UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended September 30, 2024

OR

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

Commission file number: 001-40564

CHICAGO ATLANTIC BDC, INC.
(Exact name of registrant as specified in its charter)

Maryland (State or other jurisdiction of incorporation or organization)	**86-2872887** (IRS Employer Identification No.)
600 Madison Avenue, Suite 1800 **New York, NY** (Address of principal executive offices)	**10022** (Zip Code)

(212) 905-4923
(Registrant's telephone number, including area code)

Silver Spike Investment Corp.
(Former name, former address and former fiscal year, if changed since last report)

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

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	LIEN	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§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 Act). Yes ☐ No ☒

As of November 5, 2024, the registrant had 22,820,367 shares of common stock ($0.01 par value per share) outstanding.

CHICAGO ATLANTIC BDC, INC.
FORM 10-Q

TABLE OF CONTENTS

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Except where the context suggests otherwise, the terms "we," "us," "our," "the Company," and "LIEN" refer to Chicago Atlantic BDC, Inc. In addition, the terms "Adviser," "investment adviser" and "administrator" refer to Chicago Atlantic BDC Advisers, LLC, our external investment adviser and administrator.

Some of the statements in this quarterly report on Form 10-Q constitute forward-looking statements because they relate to future events or our future performance or financial condition. The forward-looking statements contained in this quarterly report on Form 10-Q may include statements as to:

- our future operating results and distribution projections;
- the ability of Chicago Atlantic BDC Advisers, LLC ("Adviser") to attract and retain highly talented professionals;
- our business prospects and the prospects of our portfolio companies;
- the impact of interest and inflation rates on our business prospects and the prospects of our portfolio companies;
- the impact of the investments that we expect to make;
- the ability of our portfolio companies to achieve their objectives;
- our expected financings and investments and the timing of our investments in our initial portfolio;
- changes in regulation impacting the cannabis industry;
- the adequacy of our cash resources and working capital;
- the current and future effects of the COVID-19 pandemic on us and our portfolio companies;
- the timing of cash flows, if any, from the operations of our portfolio companies; and
- the ability to realize benefits anticipated by the Loan Portfolio Acquisition (as defined below). See "Note 12 – Subsequent Events" in the notes to the financial statements included with this quarterly report on Form 10-Q for further information regarding the Loan Portfolio Acquisition.

In addition, words such as "anticipate," "believe," "expect," "seek," "plan," "should," "estimate," "project" and "intend" indicate forward-looking statements, although not all forward-looking statements include these words. The forward-looking statements contained in this quarterly report on Form 10-Q involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in "Item 1A. Risk Factors" in our annual report on Form 10-K for the fiscal year ended December 31, 2023 and elsewhere in this quarterly report on Form 10-Q. Other factors that could cause actual results to differ materially include:

- our limited operating history;
- changes or potential disruptions in our operations, the economy, financial markets or political environment;
- risks associated with possible disruption in our operations or the economy generally due to terrorism, natural disasters, the Russia-Ukraine war, or the Israel-Hamas war and the potential for volatility in energy prices and other commodities and their impact on the industries in which we invest;
- the impact of information technology system failures, data security breaches, data privacy compliance, network disruptions, and cybersecurity attacks;
- future changes in laws or regulations (including the interpretation of these laws and regulations by regulatory authorities) and conditions in our operating areas, particularly with respect to business development companies ("BDCs") or regulated investment companies ("RICs"); and
- other considerations that may be disclosed from time to time in our publicly disseminated documents and filings.

We have based the forward-looking statements included in this quarterly report on Form 10-Q on information available to us on the date of this quarterly report on Form 10-Q, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. The forward-looking statements contained in this quarterly report on Form 10-Q are excluded from the safe harbor protection provided by Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements

CHICAGO ATLANTIC BDC, INC.

Statements of Assets and Liabilities

	September 30, 2024 (unaudited)	December 31, 2023
ASSETS		
Investments at fair value:		
Non-control/non-affiliate investments at fair value (amortized cost of $54,952,504 and $53,471,317, respectively)	$ 55,788,511	$ 54,120,000
Cash and cash equivalents	30,111,563	32,611,635
Interest receivable	1,635,943	1,755,360
Deferred offering costs	1,125,739	-
Other receivable	401,313	-
Prepaid expenses	103,554	39,276
Other assets	50,000	50,000
Deferred financing costs	41,061	-
Paydown receivable	21,000	-
Total assets	89,278,684	88,576,271
LIABILITIES		
Transaction fees payable related to the Loan Portfolio Acquisition	4,795,549	711,264
Offering costs payable	986,806	-
Management fee payable	253,421	257,121
Audit fees payable	213,523	123,998
Capital gains incentive fees payable	125,048	87,583
Legal fees payable	88,435	84,824
Administrator fees payable	51,251	86,463
Due to affiliate	51,142	-
Unearned interest income	42,550	-
Deferred financing costs payable	41,061	-
Directors fees payable	25,992	94,760
Other payables	24,296	13,822
Valuation fees payable	22,468	24,675
Professional fees payable	17,500	17,233
Income-based incentive fees payable	-	1,511,253
Distributions payable	-	2
Excise tax payable	-	10,655
Total liabilities	6,739,042	3,023,653
Commitments and contingencies (Note 6)	-	-
NET ASSETS		
Common Stock, $0.01 par value, 100,000,000 shares authorized, 6,214,995 and 6,214,941 shares issued and outstanding, respectively	62,149	62,149
Additional paid-in-capital	85,031,106	85,041,203
Distributable earnings (Accumulated losses)	(2,553,613)	449,266
Total net assets	$ 82,539,642	$ 85,552,618
Total liabilities and net assets	$ 89,278,684	88,576,271
NET ASSET VALUE PER SHARE	$ 13.28	$ 13.77

See notes to financial statements.

CHICAGO ATLANTIC BDC, INC.

Statements of Operations
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2024	**September 30, 2023**	**September 30, 2024**	**September 30, 2023**
INVESTMENT INCOME				
Non-control/non-affiliate investment income				
Interest income	$ 2,686,771	$ 2,885,725	$ 8,203,601	$ 8,106,013
Fee income	489,176	31,250	813,926	162,500
Total investment income	3,175,947	2,916,975	9,017,527	8,268,513
EXPENSES				
Transaction expenses related to the Loan Portfolio Acquisition	2,429,993	-	5,069,062	-
Management fee	253,421	264,565	745,876	760,473
Income-based incentive fees	-	405,247	328,503	1,051,741
Audit expense	95,675	223,982	299,225	409,365
Administrator fees	98,489	84,617	298,132	250,314
Legal expenses	60,200	148,292	200,073	334,308
Insurance expense	66,939	67,122	199,430	202,597
Other expenses	40,546	22,210	107,213	61,918
Director expenses	25,992	38,223	80,311	105,913
Professional fees	59,780	15,841	74,694	51,808
Valuation fees	22,990	22,890	50,043	116,955
Capital gains incentive fees	(35,904)	(5,000)	37,465	-
Custodian fees	12,000	12,000	35,850	36,000
Excise tax expense	31,314	-	31,314	-
Total expenses	3,161,435	1,299,989	7,557,191	3,381,392
NET INVESTMENT INCOME (LOSS)	14,512	1,616,986	1,460,336	4,887,121
NET REALIZED GAIN (LOSS) FROM INVESTMENTS				
Non-controlled/non-affiliate investments	-	-	-	(210,767)
Net realized gain (loss) from investments	-	-	-	(210,767)
NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) FROM INVESTMENTS				
Non-controlled/non-affiliate investments	(179,524)	(343,104)	187,324	166,012
Net change in unrealized appreciation (depreciation) from investments	(179,524)	(343,104)	187,324	166,012
Net realized and unrealized gains (losses)	(179,524)	(343,104)	187,324	(44,755)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	$ (165,012)	$ 1,273,882	$ 1,647,660	$ 4,842,366
NET INVESTMENT INCOME (LOSS) PER SHARE — BASIC AND DILUTED	$ 0.00[(1)]	$ 0.26	$ 0.23	$ 0.79
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE — BASIC AND DILUTED	$ (0.03)	$ 0.20	$ 0.27	$ 0.78
WEIGHTED AVERAGE SHARES OUTSTANDING — BASIC AND DILUTED	6,214,965	6,214,673	6,214,952	6,214,672

(1) Represents less than $0.005 per share

See notes to financial statements.

CHICAGO ATLANTIC BDC, INC.

Statements of Changes in Net Assets
(Unaudited)

Three Months Ended September 30, 2024	**Common Stock** Shares	Par Value	Additional paid-in-capital	Distributable Earnings/ (Accumulated Loss)	Total net assets
Balance, June 30, 2024	6,214,964	$ 62,149	$ 85,030,784	$ (834,860)	$ 84,258,073
Net increase (decrease) in net assets resulting from operations					
Net investment income (loss)	-	-	-	14,512	14,512
Net realized gain (loss) from investments	-	-	-	-	-
Net change in unrealized appreciation (depreciation) from investments	-	-	-	(179,524)	(179,524)
Total net increase (decrease) in net assets resulting from operations	-	-	-	(165,012)	(165,012)
Distributions to stockholders from:					
Investment income-net	-	-	-	(1,553,741)	(1,553,741)
Capital transactions					
Reinvestment of stockholder distributions	31	-	322	-	322
Total net increase (decrease) in net assets from capital transactions	31	-	322	-	322
Total increase (decrease) in net assets	31	-	322	(1,718,753)	(1,718,431)
Balance, September 30, 2024	6,214,995	$ 62,149	$ 85,031,106	$ (2,553,613)	$ 82,539,642

Three Months Ended September 30, 2023	**Common Stock** Shares	Par value	Additional paid-in-capital	Distributable Earnings/ (Accumulated Loss)	Total net assets
Balance, June 30, 2023	6,214,672	$ 62,147	$ 85,038,887	$ 4,943,179	$ 90,044,213
Net increase (decrease) in net assets resulting from operations					
Net investment income (loss)	-	-	-	1,616,986	1,616,986
Net realized gain (loss) from investments	-	-	-	-	-
Net change in unrealized appreciation (depreciation) from investments	-	-	-	(343,104)	(343,104)
Total net increase (decrease) in net assets resulting from operations	-	-	-	1,273,882	1,273,882
Distributions to stockholders from:					
Investment income-net	-	-	-	(3,915,564)	(3,915,564)
Capital transactions					
Reinvestment of stockholder distributions	33	-	321	-	321
Total net increase (decrease) in net assets from capital transactions	33	-	321	-	321
Total increase (decrease) in net assets	33	-	321	(2,641,682)	(2,641,361)
Balance, September 30, 2023	6,214,705	$ 62,147	$ 85,039,208	$ 2,301,497	$ 87,402,852

See notes to financial statements.

CHICAGO ATLANTIC BDC, INC.

Statements of Changes in Net Assets
(Unaudited)

Nine Months Ended September 30, 2024	**Common Stock** Shares	**Common Stock** Par Value	**Additional paid-in-capital**	**Distributable Earnings/ (Accumulated Loss)**	**Total net assets**
Balance, December 31, 2023	6,214,941	$ 62,149	$ 85,041,203	$ 449,266	$ 85,552,618
Net increase (decrease) in net assets resulting from operations					
Net investment income (loss)	-	-	-	1,460,336	1,460,336
Net realized gain (loss) from investments	-	-	-	-	-
Net change in unrealized appreciation (depreciation) from investments	-	-	-	187,324	187,324
Total net increase (decrease) in net assets resulting from operations	-	-	-	1,647,660	1,647,660
Distributions to stockholders from:					
Investment income-net	-	-	-	(4,661,215)	(4,661,215)
Capital transactions					
Reinvestment of stockholder distributions	54	-	579	-	579
Total net increase (decrease) in net assets from capital transactions	54	-	579	-	579
Total increase (decrease) in net assets	54	-	579	(3,013,555)	(3,012,976)
Effect of permanent adjustments	-	-	(10,676)	10,676	-
Balance, September 30, 2024	6,214,995	$ 62,149	$ 85,031,106	$ (2,553,613)	$ 82,539,642

Nine Months Ended September 30, 2023	**Common Stock** Shares	**Common Stock** Par value	**Additional paid-in-capital**	**Distributable Earnings/ (Accumulated Loss)**	**Total net assets**
Balance, December 31, 2022	6,214,672	$ 62,147	$ 84,917,788	$ 1,495,794	$ 86,475,729
Net increase (decrease) in net assets resulting from operations					
Net investment income (loss)	-	-	-	4,887,121	4,887,121
Net realized gain (loss) from investments	-	-	-	(210,767)	(210,767)
Net change in unrealized appreciation (depreciation) from investments	-	-	-	166,012	166,012
Total net increase (decrease) in net assets resulting from operations	-	-	-	4,842,366	4,842,366
Distributions to stockholders from:					
Investment income-net	-	-	-	(3,915,564)	(3,915,564)
Capital transactions					
Issuance of common stock	-	-	-	-	-
Reinvestment of stockholder distributions	33	-	321	-	321
Total net increase (decrease) in net assets from capital transactions	33	-	321	-	321
Total increase (decrease) in net assets	33	-	321	926,802	927,123
Effect of permanent adjustments	-	-	121,099	(121,099)	-
Balance, September 30, 2023	6,214,705	$ 62,147	$ 85,039,208	$ 2,301,497	$ 87,402,852

See notes to financial statements.

CHICAGO ATLANTIC BDC, INC.

Statements of Cash Flows
(Unaudited)

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Cash flows from operating activities		
Net increase (decrease) in net assets resulting from operations	$ 1,647,660	$ 4,842,366
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realized (gain) loss from investments	-	210,767
Net change in unrealized (appreciation) depreciation from investments	(187,324)	(166,012)
Net (accretion of discounts) and amortization of premiums	(501,303)	(431,052)
Purchase of investments	(5,141,250)	(8,442,000)
PIK interest capitalized	(182,634)	(78,153)
Proceeds from sales of investments and principal repayments	4,344,000	1,780,000
(Increase)/Decrease in operating assets:		
Other receivable	(401,313)	-
Interest receivable	119,417	(270,594)
Paydown receivable	(21,000)	-
Prepaid expenses	(64,278)	(71,515)
Other assets	-	(50,000)
Increase/(Decrease) in operating liabilities:		
Income-based incentive fees payable	(1,511,253)	1,051,741
Management fee payable	(3,700)	93,600
Capital gains incentive fees payable	37,465	-
Legal fees payable	3,611	108,452
Transaction fees payable related to the Loan Portfolio Acquisition	4,084,285	-
Valuation fees payable	(2,207)	94,130
Administrator fees payable	(35,212)	24,648
Audit fees payable	89,525	25,165
Directors fees payable	(68,768)	2,719
Professional fees payable	267	(10,679)
Other payables	10,474	(22,740)
Unearned interest income	42,550	-
Due to affiliate	51,142	261
Excise tax payable	(10,655)	(80,566)
Net cash provided by (used in) operating activities	2,299,499	(1,389,462)
Cash flows from financing activities		
Offering costs paid	(138,933)	-
Distributions paid	(4,660,638)	(3,914,922)
Net cash provided by (used in) financing activities	(4,799,571)	(3,914,922)
Net increase (decrease) in cash and cash equivalents	(2,500,072)	(5,304,384)
Cash and cash equivalents, beginning of period	32,611,635	35,125,320
Cash and cash equivalents, end of period	$ 30,111,563	$ 29,820,936
Supplemental and non-cash financing activities		
Reinvestment of dividend distributions	$ 579	$ 321
Accrual for deferred financing costs (Note 2)	$ 41,061	$ -
Accrual for deferred offering costs (Note 2)	$ 1,127,739	$ -

See notes to financial statements.

CHICAGO ATLANTIC BDC, INC.

Schedule of Investments
September 30, 2024
(Unaudited)
(In thousands)

Portfolio Company (1)(10)(13)	Type of Investment (2)	Investment Date (3)	Maturity Date	Interest Rate (4)	Fair Value Hierarchy (5)	Geographic Region (6)	Non-Qualifying Asset (7)	Principal Amount (8)	Amortized Cost	Fair Value (9)	% of Net Assets
Debt Securities - United States											
Real Estate Services											
Workbox Holdings, Inc.	Senior Secured First Lien Term Loan	5/20/2024	5/31/2029	Fixed interest rate 6.0% + 6.0% PIK	3	Midwest	No	$ 1,352	$ 1,119	$ 1,260	1.53%
								1,352	1,119	1,260	1.53
Wholesale Trade											
Ascend Wellness Holdings, Inc.	Senior Secured Note	7/16/2024	7/16/2029	Fixed interest rate 12.75%	3	Northeast	No	3,500	3,322	3,322	4.02
Curaleaf Holdings, Inc.	Senior Secured Note	10/11/2022	12/15/2026	Fixed interest rate 8.0%	3	Northeast	Yes	4,500	4,102	4,298	5.21
Dreamfields Brands, Inc. (d/b/a Jeeter)	Senior Secured First Lien Term Loan	5/3/2023	5/3/2026	Variable interest rate PRIME(11) + 8.75% (7.5% PRIME Floor)	3	West	No	4,320	4,254	4,320	5.23
PharmaCann, Inc.	Senior Secured Note	6/30/2022	6/30/2025	Fixed interest rate 12.0%	3	Midwest	No	4,250	4,177	4,123	5.00
STIIIZY, Inc. (f/k/a Shryne Group Inc.)	Senior Secured First Lien Term Loan	5/26/2022	5/26/2027	Variable interest rate PRIME(11) + 8.5% (4.0% PRIME Floor) + 1.0% PIK	3	West	No	20,066	19,800	19,865	24.06
Verano Holdings Corp.	Senior Secured First Lien Term Loan	10/27/2022	10/30/2026	Variable interest rate PRIME(11) + 6.5% (6.25% PRIME Floor)	3	Midwest	Yes	17,748	17,436	17,925	21.72
								54,384	53,091	53,853	65.24
Total: Debt Securities - United States (66.77%):									**54,210**	**55,113**	**66.77**
Total: Debt Securities (66.77%):									**54,210**	**55,113**	**66.77**
Equity Securities - United States								**Shares/ Units**			
Real Estate Services											
Workbox Holdings, Inc.	Series A-1 Preferred Shares	5/20/2024			3	Midwest		358,950	$ 500	$ 500	0.60%
Workbox Holdings, Inc.	Series A-3 Preferred Stock Warrant	5/20/2024			3	Midwest		791,258	97	71	0.09
Workbox Holdings, Inc.	Series A-4 Preferred Stock Warrant	5/20/2024			3	Midwest		1,191,769	146	105	0.13
									743	676	0.82
Total: Equity Securities - United States (0.82%):									**743**	**676**	**0.82**
Total: Equity Securities (0.82%):									**743**	**676**	**0.82**
Total Investment in Securities (67.59%):									**$ 54,953**	**$55,789**	**67.59%**
Cash Equivalents											
State Street Institutional U.S. Government Money Market Fund (12)					1				$ 30,112	$30,112	36.48%
Cash Equivalents (36.48%):									30,112	30,112	36.48
Total Portfolio Investments and Cash Equivalents (104.07%):									**$ 85,065**	**$85,901**	**104.07%**

(1) All portfolio companies are located in the United States, as determined by the location of the portfolio company's headquarters.
(2) No debt investment is non-income producing as of September 30, 2024. All equity and warrant investments are non-income producing as of September 30, 2024 unless otherwise noted.
(3) Investment date represents the date of initial investment, at which date interest began accruing.
(4) Interest rate is the fixed or variable rate of the debt investments.
(5) See Note 2 – Significant Accounting Policies and Note 4 — Fair Value of Financial Instruments in the accompanying notes to the financial statements.
(6) Geographic regions are determined by the respective portfolio company's headquarters' location.
(7) Under the Investment Company Act of 1940, as amended (the "1940 Act"), a business development company ("BDC") may not acquire any "non-qualifying asset" (i.e., an asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as "qualifying assets"), unless, at the time the acquisition is made, qualifying assets represent at least 70% of the BDC's total assets. As of September 30, 2024 the aggregate fair value of non-qualifying assets is $22,223 or 24.89% of the Company's total assets.
(8) Principal is net of repayments, if any, as per the terms of the debt instrument's contract.
(9) All investments were valued at fair value. See Note 4 — Fair Value of Financial Instruments in the accompanying notes to the financial statements.
(10) The Company uses the North American Industry Classification System ("NAICS") code for classifying the industry grouping of its portfolio companies.
(11) As of September 30, 2024 PRIME is 8.00%.
(12) The annualized seven-day yield as of September 30, 2024 is 4.94%.
(13) As of September 30, 2024, the Company had the following commitment to fund a senior secured loan. Such commitment is subject to the satisfaction of certain conditions set forth in the documents governing the loan and there can be no assurance that such conditions will be satisfied.

(in millions) Portfolio Company	Total loan commitments	Less: funded commitments	Total unfunded commitments	Less: commitments substantially at discretion of the Company	Less: unavailable commitments due to borrowing base or other covenant restrictions	Total net commitments
Workbox Holdings, Inc.	$ 2.83	$ 1.33	$ 1.50	$ -	$ -	$ 1.50

See notes to financial statements.

CHICAGO ATLANTIC BDC, INC.

Schedule of Investments
December 31, 2023
(In thousands)

Portfolio Company (1)	Type of Investment (2)	Investment Date (3)	Maturity Date	Interest Rate (4)	Fair Value Hierarchy (5)	Geographic Region (6)	Non-Qualifying Asset (7)	Principal Amount (8)	Amortized Cost	Fair Value (9)	% of Net Assets
Debt Securities - United States											
Wholesale Trade (10)											
Curaleaf Holdings, Inc.	Senior Secured Note	10/11/2022	12/15/2026	Fixed interest rate 8.0%	3	Northeast	Yes	$ 4,500	$ 3,989	$ 4,140	4.84%
Dreamfields Brands, Inc. (d/b/a Jeeter)	Senior Secured First Lien Term Loan	5/3/2023	5/3/2026	Variable interest rate PRIME(11) + 8.75% (7.5% PRIME Floor)	3	West	No	4,320	4,229	4,320	5.05
PharmaCann, Inc.	Senior Secured Note	6/30/2022	6/30/2025	Fixed interest rate 12.0%	3	Midwest	No	4,250	4,109	3,974	4.65
STIIIZY, Inc. (f/k/a Shryne Group Inc.)	Senior Secured First Lien Term Loan	5/26/2022	5/26/2026	Variable interest rate PRIME(11) + 8.5% (4.0% PRIME Floor) "1.0% PIK"	3	West	No	21,065	20,682	20,749	24.25
Verano Holdings Corp.	Senior Secured First Lien Term Loan	10/27/2022	10/30/2026	Variable interest rate PRIME(11) + 6.5% (6.25% PRIME Floor)	3	Midwest	Yes	20,937	20,462	20,937	24.47
								$ 55,072	53,471	54,120	63.26
Total: Debt Securities - United States (63.26%):									**53,471**	**54,120**	**63.26**
Total: Debt Securities (63.26%):									**53,471**	**54,120**	**63.26**
Total Investment in Securities (63.26%):									**$ 53,471**	**$ 54,120**	**63.26%**
Cash Equivalents											
State Street Institutional U.S. Government Money Market Fund (12)					1				$ 32,612	$ 32,612	38.12%
Cash Equivalents (38.12%):									32,612	32,612	38.12
Total Portfolio Investments and Cash Equivalents (101.38%):									**$ 86,083**	**$ 86,732**	**101.38%**

(1) All portfolio companies are located in the United States, as determined by the location of the portfolio company's headquarters.
(2) No debt investment is non-income producing as of December 31, 2023.
(3) Investment date represents the date of initial investment, at which date interest began accruing.
(4) Interest rate is the fixed or variable rate of the debt investments.
(5) See Note 2 – Significant Accounting Policies and Note 4 — Fair Value of Financial Instruments in the accompanying notes to the financial statements.
(6) Geographic regions are determined by the respective portfolio company's headquarters' location.
(7) Under the Investment Company Act of 1940, as amended (the "1940 Act"), a business development company ("BDC") may not acquire any "non-qualifying asset" (i.e., an asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as "qualifying assets"), unless, at the time the acquisition is made, qualifying assets represent at least 70% of the BDC's total assets. As of December 31, 2023 the aggregate fair value of non-qualifying assets is $25,077 or 29.3% of the Company's total assets.
(8) Principal is net of repayments, if any, as per the terms of the debt instrument's contract.
(9) All investments were valued at fair value. See Note 4 — Fair Value of Financial Instruments in the accompanying notes to the financial statements.
(10) The Company uses the North American Industry Classification System ("NAICS") code for classifying the industry grouping of its portfolio companies.
(11) As of December 31, 2023 PRIME is 8.50%.
(12) The annualized seven-day yield as of December 31, 2023 is 5.32%.

See notes to financial statements.

CHICAGO ATLANTIC BDC, INC.

Notes to Financial Statements
(Unaudited)

NOTE 1 — ORGANIZATION

Chicago Atlantic BDC, Inc. (formerly, Silver Spike Investment Corp.) (an emerging growth company) (the “Company”, “we” or “our”) was formed on January 25, 2021 as a Maryland corporation structured as an externally managed, closed-end, non-diversified management investment company. The Company has elected to be treated as a business development company (“BDC”), under the Investment Company Act of 1940, as amended (“1940 Act”). In addition, for U.S. federal income tax purposes the Company adopted an initial tax year end of December 31, 2021, and was taxed as a corporation for the tax period ended December 31, 2021. The Company adopted the tax year end of March 31 and elected to be treated for U.S. federal income tax purposes as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”) for the tax period January 1, 2022 through March 31, 2022, as well as maintain such election in future taxable years. However, there is no guarantee that the Company will qualify to make such an election for any taxable year.

On February 4, 2022, the Company’s common stock began trading on the Nasdaq Global Market under the ticker symbol “SSIC,” and we completed our initial public offering of 6,214,286 shares of our common stock, par value $0.01, inclusive of an over-allotment option that was exercised on March 1, 2022 (“IPO”), for approximately $87 million.

The Company is managed by Chicago Atlantic BDC Advisers, LLC (formerly, Silver Spike Capital, LLC) (“Adviser”), a registered investment advisor under the Investment Advisers Act of 1940 with the Securities and Exchange Commission. The Adviser has engaged SS&C Technologies, Inc. and ALPS Fund Services, Inc. (“SS&C”), as sub-administrator, to perform administrative services necessary for the Company to operate.

The Company’s investment objective is to maximize risk-adjusted returns on equity for its shareholders. The Company seeks to drive return on equity by generating current income from debt investments and capital appreciation from equity and equity-related investments. The Company intends to achieve its investment objective by investing primarily in private leveraged lower middle-market and middle-market companies in highly complex and highly regulated industries typically underserved by other capital providers, including investing across the cannabis ecosystem through investments in the form of direct loans to privately held cannabis companies. The Company’s debt investments are often secured by either a first or second priority lien on the assets of the portfolio company, can include either fixed or floating rate terms and will generally have a term of between three and six years from the original investment date. Although the Company focuses on investments in the cannabis industry, the Company may also invest in growth capital and technology companies, esoteric and asset-based lending opportunities, and liquidity solutions opportunities.

On February 20, 2024, the Company announced that the Board of Directors of the Company (the “Board”) unanimously approved an expansion of the Company’s investment strategy to permit investments in companies outside of the cannabis and health and wellness sectors that otherwise meet the Company’s investment criteria. The investment strategy change became effective on April 22, 2024.

On October 1, 2024, the Company completed its previously announced acquisition from Chicago Atlantic Loan Portfolio, LLC (“CALP”) of a portfolio of loans (the “Loan Portfolio”) in exchange for newly issued shares of the Company’s common stock (the “Loan Portfolio Acquisition”), pursuant to the Purchase Agreement, dated as of February 18, 2024, between the Company and CALP (the “Loan Portfolio Acquisition Agreement”). In accordance with the terms of the Loan Portfolio Acquisition Agreement, at the effective time of the Loan Portfolio Acquisition, the Company issued 16,605,372 shares of its common stock to CALP in exchange for the Loan Portfolio, which was determined by the Company to have a fair value of $219,621,125 as of September 28, 2024. See “Note 12 – Subsequent Events” for further information regarding the Loan Portfolio Acquisition.

On October 1, 2024, the Adviser and Chicago Atlantic BDC Holdings, LLC (together with its affiliates, “Chicago Atlantic”), the investment adviser of CALP, consummated a previously announced transaction pursuant to which a joint venture between Chicago Atlantic and the Adviser has been created to combine and jointly operate the Adviser’s, and a portion of Chicago Atlantic’s, investment management businesses (the “Joint Venture”). As the Joint Venture caused the automatic termination of the prior investment advisory agreement between the Company and the Adviser (the “Prior Investment Advisory Agreement”), a new investment advisory agreement between the Company and the Adviser (the “New Investment Advisory Agreement”), which was approved by the Board, upon the recommendation of its special committee, and the Company’s stockholders, took effect upon the closing of the Joint Venture. The New Investment Advisory Agreement has the same base management and incentive fee as, and otherwise does not materially differ from, the Prior Investment Advisory Agreement.

On October 1, 2024, in connection with the New Investment Advisory Agreement, the Company entered into a new license agreement (the “New License Agreement”) with the Adviser pursuant to which the Adviser has agreed to grant the Company a nonexclusive, royalty-free license to use the name “Chicago Atlantic.” Under the New License Agreement, the Company will have a right to use the “Chicago Atlantic” name, for so long as the Adviser or one of its affiliates remains the Company’s investment adviser. Other than with respect to this limited license, the Company will have no legal right to the “Chicago Atlantic” name. The New License Agreement does not materially differ from the prior license agreement between the Company and the Adviser, other than with respect to the licensed name.

On October 1, 2024, in connection with the New Investment Advisory Agreement, the Company and the Adviser entered into an expense limitation agreement (the "Expense Limitation Agreement") pursuant to which the Adviser has agreed to cap the Company's operating expenses (excluding base management fees, incentive fees, expenses related to the Loan Portfolio Acquisition, and litigation and indemnification expenses) at an annualized rate of 2.15% of the Company's net assets through September 30, 2025.

In connection with the Loan Portfolio Acquisition and the Joint Venture, the Board and the officers of the Company have changed as follows: (i) Frederick C. Herbst (Independent Director), John Mazarakis (Partner at Chicago Atlantic), and Jason Papastavrou (Independent Director) have joined the Board, to serve until the 2025, 2026, and 2027 annual meetings of stockholders, respectively, and until their respective successors are duly elected and qualified; (ii) Andreas Bodmeier (Partner at Chicago Atlantic) has replaced Mr. Gordon as Chief Executive Officer of the Company; (iii) Mr. Gordon has become Executive Chairman of the Board and Co-Chief Investment Officer of the Company; (iv) Umesh Mahajan has become Co-Chief Investment Officer of the Company in addition to remaining Chief Financial Officer and Secretary of the Company; and (v) Dino Colonna (Partner at the Adviser) has become the President of the Company.

In addition, in connection with the Loan Portfolio Acquisition and the Joint Venture, the Company has been renamed "Chicago Atlantic BDC, Inc.," and its ticker symbol has been changed to "LIEN," and the Adviser has been renamed "Chicago Atlantic BDC Advisers, LLC." The changes to the Company's name and ticker symbol became effective in the market at the open of business on October 2, 2024.

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), including the requirements under ASC 946, Financial Services—Investment Companies and Articles 6 and 12 of Regulation S-X. In the opinion of management, all adjustments of a normal recurring nature considered necessary for the fair presentation of the financial statements for the interim period presented have been made, and such adjustments are normal and recurring in nature. The current period's results of operations are not necessarily indicative of results that may be achieved for the year.

Use of Estimates
The preparation of the financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions affecting reported amounts of assets and liabilities at the date of the financial statements (i.e. fair value of investments) and the reported amounts of income, expenses, and gains and losses during the reported period. These estimates are based on the information that is currently available to the Company and on various other assumptions that the Company believes to be reasonable under the circumstances. Actual results could differ materially from those estimates under different assumptions and conditions.

Investment Valuation
The Company's investments are recorded at their estimated fair value on the Statement of Assets and Liabilities. Investments for which market quotations are readily available will typically be valued at the bid price of those market quotations. To validate market quotations, we utilize a number of factors to determine if the quotations are representative of fair value, including the source and number of the quotations. Debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value as determined in good faith by the Adviser, as the Company's valuation designee (the "Valuation Designee"), based on inputs that may include valuations, or ranges of valuations, provided by independent third-party valuation firm(s) engaged by the Adviser. Generally, the valuation approach used for debt investments is the income approach. The approach derives a value based on either determining the present value of a projected level of cash flow, including a terminal value, or by the capitalization of a normalized measure of future cash flow. The discounted cash flow ("DCF") method, one of the methodologies under the income approach, involves estimating future cash flows under various scenarios and discounting them to the measurement date. The discount rate represents a return required by a market participant in order to make an investment in the subject company.

Alternatively, the market approach or asset approach may be used. The market approach is a way of determining a value indication by using one or more methods that compare the portfolio company to similar businesses. Value indicators are applied to relevant financial information of the entity being valued to estimate its fair value. There are two methodologies to consider under the market approach: the guideline company method ("GCM") and the controlling transaction method ("CTM"). The GCM is based on the premise that the pricing multiples of comparable publicly traded companies can be used as a tool to value privately held companies. The publicly traded companies' ratios and business enterprise value provide guidance in the valuation process. Considerations of factors such as size, growth, profitability and return on investment are also analyzed and compared to the subject business. The CTM is based on the same premise as the GCM. Guideline transactions include change-of-control transactions involving public or private businesses for companies engaged in similar lines of business or with similar economic characteristics. The valuation considers the price at which the merger or acquisition took place to other factors in order to create a pricing multiple that can be used to determine an estimate of value for the subject company.

The asset approach provides an indication of the portfolio company's value by developing a valuation-based balance sheet. This approach requires adjusting the historical assets and liabilities listed on the U.S. GAAP-based balance sheet to estimated fair values. The excess of assets over liabilities represents the tangible value of the business enterprise. The asset approach does not consider the relevant earnings capacity of a going concern business.

Pursuant to Rule 2a-5 under the 1940 Act, the Board designated the Adviser as the Valuation Designee to perform the fair value determinations for the Company, subject to the oversight of the Board and certain Board reporting and other requirements.

As part of the valuation process, the Adviser takes into account relevant factors in determining the fair value of our investments, including: the estimated enterprise value of a portfolio company (i.e., the total fair value of the portfolio company's debt and equity), the nature and realizable value of any collateral, the portfolio company's ability to make payments based on its earnings and cash flow, the markets in which the portfolio company does business, a comparison of the portfolio company's securities to any similar publicly traded securities, and overall changes in the interest rate environment and the credit markets. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, the Adviser considers whether the pricing indicated by the external event corroborates its valuation.

The Adviser undertakes a multi-step valuation process, which includes, among other procedures, the following:

- With respect to investments for which market quotations are readily available, those investments will typically be valued at the bid price of those market quotations;

- With respect to investments for which market quotations are not readily available, the valuation process begins with the Adviser's valuation committee establishing a preliminary valuation of each investment, which may be based on valuations, or ranges of valuations, provided by independent valuation firm(s);

- Preliminary valuations are documented and discussed by the Adviser's valuation committee and, where appropriate, the independent valuation firm(s); and

- The Adviser determines the fair value of each investment.

We conduct this valuation process on a quarterly basis.

We apply Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurement* ("ASC 820"), which establishes a framework for measuring fair value in accordance with U.S. GAAP and required disclosures of fair value measurements. ASC 820 determines fair value to be the price that would be received for an investment in a current sale, which assumes an orderly transaction between market participants on the measurement date. Market participants are defined as buyers and sellers in the principal or most advantageous market (which may be a hypothetical market) that are independent, knowledgeable, and willing and able to transact. In accordance with ASC 820, we consider the principal market to be the market that has the greatest volume and level of activity. ASC 820 specifies a fair value hierarchy that prioritizes and ranks the level of observability of inputs used in determination of fair value. In accordance with ASC 820, these levels are summarized below:

- Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that we have the ability to access at the measurement date;

- Level 2 – Valuations based on quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or for which all significant inputs are observable, either directly or indirectly; and

- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Additionally, the fair value of such investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that may ultimately be realized. Further, such investments are generally less liquid than publicly traded securities and may be subject to contractual and other restrictions on resale. If we were required to liquidate a portfolio investment in a forced or liquidation sale, it could realize amounts that are different from the amounts presented and such differences could be material.

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

Equity Securities and Warrants

The Company may be issued warrants by issuers as yield enhancements. These warrants are recorded as assets at estimated fair value on the grant date. The Company determines the cost basis of the warrants or other equity securities received based upon their respective fair values on the date of receipt in proportion to the total fair value of the debt and warrants or other equity securities received. Depending on the facts and circumstances, the Company generally utilizes a combination of one or several forms of the market approach and contingent claim analyses (a form of option analysis) to estimate the fair value of the securities as of the measurement date and determines the cost basis using a relative fair value methodology. As part of its application of the market approach, the Company estimates the enterprise value of a portfolio company utilizing customary pricing multiples, based on the development stage of the underlying issuers, or other appropriate valuation methods, such as considering recent transactions in the equity securities of the portfolio company or third-party valuations that are assessed to be indicative of fair value of the respective portfolio company. If appropriate, based on the facts and circumstances, the Company performs an allocation of the enterprise value to the equity securities utilizing a contingent claim analysis and/or other waterfall calculation by which it allocates the enterprise value across the portfolio company's warrants and other equity securities in order of their preference relative to one another.

Cash and Cash Equivalents

Cash and cash equivalents consists of funds deposited with financial institutions and short-term (maturity of 90 days or less) liquid investments and money market funds. Funds held in money market funds are considered Level 1 in the fair value hierarchy in accordance with ASC 820. Cash held in demand deposit accounts may exceed the Federal Deposit Insurance Corporation ("FDIC") insured limit. The Company has not incurred any losses on these accounts, and the credit risk exposure is mitigated by the financial strength of the banking institution where the accounts are held. As of September 30, 2024 and December 31, 2023, cash and cash equivalents consisted of $30.11 million and $32.61 million, respectively, of which $30.11 million and $32.61 million, respectively, was held in the State Street Institutional U.S. Government Money Market Fund.

Earnings per share

Basic earnings per share is computed by dividing net increase (decrease) in net assets resulting from operations by the weighted-average number of common shares outstanding for the period. Other potentially dilutive common shares, and the related impact to earnings are considered when calculating earnings per share on a diluted basis using the treasury stock method.

Investment Transactions

Investment transactions are recorded on trade date. Realized gains or losses are recognized as the difference between the net proceeds received (excluding prepayment fees, if any) and the amortized cost basis of the investment using the specific identification method without regard to unrealized gains or losses previously recognized, and include investments written off during the period, net of recoveries. Current-period changes in fair value of investments are reflected as a component of the net change in unrealized appreciation (depreciation) on investments on the Statements of Operations. The net change in unrealized appreciation (depreciation) primarily reflects the change in investment fair values as of the last business day of the reporting period, including the reversal of previously recorded unrealized gains or losses with respect to investments realized during the period.

Investments traded but not yet settled, if any, are reported in payable for investments purchased and receivable for investments sold on the Statement of Assets and Liabilities.

Interest and Dividend Income

Interest income is recorded on the accrual basis and includes accretion and amortization of discounts or premiums, respectively. Discounts and premiums to par value on securities purchased are accreted and amortized, respectively, into interest income over the contractual life of the respective security using the effective yield method. The amortized cost of investments includes the original cost adjusted for the accretion and amortization of discounts and premiums, respectively. Upon prepayment of a loan or debt security, any prepayment premiums and unamortized discounts or premiums are recorded as interest income in the current period.

When a debt security becomes 90 days or more past due, or if management otherwise does not expect that principal, interest, and other obligations due will be collected in full, the Company will generally place the debt security on non-accrual status and cease recognizing interest income on that debt security until all principal and interest due has been paid or the Company believes the borrower has demonstrated the ability to repay its current and future contractual obligations. Any uncollected interest is reversed from income in the period that collection of the interest receivable is determined to be doubtful. However, the Company may make exceptions to this policy if the investment has sufficient collateral value and is in the process of collection. As of September 30, 2024 and December 31, 2023, there were no loan investments in the portfolio placed on non-accrual status.

Interest income earned, excluding accretion of discounts and amortization of premiums, was $2,534,647 and $7,702,298 for the three and nine months ended September 30, 2024, respectively. Interest income earned, excluding accretion of discounts and amortization of premiums, was $2,756,231 and $7,674,961 for the three and nine months ended September 30, 2023, respectively. As of September 30, 2024 and December 31, 2023, $1,635,943 and $1,755,360, respectively, were recorded as interest receivable.

As of September 30, 2024 and December 31, 2023, the Company had $42,550 and $0, respectively, of unearned interest income, which represents interest received in advance but not yet earned. This amount is recorded as a liability on the Statement of Assets and Liabilities and will be recognized as income over the remaining term of the respective loans.

Dividend income on preferred equity securities is recorded on the accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies.

Certain investments may have contractual PIK interest or dividends. PIK interest or dividends represents accrued interest or dividends that is added to the principal amount of the investment on the respective interest or dividend payment dates rather than being paid in cash and generally becomes due at maturity. If PIK interest or dividends are not expected to be realized by the Company, the investment generating PIK interest or dividends will be placed on non-accrual status. When an investment with PIK is placed on non-accrual status, the accrued, uncapitalized interest or dividends are generally reversed through interest or dividend income, respectively.

Fee Income

All transaction fees earned in connection with our investments are recognized as fee income and are generally non-recurring. Such fees typically include fees for services, including administrative, structuring (including with respect to amendments) and advisory services, provided to portfolio companies. We recognize income from fees for providing such structuring and advisory services when the services are rendered or the transactions are completed, and payment is received (generally immediately).

For the three and nine months ended September 30, 2024, the Company earned $489,176 and $813,926, respectively, in fee income. For the three and nine months ended September 30, 2023, the Company earned $31,250 and $162,500, respectively, in fee income. As of September 30, 2024 and December 31, 2023, $401,313 and $0, respectively, of fee income is included as Other receivable in the Statement of Assets and Liabilities.

Income Taxes

The Company adopted an initial tax year end of December 31, 2021 and was taxed as a corporation for U.S. federal income tax purposes for the tax period ended December 31, 2021. The Company adopted the tax year end of March 31, 2022 and elected to be treated for U.S. federal income tax purposes as a RIC under Subchapter M of the Code for the tax period January 1, 2022 through March 31, 2022, and intends to maintain such election in the current and future taxable years. To maintain its tax treatment as a RIC, the Company must meet specified source-of-income and asset diversification requirements and timely distribute to its stockholders for each taxable year at least 90% of its investment company taxable income. In order for the Company not to be subject to U.S. federal excise taxes, it must distribute annually an amount at least equal to the sum of (i) 98% of its net ordinary income for the calendar year, (ii) 98.2% of its capital gains in excess of capital losses for the one-year period ending on October 31 of the calendar year and (iii) any net ordinary income and capital gains in excess of capital losses for preceding years that were not distributed during such years. The Company, at its discretion (subject to the requirement to distribute 90% of its investment company taxable income as described above), may carry forward taxable income in excess of calendar year dividends and pay a 4% nondeductible U.S. federal excise tax on this income. If the Company chooses to do so, this generally would increase expenses and reduce the amount available to be distributed to stockholders. For the three and nine months ended September 30, 2024, the Company recorded $31,314 for excise tax. For the three and nine months ended September 30, 2023, the Company did not accrue any excise tax. As of September 30, 2024 and December 31, 2023, $0 and $10,655, respectively, of accrued excise taxes remained payable.

The Company evaluates tax positions taken in the course of preparing the Company’s tax returns to determine whether the tax positions are “more-likely-than-not” to be sustained by the applicable tax authority in accordance with ASC Topic 740, Income Taxes (“ASC 740”). Tax benefits of positions not deemed to meet the more-likely-than-not threshold, or uncertain tax positions, would be recorded as tax expense in the current year. It is the Company’s policy to recognize accrued interest and penalties related to uncertain tax benefits in income tax expense.

Based on the analysis of the Company’s tax position, the Company has no uncertain tax positions that met the recognition or measurement criteria as of September 30, 2024 and December 31, 2023. The Company does not anticipate any significant increase or decrease in unrecognized tax benefits for the next twelve months. All of the Company’s tax returns remain subject to examination by U.S. federal and state tax authorities.

Distributions

Distributions to common stockholders are recorded on the record date. The amount of taxable income to be paid out as a distribution is determined by our Board each quarter and is generally based upon the future taxable income estimated by management. Capital gains, if any, are distributed at least annually, although the Company may decide to retain all or some of those capital gains for investment and pay U.S. federal income tax at corporate rates on those retained amounts. If the Company chooses to do so, this generally will increase expenses and reduce the amount available to be distributed to stockholders. Our distributions may exceed our earnings, and therefore, portions of the distributions that we make may be a return of the money originally invested and represent a return of capital distribution to shareholders for tax purposes.

Offering Costs

These costs consist primarily of legal fees and other costs incurred in connection with the Company’s share offerings, the preparation of the Company’s registration statement, and registration fees.

Costs associated with the offering of common shares of the Company are capitalized as deferred offering and, if any, are included in deferred offering costs on the Statements of Assets and Liabilities. As of September 30, 2024 and December 31, 2023, deferred offering costs were $1,125,739 and $0, respectively. The deferred offering costs will be charged to capital upon the issuance of shares subsequent to the completion of the Loan Portfolio Acquisition. For the three and nine months ended September 30, 2024 and 2023, no offering costs were charged to capital. As of September 30, 2024 and December 31, 2023, there were $986,806 and $0, respectively, of offering costs payable by the Company.

Transaction expenses related to the Loan Portfolio Acquisition

Cumulative transaction expenses related to the Loan Portfolio Acquisition at September 30, 2024 and December 31, 2023 were $5,780,326 and $711,264, respectively, and consisted primarily of legal fees incurred related to the Loan Portfolio Acquisition. See "Note 12 – Subsequent Events" for further information regarding the Loan Portfolio Acquisition.

For the three and nine months ended September 30, 2024, the Company incurred transaction expenses related to the Loan Portfolio Acquisition of $2,429,993 and $5,069,062, respectively. For the three and nine months ended September 30, 2023, the Company did not incur any transaction expenses related to the Loan Portfolio Acquisition. As of September 30, 2024 and December 31, 2023, there were $4,795,549 and $711,264, respectively, of transaction expenses related to the Loan Portfolio Acquisition payable by the Company.

Deferred Financing Costs

Deferred financing costs consist of origination expenses incurred in connection with the anticipated closing of a credit facility, and may include legal, accounting, and other related expenses. These costs are deferred and will be amortized using the straight-line method over the term of the applicable credit facility.

New Accounting Standards

In November 2023, the FASB issued Accounting Standard Update ("ASU") No. 2023-07, Segment Reporting (Topic 280), which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendment is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. We do not believe that the Company will be materially impacted by the adoption of ASU 2023-07.

In December 2023, the FASB issued Accounting Standard Update ("ASU") No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09")," which improves the transparency of income tax disclosures. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 and is to be adopted on a prospective basis with the option to apply retrospectively. We are currently evaluating the impact this ASU will have on our financial position and disclosures, but we do not believe that the Company will be materially impacted by the adoption of ASU 2023-09.

NOTE 3 — INVESTMENTS

The Company's investments in portfolio companies are primarily in the form of debt investments (secured and unsecured), but may include equity warrants, direct equity investments and derivative investments.

Debt Investments

The Company's debt investments typically pay interest with some amortization of principal. As of September 30, 2024, 76.5% of the debt investments (based on amortized cost) pay interest on a floating rate basis with a PRIME floor, and 23.5% of the debt investments (based on amortized cost) pay fixed interest. As of December 31, 2023, 84.9% of the debt investments (based on amortized cost) pay interest on a floating rate basis with a PRIME floor, and 15.1% of the debt investments (based on amortized cost) pay fixed interest. We will generally seek to obtain security interests in the assets of our portfolio companies that serve as collateral in support of the repayment of these debt investments. This collateral may take the form of first or second priority liens on the assets of a portfolio company.

We expect that our debt investments will typically have final maturities of three to six years. However, we expect that our portfolio companies often may repay these debt investments early, generally within three years from the date of initial investment.

Warrant Investments

In connection with the Company's debt investments, the Company may receive warrants in the portfolio company. Warrants received in connection with a debt investment typically include a potentially discounted contract price to exercise, and thus, as a portfolio company appreciates in value, the Company may achieve additional investment return from this equity interest. The warrants typically contain provisions that protect the Company as a minority-interest holder, as well as secured or unsecured put rights, or rights to sell such securities back to the portfolio company, upon the occurrence of specified events. In certain cases, the Company may also obtain follow-up rights in connection with these equity interests, which allow the Company to participate in future financing rounds.

Equity Investments

In specific circumstances, the Company may seek to make direct equity investments in situations where it is appropriate to align the interests of the Company with key management and stockholders of the portfolio company, and to allow for participation in the appreciation in the equity values of the portfolio company. These equity investments are generally made in connection with debt investments.

Derivative Investments

A portion of our portfolio may be comprised of derivatives, including total return swaps. No such derivative instruments were held as of September 30, 2024 or December 31, 2023.

CHICAGO ATLANTIC BDC, INC.

Notes to Financial Statements
(Unaudited)

Portfolio Composition

The Company's portfolio investments are primarily in companies conducting business in or supporting the cannabis industries. The following tables summarize the composition of the Company's portfolio investments by industry at amortized cost and fair value and as a percentage of the total portfolio as of September 30, 2024 and December 31, 2023.

	September 30, 2024			
	Amortized Cost		Fair Value	
Industry	Amount	%	Amount	%
Wholesale Trade	$ 53,091,077	96.6%	$ 53,852,511	96.5%
Real Estate Services	1,861,427	3.4	1,936,000	3.5
Total	$ 54,952,504	100.0%	$ 55,788,511	100.0%

	December 31, 2023			
	Amortized Cost		Fair Value	
Industry	Amount	%	Amount	%
Wholesale Trade	$ 53,471,317	100.0%	$ 54,120,000	100.0%
Total	$ 53,471,317	100.0%	$ 54,120,000	100.0%

The geographic composition is determined by the location of headquarters of the portfolio company. The following tables summarize the composition of the Company's portfolio investments by geographic region of the United States at amortized cost and fair value and as a percentage of the total portfolio as of September 30, 2024 and December 31, 2023. Geographic regions are defined as: West, for the states of WA, OR, ID, MT, WY, CO, AK, HI, UT, NV and CA; Midwest, for the states ND, SD, NE, KS, MO, IA, MN, WI, MI, IL, IN and OH; Northeast, for the states PA, NJ, NY, CT, RI, MA, VT, NH and ME; Southeast, for the states of AR, LA, MS, TN, KY, AL, FL, GA, SC, NC, VA, DE, WV and MD; and Southwest, for the states of AZ, NM, TX and OK.

	September 30, 2024			
	Amortized Cost		Fair Value	
Geographic Location	Amount	%	Amount	%
West	$ 24,054,977	43.8%	$ 24,185,000	43.3%
Midwest	23,473,866	42.7	23,984,000	43.0
Northeast	7,423,661	13.5	7,619,511	13.7
Total	$ 54,952,504	100.0%	$ 55,788,511	100.0%

	December 31, 2023			
	Amortized Cost		Fair Value	
Geographic Location	Amount	%	Amount	%
West	$ 24,910,798	46.5%	$ 25,069,000	46.4%
Midwest	24,571,197	46.0	24,911,000	46.0
Northeast	3,989,322	7.5	4,140,000	7.6
Total	$ 53,471,317	100.0%	$ 54,120,000	100.0%

The following tables summarize the composition of the Company's portfolio investments by investment type at amortized cost and fair value and as a percentage of the total portfolio as of September 30, 2024 and December 31, 2023.

	September 30, 2024			
	Amortized Cost		Fair Value	
Investment	Amount	%	Amount	%
Senior Secured First Lien Term Loans	$ 42,609,491	77.5%	$ 43,370,000	77.7%
Senior Secured Notes	11,600,187	21.1	11,742,511	21.1
Equity	742,826	1.4	676,000	1.2
Total	$ 54,952,504	100.0%	$ 55,788,511	100.0%

	December 31, 2023			
	Amortized Cost		Fair Value	
Investment	Amount	%	Amount	%
Senior Secured First Lien Term Loans	$ 45,372,626	84.9%	$ 46,006,000	85.0%
Senior Secured Notes	8,098,691	15.1	8,114,000	15.0
Total	$ 53,471,317	100.0%	$ 54,120,000	100.0%

Certain Risk Factors

In the ordinary course of business, the Company manages a variety of risks including market risk, concentration risk, credit risk, liquidity risk, interest rate risk, prepayment risk, risks associated with financial, economic and other global market developments and disruptions, including those arising from war, terrorism, market manipulation, government interventions, defaults and shutdowns, political changes or diplomatic developments, public health emergencies (such as the spread of infectious diseases, pandemics and epidemics) and natural/environmental disasters, which can all negatively impact the securities markets generally. These events can also impair the technology and other operational systems upon which the Company's service providers rely and could otherwise disrupt the Company's service providers' ability to fulfill their obligations to the Company. The Company identifies, measures and monitors risk through various control mechanisms, including trading limits and diversifying exposures and activities across a variety of instruments, markets and counterparties.

Market risk is the risk of potential adverse changes to the value of financial instruments because of changes in market conditions, including as a result of changes in the credit quality of a particular issuer, credit spreads, interest rates, and other movements and volatility in security prices or commodities. In particular, the Company may invest in issuers that are experiencing or have experienced financial or business difficulties (including difficulties resulting from the initiation or prospect of significant litigation or bankruptcy proceedings), which involves significant risks. The Company manages its exposure to market risk through the use of risk management strategies and various analytical monitoring techniques.

Concentration risk is the risk that the Company's focus on investments in cannabis companies may subject the Company to greater price volatility and risk of loss as a result of adverse economic, business or other developments affecting cannabis companies than funds investing in a broader range of industries or sectors. At times, the performance of investments in cannabis companies will lag the performance of other industries or sectors or the broader market as a whole. Investing in portfolio companies involved in the cannabis industry subjects us to the following risks:

- The cannabis industry is extremely speculative and raises a host of legality issues, making it subject to inherent risk;
- The manufacture, distribution, sale, or possession of cannabis that is not in compliance with the U.S. Controlled Substances Act is illegal under U.S. federal law. Strict enforcement of U.S. federal laws regarding cannabis would likely result in our portfolio companies' inability to execute a business plan in the cannabis industry, and could result in the loss of all or part of any of our loans;
- The Biden Administration's or specifically the U.S. Department of Justice's change in policies or enforcement with respect to U.S. federal cannabis laws could negatively impact our portfolio companies' ability to pursue their prospective business operations and/or generate revenues;
- U.S. federal courts may refuse to recognize the enforceability of contracts pertaining to any business operations that are deemed illegal under U.S. federal law, including cannabis companies operating legally under state law;
- Consumer complaints and negative publicity regarding cannabis-related products and services could lead to political pressure on states to implement new laws and regulations that are adverse to the cannabis industry, to not modify existing, restrictive laws and regulations, or to reverse current favorable laws and regulations relating to cannabis;
- Assets collateralizing loans to cannabis businesses may be forfeited to the U.S. federal government in connection with government enforcement actions under U.S. federal law;
- U.S. Food and Drug Administration regulation of cannabis and the possible registration of facilities where cannabis is grown could negatively affect the cannabis industry, which could directly affect our financial condition and the financial condition of our portfolio companies;
- Due to our proposed strategy of investing in portfolio companies engaged in the regulated cannabis industry, our portfolio companies may have a difficult time obtaining the various insurance policies that are needed to operate such businesses, which may expose us and our portfolio companies to additional risks and financial liabilities;
- The cannabis industry may face significant opposition from other industries that perceive cannabis products and services as competitive with their own, including but not limited to the pharmaceutical industry, adult beverage industry and tobacco industry, all of which have powerful lobbying and financial resources;
- Many national and regional banks have been resistant to doing business with cannabis companies because of the uncertainties presented by federal law and, as a result, we or our portfolio companies may have difficulty borrowing from or otherwise accessing the service of banks, which may inhibit our ability to open bank accounts or otherwise utilize traditional banking services;
- Due to our proposed strategy of investing in portfolio companies engaged in the regulated cannabis industry, we or our portfolio companies may have a difficult time obtaining financing in connection with our investment strategy; and
- Laws and regulations affecting the regulated cannabis industry are varied, broad in scope and subject to evolving interpretations, and may restrict the use of the properties our portfolio companies acquire or require certain additional regulatory approvals, which could materially adversely affect our investments in such portfolio companies.

Any of the foregoing could have an adverse impact on our and our portfolio companies' businesses, financial condition and results of operations.

Credit risk is the risk that a decline in the credit quality of an investment could cause the Company to lose money. The Company could lose money if the issuer or guarantor of a portfolio security fails to make timely payment or otherwise honor its obligations. Fixed income securities rated below investment grade (high-yield bonds) involve greater risks of default or downgrade and are generally more volatile than investment grade securities. Below investment grade securities involve greater risk of price declines than investment grade securities due to actual or perceived changes in an issuer's creditworthiness. In addition, issuers of below investment grade securities may be more susceptible than other issuers to economic downturns. Such securities are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity. Discontinuation of these payments could substantially adversely affect the market value of the security.

The Company's investments may, at any time, include securities and other financial instruments or obligations that are illiquid or thinly traded, making purchase or sale of such securities and financial instruments at desired prices or in desired quantities difficult. Furthermore, the sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to value any such investments accurately.

Interest rate risk refers to the change in earnings that may result from changes in the level of interest rates. To the extent that the Company borrows money to make investments, including under any credit facility, net investment income (loss) will be affected by the difference between the rate at which the Company borrows funds and the rate at which the Company invests these funds. In periods of rising interest rates, the Company's cost of borrowing funds would increase, which may reduce net investment income (loss). As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on net investment income (loss).

Prepayment risk is the risk that a loan in the Company's portfolio will prepay due to the existence of favorable financing market conditions that allow the portfolio company the ability to replace existing financing with less expensive capital. As market conditions change, prepayment may be possible for each portfolio company. In some cases, the prepayment of a loan may reduce the Company's achievable yield if the capital returned cannot be invested in transactions with equal or greater expected yields, which could have a material adverse effect on our business, financial condition and results of operations.

NOTE 4 — FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements for fair value measurements. The Company accounts for its investments at fair value. As of September 30, 2024 and December 31, 2023, the Company's portfolio investments consisted primarily of investments in secured loans and secured notes. The fair value amounts have been measured as of the reporting date and have not been reevaluated or updated for purposes of these financial statements subsequent to that date. As such, the fair values of these financial instruments subsequent to the reporting date may be different than amounts reported.

The fair value determination of each portfolio investment categorized as Level 3 required one or more unobservable inputs.

The use of significant unobservable inputs creates uncertainty in the measurement of fair value as of the reporting date. The significant unobservable inputs used in the fair value measurement of the Company’s debt investments may vary and may include debt investments’ yield (i.e. discount rate) and volatility assumptions. The significant unobservable inputs used in the fair value measurement of the Company’s equity and warrant investments may vary and may include EBITDA multiples, revenue multiples and asset multiples.

CHICAGO ATLANTIC BDC, INC.

Notes to Financial Statements
(Unaudited)

The Company's investments measured at fair value by investment type on a recurring basis as of September 30, 2024 and December 31, 2023 were as follows:

	Fair Value Measurements at September 30, 2024 Using			
Assets	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Senior Secured First Lien Term Loans	$ -	$ -	$ 43,370,000	$ 43,370,000
Senior Secured Notes	-	-	11,742,511	11,742,511
Equity	-	-	676,000	676,000
Total	$ -	$ -	$ 55,788,511	$ 55,788,511

	Fair Value Measurements at December 31, 2023 Using			
Assets	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Senior Secured First Lien Term Loans	$ -	$ -	$ 46,006,000	$ 46,006,000
Senior Secured Notes	-	-	8,114,000	8,114,000
Total	$ -	$ -	$ 54,120,000	$ 54,120,000

The following tables provide a summary of the significant unobservable inputs used to fair value the Level 3 portfolio investments as of September 30, 2024 and December 31, 2023. The methodology for the determination of the fair value of the Company's investments is discussed in "Note 2 – Significant Accounting Policies". Discount rate ranges are shown as spread over PRIME and Treasuries, respectively, for Senior Secured First Lien Term Loans, as of September 30, 2024 and December 31, 2023.

Investment Type	**Fair Value as of September 30, 2024**	**Valuation Techniques/ Methodologies**	**Unobservable Input**	**Range**	**Weighted Average [(1)]**
Senior Secured First Lien Term Loans	$ 43,370,000	Discounted Cash Flow	Discount Rate	9.9% - 13.5%	11.9%
Senior Secured Notes	11,742,511	Discounted Cash Flow	Discount Rate	7.1% - 12.9%	10.2%
Preferred Equity Securities	500,000	Enterprise Value Market Approach	Enterprise Valuation Multiple	2.25x	2.25x
Warrants and Other Equity Securities	176,000	Option Pricing Model	Volatility Factor	47.0%	47.0%
Total	$ 55,788,511				

Investment Type	**Fair Value as of December 31, 2023**	**Valuation Techniques/ Methodologies**	**Unobservable Input**	**Range**	**Weighted Average [(1)]**
Senior Secured First Lien Term Loans	$ 46,006,000	Discounted Cash Flow	Discount Rate	10.1% - 13.5%	12.2%
Senior Secured Notes	8,114,000	Discounted Cash Flow	Discount Rate	7.4% - 13.7%	10.5%
Total	$ 54,120,000				

(1) The weighted average is calculated based on the fair value of each investment.

Significant increases (decreases) in discount rate in isolation would result in a significantly lower (higher) fair value assessment. Significant increases (decreases) in volatility in isolation would result in a significantly lower (higher) fair value assessment.

The following tables provide a summary of changes in the fair value of the Company's Level 3 portfolio investments for the nine months ended September 30, 2024 and 2023:

	Senior Secured First Lien Term Loans	Senior Secured Notes	Equity	Total Investments
Fair Value as of December 31, 2023	$ 46,006,000	$ 8,114,000	$ -	$ 54,120,000
Purchases	1,082,174	3,316,250	742,826	5,141,250
Accretion of discount and fees (amortization of premium), net	316,057	185,246	-	501,303
PIK interest	182,634	-	-	182,634
Proceeds from sales of investments and principal repayments	(4,344,000)	-	-	(4,344,000)
Net realized gain (loss) on investments	-	-	-	-
Net change in unrealized appreciation (depreciation) from investments	127,135	127,015	(66,826)	187,324
Balance as of September 30, 2024	$ 43,370,000	$ 11,742,511	$ 676,000	$ 55,788,511
Net change in unrealized appreciation/depreciation on Level 3 investments still held as of September 30, 2024	$ 127,135	$ 127,015	$ (66,826)	$ 187,324

	Senior Secured First Lien Term Loans	Senior Secured Notes	Total Investments
Fair Value as of December 31, 2022	$ 40,660,633	$ 9,593,917	$ 50,254,550
Purchases	8,442,000	-	8,442,000
Accretion of discount and fees (amortization of premium), net	233,119	197,933	431,052
PIK interest	78,153	-	78,153
Proceeds from sales of investments and principal repayments	(180,000)	(1,600,000)	(1,780,000)
Net realized gain (loss) on investments	-	(210,767)	(210,767)
Net change in unrealized appreciation (depreciation) on investments	263,095	(97,083)	166,012
Balance as of September 30, 2023	$ 49,497,000	$ 7,884,000	$ 57,381,000
Net change in unrealized appreciation/depreciation on Level 3 investments still held as of September 30, 2023	$ 263,095	$ (97,083)	$ 166,012

NOTE 5 — RELATED PARTY TRANSACTIONS

Pursuant to the investment advisory agreement between the Company and the Adviser (the "Investment Advisory Agreement"), fees payable to the Adviser are equal to (a) a base management fee of 1.75% of the average value of the Company's gross assets at the end of the two most recent quarters (i.e., total assets held before deduction of any liabilities), which includes investments acquired with the use of leverage and excludes cash and cash equivalents and (b) an incentive fee based on the Company's performance. The incentive fee consists of two parts. The first part is calculated and payable quarterly in arrears and equals 20% of the Company's "Pre-Incentive Fee Net Investment Income" for the quarter, subject to a preferred return, or "hurdle," of 1.75% per quarter (7% annualized), and a "catch-up" feature. The second part is determined and payable in arrears as of the end of each fiscal year (or upon termination of the Investment Advisory Agreement) and equals 20% of the Company's realized capital gains on a cumulative basis from inception through the end of the fiscal year, if any, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fee (the "Incentive Fee on Capital Gains").

While the Investment Advisory Agreement neither includes nor contemplates the inclusion of unrealized gains in the calculation of the Incentive Fee on Capital Gains, as required by U.S. GAAP, we accrue the Incentive Fee on Capital Gains on unrealized capital appreciation exceeding unrealized depreciation. This accrual reflects the Incentive Fee on Capital Gains that would be payable to the Adviser if the Company's entire investment portfolio was liquidated at its fair value as of the balance sheet date even though the Adviser is not entitled to an Incentive Fee on Capital Gains with respect to unrealized capital appreciation unless and until such gains are actually realized.

The management fee is payable quarterly in arrears. For the three and nine months ended September 30, 2024, the Company incurred management fee expenses of $253,421 and $745,876, respectively. For the three and nine months ended September 30, 2023, the Company incurred management fee expenses of $264,565 and $760,473, respectively. As of September 30, 2024 and December 31, 2023, $253,421 and $257,121, respectively, remained payable.

For the three and nine months ended September 30, 2024, the Company incurred income-based incentive fee expenses of $0 and $328,503, respectively. For the three and nine months ended September 30, 2023, the Company incurred income-based incentive fee expenses of $405,247 and $1,051,741, respectively. As of September 30, 2024 and December 31, 2023, $0 and $1,511,253, respectively, remained payable.

For the three and nine months ended September 30, 2024, the Company incurred capital gains incentive fee expenses of $(35,904) and $37,465, respectively. For the three and nine months ended September 30, 2023, the Company incurred capital gains incentive fee expenses of $(5,000) and $0, respectively. As of September 30, 2024 and December 31, 2023, $125,048 and $87,583, respectively, remained payable.

Pursuant to the administration agreement between the Company and the Adviser (the "Administration Agreement"), the Company is to reimburse the Adviser for the costs and expenses incurred by the Adviser in performing its obligations, including but not limited to maintaining and keeping all books and records and providing personnel and facilities. This includes costs and expenses incurred by the Adviser in connection with the delegation of its obligations to SS&C, the sub-administrator. The Company is generally not responsible for the compensation of the Adviser's employees or any overhead expenses. However, we may reimburse the Adviser for an allocable portion of the compensation paid by the Adviser to our CCO and CFO and their respective staffs (based on a percentage of time such individuals devote, on an estimated basis, to our business affairs). For the three and nine months ended September 30, 2024 and 2023, the Adviser has waived any expense reimbursement, other than those associated with the delegation of its obligations to the sub-administrator and the use of temporary accounting services.

For the three and nine months ended September 30, 2024, the Company paid $499 and $499, respectively, for expenses paid on the Company's behalf. For the three and nine months ended September 30, 2023, the Company paid $4,993 and $6,192, respectively, as reimbursement to the Adviser for expenses paid on the Company's behalf. Due to affiliate in the accompanying Statements of Assets and Liabilities in the amount of $51,142 and $0 as of September 30, 2024 and December 31, 2023, respectively, is due to the Adviser for expenses paid on the Company's behalf.

The Adviser was the seed investor of the Company and provided initial funding to the Company by purchasing approximately 4.5 million shares of the Company's common stock in the Company's initial public offering. The Adviser provided this "seed capital" to the Company for the purpose of facilitating the launch and initial operation of the Company, as opposed to for long term investment purposes. In addition, CALP purchased approximately 16.6 million shares of the Company's common stock in connection with the Loan Portfolio Acquisition with the intention of distributing such shares of the Company's common stock to CALP's members within six months of the Loan Portfolio Acquisition. The Adviser and CALP do not expect to hold the Company's common stock indefinitely, and may sell the Company's common stock, or distribute the Company's common stock to their members (who may, in turn, sell the Company's common stock subject to certain holding period requirements), at a future point in time. In order for the Adviser's or CALP's sales of the shares of the Company not to be deemed to have been made "on the basis of" material nonpublic information, such sales may be made pursuant to a pre-approved trading plan that complies with Rule 10b5-1 under the Exchange Act and that may obligate the Adviser or CALP to make recurring sales of the Company's common stock on a periodic basis. Sales of substantial amounts of the Company's common stock, including by the Adviser, CALP, their members or other large stockholders, or the availability of such common stock for sale, could adversely affect the prevailing market prices for the Company's common stock. If this occurs and continues for a sustained period of time, it could impair the Company's ability to raise additional capital through the sale of securities, should the Company desire to do so.

As of November 5, 2024, the Adviser and CALP collectively hold approximately 83% of the Company's voting stock and have the ability to exercise substantial control over all corporate actions requiring stockholder approval, including the election and removal of directors, certain amendments of the Company's charter, the Company's ability to issue its common stock at a price below NAV per share, and the approval of any merger or other extraordinary corporate action.

The Adviser absorbed $1.23 million, representing the cost of the sales load (i.e., underwriting discounts and commissions) incurred by the Company in connection with the initial public offering of its common stock. The Company will not incur any additional expenses with this transaction.

During the three and nine months ended September 30, 2024, the Adviser and certain related parties received dividend distributions from the Company relating to their shares held. During the three and nine months ended September 30, 2023, the Adviser and certain related parties received dividend distributions from the Company relating to their shares held. Refer to "Note 7 – Common Stock" for further details on the Company's dividend reinvestment plan and the distributions declared.

NOTE 6 — COMMITMENTS AND CONTINGENCIES

Unfunded Commitments

The Company's commitments and contingencies include unfunded commitments to extend credit in the form of loans to the Company's portfolio companies. A portion of these unfunded contractual commitments are generally dependent upon the portfolio company reaching certain milestones before the debt commitment becomes available. Furthermore, the Company's credit agreements with its portfolio companies generally contain customary lending provisions that allow the Company relief from funding obligations for previously made commitments in instances where the underlying portfolio company experiences materially adverse events that affect the financial condition or business outlook of the company. Since a portion of these commitments may expire without being drawn, unfunded contractual commitments do not necessarily represent future cash requirements. As such, the Company's disclosure of unfunded contractual commitments as of September 30, 2024 includes only those commitments that are available at the request of the portfolio company and are unencumbered by milestones or additional lending provisions. As of September 30, 2024, the Company had outstanding commitments to fund investments totaling $1.5 million. The Company has identified no unfunded commitments as of December 31, 2023.

The Company did not have any other off-balance sheet financings or liabilities as of September 30, 2024 or December 31, 2023. The Company will fund its unfunded commitments, if any, from the same sources it uses to fund its investment commitments that are funded at the time they are made (which are typically through existing cash and cash equivalents) and maintains adequate liquidity to fund its unfunded commitments through these sources.

In the normal course of business, the Company enters into contracts that provide a variety of representations and warranties, and general indemnifications. Such contracts include those with certain service providers, brokers and trading counterparties. Any exposure to the Company under these arrangements is unknown as it would involve future claims that may be made against the Company; however, based on the Company's experience, the risk of loss is remote and no such claims are expected to occur. As such, the Company has not accrued any liability in connection with such indemnifications.

Legal Proceedings

The Company may, from time to time, be involved in litigation arising out of its operations in the normal course of business or otherwise. Furthermore, third parties may try to seek to impose liability on the Company in connection with the activities of its portfolio companies. As of September 30, 2024, there are no material legal matters or material litigation pending of which the Company is aware.

NOTE 7 — COMMON STOCK

As of September 30, 2024, 100,000,000 shares of $0.01 par value common stock were authorized.

Distributions

The following table summarizes distributions declared and paid by the Company during the nine months ended September 30, 2024:

Declaration Date	Type	Record Date	Payment Date	Per Share Amount	Dividends Paid
March 8, 2024	Quarterly	March 20, 2024	March 28, 2024	$ 0.25	$ 1,553,736
May 9, 2024	Quarterly	June 20, 2024	June 28, 2024	$ 0.25	$ 1,553,738
August 8, 2024	Quarterly	September 19, 2024	September 27, 2024	$ 0.25	$ 1,553,741

The following table summarizes distributions declared and paid by the Company during the nine months ended September 30, 2023:

Declaration Date	Type	Record Date	Payment Date	Per Share Amount	Dividends Paid
August 10, 2023	Quarterly	September 15, 2023	September 29, 2023	$ 0.23	$ 1,429,374
August 10, 2023	Special	September 15, 2023	September 29, 2023	$ 0.40	$ 2,485,869

Dividend Reinvestment Plan

The Company's dividend reinvestment plan ("DRIP") provides for the reinvestment of distributions in the form of common stock on behalf of its stockholders, unless a stockholder has elected to receive distributions in cash. As a result, if the Company declares a cash distribution, its stockholders who have not "opted out" of the DRIP by the opt out date will have their cash distribution automatically reinvested into additional shares of the Company's common stock. The share requirements of the DRIP may be satisfied through the issuance of common shares or through open market purchases of common shares by the DRIP plan administrator.

The Company's DRIP is administered by its transfer agent on behalf of the Company's record holders and participating brokerage firms. Brokerage firms and other financial intermediaries may decide not to participate in the Company's DRIP but may provide a similar dividend reinvestment plan for their clients. During the nine months ended September 30, 2024, the Company issued the following shares of common stock under the DRIP:

Declaration Date	Type	Record Date	Payment Date	Shares
March 8, 2024	Quarterly	March 20, 2024	March 28, 2024	8
May 9, 2024	Quarterly	June 20, 2024	June 28, 2024	15
August 8, 2024	Quarterly	September 19, 2024	September 27, 2024	31

During the nine months ended September 30, 2023, the Company issued the following shares of common stock under the DRIP:

Declaration Date	Type	Record Date	Payment Date	Shares
August 10, 2023	Quarterly	September 15, 2023	September 29, 2023	12
August 10, 2023	Special	September 15, 2023	September 29, 2023	21

NOTE 8 — INDEMNIFICATION

Under the Company's organizational documents, the Company's officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Company. In addition, in the normal course of business the Company enters into contracts that contain a variety of representations which provide general indemnifications. The Company's maximum exposure under these agreements cannot be known; however, the Company expects any risk of loss to be remote.

NOTE 9 — EARNINGS PER SHARE

The following table sets forth the computation of the weighted average basic and diluted net increase (decrease) in net assets per share from operations for the three and nine months ended September 30, 2024 and 2023:

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net increase (decrease) in net assets resulting from operations	$ (165,012)	$ 1,273,882	$ 1,647,660	$ 4,842,366
Weighted Average Shares Outstanding — basic and diluted	6,214,965	6,214,673	6,214,952	6,214,672
Net increase (decrease) in net assets resulting from operations per share — basic and diluted	$ (0.03)	$ 0.20	$ 0.27	$ 0.78

NOTE 10 — INCOME TAXES

The Company adopted a tax year end of March 31 and elected to be treated as a regulated investment company ("RIC") for U.S. federal income tax purposes under Subchapter M of the Code. However, there is no guarantee that the Company will qualify to make such an election for any taxable year. As a RIC, the Company generally will not pay corporate-level income tax if it distributes to stockholders at least 90% of its investment company taxable income ("ICTI") (which is generally its net ordinary taxable income and realized net short-term capital gains in excess of realized net long-term capital losses) and 90% of its tax-exempt income to maintain its RIC status. Depending on the level of ICTI earned in a tax year, the Company may choose to carry forward ICTI in excess of the current year distribution into the next tax year. Any such carryover ICTI must be distributed before the end of that next tax year through a dividend declared prior to filing the final tax return related to the year which generated such ICTI. The amount to be paid out as a distribution is determined by the Board each quarter and is based upon the annual earnings estimated by the management of the Company. To the extent the Company's earnings fall below the amount of dividend distributions declared, however, a portion of the total amount of the Company's distributions for the tax year may be deemed a return of capital for tax purposes to the Company's stockholders.

The amounts and sources of distributions reported are only estimates and are not being provided for U.S. federal income tax reporting purposes. The timing and character of distributions for U.S. federal income tax purposes will be determined in accordance with the U.S. federal tax rules which may differ from GAAP. The final determination of the source of all distributions in 2024 will be made after the tax year-end and the amounts represented may be materially different from the amounts disclosed in the final Form 1099-DIV notice. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Company's investment performance and may be subject to change based on tax regulations.

Because federal income tax regulations differ from GAAP, distributions in accordance with tax regulations may differ from net investment income and realized gains recognized for financial reporting purposes. Differences may be permanent or temporary in nature. Permanent differences are reclassified among the capital accounts in the financial statements to reflect their appropriate tax character. Temporary differences arise when certain items of income, expense, gain or loss are recognized in different periods for book and tax purposes.

The Company has not recorded a liability for any uncertain tax positions pursuant to the provisions of ASC 740, Income Taxes, as of September 30, 2024 and December 31, 2023.

In the normal course of business, the Company is subject to examination by federal and certain state and local tax regulators.

For tax purposes, net realized capital losses may be carried over to offset future capital gains, if any. Funds are permitted to carry forward capital losses for an indefinite period, and such losses will retain their character as either short-term or long-term capital losses. As of March 31, 2024, the Company's most recent tax year end, the Company had $210,767 of capital loss carryforwards, all of which is short-term.

The Company's taxable income for each period is an estimate and will not be finally determined until the Company files its tax return for each year. Therefore, the final taxable income earned in each year and carried forward for distribution in the following year may be different than this estimate.

CHICAGO ATLANTIC BDC, INC.

Notes to Financial Statements
(Unaudited)

For the most recent tax year ended March 31, 2024, the Company reclassified $10,676 from distributable earnings to additional paid-in-capital on the Statement of Assets and Liabilities arising from permanent book to tax differences primarily related to non-deductible expenses. For the tax year ended March 31, 2023, the Company reclassified $121,099 from distributable earnings to additional paid-in-capital on the Statement of Assets and Liabilities arising from permanent book to tax differences primarily related to prior year post-financial statement updates and non-deductible excise tax.

For income tax purposes, distributions paid to shareholders are reported as ordinary income, return of capital, long-term capital gains, or a combination thereof. The tax character of distributions paid for the six months ended September 30, 2024 and the tax year ended March 31, 2024, were as follows:

	For the tax period from April 1, 2024 through September 30, 2024	For the tax year from April 1, 2023 through March 31, 2024
Ordinary income	$ 3,107,479	$ 9,819,273
	3,107,479	9,819,273

As of March 31, 2024 and March 31, 2023, the components of distributable earnings on a tax basis detailed below differ from the amounts reflected in the Company's Statements of Assets and Liabilities by temporary book or tax differences primarily arising from the tax treatment of organizational costs, the tax treatment of transaction expenses related to the Loan Portfolio Acquisition, and the tax treatment of uncrystallized capital gain incentive fees.

	March 31, 2024	March 31, 2023
Undistributed ordinary income	$ 1,782,017	$ 3,418,714
Net unrealized appreciation (depreciation) on investments	1,248,303	713,009
Capital loss carry forwards	(210,767)	-
Other temporary differences	(3,393,536)	(399,948)
Total	$ (573,983)	$ 3,731,775

The following table sets forth the tax cost basis and the estimated aggregate gross unrealized appreciation and depreciation from investments and cash equivalents for federal income tax purposes as of September 30, 2024, March 31, 2024 and December 31, 2023:

	September 30, 2024	March 31, 2024	December 31, 2023
Tax cost of investments and cash equivalents	$ 85,064,067	$ 86,762,991	$ 86,082,952
Unrealized appreciation	$ 973,473	$ 1,363,524	$ 784,052
Unrealized depreciation	$ (137,466)	$ (115,221)	$ (135,369)
Net unrealized appreciation (depreciation) from investments and cash equivalents	$ 836,007	$ 1,248,303	648,683

NOTE 11 — FINANCIAL HIGHLIGHTS

The following presents financial highlights for the nine months ended September 30, 2024 and 2023:

	For the nine months ended	
	September 30, 2024	September 30, 2023
Per share data:		
Net asset value at beginning of period	$ 13.77	$ 13.91
Net investment income (loss) [1]	0.23	0.79
Net realized and unrealized gains/(losses) on investments [1]	0.03	(0.01)
Net increase/(decrease) in net assets resulting from operations	0.26	0.78
Distributions from net investment income (loss) [4]	(0.75)	(0.63)
Net asset value at end of period	$ 13.28	$ 14.06
Net assets at end of period	$ 82,539,642	$ 87,402,852
Shares outstanding at end of period	6,214,995	6,214,705
Weighted average net assets	$ 84,768,322	$ 88,458,750
Per share market value at end of period	$ 10.64	$ 9.68
Total return based on market value [2]	35.15%	(1.22)%
Total return based on net asset value [2]	3.39%	7.66%
Ratio/Supplemental data:		
Ratio of expenses to average net assets [3]	8.92%	3.82%
Ratio of net investment income (loss) to average net assets [3]	1.72%	5.52%
Portfolio turnover [3]	7.96%	3%

(1) The per share data was derived by using the weighted average shares outstanding during the periods presented.

(2) Total return based on market value is based on the change in market price per share between the beginning and ending market prices per share in each period and assumes that common stock dividends are reinvested in accordance with our common stock dividend reinvestment plan. Total return based on net asset value is based upon the change in net asset value per share between the beginning and ending net asset values per share in each period and assumes that dividends are reinvested in accordance with our common stock dividend reinvestment plan. For periods less than a year, total return is not annualized.

(3) Ratio is not annualized.

(4) Management monitors available taxable earnings, including net investment income and realized capital gains, to determine if a tax return of capital may occur for the tax year. To the extent the Company's taxable earnings fall below the total amount of the Company's distributions for that tax year, a portion of those distributions may be deemed a tax return of capital to the Company's stockholders. The ultimate tax character of the Company's earnings cannot be determined until tax returns are prepared after the end of the tax year. The amounts and sources of distributions reported are only estimates and are not being provided for U.S. tax reporting purposes.

NOTE 12 — SUBSEQUENT EVENTS

The Company's management evaluated subsequent events through the date on which the financial statements were issued. Other than the item listed below, there have been no subsequent events that occurred during such period that have required adjustment or disclosure in the financial statements.

Loan Portfolio Acquisition

On October 1, 2024, the Company completed its previously announced acquisition from Chicago Atlantic Loan Portfolio, LLC ("CALP") of a portfolio of loans (the "Loan Portfolio") in exchange for newly issued shares of the Company's common stock (the "Loan Portfolio Acquisition"), pursuant to the Purchase Agreement, dated as of February 18, 2024, between the Company and CALP (the "Loan Portfolio Acquisition Agreement"). In accordance with the terms of the Loan Portfolio Acquisition Agreement, at the effective time of the Loan Portfolio Acquisition, the Company issued 16,605,372 shares of its common stock to CALP in exchange for the Loan Portfolio, which was determined by the Company to have a fair value of $219,621,125 as of September 28, 2024. Upon the closing of the Loan Portfolio Acquisition, there were 22,820,367 shares of the Company's common stock outstanding.

The Loan Portfolio Acquisition will be accounted for as an asset acquisition by the Company, with the Loan Portfolio accounted for at fair value both at the acquisition date and prospectively. The transaction costs incurred by the Company for the asset acquisition were expensed as incurred, because the acquired assets consist of a loan portfolio that is accounted for prospectively at fair value. In addition to transaction costs, there were deferred offering costs associated with the issuance of equity securities which were capitalized and charged to capital upon the issuance of shares of the Company's common stock concurrently with the completion of the Loan Portfolio Acquisition.

Table of Contents

Notes to Financial Statements
(Unaudited)

The following table sets forth certain unaudited information, as of September 28, 2024, for each debt investment added to the Company's portfolio upon the closing of the Loan Portfolio Acquisition.

Issuer	Industry	Instrument	Reference Rate	Floor	Spread	Total Coupon	Maturity	Principal	Transaction Fair Value (k)
Aeriz Holdings Corp.	Cannabis	First Lien Senior Secured Delayed Draw Term Loan	8.00%(a)	7.00%	6.00% Cash 2.00% PIK	16.00%(c)	6/30/2025	$ 10,471,115	$ 10,400,871
Archos Capital Group, LLC	Cannabis	First Lien Senior Secured Delayed Draw Term Loan	8.00%(a)	8.50%	5.75% Cash	14.25% Cash	12/31/2024	1,800,824	1,812,492
Aura Home, Inc.	Consumer Products	First Lien Senior Secured Term Loan	4.84%(b)	4.00%	7.50% Cash	12.34% Cash	9/22/2025	3,325,000	3,275,125
Deep Roots Harvest, Inc.	Cannabis	First Lien Senior Secured Delayed Draw Term Loan – Unfunded	8.00%(a)	8.00%	6.50% Cash	14.50% Cash	8/15/2027	5,000,000	4,850,000
Dreamfields Brands, Inc. (Jeeter)	Cannabis	First Lien Senior Secured Delayed Draw Term Loan	8.00%(a)	7.50%	8.75% Cash	16.75% Cash	5/3/2026	23,550,000	23,865,963
Elevation Cannabis, LLC	Cannabis	First Lien Senior Secured Delayed Draw Term Loan	8.00%(a)	8.50%	7.75% Cash	16.25% Cash	12/31/2026	14,750,000	14,500,582
Flowery – Bill's Nursery, Inc.	Cannabis	First Lien Senior Secured Delayed Draw Term Loan	Fixed	n/a	n/a	11.00% Cash 5.00% PIK	12/31/2025	9,494,063	9,568,960
HA-MD, LLC	Cannabis	First Lien Senior Secured Term Loan	Fixed	n/a	n/a	15.00% Cash	6/6/2026	3,395,000	3,436,023
Hartford Gold Group, LLC	Precious Metals	First Lien Senior Secured Term Loan	4.84%(b)	1.50%	9.85% Cash	14.69% Cash	11/30/2024	91,043	92,146
Hartford Gold Group, LLC	Precious Metals	First Lien Senior Secured Term Loan	4.84%(b)	1.50%	9.85% Cash	14.69% Cash	12/17/2025	543,132	527,991
Hartford Gold Group, LLC	Precious Metals	First Lien Senior Secured Term Loan	4.84%(b)	1.50%	9.85% Cash	14.69% Cash	1/6/2027	1,927,965	1,671,784
Minden Holdings, LLC	Real Estate	First Lien Senior Secured Term Loan	8.00%(a)	n/a	7.25% Cash	15.25% Cash	5/31/2026	3,000,000	3,038,063
Nova Farms, LLC	Cannabis	First Lien Senior Secured Term Loan	8.00%(a)	8.50%	6.50% Cash	15.00% Cash	3/28/2027	16,050,000	15,017,271

Oasis – AZ GOAT AZ LLC	Cannabis	First Lien Senior Secured Term Loan	8.00%(a)	8.00%	7.50% Cash	15.50% Cash	3/31/2026	5,400,000	5,388,600
Proper Holdings, LLC	Cannabis	First Lien Senior Secured Delayed Draw Term Loan	Fixed	n/a	n/a	11.00% Cash 2.00% PIK	5/30/2025	4,544,484	4,592,075
Protect Animals With Satellites LLC (Halo Collar)	Consumer Products	First Lien Senior Secured Term Loan	8.00%(a)	8.50%	1.75% Cash 3.00% PIK	13.25%(e)	11/1/2026	3,687,984	3,450,749
Protect Animals With Satellites LLC (Halo Collar)	Consumer Products	Incremental First Lien Senior Secured Term Loan	8.00%(a)	8.50%	1.75% Cash 3.00% PIK	13.25%(e)	11/1/2026	2,000,000	1,870,611
Remedy – Maryland Wellness, LLC	Cannabis	First Lien Senior Secured Delayed Draw Term Loan	8.00%(a)	5.00%	7.50% Cash 3.50% PIK	19.00%(f)	8/4/2025	3,243,569	3,213,431
RTCP, LLC (f/k/a RevTek Capital, LLC)	Financial Intermediary	First Lien Senior Secured Note	Fixed	n/a	n/a	15.00% Cash	10/2/2028	22,000,000	22,265,833
STIIIZY, Inc. (f/k/a Shryne Group Inc.)	Cannabis	First Lien Senior Secured Term Loan	8.00%(a)	4.00%	8.50% Cash 1.00% PIK	17.50%(d)	5/26/2026(l)	13,781,063	14,310,218
SimSpace Corp.	Information Technology Services	First Lien Senior Secured Term Loan	8.00%(a)	8.25%	10.00% Cash	18.50% Cash	11/1/2025	6,775,077	6,977,670
Story of Maryland, LLC	Cannabis	First Lien Senior Secured Delayed Draw Term Loan	8.00%(a)	3.25%	8.75% Cash 2.00% PIK	18.75%(i)	10/4/2024	9,000,000	9,072,188
Subsero Holdings – Illinois, Inc.	Cannabis	First Lien Senior Secured Delayed Draw Term Loan	8.00%(a)	7.00%	7.00% Cash 2.00% PIK	17.00%(g)	7/29/2026	2,996,239	2,942,693
Sunny Days Enterprises, LLC	Healthcare	First Lien Senior Secured Delayed Draw Term Loan	8.00%(a)	3.50%	4.75% Cash 8.00% PIK	20.75%(h)	3/31/2025	2,871,079	2,948,937
Verano Holdings Corp.	Cannabis	First Lien Senior Secured Term Loan	8.00%(a)	6.25%	6.50% Cash	14.50% Cash	10/30/2026	34,245,350	34,994,818
West Creek Financial Holdings, Inc. d/b/a Koalafi	Consumer Services	Series A Senior Note	Fixed	n/a	n/a	13.80% Cash 5.00% PIK(j)	11/29/2027	5,081,746	5,133,298
Youth Opportunity Investments, LLC	Healthcare	First Lien Senior Secured Term Loan	4.84%(b)	4.00%	7.75% Cash	12.59% Cash	9/18/2026	10,507,813	10,402,734
								$ 219,532,543	$ 219,621,125

(a) Reference Rate and Total Coupon for floating rate loans are based on the market Prime Rate of 8.00% as of September 28, 2024.
(b) Reference Rate and Total Coupon for floating rate loans are based on the market SOFR of 4.84% as of September 28, 2024.
(c) Total Coupon for Aeriz Holdings Corp. includes 2.00% PIK.
(d) Total Coupon for STIIIZY, Inc. includes 1.00% PIK.
(e) Total Coupon for Protect Animals With Satellites LLC (Halo Collar) includes 3.00% PIK.
(f) Total Coupon for Remedy – Maryland Wellness, LLC includes 3.50% PIK.
(g) Total Coupon for Subsero Holdings – Illinois, Inc. includes 2.00% PIK.
(h) Total Coupon for Sunny Days Enterprises, LLC includes 8.00% PIK.
(i) Total Coupon for Story of Maryland, LLC includes 2.00% PIK.
(j) Total Coupon for West Creek Financial Holdings, Inc. includes 5.00% PIK.

(k) Transaction Fair Value represents the fair value, as of September 28, 2024, determined by the Company for such investment for purposes of the Loan Portfolio Acquisition. For each investment, Transaction Fair Value includes fair value and accrued but unpaid interest (including uncapitalized payment-in-kind interest) through September 28, 2024, for such investment (if any).

(l) STIIIZY, Inc. maturity date was amended to 5/26/2027 on September 30, 2024.

The transaction fair value determinations in the above table were made pursuant to the requirements of, and solely for the purposes of, the Loan Portfolio Acquisition Agreement. The transaction fair value information was not audited or reviewed or approved for purposes of financial statement preparation or as part of a comprehensive statement of the Company's financial results. In that regard, there can be no assurance that the Company's final results for the fiscal year ending December 31, 2024 will not differ materially from this information. The information presented in the above table should not be viewed as a substitute for interim financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). The financial data included in the above table has been prepared by, and is the responsibility of, the Company's management.

Subsequent Investments

On October 4, 2024, the Company exited its debt investment in Story of Maryland, LLC. The Company received payment in full of $9.01 million on its first lien senior secured delayed draw term loan.

On October 11, 2024, the Company invested an additional $6.82 million in STIIIZY, Inc.'s first lien senior secured term loan maturing on May 26, 2027 for a net consideration of $6.68 million.

On October 23, 2024, the Company funded the $5.00 million unfunded commitment that the Company assumed in connection with the Loan Portfolio Acquisition with respect to Deep Roots Harvest, Inc.'s first lien senior secured term loan maturing on August 15, 2027 for a net consideration of $4.86 million.

On November 4, 2024, the Company invested $3.00 million in Tulip.IO Inc.'s first lien senior secured term loan maturing on November 4, 2028 for a net consideration of $2.97 million.

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

The following discussion and analysis or our financial condition and results of operations should be read together with the financial statements and the related notes that are included in Item 1 of Part I of this quarterly report on Form 10-Q. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under the section entitled "Item 1A. Risk Factors" in our annual report on Form 10-K for the fiscal year ended December 31, 2023 and elsewhere in this quarterly report on Form 10-Q. Please also see the section entitled "Special Note Regarding Forward-Looking Statements."

Overview

We were formed in January 2021 as a Maryland corporation and structured as an externally managed, closed-end, non-diversified management investment company. We have elected to be treated as a BDC under the 1940 Act. In addition, for U.S. federal income tax purposes we have elected to be treated, and intend to qualify annually to be treated, as a RIC under Subchapter M of the Code, commencing with our taxable year ended March 31, 2022.

We are a specialty finance company focused on investing in companies in highly complex and highly regulated industries typically underserved by other capital providers, including investing across the cannabis ecosystem through investments in the form of direct loans to privately held cannabis companies. Although we focus on investments in the cannabis industry, we may also invest in growth capital and technology companies, esoteric and asset-based lending opportunities, and liquidity solutions opportunities as described further below.

Our investment objective is to maximize risk-adjusted returns on equity for our shareholders. We seek to capitalize on, among other things, what we believe to be nascent cannabis industry growth, and drive return on equity by generating current income from our debt investments and capital appreciation from our equity and equity-related investments. We intend to achieve our investment objective by investing primarily in secured debt, unsecured debt, equity warrants and direct equity investments in privately held businesses. We intend that our debt investments will often be secured by either a first or second priority lien on the assets of the portfolio company, can include either fixed or floating rate terms and will generally have a term of between three and six years from the original investment date. To date, we have invested in first lien secured, fixed and floating rate debt with terms of two to four years. We expect our secured loans to be secured by various types of assets of our borrowers. While the types of collateral securing any given secured loan will depend on the nature of the borrower's business, common types of collateral we expect to secure our loans include real property and certain personal property, including equipment, inventory, receivables, cash, intellectual property rights and other assets to the extent permitted by applicable laws and the regulations governing our borrowers. Certain attractive assets of our borrowers, such as cannabis licenses and cannabis inventory, may not be able to be used as collateral or transferred to us. In some of our portfolio investments, we expect to receive nominally priced equity warrants and/or make direct equity investments in connection with a debt investment. In addition, a portion of our portfolio may be comprised of derivatives, including total return swaps.

Generally, the loans we invest in have a complete set of financial maintenance covenants, which are used to proactively address materially adverse changes in a portfolio company's financial performance. However, we may invest in "covenant-lite" loans. We use the term "covenant-lite" to refer generally to loans that do not have a complete set of financial maintenance covenants. Generally, "covenant-lite" loans provide borrower companies more freedom to negatively impact lenders because their covenants are incurrence-based, which means they are only tested and can only be breached following an affirmative action of the borrower, rather than by a deterioration in the borrower's financial condition. Accordingly, to the extent we invest in "covenant-lite" loans, we may have fewer rights against a borrower and may have a greater risk of loss on such investments as compared to investments in or exposure to loans with a complete set of financial maintenance covenants.

The loans in which we tend to invest typically pay interest at rates which are determined periodically on the basis of PRIME plus a premium. The loans in which we have invested and expect to invest are typically made to U.S. and, to a limited extent, non-U.S. (including emerging market) corporations, partnerships and other business entities which operate in various industries and geographical regions. These loans typically are not rated or are rated below investment grade. Securities rated below investment grade are often referred to as "high-yield" or "junk" securities, and may be considered a higher risk than debt instruments that are rated above investment grade.

We have typically invested in and expect to continue to invest in loans made primarily to private leveraged lower middle-market and middle-market companies with up to $100 million of earnings before interest, taxes, depreciation and amortization, or "EBITDA." Our business model is focused primarily on the direct origination of investments through portfolio companies or their financial sponsors. We expect that our investments will generally range between $5 million and $60 million each, although we expect that this investment size will vary proportionately with the size of our capital base. We have an active pipeline of investments and are currently reviewing approximately $559 million of potential investments in varying stages of underwriting.

The Company is currently exploring various financing options.

The following describes the four primary current sub-strategies of our principal investment strategy. We are not required to have a minimum investment in any of these sub-strategies.

Cannabis

All of our cannabis investments are designed to be compliant with all applicable laws and regulations within the jurisdictions in which they are made or to which we are otherwise subject, including U.S. federal laws. We will make equity investments only in companies that are compliant with all applicable laws and regulations within the jurisdictions in which they are located or operate, including U.S. federal laws. We may make loans to companies that we determine based on our due diligence are licensed in, and complying with, state-regulated cannabis programs, regardless of their status under U.S. federal law, so long as the investment itself is designed to be compliant with all applicable laws and regulations in the jurisdiction in which the investment is made or to which we are otherwise subject, including U.S. federal law. We are externally managed by the Adviser and seek to expand the compliant cannabis investment activities of the Adviser's leading investment platform in the cannabis industry. We primarily seek to partner with private equity firms, entrepreneurs, business owners and management teams to provide credit and equity financing alternatives to support buyouts, recapitalizations, growth initiatives, refinancings and acquisitions across cannabis companies, including cannabis-enabling technology companies, cannabis-related health and wellness companies, and hemp and cannabidiol ("CBD") distribution companies. Under normal circumstances, each such cannabis company derives at least 50% of its revenues or profits from, or commits at least 50% of its assets to, activities related to cannabis at the time of our investment in the cannabis company. We are not required to invest a specific percentage of our assets in such cannabis companies, and we may make debt and equity investments in other companies regardless of sector.

The Adviser seeks to invest in cannabis companies that it believes have some or all of the following characteristics:

- Growth or EBITDA positive entities
- Companies that require capital but do not want to dilute their equity
- Companies that are showing strong cash flow performance with low leverage profiles
- Transactions tend to be attractively priced and have better than normal covenants and amortization due to complexity of the industry
- Low debt to enterprise value

Growth Capital & Technology

Our growth capital and technology sub-strategy is focused on industry leaders and disruptive companies that are experiencing strong growth trajectories and typically need capital to support continued revenue growth or expansion of the business. In most cases, these businesses have found a niche in their respective markets, proven their customer value proposition, and have already reached significant revenue milestones. These businesses include both private equity and venture capital backed businesses, as well as non-sponsor backed companies. In most cases, a significant amount of equity capital has been raised, resulting in low overall loan to enterprise value.

The Adviser seeks to invest in growth capital and technology focused companies that it believes have some or all of the following characteristics:

- Industry leaders and disruptive companies experiencing strong growth
- Companies that have raised significant equity capital validating market value
- Industry focus typically includes software, hardware, e-commerce and direct to consumer
- Liquidity covenants that ensure such company has adequate cash runway
- Low debt to enterprise value
- Profitable or demonstrated path to near term profitability

Esoteric & Asset-Based Lending
The esoteric and asset-based lending sub-strategy is focused on established companies with strong cash flow profiles in industries that carry idiosyncratic or reputational risks, which limit access to traditional sources of capital. The sub-strategy also includes companies or opportunities that have strong asset collateral coverage, low loan values or other attractive risk-reward features. The lack of access to traditional sources of capital typically enables us to extract lender-friendly terms and covenants from companies with relatively low leverage and overall credit risk.

The Adviser seeks to invest in esoteric and asset-based lending companies that it believes have some or all of the following characteristics:

- Structured credit and asset-based loans, receivables pools and equipment

- Companies that are showing strong cash flow performance with low leverage profiles, but the industries carry regulatory, reputational or other risks

- Transactions tend to be attractively priced and have better than normal covenants and amortization due to complexity of the industry or situation

- Low debt to asset values and/or enterprise values

Liquidity Solutions
The liquidity solutions lending sub-strategy is typically focused on event-driven opportunities including, but not limited to, mergers, acquisitions, refinancings, dividend recaps or other strategically driven liquidity needs to established businesses. These businesses also tend to be in complex industries, have time-sensitive aspects to financing, or require idiosyncratic structuring expertise that enables us to extract relatively lender friendly terms and covenants.

The Adviser seeks to invest in liquidity solutions opportunities that it believes have some or all of the following characteristics:

- Financing is typically event driven

- Companies that are pursuing a merger, acquisition, refinancing, dividend recap, or other strategic liquidity need

- Companies that are showing strong cash flow performance with low leverage profiles

- Companies that have multiple areas of value and liquidity in addition to the underlying business

- Low debt to enterprise value

- Industry agnostic

None of our investment policies are fundamental, and thus may be changed without stockholder approval.

We are externally managed by the Adviser. The Adviser also provides the administrative services necessary for us to operate. We believe that our ability to leverage the existing investment management platform of Chicago Atlantic enables us to operate more efficiently and with lower overhead costs than other funds of comparable size.

Revenues
We generate revenues primarily in the form of interest income from the investments we hold. In addition, we may generate income from dividends on either direct equity investments or equity interests obtained in connection with originating loans, such as options, warrants or conversion rights. Our debt investments typically have a term of three to six years. Our loan portfolio will bear interest at a fixed or floating rate, subject to interest rate floors in certain cases. Interest on our debt investments will generally be payable either monthly or quarterly, but may be semi-annually.

Our investment portfolio consists of fixed and floating rate loans, and our credit facilities, if any, will bear interest at floating rates. Macro trends in base interest rates like PRIME may affect our net investment income (loss) over the long term.

We accrete premiums or amortize discounts into interest income using the effective yield method for term instruments. Repayments of our debt investments will reduce interest income in future periods. The frequency or volume of these repayments may fluctuate significantly. We will record prepayment premiums on loans as interest income.

Dividend income on equity investments, if applicable, will be recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded companies.

Our portfolio activity may also reflect the proceeds from sales of investments. We will recognize realized gains or losses on sales of investments based on the difference between the net proceeds from the disposition and the amortized cost basis of the investment, without regard to unrealized gains or losses previously recognized. We will record current-period changes in fair value of investments that are measured at fair value as a component of the net change in unrealized gains (losses) on investments on the Statements of Operations.

Expenses
Our primary operating expenses are a base management fee and any incentive fees under the Investment Advisory Agreement. Our investment management fee compensates our Adviser for its work in identifying, evaluating, negotiating, executing, monitoring, servicing and realizing our investments. See “Item 1. Business—Investment Advisory Agreement.”

Except as specifically provided below, all investment professionals and staff of the Adviser, when and to the extent engaged in providing investment advisory and management services to us, the base compensation, bonus and benefits, and the routine overhead expenses of such personnel allocable to such services, are provided and paid for by the Adviser. We may bear our allocable portion of the compensation paid by the Adviser (or its affiliates) to our CFO and CCO and their respective staffs (based on a percentage of time such individuals devote, on an estimated basis, to our business affairs). We may bear any other expenses of our operations and transactions, including (without limitation) fees and expenses relating to:

- the cost of our organization and offerings;

- the cost of calculating our NAV, including the cost of any third-party valuation services;

- the cost of effecting sales and repurchases of shares of our common stock and other securities;

- fees and expenses payable under any underwriting agreements, if any;

- debt service and other costs of borrowings or other financing arrangements;
- costs of hedging;
- expenses, including travel expenses, incurred by the Adviser, or members of the investment team, or payable to third-parties, performing due diligence on prospective portfolio companies and, if necessary, enforcing our rights;
- management and incentive fees payable pursuant to the Investment Advisory Agreement;
- fees payable to third-parties relating to, or associated with, making investments and valuing investments (including third-party valuation firms);
- costs, including legal fees, associated with compliance under cannabis laws;
- transfer agent and custodial fees;
- fees and expenses associated with marketing efforts (including attendance at industry and investor conferences and similar events);
- federal and state registration fees;
- any exchange listing fees and fees payable to rating agencies;
- federal, state and local taxes;
- independent directors' fees and expenses, including travel expenses;
- cost of preparing financial statements and maintaining books and records and filing reports or other documents with the SEC (or other regulatory bodies) and other reporting and compliance costs, and the compensation of professionals responsible for the preparation of the foregoing;
- the cost of any reports, proxy statements or other notices to our stockholders (including printing and mailing costs), the costs of any stockholder or director meetings and the compensation of investor relations personnel responsible for the preparation of the foregoing and related matters;
- brokerage commissions and other compensation payable to brokers or dealers;
- research and market data;
- fidelity bond, directors' and officers' errors and omissions liability insurance and other insurance premiums;
- direct costs and expenses of administration, including printing, mailing and staff;
- fees and expenses associated with independent audits, and outside legal and consulting costs;
- costs of winding up;
- costs incurred in connection with the formation or maintenance of entities or vehicles to hold our assets for tax or other purposes;
- extraordinary expenses (such as litigation or indemnification); and
- costs associated with reporting and compliance obligations under the 1940 Act and applicable federal and state securities laws.

We expect, but cannot assure, that our general and administrative expenses will increase in dollar terms during periods of asset growth, but will decline as a percentage of total assets during such periods.

Hedging

To the extent that any of our investments are denominated in a currency other than U.S. dollars, we may enter into currency hedging contracts to reduce our exposure to fluctuations in currency exchange rates. We may also enter into interest rate hedging agreements. Such hedging activities, which will be subject to compliance with applicable legal requirements, may include the use of futures, options, swaps and forward contracts. Costs incurred in entering into such contracts or in connection with settling them will be borne by us.

Portfolio Composition and Investment Activity

Portfolio Composition

As of September 30, 2024, our investment portfolio had an aggregate fair value of approximately $55.8 million and was comprised of approximately $43.4 million in first lien, senior secured loans, approximately $11.7 million in senior secured notes and approximately $0.7 million in equity securities across seven portfolio companies. As of December 31, 2023, our investment portfolio had an aggregate fair value of approximately $54.1 million and was comprised of approximately $46.0 million in first lien, senior secured loans, and approximately $8.1 million in senior secured notes across five portfolio companies.

A summary of the composition of our investment portfolio at amortized cost and fair value as a percentage of total investments are shown in the following tables as of September 30, 2024 and December 31, 2023.

	September 30, 2024	
Type	**Amortized Cost**	**Fair Value**
Senior Secured First Lien Term Loans	77.5%	77.7%
Senior Secured Notes	21.1	21.1
Equity	1.4	1.2
Total	100.0%	100.0%

	December 31, 2023	
Type	**Amortized Cost**	**Fair Value**
Senior Secured First Lien Term Loans	84.9%	85.0%
Senior Secured Notes	15.1	15.0
Total	100.0%	100.0%

The following tables show the composition of our investment portfolio by geographic region of the United States at amortized cost and fair value as a percentage of total investments as of September 30, 2024 and December 31, 2023. The geographic composition is determined by the location of the headquarters of the portfolio company.

	September 30, 2024	
Geographic Region	**Amortized Cost**	**Fair Value**
West	43.8%	43.3%
Midwest	42.7	43.0
Northeast	13.5	13.7
Total	100.0%	100.0%

	December 31, 2023	
Geographic Region	**Amortized Cost**	**Fair Value**
West	46.5%	46.4%
Midwest	46.0	46.0
Northeast	7.5	7.6
Total	100.0%	100.0%

Set forth below are tables showing the industry composition of our investment portfolio at amortized cost and fair value as a percentage of total investments as of September 30, 2024 and December 31, 2023.

	September 30, 2024	
Industry	**Amortized Cost**	**Fair Value**
Wholesale Trade	96.6%	96.5%
Real Estate Services	3.4	3.5
Total	100.0%	100.0%

	December 31, 2023	
Industry	**Amortized Cost**	**Fair Value**
Wholesale Trade	100.0%	100.0%
Total	100.0%	100.0%

Concentrations of Credit Risk
Credit risk is the risk of default or non-performance by portfolio companies, equivalent to the investment's carrying amount. Industry and sector concentrations will vary from period to period based on portfolio activity.

As of September 30, 2024 and December 31, 2023, we had two portfolio companies that represented 67.7% and 77.0% respectively, of the fair values of our portfolio. As of September 30, 2024 and December 31, 2023, our largest portfolio company represented 35.6% and 38.7%, respectively, of the total fair values of our investments in portfolio companies.

Investment Activity
The following table provides a summary of the changes in the investment portfolio for the nine months ended September 30, 2024 and 2023:

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Beginning Portfolio, at fair value	$ 54,120,000	$ 50,254,550
Purchases	5,141,250	8,442,000
Accretion of discount and fees (amortization of premium), net	501,303	431,052
PIK interest	182,634	78,153
Proceeds from sales of investments and principal repayments	(4,344,000)	(1,780,000)
Net realized gain/(loss) on investments	-	(210,767)
Net change in unrealized appreciation/(depreciation) on investments	187,324	166,012
Ending Portfolio, at fair value	$ 55,788,511	$ 57,381,000

Portfolio Asset Quality
Our portfolio management team uses an ongoing investment risk rating system to characterize and monitor our outstanding investments. Our portfolio management team monitors and, when appropriate, recommends changes to the investment risk ratings. Our Adviser's Valuation Committee reviews the recommendations and/or changes to the investment risk ratings, which are submitted on a quarterly basis to the Board of Directors and its Audit Committee.

Investment Performance Risk Rating	Summary Description
Grade 1	Investments rated 1 involve the least amount of risk to our initial cost basis. The borrower is performing above expectations, and the trends and risk factors for this investment since origination or acquisition are generally favorable. Full return of principal, interest and dividend income is expected.
Grade 2	Investment is performing in-line with expectations. Investments rated 2 involve an acceptable level of risk that is similar to the risk at the time of origination or acquisition. Risk factors remain neutral or favorable compared with initial underwriting. All investments or acquired investments in new portfolio companies are initially assessed a rating of 2.
Grade 3	Investments rated 3 involve a borrower performing below expectations and indicates that the loan's risk has increased somewhat since origination or acquisition. Capital impairment or payment delinquency is not anticipated. The investment may also be out of compliance with certain financial covenants.
Grade 4	Investments rated 4 involve a borrower performing materially below expectations and indicates that the loan's risk has increased materially since origination or acquisition. In addition to the borrower being generally out of compliance with debt covenants, loan payments may be past due (but generally not more than 120 days past due). Delinquency of interest and / or dividend payments in anticipated. No loss of principal is anticipated.
Grade 5	Investments rated 5 involve a borrower performing substantially below expectations and indicates that the loan's risk has increased substantially since origination or acquisition. It is anticipated that the Company will not recoup its initial cost and may realize a loss upon exit. Most or all of the debt covenants are out of compliance and payments are substantially delinquent. Loans rated 5 are not anticipated to be repaid in full and we will reduce the fair market value of the loan to the amount we anticipate will be recovered.

The following tables show the distribution of our investments on the 1 to 5 investment risk rating scale at fair value as of September 30, 2024 and December 31, 2023:

	September 30, 2024	
Investment Performance Risk Rating	Investments at Fair Value	Percentage of Total Investments
1	$ -	-%
2	55,788,511	100.00
3	-	-
4	-	-
5	-	-
Total	$ 55,788,511	100.00%

	December 31, 2023	
Investment Performance Risk Rating	Investments at Fair Value	Percentage of Total Investments
1	$ -	-%
2	54,120,000	100.00
3	-	-
4	-	-
5	-	-
Total	$ 54,120,000	100.00%

Debt Investments on Non-Accrual Status

As of September 30, 2024 and December 31, 2023, there were no loans in our portfolio placed on non-accrual status.

Results of Operations

The following discussion and analysis of our results of operations encompasses our results for the three and nine months ended September 30, 2024 and 2023.

Investment Income

The following table sets forth the components of investment income for the three and nine months ended September 30, 2024 and 2023:

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Stated interest income	$ 2,465,150	$ 2,740,665	$ 7,519,664	$ 7,596,808
Accretion of discount and fees (amortization of premium), net	152,124	129,494	501,303	431,052
Payment in-kind interest	69,497	15,566	182,634	78,153
Total interest income	2,686,771	2,885,725	8,203,601	8,106,013
Fee income	489,176	31,250	813,926	162,500
Total investment income	$ 3,175,947	$ 2,916,975	$ 9,017,527	$ 8,268,513

We generate revenues primarily in the form of investment income from the investments we hold, generally in the form of interest income from our debt securities. We also generate revenues in the form of investment income from the cash we hold, generally in the form of interest income from our investment in a money market fund. Stated interest income represents interest income recognized as earned in accordance with the contractual terms of the loan agreement. Stated interest income from original issue discount ("OID") and market discount represent the accretion into interest income over the term of the loan as a yield enhancement. Interest income from payment-in-kind ("PIK") represents contractually deferred interest added to the loan balance recorded on an accrual basis to the extent such amounts are expected to be collected.

The Company also recognizes certain fees as one-time fee income, including, but not limited to, advisory and commitment fees.

For the three and nine months ended September 30, 2024, total investment income was approximately $3.2 million and $9.0 million, which is attributable to $0.5 million and $0.8 million of fee income related to commitment fees, advisory fees, amendment fees and administrative fees and $2.7 million and $8.2 million of interest income, respectively. For the three and nine months ended September 30, 2023, total investment income was approximately $2.9 million and $8.3 million, which is attributable to $0.0 million and $0.2 million of fee income related to administrative and amendment fees and $2.9 million and $8.1 million of interest income, respectively.

Operating Expenses

The table below provides a detailed breakdown of the operating expenses for the nine months ended September 30, 2024 and 2023:

	For the Nine months ended September 30, 2024	For the Nine months ended September 30, 2023	$ Change	% Change
Transaction expenses related to the Loan Portfolio Acquisition	$ 5,069,062	$ -	$ 5,069,062	100%
Management fee	745,876	760,473	(14,597)	-2%
Income-based incentive fees	328,503	1,051,741	(723,238)	-69%
Audit expense	299,225	409,365	(110,140)	-27%
Administrator fees	298,132	250,314	47,818	19%
Legal expenses	200,073	334,308	(134,235)	-40%
Insurance expense	199,430	202,597	(3,167)	-2%
Other expenses	107,213	61,918	45,295	73%
Director expenses	80,311	105,913	(25,602)	-24%
Professional fees	74,694	51,808	22,886	44%
Valuation fees	50,043	116,955	(66,912)	-57%
Capital gains incentive fees	37,465	-	37,465	100%
Custodian fees	35,850	36,000	(150)	0%
Excise tax expense	31,314	-	31,314	100%
Total expenses	$ 7,557,191	$ 3,381,392	$ 4,175,799	123%

Net Investment Income

Net investment income was approximately $0.0 million and $1.5 million for the three and nine months ended September 30, 2024, as compared to approximately $1.6 million and $4.9 million for the three and nine months ended September 30, 2023, respectively. The fluctuation in net investment income is primarily due to transaction fees of $2.4 million and $5.1 million incurred in connection with the Loan Portfolio Acquisition during the three and nine months ended September 30, 2024, although the impact of such fees was partially offset by the increases in investment income during the three and nine months ended September 30, 2024 as compared to the three and nine months ended September 30, 2023, as discussed above. While we consider these fees to be largely non-recurring and anticipate less transaction fees going forward, we acknowledge the possibility of unforeseen transaction-related costs in future periods.

Net Realized Gains and Losses

Realized gains or losses are measured by the difference between the net proceeds from the sale or redemption of an investment or a financial instrument and the amortized cost basis of the investment or financial instrument, without regard to unrealized appreciation or depreciation previously recognized, and includes investments written-off during the period. There were no sales or redemptions of investments during the three and nine months ended September 30, 2024. There was $0 and $210,767 in net realized losses from the sale of an investment during the three and nine months ended September 30, 2023, respectively.

Net Change in Unrealized Appreciation (Depreciation) from Investments

Net change in unrealized appreciation (depreciation) from investments primarily reflects the net change in the fair value as of the last business day of the reporting period, including the reversal of previously recorded unrealized gains or losses with respect to investments realized during the period. We record current-period changes in fair value of investments that are measured at fair value as a component of the net change in unrealized appreciation (depreciation) on investments on the Statements of Operations.

Net unrealized appreciation and depreciation on investments for the three and nine months ended September 30, 2024 and 2023 is comprised of the following:

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Gross unrealized appreciation	$ 101,825	$ -	$ 282,329	$ 365,811
Gross unrealized depreciation	(281,349)	(343,104)	(95,005)	(199,799)
Total net change in unrealized appreciation (depreciation) from investments	$ (179,524)	$ (343,104)	$ 187,324	$ 166,012

The following table details net change in unrealized appreciation (depreciation) for our portfolio for the three and nine months ended September 30, 2024 and 2023:

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Verano Holdings Corp.	$ (33,696)	$ (33,861)	$ 13,915	$ 90,950
STIIIZY, Inc. (f/k/a Shryne Group Inc.)	(134,430)	(129,301)	(2,750)	212,530
Curaleaf Holdings, Inc.	50,692	(45,744)	45,173	62,331
MariMed Inc.	-	(39,029)	-	(8,165)
Dreamfields Brands, Inc. (d/b/a Jeeter)	(8,223)	(32,298)	(25,429)	(32,220)
PharmaCann, Inc.	40,560	(62,871)	81,842	(159,414)
Workbox Holdings, Inc.	10,573		141,399	-
Workbox Holdings, Inc, A-1 Preferred	-		-	-
Workbox Holdings, Inc: A-3 Warrants	(41,000)	-	(25,785)	-
Workbox Holdings, Inc: A-4 Warrants	(64,000)		(41,041)	
Ascend Wellness Holdings, Inc.	-	-	-	-
Total net change in unrealized appreciation (depreciation) on investments	$ (179,524)	$ (343,104)	$ 187,324	$ 166,012

Financial Condition, Liquidity and Capital Resources

We generate cash primarily from the net proceeds of offerings of securities and cash flows from operations, including interest earned from the temporary investment of cash in U.S. government securities.

In addition, we expect to enter into a credit facility in the future. The amount of leverage that we employ will depend on our assessment of market conditions and other factors at the time of any proposed borrowing, such as the maturity, covenant package and rate structure of the proposed borrowings, our ability to raise funds through the issuance of shares of our common stock and the risks of such borrowings within the context of our investment outlook. Ultimately, we only intend to use leverage if the expected returns from borrowing to make investments will exceed the cost of such borrowing.

Our primary use of funds will be investments in debt and equity securities, dividend payments to holders of our common stock who opt out of the DRIP, and the payment of operating expenses. As of September 30, 2024 and December 31, 2023, we had cash resources of approximately $30.1 million and $32.6 million, respectively, and no indebtedness.

To maintain its tax treatment as a RIC, the Company must meet specified source-of-income requirements and timely distribute to its stockholders for each taxable year at least 90% of its investment company taxable income. Additionally, in order for the Company not to be subject to U.S. federal excise taxes, it must distribute annually an amount at least equal to the sum of (i) 98% of its net ordinary income for the calendar year, (ii) 98.2% of its capital gains in excess of capital losses for the one-year period ending on October 31 of the calendar year and (iii) any net ordinary income and capital gains in excess of capital losses for preceding years that were not distributed during such years.

Dividends may also be distributed in accordance with the Company's dividend reinvestment plan ("DRIP"), which provides for the reinvestment of distributions in the form of common stock on behalf of its stockholders, unless a stockholder has elected to receive distributions in cash. As a result, if the Company declares a cash distribution, its stockholders who have not "opted out" of the DRIP by the opt out date will have their cash distribution automatically reinvested into additional shares of the Company's common stock. The share requirements of the DRIP may be satisfied through the issuance of common shares or through open market purchases of common shares by the DRIP plan administrator.

U.S. Federal Income Taxes

We elected to be treated, and intend to qualify annually to be treated, as a RIC under Subchapter M of the Code for federal income tax purposes. As a RIC, we generally will not have to pay corporate-level federal income taxes on any ordinary income or capital gains that we distribute to our stockholders from our tax earnings and profits. To obtain and maintain our RIC tax treatment, we must, among other things, meet specified source-of-income and asset diversification requirements and distribute annually 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.

Critical Accounting Estimates

Basis of Presentation

The Company's financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and pursuant to Regulation S-X under the Securities Act of 1933, as amended (the "Securities Act"). The Company follows accounting and reporting guidance as determined by the Financial Accounting Standards Board ("FASB") Topic 946 Financial Services – Investment Companies.

The preparation of financial statements in accordance with U.S. GAAP requires management to make certain estimates and assumptions affecting amounts reported in our financial statements. We will continuously evaluate our estimates, including those related to the matters described below. These estimates will be based on the information that is currently available to us and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ materially from those estimates under different assumptions or conditions. For additional information, please refer to "Note 2 – Significant Accounting Policies" in the notes to the financial statements included with this quarterly report on Form 10-Q. Valuation of investments is considered to be our critical accounting policy and estimates. A discussion of our critical accounting estimates follows.

Investment Valuation

Investments for which market quotations are readily available will typically be valued at the bid price of those market quotations. To validate market quotations, we utilize a number of factors to determine if the quotations are representative of fair value, including the source and number of the quotations. Debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value as determined in good faith by the Adviser, as the Company's valuation designee (the "Valuation Designee"), based on inputs that may include valuations, or ranges of valuations, provided by independent third-party valuation firm(s) engaged by the Adviser. Pursuant to Rule 2a-5 under the 1940 Act, the Board designated the Adviser as the Valuation Designee to perform the fair value determinations for the Company, subject to the oversight of the Board and certain Board reporting and other requirements.

As part of the valuation process, the Adviser takes into account relevant factors in determining the fair value of our investments, including: the estimated enterprise value of a portfolio company (i.e., the total fair value of the portfolio company's debt and equity), the nature and realizable value of any collateral, the portfolio company's ability to make payments based on its earnings and cash flow, the markets in which the portfolio company does business, a comparison of the portfolio company's securities to any similar publicly traded securities, and overall changes in the interest rate environment and the credit markets that may affect the price at which similar investments may be made in the future. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, the Adviser considers whether the pricing indicated by the external event corroborates its valuation.

The Adviser undertakes a multi-step valuation process, which includes, among other procedures, the following:

- With respect to investments for which market quotations are readily available, those investments will typically be valued at the bid price of those market quotations;
- With respect to investments for which market quotations are not readily available, the valuation process begins with the Adviser's valuation committee establishing a preliminary valuation of each investment, which may be based on valuations, or ranges of valuations, provided by independent valuation firm(s);
- Preliminary valuations are documented and discussed by the Adviser's valuation committee and, where appropriate, the independent valuation firm(s); and
- The Adviser determines the fair value of each investment.

We conduct this valuation process on a quarterly basis.

We apply Financial Accounting Standards Board Accounting Standards Codification 820, Fair Value Measurement ("ASC 820"), which establishes a framework for measuring fair value in accordance with U.S. GAAP and required disclosures of fair value measurements. ASC 820 determines fair value to be the price that would be received for an investment in a current sale, which assumes an orderly transaction between market participants on the measurement date. Market participants are defined as buyers and sellers in the principal or most advantageous market (which may be a hypothetical market) that are independent, knowledgeable, and willing and able to transact. In accordance with ASC 820, we consider the principal market to be the market that has the greatest volume and level of activity. ASC 820 specifies a fair value hierarchy that prioritizes and ranks the level of observability of inputs used in determination of fair value. In accordance with ASC 820, these levels are summarized below:

- Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that we have the ability to access at the measurement date;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or for which all significant inputs are observable, either directly or indirectly; and
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

All of our investments as of September 30, 2024 and December 31, 2023 are categorized at Level 3, and therefore, 100% of our portfolio requires significant estimates. Our investments may not have readily available market quotations (as such term is defined in Rule 2a-5 under the 1940 Act), and those investments which do not have readily available market quotations are valued at fair value as determined in good faith in accordance with our valuation policy. There is no single standard for determining fair value in good faith. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments we make. Significant unobservable inputs create uncertainty in the measurement of fair value as of the reporting date. The significant unobservable inputs used in the fair value measurement of the Company’s debt investments may vary and may include yield and volatility fluctuations. Significant increases (decreases) in discount rate in isolation would result in a significantly lower (higher) fair value assessment. Significant increases (decreases) in volatility in isolation would result in a significantly lower (higher) fair value assessment. The significant unobservable inputs used in the fair value measurement of the Company’s equity and warrant investments may vary and may include EBITDA multiples, revenue multiples and asset multiples. Significant increases (decreases) in EBITDA, revenue and asset multiple inputs in isolation would result in a significantly higher (lower) fair value assessment.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Additionally, the fair value of such investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that may ultimately be realized. Further, such investments are generally less liquid than publicly traded securities and may be subject to contractual and other restrictions on resale. If we were required to liquidate a portfolio investment in a forced or liquidation sale, it could realize amounts that are different from the amounts presented and such differences could be material.

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

Assumptions, or unobservable inputs, fluctuate based on both market and company specific factors. Please refer to “Note 4 – Fair Value of Financial Instruments” in the notes to the financial statements included with this quarterly report on Form 10-Q for specific unobservable inputs.

Other Contractual Obligations

We have certain commitments pursuant to our Investment Advisory Agreement that we have entered into with the Adviser. We have agreed to pay a fee for investment advisory services consisting of two components: a base management fee and an incentive fee. Payments under the Investment Advisory Agreement will be equal to (1) a percentage of the value of our average gross assets and (2) a two-part incentive fee. See “Item 1. Business—Investment Advisory Agreement.” We have also entered into a contract with the Adviser to serve as our administrator. Payments under the Administration Agreement will be reimbursements to the Adviser for the costs and expenses incurred by the Adviser in performing its obligations, including but not limited to maintaining and keeping all books and records and providing personnel and facilities. This includes costs and expenses incurred by the Adviser in connection with the delegation of its obligations to a sub-administrator. The Company is not responsible for the compensation of the Adviser’s employees and overhead expenses. See “Item 1. Business—Administration Agreement.”

Unfunded Commitments

The Company’s commitments and contingencies include unfunded commitments to extend credit in the form of loans to the Company’s portfolio companies. A portion of these unfunded contractual commitments are generally dependent upon the portfolio company reaching certain milestones before the debt commitment becomes available. Furthermore, the Company’s credit agreements with its portfolio companies generally contain customary lending provisions that allow the Company relief from funding obligations for previously made commitments in instances where the underlying portfolio company experiences materially adverse events that affect the financial condition or business outlook of the company. Since a portion of these commitments may expire without being drawn, unfunded contractual commitments do not necessarily represent future cash requirements. As such, the Company’s disclosure of unfunded contractual commitments as of September 30, 2024 includes only those commitments that are available at the request of the portfolio company and are unencumbered by milestones or additional lending provisions. As of September 30, 2024, the Company had outstanding commitments to fund investments totaling $1.5 million. The Company has identified no unfunded commitments as of December 31, 2023.

The Company did not have any other off-balance sheet financings or liabilities as of September 30, 2024 or December 31, 2023. The Company will fund its unfunded commitments, if any, from the same sources it uses to fund its investment commitments that are funded at the time they are made (which are typically through existing cash and cash equivalents) and maintains adequate liquidity to fund its unfunded commitments through these sources.

In the normal course of business, the Company enters into contracts that provide a variety of representations and warranties, and general indemnifications. Such contracts include those with certain service providers, brokers and trading counterparties. Any exposure to the Company under these arrangements is unknown as it would involve future claims that may be made against the Company; however, based on the Company’s experience, the risk of loss is remote and no such claims are expected to occur. As such, the Company has not accrued any liability in connection with such indemnifications.

Common Stock

Our common stock began trading on the Nasdaq Global Market on February 4, 2022 under the symbol “SSIC” in connection with our IPO of shares of our common stock. On October 2, 2024, our ticker symbol changed to “LIEN.”

The following table lists the net asset value per share of our common stock, the range of high and low closing sales prices of our common stock reported on the Nasdaq Global Market, the closing sale prices as a premium (or discount) to our net asset value per share and dividends per share for each fiscal quarter since our common stock began trading on the Nasdaq Global Market. On November 5, 2024, the last reported closing sales price of our common stock on the Nasdaq Global Market was $12.86 per share, which represented a discount of approximately 3.2% to our net asset value per share of $13.28 as of September 30, 2024.

Class and Period	Net Asset Value(1)	Price Range High	Price Range Low	High Sales Price Premium (Discount) to Net Asset Value(2)	Low Sales Price Premium (Discount) to Net Asset Value(2)	Cash Dividend Per Share(3)
Year Ended December 31, 2024						
Fourth Quarter (Through November 5, 2024)	*	$ 13.24	$ 10.73	*	*	*
Third Quarter	$ 13.28	$ 12.00	$ 10.64	-9.6%	-19.9%	$ 0.25
Second Quarter	$ 13.56	$ 12.38	$ 9.61	-8.7%	-29.1%	$ 0.25
First Quarter	$ 13.60	$ 10.28	$ 7.65	-24.4%	-43.8%	$ 0.25
Year Ended December 31, 2023						
Fourth Quarter	$ 13.77	$ 9.81	$ 8.32	-28.8%	-39.6%	$ 0.70(6)
Third Quarter	$ 14.06	$ 10.37	$ 7.65	-26.3%	-45.6%	$ 0.63(6)
Second Quarter	$ 14.49	$ 9.19	$ 7.82	-36.3%	-45.8%	-
First Quarter	$ 14.29	$ 9.98	$ 8.25	-30.2%	-42.3%	-
Year Ended December 31, 2022(4)						
Fourth Quarter	$ 13.91	$ 10.55	$ 9.57	-24.2%	-31.2%	-
Third Quarter	$ 13.73	$ 10.74	$ 9.00	-21.8%	-34.5%	-
Second Quarter	$ 13.64	$ 13.50	$ 7.80	-1.0%	-42.8%	-
First Quarter(5)	$ 13.61	$ 14.41	$ 12.57	5.9%	-7.6%	-

(1) Net asset value per share is determined as of the last day in the relevant quarter and therefore may not reflect the net asset value per share on the date of the high and low closing sales prices. The net asset values shown are based on outstanding shares at the end of the relevant quarter.
(2) Calculated as the respective high or low closing sales price less net asset value, divided by net asset value (in each case, as of the end of the applicable quarter).
(3) Represents the dividend or distribution declared in the relevant quarter.
(4) On November 8, 2022, our Board of Directors approved a change to our fiscal year end from March 31 to December 31.
(5) Shares of our common stock began trading on the Nasdaq Global Market on February 4, 2022 under the trading symbol “SSIC.” On October 2, 2024, our ticker symbol changed to “LIEN.”
(6) Consists of a quarterly dividend and a special dividend.
* Not determined at time of filing.

Shares of BDCs may trade at a market price that is less than the value of the net assets attributable to those shares. At times, our shares of common stock have traded at prices both above and below our net asset value per share. The possibility that our shares of common stock will trade at a discount from net asset value per share or at premiums that are unsustainable over the long term are separate and distinct from the risk that our net asset value per share will decrease. It is not possible to predict whether our common stock will trade at, above, or below net asset value per share.

Holders

As of November 5, 2024, there were approximately 9 holders of record of our common stock, which does not include stockholders for whom shares are held in “nominee” or “street name.”

Distributions

We intend to pay quarterly distributions to our stockholders out of assets legally available for distribution. All distributions will be paid at the discretion of our Board of Directors and will depend on our earnings, financial condition, maintenance of our tax treatment as a RIC, compliance with applicable BDC regulations and such other factors as our Board of Directors may deem relevant from time to time.

We have elected to be treated, and intend to qualify annually to be treated, as a RIC under Subchapter M of the Code, for U.S. federal income tax purposes, commencing with our taxable year ended March 31, 2022. As long as we qualify as a RIC, we will not be taxed on our investment company taxable income or realized net capital gains, to the extent that such taxable income or gains are distributed, or deemed to be distributed, to stockholders on a timely basis.

To obtain and maintain RIC tax treatment, we must distribute (or be deemed to distribute) at least 90% of the sum of our: investment company taxable income (which is generally our ordinary income plus the excess of realized short-term capital gains over realized net long-term capital losses), determined without regard to the deduction for dividends paid, for such taxable year; and net tax-exempt interest income (which is the excess of our gross tax-exempt interest income over certain disallowed deductions) for such taxable year.

As a RIC, we (but not our stockholders) generally will not be subject to U.S. federal tax on investment company taxable income and net capital gains that we distribute to our stockholders. The discussion below assumes that we will qualify to be treated as a RIC for U.S. federal tax purposes each year.

We intend to distribute annually all or substantially all of such income. To the extent that we retain our net capital gains or any investment company taxable income, we generally will be subject to corporate-level U.S. federal income tax. We can be expected to carry forward our net capital gains or any investment company taxable income in excess of current-year dividend distributions, and pay the U.S. federal excise tax as described below.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current-year distributions into the next tax year. We will be subject to a 4% excise tax on a certain portion of these undistributed amounts. Please refer to “Item 1. Business — Material U.S. Federal Income Tax Considerations” for further information regarding the consequences of our retention of net capital gains. We may, in the future, make actual distributions to our stockholders of our net capital gains. We can offer no assurance that we will achieve results that will permit the payment of any cash distributions and, if we issue senior securities, we may be prohibited from making distributions if doing so causes us to fail to maintain the asset coverage ratios stipulated by the 1940 Act or if distributions are limited by the terms of any of our borrowings. See “Item 1. Business — Business Development Company Regulations” and “Item 1. Business —Material U.S. Federal Income Tax Considerations.”

While we intend to distribute any income and capital gains in the manner necessary to minimize imposition of the 4% U.S. federal excise tax, sufficient amounts of our taxable income and capital gains may not be distributed and as a result, in such cases, the excise tax will be imposed. In such an event, we will be liable for this tax only on the amount by which we do not meet the foregoing distribution requirement.

To the extent our current taxable earnings for a year fall below the total amount of our distributions for that year, a portion of those distributions may be deemed a return of capital to our stockholders for U.S. federal income tax purposes. Thus, the source of a distribution to our stockholders may be the original capital invested by the stockholder rather than our income or gains. Stockholders should read written disclosure carefully and should not assume that the source of any distribution is our ordinary income or gains.

A return of capital is a return of a portion of your original investment in shares of our common stock. As a result, a return of capital will (i) lower your tax basis in your shares and thereby increase the amount of capital gain (or decrease the amount of capital loss) realized upon a subsequent sale or redemption of such shares and (ii) reduce the amount of funds we have for investment in portfolio companies. We have not established any limit on the extent to which we may use offering proceeds to fund distributions. However, our Board of Directors, including a majority of our independent directors, will be required to determine that making return of capital distributions from our offering proceeds is in the best interests of our stockholders based upon our then-current financial condition and our expected future growth prospects.

The following table summarizes distributions declared and paid by the Company since inception:

Declaration Date	Type	Record Date	Payment Date	Per Share Amount	Dividends Paid
August 10, 2023	Quarterly	September 15, 2023	September 29, 2023	$ 0.23	$ 1,429,375
August 10, 2023	Special	September 15, 2023	September 29, 2023	$ 0.40	$ 2,485,869
November 9, 2023	Quarterly	December 20, 2023	December 29, 2023	$ 0.25	$ 1,553,676
November 9, 2023	Special	December 20, 2023	December 29, 2023	$ 0.45	$ 2,796,617
March 8, 2024	Quarterly	March 20, 2024	March 28, 2024	$ 0.25	$ 1,553,736
May 9, 2024	Quarterly	June 20, 2024	June 28, 2024	$ 0.25	$ 1,553,738
August 8, 2024	Quarterly	September 19, 2024	September 27, 2024	$ 0.25	$ 1,553,741

Dividend Reinvestment Plan

We have adopted an "opt out" dividend reinvestment plan ("DRIP") for our stockholders. As a result, if we declare a dividend, then stockholders' cash distributions will be automatically reinvested in additional shares of our common stock, unless they specifically "opt out" of the dividend reinvestment plan so as to receive cash distributions. Stockholders who receive distributions in the form of shares of our common stock generally are subject to the same U.S. federal income tax consequences as are stockholders who elect to receive their distributions in cash.

During the nine months ended September 30, 2024, the Company issued the following shares of common stock under the DRIP:

Declaration Date	Type	Record Date	Payment Date	Shares
March 8, 2024	Quarterly	March 20, 2024	March 28, 2024	8
May 9, 2024	Quarterly	June 20, 2024	June 28, 2024	15
August 8, 2024	Quarterly	September 19, 2024	September 27, 2024	31

During the nine months ended September 30, 2023, the Company issued the following shares of common stock under the DRIP:

Declaration Date	Type	Record Date	Payment Date	Shares
August 10, 2023	Quarterly	September 15, 2023	September 29, 2023	12
August 10, 2023	Special	September 15, 2023	September 29, 2023	21

Issuer Purchases of Equity Securities

We did not repurchase any of our equity securities during the nine months ended September 30, 2024 or the fiscal year ended December 31, 2023.

Recent Developments

On February 20, 2024, we announced that our Board of Directors unanimously approved an expansion of our investment strategy to permit investments in companies outside of the cannabis and health and wellness sectors that otherwise meet our investment criteria. The investment strategy change became effective on April 22, 2024.

On May 14, 2024, Roxanne Jenkins resigned from her Secretary and Chief Compliance Officer positions with the Company. Ms. Jenkins' decision to resign from the Company was not due to a disagreement on any matter related to the Company's operations, policies or practices.

On May 14, 2024, our Board of Directors appointed Umesh Mahajan to the position of Secretary of the Company and Alexander Woodcock to the position of Chief Compliance Officer of the Company. Mr. Mahajan and Mr. Woodcock will serve as Secretary of the Company and Chief Compliance Officer of the Company, respectively, until his successor has been duly elected and qualified, or until the earlier of his resignation or removal.

Mr. Woodcock is the President and Chief Compliance Officer of PINE Distributors LLC and oversees the delivery of PINE's Distribution Services. He is also a member of the Registered Fund Chief Compliance Officer Services team at PINE and serves as CCO for mutual funds, ETFs, and other 1940 Act registered products. Mr. Woodcock has over 13 years of experience building and leading compliance programs at global financial services firms across diverse product and business lines. Before joining PINE in 2022, Mr. Woodcock served as Vice President of Compliance Services at SS&C ALPS. In this role, which he began in 2019, he led the Compliance Services team, delivering fund CCO support to over 10 client trusts, and post-trade compliance testing services to over 70 fund families. Mr. Woodcock's qualifications include being a Certified Anti-Money Laundering Specialist, holding FINRA Series 7 and 24 registrations, and studying International Business and Economics at Aston University in England.

On October 1, 2024, the Company completed its previously announced acquisition from Chicago Atlantic Loan Portfolio, LLC ("CALP") of a portfolio of loans (the "Loan Portfolio") in exchange for newly issued shares of the Company's common stock (the "Loan Portfolio Acquisition"), pursuant to the Purchase Agreement, dated as of February 18, 2024, between the Company and CALP (the "Loan Portfolio Acquisition Agreement"). In accordance with the terms of the Loan Portfolio Acquisition Agreement, at the effective time of the Loan Portfolio Acquisition, the Company issued 16,605,372 shares of its common stock to CALP in exchange for the Loan Portfolio, which was determined by the Company to have a fair value of $219,621,125 as of September 28, 2024. See "Note 12 – Subsequent Events" in the notes to the financial statements included with this quarterly report on Form 10-Q for further information regarding the Loan Portfolio Acquisition.

On October 1, 2024, the Adviser and Chicago Atlantic BDC Holdings, LLC (together with its affiliates, "Chicago Atlantic"), the investment adviser of CALP, consummated a previously announced transaction pursuant to which a joint venture between Chicago Atlantic and the Adviser has been created to combine and jointly operate the Adviser's, and a portion of Chicago Atlantic's, investment management businesses (the "Joint Venture"). As the Joint Venture caused the automatic termination of the prior investment advisory agreement between the Company and the Adviser (the "Prior Investment Advisory Agreement"), a new investment advisory agreement between the Company and the Adviser (the "New Investment Advisory Agreement"), which was approved by the Board, upon the recommendation of its special committee, and the Company's stockholders, took effect upon the closing of the Joint Venture. The New Investment Advisory Agreement has the same base management and incentive fee as, and otherwise does not materially differ from, the Prior Investment Advisory Agreement.

On October 1, 2024, in connection with the New Investment Advisory Agreement, the Company entered into a new license agreement (the "New License Agreement") with the Adviser pursuant to which the Adviser has agreed to grant the Company a nonexclusive, royalty-free license to use the name "Chicago Atlantic." Under the New License Agreement, the Company will have a right to use the "Chicago Atlantic" name, for so long as the Adviser or one of its affiliates remains the Company's investment adviser. Other than with respect to this limited license, the Company will have no legal right to the "Chicago Atlantic" name. The New License Agreement does not materially differ from the prior license agreement between the Company and the Adviser, other than with respect to the licensed name.

On October 1, 2024, in connection with the New Investment Advisory Agreement, the Company and the Adviser entered into an expense limitation agreement (the "Expense Limitation Agreement") pursuant to which the Adviser has agreed to cap the Company's operating expenses (excluding base management fees, incentive fees, expenses related to the Loan Portfolio Acquisition, and litigation and indemnification expenses) at an annualized rate of 2.15% of the Company's net assets through September 30, 2025.

In connection with the Loan Portfolio Acquisition and the Joint Venture, the Board and the officers of the Company have changed as follows: (i) Frederick C. Herbst (Independent Director), John Mazarakis (Partner at Chicago Atlantic), and Jason Papastavrou (Independent Director) have joined the Board, to serve until the 2025, 2026, and 2027 annual meetings of stockholders, respectively, and until their respective successors are duly elected and qualified; (ii) Andreas Bodmeier (Partner at Chicago Atlantic) has replaced Mr. Gordon as Chief Executive Officer of the Company; (iii) Mr. Gordon has become Executive Chairman of the Board and Co-Chief Investment Officer of the Company; (iv) Umesh Mahajan has become Co-Chief Investment Officer of the Company in addition to remaining Chief Financial Officer and Secretary of the Company; and (v) Dino Colonna (Partner at the Adviser) has become the President of the Company. Each officer of the Company will serve until his successor has been duly elected and qualified, or until the earlier of his resignation or removal.

Frederick C. Herbst served as Chief Financial Officer of Ready Capital Corporation, a commercial mortgage REIT, and Managing Director of Waterfall Asset Management, LLC, an SEC-registered institutional asset manager, from 2009 until he retired in June 2019. At Ready Capital Corporation, Mr. Herbst was responsible for all finance and accounting operations for the company and oversaw Ready Capital Corporation's conversion to a public company via a reverse merger with a previously existing public company. From 2005 to 2009, Mr. Herbst was Chief Financial Officer of Clayton Holdings, Inc., a publicly traded provider of analytics and due diligence services to participants in the mortgage industry. Prior to Clayton Holdings, Mr. Herbst was Chief Financial Officer of Arbor Realty Trust, Inc., a publicly traded commercial mortgage REIT, from 2003 until 2005, and of Arbor Commercial Mortgage, LLC, from 1999 until 2005. Prior to joining Arbor, Mr. Herbst was Chief Financial Officer of The Hurst Companies, Inc., Controller with The Long Island Savings Bank, FSB, Vice President Finance with Eastern States Bankcard Association and a Senior Manager with Ernst & Young. Mr. Herbst has served as a member of the board of directors of Chicago Atlantic Real Estate Finance, Inc. (NASDAQ: REFI), a commercial mortgage REIT, since 2021. Mr. Herbst holds a B.A. in Accounting from Wittenberg University and became a licensed Certified Public Accountant in 1983.

John Mazarakis co-founded Chicago Atlantic Group, LP ("CAG") in April 2019 and has served as Chicago Atlantic Real Estate Finance, Inc.'s Executive Chairman since its inception in 2021. As a proven entrepreneur and operator with successful ventures in real estate, retail, hospitality and food logistics, Mr. Mazarakis brings over 20 years of entrepreneurial, operational, and managerial experience. He has built a 35+ restaurant chain with more than 1,200 employees, established a real estate portfolio of over 30 properties, developed over 1 million square feet of commercial real estate, and completed multiple real estate financing transactions, at a cumulative annual growth rate exceeding 25%. He has invested in and served as an advisor to multiple successful startups. Mr. Mazarakis has served as a member of the board of directors of Chicago Atlantic Real Estate Finance, Inc. (NASDAQ: REFI), a commercial mortgage REIT, since 2021. Mr. Mazarakis holds a Bachelor of Arts in Economics from the University of Delaware and an MBA from The University of Chicago Booth School of Business.

Jason Papastavrou founded ARIS Capital Management, LLC, a wealth management firm, in 2004 and currently serves as its Chief Executive Officer. Previously, Dr. Papastavrou was the founder and managing director of the Fund of Hedge Funds Strategies Group of Banc of America Capital Management (BACAP), president of BACAP Alternative Advisors, and a senior portfolio manager with Deutsche Asset Management. Dr. Papastavrou has served as a member of the board of directors of Chicago Atlantic Real Estate Finance, Inc. (NASDAQ: REFI), a commercial mortgage REIT, since 2021, and as a member of the board of directors of GXO Logistics (NYSE: GXO), a publicly traded pure-play contract logistics company, since August 2021; and previously served on the board of directors of XPO Logistics, Inc. (NYSE: XPO), a publicly traded leading provider of freight transportation, from September 2011 to August 2021, and on the board of directors of United Rentals, Inc. (NYSE: URI), a publicly traded equipment rental company, from April 2005 to May 2020. Dr. Papastavrou was a tenured professor at the School of Industrial Engineering at Purdue University and holds a B.S. in mathematics, and a M.S. and a Ph.D. in electrical engineering and computer science from the Massachusetts Institute of Technology.

Andreas Bodmeier co-founded CAG in April 2019 and has served as Chicago Atlantic Real Estate Finance, Inc.'s Co-President and Chief Investment Officer since its inception in 2021. From October 2019 until December 2020, Dr. Bodmeier was a Senior Advisor to the Deputy Secretary in the Immediate Office of the Secretary at the United States Department of Health and Human Services focused on policy evaluation and the Department's response to COVID-19. From June 2015 until March 2019, Dr. Bodmeier was President of Quantitative Treasury Analytics, LLC, a boutique consulting firm focused on risk management for corporate clients as well as advising on capital structure decisions and investor relations. From May 2017 until March 2019, Dr. Bodmeier was Co-founder, Chief Investment Officer, and Chief Compliance Officer of Kinetik Finance, Inc., an SEC-registered online investment adviser for 401(k) or 403(b) retirement accounts, where he built the firm's investment methodology and compliance program. Dr. Bodmeier has also served as a consultant for hedge funds, proprietary trading firms, commercial and consumer lenders, and pharmaceutical companies. His academic research at The University of Chicago Booth School of Business focused on capital market anomalies, portfolio allocation, and risk management. Dr. Bodmeier holds a Ph.D. in Finance and MBA from The University of Chicago Booth School of Business. Dr. Bodmeier received a B.Sc. in Mathematics and a B.Sc. in Physics from Freie University Berlin, Germany, a B.Sc. in Business Economics from University of Hagen, Germany, and a M.Sc. in Statistics from Humboldt University Berlin, Germany.

Dino Colonna is a Partner of the Adviser. Mr. Colonna is primarily responsible for the day-to-day management of the Company's investment portfolio. Since 2001, Mr. Colonna has managed traditional and alternative investment portfolios, and advised corporations and institutional investors across the global capital markets. Prior to joining the Adviser, Mr. Colonna was managing partner at Madison Capital Advisors, a middle-market asset-backed lending and advisory firm focused on emerging growth companies in the cannabis, life sciences and tech sectors. Prior to Madison Capital Advisors, Mr. Colonna spent four years as an investment banker at the top-ranked Equity Capital Markets team at Barclays in London, and six years as a senior research analyst at Forest Investment Management, a global multi-strategy hedge fund. With Barclays, he advised on and structured over $8 billion of equity, derivative and debt transactions, and while at Forest Investment Management, he specialized in credit and equity research, and was part of the portfolio management team managing an over $500 million multi-strategy portfolio. Mr. Colonna holds a CFA Charter, a B.S.B.A. from the University of Delaware and an international M.B.A. from ESADE Business School (Spain).

In addition, in connection with the Loan Portfolio Acquisition and the Joint Venture, the Company has been renamed "Chicago Atlantic BDC, Inc.," and its ticker symbol has been changed to "LIEN," and the Adviser has been renamed "Chicago Atlantic BDC Advisers, LLC." The changes to the Company's name and ticker symbol became effective in the market at the open of business on October 2, 2024.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Uncertainty with respect to the economic effects of political tensions in the United States and around the world (including the Russia-Ukraine war and the Israel-Hamas war) have introduced significant volatility in the financial markets, and the effect of the volatility could materially impact our market risks, including those listed below. We are subject to financial market risks, including valuation risk, interest rate risk and credit risk.

Valuation Risk

Our investments may not have readily available market quotations (as such term is defined in Rule 2a-5 under the 1940 Act), and those investments which do not have readily available market quotations are valued at fair value as determined in good faith in accordance with our valuation policy. There is no single standard for determining fair value in good faith. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments we make. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period, including as a result of the impact of the COVID-19 pandemic on the economy and financial and capital markets. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and it is possible that the difference could be material.

Interest Rate Risk

Interest rate sensitivity and risk refer to the change in earnings that may result from changes in the level of interest rates. To the extent that we borrow money to make investments, including under any credit facility, our net investment income will be affected by the difference between the rate at which we borrow funds and the rate at which we invest these funds. In periods of rising interest rates, our cost of borrowing funds would increase, which may reduce our net investment income. 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.

As of September 30, 2024, 75.6% of our debt investments based on outstanding principal balance represented floating-rate investments based on PRIME and approximately 24.4% of our debt investments based on outstanding principal balance represented fixed rate investments. As of December 31, 2023, 84.1% of our debt investments based on outstanding principal balance represented floating-rate investments based on PRIME and approximately 15.9% of our debt investments based on outstanding principal balance represented fixed rate investments.

For the nine months ended September 30, 2024, the following table shows the annualized impact on net income of hypothetical base rate changes in the PRIME rate on our debt investments (considering interest rate floors for floating rate instruments):

Change in Interest Rates	**Interest Income**	**Interest expense**	**Net Income/(Loss)**
Up 300 basis points	$ 1,264	$ -	$ 1,264
Up 200 basis points	843	-	843
Up 100 basis points	421	-	421
Down 100 basis points	(400)	-	(400)
Down 200 basis points	(734)	-	(734)
Down 300 basis points	(934)	-	(934)

For the year ended December 31, 2023, the following table shows the annualized impact on net income of hypothetical base rate changes in the PRIME rate on our debt investments (considering interest rate floors for floating rate instruments):

Change in Interest Rates	**Interest Income**	**Interest expense**	**Net Income/(Loss)**
Up 300 basis points	$ 1,390	$ -	$ 1,390
Up 200 basis points	926	-	926
Up 100 basis points	463	-	463
Down 100 basis points	(463)	-	(463)
Down 200 basis points	(883)	-	(883)
Down 300 basis points	(1,146)	-	(1,146)

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

In accordance with Rules 13a-15(b) and 15d-15(b) under the Exchange Act, we, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act) as of the end of the period covered by this quarterly report on Form 10-Q and determined that our disclosure controls and procedures are effective as of the end of the period covered by this quarterly report on Form 10-Q.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently subject to any material legal proceedings, nor, to our knowledge, are any material legal proceedings threatened against us. From time to time, we may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. Furthermore, third parties may seek to impose liability on us in connection with the activities of our portfolio companies. Our business is also subject to extensive regulation, which may result in regulatory proceedings against us. While the outcome of any future legal or regulatory proceedings cannot be predicted with certainty, we do not expect that any such future proceedings will have a material effect upon our financial condition or results of operations.

Item 1A. Risk Factors

There have been no material changes during the nine months ended September 30, 2024 to the risk factors discussed in “Item 1A. Risk Factors” in our annual report on Form 10-K for the fiscal year ended December 31, 2023.

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

Dividend Reinvestment Plan

On September 27, 2024, pursuant to its dividend reinvestment plan, the Company issued 31 shares of its common stock, at a price of $13.65 per share, to stockholders of record as of September 19, 2024 that did not opt out of the Company’s dividend reinvestment plan in order to satisfy the reinvestment portion of the Company’s dividends. This issuance was not subject to the registration requirements of the Securities Act. See “Item 1. Financial Statements – Note 7. Common Stock – Dividend Reinvestment Plan” for more information.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

During the three months ended September 30, 2024, none of our officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement.”

Item 6. Exhibits

The following exhibits are filed as part of this quarterly report on Form 10-Q or hereby incorporated by reference to exhibits previously filed with the SEC:

Exhibit Number	Description of Exhibit
2.1	Purchase Agreement by and between the Company and Chicago Atlantic Loan Portfolio, LLC dated as of February 18, 2024[(1)]
3.1	Articles of Amendment and Restatement of the Company[(2)]
3.2	Articles of Amendment of the Company*
3.3	Amended and Restated Bylaws of the Company[(2)]
10.1	Investment Advisory Agreement, dated October 1, 2024, between the Company and the Adviser[(3)]
10.2	License Agreement, dated October 1, 2024, between the Company and the Adviser[(4)]
10.3	Expense Limitation Agreement, dated October 1, 2024, between the Company and the Adviser[(5)]
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

* Filed herewith.

(1) Incorporated by reference to Exhibit 2.1 of the Company’s current report on Form 8-K filed on February 23, 2024.
(2) Incorporated by reference to the Company’s annual report on Form 10-K/A, filed on June 30, 2022.
(3) Incorporated by reference to Exhibit 10.1 of the Company’s current report on Form 8-K filed on October 7, 2024.
(4) Incorporated by reference to Exhibit 10.2 of the Company’s current report on Form 8-K filed on October 7, 2024.
(5) Incorporated by reference to Exhibit 10.3 of the Company’s current report on Form 8-K filed on October 7, 2024.

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 on November 7, 2024.

CHICAGO ATLANTIC BDC, INC.

By: /s/ Andreas Bodmeier
Andreas Bodmeier
Chief Executive Officer (Principal Executive Officer)

By: /s/ Umesh Mahajan
Umesh Mahajan
Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 3.2

SILVER SPIKE INVESTMENT CORP.

ARTICLES OF AMENDMENT

Silver Spike Investment Corp., a Maryland corporation (which is hereinafter called the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Article I of the charter of the Corporation is hereby amended to read as follows:

The name of the corporation (the "Corporation") is: Chicago Atlantic BDC, Inc.

SECOND: These Articles of Amendment were duly approved by a majority of the entire board of directors of the Corporation, and were not required to be submitted to the stockholders of the Corporation, as the amendment is limited to a change expressly authorized by Section 2-605 of the Maryland General Corporation Law to be made without action by the stockholders.

THIRD: These Articles of Amendment shall become effective at 12:01 a.m. ET on October 1, 2024.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, Silver Spike Investment Corp. has caused the foregoing Articles of Amendment to be signed and acknowledged in its name and on its behalf by its Chief Executive Officer and attested to by its Secretary on this 23rd day of September, 2024, and its Chief Executive Officer acknowledges that these Articles of Amendment are the act of the Corporation, and he further acknowledges that, as to all matters or facts set forth herein which are required to be verified under oath, such matters and facts are true in all material respects to the best of his knowledge, information and belief, and that this statement is made under the penalties for perjury.

	Silver Spike Investment Corp.
Attest: /s/ Umesh Mahajan	By: /s/ Scott Gordon
Name: Umesh Mahajan	Name: Scott Gordon
Title: Secretary	Title: Chief Executive Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andreas Bodmeier, Chief Executive Officer of Chicago Atlantic BDC, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Chicago Atlantic BDC, Inc. (the “registrant”) for the quarter ended September 30, 2024;

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 Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer 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 equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 7, 2024	By:	/s/ Andreas Bodmeier
		Andreas Bodmeier
		Chief Executive Officer
		(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Umesh Mahajan, Chief Financial Officer of Chicago Atlantic BDC, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Chicago Atlantic BDC, Inc. (the “registrant”) for the quarter ended September 30, 2024;

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 Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer 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 equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 7, 2024	By:	/s/ Umesh Mahajan
		Umesh Mahajan
		Chief Financial Officer
		(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Executive Officer of Chicago Atlantic BDC, Inc. (the "Company"), does hereby certify that to the undersigned's knowledge:

1) the Company's Form 10-Q for the quarter ended September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) as applicable of the Securities Exchange Act of 1934, as amended; and

2) the information contained in the Company's Form 10-Q for the quarter ended September 30, 2024 fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2024

By: /s/ Andreas Bodmeier
Andreas Bodmeier
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Financial Officer of Chicago Atlantic BDC, Inc. (the "Company"), does hereby certify that to the undersigned's knowledge:

1) the Company's Form 10-Q for the quarter ended September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) as applicable of the Securities Exchange Act of 1934, as amended; and

2) the information contained in the Company's Form 10-Q for the quarter ended September 30, 2024 fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2024

By: /s/ Umesh Mahajan
Umesh Mahajan
Chief Financial Officer
(Principal Financial Officer)