subsidiaries and of which we possess, directly or indirectly, the power to direct or cause the direction of the management or policies, whether through the ownership of voting equity interests, by agreement or otherwise.

"Excluded Transaction" means (i) any transaction that does not result in any reclassification, conversion, exchange or cancellation of all or substantially all of the outstanding shares of our Voting Stock; (ii) any changes resulting from a subdivision or combination or a change solely in par value; (iii) any transaction where the shares of our Voting Stock outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving "person" (as that term is used in Section 13(d)(3) of the Exchange Act) or any direct or indirect parent company of the surviving "person" (as that term is used in Section 13(d)(3) of the Exchange Act) immediately after giving effect to such transaction; (iv) any transaction if (A) we become a direct or indirect wholly-owned subsidiary of a holding company and (B)(1) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of our Voting Stock immediately prior to that transaction or (2) immediately following that transaction no "person" (as that term is used in Section 13(d)(3) of the Exchange Act) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company; or (v) any transaction primarily for the purpose of changing our jurisdiction of incorporation or form of organization.

"Permitted Holders" means (i) us, (ii) one or more of our Controlled Subsidiaries and (iii) Prospect Capital Management or any affiliate of Prospect Capital Management that is organized under the laws of a jurisdiction located in the United States of America and in the business of managing or advising clients.

"Voting Stocks" as applied to stock of any person, means shares, interests, participations or other equivalents in the equity interest (however designated) in such person having ordinary voting power for the election of the directors (or the equivalent) of such person, other than shares, interests, participations or other equivalents having such power only by reason of the occurrence of a contingency.

Except as provided above in connection with a Change of Control Triggering Event, the Series A Preferred Stock is not convertible into or exchangeable for any other securities or property.

For so long as the Series A Preferred Stock and the Floating Rate Preferred Stock are outstanding, we will not exercise any option we have to convert any other series of our outstanding preferred stock to common stock, including the Issuer Optional Conversion, or any other security ranking junior to such preferred stock. As a result, if dividends on the Preferred Stock have accumulated and been unpaid for a period of two years, a possibility of redemption outside of the Company's control exists and, in accordance with ASC 480, we have presented our 5.50% Preferred Stock, 6.50% Preferred Stock, and Series A Preferred Stock within temporary equity on our *Consolidated Statement of Assets and Liabilities* as of September 30, 2024 and June 30, 2024.

The Floating Rate Preferred Stock is redeemable at the election of the Holder at any time; therefore, is probable of redemption outside of the Company's control. As a result, the Floating Rate Preferred Stock is classified within temporary equity on our *Consolidated Statement of Assets and Liabilities* as of September 30, 2024 and is accreted to redemption value upon issuance. Accretion to redemption value is treated as an adjustment to net increase (decrease) in net assets resulting from operations applicable to common stockholders on our *Consolidated Statement of Operations*.

Shares of the 5.50% Preferred Stock and 6.50% Preferred Stock will pay a monthly dividend, when and if declared by our Board of Directors, at a fixed annual rate of 5.50% and 6.50%, respectively, per annum of the Stated Value of \$ 25.00 per share (computed on the basis of a 360-day year consisting of twelve 30-day months), payable in cash or through the issuance of additional 5.50% Preferred Stock and 6.50% Preferred Stock through the 5.50% Preferred Stock DRIP and 6.50% Preferred Stock DRIP, respectively.

PROSPECT CAPITAL CORPORATION
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Shares of the Floating Rate Preferred Stock will pay a monthly dividend, when, and if authorized by, or under authority granted by, our Board of Directors, and declared by us out of funds legally available therefor, at an annualized floating rate equal to one-month Term SOFR (as defined in the Prospectus Supplement dated December 29, 2023) plus 2.00%, subject to a minimum annualized dividend rate of 6.50% (the "Cap Rate") and a maximum annualized dividend rate of 8.00%, each with respect to the stated value of \$ 25.00 per share of the Floating Rate Preferred Stock (computed on the basis of a 360-day year consisting of twelve 30-day months). The floating dividend rate on the Floating Rate Preferred Stock will reset upon each dividend authorization by our Board of Directors, and will reset to the applicable rate as determined two U.S. Government Securities Business Days (as defined in the Prospectus Supplement dated December 29, 2023) prior to such authorization, as adjusted for the terms herein. The applicable floating dividend rate on the Floating Rate Preferred Stock is presently expected to reset approximately once every three months.

Shares of the Series A Preferred Stock will pay a quarterly dividend, when and if declared by our Board of Directors, at a fixed annual rate of 5.35% per annum of the Stated Value of \$25.00 per share (computed on the bases of a 360-day year consisting of twelve 30-day months), payable in cash.

During the three months ended September 30, 2024 and September 30, 2023, we distributed approximately \$10,437 and \$11,836, respectively, to our 5.50% Preferred Stock holders. During the three months ended September 30, 2024 and September 30, 2023, we distributed approximately \$11,337 and \$9,368 to our 6.50% Preferred Stock holders. During the three months ended September 30, 2024 and September 30, 2023, we distributed approximately \$1,756 and \$1,983 to our 5.35% Series A Preferred Stock holders. During the three months ended September 30, 2024, we distributed approximately \$3,039 respectively, to our Floating Rate Preferred Stock holders. During the three months ended September 30, 2023, we made no distributions on our Floating Rate Preferred Stock because there was no Floating Rate Preferred Stock outstanding as of September 30, 2023. Distributions to our 5.50% Preferred Stockholders and 6.50% Preferred Stockholders are net of any Series M Clawback applied to Series M stock through Holder Optional Conversion of such shares. Distributions to our Floating Rate Preferred Stock holders are net of any Series M4 Shares Clawback applied to applicable M4 stock through Holder Optional Redemption of such shares.

PROSPECT CAPITAL CORPORATION
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(in thousands, except share and per share data)

Our distributions to our 5.50% Preferred Stock holders, 6.50% Preferred Stock holders, Floating Rate Preferred Stock holders and 5.35% Series A Preferred Stock holders for the three months ended September 30, 2024 and September 30, 2023, are summarized in the following table:

| Declaration Date | Record Date | Payment Date | Amount (\$ per share), before pro ration for partial periods | | Amount Distributed |
|---|-------------|--------------|--|----------|--------------------|
| <u>5.50% Preferred Stock holders</u> | | | | | |
| 5/8/2024 | 7/17/2024 | 8/1/2024 | \$ | 0.114583 | \$ 3,516 |
| 5/8/2024 | 8/15/2024 | 9/3/2024 | | 0.114583 | 3,491 |
| 8/28/2024 | 9/18/2024 | 10/1/2024 | | 0.114583 | 3,430 |
| Distributions for the three months ended September 30, 2024 | | | | | <u>\$ 10,437</u> |
| | | | | | |
| 5/9/2023 | 7/19/2023 | 8/1/2023 | \$ | 0.114583 | \$ 3,968 |
| 5/9/2023 | 8/16/2023 | 9/1/2023 | | 0.114583 | 3,961 |
| 8/29/2023 | 9/20/2023 | 10/2/2023 | | 0.114583 | 3,907 |
| Distributions for the three months ended September 30, 2023 | | | | | <u>\$ 11,836</u> |
| | | | | | |
| <u>6.50% Preferred Stock holders</u> | | | | | |
| 5/8/2024 | 7/17/2024 | 8/1/2024 | \$ | 0.135417 | \$ 3,803 |
| 5/8/2024 | 8/15/2024 | 9/3/2024 | | 0.135417 | 3,785 |
| 8/28/2024 | 9/18/2024 | 10/1/2024 | | 0.135417 | 3,749 |
| Distributions for the three months ended September 30, 2024 | | | | | <u>\$ 11,337</u> |
| | | | | | |
| 5/9/2023 | 7/19/2023 | 8/1/2023 | | 0.135417 | \$ 2,978 |
| 5/9/2023 | 8/16/2023 | 9/1/2023 | | 0.135417 | 3,111 |
| 8/29/2023 | 9/20/2023 | 10/2/2023 | | 0.135417 | 3,279 |
| Distributions for the three months ended September 30, 2023 | | | | | <u>\$ 9,368</u> |
| | | | | | |
| <u>Floating Rate Preferred Stock holders</u> | | | | | |
| 5/8/2024 | 7/17/2024 | 8/1/2024 | \$ | 0.152550 | \$ 876 |
| 5/8/2024 | 8/15/2024 | 9/3/2024 | | 0.152550 | 1,052 |
| 8/28/2024 | 9/18/2024 | 10/1/2024 | | 0.151584 | 1,111 |
| Distributions for the three months ended September 30, 2024 | | | | | <u>\$ 3,039</u> |
| | | | | | |
| <u>5.35% Preferred Stock holders</u> | | | | | |
| 5/8/2024 | 7/17/2024 | 8/1/2024 | \$ | 0.334375 | \$ 1,756 |
| Distributions for the three months ended September 30, 2024 | | | | | <u>\$ 1,756</u> |
| | | | | | |
| 5/9/2023 | 7/19/2023 | 8/1/2023 | \$ | 0.334375 | \$ 1,983 |
| Distributions for the three months ended September 30, 2023 | | | | | <u>\$ 1,983</u> |

The above table includes dividends paid during the three months ended September 30, 2024. It does not include distributions previously declared to the 5.50% Preferred Stock holders, 6.50% Preferred Stock holders, Floating Rate Preferred Stock holders and 5.35% Series A Preferred Stock holders of record for any future dates, as those amounts are not yet determinable. The following dividends were previously declared and will be recorded and paid subsequent to September 30, 2024:

- \$0.114583 per share (before pro ration for partial period holders of record) for 5.50% Preferred Stock holders of record on October 16, 2024 with a payment date of November 1, 2024.
- \$0.114583 per share (before pro ration for partial period holders of record) for 5.50% Preferred Stock holders of record on November 20, 2024 with a payment date of December 2, 2024.

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- \$0.135417 per share (before pro ration for partial period holders of record) for 6.50% Preferred Stock holders of record on October 16, 2024 with a payment date of November 1, 2024.
- \$0.135417 per share (before pro ration for partial period holders of record) for 6.50% Preferred Stock holders of record on November 20, 2024 with a payment date of December 2, 2024.
- \$0.151584 per share (before pro ration for partial period holders of record) for Floating Rate Preferred Stock holders of record on October 16, 2024 with a payment date of November 1, 2024.
- \$0.151584 per share (before pro ration for partial period holders of record) for Floating Rate Preferred Stock holders of record on November 20, 2024 with a payment date of December 2, 2024.
- \$0.334375 per share (before pro ration for partial period holders of record) for 5.35% Series A Preferred Stock holders of record on October 16, 2024 with a payment date of November 1, 2024.

As of September 30, 2024, we have accrued approximately \$16 and \$1,756 in dividends that have not yet been paid for our Floating Rate Preferred Stock holders and 5.35% Series A Preferred Stock holders, respectively.

The following table shows our outstanding Preferred Stock as of September 30, 2024:

| Series | Maximum Offering Size (Shares) | Maximum Aggregate Liquidation Preference of Offering | Inception to Date Preferred Shares Issued via Offering | Inception to Date Liquidation Preference Issued via Offering | Preferred Stock Outstanding | Liquidation Preference Outstanding |
|------------|-----------------------------------|--|--|---|--------------------------------|--|
| Series A1 | 80,000,000 ⁽¹⁾ | \$ 2,000,000 ⁽¹⁾ | 31,448,021 | \$ 786,201 | 28,266,559 ⁽⁴⁾ | \$ 706,664 |
| Series M1 | 80,000,000 ⁽¹⁾ | 2,000,000 ⁽¹⁾ | 4,110,318 | \$ 102,758 | 1,409,007 ⁽⁴⁾ | 35,225 |
| Series M2 | 80,000,000 ⁽¹⁾ | 2,000,000 ⁽¹⁾ | — | \$ — | — | — |
| Series A3 | 80,000,000 ⁽¹⁾ | 2,000,000 ⁽¹⁾ | 25,020,192 | \$ 625,505 | 24,608,472 ⁽⁴⁾ | 615,212 |
| Series M3 | 80,000,000 ⁽¹⁾ | 2,000,000 ⁽¹⁾ | 3,490,259 | \$ 87,256 | 3,025,020 ⁽⁴⁾ | 75,626 |
| Series A4 | 80,000,000 ⁽¹⁾ | 2,000,000 ⁽¹⁾ | 5,798,339 | \$ 144,958 | 5,801,035 ⁽⁵⁾ | 145,026 |
| Series M4 | 80,000,000 ⁽¹⁾ | 2,000,000 ⁽¹⁾ | 743,975 | \$ 18,599 | 1,847,915 ⁽⁵⁾ | 46,198 |
| Series AA1 | 10,000,000 ⁽²⁾ | 250,000 ⁽²⁾ | — | \$ — | — | — |
| Series MM1 | 10,000,000 ⁽²⁾ | 250,000 ⁽²⁾ | — | \$ — | — | — |
| Series AA2 | 10,000,000 ⁽²⁾ | 250,000 ⁽²⁾ | — | \$ — | — | — |
| Series MM2 | 10,000,000 ⁽²⁾ | 250,000 ⁽²⁾ | — | \$ — | — | — |
| Series A2 | 187,000 | 4,675 | 187,000 | \$ 4,675 | 164,000 ⁽⁴⁾ | 4,100 |
| Series A | 6,000,000 | 150,000 | 6,000,000 | \$ 150,000 | 5,251,157 ⁽⁶⁾ | 131,279 |
| Total | 96,187,000 ⁽³⁾ | \$ 2,404,675 ⁽³⁾ | 76,798,104 | \$ 1,919,953 ⁽⁷⁾ | 70,373,165 | \$ 1,759,330 ⁽⁷⁾ |

(1) The maximum offering of 80,000,000 shares and \$2,000,000 aggregate liquidation preference is for any combination of Series A1, Series M1, Series M2, Series A3, Series M3, Series A4, and Series M4 shares.

(2) The maximum offering of 10,000,000 shares and \$250,000 aggregate liquidation preference is for any combinations of Series AA1, Series MM1, Series AA2, and Series MM2.

(3) The authorized maximum offering size of Preferred Stock as of September 30, 2024 is 96,187,000 shares, par value \$0.001 per share, with an aggregate liquidation preference of \$2,404,675, a liquidation preference of \$25.00 per share. The totals referenced in the above table are in light of the combined maximum offering amounts for the various series of shares identified in footnote 1 and footnote 2 and the table columns are not intended to foot.

(4) Preferred Stock shares outstanding is calculated as shares issued under the respective offering program, net of additional shares issued through the Preferred Stock DRIP and net of Preferred Stock conversions to common stock through the Holder Optional Conversion and Optional Redemption Upon Death of Holder. Refer to subsequent tables for respective fiscal year activity.

(5) Preferred Stock shares outstanding is calculated as shares issued under the respective offering program, net of additional shares issued through the Preferred Stock DRIP and net of Preferred Stock redemptions through the Holder Optional Redemption and Optional Redemption Upon Death of Holder. Refer to subsequent tables for respective fiscal year activity.

(6) Preferred Stock shares outstanding is calculated as shares issued under the respective offering program net of shares repurchased via open market purchases and shares retired via the Tender Offer. Refer to subsequent tables for respective fiscal year activity.

(7) Does not foot due to rounding.

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The following table shows our outstanding Preferred Stock as of June 30, 2024:

| Series | Maximum Offering Size (Shares) | Maximum Aggregate Liquidation Preference of Offering | Inception to Date Preferred Shares Issued via Offering | Inception to Date Liquidation Preference of Shares Issued | Preferred Stock Shares Outstanding | Liquidation Preference of Shares Outstanding |
|------------|--------------------------------|--|--|---|------------------------------------|--|
| Series A1 | 80,000,000 ⁽¹⁾ | \$ 2,000,000 ⁽¹⁾ | 31,448,021 | \$ 786,201 | 28,932,457 ⁽⁴⁾ | \$ 723,311 |
| Series M1 | 80,000,000 ⁽¹⁾ | 2,000,000 ⁽¹⁾ | 4,110,318 | 102,758 | 1,788,851 ⁽⁴⁾ | 44,721 |
| Series M2 | 80,000,000 ⁽¹⁾ | 2,000,000 ⁽¹⁾ | — | — | — | — |
| Series A3 | 80,000,000 ⁽¹⁾ | 2,000,000 ⁽¹⁾ | 24,932,955 | 623,324 | 24,810,648 ⁽⁴⁾ | 620,266 |
| Series M3 | 80,000,000 ⁽¹⁾ | 2,000,000 ⁽¹⁾ | 3,473,259 | 86,831 | 3,351,101 ⁽⁴⁾ | 83,778 |
| Series A4 | 80,000,000 ⁽¹⁾ | 2,000,000 ⁽¹⁾ | 3,765,322 | 94,133 | 3,766,166 ⁽⁵⁾ | 94,154 |
| Series M4 | 80,000,000 ⁽¹⁾ | 2,000,000 ⁽¹⁾ | 509,948 | 12,749 | 1,401,747 ⁽⁵⁾ | 35,044 |
| Series AA1 | 10,000,000 ⁽²⁾ | 250,000 ⁽²⁾ | — | — | — | — |
| Series MM1 | 10,000,000 ⁽²⁾ | 250,000 ⁽²⁾ | — | — | — | — |
| Series AA2 | 10,000,000 ⁽²⁾ | 250,000 ⁽²⁾ | — | — | — | — |
| Series MM2 | 10,000,000 ⁽²⁾ | 250,000 ⁽²⁾ | — | — | — | — |
| Series A2 | 187,000 | 4,675 | 187,000 | 4,675 | 164,000 ⁽⁴⁾ | 4,100 |
| Series A | 6,000,000 | 150,000 | 6,000,000 | 150,000 | 5,251,157 ⁽⁶⁾ | 131,279 |
| Total | 96,187,000 ⁽³⁾ | \$ 2,404,675 ⁽³⁾ | 74,426,823 | \$ 1,860,671 | 69,466,127 | \$ 1,736,653 ⁽⁷⁾ |

(1) The maximum offering of 80,000,000 shares and \$2,000,000 aggregate liquidation preference is for any combinations of Series A1, Series M1, Series M2, Series A3, Series M3, Series A4, and Series M4 shares.

(2) The maximum offering of 10,000,000 shares and \$250,000 aggregate liquidation preference is for any combinations of Series AA1, Series MM1, Series AA2, and Series MM2.

(3) The authorized maximum offering size of Preferred Stock as of June 30, 2024 is 96,187,000 shares, par value \$0.001 per share, with an aggregate liquidation preference of \$2,404,675, a liquidation preference of \$25.00 per share. The totals referenced in the above table are in light of the combined maximum offering amounts for the various series of shares identified in footnote 1 and footnote 2 and the table columns are not intended to foot.

(4) Preferred Stock shares outstanding is calculated as shares issued under the respective offering program, net of additional shares issued through the Preferred Stock DRIP and net of Preferred Stock conversions to common stock through the Holder Optional Conversion and Optional Redemption Upon Death of Holder. Refer to subsequent tables for respective fiscal year activity.

(5) Preferred Stock shares outstanding is calculated as shares issued under the respective offering program net of additional shares issued through the Preferred Stock DRIP and net of Preferred Stock redemptions through the Holder Optional Redemption and Optional Redemption Upon Death of Holder. Refer to subsequent tables for respective fiscal year activity.

(6) Preferred Stock shares outstanding is calculated as shares issued under the respective offering program net of shares repurchased via open market purchases and shares retired via the Tender Offer. Refer to subsequent tables for respective fiscal year activity.

(7) Does not foot due to rounding.

Preferred Stock issued prior to the issuance of our 5.35% Series A Preferred Stock has a carrying value equal to liquidation value per share on our *Consolidated Statements of Assets and Liabilities*. Subsequent issuances of our Preferred Stock classified as temporary equity are recorded net of issuance costs, with the Floating Rate Preferred Stock immediately accreted to redemption value as discussed above. The carrying value of all Preferred Stock is inclusive of cumulative accrued and unpaid dividends as of September 30, 2024 and June 30, 2024.

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Series A1, Series A2, Series M1, Series A3, and Series M3 shares outstanding are net of dividend reinvestments paid and conversions to common stock in accordance with their liquidation features. Series A4 and Series M4 shares outstanding are net of dividend reinvestments paid and redemptions in accordance with their liquidation features. Series A shares outstanding are net of shares repurchased via the authorized repurchase of Series A Preferred Stock. The following tables show such activity during the three months ended September 30, 2024:

| Series | June 30, 2024 Shares Outstanding | Shares Issued | Shares issued through Preferred Stock DRIP | Exchanges | Redemptions/Repurchases ⁽¹⁾ | September 30, 2024 Shares Outstanding |
|-----------|----------------------------------|--------------------------|--|--------------------|--|---------------------------------------|
| Series A1 | 28,932,457 | — | 17,115 | — | (683,012) | 28,266,559 ⁽²⁾ |
| Series M1 | 1,788,851 | — | 238 | (87,433) | (292,649) | 1,409,007 |
| Series A3 | 24,810,648 | 87,237 | 19,501 | — | (308,914) | 24,608,472 |
| Series M3 | 3,351,101 | 17,000 | 974 | (126,075) | (217,979) | 3,025,020 ⁽²⁾ |
| Series A4 | 3,766,166 | 2,033,017 | 1,851 | — | — | 5,801,035 ⁽²⁾ |
| Series M4 | 1,401,747 | 234,027 | 478 | 213,503 | (1,840) | 1,847,915 |
| Series A2 | 164,000 | — | — | — | — | 164,000 |
| Series A | 5,251,157 | — | — | — | — | 5,251,157 |
| Total | 69,466,127 ⁽²⁾ | 2,371,281 ⁽³⁾ | 40,157 | (4) ⁽⁴⁾ | (1,504,395) ⁽²⁾ | 70,373,165 ⁽²⁾ |

(1) During the three months ended September 30, 2024, 1,502,554 shares of the 5.50% Preferred Stock and 6.50% Preferred Stock were converted to common shares via Holder Optional Redemptions and Optional Redemptions Upon Death of Holder and 1,840 shares of the Floating Rate Preferred Stock were redeemed for cash via Holder Optional Redemptions.

(2) Does not foot or crossfoot due to fractional share rounding.

(3) During the three months ended September 30, 2024, we issued 2,371,281 shares of Preferred Stock for net proceeds of \$53,798 with a liquidation value of \$59,282.

(4) During the three months ended September 30, 2024, an aggregate amount of 4.17 fractional shares were exchanged and paid to the exchanging holders with cash in lieu of the exchanged shares.

The following tables show such activity during the three months ended September 30, 2023:

| Series | June 30, 2023 Shares Outstanding | Shares Issued | Shares issued through Preferred Stock DRIP | Shares Converted to Common/Repurchased ⁽¹⁾ | September 30, 2023 Shares Outstanding |
|-----------|----------------------------------|--------------------------|--|---|---------------------------------------|
| Series A1 | 30,965,138 | — | 15,617 | (200,086) | 30,780,669 |
| Series M1 | 3,681,591 | — | 649 | (526,888) | 3,155,352 |
| Series A3 | 18,829,837 | 2,801,585 | 12,040 | (32,358) | 21,611,105 ⁽²⁾ |
| Series M3 | 2,498,788 | 396,500 | 1,107 | (14,141) | 2,882,254 |
| Series A2 | 164,000 | — | — | — | 164,000 |
| Series A | 5,962,654 | — | — | (62,309) | 5,900,345 |
| Total | 62,102,009 ⁽²⁾ | 3,198,085 ⁽³⁾ | 29,413 | (835,782) | 64,493,725 |

(1) During the three months ended September 30, 2023, 773,473 shares of the 5.50% Preferred Stock and 6.50% Preferred Stock were converted to common shares via Holder Optional Redemptions and Optional Redemptions Upon Death of Holder and 62,309 of the 5.35% Series A Preferred Stock were repurchased via open market purchases.

(2) Does not foot or crossfoot due to fractional share rounding.

(3) During the three months ended September 30, 2023, we issued 3,198,085 shares of Preferred Stock for net proceeds of \$748,223 with a liquidation value of \$79,952.

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Common Stock

Our common stockholders' equity accounts as of September 30, 2024 and June 30, 2024 reflect cumulative shares issued, net of shares previously repurchased, as of those respective dates. Our common stock has been issued through public offerings, a registered direct offering, the exercise of over-allotment options on the part of the underwriters, our common stock dividend reinvestment plan in connection with the acquisition of certain controlled portfolio companies and in connection with our 5.50% and 6.50% Preferred Stock Holder Optional Conversion and Optional Redemptions Following Death of a Holder. When our common stock is issued, the related offering expenses have been charged against paid-in capital in excess of par. All underwriting fees and offering expenses were borne by us.

On August 24, 2011, our Board of Directors approved a share repurchase plan (the "Repurchase Program"), pursuant to which we may repurchase up to \$100,000 of our common stock at prices below our net asset value per share. Prior to any repurchase, we are required to notify stockholders of our intention to purchase our common stock.

We did not repurchase any shares of our common stock under the Repurchase Program for the three months ended September 30, 2024 and September 30, 2023. As of September 30, 2024, the approximate dollar value of shares that may yet be purchased under the Repurchase Program is \$65,860.

Excluding common stock dividend reinvestments and shares issued in connection with the 5.50% and 6.50% Preferred Stock Holder Optional Conversion and Optional Redemption Upon Death of Holder, during the three months ended September 30, 2024 and September 30, 2023, we did not issue any shares of our common stock.

On February 9, 2016, we amended our common stock dividend reinvestment plan that provided for reinvestment of our dividends or distributions on behalf of our stockholders, unless a stockholder elects to receive cash, to add the ability of stockholders to purchase additional common shares by making optional cash investments. Under the revised dividend reinvestment and direct common stock repurchase plan, stockholders may elect to purchase additional common shares through our transfer agent in the open market or in negotiated transactions.

On April 17, 2020, our Board of Directors approved further amendments to our common stock dividend reinvestment plan, effective May 21, 2020, that principally provide for the number of newly-issued shares of our common stock to be credited to a stockholder's account shall be determined by dividing the total dollar amount of the distribution payable to such common stockholder by 95% of the market price per share of our common stock at the close of regular trading on the Nasdaq Global Select Market on the date fixed by our Board of Directors for such distribution (which shall be the last business day before the payment date).

On June 10, 2024 at a special meeting of stockholders, our stockholders authorized us to sell shares of our common stock (during the next 12 months) at a price or prices below our net asset value per share at the time of sale in one or more offerings, subject to certain conditions as set forth in the proxy statement relating to the special meeting (including that the number of shares sold on any given date does not exceed 25% of its outstanding common stock immediately prior to such sale).

During the three months ended September 30, 2024 and September 30, 2023, we distributed approximately \$77,358 and \$73,252, respectively, to our common stockholders. The following table summarizes our distributions to common stockholders declared and payable for the three months ended September 30, 2024 and September 30, 2023:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
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| Declaration Date | Record Date | Payment Date | Amount Per Share | Amount Distributed (in thousands) |
|--|-------------|--------------|------------------|-----------------------------------|
| 5/8/2024 | 7/29/2024 | 8/21/2024 | \$ 0.06 | \$ 25,607 |
| 5/8/2024 | 8/28/2024 | 9/19/2024 | 0.06 | 25,739 |
| 8/28/2024 | 9/26/2024 | 10/22/2024 | 0.06 | 26,012 |
| Total declared and payable for the three months ended September 30, 2024 | | | | \$ 77,358 |
| 5/9/2023 | 7/27/2023 | 8/22/2023 | \$ 0.06 | \$ 24,317 |
| 5/9/2023 | 8/29/2023 | 9/20/2023 | 0.06 | 24,418 |
| 8/29/2023 | 9/27/2023 | 10/19/2023 | 0.06 | 24,517 |
| Total declared and payable for the three months ended September 30, 2023 | | | | \$ 73,252 |

Dividends and distributions to common stockholders are recorded on the ex-dividend date. As such, the table above includes distributions with record dates during the three months ended September 30, 2024 and September 30, 2023. It does not include distributions previously declared to common stockholders of record on any future dates, as those amounts are not yet determinable. The following dividends were previously declared and will be recorded and payable subsequent to September 30, 2024:

- \$0.06 per share for October 2024 holders of record on October 29, 2024 with a payment date of November 19, 2024.

During the three months ended September 30, 2024 and September 30, 2023, we issued 1,834,082 and 1,538,258 shares of our common stock, respectively, in connection with the common stock dividend reinvestment plan.

As of September 30, 2024, we have reserved 17,294,357 shares of our common stock for issuance upon conversion of the Convertible Notes (see Note 5) and 1,000,000,000 shares of our common stock for issuance upon conversion of the 5.50% Preferred Stock and the 6.50% Preferred Stock.

Note 10. Other Income

Other income consists of structuring fees, amendment fees, overriding royalty interests, receipts related to net profit and revenue interests, deal deposits, administrative agent fees, and other miscellaneous and sundry cash receipts. The following table shows income from such sources during the three months ended September 30, 2024 and September 30, 2023:

| | Three Months Ended September 30, | |
|--|----------------------------------|-----------|
| | 2024 | 2023 |
| Structuring and amendment fees (refer to Note 3) | \$ 2,244 | \$ 16,391 |
| Royalty, net profit and revenue interests | 6,839 | 14,167 |
| Administrative agent fees | 200 | 181 |
| Total other income | \$ 9,283 | \$ 30,739 |

Note 11. Net Increase (Decrease) in Net Assets per Common Share

Basic earnings (loss) per share is calculated by dividing the net increase (decrease) in net assets resulting from operations, less preferred stock dividends plus net gain (loss) on repurchase and accretion to redemption value of redeemable preferred stock, by the weighted average number of common shares outstanding for that period. Diluted earnings (loss) per share gives effect to all dilutive potential common shares outstanding using the if-converted method for the 5.50% Preferred Stock, the 6.50% Preferred Stock (Refer to Note 9) and the 2025 Notes (Refer to Note 5).

Diluted earnings per share excludes all dilutive potential common shares if their effect is anti-dilutive.

During the three months ended September 30, 2024, conversion of our convertible instruments had an anti-dilutive effect and therefore, conversion is not assumed.

The following information sets forth the computation of basic and diluted earnings per common share during the three months ended September 30, 2024 and September 30, 2023:

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| | For the Three Months Ended September 30, | |
|---|---|--------------------|
| | 2024 | 2023 |
| Net increase (decrease) in net assets resulting from operations - basic | \$ (165,069) | \$ 94,011 |
| Adjustment for dividends on Convertible Preferred Stock | — | 21,210 |
| Adjustment for interest on Convertible Notes | — | 2,717 |
| Adjustment for Incentive Fee on Convertible Instruments | — | (4,785) |
| Net increase (decrease) in net assets resulting from operations - diluted | <u>\$ (165,069)</u> | <u>\$ 113,153</u> |
| Weighted average common shares outstanding - basic | 428,873,206 | 406,350,619 |
| Weighted average common shares from assumed conversion of Convertible Preferred Stock | — | 211,945,352 |
| Weighted average common shares from assumed conversion of Convertible Notes | — | 17,294,357 |
| Weighted average shares of common stock outstanding - diluted | <u>428,873,206</u> | <u>635,590,328</u> |
| Earnings (loss) per share - basic | \$ (0.38) | \$ 0.23 |
| Earnings (loss) per share - diluted | <u>\$ (0.38)</u> | <u>\$ 0.18</u> |

Note 12. Income Taxes

While our fiscal year end for financial reporting purposes is June 30 of each year, our tax year end is August 31 of each year. The information presented in this footnote is based on our tax year end for each period presented, unless otherwise specified.

The determination of tax character of distributions was not determinable at the end of the fiscal year end. Final determination of tax character of distributions will not be final until we file our return for the tax year. For income tax purposes, dividends paid and distributions made to stockholders are reported as ordinary income, capital gains, non-taxable return of capital, or a combination thereof. The tax character of dividends paid to common stockholders during the tax years ended August 31, 2024, 2023, and 2022 were as follows:

| | Tax Year Ended August 31, | | |
|---|---------------------------|-------------------|-------------------|
| | 2024 | 2023 | 2022 |
| Ordinary income | \$ 220,295 | \$ 243,085 | \$ 231,984 |
| Capital gain | — | — | 49,719 |
| Return of capital | 78,627 | 44,838 | — |
| Total distributions paid to common stockholders | <u>\$ 298,922</u> | <u>\$ 287,923</u> | <u>\$ 281,703</u> |

The Company began issuing shares of Preferred Stock and declaring dividends on shares Preferred Stock outstanding during the tax year ended August 31, 2021. The tax character of dividends paid to preferred stockholders during the tax years ended August 31, 2024, 2023, and 2022 were as follows:

| | Tax Year Ended August 31, | | |
|--|---------------------------|------------------|------------------|
| | 2024 | 2023 | 2022 |
| Ordinary income | \$ 99,131 | \$ 74,975 | \$ 22,551 |
| Capital gain | — | — | 6,476 |
| Return of capital | — | — | — |
| Total distributions paid to preferred stockholders | <u>\$ 99,131</u> | <u>\$ 74,975</u> | <u>\$ 29,027</u> |

For the tax year ending August 31, 2024, the tax character of distributions paid to stockholders through August 31, 2024 is expected to be ordinary income and return of capital. However, due to the difference between our fiscal and tax year ends, the

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final determination of the tax character of distributions between ordinary income and return of capital will not be made until we file our tax return for the tax year ending August 31, 2024.

Taxable income generally differs from net increase in net assets resulting from operations for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized gains or losses, as unrealized gains or losses are generally not included in taxable income until they are realized. The following reconciles the net increase in net assets resulting from operations to taxable income for the tax years ended August 31, 2024, 2023, and 2022:

| | Tax Year Ended August 31, | | |
|---|---------------------------|-------------------|-------------------|
| | 2024 | 2023 | 2022 |
| Net (decrease) increase in net assets resulting from operations | \$ 234,119 | \$ (88,043) | \$ 735,337 |
| Net realized losses on investments | 434,238 | 40,795 | 22,375 |
| Net unrealized losses (gains) on investments | (259,971) | 480,916 | (405,414) |
| Other temporary book-to-tax differences ⁽¹⁾ | (89,150) | (148,147) | (66,363) |
| Permanent differences | 62 | 27 | 30 |
| Taxable income before deductions for distributions | <u>\$ 319,298</u> | <u>\$ 285,548</u> | <u>\$ 285,965</u> |

(1) Temporary book-to-tax differences include timing recognition of CLO income, flow-through investment income/loss, and dividend income from portfolio companies

As of our most recent tax year ended August 31, 2024, we had no undistributed ordinary income in excess of cumulative distributions and no capital gain in excess of cumulative distributions.

Capital losses in excess of capital gains earned in a tax year may generally be carried forward and used to offset capital gains, subject to certain limitations. As of our most recent tax year ended August 31, 2024, we had a capital loss carryforward of \$397,769 available for use in later tax years.

As of September 30, 2024, the cost basis of investments for tax purposes was \$ 7,324,830 resulting in an estimated net unrealized gain of \$ 151,811. As of June 30, 2024, the cost basis of investments for tax purposes was \$7,429,121 resulting in an estimated net unrealized gain of \$ 289,122. As of September 30, 2024, the gross unrealized gains and losses were \$1,254,003 and \$1,102,192, respectively. As of June 30, 2024, the gross unrealized gains and losses were \$1,381,820 and \$1,092,698, respectively. Due to the difference between our fiscal year end and tax year end, the cost basis of our investments for tax purposes as of September 30, 2024 and June 30, 2024 was calculated based on the book cost of investments as of September 30, 2024 and June 30, 2024, respectively, with cumulative book-to-tax adjustments for investments through August 31, 2024 and 2023, respectively.

In general, we may make certain adjustments to the classification of net assets as a result of permanent book-to-tax differences, which may include merger-related items, differences in the book and tax basis of certain assets and liabilities, and nondeductible federal excise taxes, among other items. During the tax year ended August 31, 2024, we increased total distributable earnings by \$63, decreased accumulated realized losses by \$ 21,530, and decreased capital in excess of par value by \$21,593. During the tax year ended August 31, 2023, we increased total distributable earnings by \$ 27, increased accumulated realized losses by \$622, and increased capital in excess of par value by \$ 595. Due to the difference between our fiscal and tax year end, the reclassifications for the taxable year ended August 31, 2024, once finalized, will be recorded in the fiscal year ending June 30, 2025 and the reclassifications for the taxable year ended August 31, 2023 were recorded in the fiscal year ended June 30, 2024.

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Note 13. Related Party Agreements and Transactions

Investment Advisory Agreement

We have entered into an investment advisory and management agreement with the Investment Adviser (the "Investment Advisory Agreement") under which the Investment Adviser, subject to the overall supervision of our Board of Directors, manages the day-to-day operations of, and provides investment advisory services to, us. Under the terms of the Investment Advisory Agreement, the Investment Adviser: (i) determines the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes, (ii) identifies, evaluates and negotiates the structure of the investments we make (including performing due diligence on our prospective portfolio companies), and (iii) closes and monitors investments we make.

The Investment Adviser's services under the Investment Advisory Agreement are not exclusive, and it is free to furnish similar services to other entities so long as its services to us are not impaired. For providing these services the Investment Adviser receives a fee from us, consisting of two components: a base management fee and an incentive fee. The base management fee is calculated at an annual rate of 2.00% on our total assets. For services currently rendered under the Investment Advisory Agreement, the base management fee is payable quarterly in arrears. The base management fee is calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters and appropriately adjusted for any share issuances or repurchases during the current calendar quarter. The total gross base management fee incurred to the favor of the Investment Adviser was \$38,606 and \$39,289, during the three months ended September 30, 2024 and September 30, 2023, respectively.

The incentive fee has two parts. The first part, the income incentive fee, is calculated and payable quarterly in arrears based on our pre-incentive fee net investment income for the immediately preceding calendar quarter. For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees and other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement described below, and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with payment-in-kind interest and zero coupon securities), accrued income that we have not yet received in cash. Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital gains or losses. Pre-incentive fee net investment income, expressed as a rate of return on the value of our net assets at the end of the immediately preceding calendar quarter, is compared to a "hurdle rate" of 1.75% per quarter (7.00% annualized).

The net investment income used to calculate this part of the incentive fee is also included in the amount of the gross assets used to calculate the 2.00% base management fee. We pay the Investment Adviser an income incentive fee with respect to our pre-incentive fee net investment income in each calendar quarter as follows:

- No incentive fee in any calendar quarter in which our pre-incentive fee net investment income does not exceed the hurdle rate;
- 100.00% 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 125.00% of the quarterly hurdle rate in any calendar quarter (8.75% annualized assuming a 7.00% annualized hurdle rate); and
- 20.00% of the amount of our pre-incentive fee net investment income, if any, that exceeds 125.00% of the quarterly hurdle rate in any calendar quarter (8.75% annualized assuming a 7.00% annualized hurdle rate).

These calculations are appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

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The second part of the incentive fee, the capital gains incentive fee, is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), and equals 20.00% of our realized capital gains for the calendar year, if any, computed net of all realized capital losses and unrealized capital depreciation at the end of such year. In determining the capital gains incentive fee payable to the Investment Adviser, we calculate the aggregate realized capital gains, aggregate realized capital losses and aggregate unrealized capital depreciation, as applicable, with respect to each investment that has been in our portfolio. For the purpose of this calculation, an "investment" is defined as the total of all rights and claims which may be asserted against a portfolio company arising from our participation in the debt, equity, and other financial instruments issued by that company. Aggregate realized capital gains, if any, equal the sum of the differences between the aggregate net sales price of each investment and the aggregate amortized cost basis of such investment when sold or otherwise disposed. Aggregate realized capital losses equal the sum of the amounts by which the aggregate net sales price of each investment is less than the aggregate amortized cost basis of such investment when sold or otherwise disposed. Aggregate unrealized capital depreciation equals the sum of the differences, if negative, between the aggregate valuation of each investment and the aggregate amortized cost basis of such investment as of the applicable calendar year-end. At the end of the applicable calendar year, the amount of capital gains that serves as the basis for our calculation of the capital gains incentive fee involves netting aggregate realized capital gains against aggregate realized capital losses on a since-inception basis and then reducing this amount by the aggregate unrealized capital depreciation. If this number is positive, then the capital gains incentive fee payable is equal to 20.00% of such amount, less the aggregate amount of any capital gains incentive fees paid since inception.

The total income incentive fee incurred was \$15,680 and \$25,617, during the three months ended September 30, 2024 and September 30, 2023, respectively. No capital gains incentive fee was incurred during the three months ended September 30, 2024 and September 30, 2023.

Administration Agreement

We have also entered into an administration agreement (the "Administration Agreement") with Prospect Administration under which Prospect Administration, among other things, provides (or arranges for the provision of) administrative services and facilities for us. For providing these services, we reimburse Prospect Administration for our allocable portion of overhead incurred by Prospect Administration in performing its obligations under the Administration Agreement, including rent and our allocable portion of the costs of our Chief Financial Officer and Chief Compliance Officer and her staff, including the internal legal staff. Under this agreement, Prospect Administration furnishes us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities. Prospect Administration also performs, or oversees the performance of, our required administrative services, which include, among other things, being responsible for the financial records that we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, Prospect Administration assists us in determining and publishing our net asset value, overseeing the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Under the Administration Agreement, Prospect Administration also provides on our behalf managerial assistance to certain portfolio companies (see *Managerial Assistance to Portfolio Companies* section below). The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. Prospect Administration is a wholly-owned subsidiary of the Investment Adviser.

The Administration Agreement provides that, absent willful misfeasance, bad faith or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, Prospect Administration and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of Prospect Administration's services under the Administration Agreement or otherwise as administrator for us. Our payments to Prospect Administration are reviewed quarterly by our Board of Directors.

The allocation of net overhead expense from Prospect Administration was \$5,708 and \$2,113 for the three months ended September 30, 2024 and September 30, 2023, respectively. Prospect Administration received estimated payments of \$186 and \$3,468 directly from our portfolio companies and certain funds managed by the Investment Adviser for legal, tax, and other administrative services during the three months ended September 30, 2024 and September 30, 2023, respectively. We were given a credit for these payments as a reduction of the administrative services cost payable by us to Prospect Administration. Had Prospect Administration not received these payments, Prospect Administration's charges for its administrative services would have increased by this amount.

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Managerial Assistance

As a BDC, we are obligated under the 1940 Act to make available to certain of our portfolio companies significant managerial assistance. “Making available significant managerial assistance” refers to any arrangement whereby we provide significant guidance and counsel concerning the management, operations, or business objectives and policies of a portfolio company. We are also deemed to be providing managerial assistance to all portfolio companies that we control, either by ourselves or in conjunction with others. The nature and extent of significant managerial assistance provided by us to controlled and non-controlled portfolio companies will vary according to the particular needs of each portfolio company. Examples of such activities include (i) advice on recruiting, hiring, management and termination of employees, officers and directors, succession planning and other human resource matters; (ii) advice on capital raising, capital budgeting, and capital expenditures; (iii) advice on advertising, marketing, and sales; (iv) advice on fulfillment, operations, and execution; (v) advice on managing relationships with unions and other personnel organizations, financing sources, vendors, customers, lessors, lessees, lawyers, accountants, regulators and other important counterparties; (vi) evaluating acquisition and divestiture opportunities, plant expansions and closings, and market expansions; (vii) participating in audit committee, nominating committee, board and management meetings; (viii) consulting with and advising board members and officers of portfolio companies (on overall strategy and other matters); and (ix) providing other organizational, operational, managerial and financial guidance.

Prospect Administration arranges for the provision of such managerial assistance arrangement on our behalf. When doing so, Prospect Administration utilizes personnel of our Investment Adviser. We, on behalf of Prospect Administration, may invoice portfolio companies receiving and paying for contractual managerial assistance, and we remit to Prospect Administration its cost of providing such services, including the charges deemed appropriate by our Investment Adviser for providing such managerial assistance. No income is recognized by Prospect.

During the three months ended September 30, 2024 and September 30, 2023, we received payments of \$ 1,838 and \$2,284, respectively, from our portfolio companies for contractual managerial assistance and subsequently remitted these amounts to Prospect Administration.

Co-Investments

On January 13, 2020 (amended on August 2, 2022), we received an exemptive order from the SEC (the “Order”), which superseded a prior co-investment exemptive order granted on February 10, 2014, that gave us the ability to negotiate terms other than price and quantity of co-investment transactions with other funds managed by the Investment Adviser or certain affiliates, including Priority Income Fund, Inc. and Prospect Floating Rate and Alternative Income Fund, Inc., where co-investing would otherwise be prohibited under the 1940 Act, subject to the conditions included therein.

Under the terms of the relief permitting us to co-invest with other funds managed by our Investment Adviser or its affiliates, a “required majority” (as defined in Section 57(o) of the 1940 Act) of our independent directors must make certain conclusions in connection with a co-investment transaction, including that (1) the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching of us or our stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment objective and strategies. In certain situations where a co-investment with one or more funds managed by the Investment Adviser or its affiliates is not covered by the Order, such as when there is an opportunity to invest in different securities of the same issuer, the personnel of the Investment Adviser or its affiliates will need to decide which fund will proceed with the investment. Such personnel will make these determinations based on policies and procedures, which are designed to reasonably ensure that investment opportunities are allocated fairly and equitably among affiliated funds over time and in a manner that is consistent with applicable laws, rules and regulations. Moreover, except in certain circumstances, when relying on the Order, we will be unable to invest in any issuer in which one or more funds managed by the Investment Adviser or its affiliates has previously invested.

We reimburse CLO investment valuation services fees initially incurred by Priority Income Fund, Inc. During the three months ended September 30, 2024 and September 30, 2023, we recognized expenses related to valuation services of \$20 and \$21, respectively. Additionally, we both incur and reimburse for expenses related to marketing, insurance, legal fees, offering costs and general and administrative expenses that are allocated between Prospect, Priority Income Fund, Inc. and Prospect Floating Rate & Alternative Income Fund Inc. During the three months ended September 30, 2024 and September 30, 2023, the net amount reimbursed to us for these expenses was \$104 and \$24, respectively.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Note 14. Transactions with Controlled Companies

The descriptions below detail the transactions which Prospect Capital Corporation ("Prospect") has entered into with each of our controlled companies. Certain of the controlled entities discussed below were consolidated effective July 1, 2014 (see Note 1). As such, transactions with these Consolidated Holding Companies are presented on a consolidated basis.

CP Energy Services Inc.

Prospect owns 100% of the equity of CP Holdings of Delaware LLC ("CP Holdings"), a Consolidated Holding Company. CP Holdings owns 99.8% of the equity of CP Energy Services, Inc. ("CP Energy"), and the remaining equity is owned by CP Energy management. CP Energy owns directly or indirectly 100% of each of CP Well; Wright Foster Disposals, LLC; Foster Testing Co., Inc.; ProHaul Transports, LLC; and Wright Trucking, Inc. CP Energy provides oilfield flowback services and fluid hauling and disposal services through its subsidiaries. In June 2019, CP Energy purchased a controlling interest in the common equity of Spartan Energy Holdings, Inc. ("Spartan Holdings"), which owns 100% of Spartan Energy Services, LLC ("Spartan") a portfolio company of Prospect with \$43,321 and \$41,177 in first lien term loans (the "Spartan Term Loans") due to us as of September 30, 2024 and June 30, 2024, respectively. As a result of CP Energy's purchase, and given Prospect's controlling interest in CP Energy, our Spartan Term Loans are presented as control investments under CP Energy beginning June 30, 2019. Spartan remains the direct borrow and guarantor to Prospect for the Spartan Term Loans.

In December 2019, Wolf Energy Holdings, Inc. ("Wolf Energy Holdings"), our Consolidated Holding Company that previously owned 100% of Appalachian Energy LLC ("AEH"); Wolf Energy Services Company, LLC ("Wolf Energy Services"); and Wolf Energy, LLC (collectively our previously controlled membership interest and net profit interest investments in "Wolf Energy"), merged with and into CP Energy, with CP Energy continuing as the surviving entity. CP Energy acquired 100% of our equity investment in Wolf Energy, which is reflected in our valuation of the CP Energy common stock beginning December 31, 2019.

| | Three Months Ended | |
|--------------------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income | | |
| Interest Income from CP Energy | \$ 3,164 | \$ 2,727 |
| Interest Income from Spartan | 1,460 | 1,134 |
| Total Interest Income | <u>\$ 4,624</u> | <u>\$ 3,861</u> |

| | Three Months Ended | |
|--|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Additions | \$ — | \$ 2,900 |
| Interest Income Capitalized as PIK | | |
| CP Energy | \$ 5,405 | \$ — |
| Spartan | 2,144 | 762 |
| Total Interest Income Capitalized as PIK | <u>\$ 7,549</u> | <u>\$ 762</u> |

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2024 | June 30, 2024 |
| Interest Receivable ⁽¹⁾ | \$ 206 | \$ 3,923 |
| Other Receivables ⁽²⁾ | 539 | 539 |

(1) Interest income recognized but not yet paid.

(2) Represents amounts due from CP Energy and Spartan to Prospect for reimbursement of expenses paid by Prospect on behalf of CP Energy and Spartan.

Credit Central Loan Company, LLC

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Prospect owns 100% of the equity of Credit Central Holdings of Delaware, LLC ("Credit Central Delaware"), a Consolidated Holding Company. Credit Central Delaware owns 99.8% of the equity of Credit Central Loan Company, LLC (f/k/a Credit Central Holdings, LLC) ("Credit Central"), with entities owned by Credit Central management owning the remaining equity. Credit Central owns 100% of each of Credit Central, LLC; Credit Central South, LLC; Credit Central of Texas, LLC; and Credit Central of Tennessee, LLC. Credit Central is a branch-based provider of installment loans.

| | Three Months Ended | |
|--------------------------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income | \$ 2,121 | \$ 2,004 |
| Managerial Assistance ⁽¹⁾ | 175 | 175 |

(1) No income recognized by Prospect. Managerial Assistance ("MA") payments were paid from Credit Central to Prospect and subsequently remitted to PA.

| | Three Months Ended | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Accreted Original Issue Discount | \$ — | \$ 250 |
| Interest Income Capitalized as PIK | 1,361 | 1,345 |

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2024 | June 30, 2024 |
| Interest Receivable ⁽²⁾ | \$ 23 | \$ — |

(2) Interest income recognized but not yet paid.

Echelon Transportation LLC (f/k/a Echelon Aviation LLC)

Prospect owns 100% of the membership interests of Echelon Transportation LLC ("Echelon"). Echelon owns 60.7% of the equity of AerLift Leasing Limited ("AerLift").

| | Three Months Ended | |
|--|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income | \$ 852 | \$ 781 |
| Managerial Assistance ⁽¹⁾ | 63 | 63 |
| Reimbursement of Legal, Tax, etc. ⁽²⁾ | — | 3 |

(1) No income recognized by Prospect. MA payments were paid from Echelon to Prospect and subsequently remitted to PA.

(2) Paid from Echelon to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to Echelon (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | Three Months Ended | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income Capitalized as PIK | \$ 1,260 | \$ — |
| Repayment of loan receivable | 150 | 1,862 |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2024 | June 30, 2024 |
| Interest Receivable ⁽³⁾ | \$ 579 | \$ 1,387 |
| Other Receivables ⁽⁴⁾ | 4 | 2 |

(3) Interest income recognized but not yet paid.

(4) Represents amounts due from Echelon to Prospect for reimbursement of expenses paid by Prospect on behalf of Echelon.

Energy Solutions Holdings Inc.

Prospect owns 100% of the equity of Energy Solutions Holdings Inc. (f/k/a Gas Solutions Holdings Inc.) ("Energy Solutions"), a Consolidated Holding Company. Energy Solutions owns 100% of each of Change Clean Energy Company, LLC (f/k/a Change Clean Energy Holdings, LLC) ("Change Clean"); Freedom Marine Solutions, LLC (f/k/a Freedom Marine Services Holdings, LLC) ("Freedom Marine"); and Yatesville Coal Company, LLC (f/k/a Yatesville Coal Holdings, LLC) ("Yatesville"). Change Clean owns 100% of each of Change Clean Energy, LLC and Down East Power Company, LLC, and 50.1% of BioChips LLC. Freedom Marine owns 100% of each of Vessel Company, LLC (f/k/a Vessel Holdings, LLC) ("Vessel"); Vessel Company II, LLC (f/k/a Vessel Holdings II, LLC) ("Vessel II"); and Vessel Company III, LLC (f/k/a Vessel Holdings III, LLC) ("Vessel III"). Yatesville owns 100% of North Fork Collieries, LLC.

Energy Solutions owns interests in companies operating in the energy sector. These include companies operating offshore supply vessels, ownership of a non-operating biomass electrical generation plant and several coal mines. Energy Solutions subsidiaries formerly owned interests in gathering and processing business in east Texas.

Transactions between Prospect and Freedom Marine are separately discussed below under "Freedom Marine Solutions, LLC."

First Tower Finance Company LLC

Prospect owns 100% of the equity of First Tower Holdings of Delaware LLC ("First Tower Delaware"), a Consolidated Holding Company. First Tower Delaware holds 80.10% of the voting interest of First Tower Finance Company LLC ("First Tower Finance"), resulting in a 78.06% ownership of First Tower Finance. First Tower Finance owns 100% of First Tower, LLC ("First Tower"), a multiline specialty finance company.

| | Three Months Ended | |
|--------------------------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income | \$ 16,461 | \$ 15,308 |
| Managerial Assistance ⁽¹⁾ | 600 | 600 |

(1) No income recognized by Prospect. MA payments were paid from First Tower to Prospect and subsequently remitted to PA.

| | Three Months Ended | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Additions | \$ — | \$ — |
| Interest Income Capitalized as PIK | \$ 5,999 | \$ 5,588 |
| Repayment of Loan Receivable | 437 | — |

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2024 | June 30, 2024 |
| Interest Receivable ⁽²⁾ | \$ 179 | \$ 2,461 |
| Other Receivables ⁽³⁾ | 5 | 1 |

(2) Interest income recognized but not yet paid.

(3) Represents amounts due from First Tower to Prospect for reimbursement of expenses paid by Prospect on behalf of First Tower.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Freedom Marine Solutions, LLC

As discussed above, Prospect owns 100% of the equity of Energy Solutions, a Consolidated Holding Company. Energy Solutions owns 100% of Freedom Marine. Freedom Marine owns 100% of each of Vessel, Vessel II, and Vessel III.

| | Three Months Ended | |
|-----------|-----------------------|-----------------------|
| | September 30, 2024 | September 30, 2023 |
| Additions | \$ 975 | \$ — |

InterDent, Inc.

Prospect owns 100% of the equity of InterDent, Inc. ("InterDent").

| | Three Months Ended | |
|--|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income | \$ 9,736 | \$ 9,009 |
| Managerial Assistance ⁽¹⁾ | 366 | 366 |
| Reimbursement of Legal, Tax, etc. ⁽²⁾ | — | 5 |

(1) No income recognized by Prospect. MA payments were paid from InterDent to Prospect and subsequently remitted to PA.

(2) Paid from InterDent to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to InterDent (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | Three Months Ended | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Additions | \$ 3,000 | \$ — |
| Interest Income Capitalized as PIK | 3,772 | 5,554 |

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2024 | June 30, 2024 |
| Interest Receivable ⁽³⁾ | \$ 2,800 | \$ 318 |
| Other Receivables ⁽⁴⁾ | 1 | 1 |

(3) Interest income recognized but not yet paid.

(4) Represents amounts due from InterDent to Prospect for reimbursement of expenses paid by Prospect on behalf of InterDent.

Kickapoo Ranch Pet Resort

Prospect owns 100% of the membership interest of Kickapoo Ranch Pet Resort ("Kickapoo"). Kickapoo is a luxury pet boarding facility.

| | Three Months Ended | |
|-----------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income | \$ 49 | \$ — |
| Dividend Income | — | 80 |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2024 | June 30, 2024 |
| Interest Receivable ⁽¹⁾ | \$ 1 | \$ 2 |

(1) Interest income recognized but not yet paid.

MITY, Inc.

Prospect owns 100% of the equity of MITY Holdings of Delaware Inc. ("MITY Delaware"), a Consolidated Holding Company. MITY Delaware owns 100% of the equity of MITY, Inc. (f/k/a MITY Enterprises, Inc.) ("MITY"). MITY owns 100% of each of MITY-Lite, Inc. ("MITY-Lite"); Broda USA, Inc. (f/k/a Broda Enterprises USA, Inc.) ("Broda USA"); and Broda Enterprises ULC ("Broda Canada"). MITY is a designer, manufacturer and seller of multipurpose room furniture and specialty healthcare seating products.

During the three months ended December 31, 2016, Prospect formed a separate legal entity, MITY FSC, Inc., ("MITY FSC") in which Prospect owns 100% of the equity. MITY FSC does not have material operations. This entity earns commission payments from MITY-Lite based on its sales to foreign customers, and distributes it to its shareholder. We recognize such commission, if any, as other income.

| | Three Months Ended | |
|--|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income | \$ 2,396 | \$ 2,205 |
| Other Income | | |
| Structuring Fee | \$ 37 | \$ — |
| Total Other Income | \$ 37 | \$ — |
| Managerial Assistance ⁽¹⁾ | \$ 75 | \$ 75 |
| Reimbursement of Legal, Tax, etc. ⁽²⁾ | 25 | 6 |
| Realized (Loss) Gain | 1 | — |

(1) No income recognized by Prospect. MA payments were paid from MITY to Prospect and subsequently remitted to PA.

(2) Paid from Mity to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to Mity (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | Three Months Ended | |
|-----------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Additions | \$ 1,500 | \$ — |

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2024 | June 30, 2024 |
| Interest Receivable ⁽³⁾ | \$ 26 | \$ 79 |
| Other Receivables ⁽⁴⁾ | 7 | 5 |

(3) Interest income recognized but not yet paid.

(4) Represents amounts due from MITY to Prospect for reimbursement of expenses paid by Prospect on behalf of MITY.

National Property REIT Corp.

Prospect owns 100% of the equity of NPH Property Holdings, LLC ("NPH"), a consolidated holding company. NPH owns 100% of the common equity of National Property REIT Corp. ("NPRC").

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

NPRC is a Maryland corporation and a qualified REIT for federal income tax purposes. In order to qualify as a REIT, NPRC issued 125 shares of Series A Cumulative Non-Voting Preferred Stock to 125 accredited investors. The preferred stockholders are entitled to receive cumulative dividends semi-annually at an annual rate of 12.5% and do not have the ability to participate in the management or operation of NPRC.

NPRC was formed to hold for investment, operate, finance, lease, manage, and sell a portfolio of real estate assets and engage in any and all other activities as may be necessary, incidental or convenient to carry out the foregoing. NPRC acquires real estate assets, including, but not limited to, industrial, commercial, and multi-family properties. NPRC may acquire real estate assets directly or through joint ventures by making a majority equity investment in a property-owning entity (the "JV"). Additionally, through its wholly owned subsidiaries, NPRC invests in online consumer loans and rated secured structured notes ("RSSN").

During the three months ended September 30, 2024, we provided \$21,615 of debt financing to NPRC to fund real estate capital expenditures, provide working capital, and to fund purchases of rated secured structured notes.

During the three months ended September 30, 2024, we received partial repayments of \$14,000 of our loans previously outstanding with NPRC and its wholly owned subsidiary.

| | Three Months Ended | |
|--|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income | \$ 24,316 | \$ 29,239 |
| Other Income | | |
| Structuring Fee | \$ — | \$ 15,476 |
| Royalty, net profit and revenue interests | 6,665 | 13,996 |
| Total Other Income | \$ 6,665 | \$ 29,472 |
| Managerial Assistance ⁽¹⁾ | \$ 42 | \$ 525 |
| Reimbursement of Legal, Tax, etc. ⁽²⁾ | 438 | 3 |

(1) No income recognized by Prospect. MA payments were paid from NPRC to Prospect and subsequently remitted to PA.

(2) Paid from NPRC to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to NPRC (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | Three Months Ended | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Additions ⁽³⁾ | \$ 21,615 | \$ 63,305 |
| Interest Income Capitalized as PIK | 913 | 241 |
| Repayment of Loan Receivable | 14,000 | 13,450 |

(3) During the three months ended September 30, 2024, Prospect provided \$21,615 of debt financing to NPRC to fund capital expenditures for existing real estate properties, to provide working capital, and to fund purchases of rated secured structured notes.

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2024 | June 30, 2024 |
| Interest Receivable ⁽⁴⁾ | \$ 259 | \$ 785 |
| Other Receivables ⁽⁵⁾ | (2) | (2) |

(4) Interest income recognized but not yet paid.

(5) Represents amounts due to NPRC from Prospect for a credit of reimbursements of expenses paid by Prospect on behalf of NPRC.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Nationwide Loan Company LLC

Prospect owns 100% of the membership interests of Nationwide Acceptance Holdings LLC ("Nationwide Holdings"), a Consolidated Holding Company. Nationwide Holdings owns 94.48% of the equity of Nationwide Loan Company LLC ("Nationwide"), with members of Nationwide management owning the remaining 5.52% of the equity.

| | Three Months Ended | |
|--------------------------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income | \$ 1,748 | \$ 1,175 |
| Managerial Assistance ⁽¹⁾ | 100 | — |

(1) No income recognized by Prospect. MA payments were paid from Nationwide to Prospect and subsequently remitted to PA.

| | Three Months Ended | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income Capitalized as PIK | \$ 2,230 | \$ 785 |

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2024 | June 30, 2024 |
| Interest Receivable ⁽³⁾ | \$ 18 | \$ 501 |
| Other Receivables ⁽⁴⁾ | 2 | 1 |

(3) Interest income recognized but not yet paid.

(4) Represents amounts due from Nationwide to Prospect for reimbursement of expenses paid by Prospect on behalf of Nationwide.

NMMB, Inc.

Prospect owns 100% of the equity of NMMB Holdings, Inc. ("NMMB Holdings"), a Consolidated Holding Company. NMMB Holdings owns 92.77% of the fully-diluted equity of NMMB, Inc. (f/k/a NMMB Acquisition, Inc.) ("NMMB") as of September 30, 2024 and June 30, 2024, with NMMB management owning the remaining equity. NMMB owns 100% of Refuel Agency, Inc. ("Refuel Agency"). Refuel Agency owns 100% of Armed Forces Communications, Inc. ("Armed Forces"). NMMB is an advertising media buying business.

| | Three Months Ended | |
|--------------------------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income | \$ 1,070 | \$ 1,064 |
| Dividend Income ⁽¹⁾ | — | 147 |
| Managerial Assistance ⁽²⁾ | 100 | 100 |
| Realized (Loss) Gain | 6,366 | (147) |

(1) All dividends were paid from earnings and profits of NMMB.

(2) No income recognized by Prospect. MA payments were paid from NMMB to Prospect and subsequently remitted to PA.

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2024 | June 30, 2024 |
| Interest Receivable ⁽³⁾ | \$ 11 | \$ 35 |
| Other Receivables ⁽⁴⁾ | 1 | 1 |

(3) Interest income recognized but not yet paid.

(4) Represents amounts due from NMMB to Prospect for reimbursement of expenses paid by Prospect on behalf of NMMB.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Pacific World Corporation

Prospect owns 100% of the preferred equity of Pacific World Corporation ("Pacific World"), which represents a 99.99% and 99.98% ownership interest of Pacific World as of September 30, 2024 and June 30, 2024, respectively. As a result, Prospect's investment in Pacific World is classified as a control investment.

| | Three Months Ended | |
|--------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income | \$ 2,535 | \$ 2,646 |
| Other Income | | |
| Structuring Fee | \$ 98 | \$ — |
| Total Other Income | \$ 98 | \$ — |

| | Three Months Ended | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Additions | \$ 4,876 | \$ — |
| Interest Income Capitalized as PIK | 2,218 | 2,327 |

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2024 | June 30, 2024 |
| Interest Receivable ⁽¹⁾ | \$ 27 | \$ 79 |
| Other Receivables ⁽²⁾ | 172 | 155 |

(1) Interest income recognized but not yet paid.

(2) Represents amounts due from Pacific World to Prospect for reimbursement of expenses paid by Prospect on behalf of Pacific World.

R-V Industries, Inc.

Prospect owns 87.75% of the fully-diluted equity of R-V Industries, Inc. ("R-V"), with R-V management owning the remaining 12.25% of the equity. On December 15, 2020 we restructured our \$28,622 Senior Subordinated Note with R-V into a \$ 28,622 First Lien Note. No realized gain or loss was recorded as a result of the transaction.

| | Three Months Ended | |
|--|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income | \$ 1,320 | \$ 1,252 |
| Other Income | | |
| Advisory Fee | \$ — | \$ 106 |
| Total Other Income | \$ — | \$ 106 |
| Managerial Assistance ⁽¹⁾ | \$ 45 | \$ 45 |
| Reimbursement of Legal, Tax, etc. ⁽²⁾ | — | 17 |

(1) No income recognized by Prospect. MA payments were paid from R-V to Prospect and subsequently remitted to PA.

(2) Paid from R-V to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to R-V (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | Three Months Ended | |
|-----------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Additions | \$ — | \$ 3,700 |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2024 | June 30, 2024 |
| Interest Receivable ⁽³⁾ | \$ 14 | \$ 45 |
| Other Receivables ⁽⁴⁾ | 1 | — |

(3) Interest income recognized but not yet paid.

(4) Represents amounts due from R-V to Prospect for reimbursement of expenses paid by Prospect on behalf of R-V.

Universal Turbine Parts, LLC

On December 10, 2018, UTP Holdings Group, Inc. ("UTP Holdings") purchased all of the voting stock of Universal Turbine Parts, LLC ("UTP") and appointed a new board of directors to UTP Holdings, consisting of three employees of the Investment Adviser. At the time UTP Holdings acquired UTP, UTP Holdings (f/k/a Harbortouch Holdings of Delaware) was a wholly-owned holding company controlled by Prospect and therefore Prospect's investment in UTP is classified as a control investment.

| | Three Months Ended | |
|--|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income | \$ 1,046 | \$ 956 |
| Managerial Assistance ⁽¹⁾ | 3 | 3 |
| Reimbursement of Legal, Tax, etc. ⁽²⁾ | 5 | 3,333 |

(1) No income recognized by Prospect. MA payments were paid from UTP to Prospect and subsequently remitted to PA.

(2) Paid from UTP to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to UTP (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | Three Months Ended | |
|------------------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Repayment of Loan Receivable | 14 | 8 |

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2024 | June 30, 2024 |
| Interest Receivable ⁽³⁾ | \$ 11 | \$ 34 |
| Other Receivables ⁽⁴⁾ | 4 | 1 |

(3) Interest income recognized but not yet paid.

(4) Represents amounts due from UTP to Prospect for reimbursement of expenses paid by Prospect on behalf of UTP.

USES Corp.

On June 15, 2016, we provided additional \$ 1,300 debt financing to USES Corp. ("United States Environmental Services" or "USES") and its subsidiaries in the form of additional Term Loan A debt and, in connection with such Term Loan A debt financing, USES issued to us 99,900 shares of its common stock. On June 29, 2016, we provided additional \$2,200 debt financing to USES and its subsidiaries in the form of additional Term Loan A debt and, in connection with such Term Loan A debt financing, USES issued to us 169,062 shares of its common stock. As a result of such debt financing and recapitalization, as of June 29, 2016, we held 268,962 shares of USES common stock representing a 99.96% common equity ownership interest in USES. As such, USES became a controlled company on June 30, 2016.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| | Three Months Ended | |
|--|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income | \$ 644 | \$ 473 |
| Reimbursement of Legal, Tax, etc. ⁽¹⁾ | 5 | — |

(1) Paid from USES to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to USES (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | Three Months Ended | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Additions | \$ 2,800 | \$ — |
| Interest Income Capitalized as PIK | 716 | 268 |

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2024 | June 30, 2024 |
| Interest Receivable ⁽²⁾ | \$ 7 | \$ 153 |
| Other Receivables ⁽³⁾ | 147 | 147 |

(2) Interest income recognized but not yet paid.

(3) Represents amounts due from USES to Prospect for reimbursement of expenses paid by Prospect on behalf of USES.

Valley Electric Company, Inc.

Prospect owns 100% of the common stock of Valley Electric Holdings I, Inc. ("Valley Holdings I"), a Consolidated Holding Company. Valley Holdings I owns 100% of Valley Electric Holdings II, Inc. ("Valley Holdings II"), a Consolidated Holding Company. Valley Holdings II owns 94.99% of Valley Electric Company, Inc. ("Valley Electric"), with Valley Electric management owning the remaining 5.01% of the equity. Valley Electric owns 100% of the equity of VE Company, Inc., which owns 100% of the equity of Valley Electric Co. of Mt. Vernon, Inc. ("Valley"), a leading provider of specialty electrical services in the state of Washington and among the top 50 electrical contractors in the United States.

| | Three Months Ended | |
|--|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 |
| Interest Income | | |
| Interest Income from Valley | \$ 349 | \$ 371 |
| Interest Income from Valley Electric | 2,825 | 2,649 |
| Total Interest Income | \$ 3,174 | \$ 3,020 |
| Other Income | | |
| Royalty, net profit and revenue interests | \$ 167 | \$ 167 |
| Total Other Income | \$ 167 | \$ 167 |
| Managerial Assistance ⁽¹⁾ | \$ 150 | \$ 150 |
| Reimbursement of Legal, Tax, etc. ⁽²⁾ | 3 | — |

(1) No income recognized by Prospect. MA payments were paid from Valley Electric to Prospect and subsequently remitted to PA.

(2) Paid from Valley to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to Valley (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2024 | June 30, 2024 |
| Interest Receivable ⁽³⁾ | \$ 137 | \$ 2,974 |
| Other Receivables ⁽⁴⁾ | 3 | 2 |

(3) Interest income recognized but not yet paid.

(4) Represents amounts due from Valley Electric to Prospect for reimbursement of expenses paid by Prospect on behalf of Valley Electric.

Note 15. Litigation

From time to time, we may become involved in various investigations, claims and legal proceedings that arise in the ordinary course of our business. These matters may relate to intellectual property, employment, tax, regulation, contract or other matters. The resolution of such matters as may arise will be subject to various uncertainties and, even if such claims are without merit, could result in the expenditure of significant financial and managerial resources.

We are not aware of any material legal proceedings as of September 30, 2024 and June 30, 2024.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Note 16. Financial Highlights

The following is a schedule of financial highlights for the three months ended September 30, 2024 and September 30, 2023:

| | Three Months Ended September 30, | |
|--|---|--------------------------|
| | 2024 | 2023 |
| Per Share Data | | |
| Net asset value per common share at beginning of period | \$ 8.74 | \$ 9.24 |
| Net investment income ⁽¹⁾ | 0.21 | 0.31 |
| Net realized and change in unrealized gains (losses) ⁽¹⁾ | (0.53) | (0.02) |
| Net increase (decrease) from operations | (0.32) | 0.29 |
| Distributions of net investment income to preferred stockholders | (0.06) ⁽⁵⁾ | (0.06) ⁽⁴⁾ |
| Distributions of capital gains to preferred stockholders | — ⁽⁵⁾ | — ⁽⁴⁾ |
| Total distributions to preferred stockholders | (0.06) | (0.06) |
| Net increase (decrease) from operations applicable to common stockholders | (0.38) | 0.23 |
| Distributions of net investment income to common stockholders | (0.18) ⁽⁵⁾ | (0.16) ⁽⁴⁾⁽⁷⁾ |
| Return of Capital to common stockholders | — | (0.02) ⁽⁴⁾⁽⁷⁾ |
| Total distributions to common stockholders | (0.18) | (0.18) |
| Common stock transactions ⁽²⁾ | (0.08) | (0.04) |
| Net asset value per common share at end of period | \$ 8.10 | \$ 9.25 |
| Per common share market value at end of period | \$ 5.35 | \$ 6.05 |
| Total return based on market value ⁽³⁾ | 0.23 % | 0.56 % |
| Total return based on net asset value ⁽³⁾ | (3.98 %) | 3.17 % |
| Shares of common stock outstanding at end of period | 433,560,728 | 408,618,704 |
| Weighted average shares of common stock outstanding | 428,873,206 | 406,350,619 |
| Ratios/Supplemental Data | | |
| Net assets at end of period | \$ 3,510,813 | \$ 3,780,866 |
| Portfolio turnover rate | 3.72 % | 1.70 % |
| Annualized ratio of operating expenses to average net assets applicable to common shares ⁽⁶⁾ | 11.79 % | 11.78 % |
| Annualized ratio of net investment income to average net assets applicable to common shares ⁽⁶⁾ | 9.96 % | 13.37 % |

- (1) Per share data amount is based on the basic weighted average number of common shares outstanding for the year/period presented (except for dividends to stockholders which is based on actual rate per share). Realized gains (losses) is inclusive of net realized losses (gains) on investments, realized losses (gains) from extinguishment of debt and realized gains (losses) from the repurchases and redemptions of preferred stock.
- (2) Common stock transactions include the effect of our issuance of common stock in public offerings (net of underwriting and offering costs), shares issued in connection with our common stock dividend reinvestment plan, common shares issued to acquire investments, common shares repurchased below net asset value pursuant to our Repurchase Program, and common shares issued pursuant to the Holder Optional Conversion of our 5.50% Preferred Stock and 6.50% Preferred Stock.
- (3) Total return based on market value is based on the change in market price per common share between the opening and ending market prices per share in each period and assumes that common stock dividends are reinvested in accordance with our common stock dividend reinvestment plan. Total return based on net asset value is based upon the change in net asset value per common share between the opening and ending net asset values per common share in each period and assumes that dividends are reinvested in accordance with our common stock dividend reinvestment plan. For periods less than a year, total return is not annualized.
- (4) Tax character of distributions is not yet finalized for the respective fiscal period and will not be finalized until we file our tax return for our tax year ending August 31, 2024. Refer to Note 12.
- (5) Tax character of distributions is not yet finalized for the respective fiscal period and will not be finalized until we file our tax return for our tax year ending August 31, 2025. Refer to Note 12.
- (6) Operating expenses for the respective fiscal periods do not reflect the effect of dividend payments to preferred shareholders.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

- (7) The amounts reflected for the respective fiscal periods were updated based on tax information received subsequent to our Form 10-K filing for the year ended June 30, 2023 and our Form 10-Q filing for September 30, 2023. Certain reclassifications have been made in the presentation of prior period amounts. See Note 2 and Note 12 within the accompanying notes to the consolidated financial statements for further discussion.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Note 17. Subsequent Events

Management has evaluated subsequent events through the date of issuance of these consolidated financial statements and has determined that there are no subsequent events outside the ordinary scope of business that require adjustment to, or disclosure in, the consolidated financial statements other than those disclosed below.

On October 17, 2024, we entered into an amendment (the "Amendment") to the Amended and Restated Dealer Manager Agreement, dated as of February 25, 2021, by and between the Company and PCS, pursuant to which the Dealer Manager agreed to serve as the Company's agent, principal distributor and exclusive and dealer manager for the Company's increased offering of up to 90,000,000 shares, par value \$0.001 per share, of preferred stock, with a \$2,250,000 aggregate liquidation preference (the "Preferred Stock"). On October 17, 2024, in connection with the Offering, we filed Articles Supplementary (the "Articles Supplementary") with the State Department of Assessments and Taxation of Maryland ("SDAT"), reclassifying and designating 20,000,000 shares of the Company's authorized and unissued shares of Common Stock into shares of Preferred Stock.

On November 8, 2024, we announced the declaration of monthly dividends for our Floating Rate Preferred Stock for holders of record on the following dates based on an annualized rate equal to 6.65200% of the stated value of \$ 25.00 per share as set forth in the Articles Supplementary for the Preferred Stock, from the date of issuance or, if later from the most recent dividend payment date (the first business day of the month, with no additional dividend accruing in January, February, or March as a result), authorized on November 5, 2024, as follows:

| Monthly Cash Floating Rate Preferred Shareholder Distribution | Record Date | Payment Date | Monthly Amount (\$ per share), before pro ration for partial periods |
|---|-------------|--------------|---|
| December 2024 | 12/18/2024 | 1/2/2025 | \$0.138583 |
| January 2025 | 1/22/2025 | 2/3/2025 | \$0.138583 |
| February 2025 | 2/19/2025 | 3/3/2025 | \$0.138583 |

On November 8, 2024, we announced the declaration of monthly dividends for our 5.50% Preferred Stock for holders of record on the following dates based on an annual rate equal to 5.50% of the Stated Value of \$ 25.00 per share as set forth in the Articles Supplementary for the Preferred Stock, from the date of issuance or, if later from the most recent dividend payment date (the first business day of the month, with no additional dividend accruing in January, February, or March as a result), as follows:

| Monthly Cash 5.50% Preferred Shareholder Distribution | Record Date | Payment Date | Monthly Amount (\$ per share), before pro ration for partial periods |
|---|-------------|--------------|---|
| December 2024 | 12/18/2024 | 1/2/2025 | \$0.114583 |
| January 2025 | 1/22/2025 | 2/3/2025 | \$0.114583 |
| February 2025 | 2/19/2025 | 3/3/2025 | \$0.114583 |

On November 8, 2024, we announced the declaration of monthly dividends for our 6.50% Preferred Stock for holders of record on the following dates based on an annual rate equal to 6.50% of the Stated Value of \$ 25.00 per share as set forth in the Articles Supplementary for the Preferred Stock, from the date of issuance or, if later from the most recent dividend payment date (the first business day of the month, with no additional dividend accruing in January, February, or March as a result), as follows:

| Monthly Cash 6.50% Preferred Shareholder Distribution | Record Date | Payment Date | Monthly Amount (\$ per share), before pro ration for partial periods |
|---|-------------|--------------|---|
| December 2024 | 12/18/2024 | 1/2/2025 | \$0.135417 |
| January 2025 | 1/22/2025 | 2/3/2025 | \$0.135417 |
| February 2025 | 2/19/2025 | 3/3/2025 | \$0.135417 |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

On November 8, 2024, we announced the declaration of quarterly dividends for our 5.35% Preferred Stock for holders of record on the following dates based on an annual rate equal to 5.35% of the Stated Value of \$ 25.00 per share as set forth in the Articles Supplementary for the 5.35% Preferred Stock, from the date of issuance or, if later from the most recent dividend payment date (the first business day of the month, with no additional dividend accruing in February as a result), as follows:

| Quarterly Cash 5.35% Preferred Shareholder Distribution | Record Date | Payment Date | Amount (\$ per share) |
|---|-------------|--------------|-----------------------|
| November 2024 - January 2025 | 1/22/2025 | 2/3/2025 | \$0.334375 |

On November 8, 2024, we announced the declaration of monthly dividends on our common stock as follows:

| Monthly Cash Common Shareholder Distribution | Record Date | Payment Date | Amount (\$ per share) |
|--|-------------|--------------|-----------------------|
| November 2024 | 11/26/2024 | 12/19/2024 | \$0.0450 |
| December 2024 | 12/27/2024 | 1/22/2025 | \$0.0450 |
| January 2025 | 1/29/2025 | 2/19/2025 | \$0.0450 |

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

(All figures in this item are in thousands except share, per share and other data.)

The following discussion should be read in conjunction with our consolidated financial statements and related notes and other financial information appearing elsewhere in this Quarterly Report. In addition to historical information, the following discussion and other parts of this Quarterly Report contain forward-looking information that involves risks and uncertainties. Our actual results may differ significantly from any results expressed or implied by these forward-looking statements due to the factors discussed in Part II, "Item 1A. Risk Factors" and "Forward-Looking Statements" appearing elsewhere herein.

Overview

The terms "Prospect", "the Company", "we", "us" and "our" mean Prospect Capital Corporation and its subsidiaries unless the context specifically requires otherwise.

Prospect is a financial services company that primarily lends to and invests in middle market privately-held companies. We are a closed-end investment company incorporated in Maryland. We have elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940 (the "1940 Act"). As a BDC, we have elected to be treated as a regulated investment company ("RIC"), under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). We were organized on April 13, 2004, and were funded in an initial public offering completed on July 27, 2004.

On May 15, 2007, we formed a wholly owned subsidiary Prospect Capital Funding LLC ("PCF"), a Delaware limited liability company and a bankruptcy remote special purpose entity, which holds certain of our portfolio loan investments that are used as collateral for the revolving credit facility at PCF. On September 30, 2014, we formed a wholly-owned subsidiary Prospect Yield Corporation, LLC ("PYC") and effective October 23, 2014, PYC holds a portion of our collateralized loan obligations ("CLOs"), which we also refer to as subordinated structured notes ("SSNs"). Each of these subsidiaries have been consolidated since operations commenced.

We consolidate certain of our wholly owned and substantially wholly owned holding companies formed by us in order to facilitate our investment strategy. The following companies are included in our consolidated financial statements and are collectively referred to as the "Consolidated Holding Companies": CP Holdings of Delaware LLC ("CP Holdings"); Credit Central Holdings of Delaware, LLC ("Credit Central Delaware"); Energy Solutions Holdings Inc.; First Tower Holdings of Delaware LLC ("First Tower Delaware"); MITY Holdings of Delaware Inc. ("MITY Delaware"); Nationwide Acceptance Holdings LLC; NMMB Holdings, Inc. ("NMMB Holdings"); NPH Property Holdings, LLC ("NPH"); Prospect Opportunity Holdings I, Inc. ("POHI"); SB Forging Company, Inc. ("SB Forging"); STI Holding, Inc.; UTP Holdings Group Inc. ("UTP Holdings"); Valley Electric Holdings I, Inc. ("Valley Holdings I"); and Valley Electric Holdings II, Inc. ("Valley Holdings II").

We are externally managed by our investment adviser, Prospect Capital Management L.P. ("Prospect Capital Management" or the "Investment Adviser"). Prospect Administration LLC ("Prospect Administration"), a wholly-owned subsidiary of the Investment Adviser, provides administrative services and facilities necessary for us to operate.

Our investment objective is to generate both current income and long-term capital appreciation through debt and equity investments. We invest primarily in senior and subordinated secured debt and equity of private companies in need of capital for acquisitions, divestitures, growth, development, recapitalizations and other purposes. We work with the management teams or financial sponsors to seek investments with historical cash flows, asset collateral or contracted pro-forma cash flows.

We currently have four primary strategies that guide our origination of investment opportunities: (1) lending to companies, including companies controlled by private equity sponsors and not controlled by private equity sponsors, and including both directly-originated loans and syndicated loans, (2) lending to companies and purchasing controlling equity positions in such companies, including both operating companies and financial services companies, (3) purchasing controlling equity positions and lending to real estate companies, and (4) investing in structured credit. We may also invest in other strategies and opportunities from time to time that we view as attractive. We continue to evaluate other origination strategies in the ordinary course of business with no specific top-down allocation to any single origination strategy.

- **Lending to Companies** - We make directly-originated, agented loans to companies, including companies which are controlled by private equity sponsors and companies that are not controlled by private equity sponsors (such as companies that are controlled by the management team, the founder, a family or public shareholders). This debt can take the form of first lien, second lien, unitranche or unsecured loans. These loans typically have equity subordinate to our loan position. We may also purchase selected equity co-investments in such companies. In addition to directly-originated, agented loans, we also invest in senior and secured loans syndicated loans and high yield bonds that have been sold to a club or syndicate of buyers, both in the primary and secondary markets. These investments are often purchased with a long term, buy-and-hold outlook, and we often look to provide significant input to the transaction by providing anchoring orders.
- **Lending to Companies and Purchasing Controlling Equity Positions in Such Companies** - This strategy involves purchasing senior and secured yield-producing debt and controlling equity positions in operating companies across various industries. We believe this strategy provides enhanced certainty of closing to sellers and the opportunity for management to continue on in their current roles. These investments are often structured in tax-efficient partnerships, enhancing returns.
- **Purchasing Controlling Equity Positions and Lending to Real Estate Companies** - We purchase debt and controlling equity positions in tax-efficient real estate investment trusts ("REIT" or "REITs"). The real estate investments of National Property REIT Corp. ("NPRC") are in various classes of developed and occupied real estate properties that generate current yields, including multi-family properties, student housing and senior living. NPRC seeks to identify properties that have historically significant occupancy rates and recurring cash flow generation. NPRC generally co-invests with established and experienced property management teams that manage such properties after acquisition. Additionally, NPRC makes investments in rated secured structured notes (primarily debt of structured credit). NPRC also purchases loans originated by certain consumer loan facilitators. It purchases each loan in its entirety (i.e., a "whole loan"). The borrowers are consumers, and the loans are typically serviced by the facilitators of the loans.
- **Investing in Structured Credit** - We make investments in structured credit, often taking a significant position in subordinated structured notes (equity). The underlying portfolio of each structured credit investment is diversified across approximately 100 to 200 broadly syndicated loans and does not have direct exposure to real estate, mortgages, or consumer-based credit assets. The structured credit portfolios in which we invest are managed by established collateral management teams with many years of experience in the industry.

We invest primarily in first and second lien secured loans and unsecured debt, which in some cases includes an equity component. First and second lien secured loans generally are senior debt instruments that rank ahead of unsecured debt of a given portfolio company. These loans also have the benefit of security interests on the assets of the portfolio company, which may rank ahead of or be junior to other security interests. Our investments in structured credit are subordinated to senior loans and are generally unsecured. We invest in debt and equity positions of structured credit which are a form of securitization in which the cash flows of a portfolio of loans are pooled and passed on to different classes of owners in various tranches. Our structured credit investments are derived from portfolios of corporate debt securities which are generally risk rated from BB to B.

We hold many of our control investments in a two-tier structure consisting of a holding company and one or more related operating companies for tax purposes. These holding companies serve various business purposes including concentration of management teams, optimization of third-party borrowing costs, improvement of supplier, customer, and insurance terms, and enhancement of co-investments by the management teams. In these cases, our investment, which is generally equity in the holding company, the holding company's equity investment in the operating company and any debt from us directly to the operating company structure represents our total exposure for the investment. As of September 30, 2024, as shown in our *Consolidated Schedule of Investments*, the cost basis and fair value of our investments in controlled companies was \$3,326,598 and \$3,744,510, respectively. This structure gives rise to several of the risks described in our public documents and highlighted elsewhere in this Quarterly Report. We consolidate all wholly owned and substantially wholly owned holding companies formed by us for the purpose of holding our controlled investments in operating companies. There is no significant effect of consolidating these holding companies as they hold minimal assets other than their investments in the controlled operating companies. Investment company accounting prohibits the consolidation of any operating companies.

On June 10, 2024, at a special meeting of stockholders, our stockholders authorized us to sell shares of our common stock (during the next 12 months) at a price or prices below our net asset value per share at the time of sale in one or more offerings, subject to certain conditions as set forth in the proxy statement relating to the special meeting (including that the number of shares sold on any given date does not exceed 25% of its outstanding common stock immediately prior to such sale).

First Quarter Highlights

Investment Transactions

We seek to be a long-term investor with our portfolio companies. During the three months ended September 30, 2024 we acquired \$213,056 of new investments, completed follow-on investments in existing portfolio companies totaling approximately \$32,875, funded \$6,219 of revolver advances, and recorded PIK interest of \$38,489, resulting in gross investment originations of \$290,639. During the three months ended September 30, 2024 we received full repayments totaling \$255,646, received \$0 in sales, received \$616 of revolver paydowns, and received \$26,066 in partial prepayments, scheduled principal amortization payments, and return of capital distributions, resulting in repayments of approximately \$282,328.

Debt Issuances and Redemptions

During the three months ended September 30, 2024 we repaid \$2,500 aggregate principal amount of Prospect Capital InterNotes® at par in accordance with the Survivor's Option, as defined in the InterNotes® Offering prospectus. As a result of these transactions, we recorded a loss in the amount of the unamortized debt issuance costs. The net loss on the extinguishment of Prospect Capital InterNotes® in the three months ended September 30, 2024 was \$59.

During the three months ended September 30, 2024 we issued \$101,734 aggregate principal amount of Prospect Capital InterNotes® with a weighted average stated interest rate of 7.14%, to extend our borrowing base. The newly issued notes mature between July 15, 2027 and October 15, 2034 and generated net proceeds of \$100,266.

During the three months ended September 30, 2024, we commenced various tender offers to purchase for cash any and all outstanding aggregate principal amount of the 2026 Notes at prices ranging from 96.96% to 97.12%, plus accrued and unpaid interest. As a result, \$12,285 aggregate principal amount of the 2026 Notes were validly tendered and accepted, and we recognized a realized gain of \$307 from the extinguishment of debt in the amount of the difference between the reacquisition price and the net carrying amount of the 2026 Notes, net of the proportionate amount of unamortized debt issuance costs.

Equity Issuances and Redemptions

On July 18, 2024, August 21, 2024 and September 19, 2024 we issued 571,807, 650,357, and 611,918 shares of our common stock in connection with the dividend reinvestment plan, respectively.

During the three months ended September 30, 2024, 683,012 shares of our Series A1 Preferred Stock, 308,914 shares of our Series A3 Preferred Stock, 292,649 shares of our Series M1 Preferred Stock, and 217,979 shares of our Series M3 Preferred Stock were converted to 6,879,683 shares of our common stock, in connection with Holder Optional Conversions and Optional Redemptions Following Death of a Holder, resulting in a loss from redemption of preferred stock of \$1,688.

During the three months ended September 30, 2024 we issued 87,237 shares of our Series A3 Preferred Stock for net proceeds of \$1,963, 17,000 shares of our Series M3 Preferred Stock for net proceeds of \$412, 2,033,017 shares of Series A4 Preferred Stock for net proceeds of \$45,743, 234,027 shares of Series M4 Preferred Stock for net proceeds of \$5,680, each excluding offering costs and preferred stock dividend reinvestment.

In connection with our Preferred Stock Dividend Reinvestment Plan, we issued additional Series A1 Preferred Stock, Series A3 Preferred Stock, Series A4 Preferred Stock, Series M1 Preferred Stock, Series M3 Preferred Stock, and Series M4 Preferred Stock of 13,432, 12,954, and 13,771 throughout July, August, and September, respectively.

Investment Holdings

At September 30, 2024, we have \$7,476,641, or 213.0%, of our net assets applicable to common shares invested in 117 long-term portfolio investments and CLOs.

Our annualized current yield was 11.8% and 12.1% as of September 30, 2024 and June 30, 2024, respectively, across all performing interest bearing investments, excluding equity investments and non-accrual loans. Our annualized current yield was 9.7% and 9.8% as of September 30, 2024 and June 30, 2024, respectively, across all investments. In many of our portfolio companies we hold equity positions, ranging from minority interests to majority stakes, which we expect over time to contribute to our investment returns. Some of these equity positions include features such as contractual minimum internal rates of returns, preferred distributions, flip structures and other features expected to generate additional investment returns, as well as contractual protections and preferences over junior equity, in addition to the yield and security offered by our cash flow and collateral debt protections.

We are a non-diversified company within the meaning of the 1940 Act. As required by the 1940 Act, we classify our investments by level of control. As defined in the 1940 Act, "Control Investments" are those where there is the ability or power to exercise a controlling influence over the management or policies of a company. Control is generally deemed to exist when a company or individual possesses a beneficial ownership of 25% or more of the voting securities of an investee company. Under the 1940 Act, "Affiliate Investments" are defined by a lesser degree of influence and are deemed to exist through owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of another person. "Non-Control/Non-Affiliate Investments" are those that are neither Control Investments nor Affiliate Investments.

As of September 30, 2024, we own controlling interests in the following portfolio companies: CP Energy Services Inc. ("CP Energy"); Credit Central Loan Company, LLC ("Credit Central"); Echelon Transportation, LLC ("Echelon"); First Tower Finance Company LLC ("First Tower Finance"); Freedom Marine Solutions, LLC ("Freedom Marine"); InterDent, Inc. ("InterDent"); Kickapoo Ranch Pet Resort ("Kickapoo"); MITY, Inc. ("MITY"); NPRC; Nationwide Loan Company LLC ("Nationwide"); NMMB, Inc. ("NMMB"); Pacific World Corporation ("Pacific World"); R-V Industries, Inc. ("R-V"); Universal Turbine Parts, LLC ("UTP"); USES Corp. ("United States Environmental Services" or "USES"); and Valley Electric Company, Inc. ("Valley Electric"). In June 2019, CP Energy purchased a controlling interest of the common equity of Spartan Energy Holdings, Inc. ("Spartan Holdings"), which owns 100% of Spartan Energy Services, LLC ("Spartan"), a portfolio company of Prospect with \$43,321 and \$41,177 in first lien term loans (the "Spartan Term Loan A") due to us as of September 30, 2024 and June 30, 2024, respectively. As a result of CP Energy's purchase, and given Prospect's controlling interest in CP Energy, we report our investments in Spartan as control investment. Spartan remains the direct borrower and guarantor to Prospect for the Spartan Term Loan A.

As of September 30, 2024, we also own affiliated interests in Nixon, Inc. ("Nixon") and RGIS Services, LLC, ("RGIS").

The following shows the composition of our investment portfolio by level of control as of September 30, 2024 and June 30, 2024:

| Level of Control | September 30, 2024 | | | | June 30, 2024 | | | |
|---------------------------------------|--------------------|----------------|--------------|----------------|---------------|----------------|--------------|----------------|
| | Cost | % of Portfolio | Fair Value | % of Portfolio | Cost | % of Portfolio | Fair Value | % of Portfolio |
| Control Investments | \$ 3,326,598 | 45.4 % | \$ 3,744,510 | 50.1 % | \$ 3,280,415 | 44.0 % | \$ 3,872,575 | 50.2 % |
| Affiliate Investments | 11,735 | 0.2 % | 21,658 | 0.3 % | 11,594 | 0.2 % | 18,069 | 0.2 % |
| Non-Control/Non-Affiliate Investments | 3,991,005 | 54.5 % | 3,710,473 | 49.6 % | 4,155,165 | 55.8 % | 3,827,599 | 49.6 % |
| Total Investments | \$ 7,329,338 | 100.1 % | \$ 7,476,641 | 100.0 % | \$ 7,447,174 | 100.0 % | \$ 7,718,243 | 100.0 % |

The following shows the composition of our investment portfolio by type of investment as of September 30, 2024 and June 30, 2024:

| Type of Investment | September 30, 2024 | | | | June 30, 2024 | | | |
|--------------------------------------|--------------------|----------------|--------------|----------------|---------------|----------------|--------------|----------------|
| | Cost | % of Portfolio | Fair Value | % of Portfolio | Cost | % of Portfolio | Fair Value | % of Portfolio |
| First Lien Revolving Line of Credit | \$ 111,467 | 1.5 % | \$ 110,753 | 1.5 % | \$ 87,589 | 1.2 % | \$ 86,544 | 1.1 % |
| First Lien Debt | 4,864,390 | 66.4 % | 4,740,340 | 63.4 % | 4,686,107 | 62.9 % | 4,569,467 | 59.2 % |
| Second Lien Revolving Line of Credit | — | — % | — | — % | 5,147 | 0.1 % | 4,987 | 0.1 % |
| Second Lien Debt | 980,562 | 13.4 % | 826,848 | 11.1 % | 1,219,482 | 16.4 % | 1,038,882 | 13.5 % |
| Unsecured Debt | 7,200 | 0.1 % | 5,456 | 0.1 % | 7,200 | 0.1 % | 7,200 | 0.1 % |
| Subordinated Structured Notes | 543,221 | 7.4 % | 473,792 | 6.2 % | 623,700 | 8.3 % | 531,690 | 6.9 % |
| Preferred Stock | 399,072 | 5.4 % | 65,187 | 0.9 % | 399,072 | 5.4 % | 70,569 | 0.9 % |
| Common Stock | 240,334 | 3.3 % | 979,408 | 13.1 % | 237,005 | 3.2 % | 1,134,575 | 14.7 % |
| Membership Interest | 183,092 | 2.5 % | 233,230 | 3.1 % | 181,872 | 2.4 % | 226,273 | 2.9 % |
| Participating Interest (1) | — | — % | 41,627 | 0.6 % | — | — % | 48,056 | 0.6 % |
| Total Investments | \$ 7,329,338 | 100.0 % | \$ 7,476,641 | 100.0 % | \$ 7,447,174 | 100.0 % | \$ 7,718,243 | 100.0 % |

(1) Participating Interest includes our participating equity investments, such as net profits interests, net operating income interests, net revenue interests, and overriding royalty interests.

The following shows our investments in interest bearing securities by type of investment as of September 30, 2024 and June 30, 2024:

| Type of Investment | September 30, 2024 | | | | June 30, 2024 | | | |
|---|--------------------|----------------|--------------|----------------|---------------|----------------|--------------|----------------|
| | Cost | % of Portfolio | Fair Value | % of Portfolio | Cost | % of Portfolio | Fair Value | % of Portfolio |
| First Lien Debt and First Lien Revolving Line of Credit | \$ 4,975,857 | 76.5 % | \$ 4,851,093 | 78.8 % | \$ 4,773,696 | 72.0 % | \$ 4,656,011 | 74.7 % |
| Second Lien Debt and Second Lien Revolving Line of Credit | 980,562 | 15.1 % | 826,848 | 13.4 % | 1,224,629 | 18.5 % | 1,043,869 | 16.7 % |
| Unsecured | 7,200 | 0.1 % | 5,456 | 0.1 % | 7,200 | 0.1 % | 7,200 | 0.1 % |
| Subordinated Structured Notes | 543,221 | 8.3 % | 473,792 | 7.7 % | 623,700 | 9.4 % | 531,690 | 8.5 % |
| Total Interest Bearing Investments | \$ 6,506,840 | 100.0 % | \$ 6,157,189 | 100.0 % | \$ 6,629,225 | 100.0 % | \$ 6,238,770 | 100.0 % |

The following shows the composition of our investment portfolio by industry as of September 30, 2024 and June 30, 2024:

| Industry(2) | September 30, 2024 | | | | June 30, 2024 | | | |
|---|--------------------|----------------|--------------|----------------|---------------|----------------|--------------|----------------|
| | Cost | % of Portfolio | Fair Value | % of Portfolio | Cost | % of Portfolio | Fair Value | % of Portfolio |
| Aerospace & Defense | \$ 67,620 | 0.9 % | \$ 67,448 | 0.9 % | \$ 110,320 | 1.5 % | \$ 66,923 | 0.9 % |
| Air Freight & Logistics | 193,669 | 2.6 % | 175,116 | 2.3 % | 187,897 | 2.5 % | 174,691 | 2.3 % |
| Automobile Components | 114,764 | 1.6 % | 87,997 | 1.2 % | 114,671 | 1.5 % | 89,590 | 1.2 % |
| Capital Markets | 42,500 | 0.6 % | 42,500 | 0.6 % | 42,500 | 0.6 % | 42,500 | 0.6 % |
| Commercial Services & Supplies | 551,079 | 7.6 % | 504,731 | 6.8 % | 526,353 | 7.1 % | 475,299 | 6.2 % |
| Communications Equipment | — | — % | — | — % | 79,030 | 1.1 % | 68,511 | 0.9 % |
| Construction & Engineering | 95,912 | 1.4 % | 305,384 | 4.1 % | 95,911 | 1.3 % | 316,419 | 4.1 % |
| Consumer Finance | 652,817 | 8.9 % | 755,072 | 10.2 % | 623,033 | 8.4 % | 728,320 | 9.4 % |
| Distributors | 368,064 | 5.0 % | 301,219 | 4.0 % | 314,579 | 4.2 % | 251,398 | 3.3 % |
| Diversified Consumer Services | 98,102 | 1.3 % | 81,258 | 1.1 % | 183,552 | 2.5 % | 146,634 | 1.9 % |
| Diversified Financial Services | — | — % | — | — % | 45,039 | 0.6 % | 45,039 | 0.6 % |
| Diversified Telecommunication Services | 203,346 | 2.8 % | 194,897 | 2.6 % | 131,570 | 1.8 % | 132,126 | 1.7 % |
| Electrical Equipment | 61,835 | 0.8 % | 61,835 | 0.8 % | 61,991 | 0.8 % | 61,991 | 0.8 % |
| Energy Equipment & Services | 306,396 | 4.2 % | 115,129 | 1.5 % | 344,989 | 4.6 % | 122,857 | 1.6 % |
| Residential Real Estate Investment Trusts (REITs) | 905,709 | 12.4 % | 1,418,837 | 19.0 % | 897,181 | 12.1 % | 1,485,332 | 19.1 % |
| Financial Services | 67,952 | 0.9 % | 67,952 | 0.9 % | — | — % | — | — % |
| Food & Staples Retailing | — | — % | — | — % | 26,743 | 0.4 % | 22,251 | 0.3 % |
| Food Products | 158,185 | 2.2 % | 142,238 | 1.9 % | 131,504 | 1.8 % | 126,145 | 1.6 % |
| Health Care Providers & Services | 679,077 | 9.3 % | 682,075 | 9.1 % | 739,721 | 9.9 % | 821,921 | 10.6 % |
| Health Care Technology | 133,880 | 1.8 % | 132,546 | 1.8 % | 133,620 | 1.8 % | 132,531 | 1.7 % |
| Hotels, Restaurants & Leisure | 27,553 | 0.4 % | 22,014 | 0.3 % | 27,582 | 0.4 % | 21,550 | 0.3 % |
| Household Durables | 105,976 | 1.4 % | 100,581 | 1.3 % | 122,206 | 1.6 % | 119,926 | 1.6 % |
| Interactive Media & Services | 120,594 | 1.6 % | 120,594 | 1.6 % | 120,594 | 1.6 % | 120,594 | 1.6 % |
| Internet & Direct Marketing Retail | — | — % | — | — % | 21,109 | 0.3 % | 18,393 | 0.2 % |
| IT Services | 103,438 | 1.4 % | 91,313 | 1.2 % | 344,912 | 4.6 % | 343,548 | 4.5 % |
| Leisure Products | 90,594 | 1.2 % | 90,605 | 1.2 % | 79,459 | 1.1 % | 79,291 | 1.0 % |
| Machinery | 103,924 | 1.4 % | 164,783 | 2.2 % | 104,581 | 1.4 % | 163,047 | 2.1 % |
| Marine Transport | 47,116 | 0.6 % | 12,451 | 0.2 % | — | — % | — | — % |
| Media | 122,559 | 1.7 % | 174,123 | 2.3 % | 69,830 | 0.9 % | 134,372 | 1.7 % |
| Online Lending | — | — % | — | — % | 20,630 | 0.3 % | 20,630 | 0.3 % |
| Personal Care Products | 337,895 | 4.6 % | 122,017 | 1.6 % | — | — % | — | — % |
| Personal Products | — | — % | — | — % | 320,396 | 4.3 % | 104,663 | 1.3 % |
| Pharmaceuticals | 232,431 | 3.2 % | 251,199 | 3.4 % | 107,060 | 1.4 % | 107,588 | 1.4 % |
| Professional Services | 107,959 | 1.5 % | 108,263 | 1.4 % | 211,257 | 2.8 % | 162,979 | 2.1 % |
| Software | 179,954 | 2.5 % | 175,157 | 2.3 % | 52,405 | 0.7 % | 47,813 | 0.6 % |
| Specialty Retail | 31,305 | 0.4 % | 7,169 | 0.1 % | — | — % | — | — % |
| Textiles, Apparel & Luxury Goods | 171,982 | 2.3 % | 171,982 | 2.3 % | 173,114 | 2.3 % | 173,114 | 2.2 % |
| Trading Companies & Distributors | 111,430 | 1.5 % | 63,864 | 0.9 % | 67,635 | 0.9 % | 68,067 | 0.9 % |
| Subtotal | 6,595,617 | 90.0 % | 6,812,349 | 91.1 % | 6,632,974 | 89.1 % | 6,996,053 | 90.6 % |
| Structured Finance(1) | 733,721 | 10.0 % | 664,292 | 8.9 % | 814,200 | 10.9 % | 722,190 | 9.4 % |
| Total Investments | \$ 7,329,338 | 100.0 % | \$ 7,476,641 | 100.0 % | \$ 7,447,174 | 100.0 % | \$ 7,718,243 | 100.0 % |

(1) Our SSN investments do not have industry concentrations and as such have been separated in the tables above. As of September 30, 2024 and June 30, 2024, Structured Finance includes \$190,500 and \$190,500, respectively, of senior secured term loan investments held through our investment in NPRC and its wholly-owned subsidiary related to its rated secured structured notes.

(2) As of September 30, 2024, certain industries classifications have been revised compared to June 30, 2024 to align with updated industry structures.

Portfolio Investment Activity

Our origination efforts are focused primarily on secured lending to non-control investments to reduce the risk in the portfolio by investing primarily in first lien loans and second lien loans, though we also continue to invest in select equity investments.

Our gross investment activity for the three months ended September 30, 2024 and September 30, 2023 are presented below:

| | Three Months Ended September 30, | |
|--|----------------------------------|------------------------|
| | 2024 | 2023 |
| Investments in portfolio companies | | |
| Investments in new portfolio companies | \$ 213,056 | \$ 28,324 |
| Follow-on investments in existing portfolio companies ⁽¹⁾ | 32,875 | 72,232 |
| Revolver advances | 6,219 | 7,415 |
| PIK interest ⁽²⁾ | 38,489 | 23,103 |
| Total investments in portfolio companies | \$ 290,639 | \$ 131,074 |
| Investments by portfolio composition | | |
| First Lien Debt | \$ 285,051 | \$ 130,849 |
| Second Lien Debt | 1,994 | 225 |
| Unsecured Debt | — | — |
| Equity | 3,594 | — |
| Total investments by portfolio composition | \$ 290,639 | \$ 131,074 |
| Investments repaid or sold | | |
| Partial repayments ⁽³⁾ | \$ 26,066 | \$ 47,978 |
| Full repayments | 255,646 | 39,750 |
| Investments sold | — | 3,000 |
| Revolver paydowns | 616 | 2,918 |
| Total investments repaid or sold | \$ 282,328 | \$ 93,646 |
| Investments repaid or sold by portfolio composition | | |
| First Lien Debt | \$ 84,649 | \$ 49,803 |
| Second Lien Debt | 197,820 | 45,150 |
| Unsecured Debt | — | — |
| Subordinated Structured Notes | — | — |
| Equity | (141) | (1,307) ⁽⁵⁾ |
| Total investments repaid or sold by portfolio composition | \$ 282,328 | \$ 93,646 |
| Weighted average interest rates for new investments by portfolio composition ⁽⁴⁾ | | |
| First Lien Debt | 11.73 % | 15.97 % |
| Second Lien Debt | N/A | N/A |

(1) Includes follow-on investments in existing portfolio companies and refinancings, if any.

(2) Approximately \$33,144 and \$30,278 was accrued as PIK interest income during the three months ended September 30, 2024 and September 30, 2023, respectively.

(3) Includes partial prepayments of principal, scheduled amortization payments, and refinancings, if any.

(4) Weighted average interest rates for new investments by portfolio composition is calculated with the current rate at the end of the period. In addition, Revolving Line of Credit and Delayed Draw Term Loans are excluded from the calculation.

(5) Negative denotes reversal of receipts previously recorded as return of capital.

Investment Valuation

Investments for which market quotations are readily available are valued at such market quotations. In order to validate market quotations, management and the independent valuation firm look at a number of factors to determine if the quotations are representative of fair value, including the source and nature of the quotations. These investments are classified as Level 1 or Level 2 in the fair value hierarchy.

The fair value of debt investments specifically classified as Level 2 in the fair value hierarchy are generally valued by an independent pricing agent or more than one principal market maker, if available, otherwise a principal market maker or a primary market dealer. We generally value over-the-counter securities by using the prevailing bid and ask prices from dealers during the relevant period end, which were provided by an independent pricing agent and screened for validity by such service.

In determining the range of values for debt instruments where market quotations are not readily available, and are therefore classified as Level 3 in the fair value hierarchy, except CLOs and debt investments in controlling portfolio companies, management and the independent valuation firm estimated corporate and security credit ratings and identified corresponding yields to maturity for each loan from relevant market data. A discounted cash flow technique was then applied using the appropriate yield to maturity as the discount rate, to determine a range of values. In determining the range of values for debt investments of controlled companies and equity investments, the enterprise value was determined by applying a market approach such as using earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples, net income and/or book value multiples for similar guideline public companies and/or similar recent investment transactions and/or an income approach, such as the discounted cash flow technique. The enterprise value technique may also be used to value debt investments which are credit impaired. For stressed debt and equity investments, asset recovery analysis was used.

In determining the range of values for our investments in CLOs, the independent valuation firm uses a discounted multi-path cash flow model. The valuations were accomplished through the analysis of the CLO deal structures to identify the risk exposures from the modeling point of view as well as to determine an appropriate call date (i.e., expected maturity). These risk factors are sensitized in the multi-path cash flow model using Monte Carlo simulations, which are simulations used to model the probability of different outcomes, to generate probability-weighted (i.e., multi-path) cash flows for the underlying assets and liabilities. These cash flows are discounted using appropriate market discount rates, and relevant data in the CLO market and certain benchmark credit indices are considered, to determine the value of each CLO investment. In addition, we generate a single-path cash flow utilizing our best estimate of expected cash receipts, and assess the reasonableness of the implied discount rate that would be effective for the value derived from the corresponding multi-path cash flow model.

With respect to our online consumer and SME lending initiative, we invest primarily in marketplace loans through marketplace lending platforms. We do not conduct loan origination activities ourselves. Therefore, our ability to purchase consumer and SME loans, and our ability to grow our portfolio of consumer and SME loans, are directly influenced by the business performance and competitiveness of the marketplace loan origination business of the marketplace lending platforms from which we purchase consumer and SME loans. In addition, our ability to analyze the risk-return profile of consumer and SME loans is significantly dependent on the marketplace platforms' ability to effectively evaluate a borrower's credit profile and likelihood of default. If we are unable to effectively evaluate borrowers' credit profiles or the credit decisioning and scoring models implemented by each platform, we may incur unanticipated losses which could adversely impact our operating results.

The Board of Directors looked at several factors in determining where within the range to value the asset including: recent operating and financial trends for the asset, independent ratings obtained from third parties, comparable multiples for recent sales of companies within the industry and discounted cash flow models for our investments in CLOs. The composite of all these various valuation techniques, applied to each investment, was a total valuation of \$7,476,641.

Our portfolio companies are generally lower middle-market companies, outside of the financial sector, with less than \$100,000 of annual EBITDA. We believe our investment portfolio has experienced less volatility than others because we believe there are more buy and hold investors who own these less liquid investments.

Control Company Investments

Control investments offer increased risk and reward over straight debt investments. Operating results and changes in market multiples can result in dramatic changes in values from quarter to quarter. Significant downturns in operations can further result in our looking to recoveries on sales of assets rather than the enterprise value of the investment. Equity positions in our portfolio are susceptible to potentially significant changes in value, both increases as well as decreases, due to changes in operating results and market multiples. Our controlled companies discussed below experienced such changes and we recorded corresponding fluctuations in valuations during the three months ended September 30, 2024.

InterDent, Inc.

Prospect owns 100% of the equity of InterDent, Inc. InterDent is a dental support organization ("DSO"). InterDent provides business and administrative support services to a regionally-diversified set of dental practices so that dentists can focus on delivering high-quality clinical care and patient satisfaction.

The fair value of our investment in InterDent was \$403,727 as of September 30, 2024, a premium of \$35,409 to its amortized cost basis compared to a fair value of \$463,883 as of June 30, 2024, a premium of \$102,337 to its amortized cost. The decrease in premium to amortized cost was driven by a decline in financial performance and increased debt in the capital structure.

National Property REIT Corp.

NPRC is a Maryland corporation and a qualified REIT for federal income tax purposes. NPRC is held for purposes of investing, operating, financing, leasing, managing and selling a portfolio of real estate assets and engages in any and all other activities that may be necessary, incidental, or convenient to perform the foregoing. NPRC acquires real estate assets, including, but not limited to, industrial, commercial, and multi-family properties, self-storage, and student housing properties. NPRC may acquire real estate assets directly or through joint ventures by making a majority equity investment in a property-owning entity. Additionally, through its wholly owned subsidiaries, NPRC invests in online consumer loans and RSSNs. As of September 30, 2024 and June 30, 2024, we own 100% of the fully-diluted common equity of NPRC.

During the three months ended September 30, 2024, we provided \$21,615 of debt financing to NPRC to fund real estate capital expenditures, provide working capital, and to fund purchases of rated secured structured notes.

During the three months ended September 30, 2024, we received partial repayments of \$14,000 of our loans previously outstanding with NPRC and its wholly owned subsidiary.

During the three months ended September 30, 2023, we provided \$63,305 of debt financing to NPRC to fund real estate capital expenditures and provide working capital.

During the three months ended September 30, 2023, we received partial repayments of \$13,450 of our loans previously outstanding with NPRC and its wholly owned subsidiary.

The rated secured structured note investments held by certain of NPRC's wholly owned subsidiaries are subordinated debt interests in broadly syndicated loans managed by established collateral management teams with many years of experience in the industry. As of September 30, 2024, the outstanding investment in rated secured structured notes by certain of NPRC's wholly owned subsidiaries was comprised of 106 investments with a fair value of \$403,258 and face value of \$423,984. The average outstanding note is approximately \$4,000 with an expected maturity date ranging from July 2028 to July 2034 and weighted-average expected maturity of 5 years as of September 30, 2024. Coupons range from three-month SOFR ("3M") plus 5.20% to 9.23% with a weighted-average coupon of 3M + 6.90%. As of September 30, 2024, our senior secured term loan debt and common equity investments in NPRC and its wholly-owned subsidiaries relating to rated secured structured notes had a fair value of \$243,364. As of September 30, 2024, based on outstanding notional balance, 34.9% of the portfolio was invested in Single - B or below rated tranches and 65.1% of the portfolio in BB or above rated tranches.

As of September 30, 2024, investments held by certain of NPRC's wholly-owned subsidiaries was comprised of residual interest in two securitizations valued at \$2,553, one corporate bond valued at \$18,359 and other assets valued at \$1,656 for an aggregate fair value of \$22,568.

As of September 30, 2024, our investment in NPRC and its wholly owned subsidiaries had an amortized cost of \$1,116,839 and a fair value of \$1,629,967. The fair value of \$1,364,035 related to NPRC's real estate portfolio was comprised of forty-nine multi-family properties, six student housing properties, four senior living properties, and two commercial properties. The following table shows the location, acquisition date, purchase price, and mortgage outstanding due to other parties for each of the properties held by NPRC as of September 30, 2024:

| No. | Property Name | City | Acquisition Date | Purchase Price | Mortgage Outstanding |
|-----|--|----------------------|------------------|----------------|----------------------|
| 1 | Arlington Park Marietta, LLC | Marietta, GA | 5/8/2013 | \$ 14,850 | \$ 13,418 |
| 2 | Taco Bell, OK | Yukon, OK | 6/4/2014 | 1,719 | — |
| 3 | Taco Bell, MO | Marshall, MO | 6/4/2014 | 1,405 | — |
| 4 | Abbie Lakes OH Partners, LLC | Canal Winchester, OH | 9/30/2014 | 12,600 | 21,569 |
| 5 | Kengary Way OH Partners, LLC | Reynoldsburg, OH | 9/30/2014 | 11,500 | 22,945 |
| 6 | Lakeview Trail OH Partners, LLC | Canal Winchester, OH | 9/30/2014 | 26,500 | 43,656 |
| 7 | Lakepoint OH Partners, LLC | Pickerington, OH | 9/30/2014 | 11,000 | 25,935 |
| 8 | Sunbury OH Partners, LLC | Columbus, OH | 9/30/2014 | 13,000 | 21,372 |
| 9 | Heatherbridge OH Partners, LLC | Blacklick, OH | 9/30/2014 | 18,416 | 31,810 |
| 10 | Jefferson Chase OH Partners, LLC | Blacklick, OH | 9/30/2014 | 13,551 | 27,625 |
| 11 | Goldenstrand OH Partners, LLC | Hilliard, OH | 10/29/2014 | 7,810 | 17,195 |
| 12 | Vesper Tuscaloosa, LLC | Tuscaloosa, AL | 9/28/2016 | 54,500 | 40,911 |
| 13 | Vesper Iowa City, LLC | Iowa City, IA | 9/28/2016 | 32,750 | 23,590 |
| 14 | Vesper Corpus Christi, LLC | Corpus Christi, TX | 9/28/2016 | 14,250 | 10,263 |
| 15 | Vesper Campus Quarters, LLC | Corpus Christi, TX | 9/28/2016 | 18,350 | 13,470 |
| 16 | Vesper College Station, LLC | College Station, TX | 9/28/2016 | 41,500 | 30,463 |
| 17 | Vesper Statesboro, LLC | Statesboro, GA | 9/28/2016 | 7,500 | 7,408 |
| 18 | 9220 Old Lantern Way, LLC | Laurel, MD | 1/30/2017 | 187,250 | 152,230 |
| 19 | 7915 Baymeadows Circle Owner, LLC | Jacksonville, FL | 10/31/2017 | 95,700 | 88,169 |
| 20 | 8025 Baymeadows Circle Owner, LLC | Jacksonville, FL | 10/31/2017 | 15,300 | 15,348 |
| 21 | 23275 Riverside Drive Owner, LLC | Southfield, MI | 11/8/2017 | 52,000 | 53,948 |
| 22 | 23741 Pond Road Owner, LLC | Southfield, MI | 11/8/2017 | 16,500 | 18,667 |
| 23 | 150 Steeplechase Way Owner, LLC | Largo, MD | 1/10/2018 | 44,500 | 35,679 |
| 24 | Olentangy Commons Owner LLC | Columbus, OH | 6/1/2018 | 113,000 | 92,876 |
| 25 | Villages of Wildwood Holdings LLC | Fairfield, OH | 7/20/2018 | 46,500 | 58,393 |
| 26 | Falling Creek Holdings LLC | Richmond, VA | 8/8/2018 | 25,000 | 25,374 |
| 27 | Crown Pointe Passthrough LLC | Danbury, CT | 8/30/2018 | 108,500 | 89,400 |
| 28 | Lorring Owner LLC | Forestville, MD | 10/30/2018 | 58,521 | 47,680 |
| 29 | Hamptons Apartments Owner, LLC | Beachwood, OH | 1/9/2019 | 96,500 | 79,520 |
| 30 | 5224 Long Road Holdings, LLC | Orlando, FL | 6/28/2019 | 26,500 | 21,200 |
| 31 | Druid Hills Holdings LLC | Atlanta, GA | 7/30/2019 | 96,000 | 78,923 |
| 32 | Bel Canto NPRC Parcstone LLC | Fayetteville, NC | 10/15/2019 | 45,000 | 42,793 |
| 33 | Bel Canto NPRC Stone Ridge LLC | Fayetteville, NC | 10/15/2019 | 21,900 | 21,545 |
| 34 | Sterling Place Holdings LLC | Columbus, OH | 10/28/2019 | 41,500 | 34,196 |
| 35 | SPCP Hampton LLC | Dallas, TX | 11/2/2020 | 36,000 | 38,843 |
| 36 | Palmetto Creek Holdings LLC | North Charleston, SC | 11/10/2020 | 33,182 | 25,865 |
| 37 | Valora at Homewood Holdings LLC | Homewood, AL | 11/19/2020 | 81,250 | 63,844 |
| 38 | NPRC Fairburn LLC | Fairburn, GA | 12/14/2020 | 52,140 | 43,900 |
| 39 | NPRC Grayson LLC | Grayson, GA | 12/14/2020 | 47,860 | 40,500 |
| 40 | NPRC Taylors LLC | Taylors, SC | 1/27/2021 | 18,762 | 14,075 |
| 41 | Parkside at Laurel West Owner LLC | Spartanburg, SC | 2/26/2021 | 57,005 | 42,025 |
| 42 | Willows at North End Owner LLC | Spartanburg, SC | 2/26/2021 | 23,255 | 19,000 |
| 43 | SPCP Edge CL Owner LLC | Webster, TX | 3/12/2021 | 34,000 | 25,496 |
| 44 | Jackson Pear Orchard LLC | Ridgeland, MS | 6/28/2021 | 50,900 | 42,975 |
| 45 | Jackson Lakeshore Landing LLC | Ridgeland, MS | 6/28/2021 | 22,600 | 17,955 |
| 46 | Jackson Reflection Pointe LLC | Flowood, MS | 6/28/2021 | 45,100 | 33,203 |
| 47 | Jackson Crosswinds LLC | Pearl, MS | 6/28/2021 | 41,400 | 38,601 |
| 48 | Elliot Apartments Norcross, LLC | Norcross, GA | 11/30/2021 | 128,000 | 106,711 |
| 49 | Orlando 442 Owner, LLC (West Vue Apartments) | Orlando, FL | 12/30/2021 | 97,500 | 73,000 |

| No. | Property Name | City | Acquisition Date | Purchase Price | Mortgage Outstanding |
|-----|--|------------------|------------------|---------------------|----------------------|
| 50 | NPRC Wolfchase LLC | Memphis, TN | 3/18/2022 | 82,100 | 60,000 |
| 51 | NPRC Twin Oaks LLC | Hattiesburg, MS | 3/18/2022 | 44,850 | 36,151 |
| 52 | NPRC Lancaster LLC | Birmingham, AL | 3/18/2022 | 37,550 | 29,326 |
| 53 | NPRC Rutland LLC | Macon, GA | 3/18/2022 | 29,750 | 24,129 |
| 54 | Southport Owner LLC (Southport Crossing) | Indianapolis, IN | 3/29/2022 | 48,100 | 36,075 |
| 55 | TP Cheyenne, LLC | Cheyenne, WY | 5/26/2022 | 27,500 | 17,656 |
| 56 | TP Pueblo, LLC | Pueblo, CO | 5/26/2022 | 31,500 | 20,166 |
| 57 | TP Stillwater, LLC | Stillwater, OK | 5/26/2022 | 26,100 | 15,328 |
| 58 | TP Kokomo, LLC | Kokomo, IN | 5/26/2022 | 20,500 | 12,753 |
| 59 | Terraces at Perkins Rowe JV LLC | Baton Rouge, LA | 11/14/2022 | 41,400 | 29,566 |
| 60 | NPRC Apex Holdings LLC | Cincinnati, OH | 1/19/2024 | 34,225 | 27,712 |
| 61 | NPRC Parkton Holdings LLC | Cincinnati, OH | 1/19/2024 | 45,775 | 37,090 |
| | | | | <u>\$ 2,629,676</u> | <u>\$ 2,279,516</u> |

The fair value of our investment in NPRC was \$1,629,967 as of September 30, 2024, a premium of \$513,128 from its amortized cost basis, compared to a fair value of \$1,696,462 as of June 30, 2024, representing a premium of \$588,151. The decrease in premium to amortized cost is primarily driven by a decrease in market interest rates and increased debt in the capital structure, offset by growth in net operating income in our real estate portfolio.

NMMB Holdings, Inc.

Prospect owns 92.77% of the fully-diluted equity of NMMB Holdings, Inc. ("Refuel"). NMMB, through its subsidiary, Refuel Agency, provides integrated marketing and advertising services to brands across industries.

The fair value of our investment in Refuel was \$81,287 as of September 30, 2024, a premium of \$51,564 to its amortized cost basis compared to a fair value of \$94,265 as of June 30, 2024, a premium of \$64,542 to its amortized cost. The decrease in premium to amortized cost resulted from a revised forecast impacted by continued headwinds in the advertising market and a dividend declared by Refuel.

Valley Electric Company, Inc.

Prospect owns 100% of the common stock of Valley Holdings I, a Consolidated Holding Company. Valley Holdings I owns 100% of Valley Holdings II, a Consolidated Holding Company. Valley Holdings II owns 94.99% of Valley Electric Company, Inc. ("Valley Electric"), with Valley Electric management owning the remaining 5.01% of the equity. Valley Electric owns 100% of the equity of VE Company, Inc., which owns 100% of the equity of Valley Electric Co. of Mt. Vernon, Inc. ("Valley") and Comet Electric, Inc ("Comet"), leading providers of specialty electrical services in the states of Washington and California. Valley and Comet are amongst the top electrical contractors in the United States.

The fair value of our investment in Valley Electric was \$305,384 as of September 30, 2024, a premium of \$209,472 to its amortized cost, compared to a fair value of \$316,419 as of June 30, 2024, representing a \$220,508 premium to its amortized cost. The decrease in premium to amortized cost resulted from modest changes to timing of ongoing and future projects.

Our controlled investments, including those discussed above, are valued at \$417,912 above their amortized cost as of September 30, 2024.

Affiliate and Non-Control Company Investments

We hold two affiliate investments at September 30, 2024 (Nixon, Inc. and RGIS Services, LLC, ("RGIS")) with a total fair value of \$21,658, a premium of \$9,923 from their combined amortized cost, compared to a fair value as \$18,069 of June 30, 2024, representing a \$6,475 premium to its amortized cost. The increase in premium to amortized cost was driven by an improvement in RGIS's financial performance.

With the non-control/non-affiliate investments, generally, there is less volatility related to our total investments because our equity positions tend to be smaller than with our control/affiliate investments, and debt investments are generally not as susceptible to large swings in value as equity investments. For debt investments, the fair value is generally limited on the high side to each loan's par value, plus any prepayment premium that could be imposed. Note that three of our non-control/non-affiliate investments, Credit.com Holdings, LLC, Town & Country Holdings, Inc. ("Town & Country"), and our CLO investment portfolio, have larger equity positions and are therefore more susceptible to changes in value than the rest of our non-control/non-affiliate investments. As of September 30, 2024, our non-control/non-affiliate portfolio is valued at a discount to amortized cost primarily due to our CLO investment portfolio, which is valued at a \$69,429 discount to amortized cost.

Additionally, as of September 30, 2024, eight of our non-control/ non-affiliate investments, United Sporting Companies, Inc. ("USC"), K&N HoldCo, LLC ("K&N"), Rising Tide Holdings, Inc. ("West Marine"), WellPath Holdings, Inc. ("WellPath"), Reception Purchaser, LLC ("STG"), Credit.com Holdings, LLC, Medical Solutions Holdings, Inc., and Redstone Holdco 2 LP ("RSA"), are valued at discounts to amortized cost of \$79,635, \$25,106, \$24,136, \$22,840, \$18,691, \$18,001, \$14,124, and \$11,770 respectively.

Our largest non-control/non-affiliate investment is Town & Country, which is valued at \$13,022 above its amortized cost and represents approximately 6.9% of our net asset value as of September 30, 2024. Town & Country is a supplier of home textiles and accessories to retailers throughout North America.

Excluding those non-control/non-affiliate investments discussed above, our remaining non-control/non-affiliate portfolio is valued at a discount of \$9,822 to amortized cost as of September 30, 2024.

Capitalization

Our investment activities are capital intensive and the availability and cost of capital is a critical component of our business. We capitalize our business with a combination of debt and equity. Our debt as of September 30, 2024 consists of: a Revolving Credit Facility availing us of the ability to borrow debt subject to borrowing base determinations; Convertible Notes which we issued in March 2019; Public Notes which we issued in January 2021, May 2021 and September 2021; and Prospect Capital InterNotes® which we issue from time to time. As of September 30, 2024, our equity capital is comprised of common and preferred equity.

The following table shows our outstanding debt as of September 30, 2024:

| | Principal Outstanding | Unamortized Discount & Debt Issuance Costs | Net Carrying Value | Fair Value | Effective Interest Rate |
|-------------------------------------|--------------------------|--|-----------------------|---------------------|-------------------------|
| Revolving Credit Facility | \$ 547,231 | \$ 22,368 | \$ 547,231 | \$ 547,231 | 1M SOFR + 2.05 % |
| 2025 Notes | 156,168 | 409 | 155,759 | 156,149 | 6.63 % |
| Convertible Notes | 156,168 | | 155,759 | 156,149 | |
| 2026 Notes | 387,715 | 2,700 | 385,015 | 375,781 | 3.98 % |
| 3.364% 2026 Notes | 300,000 | 3,045 | 296,955 | 279,567 | 3.60 % |
| 3.437% 2028 Notes | 300,000 | 5,466 | 294,534 | 261,864 | 3.64 % |
| Public Notes | 987,715 | | 976,504 | 917,212 | |
| Prospect Capital InterNotes® | 603,262 | 9,040 | 594,222 | 599,170 | 6.53 % |
| Total | <u>\$ 2,294,376</u> | | <u>\$ 2,273,716</u> | <u>\$ 2,219,762</u> | |

The following table shows our outstanding debt as of June 30, 2024:

| | Principal Outstanding | Unamortized Discount & Debt Issuance Costs | Net Carrying Value | Fair Value | Effective Interest Rate |
|-------------------------------------|--------------------------|--|-----------------------|---------------------|-------------------------|
| Revolving Credit Facility | \$ 794,796 | \$ 22,975 | \$ 794,796 | \$ 794,796 | 1M SOFR + 2.05 % |
| 2025 Notes | 156,168 | 649 | 155,519 | 155,632 | 6.63 % |
| Convertible Notes | 156,168 | | 155,519 | 155,632 | |
| 2026 Notes | 400,000 | 3,263 | 396,737 | 381,344 | 3.98 % |
| 3.364% 2026 Notes | 300,000 | 3,388 | 296,612 | 275,601 | 3.60 % |
| 3.437% 2028 Notes | 300,000 | 5,782 | 294,218 | 256,050 | 3.64 % |
| Public Notes | 1,000,000 | | 987,567 | 912,995 | |
| Prospect Capital InterNotes® | 504,028 | 7,999 | 496,029 | 479,748 | 6.33 % |
| Total | <u>\$ 2,454,992</u> | | <u>\$ 2,433,911</u> | <u>\$ 2,343,171</u> | |

The following table shows the contractual maturities by fiscal year of our Revolving Credit Facility, Convertible Notes, Public Notes and Prospect Capital InterNotes® as of September 30, 2024:

| Payments Due by Fiscal Year ending June 30, | | | | | | | |
|---|---------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| | Total | Remainder of | | | | | |
| | | 2025 | 2026 | 2027 | 2028 | 2029 | After 5 Years |
| Revolving Credit Facility | \$ 547,231 | \$ — | \$ — | \$ — | \$ — | \$ 547,231 | \$ — |
| Convertible Notes | 156,168 | 156,168 | — | — | — | — | — |
| Public Notes | 987,715 | — | 387,715 | 300,000 | — | 300,000 | — |
| Prospect Capital InterNotes® | 603,262 | 1,499 | 54,674 | 154,201 | 27,891 | 99,948 | 265,049 |
| Total Contractual Obligations | <u>\$ 2,294,376</u> | <u>\$ 157,667</u> | <u>\$ 442,389</u> | <u>\$ 454,201</u> | <u>\$ 27,891</u> | <u>\$ 947,179</u> | <u>\$ 265,049</u> |

We may from time to time seek to cancel or purchase our outstanding debt through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions or otherwise. The amounts involved may be material. In addition, we may from time to time enter into additional debt facilities, increase the size of existing facilities or issue additional debt securities, including secured debt, unsecured debt and/or debt securities convertible into common stock. Any such purchases or exchanges of outstanding debt would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors.

Historically, we have funded a portion of our cash needs through borrowings from banks, issuances of senior securities, including secured, unsecured and convertible debt securities, or issuances of common equity. For flexibility, we maintain a universal shelf registration statement that allows for the public offering and sale of our debt securities, common stock, preferred stock, subscription rights, and warrants and units to purchase such securities up to an indeterminate amount. We may from time to time issue securities pursuant to the shelf registration statement or otherwise pursuant to private offerings. The issuance of debt or equity securities will depend on future market conditions, funding needs and other factors and there can be no assurance that any such issuance will occur or be successful.

Each of our Convertible Notes, Public Notes and Prospect Capital InterNotes® (collectively, our “Unsecured Notes”) are our general, unsecured obligations and rank equal in right of payment with all of our existing and future unsecured indebtedness and will be senior in right of payment to any of our subordinated indebtedness that may be issued in the future. The Unsecured Notes are effectively subordinated to our existing secured indebtedness, such as our credit facility, and future secured indebtedness to the extent of the value of the assets securing such indebtedness and structurally subordinated to any existing and future liabilities and other indebtedness of any of our subsidiaries.

Revolving Credit Facility

On May 15, 2007, we formed our wholly owned subsidiary, PCF, a Delaware limited liability company and a bankruptcy remote special purpose entity, which holds certain of our portfolio loan investments that are used as collateral for the revolving credit facility at PCF. Since origination of the revolving credit facility, we have renegotiated the terms and extended the commitments of the revolving credit facility several times. Most recently, effective June 28, 2024, we completed an extension

and upsizing of the revolving credit facility (the "Revolving Credit Facility"). The lenders have extended commitments of \$2,121,500 as of September 30, 2024. The Revolving Credit Facility includes an accordion feature which allows commitments to be increased up to \$2,250,000 in the aggregate. The extension and upsizing of the Revolving Credit Facility extended the maturity date to June 28, 2029 and the revolving period through June 28, 2028, followed by an additional one-year amortization period, with distributions allowed to Prospect after the completion of the revolving period. During such one-year amortization period, all principal payments on the pledged assets will be applied to reduce the balance. At the end of the one-year amortization period, the remaining balance will become due.

As of September 30, 2024 and June 30, 2024, we had \$973,630 and \$830,124, respectively, available to us for borrowing under the Revolving Credit Facility, net of \$547,231 and \$794,796 outstanding borrowings as of the respective balance sheet dates. Refer to Note 4. *Revolving Credit Facility* within our consolidated financial statements for additional details.

Convertible Notes

On March 1, 2019, we issued \$175,000 aggregate principal amount of senior convertible notes that mature on March 1, 2025 (the "2025 Notes"), unless previously converted or repurchased in accordance with their terms. We granted the underwriters a 13-day over-allotment option to purchase up to an additional \$26,250 aggregate principal amount of the 2025 Notes. The underwriters fully exercised the over-allotment option on March 11, 2019 and we issued \$26,250 aggregate principal amount of 2025 Notes at settlement on March 13, 2019. The 2025 Notes bear interest at a rate of 6.375% per year, payable semi-annually on March 1 and September 1 each year, beginning September 1, 2019. Total proceeds from the issuance of the 2025 Notes, net of underwriting discounts and offering costs, were \$198,674.

As of September 30, 2024 and June 30, 2024, the outstanding principal amount of the 2025 Notes were \$156,168 and \$156,168, respectively. Refer to Note 5. *Convertible Notes* within our consolidated financial statements for additional details.

Public Notes

On October 1, 2018, we issued \$100,000 aggregate principal amount of unsecured notes that mature on January 15, 2024 (the "6.375% 2024 Notes"). The 6.375% 2024 Notes bear interest at a rate of 6.375% per year, payable semi-annually on January 15 and July 15 of each year, beginning January 15, 2019. Total proceeds from the issuance of the 6.375% 2024 Notes, net of underwriting discounts and offering costs, were \$98,985.

During the year ended June 30, 2024, we repaid the remaining outstanding principal amount of \$81,240 of the 6.375% 2024 Notes, plus interest, at maturity.

On January 22, 2021, we issued \$325,000 aggregate principal amount of unsecured notes that mature on January 22, 2026 (the "Original 2026 Notes"). The Original 2026 Notes bear interest at a rate of 3.706% per year, payable semi-annually on July 22, and January 22 of each year, beginning on July 22, 2021. Total proceeds from the issuance of the 2026 Notes, net of underwriting discounts and offering costs, were \$317,720. On February 19, 2021, we issued an additional \$75,000 aggregate principal amount of unsecured notes that mature on January 22, 2026 (the "Additional 2026 Notes", and together with the Original 2026 Notes, the "2026 Notes"). The Additional 2026 Notes were a further issuance of, and are fully fungible and rank equally in right of payment with, the Original 2026 Notes and bear interest at a rate of 3.706% per year, payable semi-annually on July 22 and January 22 of each year, beginning July 22, 2021. Total proceeds from the issuance of the Additional 2026 Notes, net of underwriting discounts and offering costs, were \$74,061.

During the three months ended September 30, 2024, we commenced various tender offers to purchase for cash any and all outstanding aggregate principal amount of the 2026 Notes at prices ranging from 96.96% to 97.12%, plus accrued and unpaid interest. As a result, \$12,285 aggregate principal amount of the 2026 Notes were validly tendered and accepted, and we recognized a realized gain of \$307 from the extinguishment of debt in the amount of the difference between the reacquisition price and the net carrying amount of the 2026 Notes, net of the proportionate amount of unamortized debt issuance costs.

As of September 30, 2024 and June 30, 2024, the outstanding aggregate principal amount of the 2026 Notes was \$387,715 and \$400,000, respectively.

On May 27, 2021, we issued \$300,000 aggregate principal amount of unsecured notes that mature on November 15, 2026 (the "3.364% 2026 Notes"). The 3.364% 2026 Notes bear interest at a rate of 3.364% per year, payable semi-annually on November 15, and May 15 of each year, beginning on November 15, 2021. Total proceeds from the issuance of the 3.364% 2026 Notes, net of underwriting discounts and offering costs, were \$293,283.

As of September 30, 2024 and June 30, 2024, the outstanding aggregate principal amount of the 3.364% 2026 Notes was \$ 300,000 and \$300,000, respectively.

On September 30, 2021, we issued \$300,000 aggregate principal amount of unsecured notes that mature on October 15, 2028 (the "3.437% 2028 Notes"). The 3.437% 2028 Notes bear interest at a rate of 3.437% per year, payable semi-annually on April 15 and October 15 of each year, beginning on April 15, 2022. Total proceeds from the issuance of the 3.437% 2028 Notes, net of underwriting discounts and offering costs, were \$291,798.

As of September 30, 2024 and June 30, 2024, the outstanding aggregate principal amount of the 3.437% 2028 Notes was \$ 300,000 and \$300,000, respectively.

The 6.375% 2024 Notes, 2026 Notes, the 3.364% 2026 Notes, and the 3.437% 2028 Notes (collectively, the "Public Notes") are direct unsecured obligations and rank equally with all of our unsecured indebtedness from time to time outstanding. Refer to Note 6. *Public Notes* within our consolidated financial statements for additional details.

Prospect Capital InterNotes®

On February 13, 2020, we entered into a new selling agent agreement with InspereX LLC (formerly known as "Incapital LLC") (the "Selling Agent Agreement"), authorizing the issuance and sale from time to time of up to \$1,000,000 of Prospect Capital InterNotes® (collectively with previously authorized selling agent agreements, the "InterNotes® Offerings"). Additional agents may be appointed by us from time to time in connection with the InterNotes® Offering and become parties to the Selling Agent Agreement.

We have, from time to time, repurchased certain notes issued through the InterNotes® Offerings and, therefore, as of September 30, 2024 and June 30, 2024, the aggregate principal amount of Prospect Capital InterNotes® outstanding were \$603,262 and \$504,028, respectively. Refer to Note 7. *Prospect Capital InterNotes®* within our consolidated financial statements for additional details.

Net Asset Value Applicable to Common Stockholders

During the three months ended September 30, 2024, our net asset value applicable to common shares decreased by \$200,920, or \$0.64 per common share. During the three months ended September 30, 2024, the change in NAV was primarily due to net realized and unrealized losses of \$227,789, or \$0.53 per basic weighted average share, and \$0.08 of dilution per common share related to issuances of common stock through our dividend reinvestment plan and through conversion of Preferred Stock, as applicable. Additionally, distributions to common and preferred stockholders of \$104,515, or \$0.24 per basic weighted average common share, exceeded net investment income of \$89,877, or \$0.21 per basic weighted average common share, resulting in a net decrease of \$0.03 per basic weighted average common share. The following table shows the calculation of net asset value per common share as of September 30, 2024 and June 30, 2024:

| | September 30, 2024 | June 30, 2024 |
|---|--------------------|---------------|
| Net assets available to common stockholders | \$ 3,510,813 | \$ 3,711,733 |
| Shares of common stock issued and outstanding | 433,560,728 | 424,846,963 |
| Net asset value per common share | \$ 8.10 | \$ 8.74 |

Results of Operations

Operating results for the three months ended September 30, 2024 and September 30, 2023 were as follows:

| | Three Months Ended September 30, | |
|---|-------------------------------------|------------------|
| | 2024 | 2023 |
| Investment income | \$ 196,308 | \$ 236,245 |
| Operating expenses | 106,431 | 110,633 |
| Net investment income | 89,877 | 125,612 |
| Net realized gains (losses) from investments | (100,370) | (207,489) |
| Net change in unrealized gains (losses) from investments | (123,767) | 198,629 |
| Net realized gains (losses) on extinguishment of debt | 248 | (91) |
| Net increase (decrease) in net assets resulting from operations | (134,012) | 116,661 |
| Preferred stock dividend | (27,157) | (23,151) |
| Net gain (loss) on redemptions of preferred stock | 2,304 | 501 |
| Gain (loss) on Accretion to Redemption Value of Preferred Stock | (6,204) | — |
| Net Increase (Decrease) in Net Assets Resulting from Operations applicable to Common Stockholders | <u>\$ (165,069)</u> | <u>\$ 94,011</u> |

While we seek to maximize gains and minimize losses, our investments in portfolio companies can expose our capital to risks greater than those we may anticipate. These companies typically do not issue securities rated investment grade, and have limited resources, limited operating history, and concentrated product lines or customers. These are generally private companies with limited operating information available and are likely to depend on a small core of management talents. Changes in any of these factors can have a significant impact on the value of the portfolio company. These changes, along with those discussed in *Investment Valuation* above, can cause significant fluctuations in our net change in unrealized gains (losses) from investments, and therefore our net increase (decrease) in net assets resulting from operations applicable to common stockholders, quarter over quarter.

Investment Income

We generate revenue in the form of interest income on the debt securities that we own, dividend income on any common or preferred stock that we own, and fees generated from the structuring of new deals. Our investments, if in the form of debt securities, will typically have a term of one to ten years and bear interest at a fixed or floating rate. To the extent achievable, we will seek to collateralize our investments by obtaining security interests in our portfolio companies' assets. We also may acquire minority or majority equity interests in our portfolio companies, which may pay cash or in-kind dividends on a recurring or otherwise negotiated basis. In addition, we may generate revenue in other forms including prepayment penalties and possibly consulting fees. Any such fees generated in connection with our investments are recognized as earned.

Investment income consists of interest income, including accretion of loan origination fees and prepayment penalty fees, dividend income and other income, including settlement of net profits interests, overriding royalty interests and structuring fees.

The following table describes the various components of investment income and the related levels of debt investments:

| | Three Months Ended September 30, | |
|---|----------------------------------|--------------|
| | 2024 | 2023 |
| Interest income | \$ 184,615 | \$ 202,447 |
| Dividend income | 2,410 | 3,059 |
| Other income | 9,283 | 30,739 |
| Total investment income | \$ 196,308 | \$ 236,245 |
| Average debt principal of performing interest bearing investments ⁽¹⁾ | \$ 7,194,703 | \$ 7,176,988 |
| Weighted average interest rate earned on performing interest bearing investments ⁽¹⁾ | 10.04 % | 11.04 % |
| Average debt principal of all interest bearing investments ⁽²⁾ | \$ 7,644,285 | \$ 7,754,286 |
| Weighted average interest rate earned on all interest bearing investments ⁽²⁾ | 9.45 % | 10.22 % |

⁽¹⁾ Excludes equity investments and non-accrual loans.

⁽²⁾ Excludes equity investments.

The average interest earned on interest bearing performing assets decreased to 10.04% for the three months ended September 30, 2024 from 11.04% for the three months ended September 30, 2023. The weighted average interest rate earned on our performing interest bearing investments decreased by 1.00% due to a decrease in income from our structured credit investments to \$4,179 from \$16,687, for the three months ended September 30, 2024 and 2023, in addition to a decrease in interest income due to repayments and originations at lower rates than our average existing portfolio yield of \$177,989 from \$184,255, for the three months ended September 30, 2024 and 2023. The average interest earned on all interest bearing assets decreased to 9.45% for the three months ended September 30, 2024 from 10.22% for the three months ended September 30, 2023. The weighted average interest rate earned on all interest bearing investments decreased by 0.77% primarily due to a decrease in income from our structured credit investments of \$4,179 from \$16,687 for the three months ended September 30, 2024 and 2023.

Investment income is also generated from dividends and other income which is less predictable than interest income. The following table describes dividend income earned for the three months ended September 30, 2024 and September 30, 2023, respectively:

| | Three Months Ended September 30, | |
|------------------------|----------------------------------|----------|
| | 2024 | 2023 |
| Dividend income | | |
| RGIS Services, LLC | \$ 141 | \$ 1,307 |
| NMMB, Inc. | — | 147 |
| Other | 2,269 | 1,605 |
| Total dividend income | \$ 2,410 | \$ 3,059 |

Other income is comprised of structuring fees, advisory fees, amendment fees, royalty interests, receipts for residual net profit and revenue interests, administrative agent fees and other miscellaneous and sundry cash receipts. The following table describes other income earned for the three months ended September 30, 2024 and September 30, 2023, respectively:

| | For the Three Months Ended September 30, | |
|--|--|-----------|
| | 2024 | 2023 |
| Structuring and amendment fees | | |
| Druid City Infusion, LLC | \$ 1,379 | \$ — |
| National Property REIT Corp. | — | 15,476 |
| Julie Lindsey, Inc. | — | 550 |
| Other, net | 865 | 365 |
| Total structuring and amendment fees | \$ 2,244 | \$ 16,391 |
| Royalty, net profit and revenue interests | | |
| National Property REIT Corp. | \$ 6,665 | \$ 13,996 |
| Other, net | 174 | 171 |
| Total royalty and net revenue interests | \$ 6,839 | \$ 14,167 |
| Administrative agent fees | | |
| Other, net | \$ 200 | \$ 181 |
| Total administrative agent fees | \$ 200 | \$ 181 |
| Total other income | \$ 9,283 | \$ 30,739 |

Other income for the three months ended September 30, 2024 decreased by \$21,456 compared to the three months ended September 30, 2023 primarily due to a \$14,147 decrease structuring and amendment fees and a \$7,328 decrease in royalty and net revenue interests.

Income recognized from dividend income, prepayment premium from early repayments, structuring fees and amendment fees related to specific loan positions is considered to be non-recurring income. For the three months ended September 30, 2024 and three months ended September 30, 2023, we recognized \$4,654 and \$19,604 of non-recurring income, respectively. The \$14,950 decrease in nonrecurring income during the three months ended September 30, 2024 is primarily due to the \$14,147 decrease in structuring and amendment fees, a decrease of \$649 in dividend income and a decrease of \$154 in prepayment premium income.

Operating Expenses

Our primary operating expenses consist of investment advisory fees (base management and income incentive fees), borrowing costs, legal and professional fees, overhead-related expenses and other operating expenses. These expenses include our allocable portion of overhead under the Administration Agreement with Prospect Administration under which Prospect Administration provides administrative services and facilities for us. Our investment advisory fees compensate the Investment Adviser for its work in identifying, evaluating, negotiating, closing and monitoring our investments. We bear all other costs and expenses of our operations and transactions.

The following table describes the various components of our operating expenses:

| | Three Months Ended September 30, | |
|---|----------------------------------|-------------------|
| | 2024 | 2023 |
| Base management fee | \$ 38,606 | \$ 39,289 |
| Income incentive fee | 15,680 | 25,617 |
| Interest and credit facility expenses | 39,760 | 40,593 |
| Allocation of overhead from Prospect Administration | 5,708 | 2,113 |
| Audit, compliance and tax related fees | 1,720 | 1,017 |
| Directors' fees | 150 | 135 |
| Other general and administrative expenses | 4,807 | 1,869 |
| Total operating expenses | <u>\$ 106,431</u> | <u>\$ 110,633</u> |

Total gross and net base management fee was \$38,606 and \$39,289 for the three months ended September 30, 2024 and 2023, respectively. The decrease in total gross base management fee is directly related to an decrease in average total assets.

For the three months ended September 30, 2024 and 2023, we incurred \$15,680 and \$25,617 of income incentive fees, respectively. This decrease was driven by a corresponding decrease in pre-incentive fee net investment income (net of preferred stock dividends) to \$78,400 from \$128,078 for the three months ended September 30, 2024, and 2023, respectively. No capital gains incentive fee has yet been incurred pursuant to the Investment Advisory Agreement.

During the three months ended September 30, 2024 and 2023, we incurred \$39,760 and \$40,593, respectively, of interest and credit facility expenses related to our Revolving Credit Facility, Convertible Notes, Public Notes and Prospect Capital InterNotes® (collectively, our "Notes"). These expenses are related directly to the leveraging capacity put into place for each of those periods and the levels of indebtedness actually undertaken in those periods.

The table below describes the various expenses of our Notes and the related indicators of leveraging capacity and indebtedness during these years:

| | Three Months Ended September 30, | |
|---|----------------------------------|------------------|
| | 2024 | 2023 |
| Interest on borrowings | \$ 34,494 | \$ 36,815 |
| Amortization of deferred financing costs | 2,248 | 1,843 |
| Accretion of discount on unsecured debt | 735 | 716 |
| Facility commitment fees | 2,283 | 1,219 |
| Total interest and credit facility expenses | <u>\$ 39,760</u> | <u>\$ 40,593</u> |
| Average principal debt outstanding | \$2,558,175 | \$2,697,175 |
| Annualized weighted average stated interest rate on borrowings ⁽¹⁾ | 5.39 % | 5.46 % |
| Annualized weighted average interest rate on borrowings ⁽²⁾ | 6.22 % | 6.02 % |

(1) Includes only the stated interest expense.

(2) Includes the stated interest expense, amortization of deferred financing costs, accretion of discount on Convertible and Public Notes and commitment fees on the undrawn portion of our Revolving Credit Facility.

Interest expense was \$34,494 and \$36,815 for the three months ended September 30, 2024 and 2023, respectively. The weighted average stated interest rate on borrowings (excluding amortization, accretion and undrawn facility fees) was 5.39% and 5.46% for the three months ended September 30, 2024 and 2023, respectively. The decrease is primarily due to a decrease in the average Revolving Credit Facility outstanding, offset by an increase in stated interest rates for Prospect Capital InterNotes®. The weighted average interest rate on all borrowings was 6.22% and 6.02% for the three months ended September 30, 2024 and 2023, respectively. The increase is primarily due to an increase in the weighted average rate of the outstanding Prospect Capital InterNotes®, partially offset by the maturity of the 2024 Notes and decreased average Revolving Credit Facility outstanding, resulting in 0.20% increase to the weighted average interest rate on borrowings.

The allocation of net overhead expense from Prospect Administration was \$5,708 and \$2,113 for the three months ended September 30, 2024 and 2023, respectively. Prospect Administration received estimated payments of \$186 and \$3,468 directly from our portfolio companies, and certain funds managed by the Investment Adviser for legal and tax services during the three months ended September 30, 2024 and 2023, respectively. We were given a credit for these payments as a reduction of the administrative services cost payable by us to Prospect Administration. Had Prospect Administration not received these payments, Prospect Administration's charges for its administrative services would have increased by this amount. The increase in the allocated net overhead expense for the three months ended September 30, 2024 compared to the prior year period is primarily due to a decrease in reimbursements from portfolio companies.

Total operating expenses, excluding investment advisory fees, interest and credit facility expenses, and allocation of overhead from Prospect Administration ("Other Operating Expenses"), net of any expense reimbursements, were \$6,677 and \$3,021 for the three months ended September 30, 2024 and September 30, 2023, respectively. The increase was primarily attributable to an increase in audit, compliance and tax related fees, legal fees, as well as other general and administrative expenses.

Net Realized Gains (Losses)

The following table details net realized gains (losses) from investments for the three months ended September 30, 2024 and September 30, 2023:

| Portfolio Company | Three Months Ended September 30, | |
|--|----------------------------------|---------------------|
| | 2024 | 2023 |
| NMMB Inc. | 6,366 | (147) |
| Halcyon Loan Advisors Funding 2012-1 Ltd. | — | (3,704) |
| Other, net | 310 | (45) |
| Symphony CLO XIV, Ltd. | — | (22,147) |
| Research Now Group, LLC and Dynata, LLC ⁽¹⁾ | (48,118) | — |
| Structured Subordinated Notes, net | (58,928) | — |
| PGX Holdings, Inc. ⁽²⁾ | — | (181,446) |
| Net realized gains (losses) from investments | <u>\$ (100,370)</u> | <u>\$ (207,489)</u> |

(1) Our Research Now Group, LLC and Dynata, LLC Second Lien Term Loan was restructured to 100,000 shares of Common Stock of New Insight Holdings, Inc. and 285,714 Warrants (to purchase shares of Common Stock of New Insight Holdings, Inc.) during the three months ended September 30, 2024. A portion of the cost basis exchanged was written-off for tax purposes and we recorded a realized loss of \$48,118 to our investment in Research Now Group, LLC and Dynata, LLC.

(2) The net realized loss during the three months ended September 30, 2023 was primarily due to the restructuring of PGX Holdings, Inc. ("PGX"). On September 28, 2023, PGX underwent a corporate restructuring with the new borrower being Credit.com Holdings, LLC. As part of this transaction, our existing First Lien Term Loan was restructured into new debt, resulting in a realized loss of \$1,460. Our Second Lien Term Loan was written-off and we recorded a realized loss of \$179,986.

Net Realized Gain/Loss from Extinguishment of Debt

During the three months ended September 30, 2024 and September 30, 2023, we recorded a net realized gain from extinguishment of debt of \$248 and net realized loss from extinguishment of debt of \$91, respectively. Refer to *Capitalization* for additional discussion.

Net Realized Gain/Loss from Redemptions of Preferred Stock

During the three months ended September 30, 2024 we recorded a net realized gain of \$2,304 from the accretion to redemption value of redeemable securities. No such gains or losses were recorded during the three months ended September 30, 2023.

During the three months ended September 30, 2024 and we recorded a net realized loss of \$6,204 from the conversions of preferred stock to common. During the three months ended September 30, 2023 we recorded a net realized gain from the repurchase of preferred stock of \$501. Refer to *Financial Condition, Liquidity, and Capital Resources* for additional discussion.

Change in Unrealized Gains (Losses)

The following table details net change in unrealized gains (losses) for our portfolio for the three months ended September 30, 2024 and September 30, 2023, respectively:

| | Three Months Ended September 30, | |
|---|----------------------------------|-------------------|
| | 2024 | 2023 |
| Control investments | \$ (174,248) | \$ (17,794) |
| Affiliate investments | 3,448 | 837 |
| Non-control/non-affiliate investments | 47,033 | 215,586 |
| Net change in unrealized gains (losses) | <u>\$ (123,767)</u> | <u>\$ 198,629</u> |

The following table reflects net change in unrealized gains (losses) on investments for the three months ended September 30, 2024:

| | Net Change in Unrealized Gains (Losses) |
|--|---|
| Research Now Group, LLC and Dynata, LLC ⁽¹⁾ | 47,748 |
| Subordinated Structured Notes | 22,581 |
| Druid City Infusion, LLC | 18,571 |
| First Tower Finance Company LLC | 8,319 |
| Credit Central Loan Company, LLC | (6,394) |
| CCS-CMGC Holdings, Inc. | (8,727) |
| Redstone Holdco 2 LP | (9,670) |
| Reception Purchaser, LLC | (10,708) |
| Valley Electric Company, Inc. | (11,035) |
| NMMB, Inc. | (12,978) |
| Other, net | (19,523) |
| InterDent, Inc. | (66,928) |
| National Property REIT Corp. | (75,023) |
| Net change in unrealized gains (losses) | <u>(123,767)</u> |

(1) Our Research Now Group, LLC and Dynata, LLC Second Lien Term Loan was restructured to 100,000 shares of Common Stock of New Insight Holdings, Inc. and 285,714 Warrants (to purchase shares of Common Stock of New Insight Holdings, Inc.). A portion of the cost basis exchanged was written-off for tax purposes and we recorded a realized loss of \$48,118 while reversing our previous previously recorded unrealized losses related to our investment in Research Now Group, LLC and Dynata, LLC.

The following table reflects net change in unrealized gains (losses) on investments for the three months ended September 30, 2023:

| | Net Change in Unrealized Gains (Losses) | |
|---|---|----------|
| PGX Holdings, Inc. ⁽¹⁾ | \$ | 179,986 |
| Valley Electric Company, Inc. | | 23,708 |
| R-V Industries, Inc. | | 19,526 |
| Other, net | | 13,063 |
| First Tower Finance Company LLC | | 11,622 |
| Credit.com Holdings, LLC | | 11,612 |
| NMMB, Inc. | | 10,567 |
| Town & Country Holdings, Inc. | | 8,524 |
| MITY, Inc. | | 7,838 |
| Research Now Group, LLC and Dynata, LLC | | (7,487) |
| National Property REIT Corp. | | (80,330) |
| Net change in unrealized gains (losses) | \$ | 198,629 |

(1) Our PGX Second Lien Term Loan was written-off for tax purposes and we recorded a realized loss of \$179,986, while reversing our previously recorded unrealized losses related to our investment in PGX, in the same amount.

Financial Condition, Liquidity and Capital Resources

For the three months ended September 30, 2024 and September 30, 2023, our operating activities provided \$173,726 and provided \$95,084 of cash, respectively. The \$78,642 increase is primarily driven by a \$195,747 increase in repayments, and a \$3,128 increase in net reductions to Subordinated Structured Notes and related costs, offset by a \$155,842 increase in originations, for the three months ended September 30, 2024 compared to the three months ended September 30, 2023. There were no investing activities for the three months ended September 30, 2024 and September 30, 2023. Financing activities used \$202,576 and used \$121,823 of cash during the three months ended September 30, 2024 and September 30, 2023, respectively, which included dividend payments and distributions to common and preferred stockholders of \$93,197 and \$92,802, respectively. The \$80,753 decrease is primarily driven by a \$18,852 decrease in issuance of preferred stock and a \$61,308 decrease in net debt issuances, for the three months ended September 30, 2024 compared to the three months ended September 30, 2023.

Our primary uses of funds have been to continue to invest in portfolio companies, through both debt and equity investments, to repay outstanding borrowings and to make cash distributions to our stockholders.

Our primary sources of funds have historically been issuances of debt and common equity, and beginning with our year ended June 30, 2021, issuances of preferred equity. We have and may continue to fund a portion of our cash needs through repayments and opportunistic sales of our existing investment portfolio. We may also securitize a portion of our investments in unsecured or senior secured loans or other assets. Our objective is to put in place such borrowings in order to enable us to expand our portfolio. During the three months ended September 30, 2024, we borrowed \$355,000 and we made repayments totaling \$602,565 under the Revolving Credit Facility. As of September 30, 2024, our outstanding balance on the Revolving Credit Facility was \$547,231. As of September 30, 2024, we had, net of unamortized discount and debt issuance costs, \$155,759 outstanding on the Convertible Notes, \$976,504 outstanding on the Public Notes and \$594,222 outstanding on the Prospect Capital InterNotes® (See "Capitalization" above).

Undrawn committed revolvers and delayed draw term loans to our portfolio companies incur commitment and unused fees ranging from 0.00% to 5.75%. As of September 30, 2024 and June 30, 2024, we had \$47,914 and \$34,771, respectively, of undrawn revolver and delayed draw term loan commitments to our portfolio companies. The fair value of our undrawn committed revolvers and delayed draw term loans was zero as of September 30, 2024 and June 30, 2024, as they were all floating rate instruments that repriced frequently.

On February 10, 2023, we filed a registration statement on Form N-2 (File No. 333-269714) that was effective upon filing pursuant to Rule 462(e) under the Securities Act, and which replaced our previously effective registration statement on Form N-2 that had been filed on February 13, 2020 and which was also effective upon filing pursuant to Rule 462(e) under the Securities Act. The registration statement permits us to issue, through one or more transactions, an indeterminate amount of securities, consisting of common stock, preferred stock, debt securities, subscription rights to purchase our securities, warrants representing rights to purchase our securities or separately tradable units combining two or more of our securities.

Preferred Stock

On August 3, 2020, we entered into a Dealer Manager Agreement with Preferred Capital Securities, LLC ("PCS"), as amended on June 9, 2022, October 7, 2022, February 10, 2023, and December 29, 2023, pursuant to which PCS has agreed to serve as the Company's agent, principal distributor and dealer manager for the Company's offering of up to 80,000,000 shares, par value \$0.001 per share, of preferred stock, with a liquidation preference of \$25.00 per share. Such convertible preferred stock may be issued in multiple series, including the 5.50% Series A1 Preferred Stock ("Series A1 Preferred Stock"), the 5.50% Series M1 Preferred Stock ("Series M1 Preferred Stock"), the 5.50% Series M2 Preferred Stock ("Series M2 Preferred Stock"), the 6.50% Series A3 Preferred Stock ("Series A3 Preferred Stock"), and the 6.50% Series M3 Preferred Stock ("Series M3 Preferred Stock"); however as disclosed in the Supplement No. 1 dated September 6, 2024 to the Prospectus Supplement dated December 29, 2023, the Company is no longer offering the Series A1 Preferred Stock, the Series M1 Preferred Stock, the Series M2 Preferred Stock, the Series A3 Preferred Stock and the Series M3 Preferred Stock and, as a result, any additional preferred stock offered under this offering will be only in any combination of our Floating Rate Series A4 Preferred Stock ("Series A4 Preferred Stock") and the Floating Rate Series M4 Preferred Stock ("Series M4 Preferred Stock", and together with the Series A4 Preferred Stock, the "Floating Rate Preferred Stock"), which are not convertible. In connection with such offering, on August 3, 2020, June 9, 2022, October 11, 2022, February 10, 2023 and December 28, 2023 (two filings) we filed Articles Supplementary with the State Department of Assessments and Taxation of Maryland ("SDAT"), reclassifying and designating 120,000,000, 60,000,000, 120,000,000, 60,000,000, 160,000,000, and 40,000,000 shares, respectively, of the Company's authorized and unissued shares of common stock into shares of preferred stock as "Convertible Preferred Stock."

On October 30, 2020, and as amended on February 18, 2022, October 7, 2022, and February 10, 2023, we entered into a Dealer Manager Agreement with InspereX LLC, pursuant to which InspereX LLC has agreed to serve as the Company's agent and dealer manager for the Company's offering of up to 10,000,000 shares, par value \$0.001 per share, of preferred stock, with a liquidation preference of \$25.00 per share. Such preferred stock will initially be issued in multiple series, including the 5.50% Series AA1 Preferred Stock (the "Series AA1 Preferred Stock"), the 5.50% Series MM1 Preferred Stock (the "Series MM1 Preferred Stock"), the 6.50% Series AA2 Preferred Stock (the "Series AA2 Preferred Stock"), and the 6.50% Series MM2 Preferred Stock (the "Series MM2 Preferred Stock" and together with the Series M1 Preferred Stock, the Series M2 Preferred Stock, the Series M3 Preferred Stock, and the Series MM1 Preferred Stock, the "Series M Preferred Stock" and the Series MM2 Preferred Stock, together with the Series AA2 Preferred Stock, the Series A3 Preferred Stock and the Series M3 Preferred Stock, the "6.50% Preferred Stock"); however as disclosed in the Supplement No. 2 dated September 6, 2024 to the Prospectus Supplement dated February 10, 2023, the Company is no longer offering the Series AA1 Preferred Stock, the Series MM1 Preferred Stock, the Series AA2 Preferred Stock and the Series MM2 Preferred Stock. On October 30, 2020, February 17, 2022, and October 11, 2022, we filed Articles Supplementary with the SDAT, reclassifying and designating an additional 80,000,000 shares of the Company's authorized and unissued shares of common stock into shares of preferred stock as Convertible Preferred Stock. On May 19, 2021, we entered into an Underwriting Agreement with UBS Securities LLC, relating to the offer and sale of 187,000 shares, par value \$0.001 per share, of 5.50% Series A2 Preferred Stock, with a liquidation preference of \$25.00 per share (the "Series A2 Preferred Stock", and together with the Series A1 Preferred Stock, Series M1 Preferred Stock, Series M2 Preferred Stock, Series AA1 Preferred Stock, and Series MM1 Preferred Stock, the "5.50% Preferred Stock"). The issuance of the Series A2 Preferred Stock settled on May 26, 2021. In connection with such offering, on May 19, 2021, we filed Articles Supplementary with the SDAT, reclassifying and designating an additional 1,000,000 shares of the Company's authorized and unissued shares of common stock into shares of preferred stock as Convertible Preferred Stock.

In connection with the offerings of the 5.50% Preferred Stock, the 6.50% Preferred Stock, and the Floating Rate Preferred Stock, we adopted and amended, respectively, a preferred stock dividend reinvestment plan (the "Preferred Stock Plan" or the "Preferred Stock DRIP"), pursuant to which (i) holders of the Floating Rate Preferred Stock will have dividends on their Floating Rate Preferred Stock reinvested in additional shares of Floating Rate Preferred Stock at a price per share of \$25.00, and (ii) holders of the 5.50% Preferred Stock and the 6.50% Preferred Stock will have dividends on their 5.50% Preferred Stock and 6.50% Preferred Stock automatically reinvested in additional shares of such 5.50% Preferred Stock and 6.50% Preferred Stock, at a price per share of \$23.75 (95% of the stated value of \$25.00 per share), if they elect.

At any time prior to the listing of the 5.50% Preferred Stock and the 6.50% Preferred Stock on a national securities exchange, shares of the 5.50% Preferred Stock and the 6.50% Preferred Stock are convertible, at the option of the holder of the 5.50% Preferred Stock and the 6.50% Preferred Stock (the "Holder Optional Conversion"). We will settle any Holder Optional Conversion by paying or delivering, as the case may be, (A) any portion of the Settlement Amount (as defined below) that we elect to pay in cash and (B) a number of shares of our common stock at a conversion rate equal to (1) (a) the Settlement Amount, minus (b) any portion of the Settlement Amount that we elect to pay in cash, divided by (2) the arithmetic average of the daily volume weighted average price of shares of our common stock over each of the five consecutive trading days ending on the Holder Conversion Exercise Date (such arithmetic average, the "5-day VWAP"). For the Series A1 Preferred Stock, the Series A3 Preferred Stock, the Series AA1 Preferred Stock, the Series AA2 Preferred Stock and the Series A2 Preferred Stock, "Settlement Amount" means (A) \$25.00 per share (the "Stated Value"), plus (B) unpaid dividends accrued to, but not including,

the Holder Conversion Exercise Date, minus (C) the applicable Holder Optional Conversion Fee for the respective Holder Conversion Deadline. For the Series M Preferred Stock, "Settlement Amount" means (A) the Stated Value, plus (B) unpaid dividends accrued to, but not including, the Holder Conversion Exercise Date, minus (C) the applicable Series M Clawback, if any. "Series M Clawback", if applicable, means an amount equal to the aggregate amount of all dividends, whether paid or accrued, on such share of Series M Stock in the three full months prior to the Holder Conversion Exercise Date. Subject to certain limited exceptions, we will not pay any portion of the Settlement Amount in cash (other than cash in lieu of fractional shares of our common stock) until the five year anniversary of the date on which a share of 5.50% Preferred Stock or 6.50% Preferred Stock has been issued. Beginning on the five year anniversary of the date on which a share of 5.50% Preferred Stock or 6.50% Preferred Stock is issued, we may elect to settle all or a portion of any Holder Optional Conversion in cash without limitation or restriction. The right of holders to convert a share of 5.50% Preferred Stock or 6.50% Preferred Stock will terminate upon the listing of such share on a national securities exchange. Shares of the Floating Rate Preferred Stock do not have a Holder Optional Conversion Feature.

Subject to certain limited exceptions allowing earlier redemption, beginning on the earlier of the five year anniversary of the date on which a share of 5.50% Preferred Stock or 6.50% Preferred Stock has been issued, or the two year anniversary of the date on which a share of Floating Rate Preferred Stock has been issued or, for listed shares of 5.50% Preferred Stock or 6.50% Preferred Stock, five years from the earliest date on which any series that has been listed was first issued and, for listed shares of Floating Rate Preferred Stock, two years from the earliest date on which any series that has been listed was first issued (the earlier of such dates as applicable to a series of Preferred Stock, the "Redemption Eligibility Date"), such share of Preferred Stock may be redeemed at any time or from time to time at our option (the "Issuer Optional Redemption"), at a redemption price of 100% of the Stated Value of the shares to be redeemed plus unpaid dividends accrued to, but not including, the date fixed for redemption.

Shares of the Floating Rate Preferred Stock are redeemable, at the option of the holder of such Floating Rate Preferred Stock, on a monthly basis (the "Holder Optional Redemption"). For all shares of Floating Rate Preferred Stock duly submitted for redemption on or before a monthly Holder Redemption Deadline (defined in the prospectus supplement dated December 29, 2023), the HOR Settlement Amount (as defined below) is determined on any business day after such Holder Redemption Deadline but before the Holder Redemption Deadline occurring two months thereafter (such date, the "Holder Redemption Exercise Date"). Within such period, we may select the Holder Redemption Exercise Date in our sole discretion. We will settle any Holder Optional Redemption by paying the HOR Settlement Amount in cash. In addition, the aggregate amount of Holder Optional Redemptions by the holder of Floating Rate Preferred Stock is subject to the following redemption limits: (i) no more than 2% of the outstanding Floating Rate Preferred Stock, in aggregate, as of the end of the most recent fiscal quarter will be redeemed per calendar month; (ii) no more than 5% of the outstanding Floating Rate Preferred Stock, in aggregate, as of the end of the most recent fiscal quarter will be redeemed per fiscal quarter and (iii) no more than 20% of the outstanding Floating Rate Preferred Stock, in aggregate, as of the end of the most recent fiscal quarter will be redeemed per Annual Redemption Period. An "Annual Redemption Period" means our then current fiscal quarter and the three fiscal quarters immediately preceding our then current fiscal quarter. A share of Series A4 Preferred Stock is subject to an early redemption fee if it is redeemed by its holder within five years of issuance. Redemption capacity of the Floating Rate Preferred Stock will be allocated on a pro rata basis based on the number of shares of Floating Rate Preferred Stock, as applicable, submitted in the event that a monthly redemption is oversubscribed, based on any of the foregoing redemption limits. We may waive the foregoing redemption limits in our sole discretion at any time.

For the Series A4 Preferred Stock, "HOR Settlement Amount" means (A) the stated value, plus (B) unpaid dividends accrued to, but not including, the Holder Redemption Exercise Date, minus (C) the Series A4 Preferred Stock Holder Optional Redemption fee applicable on the respective Holder Redemption Deadline.

For the Series M4 Preferred Stock, "HOR Settlement Amount" means (A) the stated value, plus (B) unpaid dividends accrued to, but not including, the Holder Redemption Exercise Date, but if a holder of Series M4 Preferred Stock exercises a Holder Optional Redemption within the first twenty-four months of issuance of such Series M4 Preferred Stock, the HOR Settlement Amount payable to such holder will be reduced by (i) during the first twelve months of issuance of such Series M4 Preferred Stock, the aggregate amount of all dividends, whether paid or accrued, on such Series M4 Preferred Stock in the six-month period prior to the Holder Redemption Exercise Date, and (ii) during the second twelve months of issuance of such Series M4 Preferred Stock, the aggregate amount of all dividends, whether paid or accrued, on such Series M4 Preferred Stock in the three-month period prior to the Holder Redemption Exercise Date (such amount, the "Series M4 Shares Clawback"). We are permitted to waive the Series M4 Shares Clawback through public announcement of the terms and duration of such waiver. Any such waiver would apply to any holder of Preferred Stock qualifying for the waiver and exercising a Holder Optional Redemption during the pendency of the term of such waiver. Although we have retained the right to waive the Series M4 Shares Clawback in the manner described above, we are not required to establish any such waivers and we may never establish any such waivers.

Subject to certain limitations, each share of 5.50% Preferred Stock or 6.50% Preferred Stock may be converted at our option (the "Issuer Optional Conversion"). We will settle any Issuer Optional Conversion by paying or delivering, as the case may be, (A) any portion of the IOC Settlement Amount (as defined below) that we elect to pay in cash and (B) a number of shares of our common stock at a conversion rate equal to (1) (a) the IOC Settlement Amount, minus (b) any portion of the IOC Settlement Amount that we elect to pay in cash, divided by (2) the 5-day VWAP, subject to our ability to obtain or maintain any stockholder approval that may be required under the 1940 Act to permit us to sell our common stock below net asset value if the 5-day VWAP represents a discount to our net asset value per share of common stock. For the 5.50% Preferred Stock and 6.50% Preferred Stock, "IOC Settlement Amount" means (A) the Stated Value, plus (B) unpaid dividends accrued to, but not including, the date fixed for conversion. In connection with an Issuer Optional Conversion, we will use commercially reasonable efforts to obtain or maintain any stockholder approval that may be required under the 1940 Act to permit us to sell our common stock below net asset value. If we do not have or obtain any required stockholder approval under the 1940 Act to sell our common stock below net asset value and the 5-day VWAP is at a discount to our net asset value per share of common stock, we will settle any conversions in connection with an Issuer Optional Conversion by paying or delivering, as the case may be, (A) any portion of the IOC Settlement Amount that we elect to pay in cash and (B) a number of shares of our common stock at a conversion rate equal to (1) (a) the IOC Settlement Amount, minus (b) any portion of the IOC Settlement Amount that we elect to pay in cash, divided by (2) the NAV per share of common stock at the close of business on the business day immediately preceding the date of conversion. We will not pay any portion of the IOC Settlement Amount from an Issuer Optional Conversion in cash (other than cash in lieu of fractional shares of our common stock) until the Redemption Eligibility Date. Beginning on the Redemption Eligibility Date, we may elect to settle any Issuer Optional Conversion in cash without limitation or restriction. In the event that we exercise an Issuer Optional Conversion with respect to any shares of 5.50% Preferred Stock or 6.50% Preferred Stock, the holder of such 5.50% Preferred Stock or 6.50% Preferred Stock may instead elect a Holder Optional Conversion with respect to such 5.50% Preferred Stock or 6.50% Preferred Stock provided that the date of conversion for such Holder Optional Conversion would occur prior to the date of conversion for an Issuer Optional Conversion. Shares of the Floating Rate Preferred Stock do not have an Issuer Optional Conversion feature. The Company actively manages its offerings of preferred stock and, although it may or may not be presently offering a particular series of its preferred stock, the Company may determine to issue any of its authorized series of preferred stock (and, in connection therewith, to relaunch the offering of any particular series, if previously terminated) based on its assessment of market conditions, demand, and appropriate cost of capital in light of the foregoing and the overall construction of its portfolio and capital structure.

On July 12, 2021, we entered into an underwriting agreement by and among us, Prospect Capital Management L.P., Prospect Administration LLC, and Morgan Stanley & Co. LLC, RBC Capital Markets, LLC and UBS Securities LLC, as representatives of the underwriters, relating to the offer and sale of 6,000,000 shares, or \$150,000 in aggregate liquidation preference, of our 5.35% Series A Fixed Rate Cumulative Perpetual Preferred Stock, par value \$0.001 per share (the "Series A Preferred Stock" or "5.35% Preferred Stock"), at a public offering price of \$25.00 per share. Pursuant to the Underwriting Agreement, we also granted the underwriters a 30-day option to purchase up to an additional 900,000 shares of Series A Preferred Stock solely to cover over-allotments. The offer settled on July 19, 2021, and no additional shares of the Series A Preferred Stock were issued pursuant to the option. In connection with such offering, on July 15, 2021, we filed Articles Supplementary with SDAT, reclassifying and designating 6,900,000 shares of the Company's authorized and unissued shares of Common Stock into shares of Series A Preferred Stock.

Each series of 5.50% Preferred Stock, 6.50% Preferred Stock, Floating Rate Preferred Stock and Series A Preferred Stock ranks (with respect to the payment of dividends and rights upon liquidation, dissolution or winding up) (a) senior to our common stock, (b) on parity with each other series of our preferred stock, and (c) junior to our existing and future secured and unsecured indebtedness. See Note 8, *Fair Value and Maturity of Debt Outstanding* for further discussion on our senior securities.

We may from time to time seek to cancel or purchase our outstanding preferred stock through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions or otherwise. The amounts involved may be material. Any such purchases or exchanges of preferred stock would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. On June 16, 2022, our Board of Directors authorized the repurchase of up to 1.5 million shares our Series A Preferred Stock and further on October 11, 2023, authorized any and all outstanding Series A Preferred Stock to be repurchased. The manner, price, volume and timing of preferred share repurchases are subject to a variety of factors, including market conditions and applicable SEC rules.

During the three months ended September 30, 2023, we repurchased 62,309 shares of Series A Preferred Stock for a total cost of approximately \$1,001, including fees and commissions paid to the broker, representing an average repurchase price of \$15.88 per share. The difference in the consideration transferred and the net carrying value of the Series A Preferred Stock repurchased, which was \$1,469, resulted in a gain applicable to common stock holders of approximately \$501 during the three months ended September 30, 2023. The repurchased shares reverted to authorized but unissued shares of Series A Preferred Stock and thus the Company holds no treasury stock.

During the three months ended September 30, 2024, we exchanged an aggregate of 87,433 Series M1 Preferred Stock for an aggregate of 5,842 and 81,589 newly-issued Series M3 Preferred Stock and Series M4 Preferred Stock, respectively, pursuant to Section 3(a)(9) of the Securities Act. During the three months ended September 30, 2024, we exchanged an aggregate of 131,917 Series M3 Preferred Stock for an aggregate of 131,914 newly-issued Series M4 Preferred Stock pursuant to the Securities Act.

The Series M3 Preferred Stock and Series M4 Preferred Stock issued in the exchanges were issued in each case to an existing security holder of the Company exclusively in exchange for such holder's securities. No commission or other remuneration was paid or given for soliciting the exchange. Stockholders who exchange Series M1 Preferred Stock for Series M3 Preferred Stock or Series M4 Preferred Stock or Series M3 Preferred Stock for Series M4 Preferred Stock will receive unpaid dividends on their Series M1 Preferred Stock or Series M3 Preferred Stock accrued to, but not including, the Exchange Exercise Date, plus any fractional amount of a Series M1 Preferred Stock or Series M3 Preferred Stock exchanged multiplied by \$25.00 in cash. Upon settlement, the carrying amount (including any premiums or discounts and a proportional amount of any issuance costs) of the Series M1 Preferred Stock or Series M3 Preferred Stock are reclassified to Series M3 Preferred Stock or Series M4 Preferred stock, respectively, with no gain or loss recognized.

Subject to certain limited exceptions allowing earlier redemption, at any time after the close of business on July 19, 2026 (any such date, an "Optional Redemption Date"), at our sole option, we may redeem the Series A Preferred Stock in whole or, from time to time, in part, out of funds legally available for such redemption, at a price per share equal to the liquidation preference of \$25.00 per share, plus an amount equal to all unpaid dividends on such shares (whether or not earned or declared, but excluding interest thereon) accumulated up to, but excluding, the date fixed for redemption. We may also redeem the Series A Preferred Stock at any time, in whole or, from time to time, in part, including prior to the Optional Redemption Date, pro rata, based on liquidation preference, with all other series of our then outstanding preferred stock, in the event that our Board of Directors determines to redeem any series of our preferred stock, in whole or, from time to time, in part, because such redemption is deemed necessary by our Board of Directors to comply with the asset coverage requirements of the 1940 Act or for us to maintain RIC status.

In the event of a Change of Control Triggering Event (as defined below), we may, at our option, exercise our special optional redemption right to redeem the Series A Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control Triggering Event has occurred by paying the liquidation preference, plus an amount equal to all unpaid dividends on such shares (whether or not earned or declared, but excluding interest thereon) accumulated up to, but excluding, the date fixed for such redemption. To the extent that we exercise our optional redemption right or our special optional redemption right relating to the Series A Preferred Stock, the holders of Series A Preferred Stock will not be permitted to exercise the conversion right described below in respect of their shares called for redemption.

Except to the extent that we have elected to exercise our optional redemption right or our special optional redemption right by providing notice of redemption prior to the Change of Control Conversion Date (as defined below), upon the occurrence of a Change of Control Triggering Event, each holder of Series A Preferred Stock will have the right to convert some or all of the Series A Preferred Stock held by such holder on the Change of Control Conversion Date into a number of our shares of common stock per Series A Preferred Stock to be converted equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the Liquidation Preference per share plus an amount equal to all unpaid dividends thereon (whether or not earned or declared, but excluding interest thereon) accumulated up to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a Record Date for a Series A Preferred Stock dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividends will be included in this sum) by (ii) the Common Stock Price (as defined below); and
- 6.03865, subject to certain adjustments,

subject, in each case, to provisions for the receipt of alternative consideration upon conversion as described in the applicable prospectus supplement.

If we have provided or provide a redemption notice with respect to some or all of the Series A Preferred Stock, holders of any Series A Preferred Stock that we have called for redemption will not be permitted to exercise their Change of Control Conversion Right in respect of any of their Series A Preferred Stock that have been called for redemption, and any Series A Preferred Stock subsequently called for redemption that have been tendered for conversion will be redeemed on the applicable date of redemption instead of converted on the Change of Control Conversion Date.

For purposes of the foregoing discussion of a redemption upon the occurrence of a Change of Control Triggering Event, the following definitions are applicable:

"Change of Control Triggering Event" means the occurrence of any of the following:

- the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation and other than an Excluded Transaction) in one or a series of related transactions, of all or substantially all of the assets of the Company and its Controlled Subsidiaries taken as a whole to any “person” or “group” (as those terms are used in Section 13(d)(3) of the Exchange Act) (other than to any Permitted Holders); provided that, for the avoidance of doubt, a pledge of assets pursuant to any of our secured debt instruments or the secured debt instruments of our Controlled Subsidiaries shall not be deemed to be any such sale, lease, transfer, conveyance or disposition; or
- the consummation of any transaction (including, without limitation, any merger or consolidation and other than an Excluded Transaction) the result of which is that any “person” or “group” (as those terms are used in Section 13(d)(3) of the Exchange Act) (other than any Permitted Holders) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of our outstanding Voting Stock, measured by voting power rather than number of shares.

Notwithstanding the foregoing, the consummation of any of the transactions referred to in the bullet points above will not be deemed a Change of Control Triggering Event if we or the acquiring or surviving consolidated entity has or continues to have a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE American or NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American or NASDAQ, or is otherwise listed or quoted on a national securities exchange.

The “Change of Control Conversion Date” is the date the shares of Series A Preferred Stock are to be converted, which will be a business day selected by us that is no fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of Series A Preferred Stock.

The “Common Stock Price” will be (i) if the consideration to be received in the Change of Control Triggering Event by the holders of our common stock is solely cash, the amount of cash consideration per share of our common stock or (ii) if the consideration to be received in the Change of Control Triggering Event by holders of our common stock is other than solely cash (x) the average of the closing sale prices per share of our common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control Triggering Event as reported on the principal U.S. securities exchange on which our common stock is then traded, or (y) the average of the last quoted bid prices for our common stock in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control Triggering Event, if our common stock is not then listed for trading on a U.S. securities exchange.

“Controlled Subsidiary” means any of our subsidiaries, 50% or more of the outstanding equity interests of which are owned by us and our direct or indirect subsidiaries and of which we possess, directly or indirectly, the power to direct or cause the direction of the management or policies, whether through the ownership of voting equity interests, by agreement or otherwise.

“Excluded Transaction” means (i) any transaction that does not result in any reclassification, conversion, exchange or cancellation of all or substantially all of the outstanding shares of our Voting Stock; (ii) any changes resulting from a subdivision or combination or a change solely in par value; (iii) any transaction where the shares of our Voting Stock outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving “person” (as that term is used in Section 13(d)(3) of the Exchange Act) or any direct or indirect parent company of the surviving “person” (as that term is used in Section 13(d)(3) of the Exchange Act) immediately after giving effect to such transaction; (iv) any transaction if (A) we become a direct or indirect wholly-owned subsidiary of a holding company and (B)(1) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of our Voting Stock immediately prior to that transaction or (2) immediately following that transaction no “person” (as that term is used in Section 13(d)(3) of the Exchange Act) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company; or (v) any transaction primarily for the purpose of changing our jurisdiction of incorporation or form of organization.

“Permitted Holders” means (i) us, (ii) one or more of our Controlled Subsidiaries and (iii) Prospect Capital Management or any affiliate of Prospect Capital Management that is organized under the laws of a jurisdiction located in the United States of America and in the business of managing or advising clients.

“Voting Stocks” as applied to stock of any person, means shares, interests, participations or other equivalents in the equity interest (however designated) in such person having ordinary voting power for the election of the directors (or the equivalent) of such person, other than shares, interests, participations or other equivalents having such power only by reason of the occurrence of a contingency.

Except as provided above in connection with a Change of Control Triggering Event, the Series A Preferred Stock is not convertible into or exchangeable for any other securities or property.

For so long as the Series A Preferred Stock and the Floating Rate Preferred Stock are outstanding, we will not exercise any option we have to convert any other series of our outstanding preferred stock to common stock, including the Issuer Optional Conversion, or any other security ranking junior to such preferred stock. As a result, if dividends on the Preferred Stock have accumulated and been unpaid for a period of two years, a possibility of redemption outside of the Company's control exists and, in accordance with ASC 480, we have presented our 5.50% Preferred Stock, 6.50% Preferred Stock, and Series A Preferred Stock within temporary equity on our *Consolidated Statement of Assets and Liabilities* as of September 30, 2024 and June 30, 2024.

The Floating Rate Preferred Stock is redeemable at the election of the Holder at any time; therefore, is probable of redemption outside of the Company's control. As a result, the Floating Rate Preferred Stock is classified within temporary equity on our *Consolidated Statement of Assets and Liabilities* as of September 30, 2024 and is accreted to redemption value upon issuance. Accretion to redemption value is treated as an adjustment to net increase (decrease) in net assets resulting from operations applicable to common stockholders on our *Consolidated Statement of Operations*.

We determined the estimated value as of September 30, 2024 of our 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock with a \$25.00 stated value per share. We engaged a third-party valuation service to assist in our determination based on the calculation resulting from the total equity on our *Consolidated Statements of Assets and Liabilities* in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (the "Form 10-Q"), which was prepared in accordance with U.S. generally accepted accounting principles in the United States of America, adjusted for the fair value of our investments (i.e. from our *Consolidated Schedule of Investments*) and total liabilities, divided by the number of shares of our 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 our 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock, the estimated value of our 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock as of September 30, 2024 is \$25.00 per share.

Common Stock

Our common stockholders' equity accounts as of September 30, 2024 and June 30, 2024 reflect cumulative shares issued, net of shares previously repurchased, as of those respective dates. Our common stock has been issued through public offerings, a registered direct offering, the exercise of over-allotment options on the part of the underwriters, our common stock dividend reinvestment plan in connection with the acquisition of certain controlled portfolio companies and in connection with our 5.50% and 6.50% Preferred Stock Holder Optional Conversion and Optional Redemptions Following Death of a Holder. When our common stock is issued, the related offering expenses have been charged against paid-in capital in excess of par. All underwriting fees and offering expenses were borne by us.

We did not repurchase any shares of our common stock under the Repurchase Program for the three months ended September 30, 2024 and September 30, 2023. As of September 30, 2024, the approximate dollar value of shares that may yet be purchased under the Repurchase Program is \$65,860.

On June 10, 2024, at a special meeting of stockholders, our stockholders authorized us to sell shares of our common stock (during the next 12 months) at a price or prices below our net asset value per share at the time of sale in one or more offerings, subject to certain conditions as set forth in the proxy statement relating to the special meeting (including that the number of shares sold on any given date does not exceed 25% of its outstanding common stock immediately prior to such sale).

Recent Developments

On October 17, 2024, we entered into an amendment (the "Amendment") to the Amended and Restated Dealer Manager Agreement, dated as of February 25, 2021, by and between the Company and PCS, pursuant to which the Dealer Manager agreed to serve as the Company's agent, principal distributor and exclusive and dealer manager for the Company's increased offering of up to 90,000,000 shares, par value \$0.001 per share, of preferred stock, with a \$2,250,000 aggregate liquidation preference (the "Preferred Stock"). On October 17, 2024, in connection with the Offering, we filed Articles Supplementary (the "Articles Supplementary") with the State Department of Assessments and Taxation of Maryland ("SDAT"), reclassifying and designating 20,000,000 shares of the Company's authorized and unissued shares of Common Stock into shares of Preferred Stock.

On November 8, 2024, we announced the declaration of monthly dividends for our Floating Rate Preferred Stock for holders of record on the following dates based on an annualized rate equal to 6.65200% of the stated value of \$25.00 per share as set forth in the Articles Supplementary for the Preferred Stock, from the date of issuance or, if later from the most recent dividend payment date (the first business day of the month, with no additional dividend accruing in January, February, or March as a result), authorized on November 5, 2024:

| Monthly Cash Floating Rate Preferred Shareholder Distribution | Record Date | Payment Date | Monthly Amount (\$ per share), before pro ration for partial periods |
|---|-------------|--------------|---|
| December 2024 | 12/18/2024 | 1/2/2025 | \$0.138583 |
| January 2025 | 1/22/2025 | 2/3/2025 | \$0.138583 |
| February 2025 | 2/19/2025 | 3/3/2025 | \$0.138583 |

On November 8, 2024, we announced the declaration of monthly dividends for our 5.50% Preferred Stock for holders of record on the following dates based on an annual rate equal to 5.50% of the Stated Value of \$25.00 per share as set forth in the Articles Supplementary for the Preferred Stock, from the date of issuance or, if later from the most recent dividend payment date (the first business day of the month, with no additional dividend accruing in January, February, or March as a result), as follows:

| Monthly Cash 5.50% Preferred Shareholder Distribution | Record Date | Payment Date | Monthly Amount (\$ per share), before pro ration for partial periods |
|---|-------------|--------------|---|
| December 2024 | 12/18/2024 | 1/2/2025 | \$0.114583 |
| January 2025 | 1/22/2025 | 2/3/2025 | \$0.114583 |
| February 2025 | 2/19/2025 | 3/3/2025 | \$0.114583 |

On November 8, 2024, we announced the declaration of monthly dividends for our 6.50% Preferred Stock for holders of record on the following dates based on an annual rate equal to 6.50% of the Stated Value of \$25.00 per share as set forth in the Articles Supplementary for the Preferred Stock, from the date of issuance or, if later from the most recent dividend payment date (the first business day of the month, with no additional dividend accruing in January, February, or March as a result), as follows:

| Monthly Cash 6.50% Preferred Shareholder Distribution | Record Date | Payment Date | Monthly Amount (\$ per share), before pro ration for partial periods |
|---|-------------|--------------|---|
| December 2024 | 12/18/2024 | 1/2/2025 | \$0.135417 |
| January 2025 | 1/22/2025 | 2/3/2025 | \$0.135417 |
| February 2025 | 2/19/2025 | 3/3/2025 | \$0.135417 |

On November 8, 2024, we announced the declaration of quarterly dividends for our 5.35% Preferred Stock for holders of record on the following dates based on an annual rate equal to 5.35% of the Stated Value of \$25.00 per share as set forth in the Articles Supplementary for the 5.35% Preferred Stock, from the date of issuance or, if later from the most recent dividend payment date (the first business day of the month, with no additional dividend accruing in February as a result), as follows:

| Quarterly Cash 5.35% Preferred Shareholder Distribution | Record Date | Payment Date | Amount (\$ per share) |
|---|-------------|--------------|-----------------------|
| November 2024 - January 2025 | 1/22/2025 | 2/3/2025 | \$0.334375 |

On November 8, 2024, we announced the declaration of monthly dividends on our common stock as follows:

| Monthly Cash Common Shareholder Distribution | Record Date | Payment Date | Amount (\$ per share) |
|--|-------------|--------------|-----------------------|
| November 2024 | 11/26/2024 | 12/19/2024 | \$0.0450 |
| December 2024 | 12/27/2024 | 1/22/2025 | \$0.0450 |
| January 2025 | 1/29/2025 | 2/19/2025 | \$0.0450 |

Critical Accounting Estimates

We prepare our Financial Statements in accordance with U.S. GAAP. In applying many of these accounting principles, we make estimates that affect the reported amounts of assets, liabilities, revenues and expenses in our consolidated financial statements. We base our estimates on historical experience and other factors that we believe are reasonable under the circumstances. Changes in the economic environment, financial markets and any other parameters used in determining such estimates could cause actual results to differ materially. These estimates, however, are subjective and subject to change, and actual results may differ materially from our current estimates due to the inherent nature of these estimates.

Our critical accounting estimates, including those relating to the valuation of our investment portfolio, are described below. The critical accounting estimates should be read in conjunction with our risk factors as disclosed in "Item 1A. Risk Factors." See Note 2 to our consolidated financial statements for more information on how fair value of our investment portfolio is determined, and Note 3 to our consolidated financial statements for information about the inputs and assumptions used to measure fair value of our investment portfolio.

Fair Value of Financial Instruments

To value our investments, we follow the guidance of ASC 820, Fair Value Measurement ("ASC 820"), that defines fair value, establishes a framework for measuring fair value in conformity with GAAP, and requires disclosures about fair value measurements. In accordance with ASC 820, the fair value of our investments is defined as the price that we would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market in which that investment is transacted.

ASC 820 classifies the inputs used to measure these fair values into the following hierarchy:

- Level 1: Quoted prices in active markets for identical assets or liabilities, accessible by us at the measurement date.
- Level 2: Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.
- Level 3: Unobservable inputs for the asset or liability.

In all cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each investment. All of our investments carried at fair value are classified as Level 2 or Level 3 as of September 30, 2024 and June 30, 2024, with a significant portion of our investments classified as Level 3.

Investments

We determine the fair value of our investments on a quarterly basis, with changes in fair value reflected as a net change in unrealized gains (losses) from investments in the Consolidated Statement of Operations.

The Company applies the SEC's Rule 2a-5 in determining fair value of its investments. Rule 2a-5 establishes a consistent, principles-based framework for boards of directors to use in creating their own specific processes in order to determine fair values in good faith.

Investments for which market quotations are readily available are valued at such market quotations. In order to validate market quotations, management and the independent valuation firm look at a number of factors to determine if the quotations are representative of fair value, including the source and nature of the quotations. In determining the range of values for debt and equity instruments where market quotations are not readily available, we perform a multiple step valuation process with our investment professionals alongside our independent valuation firms. The independent valuation firms prepare valuations for each investment which are presented by the independent valuation firms to the Audit Committee of our Board of Directors. The Audit Committee makes a recommendation to the Board of Directors of the value for each investment and the Board of Directors approves the values with the input of the Investment Adviser.

Management and the independent valuation firms may consider various factors in determining the fair value of our investments. One prominent factor is the enterprise value of a portfolio company determined by applying a market approach such as using earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples, net income and/or book value multiples for similar guideline public companies and/or similar recent investment transactions and/or an income approach, such as the discounted cash flow technique. If relevant, management and the independent valuation firms will consider the pricing indicated by external events such as a purchase or sale transaction to corroborate the valuation.

Changes in market yields, discount rates, capitalization rates or EBITDA multiples, each in isolation, may change the fair value measurement of certain of our investments. Generally, an increase in market yields, discount rates or capitalization rates, or a decrease in EBITDA (or other) multiples may result in a decrease in the fair value measurement of certain of our investments.

Our investments that are classified as Level 3 are primarily valued utilizing a discounted cash flow, enterprise value ("EV") waterfall, or asset recovery analysis. The discounted cash flow converts future cash flows or earnings to a range of fair values from which a single estimate may be derived utilizing an appropriate discount rate. The fair value measurement is based on the net present value indicated by current market expectations about those future amounts. Under the EV waterfall, the EV of a portfolio company is first determined and allocated over the portfolio company's securities in order of their preference relative to one another (i.e., "waterfall" allocation). To determine the EV, we typically use a market (multiples) valuation approach that considers relevant and applicable market trading data of guideline public companies, transaction metrics from precedent merger and acquisitions transactions, and/or a discounted cash flow. The asset recovery analysis is intended to approximate the net recovery value of an investment based on, among other things, assumptions regarding liquidation proceeds based on a hypothetical liquidation of a portfolio company's assets.

In determining the range of values for our investments in CLOs, the independent valuation firm uses a discounted multi-path cash flow model. Various risk factors are sensitized in the multi-path cash flow model using Monte Carlo simulations to generate probability-weighted (i.e., multi-path) cash flows for the underlying assets and liabilities. These cash flows are discounted using appropriate market discount rates, and relevant data in the CLO market and certain benchmark credit indices are considered, to determine the value of each CLO investment.

At September 30, 2024, \$4,638,522, \$2,775,389, and \$22,669 of our total investments were valued using the discounted cash flow, enterprise value waterfall, and asset recovery analysis, respectively, compared to \$4,798,675, \$2,846,887, and \$22,940, respectively, at June 30, 2024.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Additionally, the fair value of our investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that we may ultimately realize. 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 we have recorded it.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected in the currently assigned valuations.

Recent Accounting Pronouncements

For discussion of recent accounting pronouncements, refer to Note 2 within the accompanying notes to the consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are subject to financial market risks, including changes in interest rates and equity price risk. Uncertainty with respect to the economic effects of heightened interest rates in response to inflation, conflict between Russia and Ukraine, and the Israel-Hamas war and the ongoing geopolitical uncertainty has introduced significant volatility in the financial markets, and the effects of this volatility could materially impact our market risks, including those listed below. Concerning these risks and their potential impact on our business and our operating results, see Part I, Item 1A. Risk Factors, "Risks Relating to our Business" in our Annual Report on Form 10-K.

Interest rate sensitivity refers to the change in our earnings that may result from changes in the level of interest rates impacting some of the loans in our portfolio which have floating interest rates. Additionally, because we fund a portion of our investments with borrowings, our net investment income is affected by the difference between the rate at which we invest and the rate at which we borrow. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. See Part I, Item 1A. Risk Factors, "Risks Relating to our Business - Changes in interest rates may affect our cost of capital and net investment income" in our Annual Report on Form 10-K.

Our debt investments may be based on floating rates or fixed rates. For our floating rate loans the rates are determined from the Secured Overnight Financing Rate ("SOFR"), EURO Interbank Offer Rate, the Federal Funds Rate or the Prime Rate. The floating interest rate loans may be subject to a SOFR floor. Our loans typically have durations of one, three or six months after which they reset to current market interest rates. As of September 30, 2024, 80.96% of the interest earning investments in our portfolio, at fair value, bore interest at floating rates.

We also have a revolving credit facility and Floating Rate Preferred Stock that pay interest and monthly dividends, respectively, based on floating SOFR rates. Interest on borrowings under the revolving credit facility is one-month SOFR plus 205 basis points with no minimum SOFR floor and there is \$547,231 of outstanding borrowings as of September 30, 2024. Dividends for the Floating Rate Preferred Stock are equal to one-month Term SOFR (which will reset upon each dividend declaration by our Board of Directors) plus 2.00%, subject to a minimum and maximum annualized dividend rate of 6.50% and 8.00%, respectively. There are 7,648,950 shares of the Floating Rate Preferred Stock outstanding as of September 30, 2024. See *Note 9. Equity Offerings, Offering Expenses, and Distributions* for further discussion on our Floating Rate Preferred Stock. The Convertible Notes, Public Notes, Prospect Capital InterNotes® and remaining Preferred Stock bear interest at fixed rates.

The following table shows the approximate annual impact on net investment income of base rate changes in interest rates (considering interest rate flows for floating rate instruments, excluding our investments in Subordinated Structured Notes) to our loan portfolio and outstanding debt as of September 30, 2024, assuming no changes in our investment and borrowing structure:

| (in thousands) Basis Point Change | Increase (Decrease) in | | Increase (Decrease) | | Increase (Decrease) in Net | |
|--------------------------------------|---|--|-------------------------|---|----------------------------|--|
| | Increase (Decrease) in Interest Income | (Increase) Decrease in Interest Expense | in Investment Income | Increase (Decrease) in Incentive Fee (2) | Investment Income (1) | |
| Up 300 basis points | \$ 139,192 | \$ 16,417 | \$ 122,775 | \$ 2,692 | \$ 96,066 | |
| Up 200 basis points | \$ 92,795 | \$ 10,945 | \$ 81,850 | \$ 2,692 | \$ 63,326 | |
| Up 100 basis points | \$ 46,397 | \$ 5,472 | \$ 40,925 | \$ 1,912 | \$ 31,210 | |
| Down 100 basis points | \$ (41,003) | \$ (5,472) | \$ (35,530) | \$ (176) | \$ (28,283) | |
| Down 200 basis points | \$ (75,111) | \$ (10,945) | \$ (64,166) | \$ (176) | \$ (51,192) | |
| Down 300 basis points | \$ (104,484) | \$ (16,417) | \$ (88,067) | \$ (176) | \$ (70,313) | |

(1) Includes the impact of income incentive fees. See Note 13 in the accompanying *Consolidated Financial Statements* for more information on income incentive fees.

(2) Includes the impact of the Floating Rate Preferred Stock dividend.

As of September 30, 2024 the one, three, and six month SOFR were 4.85%, 4.59%, and 4.25% respectively.

We may hedge against interest rate fluctuations by using standard hedging instruments such as futures, options and forward contracts subject to the requirements of the 1940 Act. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in the benefits of higher interest rates with respect to our portfolio of investments. During the period ended September 30, 2024, we did not engage in hedging activities.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of September 30, 2024, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the 1934 Act). Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

There have been no changes in our internal control over financial reporting during the quarter ended September 30, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings

(All figures in this item are in thousands except share, per share and other data.)

From time to time, we may become involved in various investigations, claims and legal proceedings that arise in the ordinary course of our business. These matters may relate to intellectual property, employment, tax, regulation, contract or other matters. The resolution of such matters as may arise will be subject to various uncertainties and, even if such claims are without merit, could result in the expenditure of significant financial and managerial resources.

We are not aware of any material legal proceedings as of September 30, 2024.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed below and the risk factors in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended June 30, 2024, which could materially affect our business, financial condition or future results. The risks described in this report and in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results. *(All figures in this item are in thousands except share, per share and other data.)*

Risks Relating to Our Securities

Senior securities, including debt and preferred equity, expose us to additional risks, including the typical risks associated with leverage and could adversely affect our business, financial condition and results of operations.

We use our revolving credit facility to leverage our portfolio and we expect in the future to borrow from and issue senior debt securities to banks and other lenders and may securitize certain of our portfolio investments. We also have the Unsecured Notes outstanding and have launched a convertible preferred share offering program, which are forms of leverage and are senior in payment rights to our common stock.

Business development companies are generally able to issue senior securities such that their asset coverage, as defined in the 1940 Act, equals at least 200% of gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. In March 2018, the Small Business Credit Availability Act added Section 61(a)(2) to the 1940 Act, a successor provision to Section 61(a)(1) referenced therein, which reduces the asset coverage requirement applicable to business development companies from 200% to 150% so long as the business development company meets certain disclosure requirements and obtains certain approvals. On May 5, 2020, the Company's stockholders voted to approve the application of the reduced asset coverage requirements in Section 61(a)(2) to the Company effective as of May 6, 2020. As a result of the stockholder approval, effective May 6, 2020, the asset coverage ratio under the 1940 Act applicable to the Company decreased to 150% from 200%. In other words, under the 1940 Act, the Company is now able to borrow \$2 for investment purposes for every \$1 of investor equity, as opposed to borrowing \$1 for investment purposes for every \$1 of investor equity. As a result, the Company will be able to incur additional indebtedness in the future and investors in the Company may face increased investment risk. In addition, the Company's management fee payable to the Investment Adviser is based on the Company's average adjusted gross assets, which includes leverage and, as a result, if the Company incurs additional leverage, management fees paid to the Investment Adviser would increase.

With certain limited exceptions, as a BDC, we are only allowed to borrow amounts or otherwise issue senior securities such that our asset coverage, as defined in the 1940 Act, is at least 150% after such borrowing or other issuance. The amount of leverage that we employ will depend on the Investment Adviser's and our Board of Directors' assessment of market conditions and other factors at the time of any proposed borrowing. There is no assurance that a leveraging strategy will be successful. Leverage involves risks and special considerations for stockholders, any of which could adversely affect our business, financial condition and results of operations, including the following:

- A likelihood of greater volatility in the net asset value and market price of our common stock;
- Diminished operating flexibility as a result of asset coverage or investment portfolio composition requirements required by lenders or investors that are more stringent than those imposed by the 1940 Act;
- The possibility that investments will have to be liquidated at less than full value or at inopportune times to comply with debt covenants or to pay interest or dividends on the leverage;
- Increased operating expenses due to the cost of leverage, including issuance and servicing costs;

- Convertible or exchangeable securities, such as the Convertible Notes outstanding or those issued in the future (including the Preferred Stock (as defined herein)), may have rights, preferences and privileges more favorable than those of our common stock including, the case of the Preferred Stock, the statutory right under the 1940 Act to vote, as a separate class, on the election of two of our directors and approval of certain fundamental transactions in certain circumstances;
- Subordination to lenders' superior claims on our assets as a result of which lenders will be able to receive proceeds available in the case of our liquidation before any proceeds will be distributed to our stockholders;
- Difficulty meeting our payment and other obligations under the Unsecured Notes and our other outstanding debt or preferred equity;
- The occurrence of an event of default if we fail to comply with the financial and/or other restrictive covenants contained in our debt agreements, including the credit agreement and each indenture governing the Unsecured Notes, which event of default could result in all or some of our debt becoming immediately due and payable;
- Reduced availability of our cash flow to fund investments, acquisitions and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;
- The risk of increased sensitivity to interest rate increases on our indebtedness with variable interest rates, including borrowings under our amended senior credit facility; and
- Reduced flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy.

For example, the amount we may borrow under our revolving credit facility is determined, in part, by the fair value of our investments. If the fair value of our investments declines, we may be forced to sell investments at a loss to maintain compliance with our borrowing limits. Other debt facilities we may enter into in the future may contain similar provisions. Any such forced sales would reduce our net asset value and also make it difficult for the net asset value to recover. The Investment Adviser and our Board of Directors in their best judgment nevertheless may determine to use leverage if they expect that the benefits to our stockholders of maintaining the leveraged position will outweigh the risks.

- In addition, our ability to meet our payment and other obligations of the Preferred Stock, the Unsecured Notes and our credit facility depends on our ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot provide assurance that our business will generate cash flow from operations, or that future borrowings will be available to us under our existing credit facility or otherwise, in an amount sufficient to enable us to meet our payment obligations under the Preferred Stock, the Unsecured Notes and our other debt and to fund other liquidity needs. If we are not able to generate sufficient cash flow to service our debt and preferred equity obligations, we may need to refinance or restructure our debt or preferred equity, including the Unsecured Notes, sell assets, reduce or delay capital investments, or seek to raise additional capital. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under the Preferred Stock, the Unsecured Notes and our other debt.

Illustration. The following tables illustrate the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of interest expense. The calculations in the tables below are hypothetical and actual returns may be higher or lower than those appearing below.

The below calculation assumes (i) \$8.0 billion in total assets, (ii) an average cost of funds of 5.55% (including preferred dividend payments), (iii) \$2.3 billion in debt outstanding, (iv) \$0.7 billion in liquidation preference of 5.50% Preferred Stock outstanding, (v) \$0.13 billion in 5.35% Preferred Stock outstanding, (vi) \$0.7 billion in liquidation preference of 6.50% Preferred Stock outstanding, (vii) \$0.7 billion in liquidation preference of the Floating Rate Preferred Stock outstanding (viii), \$3.5 billion of common stockholders' equity.

| Assumed Return on Our Portfolio (net of expenses) | (10)% | (5)% | 0% | 5% | 10% |
|---|---------|---------|--------|------|-------|
| Corresponding Return to Common Stockholder(1) | (30.0)% | (18.6)% | (7.1)% | 4.3% | 15.7% |

The below calculation assumes (i) \$8.0 billion in total assets, (ii) an average cost of funds of 5.36% (including preferred dividend payments), (iii) \$2.3 billion in debt outstanding, (iv) \$0.13 billion in 5.35% Preferred Stock outstanding (v) \$0.7 billion in liquidation preference of the Floating Rate Preferred Stock outstanding, and (vi) \$4.9 billion of common stockholders' equity.

| Assumed Return on Our Portfolio (net of expenses) | (10)% | (5)% | 0% | 5% | 10% |
|---|---------|---------|--------|------|-------|
| Corresponding Return to Common Stockholder(2) | (19.2)% | (11.2)% | (3.2)% | 4.8% | 12.8% |

(1) Assumes no conversion of 5.50% Preferred Stock and 6.50% Preferred Stock to common stock.

(2) Assumes the conversion of \$0.7 billion in 5.50% Preferred Stock and \$0.7 billion in 6.50% Preferred Stock at a conversion rate based on the 5-day VWAP of our common stock on September 30, 2024, which was \$5.36, and a Holder Optional Conversion Fee (as defined in the prospectus supplement relating to the applicable offering) of 9.00% on Series A1 Preferred Stock, Series A3 Preferred Stock, and Series AA2 Preferred Stock of the maximum public offering price disclosed within the applicable prospectus supplements. The actual 5-day VWAP of our common stock on a Holder Conversion Exercise Date may be more or less than \$5.36, which may result in more or less shares of common stock issued.

The assumed portfolio return is required by regulation of the SEC and is not a prediction of, and does not represent, our projected or actual performance. Actual returns may be greater or less than those appearing in the table.

Pursuant to SEC regulations, this table is calculated as of September 30, 2024. As a result, it has not been updated to take into account any changes in assets or leverage since September 30, 2024.

General Risk Factors

We may experience fluctuations in our quarterly results.

We could experience fluctuations in our quarterly operating results due to a number of factors, including the level of structuring fees received, the interest or dividend rates payable on the debt or equity securities we hold, the default rate on debt securities, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets, and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

On August 24, 2011, our Board of Directors approved a share repurchase plan (the "Repurchase Program"), pursuant to which we may repurchase up to \$100,000 of our common stock at prices below our net asset value per share. Prior to any repurchase, we are required to notify stockholders of our intention to purchase our common stock.

We did not repurchase any shares of our common stock under the Repurchase Program for the quarter ended September 30, 2024.

As of September 30, 2024, the approximate dollar value of shares that may yet be purchased under the plan is \$65.9 million.

On June 16, 2022, our Board of Directors authorized the repurchase of up to 1.5 million shares our Series A Preferred Stock and further on October 11, 2023, authorized any and all outstanding Series A Preferred Stock to be repurchased. The manner, price, volume and timing of preferred share repurchases are subject to a variety of factors, including market conditions and applicable SEC rules. There were no repurchases during the quarter ended September 30, 2024.

During the quarter ended September 30, 2024, we exchanged an aggregate of 87,433 Series M1 Preferred Stock for an aggregate of 5,842 and 81,589 newly-issued Series M3 Preferred Stock and Series M4 Preferred Stock, respectively, pursuant

to Section 3(a)(9) of the Securities Act. During the quarter ended September 30, 2024, we exchanged an aggregate of 131,917 Series M3 Preferred Stock for an aggregate of 131,914 newly-issued Series M4 Preferred Stock pursuant to Section 3(a)(9) of the Securities Act. Section 3(a)(9) provides that the registration requirements of the Securities Act will not apply to “any security exchanged by the issuer with its existing security holders exclusively where no commission or other remuneration is paid or given directly or indirectly for soliciting such exchange.” We have no contract, arrangement or understanding relating to, and will not, directly or indirectly, pay any commission or other remuneration to any broker, dealer, salesperson, agent or any other person for soliciting exchanges in the exchange offer.

The shares of Series M3 Preferred Stock and Series M4 Preferred Stock issued in the exchange were issued in each case to an existing security holder of the Company, along with cash in respect of accrued but unpaid dividends on the exchanged securities, plus any fractional amount of a Series M1 Preferred Stock or Series M3 Preferred Stock exchanged multiplied by \$25.00 in cash, exclusively in exchange for such holder's securities and no commission or other remuneration was paid or given for soliciting the exchange. The Series M1 Preferred Stock and Series M3 Preferred Stock are convertible at the option of the holder. See Note 9 for further discussion of the features of the Series M1 Preferred Stock, Series M3 Preferred Stock and Series M4 Preferred Stock. Other exceptions may apply.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended September 30, 2024, no director or Section 16 officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Our common stock is traded on the NASDAQ Global Select Market under the symbol "PSEC."

The following table sets forth, for the quarterly reporting periods indicated, the net asset value per common share of our common stock and the high and low sales prices for our common stock, as reported on the NASDAQ Global Select Market. Our common stock historically has traded at prices both above and below its net asset value. There can be no assurance, however, that such premium or discount, as applicable, to net asset value will be maintained. See also "Item 1A. Risk Factors" in Part I of our Annual Report on Form 10-K for the year ended June 30, 2024 for additional information about the risks and uncertainties we face.

| | NAV(1) | Stock Price | | Premium (Discount) of High to NAV | Premium (Discount) of Low to NAV |
|---|----------|-------------|---------|--------------------------------------|--|
| | | High(2) | Low(2) | | |
| Year Ended June 30, 2023 | | | | | |
| First quarter | \$ 10.01 | \$ 8.18 | \$ 6.11 | (18.3) % | (39.0) % |
| Second quarter | 9.94 | 7.82 | 6.39 | (21.3) % | (35.7) % |
| Third quarter | 9.48 | 7.66 | 6.67 | (19.2) % | (29.6) % |
| Fourth quarter | 9.24 | 6.94 | 6.08 | (24.9) % | (34.2) % |
| Year Ended June 30, 2024 | | | | | |
| First quarter | \$ 9.25 | \$ 6.65 | \$ 5.94 | (28.1) % | (35.8) % |
| Second quarter | 8.92 | 6.18 | 5.08 | (30.7) % | (43.0) % |
| Third quarter | 8.99 | 6.24 | 5.33 | (30.6) % | (40.7) % |
| Fourth quarter | 8.74 | 5.69 | 5.21 | (34.9) % | (40.4) % |
| Twelve Months Ending June 30, 2025 | | | | | |
| First quarter | \$ 8.10 | \$ 5.60 | \$ 4.75 | (30.9) % | (41.4) % |

(1) Net asset value per common share is determined as of the last day in the relevant quarter and therefore may not reflect the net asset value per common share on the date of the high or low sales price. The NAVs shown are based on outstanding shares of our common stock at the end of each period.

(2) The High/Low Stock Price is calculated as of the closing price on a given day in the applicable quarter.

As of November 6, 2024, we had approximately 181 stockholders of record.

The below table sets forth each class of our outstanding securities as of November 6, 2024:

| Title of Class of Securities | Amount Authorized | Amount Held by Registrant or for its Account | Amount Outstanding Exclusive of Amount held by Registrant or for its Account |
|------------------------------|-------------------|---|--|
| Common Stock | 1,352,100,000 | — | 436,175,983 |
| Preferred Stock | 667,900,000 | — | 70,716,555 |
| 2025 Notes | \$ 201,250 | — | \$ 156,168 |
| 2026 Notes | \$ 400,000 | — | \$ 376,272 |
| 3.364% 2026 Notes | \$ 300,000 | — | \$ 300,000 |
| 3.437% 2028 Notes | \$ 300,000 | — | \$ 300,000 |
| Prospect Capital InterNotes® | \$ 1,000,000 | — | \$ 625,872 (1) |

(1) Prospect Capital InterNotes® amount outstanding includes settlements occurring on or before the filing date of the 10-Q for the quarterly period ended September 30, 2024.

Recent Sales of Common Stock Below Net Asset Value

At our 2009, 2010, 2011, 2012 and 2013 annual meeting of stockholders, and at special meetings of stockholders held on June 12, 2020, June 11, 2021, June 10, 2022, June 9, 2023, and June 10, 2024 our stockholders approved our ability to sell shares of our common stock at a price or prices below our NAV per common share at the time of sale in one or more offerings. The current approval to sell shares of our common stock below our NAV per common share is valid until June 10, 2025 and subject to certain conditions as set forth in the proxy statement relating to the special meeting (including that the number of shares sold on any given date does not exceed 25% of our outstanding common stock immediately prior to such sale). Accordingly, we may make offerings of our common stock without any limitation on the total amount of dilution to stockholders. Our prospectus supplement and accompanying prospectus relating to this offering contains additional information about these offerings. Pursuant to the authority granted by our stockholders and the approval of our Board of Directors, we have made the following offerings below NAV per common share:

| Date of Offering | Price Per Share to Investors | Shares Issued | Estimated Net Asset Value per | |
|-----------------------------------|------------------------------|---------------|-------------------------------|---------------------|
| | | | Common Share(1) | Percentage Dilution |
| June 15, 2020 to June 22, 2020(2) | \$5.29 - \$5.40 | 1,158,222 | \$7.93 - 7.94 | 0.10% |

(1) The data for sales of common shares below NAV pursuant to our equity distribution agreements are estimates based on our last reported NAV prior to the respective period adjusted for capital events occurring during the period since the last calculated NAV. All amounts presented are approximations based on the best available data at the time of issuance.

(2) At the market offering. Dates of offering represent the sales dates of the stock. The settlement dates are two business days later than the sale dates.

FEES AND EXPENSES

The following tables are intended to assist you in understanding the costs and expenses that an investor in shares of common stock will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. These tables are based on our assets and common stock outstanding as of September 30, 2024, except that we assume that we have issued \$0.9 billion in 5.50% Preferred Stock paying dividends of 5.50% per annum, \$0.8 billion in 6.50% Preferred Stock paying dividends of 6.50% per annum, \$0.7 billion in preferred stock paying dividends of a floating rate (assuming 6.65% annualized, based on the floating rate as of November 1, 2024, in addition to our \$0.13 billion of 5.35% Preferred Stock paying dividends of 5.35% per annum, and that we have borrowed \$2.12 billion under our credit facility, which, as of September 30, 2024 is the maximum amount available under the credit facility with the current levels of other debt, in addition to our other indebtedness of \$1.7 billion. Except where the context suggests otherwise, any reference to fees or expenses paid by "you" or "us" or that "we" will pay fees or expenses, the Company will pay such fees and expenses out of our net assets and, consequently, you will indirectly bear such fees or expenses as an investor in the Company's common stock. However, you will not be required to deliver any money or otherwise bear personal liability or responsibility for such fees or expenses.

| Stockholder transaction expenses: | A4 Shares | | M4 Shares | |
|---|------------------|--------|------------------|-----|
| Sales Load (as a percentage of offering price) | 10.00% | (1) | 3.00% | (2) |
| Offering expenses borne by the Company (as a percentage of offering price) | 1.50% | (3) | 1.50% | (3) |
| Preferred Stock Dividend reinvestment plan expenses (4) | None | | None | |
| Total stockholder transaction expenses (as a percentage of offering price): | 11.50% | | 4.50% | |
| Annual expenses (as a percentage of net assets attributable to common stock): | | | | |
| Management fees (5) | | 5.55% | | |
| Incentive fees payable under Investment Advisory Agreement (20% of realized capital gains and 20% of pre-incentive fee net investment income) (6) | | 1.87% | | |
| Total advisory fees | | 7.42% | | |
| Total interest expenses (7) | | 6.82% | | |
| Other expenses (8) | | 1.42% | | |
| Total annual expenses (6)(8)(9) | | 15.66% | | |
| Dividends on Preferred Stock (10) | | 3.99% | | |
| Total annual expenses after dividends on Preferred Stock (11) | | 19.65% | | |

Example

The following table demonstrates the projected dollar amount of cumulative expenses we would pay out of net assets and that you would indirectly bear over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed we have issued \$0.9 billion in 5.50% Preferred Stock paying dividends of 5.50% per annum, \$0.8 billion in 6.50% Preferred Stock paying dividends of 6.50% per annum, \$0.7 billion in preferred stock paying dividends of a floating rate (assuming 6.65% annualized, based on the floating rate as of November 1, 2024), \$0.13 billion in 5.35% Preferred Stock paying dividends of 5.35% per annum, we have borrowed \$2.12 billion available under our line of credit, in addition to our other indebtedness of \$1.7 billion, and that our annual operating expenses would remain at the levels set forth in the table above and that we would pay the costs shown in the table above.

| | 1 Year | 3 Years | 5 Years | 10 Years |
|---|--------|---------|---------|----------|
| Ongoing Preferred Stock Offerings ⁽¹⁾ - You would pay the following expenses on a \$1,000 investment in shares of our common stock, assuming a 5% annual return on our portfolio* | \$ 239 | \$ 508 | \$ 712 | \$ 1,034 |
| Ongoing Preferred Stock Offerings ⁽¹⁾ - You would pay the following expenses on a \$1,000 investment in shares of our common stock, assuming a 5% annual return on our portfolio** | \$ 249 | \$ 528 | \$ 735 | \$ 1,049 |

(1) Represents the highest level of expenses from all ongoing Preferred Stock offerings referenced in the Fee and Expenses table above, assuming a maximum number of shares of Preferred Stock presently offered in each offering is sold. Presently a maximum of 90 million shares of Series A4 Preferred Stock and Series M4 Preferred Stock may be sold. As of September 30, 2024, there are 28,266,559, 164,000, 24,608,472, 5,801,035, 1,409,007, 3,025,020, 1,847,915 and 5,251,157 shares of Series A1 Preferred Stock, Series A2 Preferred Stock, Series A3 Preferred Stock, Series A4 Preferred Stock, Series M1 Preferred Stock, Series M3 Preferred Stock, Series M4 Preferred Stock and Series A Preferred Stock, respectively, outstanding. This table reflects the sales load paid on the Preferred Stock, which common stockholders will not be subject to, unless common stockholders purchased shares of the Series A1 Preferred Stock, Series A2 Preferred Stock, Series A3 Preferred Stock, Series M1 Preferred Stock, Series M2 Preferred Stock, and/or Series M3 Preferred Stock and converted such shares into common stock.

* Assumes that we will not realize any capital gains computed net of all realized capital losses and unrealized capital depreciation on our portfolio.

** Assumes no unrealized capital depreciation or realized capital losses and 5% annual return on our portfolio resulting entirely from net realized capital gains (and therefore subject to the capital gains incentive fee).

While the example assumes, as required by the SEC, a 5% annual return on our portfolio, our performance will vary and may result in a return greater or less than 5%. The income incentive fee under our Investment Advisory Agreement with Prospect Capital Management is unlikely to be material assuming a 5% annual return on our portfolio and is not included in the example. If we achieve sufficient returns on our portfolio, including through the realization of capital gains, to trigger an incentive fee of a material amount, our distributions to our common stockholders and our expenses would likely be higher. In addition, while the example assumes reinvestment of all dividends and other distributions at NAV, common stockholders that participate in our common stock dividend reinvestment plan will receive a number of shares of our common stock determined by dividing the total dollar amount of the distribution payable to a participant by 95% of the market price per share of our common stock at the close of trading on the valuation date for the distribution.

This example and the expenses in the table above should not be considered a representation of our future expenses. Actual expenses (including the cost of debt, if any, and other expenses) may be greater or less than those shown.

(1) Includes up to a 7.0% selling commission on the \$25.00 per share (the "Stated Value") paid by the Company and a dealer manager fee equal to 3.0% of the Stated Value paid by the Company. Reductions in selling commissions will be reflected in reduced public offering prices as described in the "Plan of Distribution" section of this prospectus supplement and the net proceeds to us will generally not be impacted by such reductions; therefore, we will bear a reduction in net proceeds to us up to 7.0% of the Stated Value on all Series A4 Shares although the selling commission compensation paid by us to our dealer manager may represent less than 7.0% of the Stated Value. We may, through the Holder Optional Redemption Fee applicable to holders of the Series A4 Shares, effectively recoup a portion of the Sales Load if stockholders exercise a Holder Optional Redemption of their Series A4 shares prior to the 5-year anniversary of the original issue date. The Holder Optional Redemption Fee is 10.00% of the maximum public offering price disclosed herein prior to the third anniversary of the issuance of such Series A4 Shares, 8.00% of the maximum public offering price disclosed herein on or after the third anniversary but prior to the fourth anniversary, 5.00% of the maximum public offering price disclosed herein on or after the fourth anniversary but prior to the fifth anniversary and 0.00% on or after the fifth anniversary.

(2) Includes a dealer manager fee equal to 3.0% of the Stated Value paid by the Company.

(3) The selling commission and dealer manager fee, when combined with organization and offering expenses (including due diligence expenses and fees for establishing servicing arrangements for new stockholder accounts), are not expected to exceed 11.5% of the gross offering proceeds. Our Board of Directors may, in its discretion, authorize the Company to incur underwriting and other offering expenses in excess of 11.5% of the gross offering proceeds. In no event will the combined selling commission, dealer manager fee and offering expenses exceed FINRA's limit on underwriting and other offering expenses.

- (4) The expenses of the Preferred DRIP are included in "other expenses." See "Capitalization" in the applicable prospectus supplement.
- (5) Our base management fee is 2% of our gross assets (which include any amount borrowed, *i.e.*, total assets without deduction for any liabilities, including any borrowed amounts for non-investment purposes, for which purpose we have not and have no intention of borrowing). Although no plans are in place to borrow the full amount under our line of credit, assuming that we borrowed \$2.12 billion, the 2% management fee of gross assets equals approximately 5.55% of net assets.
- (6) Based on our net investment income and realized capital gains, less realized and unrealized capital losses, earned on our portfolio for the three months ended September 30, 2024, all of which consisted of an income incentive fee. This historical amount has been adjusted to reflect the issuance of 96,187,000 shares of combined 5.50% Preferred Stock, 6.50% Preferred Stock, and Floating Rate Preferred Stock. The capital gain incentive fee is paid without regard to pre-incentive fee income. For a more detailed discussion of the calculation of the two-part incentive fee, see "Management Services-Investment Advisory Agreement" in the applicable prospectus.
- (7) As of September 30, 2024, we had \$1.7 billion outstanding of Unsecured Notes (as defined below) in various maturities, ranging from February 15, 2025 to March 15, 2052, and interest rates, ranging from 2.25% to 8.00%, some of which are convertible into shares of the Company's common stock at various conversion rates.
- (8) "Other expenses" are based on estimated amounts for the current fiscal year. The amount shown above represents annualized expenses during our three months ended September 30, 2024 representing all of our estimated recurring operating expenses (except fees and expenses reported in other items of this table) that are deducted from our operating income and reflected as expenses in our Statement of Operations. The estimate of our overhead expenses, including payments under an administration agreement with Prospect Administration, or the Administration Agreement is based on our projected allocable portion of overhead and other expenses incurred by Prospect Administration in performing its obligations under the Administration Agreement. See "Business-Management Services-Administration Agreement" in the applicable prospectus.
- (9) If all 57,473,059 shares of combined 5.50% Preferred Stock and 6.50% Preferred Stock were converted into common stock and assuming all the Series A1, Series A3, and Series AA2 Preferred Stock pay a Holder Optional Conversion Fee of 9.00% and all the Series A2 Preferred Stock pay a Holder Optional Conversion Fee of 7.50% of the maximum public offering price disclosed within the applicable prospectus supplement and are converted at a conversion rate based on the 5-day VWAP of our common stock on September 30, 2024, which was \$5.36, then management fees would be 3.92%, incentive fees payable under our Investment Advisory Agreement would be 1.32%, total advisory fees would be 5.24%, total interest expenses would be 4.82%, other expenses would be 1.00%, and total annual expenses would be 11.06% of net assets attributable to our common stock. The actual 5-day VWAP of our common stock on a conversion date may be more or less than \$5.36, which may result in fees that are higher or lower than those described herein. These figures are based on the same assumptions described in the other notes to this fee table.
- (10) Based on the 5.50% per annum dividend rate applicable to the A1 Shares, M1 Shares, M2 Shares, AA1 Shares, MM1 Shares, and A2 Shares. Also based on the 5.35% per annum dividend rate applicable to the A Shares. Also based on the 6.50% per annum dividend rate applicable to the A3 Shares, M3 Shares, AA2 Shares, and MM2 Shares. Also based on the 6.65% annualized dividend rate applicable to A4 Shares and M4 Shares based on the floating rate as of November 1, 2024. Other series of preferred stock, including other series of preferred stock being sold in different offerings, may bear different annual dividend rates. No dividend will be paid on shares of Preferred Stock after they have been converted to shares of common stock.
- (11) The indirect expenses associated with the Company's investments in collateralized loan obligations are not included in the fee table presentation, but if such expenses were included in the fee table presentation then the Company's total annual expenses would have been 16.04%, or 20.07% after dividends on Preferred Stock.

Item 6. Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC (according to the number assigned to them in Item 601 of Regulation S-K):

Exhibit No.

- 3.1 [Articles of Amendment and Restatement\(1\)](#)
- 3.2 [Amended and Restated Bylaws\(2\)](#)

Exhibit No.

- 3.3 [Articles of Amendment\(3\)](#)
- 3.4 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation \(4\)](#)
- 3.5 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation \(5\)](#)
- 3.6 [Certificate of Correction to the Articles Supplementary of Prospect Capital Corporation\(6\)](#)
- 3.7 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation\(7\)](#)
- 3.8 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation\(8\)](#)
- 3.9 [Certificate of Correction to Articles Supplementary of Prospect Capital Corporation\(9\)](#)
- 3.10 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation\(10\)](#)
- 3.11 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation\(11\)](#)
- 3.12 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation\(12\)](#)
- 3.13 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation\(13\)](#)
- 3.14 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation\(14\)](#)
- 3.15 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation - Preferred Stock, Series A4, Preferred Stock Series M4\(15\)](#)
- 3.16 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation - Convertible Preferred Stock\(16\)](#)
- 3.17 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation\(17\)](#)
- 4.1 [One Thousand Four Hundred Thirtieth Supplemental Indenture dated as of July 5, 2024, to the U.S. Bank Indenture, and Form of 7.125% Prospect Capital InterNote® due 2027\(18\)](#)
- 4.2 [One Thousand Four Hundred Thirty-First Supplemental Indenture dated as of July 5, 2024, to the U.S. Bank Indenture, and Form of 7.375% Prospect Capital InterNote® due 2029\(22\)](#)
- 4.3 [One Thousand Four Hundred Thirty-Second Supplemental Indenture dated as of July 5, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034\(18\)](#)
- 4.4 [One Thousand Four Hundred Thirty-Third Supplemental Indenture dated as of July 11, 2024, to the U.S. Bank Indenture, and Form of 7.125% Prospect Capital InterNote® due 2027\(19\)](#)
- 4.5 [One Thousand Four Hundred Thirty-Fourth Supplemental Indenture dated as of July 11, 2024, to the U.S. Bank Indenture, and Form of 7.375% Prospect Capital InterNote® due 2029\(19\)](#)
- 4.6 [One Thousand Four Hundred Thirty-Fifth Supplemental Indenture dated as of July 11, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034\(19\)](#)
- 4.7 [One Thousand Four Hundred Thirty-Sixth Supplemental Indenture dated as of July 18, 2024, to the U.S. Bank Indenture, and Form of 7.125% Prospect Capital InterNote® due 2027\(20\)](#)
- 4.8 [One Thousand Four Hundred Thirty-Seventh Supplemental Indenture dated as of July 18, 2024, to the U.S. Bank Indenture, and Form of 7.375% Prospect Capital InterNote® due 2029\(20\)](#)
- 4.9 [One Thousand Four Hundred Thirty-Eighth Supplemental Indenture dated as of July 18, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034\(20\)](#)
- 4.10 [One Thousand Four Hundred Thirty-Ninth Supplemental Indenture dated as of July 25, 2024, to the U.S. Bank Indenture, and Form of 7.125% Prospect Capital InterNote® due 2027\(21\)](#)
- 4.11 [One Thousand Four Hundred Fortieth Supplemental Indenture dated as of July 25, 2024, to the U.S. Bank Indenture, and Form of 7.375% Prospect Capital InterNote® due 2029\(21\)](#)
- 4.12 [One Thousand Four Hundred Forty-First Supplemental Indenture dated as of July 25, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034\(21\)](#)
- 4.13 [One Thousand Four Hundred Forty-Second Supplemental Indenture dated as of August 1, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2027\(22\)](#)
- 4.14 [One Thousand Four Hundred Forty-Third Supplemental Indenture dated as of August 1, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2029\(22\)](#)
- 4.15 [One Thousand Four Hundred Forty-Fourth Supplemental Indenture dated as of August 1, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034\(22\)](#)
- 4.16 [One Thousand Four Hundred Forty-Fifth Supplemental Indenture dated as of August 8, 2024, to the U.S. Bank Indenture, and Form of 6.875% Prospect Capital InterNote® due 2027\(23\)](#)
- 4.17 [One Thousand Four Hundred Forty-Sixth Supplemental Indenture dated as of August 8, 2024, to the U.S. Bank Indenture, and Form of 7.125% Prospect Capital InterNote® due 2029\(23\)](#)
- 4.18 [One Thousand Four Hundred Forty-Seventh Supplemental Indenture dated as of August 8, 2024, to the U.S. Bank Indenture, and Form of 7.375% Prospect Capital InterNote® due 2034\(23\)](#)
- 4.19 [One Thousand Four Hundred Forty-Eighth Supplemental Indenture dated as of August 15, 2024, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2027\(24\)](#)

Exhibit No.

- 4.20 [One Thousand Four Hundred Forty-Ninth Supplemental Indenture dated as of August 15, 2024, to the U.S. Bank Indenture, and Form of 6.750% Prospect Capital InterNote® due 2029\(24\)](#)
- 4.21 [One Thousand Four Hundred Fiftieth Supplemental Indenture dated as of August 15, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2034\(24\)](#)
- 4.22 [One Thousand Four Hundred Fifty-First Supplemental Indenture dated as of August 22, 2024, to the U.S. Bank Indenture, and Form of 6.750% Prospect Capital InterNote® due 2027\(25\)](#)
- 4.23 [One Thousand Four Hundred Fifty-Second Supplemental Indenture dated as of August 22, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2029\(25\)](#)
- 4.24 [One Thousand Four Hundred Fifty-Third Supplemental Indenture dated as of August 22, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2034\(25\)](#)
- 4.25 [One Thousand Four Hundred Fifty-Fourth Supplemental Indenture dated as of August 29, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2027\(26\)](#)
- 4.26 [One Thousand Four Hundred Fifty-Fifth Supplemental Indenture dated as of August 29, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2029\(26\)](#)
- 4.27 [One Thousand Four Hundred Fifty-Sixth Supplemental Indenture dated as of August 29, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034\(26\)](#)
- 4.28 [One Thousand Four Hundred Fifty-Seventh Supplemental Indenture dated as of September 12, 2024, to the U.S. Bank Indenture, and Form of 6.875% Prospect Capital InterNote® due 2027\(27\)](#)
- 4.29 [One Thousand Four Hundred Fifty-Eighth Supplemental Indenture dated as of September 12, 2024, to the U.S. Bank Indenture, and Form of 7.125% Prospect Capital InterNote® due 2029\(27\)](#)
- 4.30 [One Thousand Four Hundred Fifty-Ninth Supplemental Indenture dated as of September 12, 2024, to the U.S. Bank Indenture, and Form of 7.375% Prospect Capital InterNote® due 2034\(27\)](#)
- 4.31 [One Thousand Four Hundred Sixtieth Supplemental Indenture dated as of September 19, 2024, to the U.S. Bank Indenture, and Form of 6.750% Prospect Capital InterNote® due 2027\(28\)](#)
- 4.32 [One Thousand Four Hundred Sixty-First Supplemental Indenture dated as of September 19, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2029\(28\)](#)
- 4.33 [One Thousand Four Hundred Sixty-Second Supplemental Indenture dated as of September 19, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2034\(28\)](#)
- 4.34 [One Thousand Four Hundred Sixty-Third Supplemental Indenture dated as of September 26, 2024, to the U.S. Bank Indenture, and Form of 6.625% Prospect Capital InterNote® due 2027\(29\)](#)
- 4.35 [One Thousand Four Hundred Sixty-Fourth Supplemental Indenture dated as of September 26, 2024, to the U.S. Bank Indenture, and Form of 6.875% Prospect Capital InterNote® due 2029\(29\)](#)
- 4.36 [One Thousand Four Hundred Sixty-Fifth Supplemental Indenture dated as of September 26, 2024, to the U.S. Bank Indenture, and Form of 7.125% Prospect Capital InterNote® due 2034\(29\)](#)

11
Computation of Per Share Earnings (included in the notes to the financial statements contained in this report)

12
Computation of Ratios (included in the notes to the financial statements contained in this report)

31.1
[Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934, as amended*](#)

31.2
[Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934, as amended*](#)

32.1
[Certification of Chief Executive Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002 \(18 U.S.C. 1350\)*](#)

32.2

101.INS Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

101.SCH Inline XBRL Taxonomy Extension Schema Document.

101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document.

101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document.

101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document.

104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith.

- (1) [Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on May 9, 2014.](#)
- (2) [Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on December 11, 2015.](#)
- (3) [Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on August 4, 2020.](#)
- (4) [Incorporated by reference to Exhibit 3.2 of the Registrant's Form 8-K, filed on August 4, 2020.](#)
- (5) [Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on November 4, 2020.](#)

- (6) [Incorporated by reference to Exhibit 3.2 of the Registrant's Form 8-K, filed on November 4, 2020.](#)
- (7) [Incorporated by reference from the Registrant's Post-Effective Amendment No. 57 to the Registration Statement on Form N-2, filed on May 20, 2021.](#)
- (8) [Incorporated by reference from the Registrant's Post-Effective Amendment No. 65 to the Registration Statement on Form N-2, filed on July 15, 2021.](#)
- (9) [Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on July 19, 2021.](#)
- (10) [Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on February 23, 2022.](#)
- (11) [Incorporated by reference to Exhibit 1.1 of the Registrant's Form 8-K, filed on June 9, 2022.](#)
- (12) [Incorporated by reference to Exhibit 1.1 of the Registrant's Form 8-K, filed on October 12, 2022.](#)
- (13) [Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on October 12, 2022.](#)
- (14) [Incorporated by reference to Exhibit 1.1 of the Registrant's Form 8-K, filed on February 13, 2023.](#)
- (15) [Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on December 29, 2023.](#)
- (16) [Incorporated by reference to Exhibit 3.2 of the Registrant's Form 8-K, filed on December 29, 2023.](#)
- (17) [Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on January 25, 2024.](#)
- (18) [Incorporated by reference from the Registrant's Post-Effective Amendment No. 64 to the Registration Statement on Form N-2, filed on July 5, 2024.](#)
- (19) [Incorporated by reference from the Registrant's Post-Effective Amendment No. 65 to the Registration Statement on Form N-2, filed on July 11, 2024.](#)
- (20) [Incorporated by reference from the Registrant's Post-Effective Amendment No. 66 to the Registration Statement on Form N-2, filed on July 18, 2024.](#)
- (21) [Incorporated by reference from the Registrant's Post-Effective Amendment No. 67 to the Registration Statement on Form N-2, filed on July 25, 2024.](#)
- (22) [Incorporated by reference from the Registrant's Post-Effective Amendment No. 68 to the Registration Statement on Form N-2, filed on August 1, 2024.](#)
- (23) [Incorporated by reference from the Registrant's Post-Effective Amendment No. 69 to the Registration Statement on Form N-2, filed on August 8, 2024.](#)
- (24) [Incorporated by reference from the Registrant's Post-Effective Amendment No. 70 to the Registration Statement on Form N-2, filed on August 15, 2024.](#)
- (25) [Incorporated by reference from the Registrant's Post-Effective Amendment No. 71 to the Registration Statement on Form N-2, filed on August 22, 2024.](#)
- (26) [Incorporated by reference from the Registrant's Post-Effective Amendment No. 72 to the Registration Statement on Form N-2, filed on August 29, 2024.](#)
- (27) [Incorporated by reference from the Registrant's Post-Effective Amendment No. 73 to the Registration Statement on Form N-2, filed on September 12, 2024.](#)
- (28) [Incorporated by reference from the Registrant's Post-Effective Amendment No. 74 to the Registration Statement on Form N-2, filed on September 19, 2024.](#)
- (29) [Incorporated by reference from the Registrant's Post-Effective Amendment No. 75 to the Registration Statement on Form N-2, filed on September 26, 2024.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PROSPECT CAPITAL CORPORATION

November 8, 2024

Date

By: /s/ JOHN F. BARRY III

John F. Barry III

Chairman of the Board and Chief Executive Officer

November 8, 2024

Date

By: /s/ KRISTIN L. VAN DASK

Kristin L. Van Dask

Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, John F. Barry III, Chairman of the Board and Chief Executive Officer of Prospect Capital Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Prospect 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 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 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 consolidated 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 the financial reporting; and
5. The registrant's other certifying officer 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: November 8, 2024

/s/ JOHN F. BARRY III

John F. Barry III

Chairman of the Board and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, Kristin L. Van Dask, Chief Financial Officer and Treasurer of Prospect Capital Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Prospect 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 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 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 consolidated 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 the financial reporting; and
5. The registrant's other certifying officer 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: November 8, 2024

/s/ KRISTIN L. VAN DASK

Kristin L. Van Dask

Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)

In connection with the Quarterly Report on Form 10-Q for the period ended September 30, 2024 (the "Report") of Prospect Capital Corporation (the "Registrant"), as filed with the Securities and Commission on the date hereof, I, John F. Barry III, Chairman of the Board and Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 8, 2024

/s/ JOHN F. BARRY III

John F. Barry III

Chairman of the Board and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Prospect Capital Corporation and will be retained by Prospect Capital Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. ss. 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)

In connection with the Quarterly Report on Form 10-Q for the period ended September 30, 2024 (the "Report") of Prospect Capital Corporation (the "Registrant"), as filed with the Securities and Commission on the date hereof, I, Kristin L. Van Dask, Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 8, 2024

/s/ KRISTIN L. VAN DASK

Kristin L. Van Dask

Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Prospect Capital Corporation and will be retained by Prospect Capital Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. ss. 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.