UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2021

OR

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

For the transition period from to

Commission file number 814-00712

BLACKROCK CAPITAL INVESTMENT CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**20-2725151** **(I.R.S. Employer Identification No.)**
40 East 52nd Street, New York, NY **(Address of Principal Executive Offices)**	**10022** **(Zip Code)**

Registrant's Telephone Number, Including Area Code: 212-810-5800

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 ☐ Accelerated filer ☐ Non-Accelerated filer ☑

Smaller reporting company ☐ Emerging growth company ☐

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

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

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	BKCC	NASDAQ Global Select Market

The number of shares of the Registrant's common stock, $.001 par value per share, outstanding at April 29, 2021 was 74,151,860.

BLACKROCK CAPITAL INVESTMENT CORPORATION

FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2021

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PART I. FINANCIAL INFORMATION

In this Quarterly Report, "Company", "we", "us" and "our" refer to BlackRock Capital Investment Corporation unless the context states otherwise.

Item 1. Consolidated Financial Statements

BlackRock Capital Investment Corporation

Consolidated Statements of Assets and Liabilities
(Unaudited)

	March 31, 2021	December 31, 2020
Assets		
Investments at fair value:		
Non-controlled, non-affiliated investments (cost of $387,616,446 and $369,079,320)	$ 383,363,814	$ 354,957,936
Non-controlled, affiliated investments (cost of $5,003,838 and $20,927,907)	4,010,216	13,099,313
Controlled investments (cost of $170,522,225 and $216,768,227)	70,955,491	110,968,227
Total investments at fair value (cost of $563,142,509 and $606,775,454)	458,329,521	479,025,476
Cash and cash equivalents	7,059,117	23,332,831
Receivable for investments sold	14,550,947	5,439,507
Interest, dividends and fees receivable	1,936,263	2,138,304
Deferred debt issuance costs	1,234,532	1,374,115
Prepaid expenses and other assets	372,905	409,357
Total Assets	$ 483,483,285	$ 511,719,590
Liabilities		
Debt (net of deferred issuance costs of $1,129,787 and $1,360,356)	$ 141,460,295	$ 179,798,037
Interest and credit facility fees payable	2,394,164	502,682
Distributions payable	7,441,594	—
Base management fees payable	1,799,766	2,313,447
Incentive management fees payable	1,849,597	1,849,597
Payable for investments purchased	3,273,993	9,193,917
Accrued administrative services	322,115	389,064
Other accrued expenses and payables	2,041,799	2,662,569
Total Liabilities	160,583,323	196,709,313
Commitments and Contingencies (See Note 9)		
Net Assets		
Common stock, par value $.001 per share, 200,000,000 common shares authorized, 84,478,251 and 84,478,251 issued and 74,210,603 and 74,466,665 outstanding	84,478	84,478
Paid-in capital in excess of par	858,079,713	858,079,713
Distributable earnings (losses)	(468,097,644)	(476,857,055)
Treasury stock at cost, 10,267,648 and 10,011,586 shares held	(67,166,585)	(66,296,859)
Total Net Assets	322,899,962	315,010,277
Total Liabilities and Net Assets	$ 483,483,285	$ 511,719,590
Net Asset Value Per Share	$ 4.35	$ 4.23

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Statements of Operations
(Unaudited)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Investment Income:		
Non-controlled, non-affiliated investments:		
Cash interest income	$ 8,049,250	$ 8,121,923
PIK interest income	780,679	1,095,431
Fee income	146,032	46,167
Total investment income from non-controlled, non-affiliated investments	8,975,961	9,263,521
Non-controlled, affiliated investments:		
Cash interest income	11,867	125,474
PIK interest income	119,029	108,831
Cash dividend income	71,500	—
Fee income	—	1,435
Total investment income from non-controlled, affiliated investments	202,396	235,740
Controlled investments:		
Cash interest income	583,200	5,415,835
PIK interest income	—	873,508
Cash dividend income	511,067	2,907,503
Fee income	—	3,187
Total investment income from controlled investments	1,094,267	9,200,033
Total investment income	10,272,624	18,699,294
Expenses:		
Base management fees	1,799,766	3,295,687
Incentive management fees	—	1,924,398
Interest and credit facility fees	2,753,096	4,212,274
Professional fees	412,159	525,012
Administrative services	322,115	313,561
Director fees	153,125	184,750
Investment advisor expenses	87,500	87,500
Other	554,646	458,523
Total expenses, before incentive management fee waiver	6,082,407	11,001,705
Incentive management fee waiver (See Note 3)	—	(1,924,398)
Expenses, net of incentive management fee waiver	6,082,407	9,077,307
Net Investment Income	4,190,217	9,621,987
Realized and Unrealized Gain (Loss):		
Net realized gain (loss):		
Non-controlled, non-affiliated investments	(646,274)	5,485
Non-controlled, affiliated investments	(7,989,591)	(1,535,092)
Controlled investments	(2,290,143)	—
Net realized gain (loss)	(10,926,008)	(1,529,607)
Net change in unrealized appreciation (depreciation) on:		
Non-controlled, non-affiliated investments	9,868,556	(27,026,956)
Non-controlled, affiliated investments	6,834,973	(8,280,114)
Controlled investments	6,137,248	(31,402,329)
Foreign currency translation	96,019	(576,649)
Net change in unrealized appreciation (depreciation)	22,936,796	(67,286,048)
Net realized and unrealized gain (loss)	12,010,788	(68,815,655)
Net Increase (Decrease) in Net Assets Resulting from Operations	$ 16,201,005	$ (59,193,668)
Net Investment Income Per Share—basic	$ 0.06	$ 0.14
Earnings (Loss) Per Share—basic	$ 0.22	$ (0.86)
Weighted Average Shares Outstanding—basic	74,436,429	68,613,956
Net Investment Income Per Share—diluted	$ 0.06	$ 0.14
Earnings (Loss) Per Share—diluted	$ 0.20	$ (0.86)
Weighted Average Shares Outstanding—diluted (See Note 4)	91,430,166	85,607,693
Distributions Declared Per Share	$ 0.10	$ 0.14

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Statements of Changes in Net Assets
(Unaudited)

	Three Months Ended	
	March 31, 2021	March 31, 2020
Net Assets at December 31	$ 315,010,277	$ 435,608,981
Net Increase (Decrease) in Net Assets Resulting from Operations:		
Net investment income	4,190,217	9,621,987
Net realized gain (loss)	(10,926,008)	(1,529,607)
Net change in unrealized appreciation (depreciation) before taxes	22,936,796	(67,286,048)
Net increase (decrease) in net assets resulting from operations	16,201,005	(59,193,668)
Distributions to Stockholders from(1):		
Net investment income	(4,190,217)	(9,543,152)
Return of capital	(3,251,377)	—
Total distributions to stockholders	(7,441,594)	(9,543,152)
Capital Share Transactions:		
Purchases of treasury stock	(869,726)	(3,627,604)
Total Increase (Decrease) in Net Assets	7,889,685	(72,364,424)
Net Assets at March 31	$ 322,899,962	$ 363,244,557
Capital Share Activity:		
Purchases of treasury stock	(256,062)	(986,554)
Net increase (decrease) in shares outstanding	(256,062)	(986,554)

(1) Sources of distribution to stockholders will be adjusted on an annual basis, if necessary, and calculated in accordance with federal income tax regulations.

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended	
	March 31, 2021	**March 31, 2020**
Operating Activities:		
Net increase (decrease) in net assets resulting from operations	$ 16,201,005	$ (59,193,668)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations:		
PIK interest, dividends and fees	(899,708)	(2,077,770)
Net amortization on investments	(390,583)	(190,304)
Amortization of debt issuance costs and discount	601,842	618,650
Net change in unrealized (appreciation) depreciation on investments	(22,840,777)	66,709,399
Net change in unrealized (appreciation) depreciation on foreign currency translation	(96,019)	576,649
Net realized (gain) loss on investments	10,926,008	1,529,607
Changes in operating assets:		
Purchase of investments	(53,898,523)	(35,542,803)
Proceeds from disposition of investments	87,967,775	37,255,503
Change in receivable for investments sold	(9,111,440)	1,167,800
Change in interest, dividends and fees receivable	129,822	701,529
Change in prepaid expenses and other assets	36,452	111,681
Changes in operating liabilities:		
Change in interest and credit facility fees payable	1,891,482	1,705,861
Change in base management fees payable	(513,681)	44,493
Change in payable for investments purchased	(5,919,924)	(6,830,000)
Change in accrued administrative services	(66,949)	(58,846)
Change in other accrued expenses and payables	(620,770)	344,163
Net cash provided by (used in) operating activities	23,396,012	6,871,944
Financing Activities:		
Distributions paid in cash	—	(9,637,075)
Proceeds from debt	3,000,000	50,000,000
Repayments of debt	(41,800,000)	(56,000,000)
Purchase of treasury stock	(869,726)	(3,627,604)
Net cash provided by (used in) financing activities	(39,669,726)	(19,264,679)
Net increase (decrease) in cash and cash equivalents	(16,273,714)	(12,392,735)
Cash and cash equivalents, beginning of period	23,332,831	14,678,878
Cash and cash equivalents, end of period	$ 7,059,117	$ 2,286,143
Supplemental disclosure of cash flow information and non-cash financing activities:		
Cash paid during period for:		
Interest	$ 57,432	$ 1,684,343
Taxes	$ 20,050	$ 28,050

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Schedules of Investments
March 31, 2021
(Unaudited)

Portfolio Company(q)	Industry(s)	Interest Rate	Maturity	Principal Amount or Number of Shares/Units	Cost(a)	Fair Value(b)
Senior Secured Notes—0.62%						
Advanced Lighting Technologies, LLC, Second Lien(d)(j)(t)	*Electrical Equipment*	*23.00% (L + 600, 1.00% Floor Cash / 16.00% PIK)*	3/16/27	$ 1,871,855	$ 935,927	$ 935,927
Calceus Acquisition, Inc., First Lien	*Specialty Retail*	*9.75%*	2/19/25	1,000,000	974,144	1,074,300
Total Senior Secured Notes					1,910,071	2,010,227
Unsecured Debt—6.88%						
Gordon Brothers Finance Company(g)(t)	*Diversified Financial Services*	*12.00% (L + 1100, 1.00% Floor)*	10/31/21	41,861,533	41,861,533	22,226,000
Total Unsecured Debt					41,861,533	22,226,000
Subordinated Debt—1.55%						
Callodine Commercial Finance, LLC(v)	*Diversified Financial Services*	*8.70% (L + 850)*	11/30/24	5,000,000	5,000,000	5,000,000
Total Subordinated Debt					5,000,000	5,000,000
Senior Secured Loans—121.10%(e)						
2-10 Holdco, Inc., First Lien	*Diversified Financial Services*	*6.75% (L + 600, 0.75% Floor)*	3/26/26	2,987,318	2,927,749	2,942,508
2-10 Holdco, Inc., Incremental First Lien	*Diversified Financial Services*	*6.75% (L + 600, 0.75% Floor)*	3/26/26	4,180,018	4,096,634	4,117,318
2-10 Holdco, Inc., Revolving Term Loan(o)(u)	*Diversified Financial Services*	*6.75% (L + 600, 0.75% Floor)*	3/26/26	—	(6,628)	(4,990)
ALCV Purchaser, Inc., First Lien	*Automobiles*	*7.75% (L + 675, 1.00% Floor)*	2/25/26	3,201,324	3,153,304	3,153,304
ALCV Purchaser, Inc., Revolving Term Loan(o)(u)	*Automobiles*	*7.75% (L + 675, 1.00% Floor)*	2/25/26	—	(3,501)	(3,501)
AmeriLife Holdings, LLC, Second Lien	*Insurance*	*9.50% (L + 850, 1.00% Floor)*	3/18/28	6,697,322	6,576,378	6,670,532
AmeriLife Holdings, LLC, Incremental Second Lien	*Insurance*	*9.50% (L + 850, 1.00% Floor)*	3/18/28	2,337,744	2,298,867	2,328,393
Aretec Group, Inc., Second Lien(r)	*Diversified Financial Services*	*8.36% (L+ 825)*	10/1/26	3,563,440	3,526,833	3,508,883
Barri Financial Group, LLC, First Lien	*Consumer Finance*	*9.06% (L + 775, 1.00% Floor)*	10/23/24	7,260,596	7,125,125	7,333,202
Bluefin Holding, LLC, Second Lien	*Software*	*7.86% (L+ 775)*	9/6/27	4,809,535	4,747,354	4,857,631
Calceus Acquisition, Inc., First Lien	*Specialty Retail*	*5.69% (L + 550)*	2/12/25	233,117	222,063	215,633
Callodine Commercial Finance, LLC, First Lien	*Diversified Financial Services*	*10.00% (L + 900, 1.00% Floor)*	11/3/25	25,000,000	25,000,000	24,850,000
Callodine Commercial Finance, LLC, Delayed Draw Term Loan(o)(u)	*Diversified Financial Services*	*10.00% (L + 900, 1.00% Floor)*	11/3/25	—	—	(48,387)
CareATC, Inc., First Lien	*Health Care Technology*	*8.25% (L + 725, 1.00% Floor)*	3/14/24	4,703,455	4,646,609	4,750,489
CareATC, Inc., Revolving Term Loan(o)(u)	*Health Care Technology*	*8.25% (L + 725, 1.00% Floor)*	3/14/24	—	(4,172)	—
Diamondback Acquisition, Inc. et al, First Lien	*Energy Equipment & Services*	*10.76% (L + 976, 1.00% Floor)*	6/14/23	13,512,160	13,365,482	13,593,233
Dude Solutions Holdings Inc., First Lien	*Professional Services*	*8.50% (L + 750, 1.00% Floor)*	6/13/25	9,310,138	9,157,107	9,403,240
Dude Solutions Holdings Inc., Revolving Term Loan(o)(u)	*Professional Services*	*8.50% (L + 750, 1.00% Floor)*	6/13/25	—	(19,447)	—
FinancialForce.com, First Lien	*Internet Software & Services*	*9.50% (L + 675, 2.75% Floor)*	2/1/24	10,000,000	9,881,623	10,090,000
FinancialForce.com, Incremental First Lien(o)(u)	*Internet Software & Services*	*9.50% (L + 675, 2.75% Floor)*	2/1/24	—	(46,530)	45,000
GlobalTranz Enterprises LLC, Second Lien	*Road & Rail*	*8.36% (L + 825)*	5/15/27	10,808,429	10,633,175	9,976,180
Idera, Inc., Second Lien(r)	*IT Services*	*7.50% (L + 675, 0.75% Floor)*	2/4/29	2,867,296	2,845,943	2,850,580
IT Parent, LLC, First Lien	*Insurance*	*7.25% (L + 625, 1.00% Floor)*	10/1/26	1,745,625	1,713,761	1,754,353

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Schedules of Investments—(Continued)
March 31, 2021
(Unaudited)

Portfolio Company(q)	Industry(s)	Interest Rate	Maturity	Principal Amount or Number of Shares/Units	Cost(a)	Fair Value(b)
IT Parent, LLC, Incremental First Lien	*Insurance*	*7.25% (L + 625, 1.00% Floor)*	10/1/26	$ 222,555	$ 218,133	$ 223,668
IT Parent, LLC, Revolving Term Loan(o)(u)	*Insurance*	*7.25% (L + 625, 1.00% Floor)*	10/1/26	—	(4,614)	—
JobandTalent USA, Inc., First Lien(h)(k)	*Professional Services*	*9.75% (L + 875, 1.00% Floor)*	2/17/25	7,200,000	7,061,425	7,171,200
JobandTalent USA, Inc., Delayed Draw Term Loan(h)(k)	*Professional Services*	*9.75% (L + 875, 1.00% Floor)*	2/17/25	2,400,000	2,353,381	2,390,400
Juul Labs, Inc., First Lien	*Tobacco Related*	*9.50% (L + 800, 1.50% Floor)*	8/2/23	13,182,747	13,102,672	13,090,468
Kaseya Traverse Inc., First Lien(d)	*Software*	*8.00% (L + 400, 1.00% Floor Cash / 3.00% PIK)*	5/2/25	4,139,143	4,082,344	4,159,838
Kaseya Traverse Inc., Incremental First Lien(d)	*Software*	*8.00% (L + 400, 1.00% Floor Cash / 3.00% PIK)*	5/2/25	96,386	94,606	96,868
Kaseya Traverse Inc., Delayed Draw Term Loan(d)	*Software*	*8.00% (L + 400, 1.00% Floor Cash / 3.00% PIK)*	5/2/25	484,428	481,715	486,850
Kaseya Traverse Inc., Incremental Delayed Draw Term Loan(d)(u)	*Software*	*8.00% (L + 400, 1.00% Floor Cash / 3.00% PIK)*	5/2/25	69,857	67,849	70,730
Kaseya Traverse Inc., Revolving Term Loan(u)	*Software*	*7.50% (L + 650, 1.00% Floor)*	5/2/25	164,770	160,047	164,770
Kellermeyer Bergensons Services, LLC, First Lien	*Commercial Services & Supplies*	*7.50% (L + 650, 1.00% Floor)*	11/7/26	1,613,562	1,601,841	1,629,698
Kellermeyer Bergensons Services, LLC, Delayed Draw Term Loan A	*Commercial Services & Supplies*	*7.50% (L + 650, 1.00% Floor)*	11/7/26	354,984	352,111	358,534
Kellermeyer Bergensons Services, LLC, Delayed Draw Term Loan B(u)	*Commercial Services & Supplies*	*7.50% (L + 650, 1.00% Floor)*	11/7/26	92,545	92,605	97,441
Kemmerer Operations, LLC, First Lien(d)(f)	*Metals & Mining*	*15.00% PIK*	6/21/23	2,762,802	2,762,802	2,762,802
Kemmerer Operations, LLC, Delayed Draw Term Loan(d)(f)(u)	*Metals & Mining*	*15.00% PIK*	6/21/23	347,588	347,588	347,588
Live Auctioneers, LLC, First Lien	*Internet & Catalog Retail*	*7.76% (L + 676, 1.00% Floor)*	5/21/25	7,674,025	7,559,677	7,720,069
Live Auctioneers, LLC, Incremental First Lien	*Internet & Catalog Retail*	*7.76% (L + 676, 1.00% Floor)*	5/21/25	2,997,598	2,941,903	3,015,583
MBS OpCo LLC, First Lien	*Media*	*10.00% (L + 900, 1.00% Floor)*	12/29/22	14,512,500	14,512,500	14,331,094
MetricStream, Inc., First Lien	*Internet Software & Services*	*9.00% (L +800, 1.00% Floor)*	9/28/24	9,535,314	9,369,697	9,373,214
MetricStream, Inc., Incremental First Lien	*Internet Software & Services*	*9.00% (L +800, 1.00% Floor)*	9/28/24	1,466,971	1,437,673	1,442,033
NEP II, Inc., Second Lien(r)	*Media*	*7.11% (L + 700)*	10/19/26	3,131,760	2,852,367	2,868,160
Oasis Financial, LLC, Second Lien	*Diversified Financial Services*	*9.50% (L + 850, 1.00% Floor)*	7/5/26	5,000,000	4,904,958	4,930,000
One Sky Flight, LLC, First Lien	*Airlines*	*8.50% (L + 750, 1.00% Floor)*	12/27/24	6,937,500	6,798,878	7,006,875
Outcomes Group Holdings, Inc., Second Lien	*Health Care Providers & Services*	*7.70% (L + 750)*	10/26/26	5,769,231	5,759,563	5,769,231
Paragon Films, Inc., Second Lien	*Containers & Packaging*	*9.50% (L + 850, 1.00% Floor)*	3/29/26	21,000,000	20,682,567	20,685,000
Peter C. Foy & Associates Insurance Services, LLC, Delayed Draw Term Loan(o)(u)	*Insurance*	*7.25% (L + 625, 1.00% Floor)*	3/31/26	—	(33,163)	(67,756)
Paula's Choice Holdings, Inc., First Lien	*Personal Products*	*7.25% (L + 625, 1.00% Floor)*	11/17/25	7,701,563	7,501,499	7,547,531
Persado, Inc., Delayed Draw Term Loan	*Internet Software & Services*	*8.80% (L + 700, 1.80% Floor)*	2/1/25	1,562,500	1,550,538	1,545,313
Pico Quantitative Trading, LLC, First Lien	*Capital Markets*	*8.75% (L + 725, 1.50% Floor)*	2/7/25	500,000	482,151	505,000
Puppet, Inc., First Lien	*IT Services*	*9.50% (L + 850, 1.00% Floor)*	6/19/23	1,000,000	979,273	986,000
Quartz Holding Company, Second Lien	*Internet Software & Services*	*8.11% (L + 800)*	4/2/27	5,512,958	5,425,958	5,444,046

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Schedules of Investments—(Continued)
March 31, 2021
(Unaudited)

Portfolio Company(q)	Industry(s)	Interest Rate	Maturity	Principal Amount or Number of Shares/Units	Cost(a)	Fair Value(b)
Red Apple Stores Inc., Second Lien(g)(h)(k)	*Multiline Retail*	*10.00%*	8/1/24	$ 16,802,196	$ 16,802,197	$ 15,121,977
RigUp, Inc., Delayed Draw Term Loan	*Professional Services*	*8.50% (L + 700, 1.50% Floor)*	3/1/24	500,000	492,435	512,500
Sandata Technologies, LLC, First Lien	*Health Care Technology*	*6.25% (L + 600)*	7/23/24	4,500,000	4,453,272	4,473,000
Sandata Technologies, LLC, Revolving Term Loan(o)(u)	*Health Care Technology*	*6.25% (L + 600)*	7/23/24	—	(5,121)	(3,000)
Sep Raptor Acquisition Inc., First Lien(d)(h)(k)	*Software*	*8.00% (L + 700, 1.00% Floor)*	3/31/27	3,686,254	3,612,558	3,612,529
Sep Raptor Acquisition Inc., Revolving Term Loan(d)(h)(k)(o)(u)	*Software*	*8.00% (L + 700, 1.00% Floor)*	3/31/27	—	(8,188)	(8,192)
Sep Vulcan Acquisition Inc., First Lien(d)(h)(k)	*Software*	*8.00% (L + 700, 1.00% Floor)*	3/16/27	3,016,305	2,956,238	2,955,979
Sep Vulcan Acquisition Inc., Revolving Term Loan(d)(h)(k)(o)(u)	*Software*	*8.00% (L + 700, 1.00% Floor)*	3/16/27	—	(8,557)	(8,618)
Sonny's Enterprises, LLC, First Lien	*Machinery*	*8.00% (L + 700, 1.00% Floor)*	8/5/26	1,455,741	1,427,368	1,436,816
Sonny's Enterprises, LLC, Delayed Draw Term Loan(u)	*Machinery*	*8.00% (L + 700, 1.00% Floor)*	8/5/26	1,663,704	1,596,165	1,617,683
St. George Warehousing & Trucking Co. of California, Inc., First Lien(d)	*Road & Rail*	*11.02% (L + 695 PIK, 3.07% Cash, 1.00% Floor)*	4/28/23	36,476,766	36,476,766	33,558,625
St. George Warehousing & Trucking Co. of California, Inc., Delayed Draw Term Loan(d)	*Road & Rail*	*11.02% (L + 695 PIK, 3.07% Cash, 1.00% Floor)*	4/28/23	7,477,290	7,477,290	6,879,107
Sunland Asphalt & Construction, LLC, First Lien	*Construction & Engineering*	*7.00% (L + 600, 1.00% Floor)*	1/13/26	2,519,021	2,471,004	2,476,198
Sunland Asphalt & Construction, LLC, Delayed Draw Term Loan	*Construction & Engineering*	*7.00% (L + 600, 1.00% Floor)*	1/13/26	847,021	830,737	832,621
Sunland Asphalt & Construction, LLC, Revolving Term Loan(u)	*Construction & Engineering*	*7.00% (L + 600, 1.00% Floor)*	1/13/22	230,437	222,200	221,582
Superman Holdings, LLC, First Lien	*Software*	*10.25% (P + 700, 1.00% Libor Floor)*	8/31/27	2,307,734	2,255,170	2,376,966
Superman Holdings, LLC, Revolving Term Loan(o)(u)	*Software*	*10.25% (P + 700, 1.00% Libor Floor)*	8/31/26	—	(7,441)	—
Syndigo, LLC, Second Lien	*Internet & Catalog Retail*	*8.75% (L + 800, 0.75% Floor)*	12/14/28	4,673,472	4,605,965	4,673,472
Syntellis Performance Solutions, Inc., First Lien	*Software*	*9.00% (L + 800, 1.00% Floor)*	8/2/27	853,946	830,211	871,025
Team Services Group, LLC, Second Lien	*Health Care Providers & Services*	*10.00% (L + 900, 1.00% Floor)*	11/13/28	5,788,615	5,608,556	5,759,672
Tempus, LLC, First Lien(u)	*Health Care Providers & Services*	*7.25% (L + 625, 1.00% Floor)*	2/5/27	3,557,432	3,476,163	3,475,743
Tempus, LLC, Delayed Draw Term Loan(o)(u)	*Health Care Providers & Services*	*7.25% (L + 625, 1.00% Floor)*	2/5/27	—	(15,743)	(15,811)
Thras.io, LLC, First Lien	*Diversified Consumer Services*	*8.00% (L + 700, 1.00% Floor)*	12/18/26	4,696,482	4,582,809	4,790,412
Thras.io, LLC, Delayed Draw Term Loan(o)(u)	*Diversified Consumer Services*	*8.00% (L + 700, 1.00% Floor)*	12/18/26	—	(36,714)	62,149
Unanet, Inc., First Lien	*Aerospace & Defense*	*6.38% (L + 625)*	5/31/24	6,632,653	6,588,452	6,632,653
Unanet, Inc., Revolving Term Loan	*Aerospace & Defense*	*6.38% (L + 625)*	5/31/24	816,327	810,970	816,327
Unanet, Inc., Delayed Draw Term Loan(u)	*Aerospace & Defense*	*6.38% (L + 625)*	5/31/24	1,709,183	1,698,748	1,709,184
WH Buyer, LLC, First Lien	*Textile, Apparel & Luxury Goods*	*8.51% (L + 751, 1.00% Floor)*	12/31/25	15,273,116	15,153,453	15,303,662
WH Buyer, LLC, First Lien Incremental	*Textile, Apparel & Luxury Goods*	*8.51% (L + 751, 1.00% Floor)*	12/31/25	1,153,846	1,144,032	1,156,154
Winshuttle, LLC, First Lien	*Software*	*9.42% (L + 842, 1.00% Floor)*	8/9/24	7,636,610	7,493,435	7,751,159
World Remit Ltd., First Lien(h)(k)	*Diversified Financial Services*	*10.25% (L + 925, 1.00% Floor)*	2/11/25	9,600,000	9,414,751	9,216,000
Zest Acquisition Corp., Second Lien	*Health Care Equipment & Supplies*	*8.50% (L + 750, 1.00% Floor)*	3/14/26	15,000,000	14,904,373	14,250,000
Total Senior Secured Loans					394,641,827	391,043,423

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Schedules of Investments—(Continued)
March 31, 2021
(Unaudited)

Portfolio Company(q)	Industry(s)	Interest Rate	Maturity	Principal Amount or Number of Shares/Units	Cost(a)	Fair Value(b)
Preferred Stock—0.20%(c)						
AGY Equity LLC, Class A(f)(j)	*Chemicals*			4,195,600	$ 1,139,598	$ 654,468
AGY Equity LLC, Class B(f)(j)	*Chemicals*			2,936,920	—	—
Gordon Brothers Finance Company(g)(t)	*Diversified Financial Services*	*13.50%*		34,285	36,624,684	—
Red Apple Stores Inc.(g)(h)(k)	*Multiline Retail*			6,806,383	—	—
Total Preferred Stock					37,764,282	654,468
Common Stock—0.00%(c)						
AGY Equity LLC, Class C(f)(j)	*Chemicals*			2,307,580	—	—
Gordon Brothers Finance Company(g)	*Diversified Financial Services*			10,612	10,611,548	—
Red Apple Stores Inc.(g)(h)(i)(k)	*Multiline Retail*			8,756,859	6,751,452	—
Total Common Stock					17,363,000	—
Limited Partnership/Limited Liability Company Interests—11.46%						
BCIC Senior Loan Partners, LLC(g)(j)(k)(p)(r)(u)	*Diversified Financial Services*			57,870,811	57,870,811	33,607,514
ETX Energy, LLC(c)(m)	*Oil, Gas & Consumable Fuels*			51,119	—	—
ETX Energy Management Company, LLC(c)	*Oil, Gas & Consumable Fuels*			53,815	—	—
Kemmerer Operations, LLC(c)(f)(l)	*Metals & Mining*			8	753,850	245,358
Marsico Holdings, LLC(c)(j)	*Capital Markets*			91,445	1,848,077	—
MBS Parent, LLC(c)(n)	*Media*			546	500,000	386,918
SVP-Singer Holdings LP(c)(j)	*Household Durables*			1,416,279	3,513,710	2,761,744
Total Limited Partnership/Limited Liability Company Interests					64,486,448	37,001,534
Equity Warrants/Options—0.12%(c)						
FinancialForce.com(j)	*Internet Software & Services*		*expire 1/30/29*	450,000	100,544	224,823
Pico Quantitative Trading, LLC(j)	*Capital Markets*		*expire 2/7/30*	162	14,804	16,046
World Remit Ltd.(h)(j)	*Diversified Financial Services*		*expire 2/11/31*	7,662	—	153,000
Total Equity Warrants/Options					115,348	393,869
TOTAL INVESTMENTS—141.93%					$ 563,142,509	$ 458,329,521
OTHER ASSETS & LIABILITIES (NET)—(41.93)%						(135,429,559)
NET ASSETS—100.00%						$ 322,899,962

(a) Represents amortized cost for fixed income securities and cost for preferred and common stock, limited partnership/limited liability company interests and equity warrants/options.
(b) Fair value is determined by or under the direction of the Company's Board of Directors. See Note 2 for further details.
(c) Non-income producing equity securities at March 31, 2021.
(d) Interest may be paid in cash or payment-in-kind ("PIK"), or a combination thereof which is generally at the option of the borrower. PIK earned is included in the cost basis of the security. In accordance with the Company's policy, PIK is recorded on an effective yield basis.
(e) Approximately 95.3% of the fair value of total senior secured loans in the Company's portfolio bear interest at a floating rate that may be determined by reference to the London Interbank Offered Rate (LIBOR), "L", or other base rate (commonly the Federal Funds Rate or the Prime Rate), "P", at the borrower's option. In addition, 87.6% of the fair value of such senior secured loans have floors of 0.75% to 2.75%. The borrower under a senior secured loan generally has the option to select from interest reset periods of one, two, three or six months and may alter that selection at the end of any reset period. The stated interest rate represents the weighted average interest rate at March 31, 2021 of all contracts within the specified loan facility.
(f) Transaction and other information for "non-controlled, affiliated" investments under the Investment Company Act of 1940, whereby the Company owns 5% or more (but not more than 25%) of the portfolio company's outstanding voting securities, is presented in a separate table in Consolidated Schedules of Investments.
(g) Transaction and other information for "controlled" investments under the Investment Company Act of 1940, whereby the Company owns more than 25% of the portfolio company's outstanding voting securities, is presented in a separate table in Consolidated Schedules of Investments.
(h) Non-U.S company or principal place of business outside the U.S.
(i) Original purchase denominated in Canadian dollars.

The accompanying notes are an integral part of these consolidated financial statements.

(j) Security is either exempt from registration under Rule 144A of the Securities Act of 1933, or sale of the security is subject to certain contractual restrictions. Securities that are exempt from registration under 144A may be resold in transactions, normally to qualified institutional buyers. In aggregate, these securities represent 11.9% of the Company's net assets at March 31, 2021. The acquisition dates for restricted securities of unaffiliated issuers were as follows as of March 31, 2021:

Investment	Initial Acquisition Date
Marsico Holdings, LLC, Limited Partnership/Limited Liability Company Interests	11/28/2007
SVP-Singer Holdings LP, Limited Partnership/Limited Liability Company Interests	3/16/2018
FinancialForce.com, Warrants	1/30/2019
Pico Quantitative Trading, LLC, Warrants	2/5/2020
World Remit Ltd., Warrants	2/11/2021
Advanced Lighting Technologies, LLC, Senior Secured Notes	3/16/2021

(k) Investments that the Company has determined are not "qualifying assets" under Section 55(a) of 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. The status of these assets under the 1940 Act may be subject to change. The Company monitors the status of these assets on an ongoing basis. As of March 31, 2021, approximately 15.4% of the total assets of the Company were not qualifying assets under Section 55(a) of the 1940 Act.

(l) The Company is the sole stockholder of BKC ASW Blocker, Inc., a consolidated subsidiary, which is the beneficiary of 5% or more (but not more than 25%) of the voting securities of Kemmerer Operations, LLC and thus non-controlled, affiliated investments.

(m) The Company is the sole stockholder of BKC ASW Blocker, Inc., a consolidated subsidiary, which is the beneficiary of less than 5% of the voting securities of ETX Energy, LLC, and thus non-controlled, non-affiliated investments.

(n) The Company is the sole stockholder of BCIC-MBS, LLC, a consolidated subsidiary, which is the beneficiary of less than 5% of the voting securities of MBS Parent, LLC and thus a non-controlled, non-affiliated investment.

(o) Negative balances represent unfunded commitments that were acquired and/or valued at a discount.

(p) BCIC Senior Loan Partners, LLC was formed on June 23, 2016. See Note 5 for summarized financial information of BCIC Senior Loan Partners, LLC.

(q) Unless otherwise indicated, all investments are considered Level 3 in accordance with ASC Topic 820 (see Note 10).

(r) Investments are considered other than Level 3 in accordance with ASC Topic 820 (see Note 10).

(s) Unaudited. As of March 31, 2021, the Company uses Global Industry Classification Standard ("GICS") codes generally to identify the industry groupings.

(t) The investment is on non-accrual status as of March 31, 2021 and therefore non-income producing. At March 31, 2021, the aggregate fair value and amortized cost of the Company's debt and preferred stock investments on non-accrual status represents 5.50% and 16.51%, respectively.

(u) Position or associated portfolio company thereof has an unfunded loan commitment as of March 31, 2021 (see Note 9). Note that there may be additional unfunded positions which do not have a funded component at period end, and therefore are not displayed herein.

(v) This investment will have a first lien security interest after the senior tranches are repaid.

BlackRock Capital Investment Corporation

Consolidated Schedules of Investments—(Continued)
March 31, 2021
(Unaudited)

						Three Months Ended March 31, 2021			
Non-controlled, Affiliated Investments	**Fair Value at December 31, 2020**	**Gross Additions (Cost)***	**Gross Reductions (Cost)****	**Net Unrealized Gain (Loss) Before Taxes**	**Fair Value at March 31, 2021**	**Net Realized Gain (Loss)**	**Interest Income**	**Fee Income**	**Dividend Income**
Advanced Lighting Technologies, LLC.:									
Senior Secured Note, Second Lien	$ —	$ —	$ (2,181,306)	$ 2,181,306	$ — †	$ (1,999,678)	$ —	$ —	$ —
Senior Secured Loan, First Lien	3,223,664	—	(4,998,421)	1,774,757	— †	(3,017,339)	13,184	—	—
Limited Liability Co. Interest	—	—	—	—	— †	—	—	—	—
Warrants	—	—	—	—	— †	—	—	—	—
Advantage Insurance Inc.:									
Preferred Stock	5,720,010	—	(8,692,585)	2,972,575	— †	(2,972,574)	—	—	—
Preferred Stock Series B	—	3,575,000	(3,575,000)	—	— †	—	—	—	71,500
AGY Equity, LLC:									
Class A Preferred Units	1,557,200	—	—	(902,732)	654,468	—	—	—	—
Class B Preferred Units	—	—	—	—	—	—	—	—	—
Class C Common Units	—	—	—	—	—	—	—	—	—
Kemmerer Operations, LLC:									
Delayed Draw Term Loan, First Lien	284,343	17,873	(169,492)	214,864	347,588	—	17,810	—	—
Senior Secured Loan, First Lien	2,314,096	99,861	—	348,845	2,762,802	—	99,902	—	—
Limited Liability Co. Interest	—	—	—	245,358	245,358	—	—	—	—
Totals	$ 13,099,313	$ 3,692,734	$ (19,616,804)	$ 6,834,973	$ 4,010,216	$ (7,989,591)	$ 130,896	$ —	$ 71,500

* Gross additions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest or dividends, the amortization of unearned income, the exchange of one or more existing securities for one or more new securities, and the movement of an existing portfolio company into this category from a different category.

** Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, the exchange of one or more existing securities for one or more new securities, and the movement of an existing portfolio company out of this category into a different category.

† Investment no longer held as of March 31, 2021.

The aggregate fair value of non-controlled, affiliated investments at March 31, 2021 represents 1.2% of the Company's net assets.

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Schedules of Investments—(Continued)
March 31, 2021
(Unaudited)

Controlled Investments	Fair Value at December 31, 2020	Gross Additions (Cost)*	Gross Reductions (Cost)**	Net Unrealized Gain (Loss) before Taxes***	Fair Value at March 31, 2021	Three Months Ended March 31, 2021 Net Realized Gain (Loss)	Interest Income	Fee Income	Dividend Income
BCIC Senior Loan Partners, LLC:									
Limited Liability Co. Interest	$ 36,150,259	$ —	$ (4,037,500)	$ 1,494,755	$ 33,607,514	$ —	$ —	$ —	$ 511,067
First Boston Construction Holdings, LLC:									
Subordinated Debt	32,625,000	—	(32,625,000)	—	— †	—	163,125	—	—
Limited Liability Co. Interest	4,557,035	—	(8,156,249)	3,599,214	— †	(2,290,143)	—	—	—
Gordon Brothers Finance Company:									
Unsecured Debt	22,850,000	—	(1,427,254)	803,254	22,226,000	—	—	—	—
Preferred Stock	—	—	—	—	—	—	—	—	—
Common Stock	—	—	—	—	—	—	—	—	—
Red Apple Stores Inc.:									
Senior Secured Loan, Second Lien	14,785,933	—	—	336,044	15,121,977	—	420,075	—	—
Preferred Stock	—	—	—	—	—	—	—	—	—
Common Stock	—	—	—	—	—	—	—	—	—
Totals	$ 110,968,227	$ —	$ (46,246,003)	$ 6,233,267	$ 70,955,491	$ (2,290,143)	$ 583,200	$ —	$ 511,067

* Gross additions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest or dividends, the amortization of unearned income, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company into this category from a different category.

** Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company out of this category into a different category.

*** Net unrealized gain (loss) before taxes includes the net change in unrealized appreciation (depreciation) on controlled investments and net change in unrealized appreciation (depreciation) on foreign currency translation associated with the controlled investments. For the three months ended March 31, 2021, the net change in unrealized appreciation (depreciation) and foreign currency translation associated with the Red Apple Stores Inc.'s common stock was $(96,019) and $96,019, respectively.

† Investment no longer held as of March 31, 2021.

The aggregate fair value of controlled investments at March 31, 2021 represents 22.0% of the Company's net assets.

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Schedules of Investments
December 31, 2020

Portfolio Company(q)	Industry(s)	Interest Rate	Maturity	Principal Amount or Number of Shares/Units	Cost(a)	Fair Value(b)
Senior Secured Notes—0.35%						
Advanced Lighting Technologies, LLC, Second Lien(d)(f)(j)(t)	*Electrical Equipment*	*18.00% (L + 1700, 1.00% Floor PIK)*	10/4/23	$ 9,762,878	$ 2,181,306	$ —
Calceus Acquisition, Inc., First Lien	*Specialty Retail*	*9.75%*	2/19/25	1,000,000	972,795	1,098,500
Total Senior Secured Notes					3,154,101	1,098,500
Unsecured Debt—7.25%						
Gordon Brothers Finance Company(g)(t)	*Diversified Financial Services*	*12.00% (L + 1100, 1.00% Floor)*	10/31/21	43,288,785	43,288,785	22,850,000
Total Unsecured Debt					43,288,785	22,850,000
Subordinated Debt—11.94%						
Callodine Commercial Finance, LLC(v)	*Diversified Financial Services*	*8.75% (L + 850)*	11/30/24	5,000,000	5,000,000	5,000,000
First Boston Construction Holdings, LLC(d)(g)(k)	*Thrifts & Mortgage Finance*	*12.00%*	2/23/23	32,625,000	32,625,000	32,625,000
Total Subordinated Debt					37,625,000	37,625,000
Senior Secured Loans—117.14%(e)						
Advanced Lighting Technologies, LLC, First Lien(f)	*Electrical Equipment*	*8.50% (L + 750, 1.00% Floor)*	10/4/22	5,036,975	4,998,421	3,223,664
AmeriLife Holdings, LLC, Second Lien	*Insurance*	*9.50% (L + 850, 1.00% Floor)*	3/18/28	6,697,322	6,572,096	6,657,138
AmeriLife Holdings, LLC, Second Lien Incremental	*Insurance*	*9.50% (L + 850, 1.00% Floor)*	3/18/28	2,337,744	2,297,151	2,323,718
Aretec Group, Inc., Second Lien	*Diversified Financial Services*	*8.40% (L+ 825)*	10/1/26	3,563,440	3,525,253	3,313,999
Barri Financial Group, LLC, First Lien	*Consumer Finance*	*8.75% (L + 775, 1.00% Floor)*	10/23/24	7,740,371	7,585,234	7,817,774
Bluefin Holding, LLC, Second Lien	*Software*	*7.90% (L+ 775)*	9/6/27	4,809,535	4,745,288	4,857,631
Calceus Acquisition, Inc., First Lien	*Specialty Retail*	*5.73% (L + 550)*	2/12/25	234,650	222,915	222,918
Callodine Commercial Finance, LLC, First Lien(u)	*Diversified Financial Services*	*10.00% (L + 900, 1.00% Floor)*	11/3/25	25,000,000	25,000,000	25,000,000
CareATC, Inc., First Lien	*Health Care Technology*	*8.25% (L + 725, 1.00% Floor)*	3/14/24	4,733,036	4,669,959	4,780,367
CareATC, Inc., Revolving Term Loan(o)(u)	*Health Care Technology*	*8.25% (L + 725, 1.00% Floor)*	3/14/24	—	(4,515)	—
Diamondback Acquisition, Inc. et al, First Lien	*Energy Equipment & Services*	*10.98% (L + 998, 1.00% Floor)*	6/14/23	13,546,524	13,379,697	13,370,419
Dude Solutions Holdings Inc., First Lien	*Professional Services*	*8.50% (L + 750, 1.00% Floor)*	6/13/25	9,321,820	9,158,283	9,508,256
Dude Solutions Holdings Inc., Revolving Term Loan(o)(u)	*Professional Services*	*8.50% (L + 750, 1.00% Floor)*	6/13/25	—	(20,601)	—
FinancialForce.com, First Lien	*Internet Software & Services*	*9.50% (L + 675, 2.75% Floor)*	2/1/24	10,000,000	9,868,861	10,120,000
GlobalTranz Enterprises LLC, Second Lien	*Road & Rail*	*8.40% (L + 825)*	5/15/27	10,808,429	10,627,175	9,262,824
IT Parent, LLC, First Lien	*Insurance*	*7.25% (L + 625, 1.00% Floor)*	10/1/26	1,750,000	1,716,183	1,741,250
IT Parent, LLC, Revolving Term Loan(u)	*Insurance*	*7.25% (L + 625, 1.00% Floor)*	10/1/26	200,000	195,206	198,750
Juul Labs, Inc., First Lien	*Tobacco Related*	*9.50% (L + 800, 1.50% Floor)*	8/2/23	13,226,497	13,134,287	13,200,044

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Schedules of Investments—(Continued)
December 31, 2020

Portfolio Company(q)	Industry(s)	Interest Rate	Maturity	Principal Amount or Number of Shares/Units	Cost(a)	Fair Value(b)
Kaseya Traverse Inc., First Lien(d)	*Software*	*8.09% (L + 400, 1.00% Floor Cash / 3.00% PIK)*	5/2/25	$ 4,106,632	$ 4,045,856	$ 4,135,378
Kaseya Traverse Inc., Incremental First Lien(d)	*Software*	*8.00% (L + 400, 1.00% Floor Cash / 3.00% PIK)*	5/2/25	96,058	94,164	96,730
Kaseya Traverse Inc., Delayed Draw Term Loan(d)	*Software*	*8.00% (L + 400, 1.00% Floor Cash / 3.00% PIK)*	5/2/25	482,361	479,191	485,737
Kaseya Traverse Inc., Incremental Delayed Draw Term Loan(d)(o)(u)	*Software*	*8.00% (L + 400, 1.00% Floor Cash / 3.00% PIK)*	5/2/25	—	(2,133)	1,223
Kaseya Traverse Inc., Revolving Term Loan(u)	*Software*	*7.50% (L + 650, 1.00% Floor)*	5/2/25	164,770	159,711	164,770
Kellermeyer Bergensons Services, LLC, First Lien	*Commercial Services & Supplies*	*7.50% (L + 650, 1.00% Floor)*	11/7/26	1,617,647	1,604,958	1,633,824
Kellermeyer Bergensons Services, LLC, Delayed Draw Term Loan A	*Commercial Services & Supplies*	*7.50% (L + 650, 1.00% Floor)*	11/7/26	355,882	352,753	359,441
Kellermeyer Bergensons Services, LLC, Delayed Draw Term Loan B(u)	*Commercial Services & Supplies*	*7.50% (L + 650, 1.00% Floor)*	11/7/26	92,778	92,620	97,676
Kemmerer Operations, LLC, First Lien(d)(f)	*Metals & Mining*	*15.00% PIK*	6/21/23	2,662,942	2,662,942	2,314,096
Kemmerer Operations, LLC, Delayed Draw Term Loan(d)(f)(u)	*Metals & Mining*	*15.00% PIK*	6/21/23	499,207	499,207	284,343
Live Auctioneers, LLC, First Lien	*Internet & Catalog Retail*	*7.76% (L + 676, 1.00% Floor)*	5/21/25	7,693,552	7,572,688	7,555,068
Live Auctioneers, LLC, Incremental First Lien	*Internet & Catalog Retail*	*7.76% (L + 676, 1.00% Floor)*	5/21/25	3,005,110	2,945,191	2,951,018
MBS OpCo LLC, First Lien	*Media*	*10.00% (L + 900, 1.00% Floor)*	12/29/22	14,550,000	14,550,000	14,222,625
MetricStream, Inc., First Lien	*Internet Software & Services*	*9.00% (L +800, 1.00% Floor)*	9/28/24	9,535,314	9,356,259	9,344,608
Midwest Physician Administrative Services, LLC, Second Lien(r)	*Health Care Providers & Services*	*7.75% (L + 700, 0.75% Floor)*	8/15/25	10,000,000	9,947,414	9,725,000
NEP II, Inc., Second Lien(r)	*Media*	*7.15% (L + 700)*	10/19/26	6,631,760	6,324,455	5,623,733
One Sky Flight, LLC, First Lien	*Airlines*	*8.50% (L + 750, 1.00% Floor)*	12/27/24	7,125,000	6,974,333	7,196,250
Open Lending, LLC, First Lien	*Consumer Finance*	*7.50% (L + 650, 1.00% Floor)*	3/11/27	490,625	474,859	488,172
Outcomes Group Holdings, Inc., Second Lien	*Health Care Providers & Services*	*7.75% (L + 750)*	10/26/26	11,538,462	11,515,750	11,538,462
Paragon Films, Inc., Second Lien	*Containers & Packaging*	*9.50% (L + 850, 1.00% Floor)*	3/29/26	21,000,000	20,667,384	20,580,000
Paula's Choice Holdings, Inc., First Lien	*Personal Products*	*7.25% (L + 625, 1.00% Floor)*	11/17/25	7,750,000	7,537,774	7,556,250
Persado, Inc., Delayed Draw Term Loan	*Internet Software & Services*	*8.80% (L + 700, 1.80% Floor)*	2/1/25	1,562,500	1,549,386	1,546,875
PharmaLogic Holdings Corp., Second Lien	*Health Care Equipment & Supplies*	*8.15% (L + 800)*	12/11/23	8,786,087	8,740,207	8,522,504
PharmaLogic Holdings Corp., Second Lien(h)(k)	*Health Care Equipment & Supplies*	*8.15% (L + 800)*	12/11/23	3,323,478	3,309,838	3,223,774
PharmaLogic Holdings Corp., Delayed Draw Term Loan	*Health Care Equipment & Supplies*	*8.15% (L + 800)*	12/11/23	2,690,435	2,681,775	2,609,722
Pico Quantitative Trading, LLC, First Lien	*Capital Markets*	*8.75% (L + 725, 1.50% Floor)*	2/7/25	500,000	481,114	495,500
Puppet, Inc., First Lien	*IT Services*	*9.50% (L + 850, 1.00% Floor)*	6/19/23	1,000,000	976,937	982,000
Quartz Holding Company, Second Lien	*Internet Software & Services*	*8.15% (L + 800)*	4/2/27	5,512,958	5,421,288	5,444,046
Red Apple Stores Inc., Second Lien(g)(h)(k)	*Multiline Retail*	*10.00%*	8/1/24	16,802,196	16,802,197	14,785,933

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Schedules of Investments—(Continued)
December 31, 2020

Portfolio Company(q)	Industry(s)	Interest Rate	Maturity	Principal Amount or Number of Shares/Units	Cost(a)	Fair Value(b)
RigUp, Inc., Delayed Draw Term Loan(u)	*Professional Services*	*8.50% (L + 700, 1.50% Floor)*	3/1/24	$ 333,333	$ 325,097	$ 324,333
Sandata Technologies, LLC, First Lien	*Health Care Technology*	*6.31% (L + 600)*	7/23/24	4,500,000	4,449,231	4,383,000
Sandata Technologies, LLC, Revolving Term Loan(o)(u)	*Health Care Technology*	*6.31% (L + 600)*	7/23/24	—	(5,506)	(13,000)
Sonny's Enterprises, LLC, First Lien	*Machinery*	*8.00% (L + 700, 1.00% Floor)*	8/5/26	1,459,390	1,430,241	1,430,202
Sonny's Enterprises, LLC, Delayed Draw Term Loan(o)(u)	*Machinery*	*8.00% (L + 700, 1.00% Floor)*	8/5/26	—	(70,750)	(70,885)
St. George Warehousing & Trucking Co. of California, Inc., First Lien(d)	*Road & Rail*	*11.25% (L + 925 PIK, 1.00% Cash, 1.00% Floor)*	4/28/23	35,796,853	35,796,853	32,038,183
St. George Warehousing & Trucking Co. of California, Inc., Delayed Draw Term Loan(d)	*Road & Rail*	*11.25% (L + 925 PIK, 1.00% Cash, 1.00% Floor)*	4/28/23	7,337,916	7,337,916	6,567,435
Superman Holdings, LLC, First Lien	*Software*	*10.25% (P + 700, 1.00% Libor Floor)*	8/31/27	2,313,532	2,258,098	2,322,786
Superman Holdings, LLC, Revolving Term Loan(o)(u)	*Software*	*10.25% (P + 700, 1.00% Libor Floor)*	8/31/26	—	(7,780)	—
Syndigo, LLC, Second Lien	*Internet & Catalog Retail*	*8.75% (L + 800, 0.75% Floor)*	12/14/28	4,673,472	4,603,370	4,603,370
Syntellis Performance Solutions, Inc., First Lien	*Software*	*9.00% (L + 800, 1.00% Floor)*	8/2/27	856,092	831,337	860,372
Team Services Group, LLC, Second Lien	*Health Care Providers & Services*	*10.00% (L + 900, 1.00% Floor)*	11/13/28	5,788,615	5,601,268	5,730,729
Thras.io, LLC, First Lien	*Diversified Consumer Services*	*8.00% (L + 700, 1.00% Floor)*	12/18/26	4,708,253	4,590,547	4,590,547
Thras.io, LLC, Delayed Draw Term Loan(o)(u)	*Diversified Consumer Services*	*8.00% (L + 700, 1.00% Floor)*	12/18/26	—	(77,687)	(77,687)
Unanet, Inc., First Lien	*Aerospace & Defense*	*6.44% (L + 625)*	5/31/24	6,632,653	6,584,223	6,526,531
Unanet, Inc., Revolving Term Loan	*Aerospace & Defense*	*6.44% (L + 625)*	5/31/24	816,327	810,431	803,265
Unanet, Inc., Delayed Draw Term Loan(u)	*Aerospace & Defense*	*6.44% (L + 625)*	5/31/24	1,709,183	1,697,471	1,668,367
WH Buyer, LLC, First Lien	*Textile, Apparel & Luxury Goods*	*9.26% (L + 776, 1.50% Floor)*	7/16/25	15,273,116	15,146,958	15,181,476
WH Buyer, LLC, First Lien Incremental	*Textile, Apparel & Luxury Goods*	*9.26% (L + 776, 1.50% Floor)*	7/16/25	1,153,846	1,143,530	1,146,922
Winshuttle, LLC, First Lien	*Software*	*9.42% (L + 842, 1.00% Floor)*	8/9/24	7,655,992	7,496,633	7,770,832
Zest Acquisition Corp., Second Lien	*Health Care Equipment & Supplies*	*8.50% (L + 750, 1.00% Floor)*	3/14/26	15,000,000	14,895,219	13,650,000
Total Senior Secured Loans					380,325,711	369,000,288
Preferred Stock—2.31%(c)						
Advantage Insurance Inc.(d)(f)(j)(t)	*Insurance*	*8.00% PIK*		572,001	8,692,584	5,720,010
AGY Equity LLC, Class A(f)(j)	*Chemicals*			4,195,600	1,139,597	1,557,200
AGY Equity LLC, Class B(f)(j)	*Chemicals*			2,936,920	—	—
Gordon Brothers Finance Company(g)(t)	*Diversified Financial Services*	*13.50%*		34,285	36,624,684	—
Red Apple Stores Inc.(g)(h)(k)	*Multiline Retail*			6,806,383	—	—
Total Preferred Stock					46,456,865	7,277,210
Common Stock—0.00%(c)						
AGY Equity LLC, Class C(f)(j)	*Chemicals*			2,307,580	—	—
Gordon Brothers Finance Company(g)	*Diversified Financial Services*			10,612	10,611,548	—
Red Apple Stores Inc.(g)(h)(i)(k)	*Multiline Retail*			8,756,859	6,751,452	—
Total Common Stock					17,363,000	—

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Schedules of Investments—(Continued)

December 31, 2020

Portfolio Company(q)	Industry(s)	Interest Rate	Maturity	Principal Amount or Number of Shares/Units	Cost(a)	Fair Value(b)
Limited Partnership/Limited Liability Company Interests—13.02%						
Advanced Lighting Technologies, LLC(c)(f)	*Electrical Equipment*			149,717	$ —	$ —
BCIC Senior Loan Partners, LLC(g)(j)(k)(p)(r)(u)	*Diversified Financial Services*			61,908,311	61,908,311	36,150,259
ETX Energy, LLC(c)(m)	*Oil, Gas & Consumable Fuels*			51,119	—	—
ETX Energy Management Company, LLC(c)	*Oil, Gas & Consumable Fuels*			53,815	—	—
First Boston Construction Holdings, LLC(c)(g)(k)	*Thrifts & Mortgage Finance*			8,156,250	8,156,250	4,557,035
Kemmerer Operations, LLC(c)(f)(l)	*Metals & Mining*			8	753,850	—
Marsico Holdings, LLC(c)(j)	*Capital Markets*			91,445	1,848,077	—
MBS Parent, LLC(c)(n)	*Media*			546	500,000	313,424
SVP-Singer Holdings LP(c)(j)	*Household Durables*			1,416,279	5,030,156	—
Total Limited Partnership/Limited Liability Company Interests					78,196,644	41,020,718
Equity Warrants/Options—0.05%(c)						
Advanced Lighting Technologies, LLC(f)(j)	*Electrical Equipment*		*expire 10/4/27*	2,360	—	—
Facet Investment, Inc.	*Health Care Equipment & Supplies*		*expire 1/18/21*	1,978	250,000	—
FinancialForce.com(j)	*Internet Software & Services*		*expire 1/30/29*	62,840	100,544	137,714
Pico Quantitative Trading, LLC(j)	*Capital Markets*		*expire 2/7/30*	162	14,804	16,046
Total Equity Warrants/Options					365,348	153,760
TOTAL INVESTMENTS—152.06%					$ 606,775,454	$ 479,025,476
OTHER ASSETS & LIABILITIES (NET)—(52.06)%						(164,015,199)
NET ASSETS—100.00%						$ 315,010,277

(a) Represents amortized cost for fixed income securities and cost for preferred and common stock, limited partnership/limited liability company interests and equity warrants/options.

(b) Fair value is determined by or under the direction of the Company's Board of Directors. See Note 2 for further details.

(c) Non-income producing equity securities at December 31, 2020.

(d) Interest may be paid in cash or payment-in-kind ("PIK"), or a combination thereof which is generally at the option of the borrower. PIK earned is included in the cost basis of the security. In accordance with the Company's policy, PIK may be recorded on an effective yield basis.

(e) Approximately 95.3% of the fair value of total senior secured loans in the Company's portfolio bear interest at a floating rate that may be determined by reference to the London Interbank Offered Rate (LIBOR), "L", or other base rate (commonly the Federal Funds Rate or the Prime Rate), "P", at the borrower's option. In addition, 80.7% of the fair value of such senior secured loans have floors of 0.75% to 2.75%. The borrower under a senior secured loan generally has the option to select from interest reset periods of one, two, three or six months and may alter that selection at the end of any reset period. The stated interest rate represents the weighted average interest rate at December 31, 2020 of all contracts within the specified loan facility.

(f) Transaction and other information for "non-controlled, affiliated" investments under the Investment Company Act of 1940, whereby the Company owns 5% or more (but not more than 25%) of the portfolio company's outstanding voting securities, is presented in a separate table in Consolidated Schedules of Investments.

(g) Transaction and other information for "controlled" investments under the Investment Company Act of 1940, whereby the Company owns more than 25% of the portfolio company's outstanding voting securities, is presented in a separate table in Consolidated Schedules of Investments.

(h) Non-U.S company or principal place of business outside the U.S.

(i) Original purchase denominated in Canadian dollars.

(j) Security is either exempt from registration under Rule 144A of the Securities Act of 1933, or sale of the security is subject to certain contractual restrictions. Securities exempt under 144A may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. In aggregate, these securities represent 13.8% of the Company's net assets at December 31, 2020. The acquisition dates for restricted securities of unaffiliated issuers were as follows as of December 31, 2020

Investment	Acquisition Date
Marsico Holdings, LLC, Limited Partnership/Limited Liability Company Interests	11/28/2007
SVP-Singer Holdings LP, Limited Partnership/Limited Liability Company Interests	3/16/2018
FinancialForce.com, Warrants	1/30/2019
Pico Quantitative Trading, LLC, Warrants	2/5/2020

(k) Investments that the Company has determined are not “qualifying assets” under Section 55(a) of 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. The status of these assets under the 1940 Act may be subject to change. The Company monitors the status of these assets on an ongoing basis. As of December 31, 2020, approximately 17.9% of the total assets of the Company were not qualifying assets under Section 55(a) of the 1940 Act.

(l) The Company is the sole stockholder of BKC ASW Blocker, Inc., a consolidated subsidiary, which is the beneficiary of 5% or more (but not more than 25%) of the voting securities of Kemmerer Operations, LLC and thus non-controlled, affiliated investments.

(m) The Company is the sole stockholder of BKC ASW Blocker, Inc., a consolidated subsidiary, which is the beneficiary of less than 5% of the voting securities of ETX Energy, LLC, and thus a non-controlled, non-affiliated investment.

(n) The Company is the sole stockholder of BCIC-MBS, LLC, a consolidated subsidiary, which is the beneficiary of less than 5% of the voting securities of MBS Parent, LLC and thus a non-controlled, non-affiliated investment.

(o) Negative balances represent unfunded commitments that were acquired and/or valued at a discount.

(p) This investment is deemed significant under Regulation S-X Rule 4-08(g). BCIC Senior Loan Partners, LLC was formed on June 23, 2016. See Note 5 for summarized financial information of BCIC Senior Loan Partners, LLC.

(q) Unless otherwise indicated, all investments are considered Level 3 in accordance with ASC Topic 820 (see Note 10).

(r) Investments are considered other than Level 3 in accordance with ASC Topic 820 (see Note 10).

(s) Unaudited. As of December 31, 2020, the Company generally uses Global Industry Classification Standard (“GICS”) codes to identify the industry groupings.

(t) The investment is on non-accrual status as of December 31, 2020 and therefore non-income producing. At December 31, 2020, the aggregate fair value and amortized cost of the Company’s debt and preferred stock investments on non-accrual status represents 6.53% and 17.77%, respectively.

(u) Position or portion thereof has an unfunded loan commitment as of December 31, 2020 (see Note 9). Note that there may be additional unfunded positions which do not have a funded component at period end, and therefore are not displayed herein.

(v) This investment will have a first lien security interest after the senior tranches are repaid.

BlackRock Capital Investment Corporation

Consolidated Schedules of Investments—(Continued)
December 31, 2020

Non-controlled, Affiliated Investments	Fair Value at December 31, 2019	Gross Additions (Cost)*	Gross Reductions (Cost)**	Net Unrealized Gain (Loss) Before Taxes	Fair Value at December 31, 2020		Year Ended December 31, 2020 Net Realized Gain (Loss)	Interest Income	Fee Income	Dividend Income
Advanced Lighting Technologies, LLC.:										
Senior Secured Note, Second Lien	$ —	$ —	$ —	$ —	$ —		$ —	$ —	$ —	$ —
Senior Secured Loan, First Lien	4,885,476	18,717	(52,062)	(1,628,467)	3,223,664		—	473,544	—	—
Limited Liability Co. Interest	—	—	—	—	—		—	—	—	—
Warrants	—	—	—	—	—		—	—	—	—
Advantage Insurance Inc.:										
Preferred Stock	5,752,610	—	(227,952)	195,352	5,720,010		(77,952)	—	—	—
AGY Equity, LLC:										
Class A Preferred Units	—	1,139,598	—	417,602	1,557,200		—	—	—	—
Class B Preferred Units	—	—	—	—	—		—	—	—	—
Class C Common Units	—	—	—	—	—		—	—	—	—
Kemmerer Operations, LLC:										
Delayed Draw Term Loan, First Lien	576,294	92,405	(169,491)	(214,865)	284,343		—	92,372	(3,055)	—
Senior Secured Loan, First Lien	2,292,783	370,158	—	(348,845)	2,314,096		—	370,313	—	—
Limited Liability Co. Interest	508,730	—	—	(508,730)	—		—	—	—	—
U.S. Well Services, Inc.:										
Common Stock, Class A	8,457,631	—	(46,068,940)	37,611,309	—	†	(43,774,013)	—	—	—
Totals	$ 22,473,524	$ 1,620,878	$ (46,518,445)	$ 35,523,356	$ 13,099,313		$ (43,851,965)	$ 936,229	$ (3,055)	$ —

* Gross additions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest or dividends, the amortization of unearned income, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company into this category from a different category.

** Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company out of this category into a different category.

† Investment no longer held as of December 31, 2020.

The aggregate fair value of non-controlled, affiliated investments at December 31, 2020 represents 4.2% of the Company's net assets.

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Schedules of Investments—(Continued)
December 31, 2020

						Year Ended December 31, 2020			
Controlled Investments	**Fair Value at December 31, 2019**	**Gross Additions (Cost)***	**Gross Reductions (Cost)****	**Net Unrealized Gain (Loss) Before Taxes*****	**Fair Value at December 31, 2020**	**Net Realized Gain (Loss)**	**Interest Income**	**Fee Income**	**Dividend Income**
AGY Holding Corp.:									
Senior Secured Note, Second Lien	$ 9,186,817	$ —	$ (24,503,088)	$ 15,316,271	$ — †	$ (24,503,088)	$ —	$ —	$ —
Senior Secured Loan, First Lien	25,509,040	773,773	(26,282,813)	—	— †	(24,116,266)	765,271	—	—
Senior Secured Loan, First Lien	—	2,639,252	(2,639,252)	—	— †	288,157	106,269	—	—
Delayed Draw Term Loan, First Lien	—	4,792,093	(4,792,093)	—	— †	189,577	192,019	—	—
KAGY Holding Company, Inc. (AGY Holding Corp.):									
Preferred Stock	—	—	(11,053,124)	11,053,124	— †	(11,053,124)	—	—	—
Common Stock	—	—	—	—	— †	—	—	—	—
BCIC Senior Loan Partners, LLC:									
Limited Liability Co. Interest	88,272,340	143,053	(34,568,073)	(17,697,061)	36,150,259	—	—	—	5,850,565
First Boston Construction Holdings, LLC:									
Subordinated Debt	40,237,500	—	(7,612,500)	—	32,625,000	—	4,285,112	12,744	—
Limited Liability Co. Interest	5,999,814	—	(1,903,125)	460,346	4,557,035	—	—	—	—
Gordon Brothers Finance Company:									
Unsecured Debt	118,168,342	31,925,097	(106,804,654)	(20,438,785)	22,850,000	—	13,046,143	57,968	—
Subordinated Debt	—	5,000,000	(5,000,000)	—	— ††	—	111,639	—	—
Preferred Stock	34,284,760	2,339,934	—	(36,624,694)	—	—	—	—	2,339,934
Common Stock	10,611,550	—	—	(10,611,550)	—	—	—	—	—
Red Apple Stores Inc.:									
Senior Secured Loan, Second Lien	17,979,000	—	(6,247,803)	3,054,736	14,785,933	—	2,341,681	—	—
Preferred Stock	—	—	—	—	—	—	—	—	—
Common Stock	—	—	—	—	—	—	—	—	—
Totals	$ 350,249,163	$ 47,613,202	$ (231,406,525)	$ (55,487,613)	$ 110,968,227	$ (59,194,744)	$ 20,848,134	$ 70,712	$ 8,190,499

* Gross additions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest or dividends, the amortization of unearned income, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company into this category from a different category.

** Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company out of this category into a different category.

*** Net unrealized gain (loss) before taxes includes the net change in unrealized appreciation (depreciation) on controlled investments and net change in unrealized appreciation (depreciation) on foreign currency translation associated with the controlled investments. For the year ended December 31, 2020, the net change in unrealized appreciation (depreciation) and foreign currency translation associated with the Red Apple Stores Inc.'s common stock was $(135,427) and $135,427, respectively.

† Investment no longer held as of December 31, 2020.

†† Investment moved from the controlled category into the non-controlled, non-affiliated category.

The aggregate fair value of controlled investments at December 31, 2020 represents 35.2% of the Company's net assets.

BlackRock Capital Investment Corporation

Notes to Consolidated Financial Statements

(Unaudited)

1. Organization

BlackRock Capital Investment Corporation (together with its subsidiaries, the "Company") was organized as a Delaware corporation on April 13, 2005 and was initially funded on July 25, 2005. The Company has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940 (the "1940 Act"). In addition, for tax purposes the Company has qualified and has elected to be treated as a regulated investment company ("RIC") under the Internal Revenue Code of 1986 (the "Code").

The Company's investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in middle-market companies in the form of senior debt securities and loans, and our investment portfolio may include junior secured and unsecured debt securities and loans, each of which may include an equity component.

2. Significant accounting policies

Unaudited Interim Consolidated Financial Statements

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company is an investment company following the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 946, *Financial Services-Investment Company* ("ASC 946").

Certain financial information that is normally included in annual financial statements, including certain financial statement footnotes, prepared in accordance with GAAP, is not required for interim reporting purposes and has been condensed or omitted herein. These consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and notes related thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, which was filed with the Securities and Exchange Commission ("SEC") on March 3, 2021.

The interim financial information at March 31, 2021 and for the three months ended March 31, 2021 and 2020 is unaudited. However, in the opinion of management, the interim information includes all normal recurring adjustments necessary for the fair presentation of the Company's results for the periods presented. The results of operations for interim periods are not necessarily indicative of results to be expected for the full year.

Basis of Presentation

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements and the reported amounts of income and expenses during the reported period. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ and such differences could be material.

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries, which were established to hold certain investments of the Company. The Company owns 100% of each subsidiary and, as such, the subsidiaries are consolidated into the Company's consolidated financial statements. The subsidiaries hold investments which are treated as pass through entities for tax purposes. By investing through these 100% owned subsidiaries, the Company is able to benefit from corporate tax treatment for these entities and thereby create a tax structure that is more advantageous with respect to the RIC status of the Company. Intercompany balances and transactions are eliminated in consolidation.

Certain prior period information has been reclassified to conform to the current period presentation. The reclassification has no effect on the Company's consolidated financial position or the consolidated results of operations as previously reported.

Expenses are recorded on an accrual basis.

Investments

Security transactions are accounted for on the trade date unless there are substantial conditions to the transaction. Realized gains or losses are measured by the difference between the net proceeds from the disposition and the amortized cost of the investment. Unrealized gains or losses primarily reflect the change in investment values, including the reversal of previously recorded unrealized gains or losses when gains or losses are realized. Realized gains or losses on the disposition of investments are calculated using the specific identification method.

Securities traded on a recognized securities exchange are valued using the close price on the exchange on valuation date. Investments for which market prices from an exchange are not readily available are valued using the last available bid price or quote provided by an independent pricing service or one or more broker-dealers or market makers, unless they are deemed not to represent fair value. Debt and equity securities for which market quotations are not readily available or for which market quotations are deemed not to represent fair value are valued at fair value as determined in good faith by or under the direction of the Company's Board of Directors.

Because the Company expects that there will not be a readily available market for all of the investments in its portfolio, the Company expects to value a significant portion of its portfolio investments at fair value as determined in good faith by or under the direction of the Board of Directors using a consistently applied valuation process in accordance with a documented valuation policy that has been reviewed and approved by the Board of Directors. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from the values that the Company may ultimately realize, as these amounts depend on future circumstances and cannot reasonably be determined until the individual investments are actually liquidated. Such circumstances may include macroeconomic, geopolitical and other events and conditions such as the COVID-19 pandemic that may significantly impact the profitability or viability of businesses in which the Company is invested, and therefore may significantly impact the return on and realizability of the Company's investments.

In addition, changes in the market environment and other events may have differing impacts on the market quotations used to value some of the Company's investments than on the fair values of the Company's investments for which market quotations are not readily available. Market quotations may be deemed not to represent fair value in certain circumstances where BlackRock Capital Investment Advisors, LLC ("BCIA" or the "Advisor"), believes that facts and circumstances applicable to an issuer, a seller, a purchaser or the market for a particular security cause current market quotations to not reflect the fair value of the security. Examples of these events could include cases where a security trades infrequently causing a quoted purchase or sale price to become stale, where there is a "forced" sale by a distressed seller, where market quotations vary substantially among market makers, or where there is a wide bid-ask spread or significant increase in the bid-ask spread.

With respect to the Company's investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value, the Board of Directors has approved a multi-step valuation process applied each quarter, as described below:

(i) The quarterly valuation process begins with each portfolio company or investment being initially evaluated and rated by the investment professionals of the Advisor responsible for the portfolio investment;

(ii) The investment professionals provide recent portfolio company financial statements and other reporting materials to independent valuation firms engaged by the Board of Directors (with the exception of statements and materials related to investments priced directly by the Advisor as described in (iv) below), such firms conduct independent appraisals each quarter and their preliminary valuation conclusions are documented and discussed with senior management of the Advisor;

(iii) The Audit Committee of the Board of Directors reviews the preliminary valuations prepared by the independent valuation firm and the Advisor, as applicable;

(iv) The fair value of certain investments, comprising in the aggregate, less than 5% of the Company's net asset value and no more than 15% of total positions held, respectively, may be determined by the Advisor in good faith without the engagement of an independent valuation firm in accordance with the Company's valuation policy; provided that if only the threshold with respect to the number of all positions valued at zero or immaterial amounts is exceeded, the Advisor may request Board approval to not request a fair valuation from an independent valuation firm for all such positions; and

(v) The Board of Directors discuss valuations and determines the fair value of each investment in the portfolio in good faith based on the input of the Advisor, the respective independent valuation firms (to the extent applicable) and the Audit Committee.

Those investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value are valued utilizing a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that the Company may take into account in determining the fair value of its investments include, as relevant and among other factors: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, (e.g. non-performance risk), its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, M&A comparables, the Company's principal market (as the reporting entity), any bid for a Company asset (irrespective of the perceived validity of such bid), and enterprise values.

For positions acquired during the current quarter, the Advisor generally believes that cost will approximate fair value. As such, an independent valuation, in certain cases, will not be obtained until the quarter-end after the quarter the investment is acquired in.

ASC 820-10, *Fair Value Measurements and Disclosures* ("ASC 820-10"), issued by the FASB, defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. See Note 10 for further details.

Cash and Cash Equivalents

Cash equivalents include short-term liquid overnight investments with original maturities of three months or less and may not be insured by the FDIC or may exceed federally insured limits.

Revenue Recognition

Interest income is recorded on an accrual basis and includes amortization of discounts and premiums. Discounts and premiums to par value on securities purchased are amortized into interest income over the life of the respective security. Discounts and premiums are determined based on the cash flows expected to be received for a particular investment upon maturity. Dividend income is recorded on the ex-dividend date and is adjusted to the extent that the Company expects to collect such amounts.

For loans and securities with payment-in-kind ("PIK") income, which represents contractual interest or dividends accrued and added to the principal balance and generally due at maturity, such income is accrued only to the extent that the Advisor believes that the PIK income is likely to be collected. To maintain the Company's status as a RIC, this non-cash source of income must be paid out to stockholders in the form of distributions, even though the Company has not yet collected the cash.

Fee income, such as structuring fees, origination, closing, commitment and other upfront fees are generally non-recurring and are recognized as revenue when earned. In instances where the Company does not perform significant services in connection with the related investment, fees paid to the Company may be deferred and amortized over the estimated life of the investment. Upon the prepayment of a loan or debt security, any prepayment penalties and unamortized loan origination, structuring, closing, commitment and other upfront fees are recorded as income.

U.S. Federal Income Taxes

The Company has elected to be treated as a RIC under Subchapter M of the Code and operates in a manner so as to continue to qualify for the tax treatment applicable to RICs.

In order to qualify for favorable tax treatment as a RIC, the Company is required to distribute annually to its stockholders at least 90% of its investment company taxable income, as defined by the Code. To avoid federal excise taxes, the Company must distribute annually at least 98% of our ordinary income and 98.2% of net capital gains from the current year and any undistributed ordinary income and net capital gains from the preceding years. The Company, at its discretion, may carry forward taxable income in excess of calendar year distributions and pay regular federal income taxes or a 4% excise tax on this income. If the Company chooses to do so, all other things being equal, this would increase expenses and reduce the amount available to be distributed to stockholders. The Company will accrue excise tax on estimated undistributed taxable income as required.

Distributions from net investment income and distributions from net realized capital gains are determined in accordance with U.S. federal income tax regulations, which may differ from those amounts determined in accordance with GAAP. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, they are charged or credited to paid-in-capital or accumulated net realized gain (loss), as appropriate, in the period that the differences arise. Temporary and permanent differences are primarily attributable to differences in the tax treatment of certain loans and the tax characterization of income and non-deductible expenses. These differences are generally determined in conjunction with the preparation of the Company's annual RIC tax return.

Book and tax basis differences relating to stockholder distributions and other permanent book and tax differences are reclassified among the Company's capital accounts. In addition, the character of income and gains to be distributed is determined in accordance with income tax regulations that may differ from GAAP.

The final tax characterization of distributions is determined after the fiscal year and is reported on Form 1099 and in the Company's annual report to shareholders. Distributions can be characterized as ordinary income, capital gains and/or return of capital. To the extent that distributions exceed the Company's current and accumulated earnings and profits, the excess may be treated as a non-taxable return of capital.

ASC 740-10, *Income Taxes* ("ASC 740-10") clarifies the accounting for income taxes by prescribing the minimum recognition threshold an uncertain tax position is required to meet before tax benefits associated with such uncertain tax position are recognized in the consolidated financial statements. Based on its analysis of its tax position, the Company has concluded that it does not have any uncertain tax positions that met the recognition or measurement criteria of ASC 740-10.

The Company files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Company's U.S. federal income tax returns remains open for each of the three years ended December 31, 2020. The statute of limitations on the Company's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

As of December 31, 2020, the Company had a net capital loss carryforward of $372,373,557, which can be used to offset future capital gains and is not subject to expiration.

The Company holds certain portfolio investments through taxable subsidiaries. Income earned and gains realized on the investment held by the taxable subsidiary are taxable to such subsidiary. A tax provision for income, if any, is shown as income tax in the Consolidated Statements of Operations for the Company. A tax provision for realized and unrealized gains is included as a reduction of realized and/or unrealized gain (loss) in the Consolidated Statements of Operations for the Company.

Distributions to Common Stockholders

Distributions to common stockholders are recorded on the ex-dividend date. The amount to be paid out as a distribution is determined by the Board of Directors. Net realized capital gains, if any, generally are distributed at least annually, although the Company may decide to retain such capital gains for investment.

The Company has adopted a dividend reinvestment plan that provides for reinvestment of distributions on behalf of stockholders, unless a stockholder elects to receive cash. As a result, if the Board of Directors authorizes, and the Company declares, a cash distribution, then stockholders who have not "opted out" of the dividend reinvestment plan will have their cash dividends automatically reinvested in additional shares of Common Stock, rather than receiving the cash distributions. Additionally, if the Company makes a distribution to be paid in cash or in stock at the election of stockholders as of the applicable dividend record date (a "Cash/Stock Distribution"), the terms are subject to the amended Plan dated May 13, 2020 described below.

On March 6, 2018, the Board of Directors of the Company adopted amendments to the Company's dividend reinvestment plan (the "Plan"). Under the terms of the amended Plan, if the Company declares a dividend or determines to make a capital gain or other distribution, the reinvestment plan agent will acquire shares for the participants' accounts, depending upon the following circumstances, (i) through receipt of additional unissued but authorized shares from the Company ("newly issued shares") and/or (ii) by purchase of outstanding shares on the open market ("open-market purchases"). If, on the distribution payment date, the last quarterly net asset value per share ("NAV") is equal to or less than the closing market price per share on such distribution payment date (such condition often referred to as a "market premium"), the reinvestment plan agent will invest the distribution amount in newly issued shares on behalf of the participants. The number of newly issued shares to be credited to each participant's account will be determined by dividing the dollar amount of the distribution by the greater of (i) the NAV or (ii) 95% of the closing market price on the distribution payment date. If, on the distribution payment date, the NAV is greater than the closing market price per share on such distribution payment date (such condition often referred to as a "market discount"), the reinvestment plan agent may, upon notice from the Company, either (a) invest the distribution amount in newly issued shares on behalf of the participants or (b) invest the distribution amount in shares acquired on behalf of the participants in open-market purchases.

On May 13, 2020, the Board of Directors of the Company adopted further amendments to the Plan. Under the terms of the amended Plan, if the Company makes a Cash/Stock Distribution, each stockholder will be required to elect whether to receive the distribution in cash or in shares of the Company's common stock ("Common Shares"), pursuant to such notices, forms or other documentation as may be provided to the stockholder by the Company (the "Election Forms"). If the stockholder is a Plan participant and elects to receive the Cash/Stock Distribution in cash, the stockholder will be deemed to have elected not to participate in the Plan solely with respect to such Cash/Stock Distribution and will receive the distribution in cash subject to any rules applicable to the distribution that may limit the portion of the distribution the Company is required to pay in cash. If the stockholder is a Plan participant and elects to receive the Cash/Stock Distribution in stock, the stockholder will receive the distribution in newly issued Common Shares. The number of newly issued Common Shares credited to the stockholders' account in either case will be determined by dividing the dollar amount of the distribution (or portion of the distribution to be paid in Common Shares) by the price per Common Share determined in accordance with the Election Forms rather than pursuant to the formula(s) otherwise applicable under the Plan.

Foreign Currency

Foreign currency amounts are translated into United States dollars on the following basis:

(i) market 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 transactions, income or expenses.

Although net assets and fair values are presented based on the applicable foreign exchange rates described above, the Company may 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. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Investments denominated in foreign currencies and foreign currency transactions may involve certain considerations and risks not typically associated with those of domestic origin, including unanticipated movements in the value of the foreign currency relative to the U.S. dollar.

Debt Issuance Costs

Debt issuance costs are amortized over the term of the related debt using the straight line method, which approximates the effective interest rate method.

Equity Offering Expenses

The Company records registration expenses related to its shelf registration statement and related SEC filings as prepaid assets. These expenses are charged as a reduction of capital upon utilization, in accordance with ASC 946.

Non-Accrual Loans

Loans or debt securities are placed on non-accrual status, as a general matter, when principal or interest payments are past due 30 days or more or when there is reasonable doubt that principal or interest will be collected. Accrued interest generally is reversed when a loan or debt security is placed on non-accrual status. Interest payments received on non-accrual loans or debt securities may be recognized as income or applied to principal depending upon management’s judgment. Non-accrual loans and debt securities are restored to accrual status when past due principal and interest is paid and, in management’s judgment, are likely to remain current. The Company may make exceptions to this treatment if the loan has sufficient collateral value and is in the process of collection.

Recent Accounting Pronouncements

In May 2020, the SEC adopted rule amendments that will impact the requirements of investment companies, including BDCs, to disclose the financial statements of certain of their portfolio companies or certain acquired funds (the “Final Rules”). The Final Rules adopted a new definition of “significant subsidiary” set forth in Rule 1-02(w)(2) of Regulation S-X under the Securities Act. Rules 3-09 and 4-08(g) of Regulation S-X require investment companies to include separate financial statements or summary financial information, respectively, in such investment company’s periodic reports for any portfolio company that meets the definition of “significant subsidiary.” The Final Rules adopt a new definition of “significant subsidiary” applicable only to investment companies that (i) modifies the investment test and the income test, and (ii) eliminates the asset test currently in the definition of “significant subsidiary” in Rule 1-02(w) of Regulation S-X. The new Rule 1-02(w)(2) of Regulation S-X is intended to more accurately capture those portfolio companies that are more likely to materially impact the financial condition of an investment company. The Final Rules became effective on January 1, 2021, but voluntary compliance was permitted in advance of the effective date. The Company has early adopted the amendments as of December 31, 2020. The adoption resulted in fewer portfolio companies meeting the significant subsidiary definition under the Final Rules, thus resulting in reduced disclosures.

3. Agreements and Related Party Transactions

Investment Management Agreement

At a special meeting of the Company's stockholders, held on February 18, 2015, the Company's stockholders approved a new investment management agreement between the Company and BlackRock Advisors to permit BlackRock Advisors to serve as the Company's investment adviser following the completion of the sale of certain assets related to managing the Company from the Previous Advisor, 52nd Street Capital Advisors LLC, formerly BlackRock Kelso Capital Advisors LLC. BlackRock Advisors is a wholly owned indirect subsidiary of BlackRock, Inc. The Transaction was completed on March 6, 2015 and, pursuant to the BlackRock Advisors Management Agreement, dated as of March 6, 2015, BlackRock Advisors began managing the Company's investment activities. Prior to the consummation of the Transaction, the Company had entered into an investment management agreement with 52nd Street Capital Advisors LLC, the Company's previous adviser. The BlackRock Advisors Management Agreement had the same base management fee ("Base Management Fee") and incentive management fee ("Incentive Fee") terms until March 6, 2017, and different Base Management Fee and Incentive Fee terms thereafter. For Base Management Fee and Incentive Fee terms prior to March 6, 2017, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2019, which was filed with the SEC on March 4, 2020.

On January 16, 2018, BlackRock Advisors assigned the BlackRock Advisors Management Agreement, dated March 6, 2015, to a wholly owned subsidiary, BCIA, the Advisor, pursuant to Rule 2a-6 of the 1940 Act and the Company entered into a new investment management agreement with BCIA (the "Previous Management Agreement").

At the annual meeting of the Company's stockholders, held on May 1, 2020, the Company's stockholders approved, among other matters, the proposal to allow the Company to increase leverage by approving the application to the Company of a minimum asset coverage ratio of 150%, pursuant to Section 61(a)(2) of the Investment Company Act of 1940, to become effective on May 2, 2020. Effective at the same time, the Company and BCIA amended and restated the Previous Management Agreement (as amended and restated, the "Current Management Agreement" or the "Management Agreement") to reduce the Base Management Fee and Incentive Fees as follows: (i) Base Management Fee was reduced from 1.75% of total assets to 1.50% on total assets up to 200% of net asset value and 1.0% on total assets that exceed 200% of net asset value; (ii) Incentive Fee based on net investment income was reduced from 20% over a 7% hurdle to 17.5% over a 7% hurdle; and (iii) Incentive Fee based on net capital gains was reduced from 20% to 17.5%.

The Current Management Agreement will be in effect from year-to-year if approved annually by the Board of Directors or by the affirmative vote of the holders of a majority of outstanding voting securities, including, in either case, approval by a majority of the directors who are not interested persons. The Company's Board of Directors approved the continuation of the Current Management Agreement on November 3, 2020.

Base Management Fee

Under the Management Agreement, the investment advisor, subject to the overall supervision of the Board, manages the day-to-day operations and provides the Company with investment advisory services. For providing these services, effective May 2, 2020, the Advisor receives a Base Management Fee at an annual rate of 1.50% of total assets (excluding cash and cash equivalents), including any assets acquired with the proceeds of leverage, payable quarterly in arrears based on the asset valuation as of the end of the prior quarter. Additionally, the Base Management Fee is calculated at 1.00% on assets that exceed 200% of net asset value of the Company. Prior to May 2, 2020, the Base Management Fee was calculated at an annual rate of 1.75% of total assets (excluding cash and cash equivalents). The Base Management Fee for any partial quarter is prorated.

For the three months ended March 31, 2021 and 2020, the Company incurred $1,799,766 and $3,295,687 respectively, in base management fees under the investment management agreement.

Incentive Management Fee

(i) Quarterly Incentive Fee Based on Income

The Current Management Agreement provides that the investment advisor or its affiliates may be entitled to an Incentive Fee under certain circumstances. The Incentive Fee has two parts. The first portion is based on income other than capital gains and is calculated separately for each calendar quarter and will be paid on a quarterly basis. Effective May 2, 2020, the Incentive Fee based on income is calculated as follows:

- No Incentive Fee based on income other than capital gains for any calendar quarter in which the Pre-Incentive Fee Net Investment Income does not exceed 1.75% (7.00% annualized) of net assets attributable to common stock at the beginning of such quarter.
- 100% of the Pre-Incentive Fee Net Investment Income in any calendar quarter with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, for such calendar quarter, that exceeds 1.75% (7.00% annualized) of net assets attributable to common stock at the beginning of such quarter but is less than approximately 2.12% (8.48% annualized).

- 17.5% of the Pre-Incentive Fee Net Investment Income, if any, for any calendar quarter that exceeds approximately 2.12% (8.48% annualized) of net assets attributable to common stock at the beginning of such quarter.

Prior to May 2, 2020 (and since March 6, 2017), the Incentive Fee based on income was calculated as follows:

- No Incentive Fee based on income other than capital gains for any calendar quarter in which the Pre-Incentive Fee Net Investment Income does not exceed 1.75% (7.00% annualized) of net assets attributable to common stock at the beginning of such quarter.
- 100% of the Pre-Incentive Fee Net Investment Income in any calendar quarter with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, for such calendar quarter, that exceeds 1.75% (7.00% annualized) of net assets attributable to common stock at the beginning of such quarter but is less than approximately 2.19% (8.75% annualized).
- 20% of the Pre-Incentive Fee Net Investment Income, if any, for any calendar quarter that exceeds approximately 2.19% (8.75% annualized) of net assets attributable to common stock at the beginning of such quarter.

The calculations described above will be appropriately prorated for any period of less than a quarter and adjusted for the net proceeds from any common stock issuances and the cost of any common stock repurchases during such quarter.

The payment of any such Incentive Fee based on income otherwise earned by our investment advisor will be deferred if, for the most recent four full calendar quarter period ending on or prior to the date such payment is to be made, the Annualized Rate of Return is less than 7.0% of net assets attributable to common stock at the beginning of such four quarter period as adjusted for the net proceeds from any common stock issuances and the cost of any common stock repurchases during such four full calendar quarter period, with any deferred Incentive Fees to be carried over for payment in subsequent quarterly calculation periods to the extent such payment can then be made in accordance with the investment management agreement.

For the three months ended March 31, 2021 and 2020, the Company incurred zero and $1,924,398 respectively, in Incentive Fees based on income.

BlackRock Advisors, in consultation with the Company's Board of Directors, agreed to waive Incentive Fees based on income after March 6, 2017 to June 30, 2019. BCIA had agreed to honor such waiver. The Advisor voluntarily waived a portion of its Incentive Fees based on income from July 1, 2019 through December 31, 2020. For the three months ended March 31, 2021, there was no waiver as a result of Incentive Fees based on income of zero for the period. For the three months ended March 31, 2020, the Advisor has voluntarily waived Incentive Fees of $1,924,398, resulting in no net incentive fees for the period. As of March 31, 2021 and December 31, 2020, there was $1,849,597 and $1,849,597 of Incentive Fees payable based on income, respectively. The payment of Incentive Fee based on income of $1,849,597 at March 31, 2021 was deferred pursuant to the incentive fee deferral provision discussed above.

(ii) Annual Incentive Fee Based on Capital Gains

The second portion of the Incentive Fee is based on capital gains and is calculated separately for each Annual Period. Effective May 2, 2020, our investment advisor will be entitled to receive an Incentive Fee based on capital gains for each Annual Period in an amount equal to 17.5% of the amount by which (1) net realized capital gains occurring during the period, if any, exceeds (2) gross unrealized capital depreciation, if any, occurring during the period. In calculating the portion of the Incentive Fee based on capital gains payable for any period, investments are accounted for on a security-by-security basis. In addition, the portion of the Incentive Fee based on capital gains is determined using the "period-to-period" method pursuant to which the portion of the Incentive Fee based on capital gains for any period will be based on realized capital gains for the period reduced by realized capital losses for the period and unrealized capital depreciation for the period. Prior to May 2, 2020 (and since March 6, 2017), the Incentive Fee on capital gains was calculated at an annual rate of 20%.

The capital gains Incentive Fee as calculated under the Current Management Agreement at March 31, 2021 and December 31, 2020, respectively, resulted in no capital gains incentive fee accrual. The Company did not have any cumulative accrued balance at March 31, 2021 and December 31, 2020.

(iii) Calculation of Incentive Fee Based on Capital Gains

For purposes of calculating the Incentive Fee based on capital gains, (i) "Annual Period" means the period beginning on July 1 of each calendar year, including the calendar year prior to the year in which the investment management agreement became effective, and ending on June 30 of the next calendar year; (ii) "Annualized Rate of Return" is computed by reference to the sum of (i) the aggregate distributions to common stockholders for the period in question and (ii) the change in net assets attributable to common stock (before taking into account any Incentive Fees otherwise payable during such period); (iii) "net assets attributable to common stock" means total assets less indebtedness and preferred stock; and (iv) "Pre-Incentive Fee Net Investment Income" means net investment income (as determined in accordance with United States generally accepted accounting principles) accrued by the Company during the calendar quarter excluding any accruals for or payments in respect of the Incentive Fee.

The Company is required under GAAP to accrue a hypothetical capital gains Incentive Fee based upon net realized capital gains and unrealized capital appreciation and depreciation on investments held at the end of each period. The accrual of this hypothetical capital gains Incentive Fee assumes all unrealized capital appreciation and depreciation is realized in order to reflect a hypothetical capital gains Incentive Fee that would be payable at each measurement date. If such amount is positive at the end of the period, then we recorded a capital gains Incentive Fee equal to 17.5% of such amount, for period ended after May 2, 2020 (or 20%, for period ended prior to May 2, 2020), less the amount of capital gains related Incentive Fees already accrued in prior periods.

If the resulting amount is negative, the accrual for GAAP in a given period may have resulted in the reduction of an expense. There can be no assurance that such unrealized capital appreciation will be realized in the future. However, it should be noted that a fee so calculated and accrued would not be payable under the Advisers Act, the Current Management Agreement or the BlackRock Advisors Management Agreement. Amounts actually paid were consistent with the Advisers Act, which specifically excludes consideration of unrealized capital appreciation. In accordance with GAAP, the hypothetical liquidation for the three months ended March 31, 2021 and 2020 resulted in no capital gains Incentive Fee.

(iv) Calculation of Capital Gains

Capital gains and losses are calculated using the proceeds received and either (i) fair market value at the beginning of the Annual Period or (ii) cost for investments acquired during the Annual Period. In calculating whether the portion of the Incentive Fee based on capital gains is payable with respect to any period, the Company accounts for assets on a security-by-security basis. In addition, the Company uses the “period-to-period” method pursuant to which the portion of the Incentive Fee based on capital gains for any period is based on realized capital gains for the period reduced by realized capital losses and gross unrealized capital depreciation for the period. Based on current interpretations of Section 205(b)(3) of the Investment Advisers Act of 1940 by the SEC and its staff, the calculation of unrealized depreciation for each portfolio security over a period is based on the fair value of the security at the end of the period compared to the fair value at the beginning of the period. Incentive Fees earned in any of the periods described above are not subject to modification or repayment based upon performance in a subsequent period.

Advisor Reimbursements

The investment management agreement provides that the Company will reimburse the Advisor for costs and expenses incurred by the Advisor for administrative or operating services, office space rental, office equipment and utilities allocable to the Advisor under the investment management agreement, as well as any costs and expenses incurred by the Advisor relating to any non-investment advisory, administrative or operating services provided by the Advisor to the Company. For both the three months ended March 31, 2021 and 2020, the Company incurred $87,500, for such investment advisor expenses.

From time to time, the Advisor and its affiliates may pay third party providers for goods or services utilized by the Company. The Company will subsequently reimburse the Advisor and its affiliates for such amounts. Reimbursements to the Advisor and their affiliates for such purposes during the three months ended March 31, 2021 and 2020 were $64,724 and $170,225, respectively.

No person who is an officer, director or employee of the Advisor and who serves as a director of the Company receives any compensation from the Company for such services. Directors who are not affiliated with the Advisor receive compensation for their services and reimbursement of expenses incurred to attend meetings.

Administration

The Company also has entered into an administration agreement with BlackRock Financial Management, Inc. (the “Administrator”) under which the Administrator provides certain administrative services to the Company. For providing these services, facilities and personnel, the Company reimburses the Administrator for the Company’s allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the administration agreement, including rent and the Company’s allocable portion of the cost of certain of the Company’s officers and their respective staffs. For the three months ended March 31, 2021 and 2020, the Company incurred $322,115 and $313,561 respectively, for such administrative services expenses.

Advisor Stock Transactions

At March 31, 2021 and December 31, 2020, BCIA did not own any shares of the Company. At both March 31, 2021 and December 31, 2020, other entities affiliated with the Administrator and Advisor beneficially owned less than 1% of the Company’s total shares of common stock outstanding.

4. Earnings (Loss) per share

The following information sets forth the computation of basic and diluted net increase (decrease) in net assets from operations per share (earnings (loss) per share) for the three months ended March 31, 2021 and 2020.

	Three Months Ended March 31, 2021		Three Months Ended March 31, 2020	
Earnings (Loss) per share – basic:				
Net increase (decrease) in net assets resulting from operations	$	16,201,005	$	(59,193,668)
Weighted average shares outstanding – basic		74,436,429		68,613,956
Earnings (Loss) per share – basic:	$	0.22	$	(0.86)
Earnings (Loss) per share – diluted:				
Net increase (decrease) in net assets resulting from operations, before adjustments	$	16,201,005	$	(59,193,668)
Adjustments for interest on unsecured convertible senior notes(1)		2,259,134		—
Net increase (decrease) in net assets resulting from operations, as adjusted	$	18,460,139	$	(59,193,668)
Weighted average shares outstanding – diluted(1)		91,430,166		68,613,956
Earnings (Loss) per share – diluted:	$	0.20	$	(0.86)

(1) No adjustments for interest or incremental shares were included for the three months ended March 31, 2020 because the effect would be antidilutive.

5. Investments

Purchases of investments, including PIK, for the three months ended March 31, 2021 and 2020 totaled $54,870,449 and $37,282,934, respectively. Proceeds from sales, repayments and other exits of investments for the three months ended March 31, 2021 and 2020 totaled $87,967,775 and $37,255,503, respectively.

At March 31, 2021, investments consisted of the following:

	Cost		Fair Value	
Senior secured notes	$	1,910,071	$	2,010,227
Unsecured debt		41,861,533		22,226,000
Subordinated debt		5,000,000		5,000,000
Senior secured loans:				
First lien		282,466,773		281,349,666
Second/other priority lien		112,175,054		109,693,757
Total senior secured loans		394,641,827		391,043,423
Preferred stock		37,764,282		654,468
Common stock		17,363,000		—
Limited partnership/limited liability company interests		64,486,448		37,001,534
Equity warrants/options		115,348		393,869
Total investments	$	563,142,509	$	458,329,521

At December 31, 2020, investments consisted of the following:

	Cost		Fair Value	
Senior secured notes	$	3,154,101	$	1,098,500
Unsecured debt		43,288,785		22,850,000
Subordinated debt		37,625,000		37,625,000
Senior secured loans:				
First lien		242,048,582		236,547,705
Second/other priority lien		138,277,129		132,452,583
Total senior secured loans		380,325,711		369,000,288
Preferred stock		46,456,865		7,277,210
Common stock		17,363,000		—
Limited partnership/limited liability company interests		78,196,644		41,020,718
Equity warrants/options		365,348		153,760
Total investments	$	606,775,454	$	479,025,476

Industry Composition

As of March 31, 2021, the Company generally uses Global Industry Classification Standard ("GICS") to classify the industries of its portfolio companies. The following table shows the industry composition of the portfolio, at fair value, at March 31, 2021 and December 31, 2020 by GICS.

Industry	March 31, 2021	December 31, 2020
Diversified Financial Services	24.1%	19.3%
Road & Rail	11.0	10.0
Internet Software & Services	6.1	5.6
Software	6.0	4.3
Containers & Packaging	4.5	4.3
Professional Services	4.2	2.1
Media	3.8	4.2
Textile, Apparel & Luxury Goods	3.6	3.4
Internet & Catalog Retail	3.4	3.2
Multiline Retail	3.3	3.1
Health Care Providers & Services	3.3	5.6
Health Care Equipment & Supplies	3.1	5.8
Energy Equipment & Services	3.0	2.8
Tobacco Related	2.9	2.8
Insurance	2.4	3.5
Health Care Technology	2.0	1.9
Aerospace & Defense	2.0	1.9
Personal Products	1.6	1.6
Consumer Finance	1.6	1.7
Airlines	1.5	1.5
Diversified Consumer Services	1.1	0.9
IT Services	0.8	0.2
Construction & Engineering	0.8	—
Metals & Mining	0.7	0.5
Automobiles	0.7	—
Machinery	0.7	0.3
Household Durables	0.6	—
Commercial Services & Supplies	0.5	0.3
Specialty Retail	0.3	0.3
Electrical Equipment	0.2	0.7
Chemicals	0.1	0.3
Capital Markets	0.1	0.1
Oil, Gas & Consumable Fuels	—	—
Thrifts & Mortgage Finance	—	7.8
Totals	100.0%	100.0%

The geographic composition of the portfolio at fair value at March 31, 2021 was United States 91.2%, Canada 4.7%, and United Kingdom 4.1% and at December 31, 2020 was United States 96.2%, and Canada 3.8%. The geographic composition is determined by several factors including the location of the corporate headquarters of the portfolio company.

Market and Credit Risk

In the normal course of business, the Company invests in securities and enters into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Company may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Company; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. An outbreak of infectious respiratory illness caused by a novel coronavirus known as "COVID-19" has been detected globally. This coronavirus has resulted in authorities implementing numerous measures attempting to contain the spread and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter in place orders, and limitations on business activity, including closures. The impact of epidemics and pandemics such as the coronavirus, could affect the economies of many nations, individual companies and the market in general in ways that cannot necessarily be foreseen at the present time. Similar to issuer credit risk, the Company may be exposed to counterparty credit risk, or the risk that an entity with which the Company has unsettled or open transactions may fail to or be unable to perform on its commitments. The Company manages counterparty risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Company to market, issuer and counterparty credit risks, consist principally of investments in portfolio companies. The extent of the Company's exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the consolidated statements of assets and liabilities. The Company is also exposed to credit risk related to maintaining all of its cash at a major financial institution.

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

BCIC Senior Loan Partners, LLC

On June 23, 2016, the Company and Windward Investments LLC ("Windward") entered into an agreement to create BCIC Senior Loan Partners, LLC ("Senior Loan Partners"), a joint venture. Senior Loan Partners is structured as an unconsolidated Delaware limited liability company, and makes loans to and other investments in portfolio companies. All portfolio and other material decisions regarding Senior Loan Partners must be submitted to its board of directors, which is comprised of four members, two of whom were selected by the Company and two of whom were selected by Windward, and must be approved by at least one member appointed by the Company and one appointed by Windward. In addition, certain matters may be approved by Senior Loan Partners' investment committee, which is comprised of one member appointed by the Company and one member appointed by Windward.

The Company does not consolidate its non-controlling interests in Senior Loan Partners because the entity is not considered a substantially wholly owned investment company subsidiary, as provided under ASC 946. Senior Loan Partners is a joint venture for which shared power exists relating to the decisions that most significantly impact the economic performance of the entity.

As of March 31, 2021, the Company and Windward are committed to provide an aggregate of $73.1 million of equity to Senior Loan Partners, with the Company committing to provide $62.1 million and Windward committing to provide $11.0 million (of which the Company and Windward had funded $57.9 million and $10.2 million, respectively, and remaining commitments from the Company and Windward as of March 31, 2021 were $4.2 million and $0.8 million, respectively). Capital redemptions generally are received associated with the sales or dispositions of the underlying investments in portfolio companies of Senior Loan Partners. Capital contributions have primarily been used to make investments and fund ongoing administrative expenses of Senior Loan Partners.

As previously disclosed, in December 2020, Senior Loan Partners sold a majority of its loan portfolio and part of the proceeds were used to fully prepay and terminate its credit facility. Therefore, there was no debt balance outstanding as of March 31, 2021.

As of March 31, 2021, Senior Loan Partners had total investments at fair value of $32.9 million. Below is a summary of Senior Loan Partners' portfolio as of March 31, 2021:

Portfolio Company	Industry(3)	Interest Rate(1)	Maturity	Principal Amount	Cost	Fair Value(2)
Senior Secured Loans						
Crown Paper Group, Inc., First Lien Term Loan	Paper & Forest Products	7.75% (L + 475, 1.00% Floor Cash / 2.00% PIK)	4/3/24	$19,368,772	$19,212,359	$15,301,330
Crown Paper Group Inc., Delayed Draw Term Loan(4)	Paper & Forest Products	8.75% (L + 475, 1.00% Floor Cash / 3.00% PIK)	12/31/21	418,910	418,910	418,910
PVHC Holding Corp., First Lien Term Loan	Containers & Packaging	5.75% (L + 475,1.00% Floor)	8/2/24	10,364,250	10,334,032	8,731,881
Q Holding Company, First Lien Term Loan	Chemicals	6.00% (L + 500,1.00% Floor)	12/31/23	4,586,959	4,572,400	4,357,611
TLE Holdings, LLC, First Lien Term Loan	Professional Services	7.00% (L + 600,1.00% Floor)	6/28/24	3,890,375	3,866,988	3,287,367
TLE Holdings, LLC, Delayed Draw Term Loan	Professional Services	7.00% (L + 600,1.00% Floor)	6/28/24	995,599	980,055	841,281
Total					$39,384,744	$32,938,380

(1) 100% of the senior secured loans in BCIC Senior Loan Partners' portfolio bear interest at a floating rate that may be determined by reference to the London Interbank Offered Rate (LIBOR), "L", or other base rate (commonly the Federal Funds Rate or the Prime Rate), "P", at the borrower's option. In addition, each of such senior secured loans

has a floor of 1.00%. The borrower under a senior secured loan generally has the option to select from interest reset periods of one, two, three or six months and may alter that selection at the end of any reset period. The stated interest rate represents the weighted average interest rate at March 31, 2021 of all contracts within the specified loan facility.

(2) Represents fair value in accordance with ASC Topic 820. The determination of such fair value is not included in the Company's Board of Directors' valuation process described elsewhere herein.

(3) Unaudited. As of March 31, 2021, Senior Loan Partners uses Global Industry Classification Standard ("GICS") codes to identify the industry groupings.

(4) Portfolio company has an unfunded loan commitment as of March 31, 2021.

Below is certain summarized financial information for Senior Loan Partners as of March 31, 2021 and December 31, 2020 and for the three months ended March 31, 2021 and 2020:

Selected Balance Sheet Information

	March 31, 2021	December 31, 2020
Investments, at fair value (cost $39,384,744 and $43,959,430)	$ 32,938,380	$ 35,521,942
Cash and cash equivalents	6,812,476	7,862,709
Other assets	20,234	233,626
Total assets	$ 39,771,090	$ 43,618,277
Debt	—	—
Distribution payable	(6,511)	110,102
Other accrued expenses and payables	239,349	978,459
Total liabilities	$ 232,838	$ 1,088,561
Members' equity	39,538,252	42,529,716
Total liabilities and members' equity	$ 39,771,090	$ 43,618,277

Selected Statement of Operations Information

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Total investment income	$ 700,609	$ 4,542,469
Interest and credit facility fees	—	2,259,360
Other fees and expenses	99,345	238,923
Total expenses	$ 99,345	$ 2,498,283
Net realized and unrealized appreciation (depreciation)	1,758,526	(14,384,709)
Net increase (decrease) in members' capital	$ 2,359,790	$ (12,340,523)

For the three months ended March 31, 2021 and 2020, the Company's share of net investment income from Senior Loan Partners was $0.5 million and $1.7 million, respectively, which are included in dividend income from controlled investments on the Company's Consolidated Statements of Operations.

6. Derivatives

Foreign Currency

The Company may enter into forward foreign currency contracts from time to time to facilitate settlement of purchases and sales of investments denominated in foreign currencies or to help mitigate the impact that an adverse change in foreign exchange rates would have on the value of the Company's investments denominated in foreign currencies. A forward foreign currency contract is a commitment to purchase or sell a foreign currency at a future date (usually the security transaction settlement date) at a negotiated forward rate. These contracts are marked-to-market by recognizing the difference between the contract exchange rate and the current market rate as unrealized appreciation or depreciation. Realized gains or losses are recognized when contracts are settled. The Company's forward foreign currency contracts generally have terms of approximately three months. The volume of open contracts at the end of each reporting period is reflective of the typical volume of transactions during each calendar quarter. Risks may arise as a result of the potential inability of the counterparties to meet the terms of their contracts. The Company attempts to limit this risk by dealing with only creditworthy counterparties. There were no open forward foreign currency contracts at March 31, 2021 and December 31, 2020.

Warrants and Options

The Company holds warrants and options in certain portfolio companies in an effort to achieve additional investment return. In purchasing warrants and options, the Company bears the risk of an unfavorable change in the value of the underlying equity interest. The aggregate fair value of warrants and options as of March 31, 2021 and December 31, 2020 represents 0.12% and 0.05% of the Company's net assets, respectively.

The Company may enter into other derivative instruments and incur other exposures with other counterparties in the future. The derivative instruments held as of March 31, 2021 and December 31, 2020 reflect the volume of derivative activity throughout the periods presented.

7. Debt

Effective on May 2, 2020, after obtaining stockholder approval at the annual meeting of the Company's stockholders held on May 1, 2020, the Company's asset coverage requirement was reduced from 200% to 150%, as set forth in Section 61(a)(2) of the 1940 Act, as amended by the Small Business Credit Availability Act (the "SBCAA"). As of March 31, 2021 and December 31, 2020, the Company's asset coverage was 319% and 271%, respectively.

Senior Secured Revolving Credit Facility

On February 19, 2016, the Company entered into a Second Amended and Restated Senior Secured Revolving Credit Facility (the "Credit Facility"), which has an initial aggregate principal amount of up to $440,000,000, a stated commitment termination date of February 19, 2020, and a stated maturity date of February 19, 2021. The interest rate applicable to Eurocurrency borrowings thereunder is generally LIBOR plus an applicable margin of either 1.75% or 2.00% based on a pricing grid using the borrowing base as a multiple of the combined debt amount. The interest rate applicable to ABR borrowings thereunder is generally the prime rate in effect plus an applicable margin of either 0.75% or 1.00% based on a pricing grid using the borrowing base as a multiple of the combined debt amount. The Credit Facility's commitment may increase in size, under certain circumstances, up to a total of $750,000,000. From the commitment termination date to the stated maturity date, the Company is required to repay outstanding principal amounts under the Credit Facility on a monthly basis in an amount equal to 1/12th of the outstanding amount at the commitment termination date. On June 5, 2017, the Company entered into a Second Amendment to the Credit Facility which extended the commitment termination date on the Credit Facility to June 5, 2021 and the maturity date to June 5, 2022. On March 15, 2018, the Company entered into a Third Amendment to the Credit Facility which (i) permanently reduced the aggregate amount of multicurrency commitments under the Credit Facility from $440,000,000 to $400,000,000 and (ii) reduced the amount of shareholders' equity required under the Credit Facility from $500,000,000 plus 25% of net proceeds from the sale of equity interests to $450,000,000 plus 25% of net proceeds from the sale of equity interests. On August 30, 2019, the Company entered into a Fourth Amendment to the Credit Facility which (i) permanently reduced the aggregate amount of multicurrency commitments under the Credit Facility from $400,000,000 to $340,000,000 and (ii) reduced the amount of shareholders' equity required under the Credit Facility from $450,000,000 plus 25% of net proceeds from the sale of equity interests to $375,000,000 plus 25% of net proceeds from the sale of equity interests after August 30, 2019. On March 31, 2020, the Company had entered into a Waiver and Agreement to the Credit Facility to waive certain requirements under the Credit Facility from March 31, 2020 through May 10, 2020 (the "Waiver Period"), which was extended to August 10, 2020 with a Second Waiver and Agreement that the Company entered into on May 1, 2020. As a result of the Fifth Amendment of the Credit Facility (described below), the waivers are no longer required or applicable.

On May 22, 2020, the Company entered into a Fifth Amendment to the Credit Facility which (i) extends the maturity date on loans made under the Credit Facility from June 5, 2022 to June 5, 2023, (ii) changes the interest rate applicable to borrowings to LIBOR plus an applicable margin equal to either 2.00% or 2.25% depending on a ratio of the borrowing base to certain indebtedness, (iii) reduces the aggregate commitment under the Credit Facility from $340,000,000 to $300,000,000, (iv) makes certain changes to the calculation of the borrowing base, and (v) reduces the amount that the Company's commitment may increase in size, under certain circumstances, from $750,000,000 to $375,000,000. The most recent amendment also modifies the financial covenants under the Credit Facility to (i) reduce the amount of shareholders' equity required under the Credit Facility from $375,000,000 to $275,000,000 plus 25% of the net proceeds of the sale of Equity interests by the Company and its subsidiaries, (ii) reduce the minimum asset coverage ratio from 200% to 150% and (iii) incorporate a new senior coverage ratio to be maintained by the Company. On April 23, 2021, the Company entered into a Sixth Amendment to the Credit Facility (see Note 12).

Unsecured Convertible Senior Notes Due 2022

On June 13, 2017, the Company issued $143,750,000 in aggregate principal amount ($125,000,000 of the initial offering and $18,750,000 of the underwriters' exercise of the overallotment option) of 5.00% Convertible Notes due 2022 (the "2022 Convertible Notes") under an indenture, dated as of June 13, 2017. Net proceeds to the Company from the offering, including the exercise of the overallotment option, were approximately $139,800,000. The 2022 Convertible Notes will mature on June 15, 2022, unless previously converted, repurchased or redeemed in accordance with their terms. The interest rate on the notes is 5.00% per year, payable semiannually in arrears on June 15 and December 15 of each year, commencing on December 15, 2017. Holders may convert their notes at their option prior to the close of business on the business day immediately preceding December 15, 2021, in integral multiples of $1,000 principal amount, only under certain circumstances. Upon conversion of a note, we will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election at an initial conversion rate of 118.2173 shares of common stock per $1,000 principal amount of notes, which is equivalent to an initial conversion price of approximately $8.46 per share of the Company's common stock. On or after December 23, 2021, the Company may redeem the 2022 Convertible Notes for cash, in whole or from time to time in part, at its option in accordance with their terms.

The 2022 Convertible Notes are accounted for in accordance with ASC 470-20, *Debt – Debt with Conversion and Other Options*. The Company has determined that the embedded conversion options in the 2022 Convertible Notes are not required to be separately accounted for as a derivative under U.S. GAAP. In accounting for the 2022 Convertible Notes, at the time of issuance the Company estimated separate debt and equity components, and an original issue discount equal to the equity component was recorded in additional paid-in-capital in the accompanying Consolidated Statements of Assets and Liabilities.

The Company's outstanding debt as of March 31, 2021 and December 31, 2020 was as follows:

	As of					
	March 31, 2021			December 31, 2020		
	Total Aggregate Principal Amount Available(1)	Principal Amount Outstanding	Carrying Value	Total Aggregate Principal Amount Available(1)	Principal Amount Outstanding	Carrying Value
Credit Facility	$300,000,000 (2)	$ —	$ —	$300,000,000 (2)	$ 38,800,000	$ 38,800,000
2022 Convertible Notes	143,750,000	143,750,000	141,460,295 (3)	143,750,000	143,750,000	140,998,037 (4)
	$443,750,000	$143,750,000	$141,460,295	$443,750,000	$182,550,000	$179,798,037

(1) Subject to borrowing base and leverage restrictions.
(2) Provides for a feature that allows the Company, under certain circumstances, to increase the size of the Credit Facility up to $375,000,000 effective May 22, 2020.
(3) Represents the aggregate principal amount outstanding of the 2022 Convertible Notes less unamortized discount initially recorded upon issuance and unamortized debt issuance costs of $1,159,918 and $1,129,787, respectively, as of March 31, 2021.
(4) Represents the aggregate principal amount outstanding of the 2022 Convertible Notes less unamortized discount initially recorded upon issuance and unamortized debt issuance costs of $1,391,607 and $1,360,356, respectively, as of December 31, 2020.

At March 31, 2021, the Company had zero drawn on the Credit Facility as compared to $38,800,000 at December 31, 2020. Subject to compliance with applicable covenants and borrowing base limitations, the remaining undrawn amount available under the Credit Facility was $300,000,000 and $261,200,000 at March 31, 2021 and December 31, 2020, respectively. The Company's average outstanding debt balance during the three months ended March 31, 2021 and 2020 was $148,513,956 and $318,424,630, respectively. The maximum amounts borrowed during the three months ended March 31, 2021 and 2020 were $179,823,718 and $332,016,881, respectively.

The weighted average annual interest cost, including the amortization of debt issuance cost, for the three months ended March 31, 2021 and 2020 was 6.67% and 5.10%, respectively, exclusive of commitment fees of $292,718 and $152,590, respectively. Amortization of $370,152 and $399,626 related to debt issuance costs are included in interest expense within the Consolidated Statements of Operations for the three months ended March 31, 2021 and 2020. With respect to any unused portion of the commitments under the Credit Facility, the Company incurs an annual commitment fee of 0.40% (0.375% prior to May 22, 2020).

Under the Credit Facility, the Company is required to comply with various affirmative and restrictive covenants, reporting requirements and other customary requirements for similar debt facilities, including, without limitation, covenants related to: (a) limitations on the incurrence of additional indebtedness and liens, (b) limitations on certain investments, (c) limitations on distributions and certain other restricted payments, (d) certain restrictions on subsidiaries and fundamental changes thereto, (e) maintaining a certain minimum shareholders' equity, (f) maintaining an asset coverage ratio of not less than 1.5:1.0 (2.0:1:0 prior to May 22, 2020), (g) maintaining a senior coverage ratio of not less than 2.0:1:0, (h) limitations on certain transactions with affiliates, (i) limitations on pledging certain unencumbered assets, and (j) limitations on the creation or existence of agreements that prohibit liens on certain properties of the Company and certain of its subsidiaries. These covenants are subject to important limitations and exceptions that are described in the governing documents. Further, amounts available to borrow under the Credit Facility (and the incurrence of certain other permitted debt) are also subject to compliance with a borrowing base that applies different advance rates to different types of assets in the Company's portfolio that are pledged as collateral. The Credit Facility is secured by a lien on substantially all of the assets of the Company and its subsidiaries.

The 2022 Convertible Notes contain certain covenants, including covenants requiring the Company to reserve shares of common stock for the purpose of satisfying all obligations to issue the underlying securities upon conversion of the securities and to furnish to holders of the securities upon request, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

At March 31, 2021, the Company was in compliance with all covenants required under the Credit Facility and 2022 Convertible Notes.

8. Capital stock

On November 3, 2020, the Company's Board of Directors authorized the Company to purchase up to a total of 7,500,000 shares, effective until the earlier of November 2, 2021 or such time that all of the authorized shares have been repurchased. As of March 31, 2021, 7,243,938 shares remained available for repurchase.

For the three months ended March 31, 2021 and 2020, the Company purchased a total of 256,062 and 986,554 shares of its common stock on the open market for $869,726 and $3,627,604, respectively, including brokerage commissions. Since inception of the original repurchase plan through March 31, 2021, the Company has purchased 10,267,648 shares of its common stock on the open market for $67,166,585, including brokerage commissions through the repurchase plan. The Company currently holds the shares it repurchased in treasury.

For the three months ended March 31, 2021 and 2020, declared distributions to common shareholders were as follows:

For the quarter ended	Distribution in Cash	Distribution in newly issued common shares	Total Declared Distribution	Reinvested distributions paid during quarter (1)	
March 31, 2021	$ 7,441,594	$ —	$ 7,441,594	$ —	(2)
Total	$ 7,441,594	$ —	$ 7,441,594	$ —	

For the quarter ended	Distribution in Cash	Distribution in newly issued common shares	Total Declared Distribution	Reinvested distributions paid during quarter (1) (3)
March 31, 2020	$ 9,543,152	$ —	$ 9,543,152	$ 719,692
Total	$ 9,543,152	$ —	$ 9,543,152	$ 719,692

(1) The Company has adopted a dividend reinvestment plan that provides for reinvestment of distributions on behalf of stockholders, unless a stockholder elects to receive cash (see Note 2).
(2) Distributions reinvested through purchase of shares in the open market subsequent to March 31, 2021 were $541,771.
(3) Distributions reinvested through purchase of shares in the open market.

9. Guarantees, commitments and contingencies

In the normal course of business, the Company may enter into guarantees on behalf of portfolio companies. Under these arrangements, the Company would be required to make payments to third parties if the portfolio companies were to default on their related payment obligations. There were no such guarantees outstanding at March 31, 2021 and December 31, 2020. In addition, from time to time, the Company may provide for a commitment to a portfolio company for investment in an existing or new security. At March 31, 2021 and December 31, 2020, the Company was obligated to existing portfolio companies for unfunded commitments of $34.0 million and $24.3 million, respectively. Of the $34.0 million total unfunded commitments at March 31, 2021, $4.2 million was on our aggregate $62.1 million equity commitment to BCIC Senior Loan Partners, LLC (see Note 5). The aggregate fair value of unfunded commitments at March 31, 2021 and December 31, 2020 was $32.1 million and $22.2 million, respectively. We maintain sufficient cash on hand and available borrowings to fund such unfunded commitments should the need arise.

In the normal course of business, the Company enters into contractual agreements that provide general indemnifications against losses, costs, claims and liabilities arising from the performance of individual obligations under such agreements. The Company's individual maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, based on management's experience, the Company expects the risk of loss to be remote.

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

10. Fair value of financial instruments

Fair Value Measurements and Disclosure

ASC 820-10 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. ASC 820-10 defines fair value as the price that the Company would receive upon selling an investment or pay to transfer a liability in an orderly transaction to a market participant in the principal or most advantageous market for the investment. ASC 820-10 emphasizes that valuation techniques maximize the use of observable market inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances.

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 – Valuations based on unadjusted quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The inputs into the determination of fair value may require significant management judgment or estimation.

Transfers between levels, if any, represent the value as of the beginning of the period of any investment where a change in the pricing level occurred from the beginning to the end of the period.

The Company's valuation policy and fair value disclosures are consistent with ASC 820-10. The Company evaluates the source of inputs, including any markets in which its investments are trading, in determining fair value and categorizes each investment within the fair value hierarchy pursuant to ASC 820-10.

Under the 1940 Act, the Company is required to separately identify non-controlled investments where it owns 5% or more of a portfolio company's outstanding voting securities as investments in "affiliated" companies. In addition, under the 1940 Act, the Company is required to separately identify investments where it owns more than 25% of a portfolio company's outstanding voting securities as investments in "controlled" companies. Detailed information with respect to the Company's non-controlled non-affiliated, non-controlled affiliated and controlled investments is contained in the accompanying consolidated schedules of investments and consolidated financial statements. The information in the tables below is presented on an aggregate portfolio basis, without segregating the non-controlled non-affiliated, non-controlled affiliated and controlled investment categories.

The carrying values of the Company's financial instruments approximate fair value. The carrying values of receivables, other assets, accounts payable and accrued expenses approximate fair value due to their short maturities. Outstanding debt is carried at amortized cost in the Consolidated Statements of Assets and Liabilities. The fair value of the Company's Credit Facility and 2022 Convertible Notes is derived by taking the average of the high and low quotes as obtained from a broker. The fair value of the Credit Facility and 2022 Convertible Notes would be classified as Level 2 with respect to the fair value hierarchy.

The carrying and fair values of the Company's outstanding debt as of March 31, 2021 and December 31, 2020 were as follows:

	March 31, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Credit Facility	$ —	$ —	$ 38,800,000	$ 35,696,000
2022 Convertible Notes	141,460,295	144,468,750	140,998,037	143,210,938
Total	$ 141,460,295	$ 144,468,750	$ 179,798,037	$ 178,906,938

The following tables summarize the fair values of the Company's investments and cash and cash equivalents based on the inputs used at March 31, 2021 and December 31, 2020 in determining such fair values:

		Fair Value Inputs at March 31, 2021		
	Fair Value at March 31, 2021	Price Quotations (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Senior secured notes	$ 2,010,227	$ —	$ —	$ 2,010,227
Unsecured debt	22,226,000	—	—	22,226,000
Subordinated debt	5,000,000	—	—	5,000,000
Senior secured loans	391,043,423	—	9,227,623	381,815,800
Preferred stock	654,468	—	—	654,468
Common stock	—	—	—	—
Limited partnership/limited liability company interests	3,394,020	—	—	3,394,020
Equity warrants/options	393,869	—	—	393,869
Investment measured at net asset value(1)	33,607,514	—	—	—
Total investments	458,329,521	—	9,227,623	415,494,384
Cash and cash equivalents	7,059,117	7,059,117	—	—
Total	$ 465,388,638	$ 7,059,117	$ 9,227,623	$ 415,494,384

(1) In accordance with ASC 820-10, BCIC Senior Loan Partners, LLC is measured at fair value using the net asset value practical expedient and has not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Statements of Assets and Liabilities. See Note 5 for further details on BCIC Senior Loan Partners, LLC.

		Fair Value Inputs at December 31, 2020		
	Fair Value at December 31, 2020	Price Quotations (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Senior secured notes	$ 1,098,500	$ —	$ —	$ 1,098,500
Unsecured debt	22,850,000	—	—	22,850,000
Subordinated debt	37,625,000	—	—	37,625,000
Senior secured loans	369,000,288	—	15,348,733	353,651,555
Preferred stock	7,277,210	—	—	7,277,210
Common stock	—	—	—	—
Limited partnership/limited liability company interests	4,870,459	—	—	4,870,459
Equity warrants/options	153,760	—	—	153,760
Investment measured at net asset value(1)	36,150,259	—	—	—
Total investments	479,025,476	—	15,348,733	427,526,484
Cash and cash equivalents	23,332,831	23,332,831	—	—
Total	$ 502,358,307	$ 23,332,831	$ 15,348,733	$ 427,526,484

(1) In accordance with ASC 820-10, BCIC Senior Loan Partners, LLC is measured at fair value using the net asset value practical expedient and has not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Statements of Assets and Liabilities. See Note 5 for further details on BCIC Senior Loan Partners, LLC.

The valuation techniques used at March 31, 2021 and December 31, 2020 in determining the fair values of the Company's investments for which significant unobservable inputs were used were in accordance with the Company's valuation process as described in Note 2.

The following is a reconciliation for the three months ended March 31, 2021 of investments for which Level 3 inputs were used in determining fair value:

	Fair Value at December 31, 2020	Accretion/ (Amortization) of Premium/ (Discount)—Net	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation or (Depreciation) before Taxes	Purchases*	Sales or Repayment*	Net Transfers in and/or (out) of Level 3	Fair Value at March 31, 2021
Senior secured notes	$ 1,098,500	$ 1,349	$ (1,999,678)	$ 2,155,757	$ 935,927	$ (181,628)	$ —	$ 2,010,227
Unsecured debt	22,850,000	—	—	803,252	—	(1,427,252)	—	22,226,000
Subordinated debt	37,625,000	—	—	—	—	(32,625,000)	—	5,000,000
Senior secured loans	353,651,555	378,066	(3,017,396)	6,590,177	52,024,659	(24,497,262)	(3,313,999)	381,815,800
Preferred stock	7,277,210	—	(2,972,575)	2,069,843	3,575,000	(9,295,010)	—	654,468
Common stock	—	—	—	—	—	—	—	—
Limited partnership/LLC Interest	4,870,459	—	(2,290,144)	8,196,257	—	(7,382,552)	—	3,394,020
Equity warrants/options	153,760	—	(250,000)	490,109	—	—	—	393,869
Total investments	$ 427,526,484	$ 379,415	$ (10,529,793)	$ 20,305,395	$ 56,535,586	$ (75,408,704)	$ (3,313,999)	$ 415,494,384

* Includes the cost basis impact of non-cash restructures.

The following is a reconciliation for the three months ended March 31, 2020 of investments for which Level 3 inputs were used in determining fair value:

	Fair Value at December 31, 2019	Accretion/ (Amortization) of Premium/ (Discount)—Net	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation or (Depreciation) before Taxes	Purchases	Sales or Repayments	Net Transfers in and/or (out) of Level 3	Fair Value at March 31, 2020
Senior secured notes	$ 9,186,817	$ —	$ —	$ (8,674,578)	$ —	$ —	$ —	$ 512,239
Unsecured debt	127,288,981	—	—	—	14,895,036	(19,412,962)	—	122,771,055
Subordinated debt	40,237,500	—	—	(2,495,907)	—	(3,262,501)	—	34,479,092
Senior secured loans	390,746,388	184,811	5,485	(27,126,317)	22,373,095	(2,084,693)	8,547,908	392,646,677
Preferred stock	40,037,370	—	—	(1,039,006)	—	—	—	38,998,364
Common stock	10,611,550	—	—	(2)	—	—	—	10,611,548
Limited partnership/LLC Interest	7,080,026	—	—	(6,035,204)	—	(815,626)	—	229,196
Equity warrants/options	96,801	—	—	(8,579)	14,804	—	—	103,026
Total investments	$ 625,285,433	$ 184,811	$ 5,485	$ (45,379,593)	$ 37,282,935	$ (25,575,782)	$ 8,547,908	$ 600,351,197

There was a transfer out of Level 3 and into Level 2 of $3,313,999 during the three months ended March 31, 2021, comprised of one investment due to an increase of observable market activity. There were transfers out of Level 2 and into Level 3 of $8,547,908 during the three months ended March 31, 2020, comprised of two investments due to a reduction of observable market activity. Transfers between levels are recognized as of the beginning of the reporting period. All realized and unrealized gains and losses are included in earnings (changes in net assets) and are reported as separate line items within the Company's Consolidated Statements of Operations.

Net change in unrealized appreciation (depreciation) for the three months ended March 31, 2021 and 2020 on investments still held by the Company at period end, for which Level 3 inputs were used in determining fair value was $9,165,035 and $(45,379,593), respectively.

The significant unobservable inputs used in the market approach of fair value measurement of the Company's investments are the market multiples of earnings before interest, taxes, depreciation and amortization ("EBITDA") of the comparable guideline public companies. The independent valuation firms select a population of public companies for each investment with similar operations and attributes of the subject company. Using these guideline public companies' data, a range of multiples of enterprise value to EBITDA is calculated. The independent valuation firms select a multiple from the range of multiples for purposes of determining the subject company's estimated enterprise value based on said multiple and generally the latest twelve months EBITDA of the subject company (or other meaningful measure). Significant increases or decreases in the multiple will result in an increase or decrease in enterprise value, resulting in an increase or decrease in the fair value estimate of the investment.

The significant unobservable input used in the income approach of fair value measurement of the Company's investments is the discount rate or market yield used to discount the estimated future cash flows expected to be received from the underlying investment, which include both future principal and interest payments. Significant increases or decreases in the discount rate or market yield would result in a decrease or increase in the fair value measurement. Included in the consideration and selection of discount rates or market yields are the following factors: risk of default, rating of the investment and comparable company investments, and call provisions.

The ranges of significant unobservable inputs used in the fair value measurement of the Company's Level 3 investments as of March 31, 2021 were as follows:

	Low	High	Weighted Average
EBITDA Multiples:			
Senior secured notes	n/a	n/a	n/a
Unsecured debt	n/a	n/a	n/a
Subordinated debt	n/a	n/a	n/a
Senior secured loans	1.44x	2.07x	1.75x
Preferred stock	n/a	n/a	n/a
Common stock	n/a	n/a	n/a
Limited partnerships/LLC interest	5.34x	6.25x	5.79x
Equity warrants/options(1)	n/a	n/a	n/a
Market Yields:			
Senior secured notes	7.43%	7.93%	7.68%
Unsecured debt	11.98%	13.98%	12.98%
Subordinated debt	9.63%	9.63%	9.63%
Senior secured loans	9.83%	10.52%	10.17%
Preferred stock	n/a	n/a	n/a
Common stock	n/a	n/a	n/a
Limited partnerships/LLC interest	n/a	n/a	n/a
Equity warrants/options	n/a	n/a	n/a
Book Value Multiples:			
Senior secured notes	n/a	n/a	n/a
Unsecured debt	n/a	n/a	n/a
Subordinated debt	n/a	n/a	n/a
Senior secured loans	n/a	n/a	n/a
Preferred stock	n/a	n/a	n/a
Common stock	n/a	n/a	n/a
Limited partnerships/LLC interest	n/a	n/a	n/a
Equity warrants/options	n/a	n/a	n/a
Revenue Multiples:			
Senior secured notes	0.15x	0.20x	0.18x
Preferred stock	0.60x	0.80x	0.70x
Indicative Bid Quotes:			
Senior secured loans	1	1	1

(1) The aggregate fair value of warrants and options as of March 31, 2021 represents 0.12% of the Company's net assets. The range of significant unobservable inputs for warrants and options were as follows:

Equity warrants/options	Low	High	Weighted Average
Option Pricing Model:			
Revenue Multiple	4.69x	4.97x	4.83x
Implied Volatility	52.3%	61.9%	57.1%
Term	2.3 years	3.3 years	2.8 years

The ranges of significant unobservable inputs used in the fair value measurement of the Company's Level 3 investments as of December 31, 2020 were as follows:

	Low	High	Weighted Average
EBITDA Multiples:			
Senior secured notes	n/a	n/a	n/a
Unsecured debt	n/a	n/a	n/a
Subordinated debt	n/a	n/a	n/a
Senior secured loans	1.75x	2.75x	2.25x
Preferred stock	n/a	n/a	n/a
Common stock	n/a	n/a	n/a
Limited partnerships/LLC interest	5.75x	6.25x	6.00x
Equity warrants/options(1)	n/a	n/a	n/a
Market Yields:			
Senior secured notes	6.87%	7.37%	7.12%
Unsecured debt	11.88%	13.88%	12.88%
Subordinated debt	9.39%	9.39%	9.39%
Senior secured loans	9.91%	10.79%	10.35%
Preferred stock	n/a	n/a	n/a
Common stock	n/a	n/a	n/a
Limited partnerships/LLC interest	n/a	n/a	n/a
Equity warrants/options	n/a	n/a	n/a
Book Value Multiples:			
Senior secured notes	n/a	n/a	n/a
Unsecured debt	n/a	n/a	n/a
Subordinated debt	0.90x	1.00x	0.95x
Senior secured loans	n/a	n/a	n/a
Preferred stock	0.80x	1.05x	1.00x
Common stock	n/a	n/a	n/a
Limited partnerships/LLC interest	0.90x	1.00x	0.95x
Equity warrants/options	n/a	n/a	n/a
Revenue Multiples:			
Senior secured loans	0.25x	0.30x	0.28x
Preferred stock	0.55x	0.75x	0.65x
Indicative Bid Quotes:			
Senior secured loans	1	1	1

(1) The aggregate fair value of warrants and options as of December 31, 2020 represents 0.05% of the Company's net assets. The range of significant unobservable inputs for warrants and options were as follows:

Equity warrants/options	Low	High	Weighted Average
Option Pricing Model:			
Revenue Multiple	3.93x	4.38x	4.15x
Implied Volatility	51.0%	60.0%	55.5%
Term	1.6 years	2.5 years	2.1 years

11. Consolidated financial highlights

The following per share data and ratios have been derived from information provided in the consolidated financial statements. The following is a schedule of financial highlights for a common share outstanding for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Per Share Data:		
Net asset value, beginning of period	$ 4.23	$ 6.33
Net investment income	0.06	0.14
Net realized and unrealized gain (loss)	0.16	(1.00)
Total from investment operations	0.22	(0.86)
Distributions to stockholders(6)	(0.10)	(0.14)
Purchases of treasury stock at prices below net asset value	—	0.02
Net increase (decrease) in net assets	0.12	(0.98)
Net asset value, end of period	$ 4.35	$ 5.35
Market price, end of period	$ 3.35	$ 2.20
Total return based on market price(1)	27.85%	(52.92)%
Total return based on net asset value(2)	5.58%	(10.10)%
Ratios / Supplemental Data:		
Ratio of operating expenses to average net assets(3)(4)	4.20%	4.66%
Ratio of interest and other debt related expenses to average net assets(3)	3.46%	4.04%
Ratio of total expenses to average net assets(3)(4)	7.66%	8.70%
Ratio of net investment income to average net assets(3)	5.28%	9.22%
Net assets, end of period	$ 322,899,962	$ 363,244,557
Average debt outstanding	$ 148,513,956	$ 318,424,630
Weighted average shares outstanding	74,436,429	68,613,956
Average debt per share(5)	$ 2.00	$ 4.64
Portfolio turnover	12%	5%

(1) Total return based on market value is calculated by determining the percentage change in market value per share during the period and assuming that the dividend distributions are reinvested in accordance with the Company’s dividend reinvestment plan.
(2) Total return based on net asset value is calculated by determining the percentage change in net asset value per share during the period and assuming that the dividend distributions are reinvested in accordance with the Company’s dividend reinvestment plan.
(3) Annualized.
(4) Ratio including incentive fee based on income waived for the three months ended March 31, 2020 (see Note 3 for more detail). Excluding incentive fee waiver, the ratio of operating expenses to average net assets would be 6.50% and the ratio of total expenses to average net assets would be 10.54% for the same respective periods. There was no incentive fee based on income for the three months ended March 31, 2021.
(5) Average debt per share is calculated as average debt outstanding divided by the weighted average shares outstanding during the applicable period.
(6) For the three months ended March 31, 2021, $4.2 million out of the total $7.4 million declared distribution was from net investment income. The amount of distribution related to a return of capital will be adjusted on an annual basis if necessary, and calculated in accordance with federal income tax regulations.

12. Subsequent events

On April 28, 2021, the Company’s Board of Directors declared a distribution of $0.10 per share, payable on July 7, 2021 to stockholders of record at the close of business on June 16, 2021.

On April 23, 2021, the Company entered into a Sixth Amendment to the Credit Facility (the “Amendment”) which, among other items, (i) extends the maturity date on loans made under the Credit Facility from June 5, 2023 to April 23, 2025, (ii) reduces the aggregate commitment under the Credit Facility from $300,000,000 to $265,000,000, (iii) reduces the amount that the Company’s commitment may increase in size, under certain circumstances, from $375,000,000 to $325,000,000, and (iv) reduces the amount of shareholders’ equity required under the Credit Facility from $275,000,000 to $240,000,000, plus 25% of net proceeds from the sale of equity interests by the Company its subsidiaries. Additionally, the Amendment (i) removes a springing maturity that previously existed if the 2022 Convertible Notes were not refinanced by March 16, 2022 and (ii) removes certain restrictions on repurchase or prepayment of 2022 Convertible Notes. For more information on the Amendment, refer to the Company’s Current Report on Form 8-K, filed with the SEC on April 29, 2021.

The Company has reviewed subsequent events occurring through the date that these consolidated financial statements were available to be issued, and determined that no subsequent events occurred requiring accrual or disclosure, except as disclosed above and elsewhere in these notes to consolidated financial statements.

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

The information contained in this section should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this report.

This report, and other statements that we may make, may contain forward-looking statements with respect to future financial or business performance, strategies or expectations. Forward-looking statements are typically identified by words or phrases such as “trend,” “opportunity,” “pipeline,” “believe,” “comfortable,” “expect,” “anticipate,” “current,” “intention,” “estimate,” “position,” “assume,” “potential,” “outlook,” “continue,” “remain,” “maintain,” “sustain,” “seek,” “achieve” and similar expressions, or future or conditional verbs such as “will,” “would,” “should,” “could,” “may” or similar expressions.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and we assume no duty to and do not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

In addition to factors previously identified elsewhere in the reports BlackRock Capital Investment Corporation has filed with the Securities and Exchange Commission (the “SEC”), the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance:

- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- the impact of 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 financial condition of and ability of our current and prospective portfolio companies to achieve their objectives;
- our expected financings and investments;
- the adequacy of our cash resources and working capital, including our ability to obtain continued financing on favorable terms;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the impact of increased competition;
- the impact of COVID-19 on our portfolio companies and the markets in which they operate, interest rates and the economy in general;
- the ability of the Advisor to locate suitable investments for us and to monitor and administer our investments;
- changes in law and policy accompanying the new administration and uncertainty pending any such changes;
- increased geopolitical unrest, terrorist attacks or acts of war, which may adversely affect the general economy, domestic and local financial and capital markets, or the specific industries of our portfolio companies;
- changes and volatility in political, economic or industry conditions, the interest rate environment, foreign exchange rates or financial and capital markets;
- the unfavorable resolution of legal proceedings; and
- the impact of changes to tax legislation and, generally, our tax position.

Overview

We were incorporated in Delaware on April 13, 2005 and commenced operations with private funding on July 25, 2005, and completed our initial public offering on July 2, 2007. Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in middle-market companies in the form of senior debt securities and loans, and our investment portfolio may include junior secured and unsecured debt securities and loans, each of which may include an equity component.

We are externally managed and have elected to be regulated as a BDC under the 1940 Act. As a BDC, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in “qualifying assets,” including securities of private or thinly traded public U.S. companies, cash, cash equivalents, U.S. Government securities and high-quality debt investments that mature in one year or less.

Certain items previously reported may have been reclassified to conform to the current year presentation.

Investments

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

As a BDC, we generally do 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). Qualifying assets include investments in "eligible portfolio companies." Under the relevant SEC rules, the term "eligible portfolio company" includes most private companies, companies whose securities are not listed on a national securities exchange, and certain public companies that have listed their securities on a national securities exchange and have a market capitalization of less than $250 million. These rules also permit us to include as qualifying assets certain follow-on investments in companies that were eligible portfolio companies at the time of initial investment but that no longer meet the definition. As of March 31, 2021, approximately 15.4% of the total assets of the Company were not qualifying assets under Section 55(a) of the 1940 Act.

Revenues

We generate revenues primarily in the form of interest on the debt we hold, dividends on our equity interests and capital gains on the sale of warrants and other debt or equity interests that we acquire in portfolio companies. Our investments in fixed income instruments generally have an expected maturity of three to ten years, although we have no lower or upper constraint on maturity, and typically bear interest at a fixed or floating rate. Interest on our debt securities is generally payable quarterly or semi-annually. In some cases, our debt instruments and preferred stock investments may defer payments of cash interest or dividends or pay interest or dividends in-kind. Any outstanding principal amount of our debt securities and any accrued but unpaid interest will generally become due at the maturity date. In addition, we may generate revenue in the form of prepayment fees, commitment, origination, capital structuring fees, and fees for providing significant managerial assistance.

Expenses

Our primary operating expenses include the payment of a Base Management Fee and, depending on our operating results, an Incentive Fee, interest and credit facility fees, expenses reimbursable under the management agreement, professional fees, administration fees and the allocable portion of overhead under the administration agreement. The Base Management Fee and Incentive Fee compensate the Advisor for work in identifying, evaluating, negotiating, closing and monitoring our investments. Our Current Management Agreement with the Advisor provides that we will reimburse the Advisor for costs and expenses incurred by the Advisor for office space rental, office equipment and utilities allocable to the Advisor under the Current Management Agreement, as well as any costs and expenses incurred by the Advisor relating to any non-investment advisory, administrative or operating services provided by the Advisor to us. We bear all other costs and expenses of our operations and transactions.

Critical accounting policies

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Changes in the economic environment, financial markets and any other parameters used in determining such estimates could cause actual results to differ.

Management considers the significant accounting policies important to understanding the consolidated financial statements. In addition to the discussion below, our significant accounting policies are further described in the notes to the consolidated financial statements. See Note 2 to the consolidated financial statements for a description of significant accounting policies and of recently issued accounting pronouncements. Management considers Investments to be an area deemed a critical accounting policy as a result of the judgments necessary for management to select valuation methodologies and to select significant unobservable inputs to estimate fair value (see Note 10 to the consolidated financial statements).

Financial and operating highlights

At March 31, 2021:
Investment portfolio, at fair value: $458.3 million
Net assets: $322.9 million
Indebtedness, excluding deferred issuance costs: $142.6 million
Net asset value per share: $4.35

Portfolio Activity for the Three Months Ended March 31, 2021:
- Cost of investments during period, including PIK: $54.9 million
- Sales, repayments and other exits during period: $88.0 million
- Number of portfolio companies at end of period: 60

Operating Results for the Three Months Ended March 31, 2021:
- Net investment income per share: $0.06
- Distributions declared per share: $0.10
- Basic earnings (loss) per share: $0.22
- Net investment income: $4.2 million
- Net realized and unrealized gain (loss): $12.0 million
- Net increase (decrease) in net assets from operations: $16.2 million
- Net investment income per share, as adjusted[1]: $0.06
- Basic earnings (loss) per share, as adjusted[1]: $0.22
- Net investment income, as adjusted[1]: $4.2 million
- Net increase (decrease) in net assets from operations, as adjusted[1]: $16.2 million

As Adjusted[1]: Amounts are adjusted to remove the Incentive Fee expense based on gains, as required by GAAP, and to include only the incremental Incentive Fee expense based on income. Under the Current Management Agreement, Incentive Fee expense based on income is calculated for each calendar quarter and may be paid on a quarterly basis if certain thresholds are met. Amounts reflect the Company's ongoing operating results and reflect the Company's financial performance over time.

Portfolio and investment activity

We invested approximately $54.9 million during the three months ended March 31, 2021. The new investments consisted of senior secured loans secured by first lien ($47.1 million, or 85.9%) or second lien ($7.8 million, or 14.1%). Additionally, we received proceeds from sales, repayments and other exits of approximately $88.0 million during the three months ended March 31, 2021.

Concentration of our assets in an issuer, industry or sector may present certain risks. To the extent that we assume large positions in the securities of a small number of issuers, our net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market's assessment of the issuer. At March 31, 2021, our portfolio of $458.3 million (at fair value) consisted of 60 portfolio companies and was invested approximately 85% in senior secured loans, 6% in unsecured or subordinated debt securities, 8% in equity investments, and less than 1% in senior secured notes. Our average investment by portfolio company at amortized cost was approximately $9.4 million at March 31, 2021. Our largest portfolio company investment at fair value was approximately $33.6 million and our five largest portfolio company investments at fair value comprised approximately 29% of our portfolio at March 31, 2021. At December 31, 2020, our portfolio of $479.0 million (at fair value) consisted of 55 portfolio companies and was invested 77% in senior secured loans, 13% in unsecured or subordinated debt securities, 10% in equity investments and 1% in senior secured notes. Our average investment by portfolio company at amortized cost was approximately $11.0 million at December 31, 2020. Our largest portfolio company investment by value was approximately $36.2 million and our five largest portfolio company investments by value comprised approximately 31% of our portfolio at December 31, 2020.

In addition, we may, from time to time, invest a substantial portion of our assets in the securities of issuers in any single industry or sector of the economy or in only a few issuers. A downturn in an industry or sector in which we are concentrated could have a larger impact on us than on a company that does not concentrate in that particular industry or sector. Our investment advisor monitors industry and sector uncertainties on an ongoing basis, including substantial regulatory challenges in the healthcare sector, volatility and extensive government regulation in the financial services sector, cyclical risks associated with the overall economy and events outside of our control, including public health crises such as COVID-19 which may have resulted in a negative impact to certain industries, including significant reductions in demand for certain goods and services, reductions in business activity and financial transactions, supply chain interruptions and overall economic and financial market instability both globally and in the United States (see Note 5 to the consolidated financial statements), among various other industry and sector uncertainties due to certain exposures. At March 31, 2021, our top three industry concentrations at fair value consisted of Diversified Financial Services (24.1%), Road & Rail (11.0%), and Internet Software & Services (6.1%). At December 31, 2020, our top three industry concentrations at fair value consisted of Diversified Financial Services (19.3%), Road & Rail (10.0%) and Thrifts & Mortgage Finance (7.8%) (see Note 5 to the consolidated financial statements).

The weighted average yields at fair market value and cost as of March 31, 2021 and December 31, 2020 were as follows:

	March 31, 2021		December 31, 2020	
	Fair Market Value	Cost	Fair Market Value	Cost
Weighted Average Yield(1)				
Total portfolio	8.4%	7.1%	8.7%	7.4%
Senior secured loans	9.5%	9.5%	9.5%	9.5%
Other debt securities(2)	1.9%	1.1%	7.3%	5.3%
Debt and income producing equity securities	8.5%	8.0%	8.9%	8.5%

(1) Computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount, divided by (b) the amortized cost or at fair value of each category, as applicable. The calculation excludes exit fees that are receivable upon repayment of certain loan investments.

(2) Decrease from December 31, 2020 to March 31, 2021 primarily attributable to a majority of the securities in this category, by fair market value and cost, being on non-accrual, after the intended exit in First Boston Construction Holdings, LLC during 2021.

For the three months ended March 31, 2021 and 2020, the total return based on net asset value was 5.6% and (10.1)%, respectively. For the three months ended March 31, 2021 and 2020, the total return based on market price was 27.9% and (52.9)%, respectively. Total returns are historical and are calculated by determining the percentage change in the net asset value or market price with all distributions reinvested, if any. Distributions are assumed to be reinvested in accordance with the Company's dividend reinvestment plan and do not reflect brokerage commissions.

The Advisor generally employs a grading system for our entire portfolio. The Advisor grades all loans on a scale of 1 to 4. This system is intended to reflect the performance of the borrower's business, the collateral coverage of the loans and other factors considered relevant. Generally, the Advisor assigns only one loan grade to each portfolio company for all loan investments in that portfolio company; however, the Advisor will assign multiple ratings when appropriate for different investments in one portfolio company. The following is a description of the conditions associated with each investment rating:

Grade 1: Investments in portfolio companies whose performance is substantially within or above the Advisor's expectations and whose risk factors are neutral to favorable to those at the time of the original investment or subsequent restructuring.

Grade 2: Investments in portfolio companies whose performance is below the Advisor's expectations and that require closer monitoring; however, the adverse impact may be deemed temporary, and the most likely outcome is that no loss of investment return (interest and/or dividends) or principal is expected.

Grade 3: Investments in portfolio companies whose performance is below the Advisor's expectations and for which risk has increased materially since origination or subsequent restructuring. Some loss of investment return is likely, but no loss of principal is expected. Companies graded 3 generally present a higher risk of liquidity pressure and/or covenant breach over the next six to twelve months.

Grade 4: Investments in portfolio companies whose performance is materially below the Advisor's expectations where business trends have deteriorated and risk factors have increased substantially since the original investment or subsequent restructuring, potentially resulting in a breach of covenants or other event of default. Investments graded 4 are those for which some loss of principal or invested capital is likely.

The Advisor monitors and, when appropriate, changes the investment ratings assigned to each investment in our portfolio. In connection with our valuation process, the Advisor and Board of Directors review these investment ratings on a quarterly basis. Our weighted average investment rating was 1.72 at March 31, 2021 and 1.90 at December 31, 2020. The following is a distribution of the investment ratings of our portfolio companies, at fair value, at March 31, 2021 and December 31, 2020:

	March 31, 2021	December 31, 2020
Grade 1	$ 243,348,879	$ 189,012,640
Grade 2	132,842,794	198,713,376
Grade 3	40,437,732	38,605,618
Grade 4	38,283,904	51,136,642
Not Rated(1)	3,416,212	1,557,200
Total investments	$ 458,329,521	$ 479,025,476

(1) Not Rated category consists primarily of the Company's residual equity investments in AGY Equity, LLC and SVP-Singer Holdings LP.

Results of operations

Results comparisons for the three months ended March 31, 2021 and 2020.

Investment income

		Three Months Ended March 31, 2021		Three Months Ended March 31, 2020
Investment Income:				
Interest and fees on senior secured loans	$	9,391,185	$	10,666,163
Interest and fees on other debt securities		297,797		5,109,988
Interest earned on short-term investments, cash equivalents		1,075		15,640
Dividends and fees on equity securities		582,567		2,907,503
Total investment income	$	10,272,624	$	18,699,294

Total investment income for the three months ended March 31, 2021 decreased $8.4 million, or 45.1%, as compared to the three months ended March 31, 2020. Excluding fee income and other income, total investment income decreased by approximately 45.7%, primarily due to a 32.6% decrease in the average investment portfolio at amortized cost for the comparative periods, and a decrease in dividend income period over period. The decrease in portfolio size is primarily due to exits during 2020 and during the three months ended March 31, 2021, primarily consisting of reduced non-core and junior capital exposure. The decrease in dividend income is due to a $1.2 million decrease in dividend income from BCIC Senior Loan Partners, LLC period over period, and our preferred stock investment in Gordon Brothers Finance Company going on non-accrual status during the second half of 2020.

Expenses

		Three Months Ended March 31, 2021		Three Months Ended March 31, 2020
Expenses:				
Base management fees	$	1,799,766	$	3,295,687
Incentive management fees		—		1,924,398
Interest and credit facility fees		2,753,096		4,212,274
Professional fees		412,159		525,012
Administrative services		322,115		313,561
Director fees		153,125		184,750
Investment advisor expenses		87,500		87,500
Other		554,646		458,523
Total expenses, before incentive management fee waiver		6,082,407		11,001,705
Incentive management fee waiver		—		(1,924,398)
Expenses, net of incentive management fee waiver	$	6,082,407	$	9,077,307

Total expenses, net of incentive management fee waiver, decreased $3.0 million, or 33.0%, for the three months ended March 31, 2021 from comparable period in 2020, primarily due to decreases in base management fees, and interest and credit facility fees period over period.

Base management fees decreased approximately $1.5 million, or 45.4%, for the three months ended March 31, 2021 from the comparable period in 2020 due to a decrease in the total assets on which management fees are calculated (in arrears), and a decrease in the base management fee rate effective May 2, 2020 (see Note 3 to the consolidated financial statements). The decrease in total assets was primarily due to net sales and repayments during 2020.

Interest and credit facility fees decreased approximately $1.5 million, or 34.6%, for the three months ended March 31, 2021 from the comparable period in 2020, primarily due to a significant decrease in the average debt outstanding period over period, and a lower rate environment (see Note 7 to the consolidated financial statements).

As previously disclosed, the Advisor, in consultation with the Company's Board of Directors, has agreed to waive incentive fees based on income through June 30, 2019 (see Note 3 to the consolidated financial statements). The Advisor voluntarily waived a portion of its incentive fees based on income from July 1, 2019 through December 31, 2020. For the three months ended March 31, 2021, there was no waiver as a result of Incentive Fees based on income of zero for the period. For the three months ended March 31, 2020, the Advisor has voluntarily waived incentive fees of $1.9 million, resulting in no net incentive fees for the period. For the three months ended March 31, 2021 and 2020, there was no incentive management fees based on gains incurred (see Note 3 to the consolidated financial statements).

Net investment income

Net investment income was $4.2 million and $9.6 million for the three months ended March 31, 2021 and 2020, respectively. The decrease of $5.4 million, or 56.5% was due to a $8.4 million decline in total investment income, offset by a $3.0 million decrease in expenses described above.

Net realized gain or loss

Net realized gain (loss) for the three months ended March 31, 2021 was approximately $(10.9) million, primarily due to the restructure of Advanced Lighting Technologies, LLC, and exits of our investments in First Boston Construction Holdings, LLC and Advantage Insurance Inc. Substantially all of the net realized losses were reflected in unrealized depreciation in prior periods. Net realized gain (loss) for the three months ended March 31, 2020 was approximately $(1.5) million, primarily due to the sale of U.S. Well Services, Inc. Class A common stock.

Net unrealized appreciation or depreciation

For the three months ended March 31, 2021 and 2020, the change in net unrealized appreciation or depreciation on investments and foreign currency translation was a decrease in net unrealized depreciation of $22.9 million and an increase in net unrealized depreciation of $(67.3) million, respectively. The decrease in net unrealized depreciation for the three months ended March 31, 2021 was primarily due to i) the reversal of previously recognized depreciation of $10.5 million related to the restructure of Advanced Lighting Technologies, LLC and exits of our investments in First Boston Construction Holdings, LLC and Advantage Insurance Inc.; and ii) $4.2 million decrease in net unrealized depreciation of SVP-Singer Holdings, LP, which includes $2.7 million of valuation appreciation, and the reversal of previously recognized depreciation of $1.5 million associated with a distribution from the portfolio company. The increase in net unrealized depreciation for the three months ended March 31, 2020 was primarily due to i) $24.7 million increase in valuation depreciation in our equity investments in BCIC Senior Loan Partners, LLC, First Boston Construction Holdings, LLC, and U.S. Well Services, Inc., ii) $18.4 million increase in valuation depreciation in our debt investments in AGY Holding Corp., Sur La Table Inc., and Red Apple Stores Inc., and iii) overall increase in valuation depreciation across our portfolio as a result of macro-economic conditions impacted by the COVID-19 outbreak (see Note 5 to the consolidated financial statements).

Net increase or (decrease) in net assets resulting from operations

The net increase or (decrease) in net assets resulting from operations for the three months ended March 31, 2021 and 2020 was $16.2 million and $(59.2) million, respectively. As compared to the prior period, the increase is reflective of net realized and unrealized gain (loss) of $12.0 million for the current period, as compared to $(68.8) million of net realized and unrealized gain (loss) for the three months ended March 31, 2020, partially offset by a decrease in net investment income of $5.4 million period-over-period.

Supplemental Non-GAAP information

We report our financial results on a GAAP basis; however, management believes that evaluating our ongoing operating results may be enhanced if investors have additional non-GAAP basis financial measures. Management reviews non-GAAP financial measures to assess ongoing operations and, for the reasons described below, considers them to be effective indicators, for both management and investors, of our financial performance over time. Management does not advocate that investors consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

After March 6, 2017, Incentive Fees based on income are calculated for each calendar quarter and may be paid on a quarterly basis if certain thresholds are met. We record our liability for Incentive Fee based on capital gains by performing a hypothetical liquidation at the end of each reporting period. The accrual of this hypothetical capital gains Incentive Fee is required by GAAP, but it should be noted that a fee so calculated and accrued is not due and payable until the end of the measurement period, or every June 30. The incremental Incentive Fee disclosed for a given period are not necessarily indicative of actual full year results. Changes in the economic environment, financial markets and other parameters used in determining such estimates could cause actual results to differ and such differences could be material. See Note 3 to the consolidated financial statements for a more detailed description of the Company's Incentive Fee. In addition, as previously disclosed, the Advisor, in consultation with the Company's Board of Directors, had agreed to waive Incentive Fee based on income from March 7, 2017 to June 30, 2019 (see Note 3 to the consolidated financial statements). BCIA had agreed to honor such waiver. The Advisor had voluntarily waived a portion of its Incentive Fee based on income from July 1, 2019 through December 31, 2020.

Computations for all periods are derived from our consolidated financial statements as follows:

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
GAAP Basis:		
Net Investment Income	$ 4,190,217	$ 9,621,987
Net Investment Income per share	0.06	0.14
Addback: GAAP incentive management fee expense based on Gains	—	—
Addback: GAAP incentive management fee expense based on Income net of incentive management fee waiver	—	—
Pre-Incentive Fee[1]:		
Net Investment Income	$ 4,190,217	$ 9,621,987
Net Investment Income per share	0.06	0.14
Less: Incremental incentive management fee expense based on Income net of incentive management fee waiver	—	—
As Adjusted[2]:		
Net Investment Income	$ 4,190,217	$ 9,621,987
Net Investment Income per share	0.06	0.14

Pre-Incentive Fee[1]: Amounts are adjusted to remove all incentive management fees. Such fees are calculated but not necessarily due and payable at this time.

As Adjusted[2]: Amounts are adjusted to remove the incentive management fee expense based on gains, as required by GAAP, and to include only the incremental incentive management fee expense based on income. Under the Current Management Agreement, incentive management fee expense based on income is calculated for each calendar quarter and may be paid on a quarterly basis if certain thresholds are met. Amounts reflect the Company's ongoing operating results and reflect the Company's financial performance over time.

Financial condition, liquidity and capital resources

During the three months ended March 31, 2021, we generated operating cash flows primarily from interest and fees received on senior secured loans and other debt securities, as well as from sales of selected portfolio company investments or repayments of principal. Net cash provided by operating activities for the three months ended March 31, 2021 was $23.4 million.

Net cash used in financing activities during the three months ended March 31, 2021 was $(39.7) million. Our uses of cash consisted of $(38.8) million in net debt repayments under the Credit Facility and purchases of treasury stock of $(0.9) million.

Contractual obligations

A summary of our significant contractual payment obligations for the repayment of outstanding borrowings at March 31, 2021 is as follows:

	Payments Due By Period (dollars in millions)				
	Total	**Less than 1 year**	**1-3 years**	**3-5 years**	**After 5 years**
Credit Facility(1)	$ —	$ —	$ —	$ —	$ —
2022 Convertible Notes	143.8	—	143.8	—	—
Interest and Credit Facility Fees Payable	2.4	2.4	—	—	—

(1) At March 31, 2021, $300.0 million remained undrawn under our Credit Facility. See Note 7 and Note 12 to the consolidated financial statements

Off-balance sheet arrangements

In the normal course of business, the Company may enter into guarantees on behalf of portfolio companies. Under these arrangements, the Company would be required to make payments to third parties if the portfolio companies were to default on their related payment obligations. There were no such guarantees outstanding at March 31, 2021 and December 31, 2020. In addition, from time to time, the Company may provide for a commitment to a portfolio company for investment in an existing or new security. At March 31, 2021 and December 31, 2020, the Company was obligated to existing portfolio companies for unfunded commitments of $34.0 million and $24.3 million, respectively. Of the $34.0 million total unfunded commitments at March 31, 2021, $4.2 million was on our aggregate $62.1 million equity commitment to BCIC Senior Loan Partners, LLC ("Senior Loan Partners") (see Note 5 to the consolidated financial statements). We maintain sufficient cash on hand and available borrowings to fund such unfunded commitments should the need arise.

Distributions

Our quarterly distributions, if any, are determined by our Board of Directors. Distributions are declared considering our estimate of annual taxable income available for distribution to stockholders and the amount of taxable income carried over from the prior year for distribution in the current year. We cannot assure stockholders that they will receive any distributions at all or distributions at a particular level. The following table lists the quarterly distributions per share from our common stock since March 2019:

Distribution Amount Per Share Outstanding		Record Date	Payment Date
$	0.18	March 18, 2019	April 8, 2019
$	0.18	June 18, 2019	July 9, 2019
$	0.14	September 16, 2019	October 7, 2019
$	0.14	December 18, 2019	January 8, 2020
$	0.14	March 17, 2020	April 7, 2020
$	0.10	June 1, 2020	July 7, 2020
$	0.10	August 18, 2020	September 29, 2020
$	0.10	November 18, 2020	December 30, 2020
$	0.10	March 17, 2021	April 7, 2021
$	0.10	June 16, 2021	July 7, 2021

Tax characteristics of all distributions are reported to stockholders on Form 1099 after the end of the calendar year.

We have elected to be taxed as a RIC under Subchapter M of the Code. In order to maintain favorable RIC tax treatment, we must distribute annually to our stockholders at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, out of the assets legally available for distribution. Under the Regulated Investment Company Modernization Act of 2010, capital losses incurred by the Company after December 31, 2010 will not be subject to expiration. In addition, such losses must be utilized prior to the losses incurred in the years preceding enactment. In order to avoid certain excise taxes imposed on RICs, we must distribute during each calendar year an amount at least equal to the sum of:

- 98% of our ordinary income for the calendar year;
- 98.2% of our capital gains in excess of capital losses for the one-year period ending on October 31st; and
- any ordinary income and net capital gains for preceding years that were not distributed during such years.

We may, at our discretion, carry forward taxable income in excess of calendar year distributions and pay a 4% excise tax on this income. If we choose to do so, all other things being equal, this would increase expenses and reduce the amounts available to be distributed to our stockholders. We will accrue excise tax on estimated taxable income as required. In addition, although we currently intend to distribute realized net capital gains (i.e., net long-term capital gains in excess of short-term capital losses), if any, at least annually, out of the assets legally available for such distributions, we may in the future decide to retain such capital gains for investment. There was no provision for federal excise taxes recorded for the years ended December 31, 2020 and 2019.

The final tax characterization of distributions is determined after the fiscal year and is reported on Form 1099 and in the Company's annual report to stockholders. Distributions can be characterized as ordinary income, capital gains and/or return of capital. To the extent that distributions exceed the Company's current and accumulated earnings and profits, the excess may be treated as a non-taxable return of capital. Distributions that exceed a Company's taxable income but do not exceed the Company's current and accumulated earnings and profits, may be classified as ordinary income which is taxable to stockholders.

The Company estimates the source of its distributions as required by Section 19(a) of the 1940 Act. On a quarterly basis, for any payment of dividends estimated to be paid from any other source other than net investment income accrued for current period or certain cumulative periods based on the Section 19(a) requirement, the Company posts a Section 19(a) notice through the Depository Trust Company's Legal Notice System and its website, as well as sends its registered stockholders a printed copy of such notice along with the dividend payment. The estimates of the source of the distribution are interim estimates based on GAAP that are subject to revision, and the exact character of the distributions for tax purposes cannot be determined until the final books and records are finalized for the calendar year. Therefore, these estimates are made solely in order to comply with the requirements of Section 19(a) of the 1940 Act and should not be relied upon for tax reporting or any other purposes and could differ significantly from the actual character of distributions for tax purposes. For the $0.10 dividend paid on April 7, 2021, the Company noted that approximately $0.06 was from net investment income and approximately $0.04 was estimated to be a return of capital. For Consolidated Statements of Changes in Net Assets, sources of distribution to stockholders will be adjusted on an annual basis, if necessary, and calculated in accordance with federal income tax regulations.

We maintain an "opt out" dividend reinvestment plan for our common stockholders. As a result, except as discussed below, if we declare a distribution, stockholders' cash distributions will be automatically reinvested in additional shares of our common stock, unless they specifically "opt out" of the dividend reinvestment plan as to receive cash distributions. Additionally, if the Company makes a distribution to be paid in cash or in stock at the election of stockholders as of the applicable dividend record date (a "Cash/Stock Distribution"), the terms are subject to the amended Plan dated May 13, 2020 described below (see Note 8 to the consolidated financial statements).

On March 6, 2018, the Board of Directors of the Company adopted amendments to the Company's dividend reinvestment plan (the "Plan"). Under the terms of the amended Plan, if the Company declares a dividend or determines to make a capital gain or other distribution, the reinvestment plan agent will acquire shares for the participants' accounts, depending upon the following circumstances, (i) through receipt of additional unissued but authorized shares from the Company ("newly issued shares") and/or (ii) by purchase of outstanding shares on the open market ("open-market purchases"). If, on the distribution payment date, the last quarterly net asset value per share ("NAV") is equal to or less than the closing market price per share on such distribution payment date (such condition often referred to as a "market premium"), the reinvestment plan agent will invest the distribution amount in newly issued shares on behalf of the participants. The number of newly issued shares to be credited to each participant's account will be determined by dividing the dollar amount of the distribution by the greater of (i) the NAV or (ii) 95% of the closing market price on the distribution payment date. If, on the distribution payment date, the NAV is greater than the closing market price per share on such distribution payment date (such condition often referred to as a "market discount"), the reinvestment plan agent may, upon notice from the Company, either (a) invest the distribution amount in newly issued shares on behalf of the participants or (b) invest the distribution amount in shares acquired on behalf of the participants in open-market purchases.

On May 13, 2020, the Board of Directors of the Company adopted further amendments to the Plan. Under the terms of the amended Plan, if the Company makes a Cash/Stock Distribution, each stockholder will be required to elect whether to receive the distribution in cash or in shares of the Company's common stock ("Common Shares"), pursuant to such notices, forms or other documentation as may be provided to the stockholder by the Company (the "Election Forms"). If the stockholder is a Plan participant and elects to receive the Cash/Stock Distribution in cash, the stockholder will be deemed to have elected not to participate in the Plan solely with respect to such Cash/Stock Distribution and will receive the distribution in cash subject to any rules applicable to the distribution that may limit the portion of the distribution the Company is required to pay in cash. If the stockholder is a Plan participant and elects to receive the Cash/Stock Distribution in stock, the stockholder will receive the distribution in newly issued Common Shares. The number of newly issued Common Shares credited to the stockholders' account in either case will be determined by dividing the dollar amount of the distribution (or portion of the distribution to be paid in Common Shares) by the price per Common Share determined in accordance with the Election Forms rather than pursuant to the formula(s) otherwise applicable under the Plan. This feature of the Plan means that, under certain circumstances, we may issue shares of our common stock at a price below net asset value per share, which could cause our stockholders to experience dilution. We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. Also, we may be limited in our ability to make distributions due to the asset coverage test applicable to us as a BDC under the 1940 Act and due to provisions in our existing and future debt arrangements.

If we do not distribute a certain percentage of our income annually, we will suffer adverse tax consequences, including possible loss of favorable RIC tax treatment. In addition, in accordance with U.S. generally accepted accounting principles and tax regulations, we include in income certain amounts that we have not yet received in cash, such as payment-in-kind interest, which represents contractual interest added to the loan balance that becomes due at the end of the loan term, or the accretion of original issue or market discount. Since we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the requirement to distribute at least 90% of our investment company taxable income to obtain tax benefits as a RIC and may be subject to income or excise taxes. In order to satisfy the annual distribution requirement applicable to RICs, we may have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash. As long as a sufficient portion of such dividend is paid in cash and certain requirements are met, the entire distribution would generally be treated as a dividend for U.S. federal income tax purposes.

Recent developments

On April 28, 2021, the Company's Board of Directors declared a distribution of $0.10 per share, payable on July 7, 2021 to stockholders of record at the close of business on June 16, 2021.

On April 23, 2021, the Company entered into a Sixth Amendment to the Credit Facility (the "Amendment") which, among other items, (i) extends the maturity date on loans made under the Credit Facility from June 5, 2023 to April 23, 2025, (ii) reduces the aggregate commitment under the Credit Facility from $300,000,000 to $265,000,000, (iii) reduces the amount that the Company's commitment may increase in size, under certain circumstances, from $375,000,000 to $325,000,000, and (iv) reduces the amount of shareholders' equity required under the Credit Facility from $275,000,000 to $240,000,000, plus 25% of net proceeds from the sale of equity interests by the Company its subsidiaries. Additionally, the Amendment (i) removes a springing maturity that previously existed if the 2022 Convertible Notes were not refinanced by March 16, 2022 and (ii) removes certain restrictions on repurchase or prepayment of 2022 Convertible Notes. For more information on the Amendment, refer to the Company's Current Report on Form 8-K, filed with the SEC on April 29, 2021.

Notice is hereby given in accordance with Section 23(c) of the 1940 Act that from time to time the Company may purchase shares of its common stock in the open market at prevailing market prices.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including changes in interest rates. At March 31, 2021, 95% of our yielding debt investments, at fair value, bore interest based on floating rates, such as LIBOR, the Federal Funds Rate or the Prime Rate. The interest rates on such investments generally reset by reference to the current market index after one to six months. Of those yielding floating rate debt investments, 86% contained an interest rate floor. Floating rate investments subject to a floor generally reset by reference to the current market index after one to six months only if the index exceeds the floor. Interest rate sensitivity refers to the change in our earnings that may result from changes in the level of interest rates. Since 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. The Company's Credit Facility bears interest at variable rates with no interest rate floors, while our 2022 Convertible Notes bear interest at a fixed rate. 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.

The following table shows the approximate annual impact on net investment income of base rate changes in interest rates (considering interest rate floors for variable rate instruments) to our debt portfolio and outstanding borrowings as of March 31, 2021, assuming no changes to our investment and borrowing structure:

	Net Investment Income(1)	Net Investment Income Per Share(1)
Basis Point Change ($ in millions, except per share data)		
Up 400 basis points	$ 12.6	$ 0.17
Up 300 basis points	$ 8.7	$ 0.12
Up 200 basis points	$ 4.9	$ 0.07
Up 100 basis points	$ 1.1	$ 0.01
Down 100 basis points	$ (0.1)	$ (0.00)

(1) Excludes the impact of incentive management fees based on income

While hedging activities may help to insulate us against adverse changes in interest rates, they also may limit our ability to participate in the beneficial interest rates with respect to our portfolio of investments. There can be no assurance that we will be able to effectively hedge our interest rate risk. During the three months ended March 31, 2021 and 2020, we did not engage in any interest rate hedging activity.

Item 4. Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Interim Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15 under the Securities Exchange Act of 1934). Based on that evaluation, our Interim Chief Executive Officer and Chief Financial Officer have concluded that our current disclosure controls and procedures are effective in timely alerting them to material information relating to us that is required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934.

There have been no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. The Company is continually monitoring and assessing the COVID-19 situation to determine any potential impact on the design and operating effectiveness of our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in our most recent Form 10-K filing.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Sales of unregistered securities

None.

Issuer purchases of equity securities

The following table provides information regarding our purchases of our common stock for each month in the three months period ended March 31, 2021:

Period	Average Price Paid per Share (1)	Total Number of Shares Purchased	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
January 2021	$ —	—	—	7,500,000
February 2021	—	—	—	7,500,000
March 2021	3.40	256,062	256,062	7,243,938
	$ 3.40	256,062	256,062	

(1) The average price paid per share includes $0.03 commission fee per share.

The repurchase plan does not obligate us to acquire any specific number of shares and may be discontinued at any time. We intend to fund any repurchases with available cash and borrowings under the Credit Facility.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable

Item 5. Other Information

None.

Item 6. Exhibits.

(a) Exhibits.

3.1	Certificate of Incorporation of the Registrant (1)
3.2	Certificate of Amendment to the Certificate of Incorporation of the Registrant (2)
3.3	Amended and Restated By-laws of the Registrant (3)
4.1	Form of Stock Certificate of the Registrant (4)
31.1*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32*	Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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* Filed herewith

(1) Previously filed with the Registrant's Registration Statement on Form 10 (Commission File No. 000-51327), as amended, originally filed on May 24, 2005.

(2) Previously filed with the Registrant's Form 8-K dated as of March 9, 2015.

(3) Previously filed with the Registrant's Form 8-K dated as of April 30, 2018.

(4) Previously filed with the Registrant's pre-effective Amendment No. 2 to the Registration Statement on Form N-2 (Commission File No. 333-141090), filed on June 14, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	BLACKROCK CAPITAL INVESTMENT CORPORATION
Date: April 29, 2021	By: /s/ James E. Keenan **James E. Keenan** **Interim Chief Executive Officer**
Date: April 29, 2021	By: /s/ Abby Miller **Abby Miller** **Chief Financial Officer and Treasurer**

EXHIBIT 31.1

CEO CERTIFICATION

I, James E. Keenan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BlackRock Capital Investment Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the consolidated financial condition, consolidated results of operations and consolidated 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, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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: April 29, 2021

By: /s/ James E. Keenan
James E. Keenan
Interim Chief Executive Officer

EXHIBIT 31.2

CFO CERTIFICATION

I, Abby Miller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BlackRock Capital Investment Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the consolidated financial condition, consolidated results of operations and consolidated 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, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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: April 29, 2021

By: /s/ Abby Miller
Abby Miller
Chief Financial Officer and Treasurer

EXHIBIT 32

Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of BlackRock Capital Investment Corporation (the "Company") for the quarter ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), James E. Keenan, as Interim Chief Executive Officer of the Company, and Abby Miller, as Chief Financial Officer and Treasurer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and consolidated results of operations of the Company.

/s/ James E. Keenan

Name:	James E. Keenan
Title:	Interim Chief Executive Officer
Date:	April 29, 2021

/s/ Abby Miller

Name:	Abby Miller
Title:	Chief Financial Officer and Treasurer
Date:	April 29, 2021