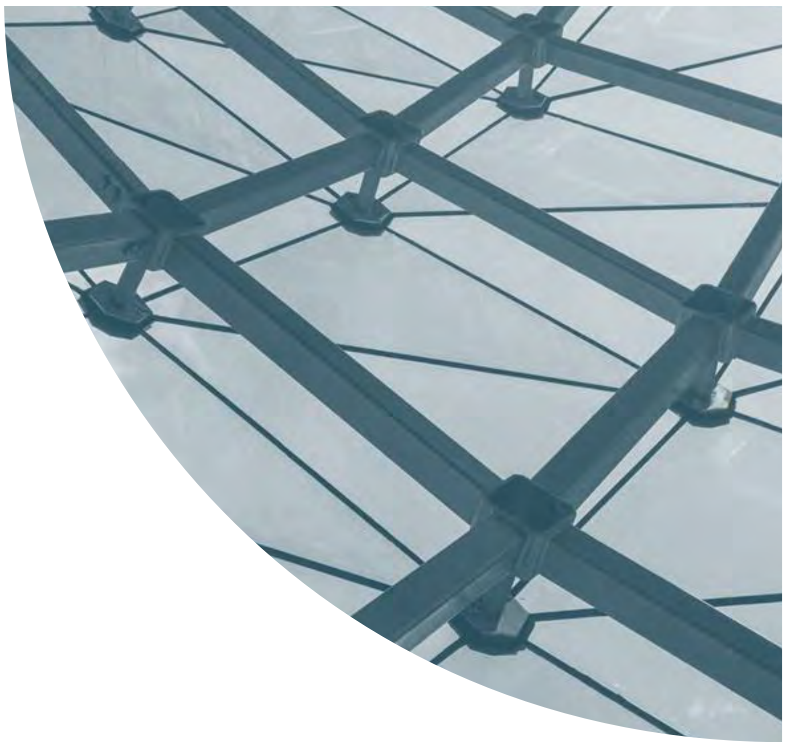


LINCOLN INTERNATIONAL

Selected Preliminary Valuation Guidelines - Quarter Ended June 30, 2023

Market Data as of June 12, 2023

Valuations & Opinions Group

June 14, 2023

Table of Contents

Key Insights and KPIs

Section 1

Market Indications: Q2 2023

	Headline	Impact	Valuation Consideration
Public Equity Markets	▪ Continued to rebound in Q2 2023 ▪ The S&P 500 index was up 5.6% QTD and is up 13.0% YTD ▪ All sectors except Energy were up in Q2 ▪ Technology was up 37.7% YTD, lifted by gains in a handful of large tech names	↗	Rising public equity values and multiples are having a positive impact on valuations
Private Capital M&A Market	▪ Despite recovery in the public markets, private deal activity remained slow ▪ Purchase multiples relatively strong as deals done skewed toward larger, higher quality companies ▪ Private company enterprise values continued to exhibit steady growth driven by fundamentals ▪ Recent conversations with market participants indicate sentiment for new deal activity is improving as sellers have begun to accept the new, higher rate environment	→	Cautious optimism as potential pick up in deal flow is tempered by EBITDA margin compression
Private Debt Market	▪ Private credit continued to take share from the BSL market ▪ Pricing and leverage conditions remained relatively stable ▪ Market participants reported increased competition and some tightening of spreads in very recent deals in market ▪ Structured capital has emerged as a solution to fill gaps and address liquidity needs	→	Private credit remains strong, with competition for deals beginning to increase which may cause spreads to remain tighter in the coming weeks/quarter

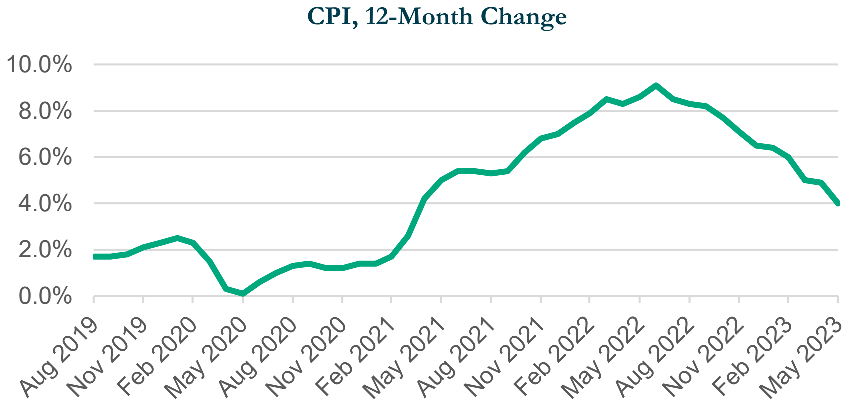
Note: Red reflects an unfavorable movement, green reflects a favorable movement, black reflects neutral movement.

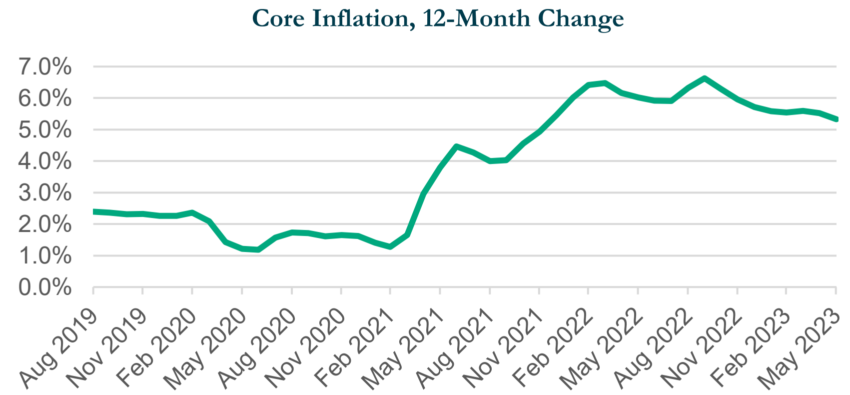
Market Indications: Q2 2023

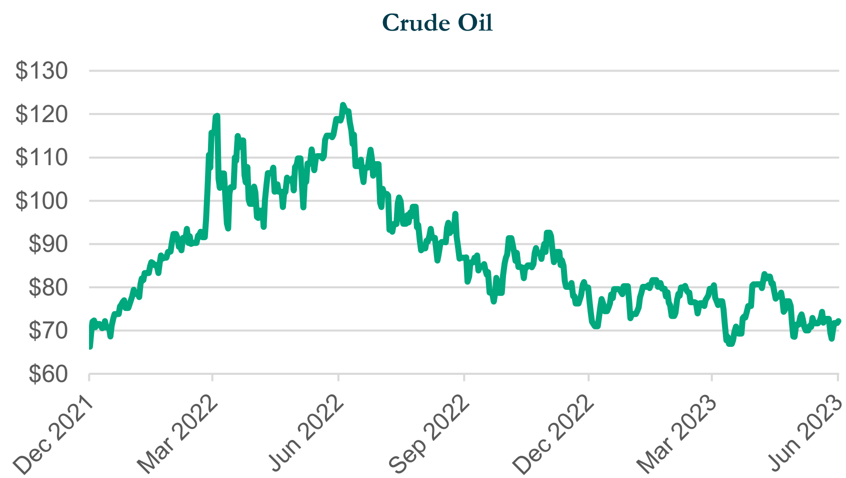
	Headline	Impact	Valuation Consideration
Syndicated Loan Market	▪ Syndicated new issuance volume remained well below historical levels, however market conditions did show some improvement during the quarter ▪ Spreads in the US were tighter in Q2 2023 compared to Q1 2023 ▪ While the forward curve shows SOFR coming down throughout the rest of 2023, the entire curve has shifted up since 3/31/23 ▪ Interest burdens remain high and market participants continue to monitor FED policy	↗	Quarter over quarter value changes will generally be positively impacted by the Synthetic Rating Analysis
Company Fundamentals	▪ Companies continued to show strong fundamental performance in Q1 2023 ▪ 2023 full year EBITDA budgets reflect expected growth of 9.8% vs actual growth of 3.2% in 2022; Lincoln will be especially focused how actual performance compares to these budgets ▪ Despite generally strong fundamental performance, default rates of private companies tracked in Lincoln's database have risen for 5 straight quarters ▪ Higher debt service costs are pressuring coverage ratios; reduced capex spending, sponsor equity infusions and PIK interest in amendments have been used to address these situations	↗	While fundamental performance has remained resilient, we anticipate cash flow management to become increasingly important for both lenders and sponsors
Macroeconomic Indicators	▪ As Lincoln monitors market conditions, FED interest rate actions and economic conditions impacting fundamental company performance are key drivers for the private markets ▪ On the following pages, we highlight certain macro indicators we are watching	→	There continues to be positive signs as the CPI, spot price of crude oil, and global freight rate declined and consumer sentiment remained stable

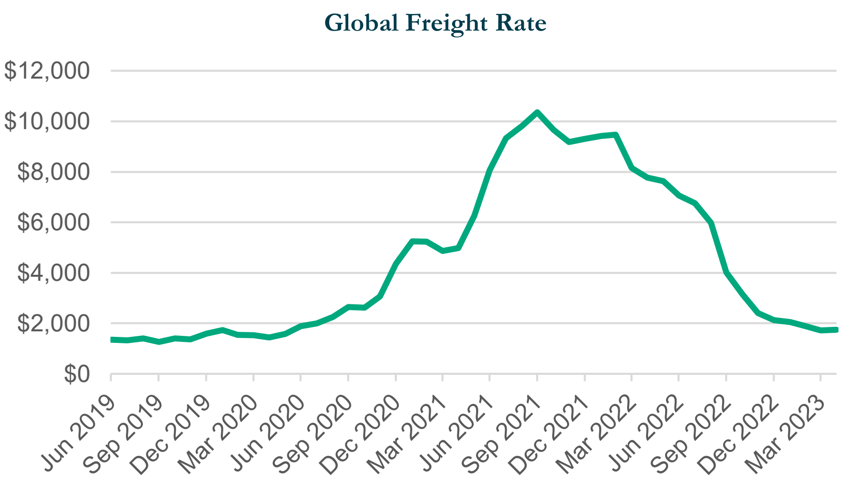
Note: Red reflects an unfavorable movement, green reflects a favorable movement, black reflects neutral movement.

Macroeconomic Data: What Are We Watching?







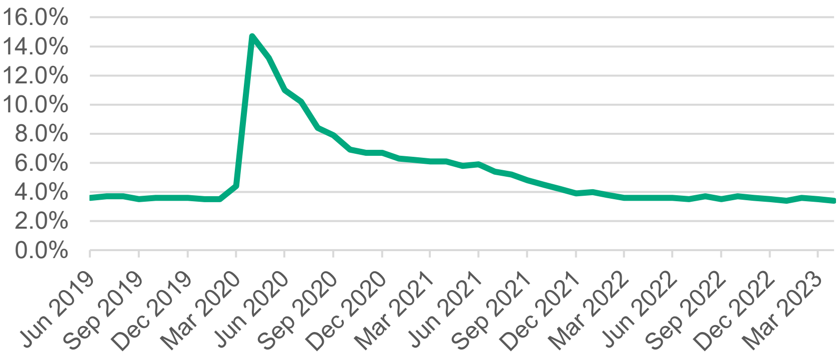


While the CPI is coming down, Core Inflation remains sticky. Oil prices and freight costs have returned to pre-Covid levels, which is good news for industrial businesses.

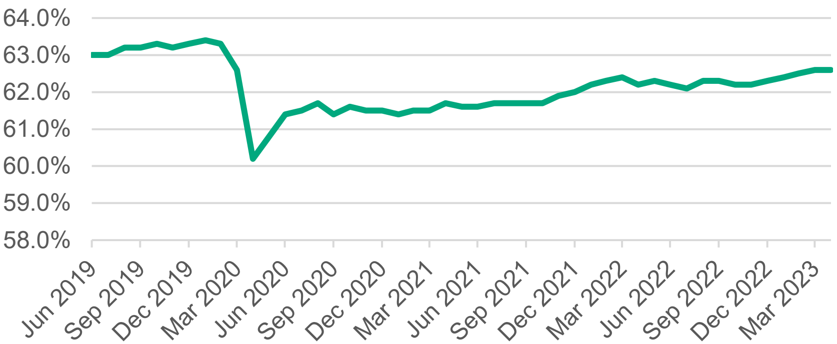
Sources: Statista, Bureau of Labor Statistics, MacroMicro, Institute of Social Research (University of Michigan), ISM, Capital, IQ.
Note: The global freight rate tracks the freight costs of 40-foot containers via eight major routes, including spot rates and short-term contract rates.

Macroeconomic Data: What Are We Watching?

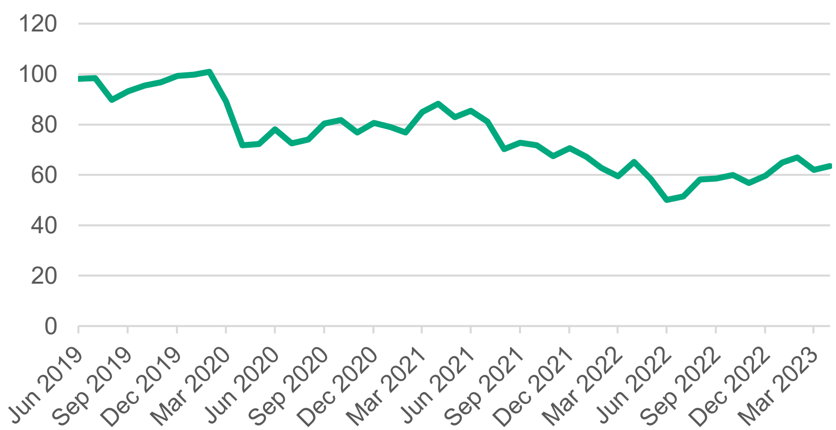
Unemployment Rate



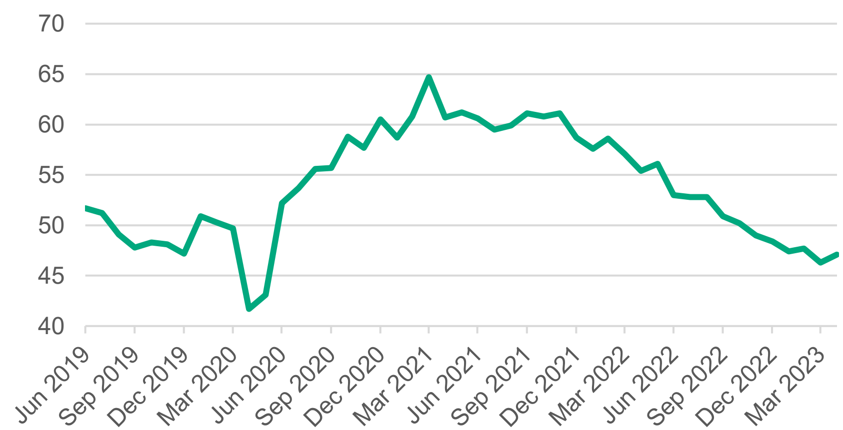
Labor Participation Rate



Consumer Sentiment



Manufacturing Purchasing Managers' Index



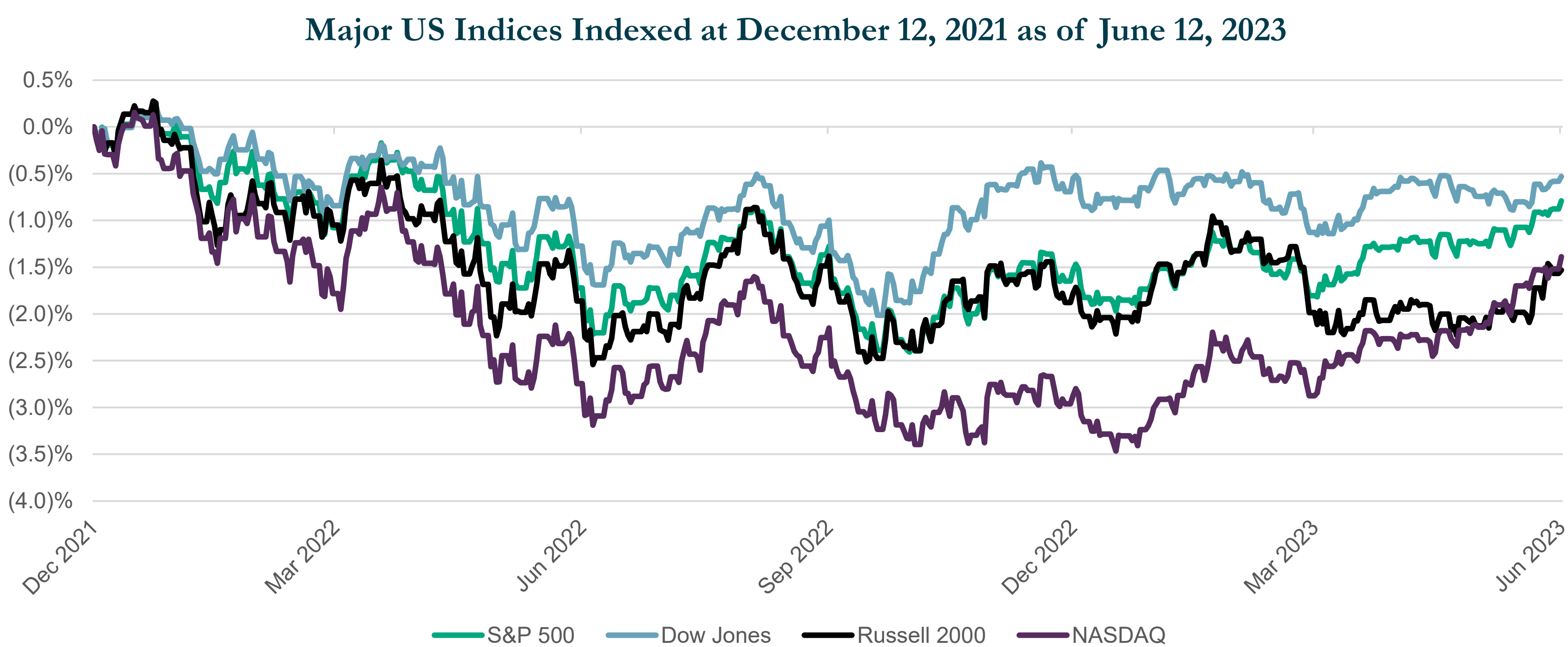
Unemployment remains low and Labor Participation remains below pre-Covid levels, adding to a tight labor market. While consumer sentiment held steady in Q2 2023, the manufacturing purchasing managers' index declined.

Sources: Statista, Bureau of Labor Statistics, MacroMicro, Institute of Social Research (University of Michigan), ISM, Capital, IQ.

Enterprise Values

Section 2

U.S. Equity Markets

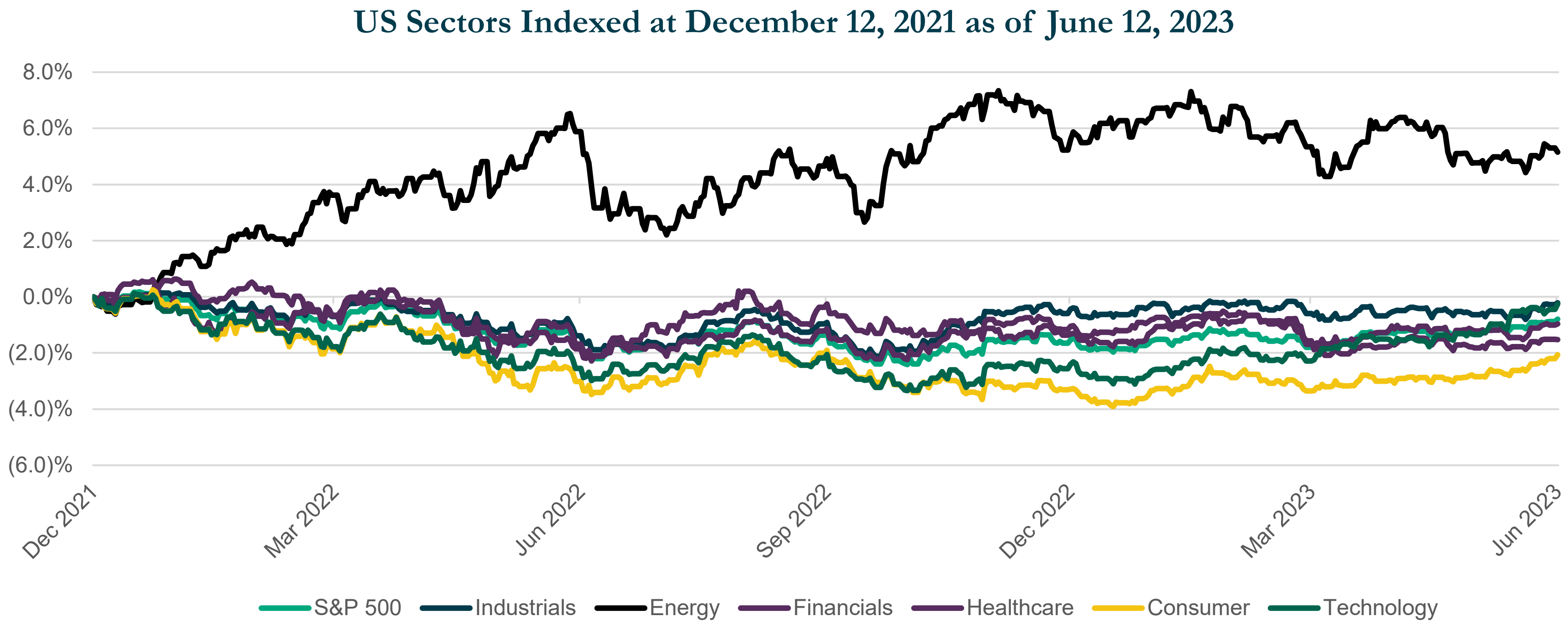


	FY 2021	FY 2022	Q1 Return	Q2 Return	YTD Return	LTM	2 Year CAGR
S&P 500	26.9%	(19.4%)	7.0%	5.6%	13.0%	11.2%	1.1%
Dow Jones	18.7%	(8.8%)	0.4%	2.4%	2.8%	8.5%	(0.6%)
Russell 2000	13.7%	(21.6%)	2.3%	3.9%	6.4%	4.1%	(10.4%)
NASDAQ	21.4%	(33.1%)	16.8%	10.1%	28.6%	18.7%	(2.2%)

The public markets sustained material declines in 2022; however, markets stabilized and generally improved in the year-to-date period, with the S&P up 13.0% and the Nasdaq up 28.6%, primarily elevated by large tech stocks.

Source: S&P Capital IQ
Note: Represents S&P 500 sectors

S&P 500 - Equity Values by Sector

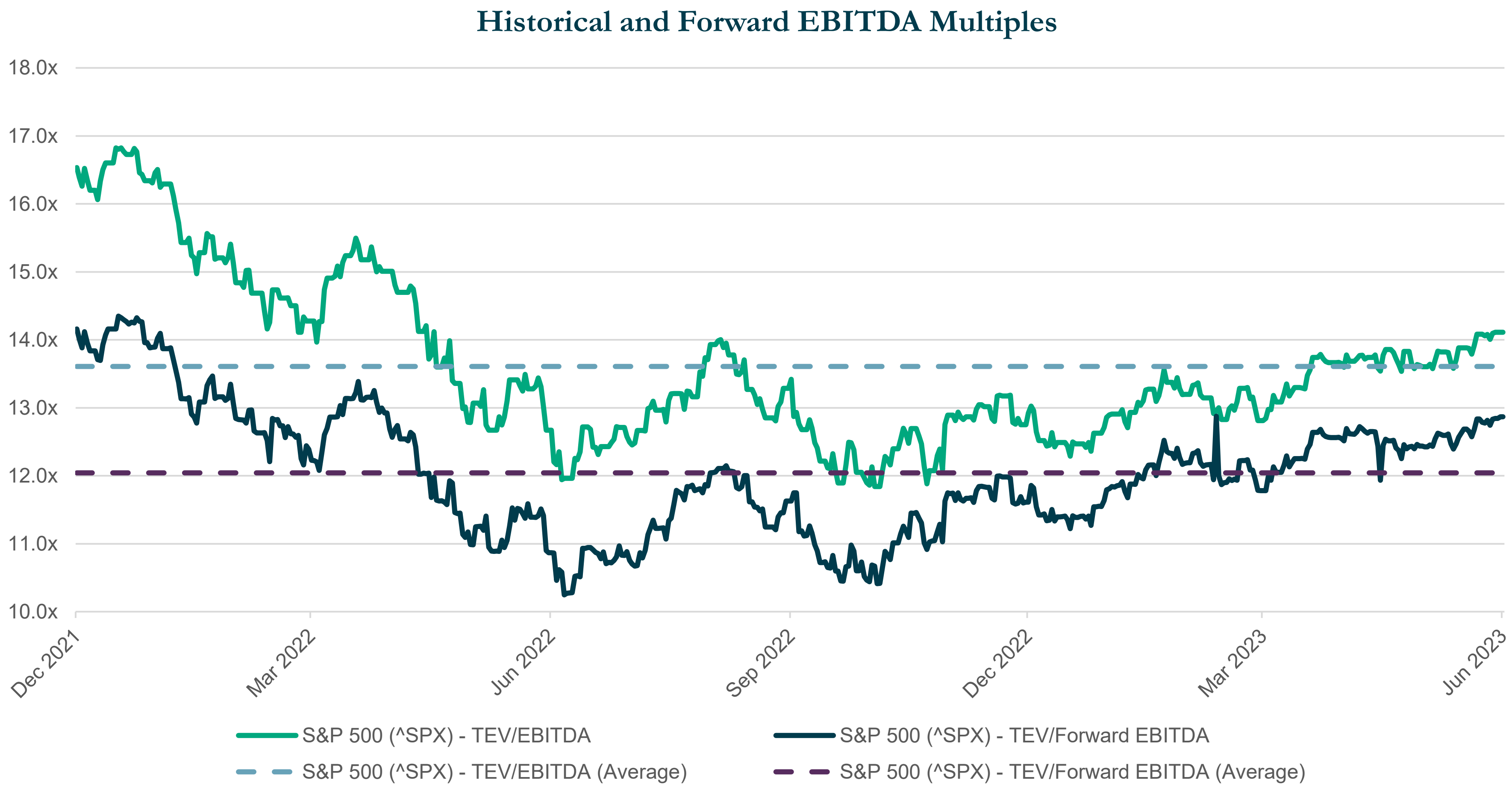


	FY 2021	FY 2022	Q1 Return	Q2 Return	YTD Return	LTM Return	2 Year CAGR
S&P 500	26.9%	(19.4%)	7.0%	5.6%	13.0%	11.2%	1.1%
Industrials	19.4%	(7.1%)	3.0%	1.5%	4.6%	13.6%	(0.2%)
Energy	54.6%	65.7%	(4.7%)	(2.4%)	(6.9%)	(4.6%)	27.0%
Financials	32.5%	(12.4%)	(6.0%)	2.6%	(3.6%)	2.0%	(6.1%)
Healthcare	9.4%	(20.1%)	1.8%	5.5%	7.4%	10.8%	(11.1%)
Consumer	23.7%	(37.6%)	15.8%	10.0%	27.4%	13.6%	(4.0%)
Technology	33.4%	(28.9%)	21.5%	13.3%	37.7%	30.8%	9.6%

Sector results were mixed through Q2 2023. Technology continued its strong FY 2023 performance, moving up over 35.0%, while energy and financials lagged with negative percentage changes.

Source: S&P Capital IQ
Note: Represents S&P 500 sectors

S&P 500 Multiples

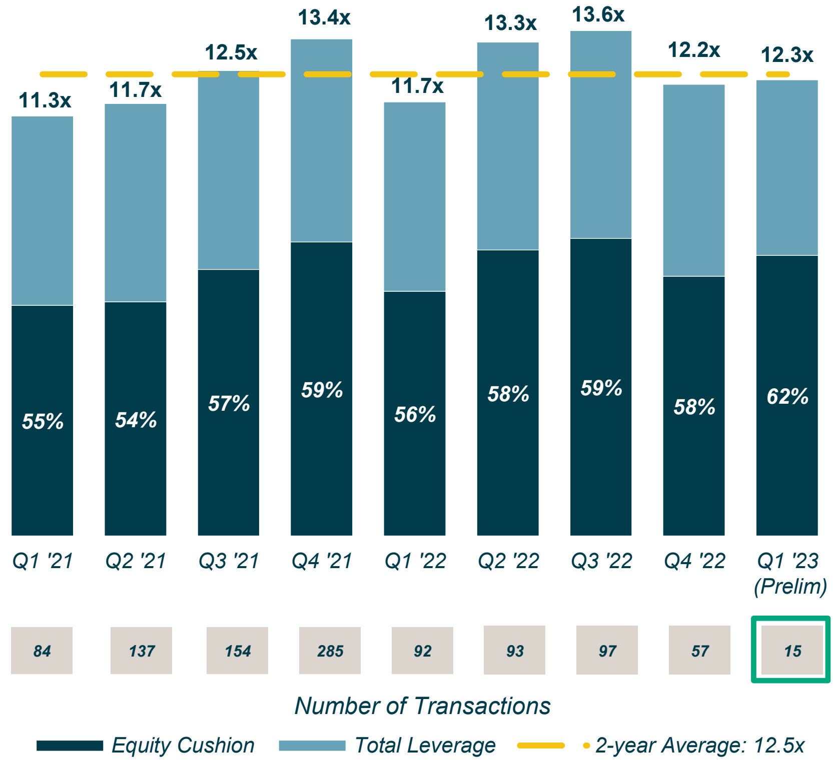


Multiples continued to rise through Q2 2023 and are now above the average levels since December 2021. Earnings for S&P 500 companies were down 2.2% in Q1 2023 and Q2 2023 earnings are expected to be down 5.2% (estimated by FactSet).

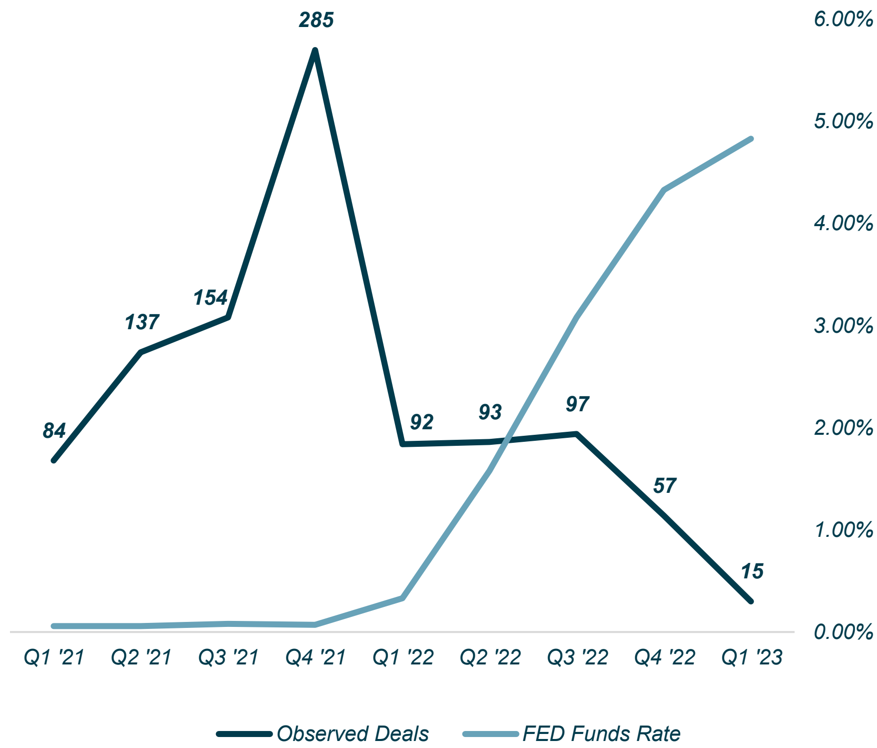
Source: S&P Capital IQ
Note: Multiples represent multiples within the S&P 500 Index

Private Market M&A Trends

EV / LTM EBITDA Transaction Multiples



FED Funds Rate & Observed Deal Activity

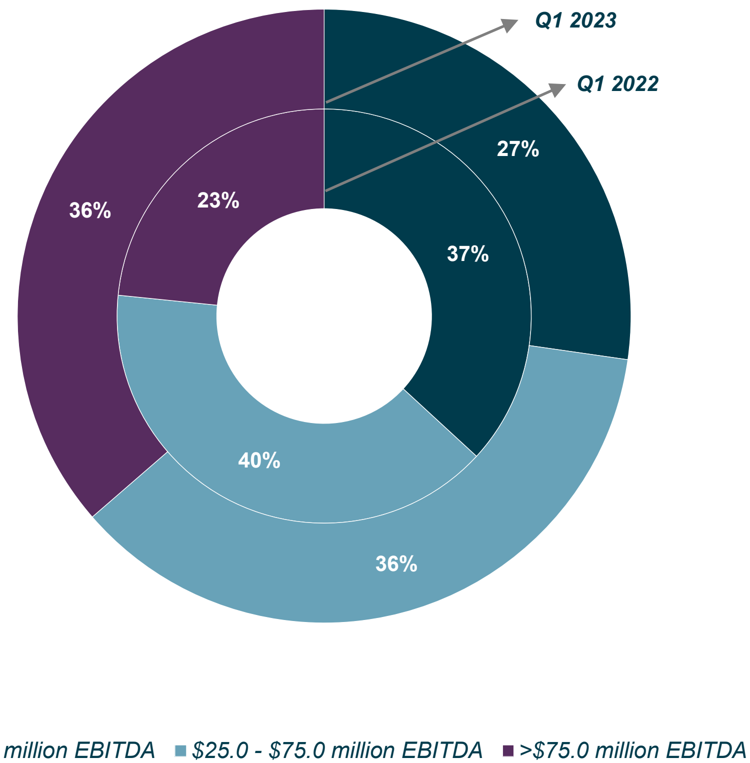


M&A activity declined in Q1 2023, with deals completed having higher-than-average equity cushions. The decline in M&A activity has been highly correlated to the Fed's rate increases.

Source: Lincoln Valuations and Opinions Group Proprietary Database.

Breakout of Lincoln Observed Third-Party Transactions

Q1 2023 transactions were generally larger than transactions a year ago, with most deals requiring at least a 50% equity cushion



55% ⬆ 93%

Q1 2022 vs Q1 2023

Acquisitions with Equity Cushion >50%

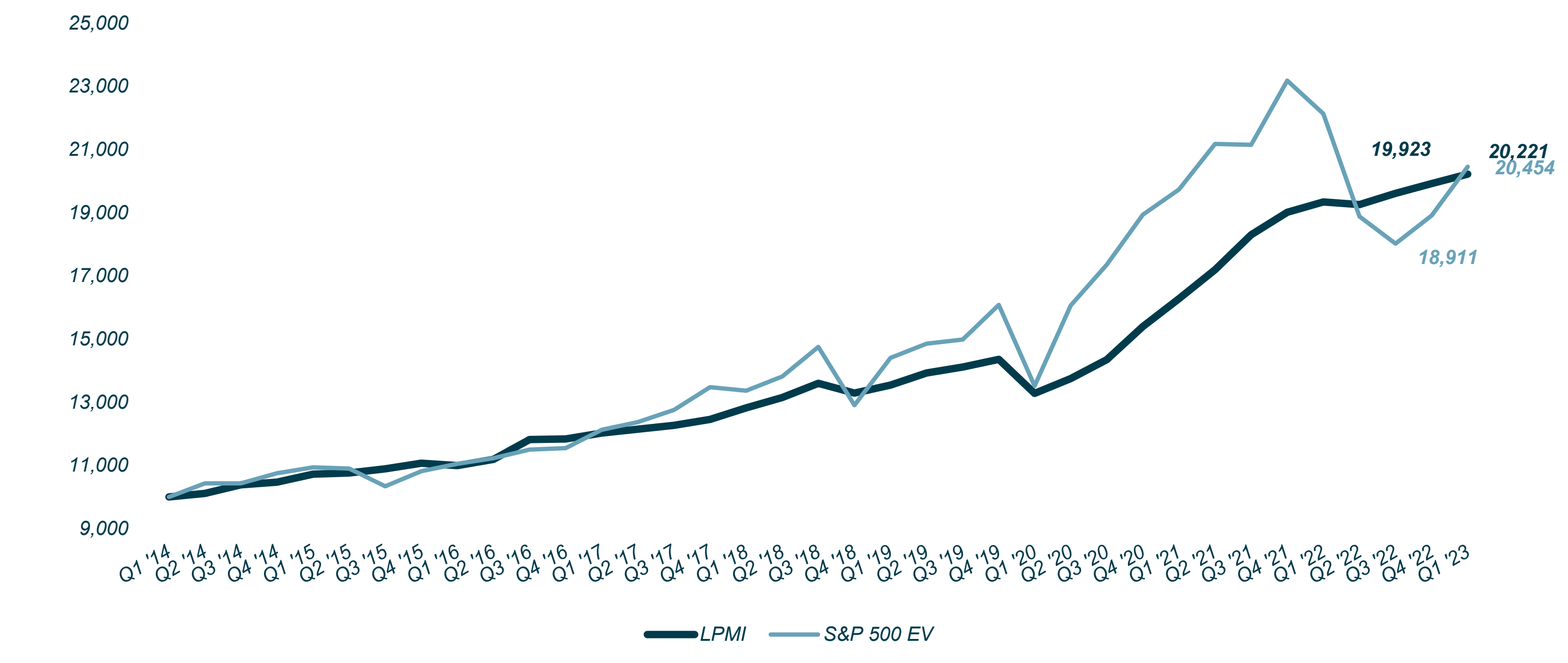
19% ⬆ 33%

Q1 2022 vs Q1 2023

Acquisitions with Enterprise Value >$1B

Source: Lincoln Valuations and Opinions Group Proprietary Database.

Lincoln Private Market Index
Index vs. S&P 500 Enterprise Values

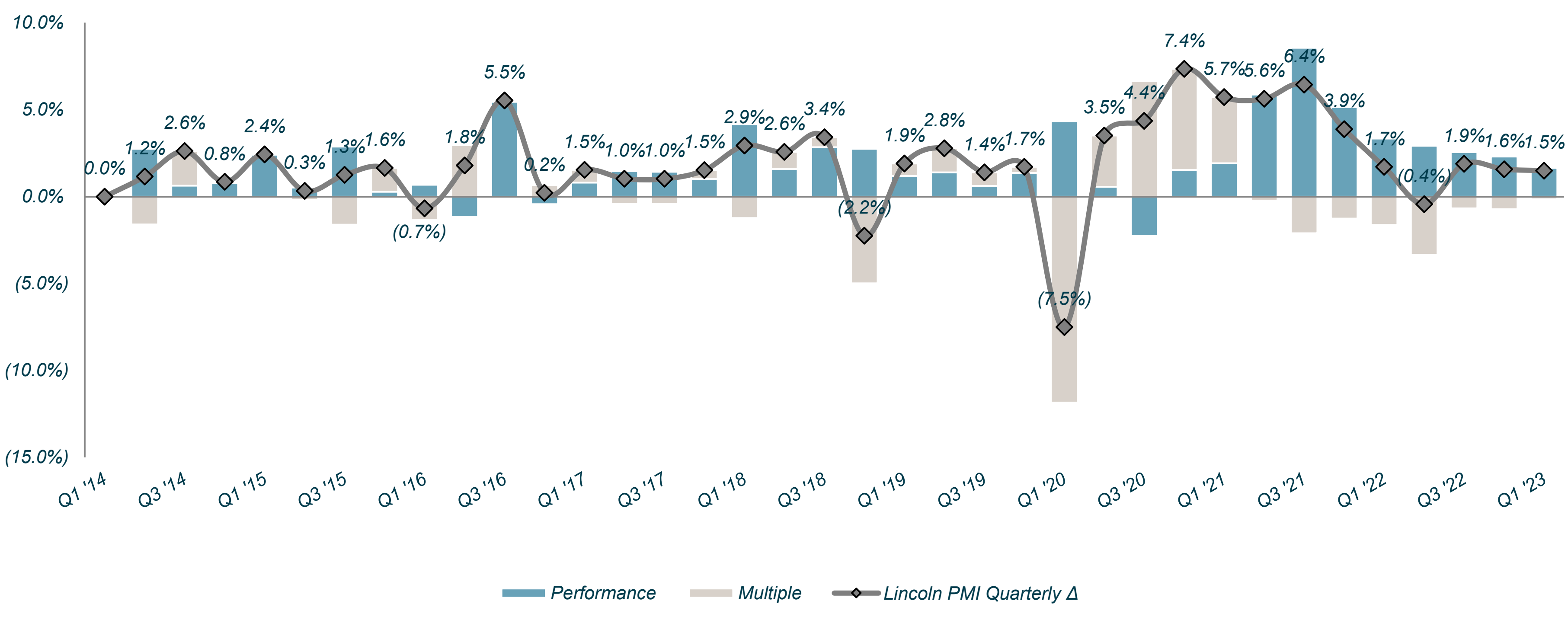


	Q2 '22	Q3 '22	Q4 '22	Q1 '23	LTM
LPMI	(0.4%)	1.9%	1.6%	1.5%	4.6%
S&P 500 EV	(14.7%)	(4.6%)	5.0%	8.2%	(7.6%)

In Q1, the LPMI continued to exhibit steady growth. Over time, growth in enterprise values as represented by the LPMI (private market) and S&P 500 EV (public market) have converged to essentially the same level. However, the public market has exhibited much greater volatility.

Source: Lincoln Valuations and Opinions Group Proprietary Database.
Note: LPMI reflects a subsection of the companies valued each quarter, including private companies each generating earnings before interest, taxes, depreciation and amortization of less than $100.0 million, disregarding venture-stage businesses and non-operating entities, such as special purpose entities that own real estate and specialty finance assets; S&P 500 EV excludes financial companies for which enterprise value is generally not meaningful; including such companies produces qualitatively similar results

Lincoln Private Market Index
Index Drivers: Multiples vs Earnings



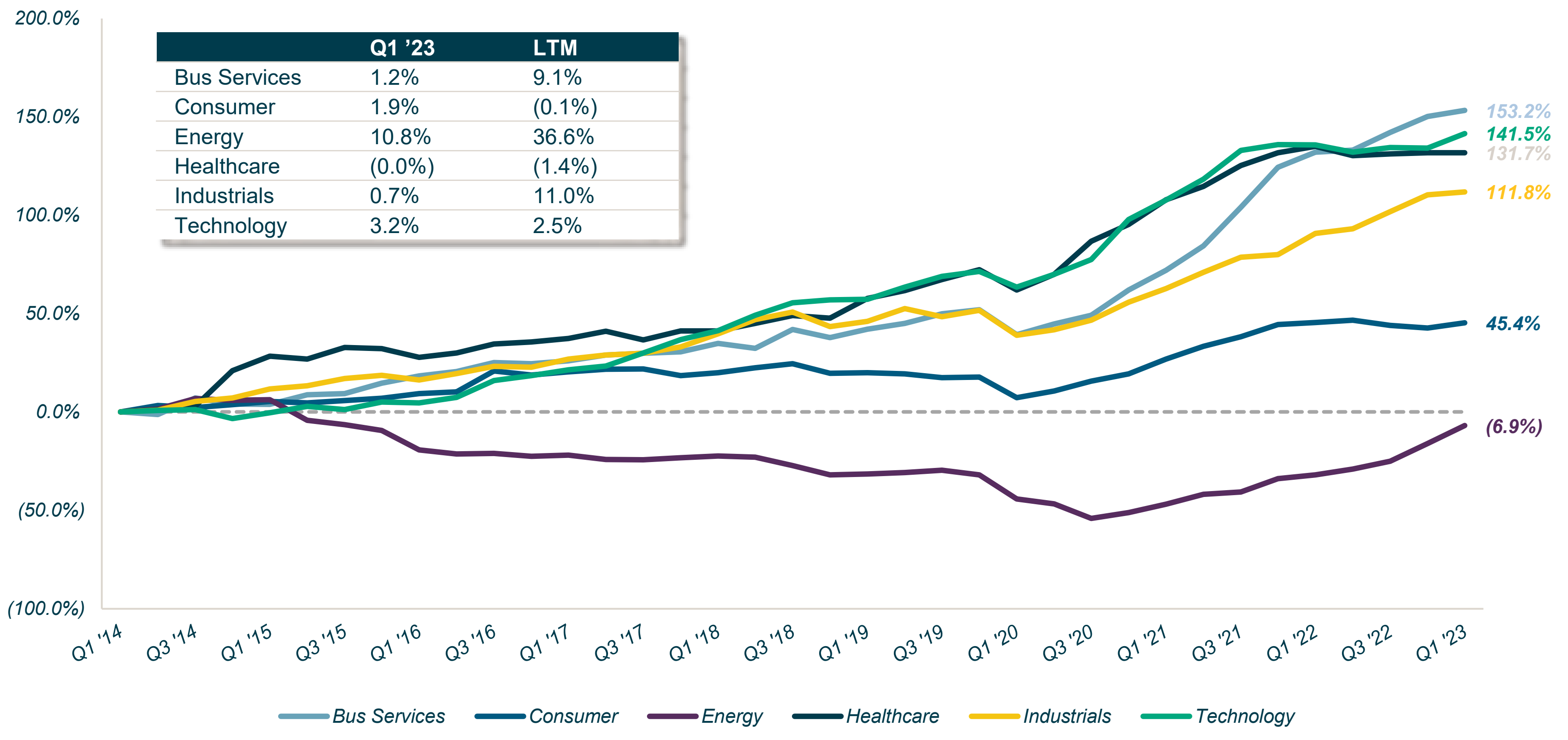
	EBITDA Performance				EBITDA Multiples				EV Growth			
	Q2 '22	Q3 '22	Q4 '22	Q1 '23	Q2 '22	Q3 '22	Q4 '22	Q1 '23	Q2 '22	Q3 '22	Q4 '22	Q1 '23
LPMI	2.9%	2.6%	2.3%	1.6%	(3.4%)	(0.7%)	(0.7%)	(0.1%)	(0.4%)	1.9%	1.6%	1.5%
S&P 500	1.3%	2.3%	0.8%	0.8%	(16.0%)	(6.8%)	4.2%	7.3%	(14.7%)	(4.6%)	5.0%	8.2%

LPMI increased in the current period driven by resilient fundamental performance, whereas the S&P 500 saw an increase based on multiple expansion.

Source: Lincoln Valuations and Opinions Group Proprietary Database.
Note: LPMI reflects a subsection of the companies valued each quarter, including private companies each generating earnings before interest, taxes, depreciation and amortization of less than $100.0 million, disregarding venture-stage businesses and non-operating entities, such as special purpose entities that own real estate and specialty finance assets; S&P 500 EV excludes financial companies for which enterprise value is generally not meaningful; including such companies produces qualitatively similar results

Lincoln Private Market Index
Industry Performance – Enterprise Value

	Q1 '23	LTM
Bus Services	1.2%	9.1%
Consumer	1.9%	(0.1%)
Energy	10.8%	36.6%
Healthcare	(0.0%)	(1.4%)
Industrials	0.7%	11.0%
Technology	3.2%	2.5%



One industry's underperformance that may have come as a surprise is Healthcare. The underperformance also led to Healthcare being the weakest performer in the LPMI in Q1 2023

Despite declining LTM EBITDA performance and continued headwinds in the Consumer industry, enterprise values increased for the first time since Q2 2022

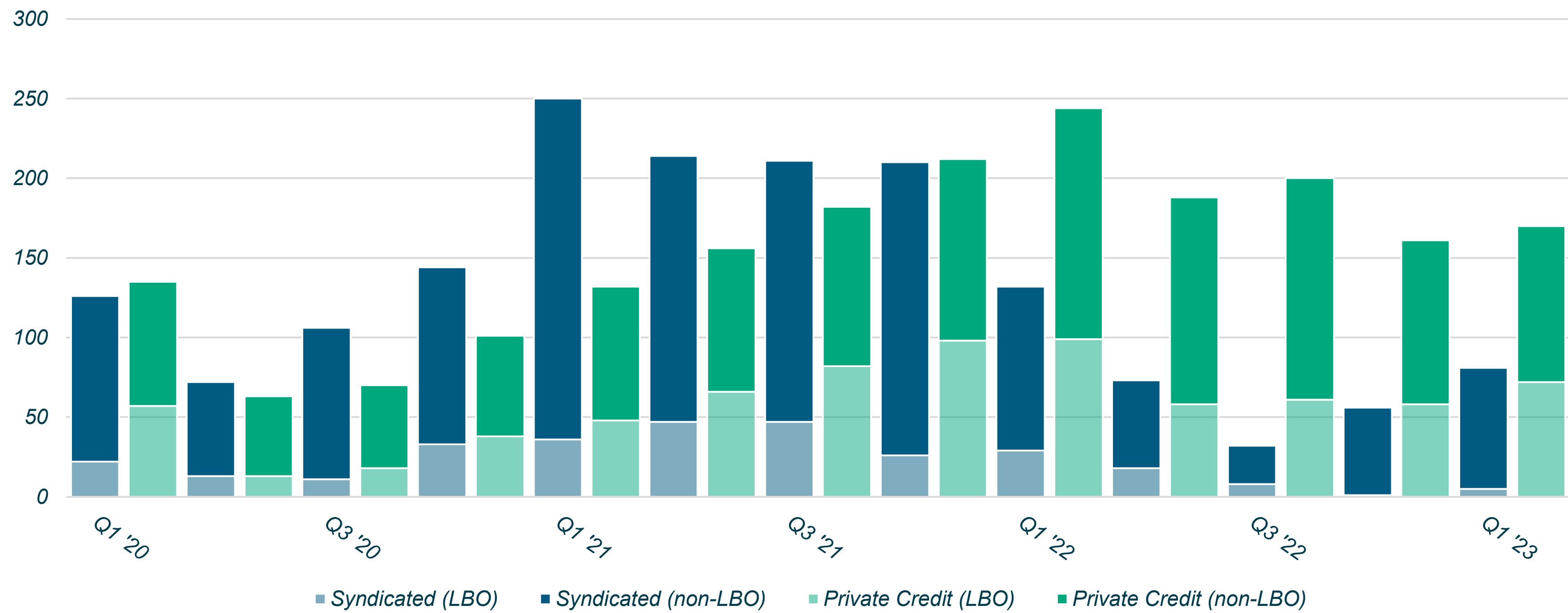
Source: Lincoln Proprietary Database.
Note: LPMI reflects a subsection of the companies valued each quarter, including private companies each generating earnings before interest, taxes, depreciation and amortization of less than $100.0 million, disregarding venture-stage businesses and non-operating entities, such as special purpose entities that own real estate and specialty finance assets; S&P 500 EV excludes financial companies for which enterprise value is generally not meaningful; including such companies produces qualitatively similar results

Private Debt Market: Reunderwriting Analysis

Section 3

Private Credit is increasingly taking share from the syndicated markets

New issuances increasingly favor the private market as <u>over 70%</u> of new deals since the start of 2022 have gone to the private markets



Given the significant amount of funds raised by private credit, many deals that used to go to the syndicated markets can now be placed in the private markets.

Source: LCD

Private Credit Market Snapshot (New Transactions)

Equity Cushion

50%+

Required Equity Cushion

1L / Unitranche Pricing

75-125 bps

Increase in spread since 2021

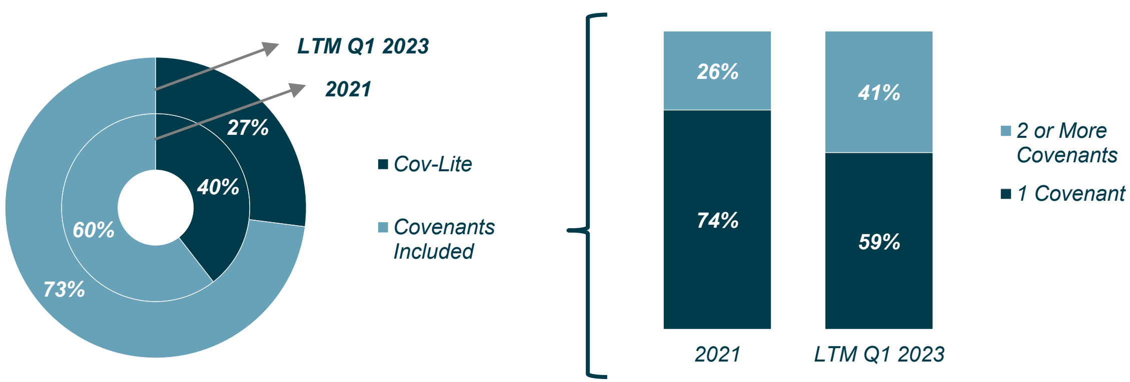
OID

~97%

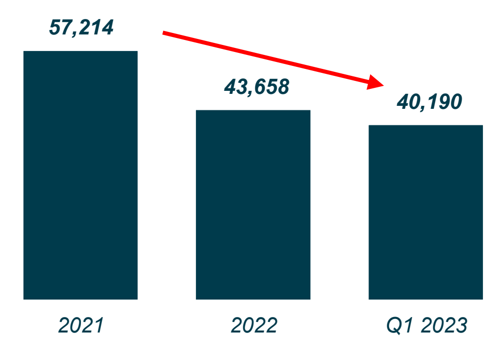
Average issuance price in Q1 2023

Lenders have been increasing the required number of covenants and decreasing their average hold sizes for new transactions as there has been increased lender scrutiny when underwriting deals

New Transactions - Covenants



Average Lender Hold Size



New deals have been underwritten with higher equity cushions, increased pricing, and higher closing fees than in recent years

Source: Lincoln Valuations and Opinions Group Proprietary Database.

Private Market Pricing and Leverage

EBITDA Security Type	<$15mm of EBITDA Pricing	EBITDA Multiples	$15mm to $40mm of EBITDA Pricing	EBITDA Multiples	$40-100mm of EBITDA Pricing	EBITDA Multiples	>$100mm of EBITDA Pricing	EBITDA Multiples
Asset Based Senior	S + 200 - 300 bps	N / A	S + 150 - 250 bps	N / A	S + 150 - 250 bps	N / A	S + 150 - 250 bps	N / A
Cash Flow Senior	S + 500 - 600 bps	2.50x - 3.50x	S + 475 - 575 bps	3.00x - 4.00x	S + 475 - 550 bps	3.50x - 4.50x	S + 475 - 550 bps	3.50x - 4.50x
Senior Stretch	S + 550 - 650 bps	3.00x - 4.00x	S + 525 - 625 bps	3.50x - 4.50x	S + 500 - 600 bps	4.00x - 5.00x	S + 500 - 600 bps	4.00x - 5.00x
Unitranche	S + 625 - 725 bps	4.00x - 5.00x	S + 625 - 700 bps	4.50x - 5.50x	S + 600 - 700 bps	5.00x - 6.00x	S + 600 - 700 bps	5.00x - 6.00x
2nd Lien Loans	N / A	N / A	S + 850 - 975 bps	4.50x - 5.50x	S + 850 - 925 bps	5.00x - 6.00x	S + 850 - 925 bps	5.00x - 6.00x
Sub Debt	Cash of 12.0% - 13.5% PIK of 1.0% - 2.0% All-in of 13.0% - 15.5%	4.00x - 5.00x	Cash of 11.0% - 12.5% PIK of 1.0% - 2.0% All-in of 12.0% - 14.5%	4.50x - 5.50x	Cash of 11.0% - 12.5% PIK of 1.0% - 2.0% All-in of 12.0% - 14.5%	5.00x - 6.00x	Cash of 11.0% - 12.5% PIK of 1.0% - 2.0% All-in of 12.0% - 14.5%	5.00x - 6.00x
Preferred	All-in of 17.0% - 21.0%	Approximately 15%+ of Total Capitalization	All-in of 16.0% - 20.0%	Approximately 15%+ of Total Capitalization	All-in of 14.0% - 18.0%	Approximately 15%+ of Total Capitalization	All-in of 14.0% - 18.0%	Approximately 15%+ of Total Capitalization
Equity	All-in of 22.0% - 27.0%	Approximately 50%+ of Total Capitalization (inclusive of Preferred)	All-in of 20.0% - 25.0%	Approximately 45%+ of Total Capitalization (inclusive of Preferred)	All-in of 17.0% - 22.0%	Approximately 45%+ of Total Capitalization (inclusive of Preferred)	All-in of 17.0% - 22.0%	Approximately 45%+ of Total Capitalization (inclusive of Preferred)

The above spreads exclude any impact from OID

Deal activity YTD 2023 continues to be slow in comparison to the same period last year. Despite this, based on discussions with Lincoln's Capital Advisory Group, review of 3rd party data, and views of market participants, deals that have closed YTD 2023 have been relatively in line with the prior period levels. As such, there were no updates to the information above this quarter.

The rising rate environment has resulted in a decrease in the amount of traditional debt available to borrowers. As a result, lenders and investors are using structured capital solutions (e.g., HoldCo PIK notes, as an example) to fill the gap between traditional debt and common equity. Such securities typically provide downside protection to the investor (like debt) while also capturing additional return or upside (like equity). As a result, beginning in Q2 2023, Lincoln has incorporated information on preferred equity into the information above. This is intended to capture market participants' requirements for structured capital.

Note: Based on credit spread data and leverage multiples from private, direct lending transactions observed by Lincoln's M&A business, Capital Advisory Group, Proprietary Database and other third-party sources.

Change in the Private Market Pricing and Leverage from Prior Quarter

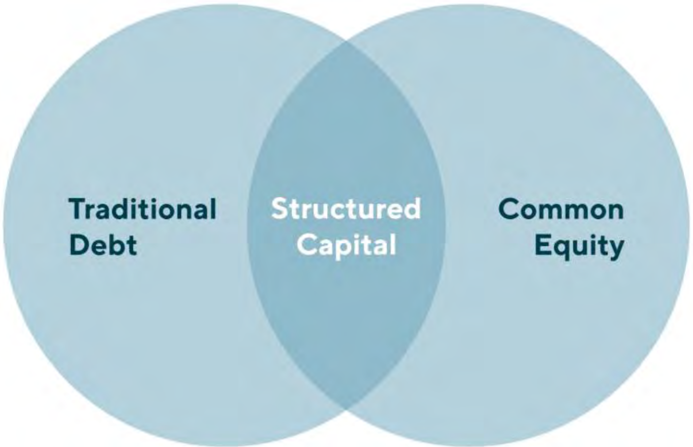
EBITDA:	<$15mm of EBITDA			$15mm to $40mm of EBITDA			>$40mm of EBITDA		
Security Type	Feb 2023	May 2023	Difference	Feb 2023	May 2023	Difference	Feb 2023	May 2023	Difference
Asset Based Senior	S + 250	S + 250	**0**	S + 200	S + 200	**0**	S + 200	S + 200	**0**
Cash Flow Senior	S + 550	S + 550	**0**	S + 525	S + 525	**0**	S + 513	S + 513	**0**
Senior Stretch	S + 600	S + 600	**0**	S + 575	S + 575	**0**	S + 550	S + 550	**0**
Unitranche	S + 675	S + 675	**0**	S + 663	S + 663	**0**	S + 650	S + 650	**0**
2nd Lien Loans	NA	NA	NA	S + 913	S + 913	**0**	S + 888	S + 888	**0**
Sub Debt	14.3%	14.3%	**0.0%**	13.3%	13.3%	**0.0%**	13.3%	13.3%	**0.0%**

Note: Represents change from the Q1 2023 valuation period.

Private market spreads were stable from Q1 2023. Additionally, as noted herein, Lincoln has established an incremental size bucket for companies with over $100.0 million of LTM EBITDA and a Preferred bucket to capture the increase in structured financing solutions observed in the private markets over the prior year.

Note: Based on credit spread data and leverage multiples from private, direct lending transactions observed by Lincoln's M&A business, Capital Advisory Group, Proprietary Database and other third-party sources.

Structured Capital is Filling the Gaps



Expected Return

14% ⟷ 21%

Investors are more passive and debt-like with negative controls, board observation rights and covenants

Investors are generally equity-like with certain consent rights, board participation and "value-added angle"

MOIC	1.25x	1.25x – 1.50x	1.50x – 2.00x	1.75x – 2.00x	2.00x+

HoldCo PIK Notes | **Hybrid Notes** | **Redeemable Preferred Equity with Warrants** | **Convertible Preferred with Warrants**

With interest rates and input costs continuing to rise, structured capital is an alternative capital solution that is typically structured without cash interest payments

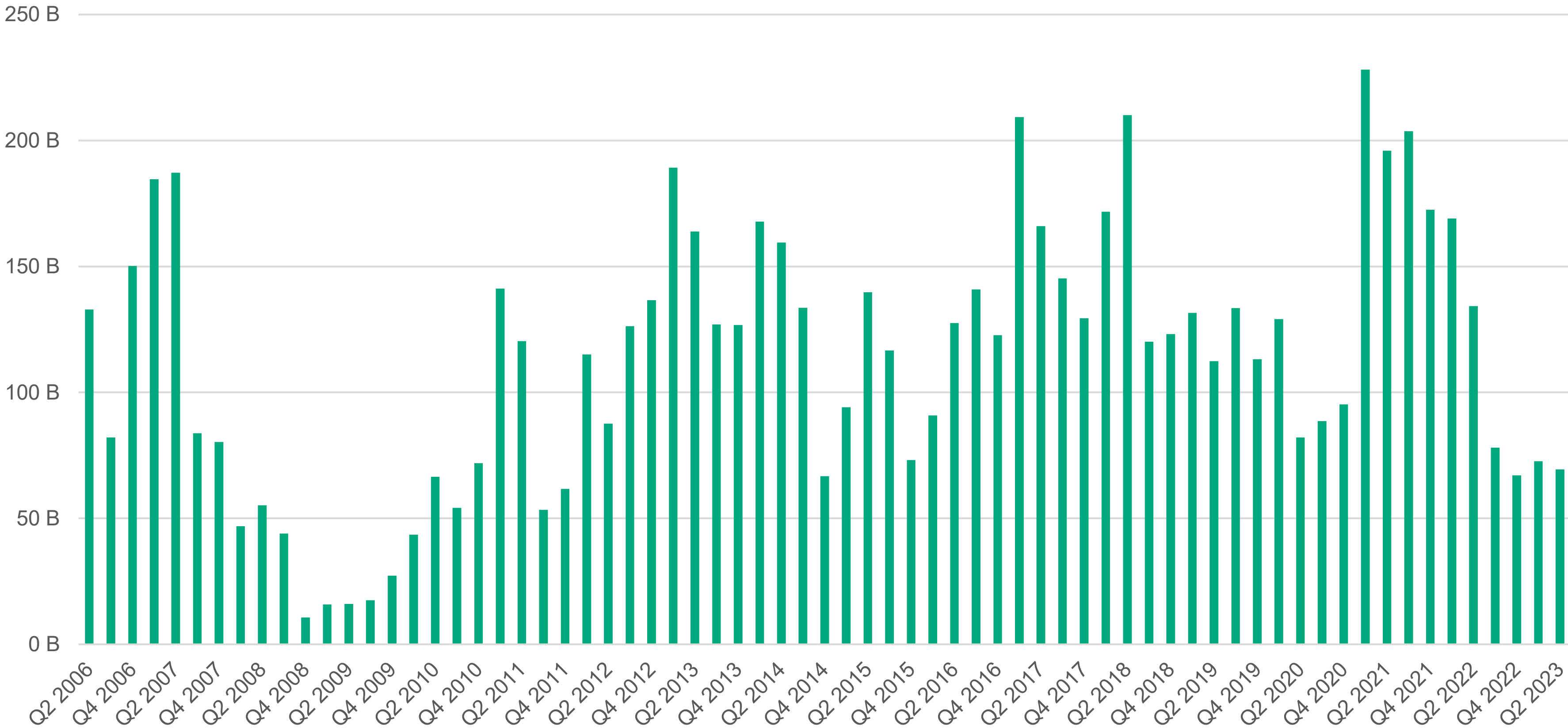
Source: Lincoln International

Broadly Syndicated Market: Synthetic Analysis

Section 4

Syndicated Market New Loan Issuance

Total Leveraged Loan Volume

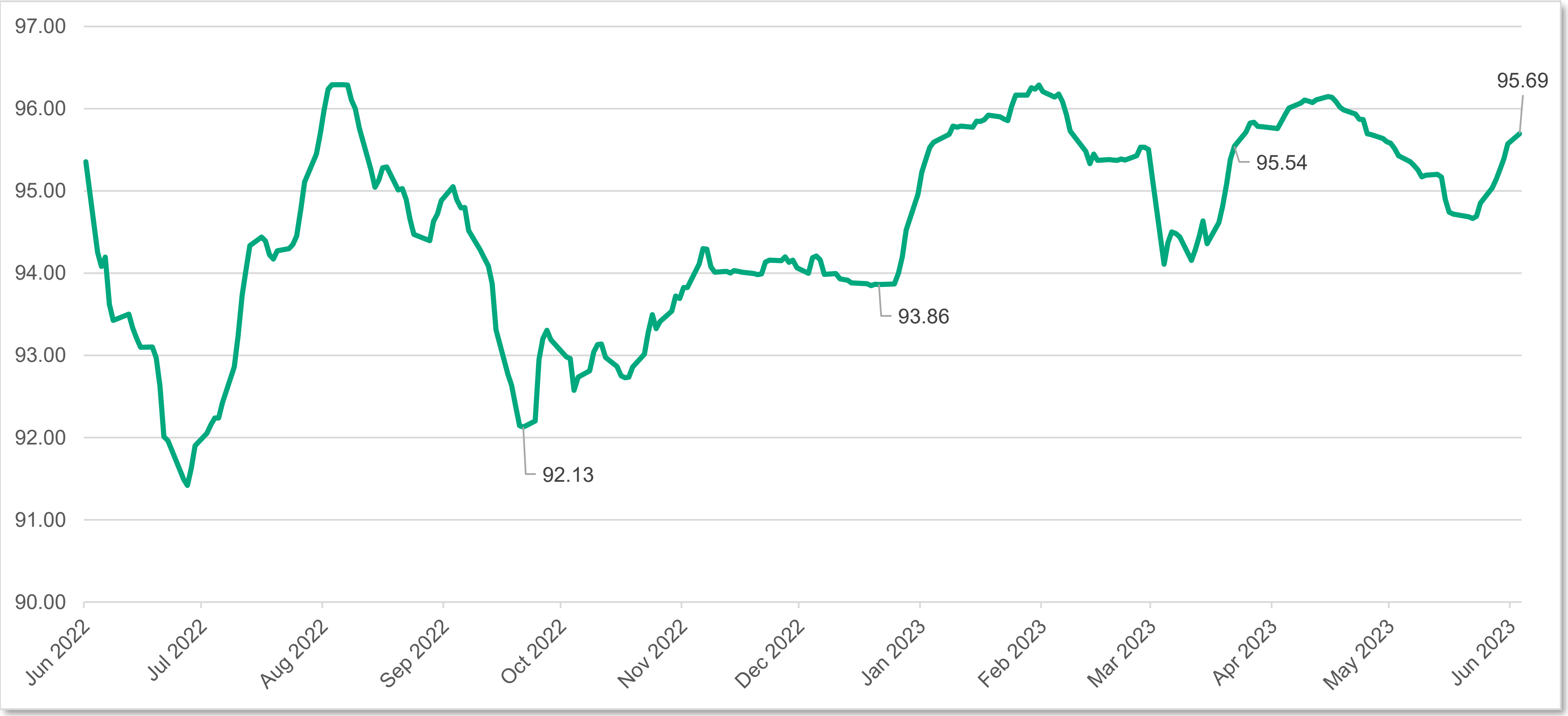


New syndicated loan market issuance has declined from its peak in 2021 and is at its lowest point since the Great Financial Crisis of 2008-2009.

Source: Morningstar; Data excludes defaults

Syndicated Market Average Bids

Average Bid over the Last Twelve Months

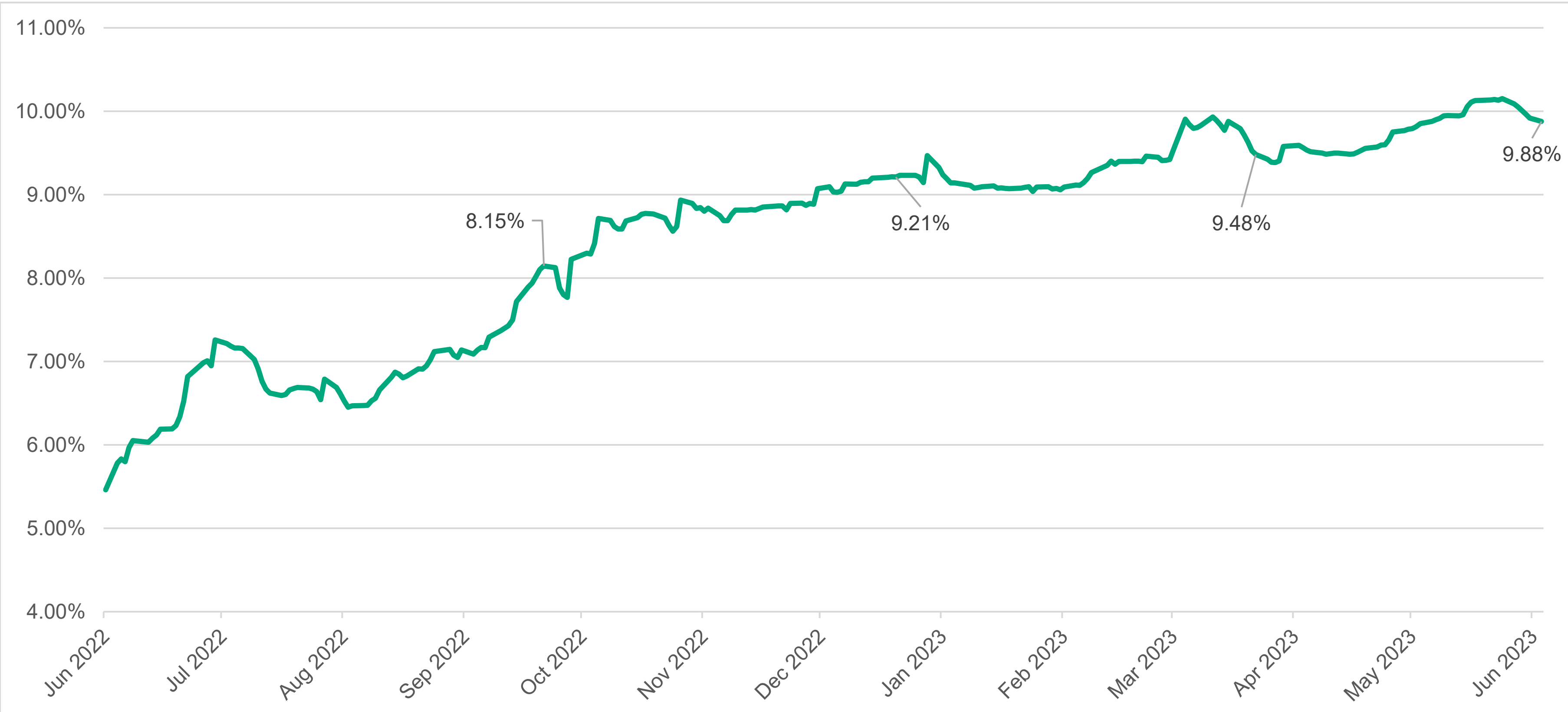


Since late July 2022, average bids in the BSL market have generally trended upward, however, with several periods of significant volatility over the LTM.

Source: Morningstar; Data excludes defaults

Morningstar Leveraged Loan Index ("LLI")

Yield to Maturity over the Last Twelve Months

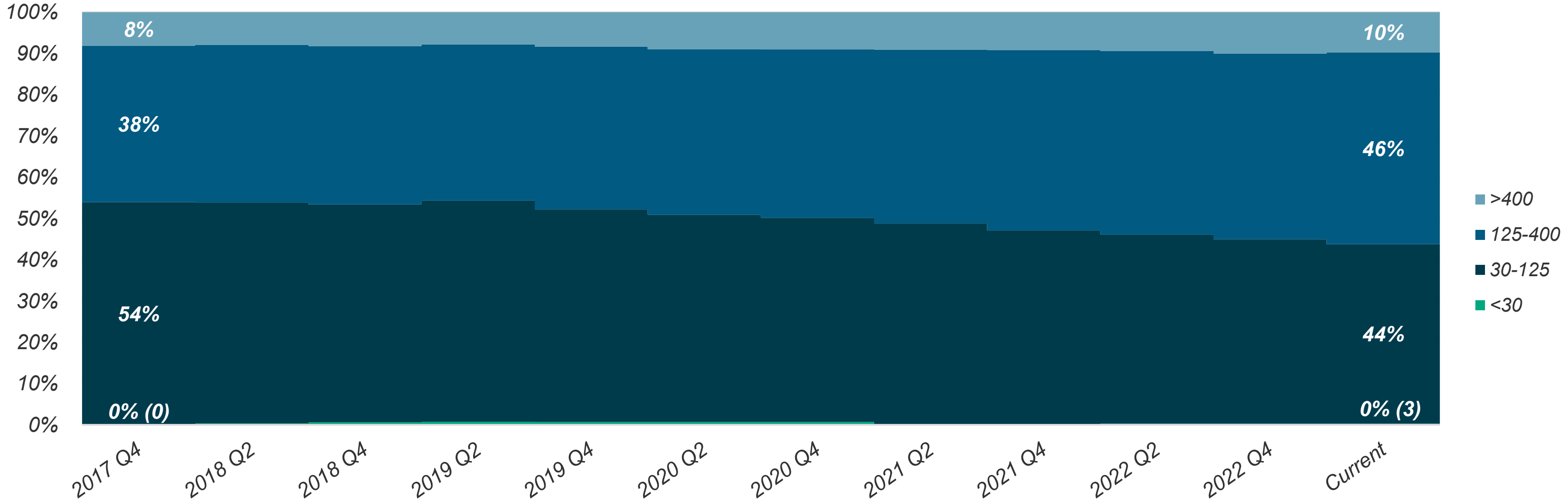


Yields in the broadly syndicated loan market increased throughout 2022 due to both increases in base rates as well as spread widening. Since Q4 2022, yields have increased through June.

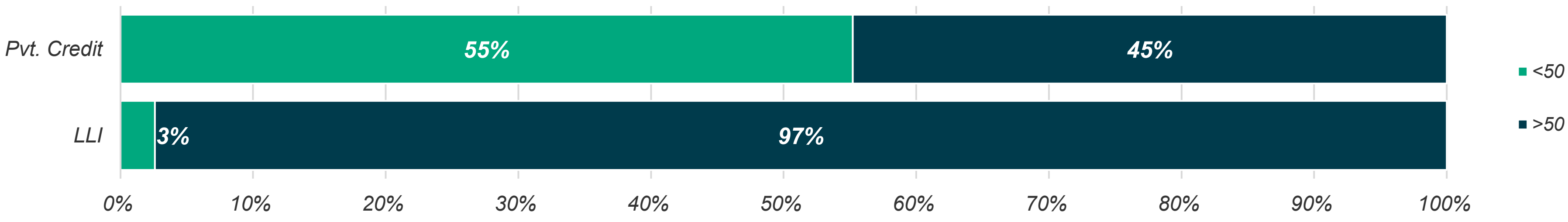
Source: Morningstar; Data excludes defaults

LLI is Increasingly Composed of Larger Companies Compared to the Direct Lending Space

Companies with less than 30mm of EBITDA make up an immaterial portion of the LLI while less than half the index has EBITDA less than 125mm and this portion of the index is declining…

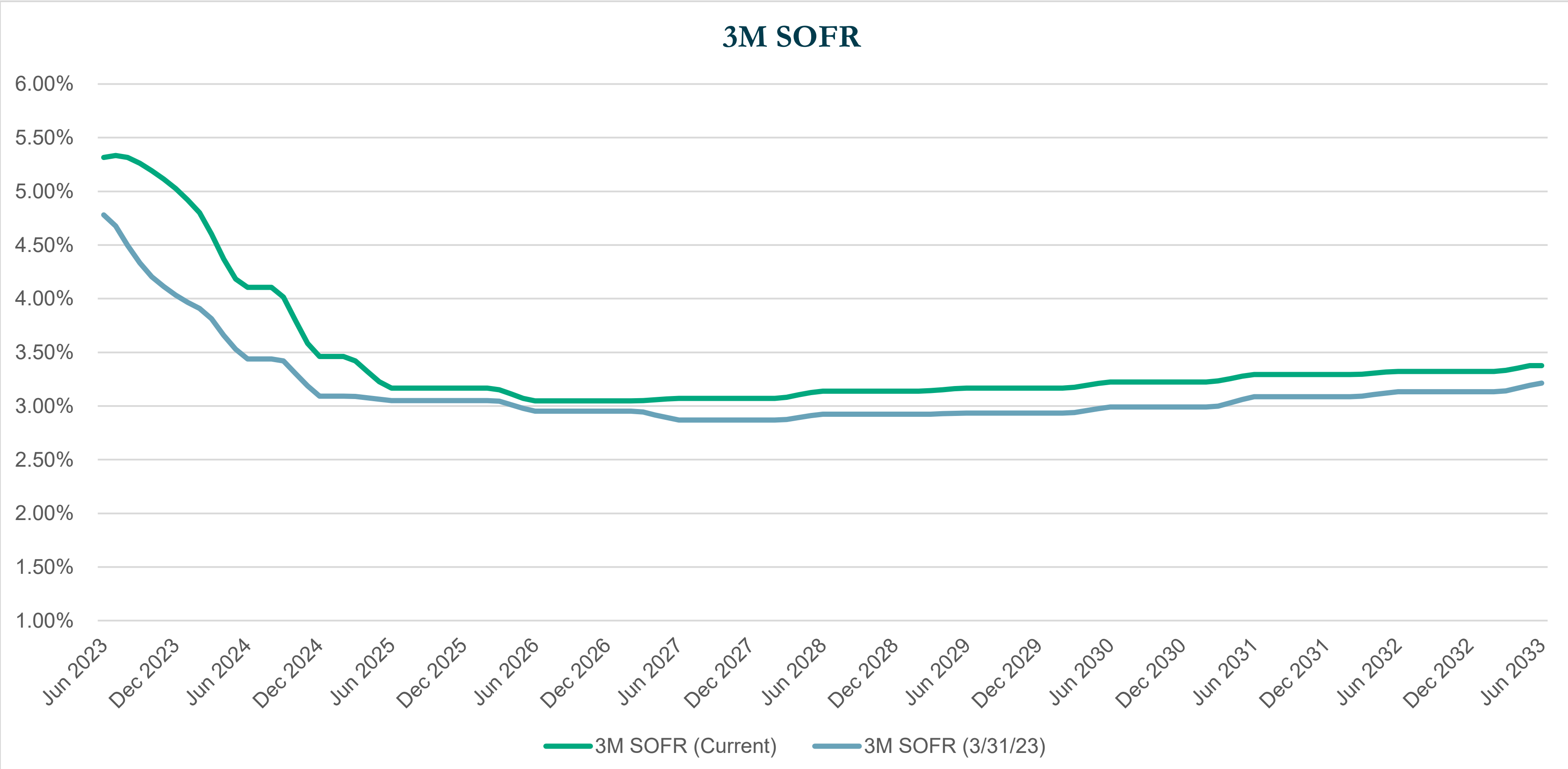


…whereas the composition of the direct lending market remains largely companies with less than 125mm of EBITDA, specifically those with less than 50mm of EBITDA.



Source: LCD, Lincoln estimates, Lincoln Proprietary Database
Note: EBITDA is not published by LCD and was thus estimated by Lincoln based on issue size and prevailing market leverage at issuance

SOFR Base Rate Forward Curve



While the forward curve shows SOFR coming down throughout the rest of 2023, the entire curve has shifted up since 3/31/23. Downward movement in SOFR would be beneficial for the loan markets but is highly dependent on Fed interest rate actions.

Source: Refinitiv Eikon

Synthetic Credit Rating Method – Discounted Spreads (U.S.)

Spread Estimates for U.S. Loans			
	3/31/2023	6/12/2023	Change
BBB-	241	225	(17)
BB+	254	246	(8)
BB	341	335	(6)
BB-	411	396	(16)
B+	420	398	(22)
B	546	509	(37)
B-	691	638	(53)
CCC+	1,162	1,070	(92)
CCC	1,197	1,127	(70)

	Adjustment Factors		
	3/31/2023	6/12/2023	Change
Subordination	3.60%	3.60%	0.00%
Unitranche	1.80%	1.80%	0.00%
Senior Strech	0.90%	0.90%	0.00%

The movement in U.S. spreads since the prior quarter will be driven in part by the underlying company rating which will be driven by the company's fundamental performance and underwriting considerations of each investment.

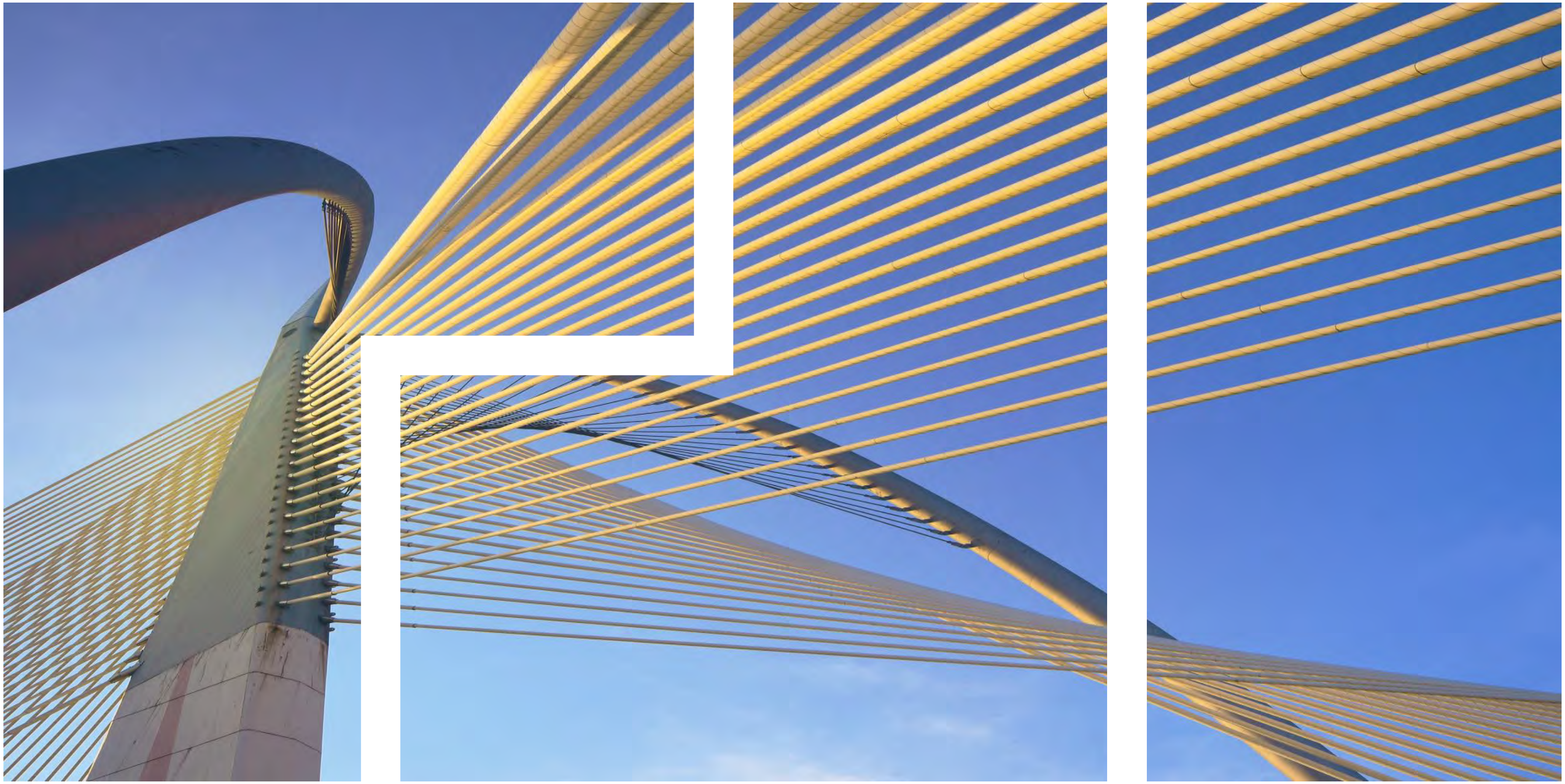
Since Q1 2023:

- ***All Loans –*** Since March 2023, spreads were tighter for B+ rated securities and lower

Note: Above data is presented net of the market floor (~100 bps) as observed in the BSL market

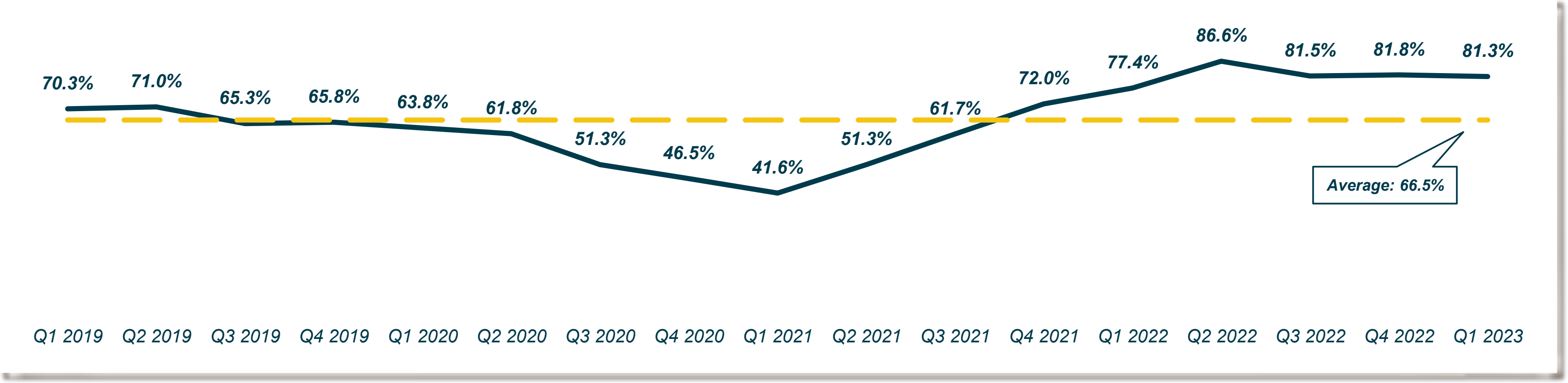
Company Performance Trends

Section 5

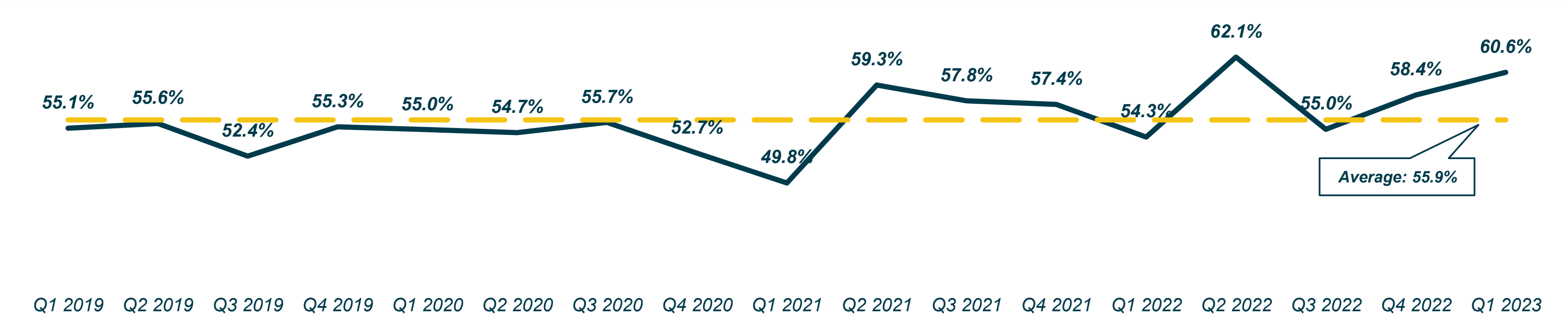


Portfolio Company Gainers and Decliners

Percentage of Companies Reporting YoY LTM Revenue Growth



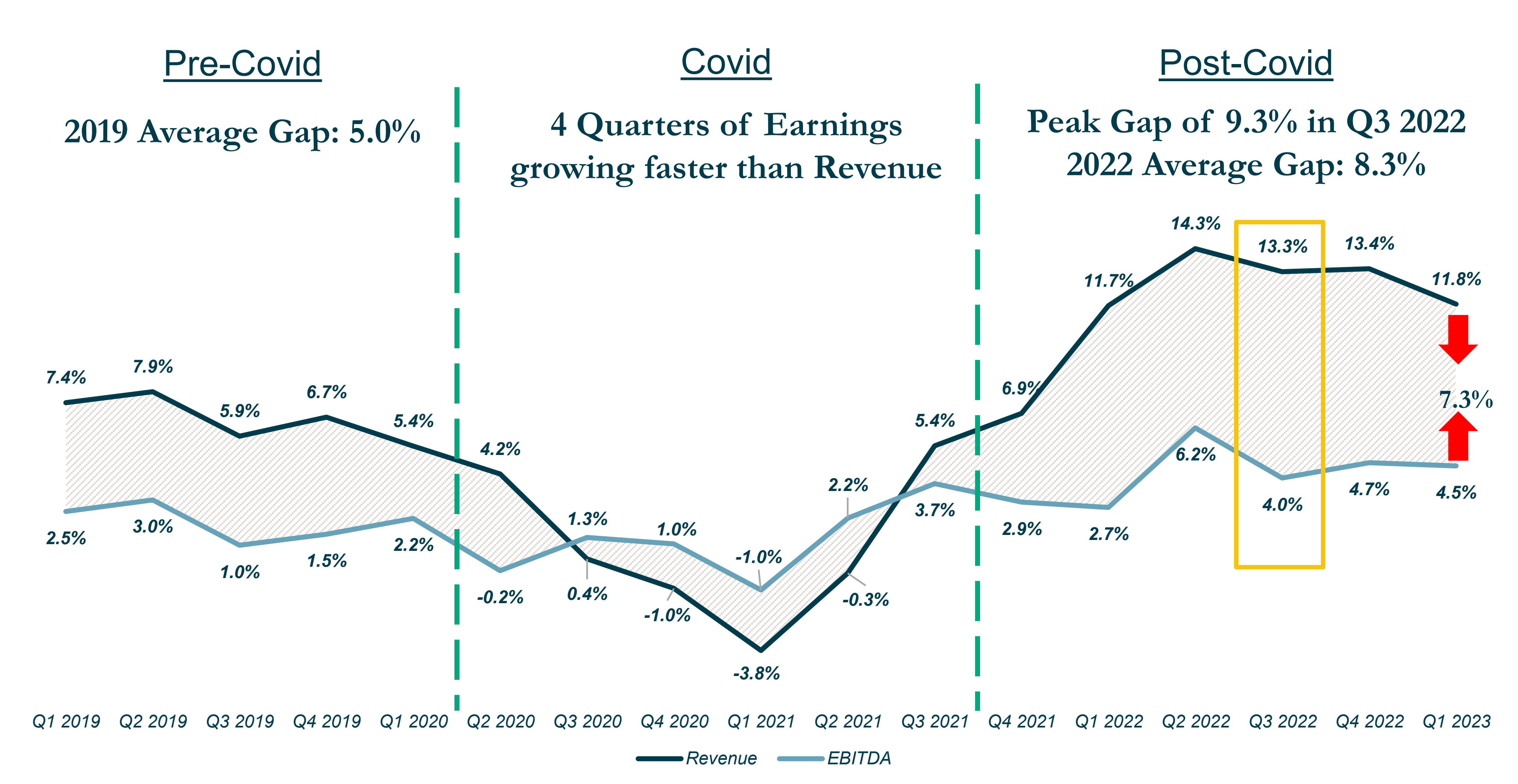
Percentage of Companies Reporting YoY LTM EBITDA Growth



Companies continued to show strong fundamental performance in Q1 2023, as more companies reported YoY growth. However, companies reporting YoY LTM EBITDA growth continued to lag companies reporting YoY LTM Revenue growth

Source: Lincoln Valuations and Opinions Group Proprietary Database.

YoY LTM Revenue & EBITDA Growth Magnitude

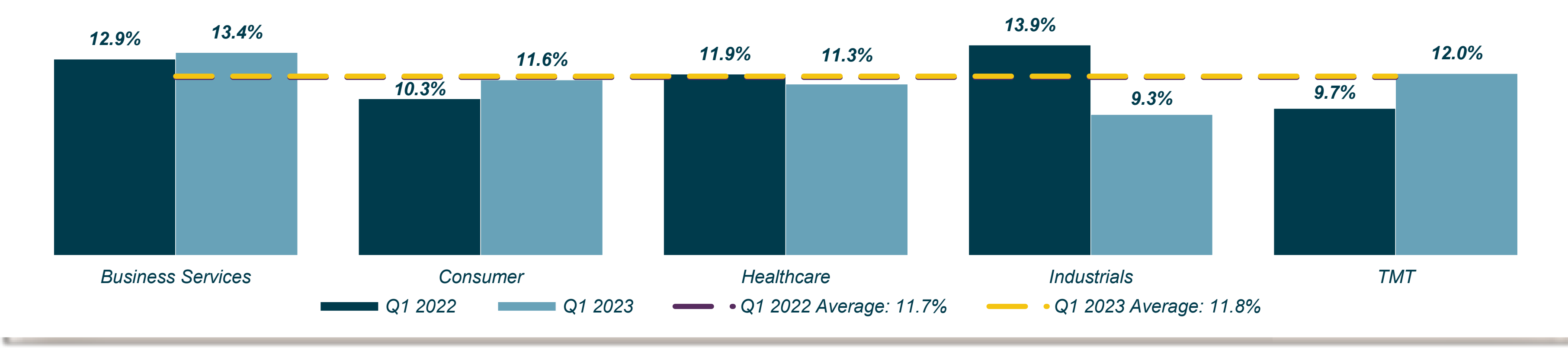


During the last several quarters, the magnitude of both revenue and EBITDA growth has been quite strong. However, as inflation has come down, we are seeing revenue growth moderate driving the spread in these figures back toward pre-Covid levels.

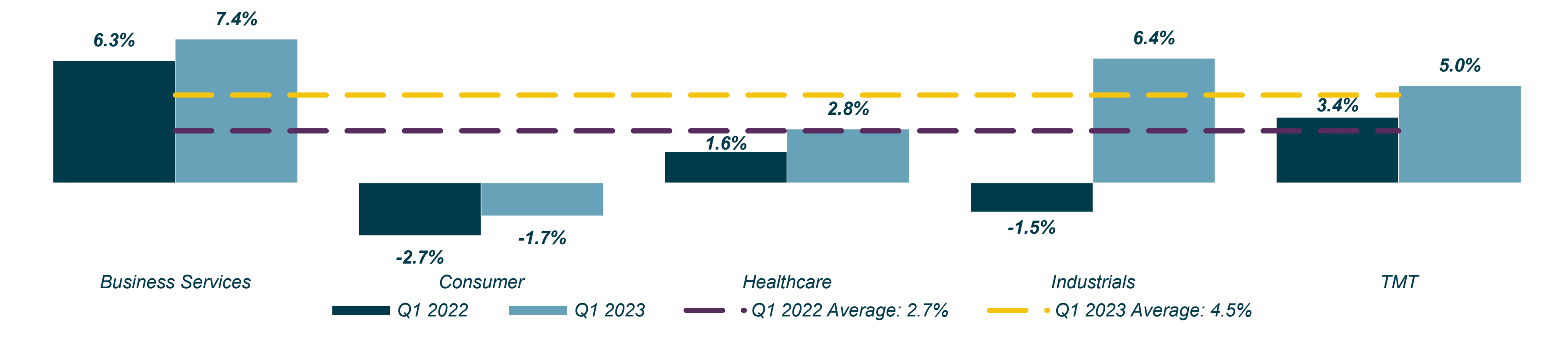
Source: Lincoln Valuations and Opinions Group Proprietary Database.

YoY LTM Revenue & EBITDA Growth Magnitude by Industry

YoY LTM Revenue Growth



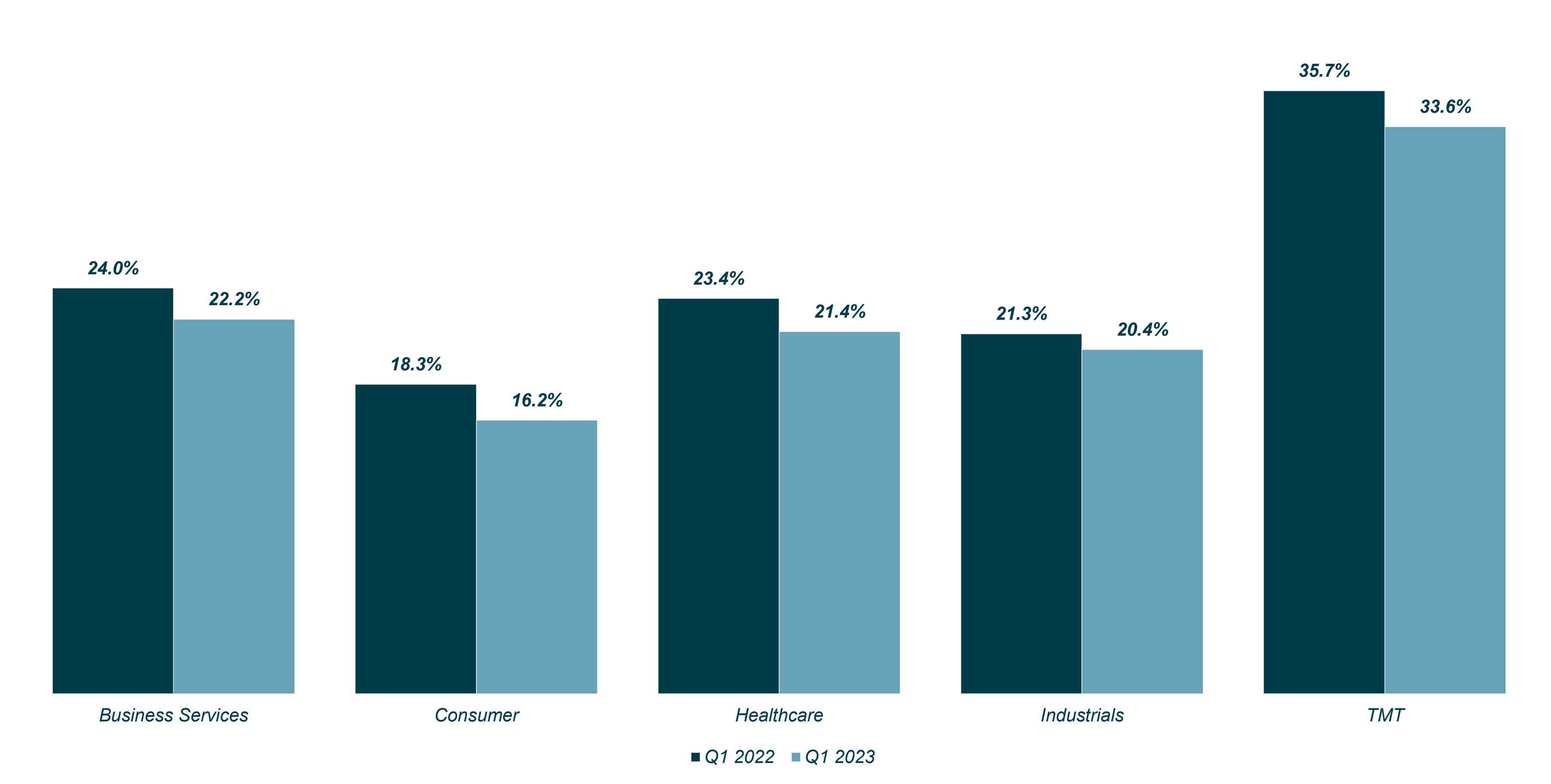
YoY LTM EBITDA Growth



Revenue growth continued to remain strong in Q1 2023, albeit stable year-over-year, and exceeded EBITDA growth as a result of rising input costs given inflationary pressures

Source: Lincoln Valuations and Opinions Group Proprietary Database.

LTM EBITDA Margins

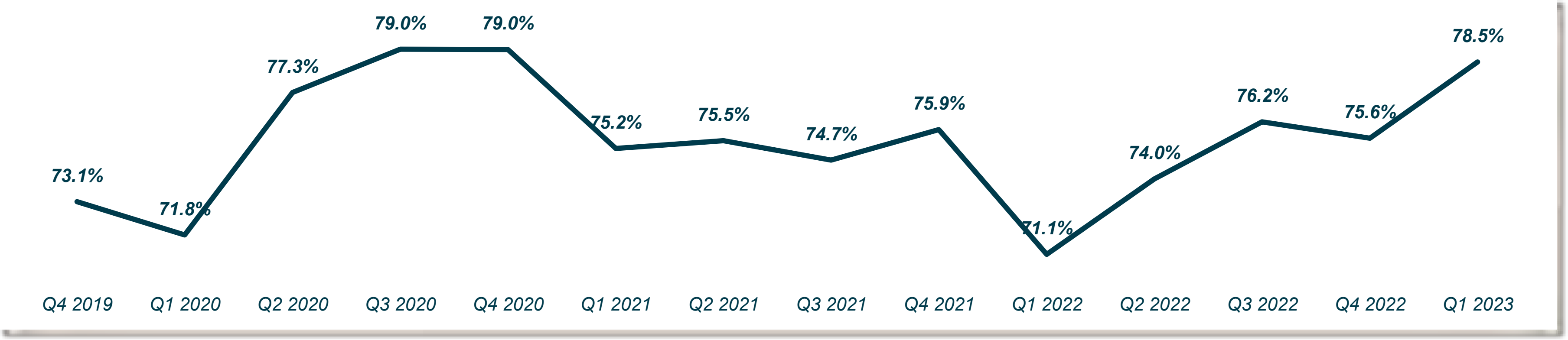


Margins contracted ~2% on average as EBITDA gains have not kept pace with revenue increases.

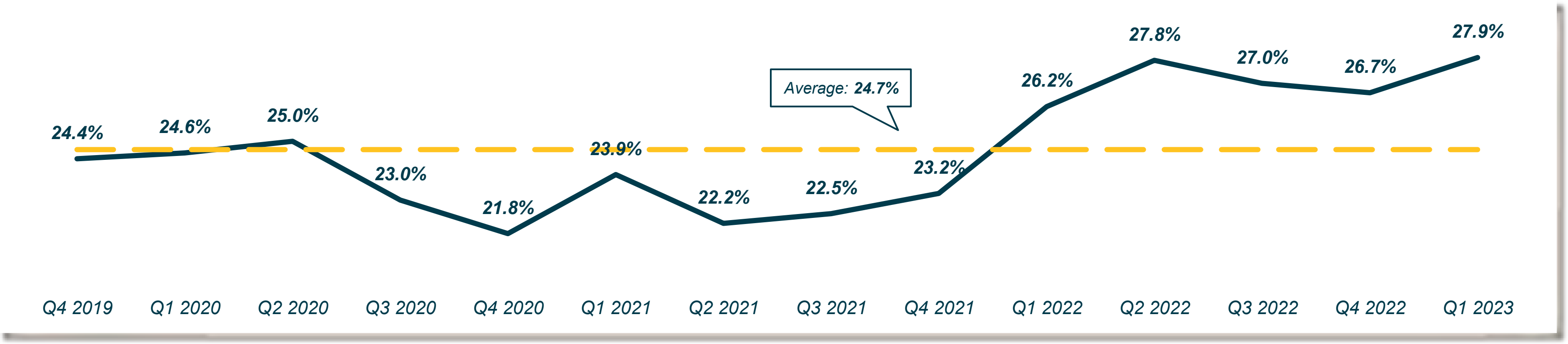
Source: Lincoln Valuations and Opinions Group Proprietary Database.

LTM EBITDA Adjustments

Percentage of Companies Reporting LTM EBITDA Adjustments



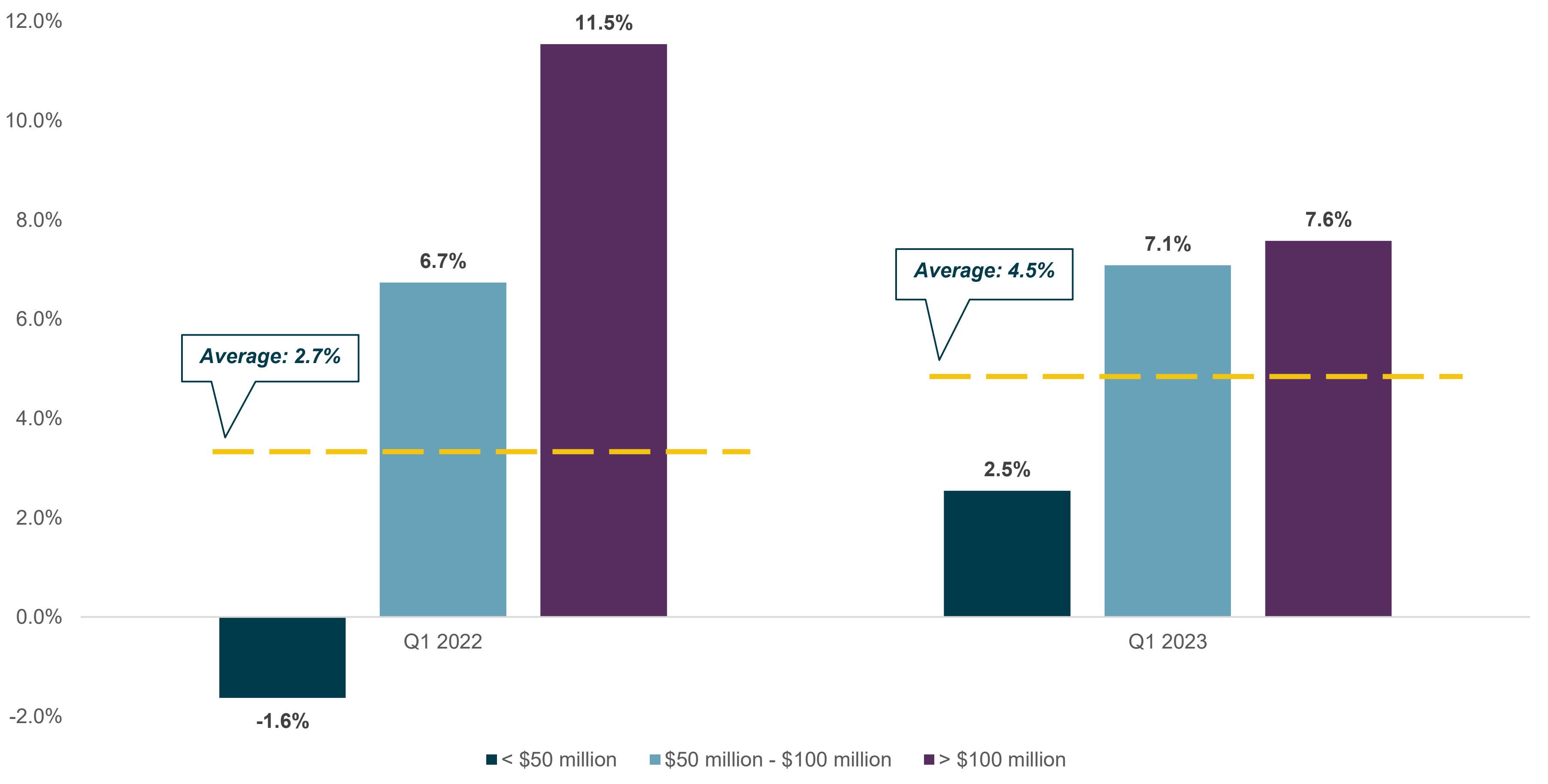
Magnitude of LTM EBITDA Adjustments as a % of Adj. LTM EBITDA



Both the percentage of companies reporting EBITDA adjustments and the magnitude of the adjustments are at or near 4 year highs.

Source: Lincoln Valuations and Opinions Group Proprietary Database.
Note: Adjustments to EBITDA as a percentage of Adj. EBITDA were calculated by dividing EBITDA adjustments by the concluded Adj. EBITDA as used for valuation purposes. Adjusted EBITDA was defined as EBITDA accepted via a covenant compliance document.

YoY LTM EBITDA Growth Magnitude by Size

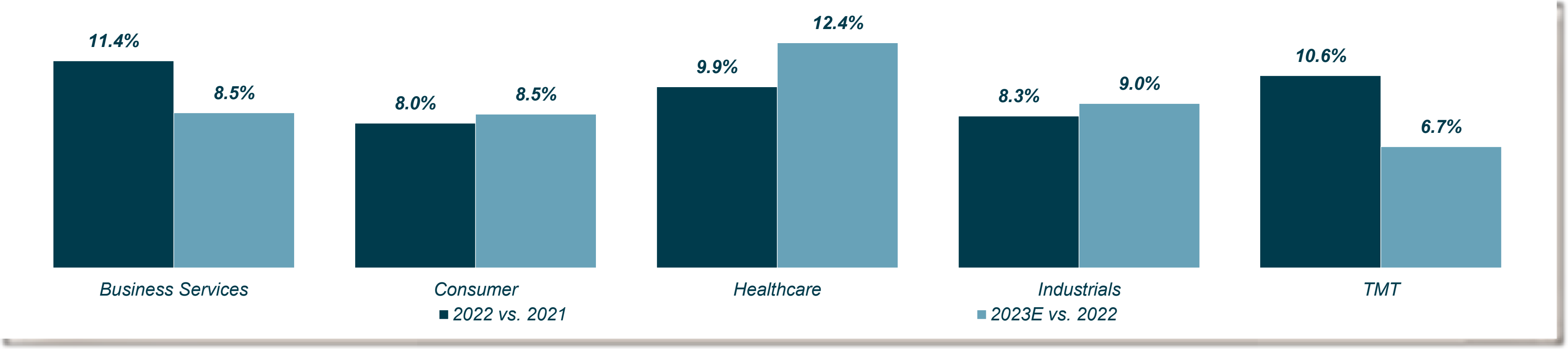


Smaller EBITDA size companies continue to be more impacted by rising costs and inflationary pressures than larger EBITDA size companies.

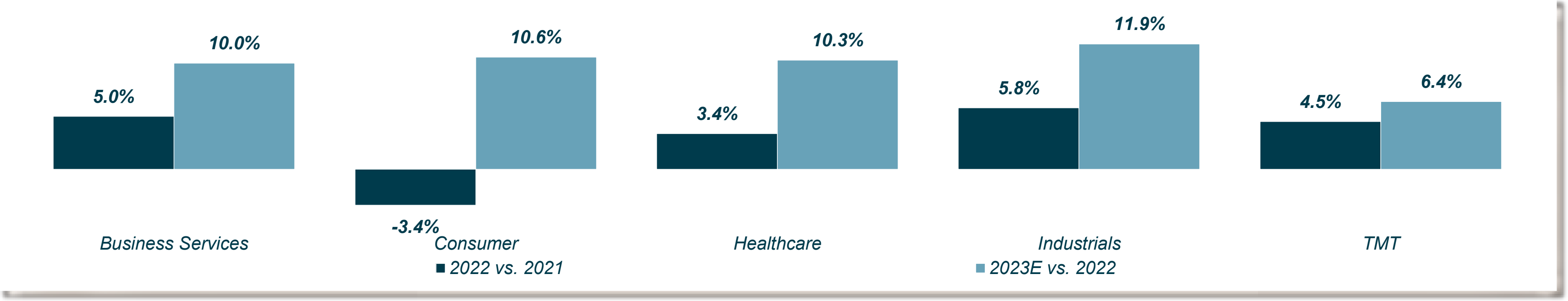
Source: Lincoln Valuations and Opinions Group Proprietary Database.
Measured in LTM EBITDA.

FY 2022 Results vs. FY 2023 Budget

Revenue Change FY 2021 – FY 2022 vs. Budget Revenue Change FY 2022 – FY 2023E



EBITDA Change FY 2021 – FY 2022 vs. Budget EBITDA Change FY 2022 – FY 2023E



While Business Services and Technology companies are budgeting lower revenue growth than they achieved in 2022, most revenue budgets are relatively in line with actual 2022 revenue growth. Budgeted EBITDA, however, is expected to increase significantly over 2022 actual levels.

Source: Lincoln Valuations and Opinions Group Proprietary Database.

2023 Budgets Reflect Significant EBITDA Growth

Revenue

2022

12.1% Budget → **9.8%** Actual

Companies budgeted 12.1% revenue growth in 2022 and actually achieved 9.8% growth.

2023

8.9% Budget

For 2023, budgeted revenue growth of 8.9% is down slightly from the 9.8% growth achieved in 2022.

Adj. EBITDA

2022

11.0% Budget → **3.2%** Actual

Companies budgeted 11.0% EBITDA growth in 2022 and actually achieved 3.2% growth.

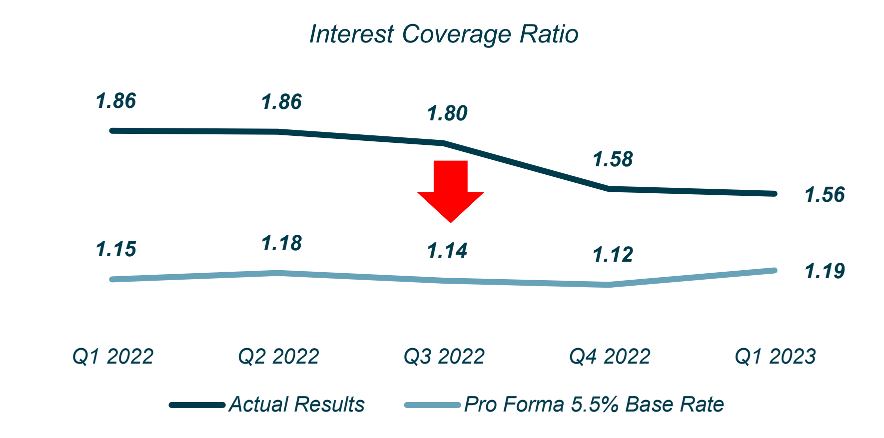
2023

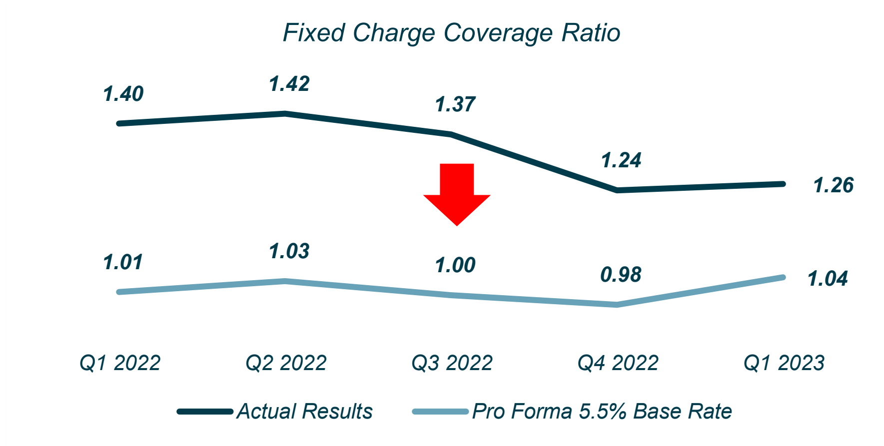
9.8% Budget

For 2023, budgeted EBITDA growth of 9.8% is 3x the 3.2% achieved in 2022.

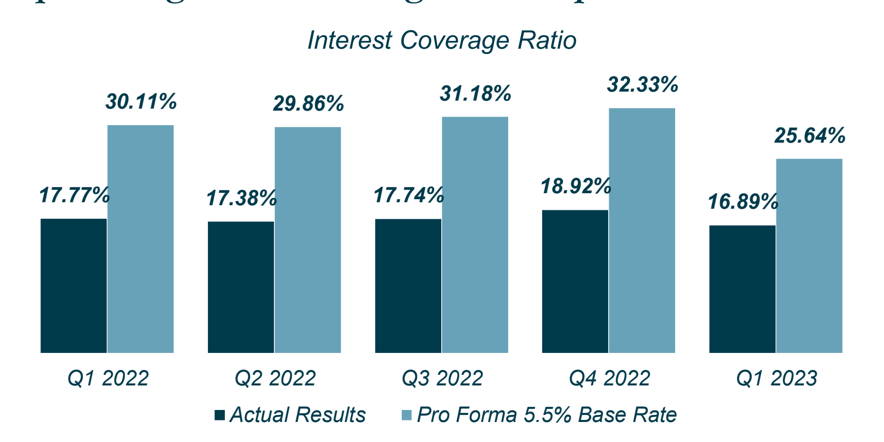
Source: Lincoln Valuations and Opinions Group Proprietary Database.

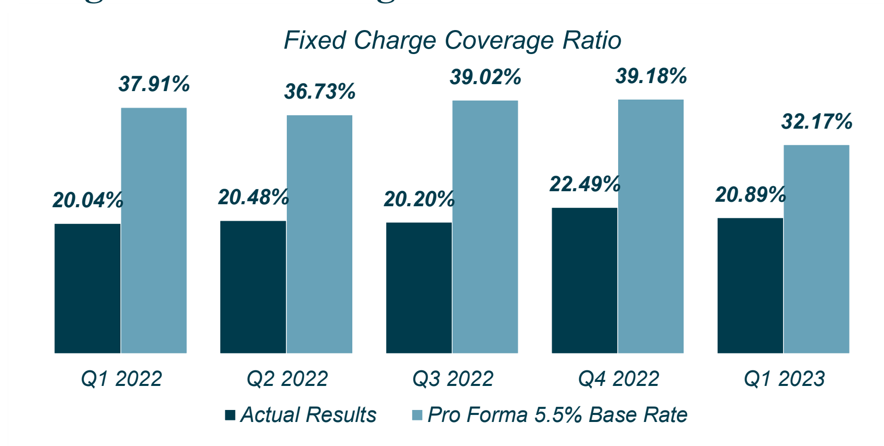
Interest & Fixed Charge Ratios (Actual vs. 5.5% Base Rate)





Equal-Weighted Percentage of Companies with Interest Coverage and Fixed Charge Ratios under 1.0x

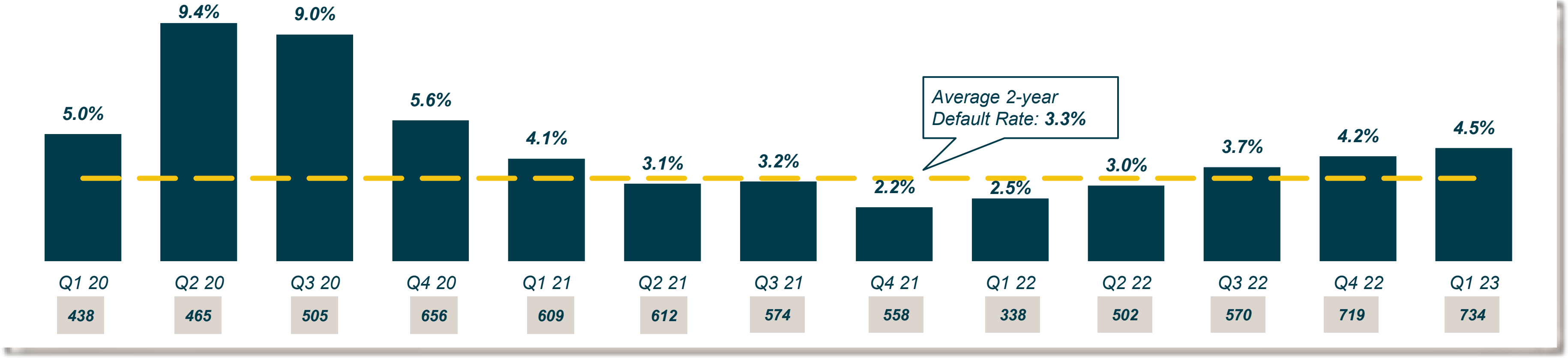




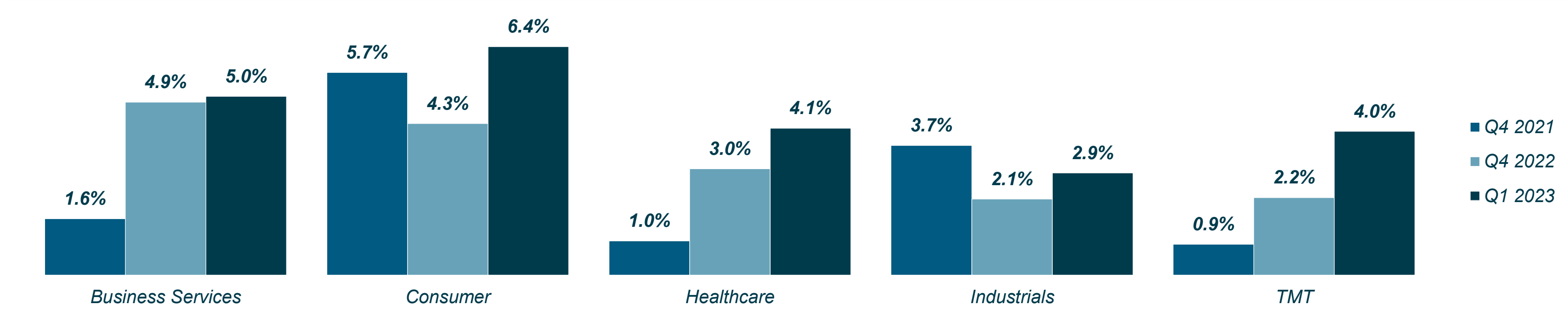
Assuming a 5.5% base rate across the full LTM period has a significant impact on interest and fixed charge coverage ratios. While companies have started to moderate capex spending to deal with this, achieving budgeted EBITDA growth would be most helpful.

Source: Lincoln Valuations and Opinions Group Proprietary Database.
Calculations:
Interest Coverage Ratio = LTM EBITDA - Capex / Actual LTM Interest
*Fixed Charge Coverage Ratio = LTM EBITDA - Taxes – Capex / LTM Interest Expense + (1% * Total Debt)*
Capital Expenditures (“Capex”) utilizes LTM Capex by default. If LTM Capex is not available, NFY Capex is utilized, and LFY Capex if both LTM Capex and NFY Capex are unavailable.

Covenant Default Rate (Size-Weighted)



Despite overall strong fundamental performance, default rates increased for the fifth consecutive quarter but remain well below levels seen at the peak of COVID-19

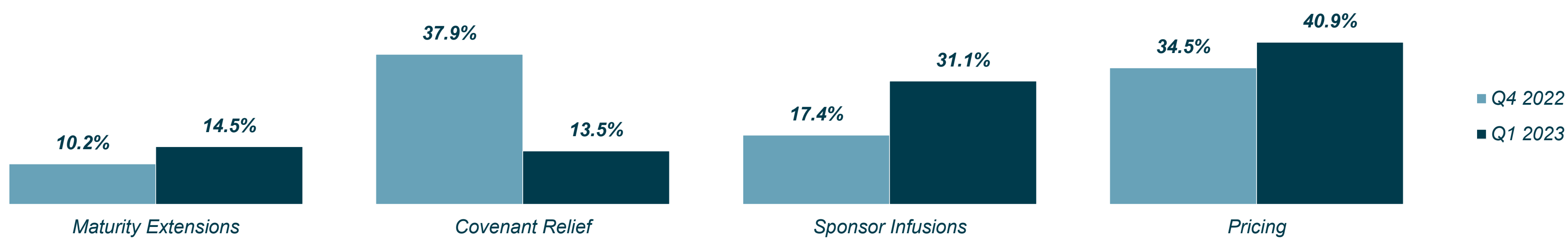


Default rates in cash flow-rich industries (e.g., business services, healthcare, and TMT) have increased from their historical lows since Q4 2021, signaling that no industries are safe-havens from inflationary pressures and rising interest rates

Source: Lincoln Valuations and Opinions Group Proprietary Database.
Note: A default is defined as a covenant default and not a monetary default. The analysis was performed based on a size-weighted approach, which considered the total net debt balance for each of the portfolio companies that had a defaulting security in the respective quarter.

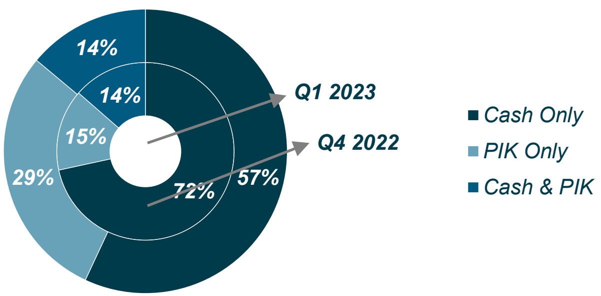
Private Credit Market Snapshot – Q1 2023 Amendments

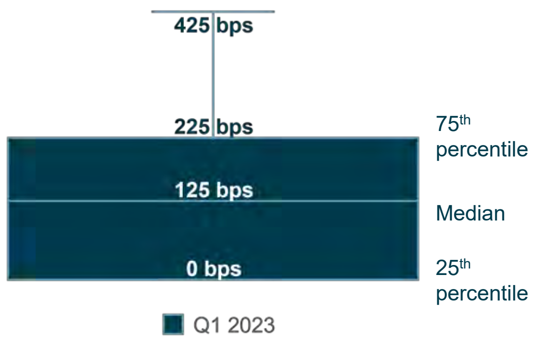
Amendment Allocations



Most amendments in Q1 2023 involved increased pricing (both cash and PIK) and sponsor infusions, which have nearly doubled since Q4 2022. Despite fewer covenant relief-related amendments, the average length of covenant reliefs nearly quadrupled

Pricing Changes via Amendments (Cash + PIK)





Since Q4 2022, more amendments executed were related to increased PIK pricing, with all-in pricing (cash + PIK) of loans increasing by 125 bps at the median as lenders required improved economics in today's market

Source: Lincoln Valuations and Opinions Group Proprietary Database.

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