Filed pursuant to Rule 424(b)(3)
Registration No. 333-248850

TRINITY CAPITAL INC.

Supplement No. 1 dated November 23, 2020
to
Prospectus dated October 20, 2020

This Supplement No. 1 dated November 23, 2020 (the "Supplement") contains information that amends, supplements or modifies certain information contained in the accompanying prospectus of Trinity Capital Inc. ("we," "us," and "our") dated October 20, 2020 (the "Prospectus") and is part of, and should be read in conjunction with, the Prospectus. The Prospectus and this Supplement have been filed with the U.S. Securities and Exchange Commission and are available free of charge at www.sec.gov or by contacting us at 3075 West Ray Road, Suite 525, Chandler, Arizona 85226, calling us at (480) 374-5350 or visiting our corporate website located at www.trincapinvestment.com. Information on our website is not incorporated into or a part of the Prospectus and this Supplement. Capitalized terms used in this Supplement have the same meanings as in the Prospectus, unless otherwise stated herein.

Before investing in our 7.00% Notes due 2025 (the "Notes"), you should read carefully the Prospectus and this Supplement and consider carefully our investment objective, risks and expenses, including the discussion of the material risks of investing in the Notes in "Risk Factors" beginning on page 22 of the Prospectus and any other risk factors included in this Supplement. Investing in the Notes involves a high degree of risk, including credit risk and the risk of the use of leverage, and is highly speculative.

RECENT DEVELOPMENTS

On and effective November 16, 2020, Susan Echard resigned as our Chief Financial Officer and Treasurer, and our Board of Directors appointed David Lund as our Chief Financial Officer and Treasurer. In addition to these positions, Mr. Lund will continue to as our Executive Vice President — Finance and Strategic Planning.

QUARTERLY REPORT ON FORM 10-Q FOR THE FISCAL QUARTER ENDED SEPTEMBER 30, 2020

On November 12, 2020, we filed our Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 (the "Form 10-Q") with the U.S. Securities and Exchange Commission. The Form 10-Q, excluding the exhibits thereto, is attached to this Supplement as Annex A, and incorporated herein by reference.

ANNEX A

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, 2020

OR

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

Commission file number: 000-56139

TRINITY CAPITAL INC.
(Exact name of registrant as specified in its charter)

Maryland	**35-2670395**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
3075 West Ray Road **Suite 525** **Chandler, Arizona**	**85226**
(Address of principal executive offices)	(Zip Code)

(480) 374-5350
(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
None	None	None

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 12, 2020, the registrant had 18,236,043 shares of common stock ($0.001 par value per share) outstanding.

TRINITY CAPITAL INC.
FORM 10-Q

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PART I: FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

TRINITY CAPITAL INC.
Consolidated Statements of Assets and Liabilities
(In thousands, except share and per share data)

	September 30, 2020 (unaudited)	December 31, 2019
ASSETS		
Investments at fair value:		
Control investments (cost of $57,147 and $0, respectively)	$ 49,797	$ —
Affiliate investments (cost of $25,760 and $0, respectively)	26,231	—
Non-control / Non-affiliate investments (cost of $356,415 and $0, respectively)	349,456	—
Total investments (cost of $439,322 and $0, respectively)	425,484	—
Cash and cash equivalents	36,323	—
Restricted cash	16,331	—
Interest receivable	3,158	—
Deferred financing costs	—	3,525
Deferred offering costs	—	2,677
Prepaid expenses	511	—
Other assets	621	—
Total assets	**$ 482,428**	**$ 6,202**
LIABILITIES		
Credit facility, net of $2,589 and $0, respectively, of unamortized deferred financing costs	$ 112,411	$ —
Notes payable, net of $4,822, and $0, respectively, of unamortized deferred financing costs	120,178	—
Accounts payable and accrued liabilities	5,051	5,668
Due to related party	—	1,058
Other liabilities	7,463	—
Total liabilities	**245,103**	**6,726**
Commitments and contingencies (Note 6)		
NET ASSETS		
Common stock, $0.001 par value per share (200,000,000 authorized, 18,236,043 and 10 shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively)	18	—
Paid-in capital in excess of par	262,534	—
Distributable earnings (accumulated loss)	(25,227)	(524)
Total net assets	**237,325**	**(524)**
Total liabilities and net assets	**$ 482,428**	**$ 6,202**
NET ASSET VALUE PER SHARE	**$ 13.01**	**$ (52,418.20)**

See accompanying notes to consolidated financial statements.

TRINITY CAPITAL INC.
Consolidated Statements of Operations
(In thousands, except share and per share data)
(Unaudited)

	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2020	For the Period of August 12, 2019 (date of inception) to September 30, 2019
INVESTMENT INCOME:			
Interest income:			
Control investments	$ 1,045	$ 2,617	$ —
Affiliate investments	144	876	—
Non-Control / Non-Affiliate investments	11,372	33,322	—
Total interest income	12,561	36,815	—
Fee income:			
One-time fee income:			
Non-Control / Non-Affiliate investments	968	2,806	—
Total fee income	968	2,806	—
Total investment income	13,529	39,621	—
EXPENSES:			
Interest expense and other debt financing costs	3,965	12,554	—
Compensation and benefits	2,782	5,841	—
General and administrative	1,237	3,265	38
Total expenses	7,984	21,660	38
NET INVESTMENT INCOME	5,545	17,961	(38)
NET REALIZED GAIN/(LOSS) FROM INVESTMENTS:			
Control investments	—	—	—
Affiliate investments	—	—	—
Non-Control / Non-Affiliate investments	(1,490)	(4,374)	—
Net realized loss from investments	(1,490)	(4,374)	—
NET CHANGE IN UNREALIZED APPRECIATION / (DEPRECIATION) FROM INVESTMENTS:			
Control investments	818	(7,350)	—
Affiliate investments	2,605	471	—
Non-Control / Non-Affiliate investments	4,856	(6,957)	—
Net change in unrealized appreciation/(depreciation) from investments	8,279	(13,836)	—
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS BEFORE FORMATION COSTS	**12,334**	**(249)**	**(38)**
Costs related to the acquisition of Trinity Capital Holdings and Legacy Funds	—	(15,586)	—
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	**$ 12,334**	**$ (15,835)**	**$ (38)**
NET INVESTMENT INCOME PER SHARE - BASIC AND DILUTED	**$ 0.31**	**$ 1.00**	$N/M
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE - BASIC AND DILUTED	**$ 0.68**	**$ (0.88)**	**N/M**
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC AND DILUTED	**18,166,491**	**18,033,173**	**10**

See accompanying notes to consolidated financial statements.

TRINITY CAPITAL INC.
Consolidated Statements of Changes in Net Assets
(In thousands, except share and per share data)
(Unaudited)

For the Three Months Ended September 30, 2020:

	Common Stock		Paid In Capital	Distributable Earnings	Total
	Shares	Par Value	in Excess of Par	(Accumulated Loss)	Net Assets
Balance as of June 30, 2020 (unaudited)	18,137,600	$ 18	$ 261,292	$ (32,664)	$ 228,646
Distributions to stockholders	—	—	—	(4,897)	(4,897)
Net increase (decrease) in net assets resulting from operations:					
Net investment income	—	—	—	5,545	5,545
Net realized gain (loss) from investments	—	—	—	(1,490)	(1,490)
Net unrealized appreciation (depreciation) from investments	—	—	—	8,279	8,279
Issuance of common stock pursuant to distribution reinvestment plan	98,443		1,242	—	1,242
Balance as of September 30, 2020 (unaudited)	18,236,043	$ 18	$ 262,534	$ (25,227)	$ 237,325

For the Nine Months Ended September 30, 2020:

	Common Stock		Paid In Capital in Excess of	Distributable Earnings	Total
	Shares	Par Value	Par Value	(Accumulated Loss)	Net Assets
Balance as of December 31, 2019 (audited)	10	$ —	$ —	$ (524)	$ (524)
Issuance of shares related to Formation Transaction [1]	9,716,517	10	145,738	—	145,748
Issuance of common stock, net of issuance costs	8,333,333	8	114,463	—	114,471
Distributions to stockholders	—	—	—	(8,868)	(8,868)
Net increase (decrease) in net assets resulting from operations:					
Net investment income	—	—	—	17,961	17,961
Net realized gain (loss) from investments	—	—	—	(4,374)	(4,374)
Net unrealized appreciation (depreciation) from investments	—	—	—	(13,836)	(13,836)
Issuance of common stock pursuant to distribution reinvestment plan	186,183	—	2,333	—	2,333
Costs related to the acquisition of Trinity Capital Holdings and Legacy Funds	—	—	—	(15,586)	(15,586)
Balance as of September 30, 2020 (unaudited)	18,236,043	$ 18	$ 262,534	$ (25,227)	$ 237,325

(1) See “Note 1 - Organization and Basis of Presentation” and “Note 12 - Formation Transactions”.

See accompanying notes to consolidated financial statements.

TRINITY CAPITAL INC.
Consolidated Statements of Changes in Net Assets
(In thousands, except share and per share data)
(Unaudited)

For the Period August 12, 2019 (date of inception) to September 30, 2019:

	Common Stock		Paid In Capital in Excess of	Distributable Earnings (Accumulated	Total
	Shares	Par Value	Par Value	Loss)	Net Assets
Balance as of August 12, 2019 (date of inception)	—	$ —	$ —	$ —	$ —
Issuance of common stock, net of issuance costs	10	—	—	—	—
Net increase (decrease) in net assets resulting from operations:					
Net investment income	—	—	—	(38)	(38)
Balance as of September 30, 2019 (unaudited)	10	$ —	$ —	$ (38)	$ (38)

See accompanying notes to consolidated financial statements.

TRINITY CAPITAL INC.
Consolidated Statement of Cash Flows
(In thousands)
(Unaudited)

	For the Nine Months Ended September 30, 2020	For the Period August 12, 2019 (date of inception) to September 30, 2019
Cash flows from operating activities:		
Net decrease in net assets resulting from operations	$ (15,835)	$ (38)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchase of investments	(137,505)	—
Proceeds from sales and paydowns of investments	118,644	—
Net change in unrealized depreciation from investments	13,836	—
Costs related to the acquisition of Trinity Capital Holdings and Legacy Funds	15,586	—
Net realized gain/(loss) from investments	4,374	—
Accretion of original issue discounts and end of term payments on investments	(7,810)	—
Amortization of deferred financing costs	2,182	—
Depreciation of fixed assets	33	—
Change in operating assets and liabilities		
Increase in interest receivable	(2,045)	—
Increase in prepaid expenses	(511)	—
Increase in other assets	(250)	—
Increase in accounts payable and accrued liabilities	3,404	—
Decrease in due to related party	(1,058)	38
Increase in other liabilities	3,053	—
Net cash used in operating activities	(3,902)	—
Cash flows used in investing activities:		
Formation Transactions of Legacy Funds, net of cash acquired [(1)]	(89,515)	—
Acquisition of Trinity Capital Holdings	(2,211)	—
Acquisition of fixed assets	(61)	—
Net cash used in investing activities	(91,787)	—
Cash flows provided by (used in) financing activities		
Issuance of common stock	125,000	—
Common stock issuance costs	(10,529)	—
Proceeds from issuance of notes payable	125,000	—
Financing costs paid related to notes payable	(5,610)	—
Distributions paid	(6,535)	—
Proceeds under credit facility	10,000	—
Repayments under credit facility	(85,000)	—
Financing costs paid related to credit facility	(3,983)	—
Net cash provided by financing activities	148,343	—
Net increase in cash, cash equivalents and restricted cash	52,654	—
Cash, beginning of period	—	—
Cash, cash equivalents and restricted cash at end of period	$ 52,654	$ —
Supplemental and non-cash investing and financing activities:		
Cash paid for interest	$ 9,592	$ —
Shares issued to Trinity Capital Holdings [(1)]	$ 8,000	$ —
Assumption of severance liability [(1)]	$ 3,508	$ —
Shares issued to the Legacy Investors as part of the Formation Transactions [(1)]	$ 137,748	$ —
Issuance of common stock pursuant to distribution reinvestment plan	$ 2,333	$ —
Non-cash settlement of investments	$ 731	$ —

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the Consolidated Statements of Assets and Liabilities that sum to the total of the same such amounts on the Consolidated Statement of Cash Flows:

	As of September 30, 2020	As of September 30, 2019
Cash and cash equivalents	$ 36,323	$ —
Restricted cash	16,331	—
Total cash, cash equivalents and restricted cash shown in the Consolidated Statements of Cash Flows	$ 52,654	$ —

(1) See “Note 1 - Organization and Basis of Presentation” and “Note 12 - Formation Transactions”

See accompanying notes to consolidated financial statements.

TRINITY CAPITAL INC.
Consolidated Schedule of Investments
September 30, 2020
(In thousands, except share and per share data)
(Unaudited)

Portfolio Company [1]	Type of Investment [3]	Maturity Date	Interest Rate [4]	Principal Amount [5]	Cost	Fair Value [6]
Debt Securities						
Administrative and Support and Waste Management and Remediation [2]						
CleanPlanet Chemical, Inc.	Equipment Financing	January 1, 2022	Fixed interest rate 9.2%; EOT 9.0%	$ 1,526	$ 1,800	$ 1,755
	Equipment Financing	May 1, 2022	Fixed interest rate 9.5%; EOT 9.0%	380	429	421
	Equipment Financing	August 1, 2022	Fixed interest rate 9.8%; EOT 9.0%	466	513	503
	Equipment Financing	February 1, 2023	Fixed interest rate 9.9%; EOT 9.0%	937	979	979
Total CleanPlanet Chemical, Inc.				3,309	3,721	3,658
Seaon Environmental, LLC	Equipment Financing	January 1, 2023	Fixed interest rate 9.0%; EOT 12.0%	$ 2,374	$ 2,562	$ 2,495
Sub-total: Administrative and Support and Waste Management and Remediation (2.6%)*				**$ 5,683**	**$ 6,283**	**$ 6,153**
Agriculture, Forestry, Fishing and Hunting [2]						
Bowery Farming, Inc.	Equipment Financing	January 1, 2023	Fixed interest rate 8.5%; EOT 8.5%	$ 2,762	$ 3,000	$ 2,879
	Equipment Financing	February 1, 2023	Fixed interest rate 8.7%; EOT 8.5%	2,718	2,880	2,918
	Equipment Financing	May 1, 2023	Fixed interest rate 8.7%; EOT 8.5%	3,346	3,513	3,542
Total Bowery Farming, Inc.				8,826	9,393	9,339
Robotany, Inc.	Equipment Financing	January 1, 2024	Fixed interest rate 7.6%; EOT 22.0%	$ 1,747	$ 1,736	$ 1,761
Sub-total: Agriculture, Forestry, Fishing and Hunting (4.7%)*				**$ 10,573**	**$ 11,129**	**$ 11,100**
Construction						
Dandelion Energy, Inc.	Equipment Financing	April 1, 2024	Fixed interest rate 9.0%; EOT 12.5%	$ 490	$ 488	$ 500
Project Frog, Inc. [7]	Secured Loan	May 1, 2023	Fixed interest rate 12.0%	$ 4,128	$ 4,029	$ 4,018
Sub-total: Construction (1.9%)*				**$ 4,618**	**$ 4,517**	**$ 4,518**
Educational Services [2]						
Examity, Inc.	Secured Loan	February 1, 2022	Fixed interest rate 11.5%; EOT 8.0%	$ 4,211	$ 4,698	$ 4,591
	Secured Loan	February 1, 2022	Fixed interest rate 11.5%; EOT 4.0%	1,985	2,095	2,096
	Secured Loan	January 1, 2023	Fixed interest rate 12.25%; EOT 4.0%	1,069	1,103	1,100
Total Examity, Inc.				7,265	7,896	7,787
Qubed, Inc. dba Yellowbrick	Secured Loan	April 1, 2023	Variable interest rate PRIME + 8.25% or Floor rate 11.5%; EOT 5.0% [18]	$ 2,000	$ 2,033	$ 2,035
	Secured Loan	October 1, 2023	Fixed interest rate 11.5%; EOT 4.0%	500	501	508
Total Qubed, Inc. dba Yellowbrick				2,500	2,534	2,543
Sub-total: Educational Services (4.4%)*				**$ 9,765**	**$ 10,430**	**$ 10,330**

TRINITY CAPITAL INC.
Consolidated Schedule of Investments
September 30, 2020
(In thousands, except share and per share data)
(Unaudited)

Portfolio Company [1]	Type of Investment [3]	Maturity Date	Interest Rate [4]		Principal Amount [5]		Cost		Fair Value [6]
Debt Securities, Continued									
Finance and Insurance [(2)]									
DailyPay, Inc.	Secured Loan [(19) (23)]	October 1, 2024	Variable interest rate PRIME + 7.0% or Floor rate 12.0%; EOT 6.0% [(18)]	$	340	$	—	$	—
Petal Card, Inc.	Secured Loan	December 1, 2023	Fixed interest rate 11.0%; EOT 3.0%	$	10,000	$	9,952	$	10,043
Sub-total: Finance and Insurance (4.2%)*				**$**	**10,340**	**$**	**9,952**	**$**	**10,043**
Health Care and Social Assistance [(2)]									
Lark Technologies, Inc.	Secured Loan	April 1, 2025	Variable interest rate PRIME + 8.25% or Floor rate 11.5%; EOT 4.0% [(18)]	$	5,000	$	4,774	$	4,774
WorkWell Prevention & Care	Secured Loan	March 1, 2024	Fixed interest rate 8.0%; EOT 10.0%	$	3,370	$	3,591	$	3,383
	Secured Loan	March 1, 2024	Fixed interest rate 8.0%; EOT 10.0%		700		729		701
Total WorkWell Prevention & Care [(7)]					4,070		4,320		4,084
Sub-total: Health Care and Social Assistance (3.7%)*				**$**	**9,070**	**$**	**9,094**	**$**	**8,858**
Information [(2)]									
Figg, Inc.	Secured Loan	January 1, 2022	Fixed interest rate 12.0%; EOT 5.0%	$	1,467	$	1,584	$	1,589
Firefly Systems, Inc.	Equipment Financing	February 1, 2023	Fixed interest rate 9.0%; EOT 10.0%	$	4,372	$	4,401	$	4,314
	Equipment Financing	September 1, 2023	Fixed interest rate 9.0%; EOT 10.0%		3,472		3,519		3,519
	Equipment Financing	October 1, 2023	Fixed interest rate 9.0%; EOT 10.0%		419		423		423
Total Firefly Systems, Inc.					8,263		8,343		8,256
Gobiquity, Inc.	Equipment Financing	April 1, 2022	Fixed interest rate 7.5%; EOT 20.0%	$	352	$	434	$	436
Hytrust, Inc.	Secured Loan	February 1, 2021	Fixed interest rate 11.1%; EOT 10.5%	$	482	$	993	$	790
Oto Analytics, Inc.	Secured Loan	March 1, 2023	Fixed interest rate 11.5%; EOT 6.0%	$	8,222	$	8,615	$	8,659
RapidMiner, Inc.	Secured Loan	October 1, 2023	Fixed interest rate 12.0%; EOT 7.5%	$	10,000	$	10,011	$	9,999
Smule, Inc.	Secured Loan	January 1, 2022	Fixed interest rate 0.0% [(24)]	$	204	$	204	$	185
STS Media, Inc. [(9)]	Secured Loan	May 1, 2022	Fixed interest rate 11.9%; EOT 4.0%	$	7,811	$	737	$	100
Unitas Global, Inc.	Equipment Financing	July 1, 2021	Fixed interest rate 9.0%; EOT 12.0%	$	861	$	1,195	$	1,169
	Equipment Financing	April 1, 2021	Fixed interest rate 7.8%; EOT 6.0%		104		124		124
Total Unitas Global, Inc.					965		1,319		1,293
Sub-total: Information (13.2%)*				**$**	**37,766**	**$**	**32,240**	**$**	**31,307**

TRINITY CAPITAL INC.
Consolidated Schedule of Investments
September 30, 2020
(In thousands, except share and per share data)
(Unaudited)

Portfolio Company [1]	Type of Investment [3]	Maturity Date	Interest Rate [4]		Principal Amount [5]		Cost		Fair Value [6]
Debt Securities, Continued									
Manufacturing [2]									
AyDeeKay LLC	Secured Loan	October 1, 2022	Variable interest rate PRIME + 7.5% or Floor rate 10.75%; EOT 3.0% [18]	$	11,325	$	11,578	$	11,220
BHCosmetics, LLC	Equipment Financing	March 1, 2021	Fixed interest rate 8.9%; EOT 5.0%	$	262	$	318	$	319
	Equipment Financing	April 1, 2021	Fixed interest rate 8.7%; EOT 5.0%		314		368		369
Total BHCosmetics, LLC					576		686		688
Footprint International Holding, Inc.	Equipment Financing	March 1, 2024	Fixed interest rate 10.3%; EOT 8.0%	$	15,747	$	16,068	$	15,979
	Secured Loan	July 1, 2024	Fixed interest rate 12.0%; EOT 9.0%		7,000		7,031		7,100
Total Footprint International Holding, Inc.					22,747		23,099		23,079
Happiest Baby, Inc.	Equipment Financing	September 1, 2022	Fixed interest rate 8.4%; EOT 9.5%	$	1,052	$	1,141	$	1,119
	Equipment Financing	November 1, 2022	Fixed interest rate 8.6%; EOT 9.5%		841		901		904
	Equipment Financing	January 1, 2023	Fixed interest rate 8.6%; EOT 9.5%		800		843		848
	Equipment Financing	June 1, 2023	Fixed interest rate 8.2%; EOT 9.5%		985		1,023		1,013
	Equipment Financing	January 1, 2024	Fixed interest rate 7.8%; EOT 9.5%		1,344		1,347		1,347
Total Happiest Baby, Inc.					5,022		5,255		5,231
Health-Ade, LLC	Equipment Financing	February 1, 2022	Fixed interest rate 9.4%; EOT 15.0%	$	1,657	$	2,142	$	2,148
	Equipment Financing	April 1, 2022	Fixed interest rate 8.6%; EOT 15.0%		931		1,154		1,155
	Equipment Financing	July 1, 2022	Fixed interest rate 9.1%; EOT 15.0%		2,257		2,682		2,690
Total Health-Ade, LLC					4,845		5,978		5,993
Mainspring Energy, Inc.	Secured Loan	August 1, 2023	Fixed interest rate 11.0%; EOT 3.8%	$	9,276	$	9,404	$	9,316
Miyoko's Kitchen	Equipment Financing	September 1, 2022	Fixed interest rate 8.8%; EOT 9.0%	$	660	$	685	$	677
	Equipment Financing	March 1, 2023	Fixed interest rate 8.9%; EOT 9.0%		957		964		964
Total Miyoko's Kitchen					1,617		1,649		1,641
Molekule, Inc.	Equipment Financing	January 1, 2024	Fixed interest rate 8.8%; EOT 10.0%	$	2,707	$	2,713	$	2,693
	Equipment Financing	April 1, 2024	Fixed interest rate 9.0%; EOT 10.0%		581		581		581
Total Molekule, Inc.					3,288		3,294		3,274
Second Nature Brands, Inc.	Equipment Financing	April 1, 2024	Fixed interest rate 9.7%; EOT 11.50%	$	2,356	$	2,274	$	2,274
Store Intelligence, Inc. [8]	Secured Loan	June 1, 2024	Fixed interest rate 12.0%; EOT 7.8%	$	12,001	$	12,143	$	12,139
Vertical Communications, Inc.	Secured Loan	November 1, 2024	Fixed interest rate 9.5%; EOT 26.4%	$	12,000	$	12,705	$	12,279
	Secured Loan	July 1, 2022	Fixed interest rate 9.5%		924		924		922
Total Vertical Communications, Inc. [7]					12,924		13,629		13,201
Sub-total: Manufacturing (37.1%)*				**$**	**85,977**	**$**	**88,989**	**$**	**88,056**

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Portfolio Company [1]	Type of Investment [3]	Maturity Date	Interest Rate [4]	Principal Amount [5]	Cost	Fair Value [6]
Debt Securities, Continued						
Pharmaceutical [2]						
Exela Pharma Sciences, LLC	Equipment Financing	October 1, 2021	Fixed interest rate 11.4%; EOT 11.0%	$ 2,595	$ 3,227	$ 3,203
	Equipment Financing [19]	January 1, 2022	Fixed interest rate 11.6%; EOT 11.0%	1,372	231	224
Total Exela Pharma Sciences, LLC				3,967	3,458	3,427
Zosano Pharma Corporation	Equipment Financing	April 1, 2022	Fixed interest rate 9.4%; EOT 12.0%	$ 2,537	$ 2,992	$ 2,821
	Equipment Financing	July 1, 2022	Fixed interest rate 9.7%; EOT 12.0%	1,655	1,881	1,809
	Equipment Financing	January 1, 2023	Fixed interest rate 9.9%; EOT 12.0%	1,728	1,858	1,850
	Equipment Financing	April 1, 2023	Fixed interest rate 9.9%; EOT 12.0%	1,905	2,002	2,026
	Equipment Financing	May 1, 2023	Fixed interest rate 10.5%; EOT 12.0%	1,396	1,481	1,481
Total Zosano Pharma Corporation				9,221	10,214	9,987
Sub-total: Pharmaceutical (5.7%)*				**$ 13,188**	**$ 13,672**	**$ 13,414**
Professional, Scientific, and Technical Services [2]						
Augmedix, Inc.	Secured Loan	April 1, 2023	Fixed interest rate 12.0%; EOT 6.5%	$ 9,422	$ 9,498	$ 9,512
BackBlaze, Inc.	Equipment Financing	January 1, 2023	Fixed interest rate 7.2%; EOT 11.5%	$ 1,011	$ 1,130	$ 1,128
	Equipment Financing	April 1, 2023	Fixed interest rate 7.4%; EOT 11.5%	129	141	141
	Equipment Financing	June 1, 2023	Fixed interest rate 7.4%; EOT 11.5%	990	1,071	1,068
	Equipment Financing	August 1, 2023	Fixed interest rate 7.5%; EOT 11.5%	195	209	208
	Equipment Financing	September 1, 2023	Fixed interest rate 7.7%; EOT 11.5%	200	214	212
	Equipment Financing	October 1, 2023	Fixed interest rate 7.5%; EOT 11.5%	201	213	211
	Equipment Financing	November 1, 2023	Fixed interest rate 7.2%; EOT 11.5%	670	711	703
	Equipment Financing	December 1, 2023	Fixed interest rate 7.5%; EOT 11.5%	885	931	922
	Equipment Financing	January 1, 2024	Fixed interest rate 7.4%; EOT 11.5%	770	806	797
	Equipment Financing	February 1, 2024	Fixed interest rate 7.4%; EOT 11.5%	784	817	808
	Equipment Financing	March 1, 2024	Fixed interest rate 7.2%; EOT 11.5%	680	708	700
	Equipment Financing	April 1, 2024	Fixed interest rate 7.4%; EOT 11.5%	205	212	214
	Equipment Financing	May 1, 2024	Fixed interest rate 7.3%; EOT 11.5%	1,327	1,367	1,360
	Equipment Financing	August 1, 2024	Fixed interest rate 7.5%; EOT 11.5%	1,416	1,436	1,436
	Equipment Financing [19]	October 1, 2024	Fixed interest rate 7.2%; EOT 11.5%	—	1	1
Total BackBlaze, Inc.				9,463	9,967	9,909
Cuebiq, Inc.	Secured Loan	April 1, 2024	Variable interest rate PRIME + 7.25% or Floor rate 12%; EOT 4.5% [18]	$ 5,000	$ 5,005	$ 5,035
Edeniq, Inc.	Secured Loan	June 1, 2021	Fixed interest rate 13.0%; EOT 9.5%	$ 3,401	$ 1,464	$ 1,204
	Secured Loan	September 1, 2021	Fixed interest rate 13.0%; EOT 9.5%	2,554	1,034	909
Total Edeniq, Inc. [7] [9]				5,955	2,498	2,113

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Debt Securities, Continued						
Professional, Scientific, and Technical Services, Continued						
Hologram Inc.	Secured Loan	February 1, 2024	Variable interest rate PRIME + 6.25% or Floor rate 11.25%; EOT 5.0% [18]	$ 3,000	$ 2,986	$ 3,228
iHealth Solutions, LLC	Secured Loan	December 1, 2023	Variable interest rate PRIME + 7.75% or Floor rate 12.0%; EOT 10% [18]	$ 4,000	$ 4,211	$ 4,000
Incontext Solutions, Inc.	Secured Loan	October 1, 2023	Fixed interest rate 11.75%; EOT 11.4%	$ 5,649	$ 7,317	$ 7,083
Machine Zone, Inc.	Equipment Financing	January 1, 2020	Fixed interest rate 6.0%; EOT 19.8% [16]	$ —	67	67
Matterport, Inc.	Secured Loan	May 1, 2022	Fixed interest rate 11.5%; EOT 5.0%	$ 5,976	$ 6,348	$ 6,262
Pendulum Therapeutics, Inc.	Equipment Financing	May 1, 2023	Fixed interest rate 7.7%; EOT 5.0%	$ 381	$ 363	$ 392
	Equipment Financing	August 1, 2023	Fixed interest rate 7.8%; EOT 5.0%	2,264	2,312	2,301
	Equipment Financing	October 1, 2023	Fixed interest rate 7.7%; EOT 5.0%	665	663	666
	Equipment Financing	February 1, 2024	Fixed interest rate 9.8%; EOT 6.0%	955	946	946.00
Total Pendulum Therapeutics, Inc.				4,265	4,284	4,305
Reciprocity, Inc.	Secured Loan	October 1, 2024	Variable interest rate PRIME + 8.00% or Floor rate 11.3%; EOT 2.0% [18]	$ 10,000	$ 9,829	$ 9,829
Sun Basket, Inc.	Secured Loan	May 1, 2022	Fixed interest rate 11.8%; EOT 5.0%	$ 8,977	$ 9,534	$ 9,470
Utility Associates, Inc. [9]	Secured Loan	October 1, 2023	Fixed interest rate 11.0%	$ 750	$ 830	$ 594
Vidsys, Inc.	Secured Loan	November 1, 2020	Fixed interest rate 12.0% (8.0% current + 4.0% PIK) [9] [17]	$ 5,000	$ 4,896	$ 1,290
	Secured Loan	October 1, 2023	Fixed interest rate 0.0% [24]	1,600	—	—
Total Vidsys, Inc. [8]				6,600	4,896	1,290
Sub-total: Professional, Scientific, and Technical Services (30.6%)*				**$ 79,057**	**$ 77,270**	**$ 72,697**

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Debt Securities, Continued						
Real Estate and Rental and Leasing [2]						
EquipmentShare, Inc.	Equipment Financing	July 1, 2023	Fixed interest rate 10.7%; EOT 5.0%	$ 8,187	$ 8,270	$ 8,241
	Equipment Financing	August 1, 2023	Fixed interest rate 10.1%; EOT 5.0%	936	944	944
	Equipment Financing	September 1, 2023	Fixed interest rate 10.2%; EOT 5.0%	2,062	2,074	2,074
	Equipment Financing	October 1, 2023	Fixed interest rate 10.4%; EOT 5.0%	3,705	3,713	3,713
	Equipment Financing	October 1, 2024	Fixed interest rate 8.3%; EOT 10.0%	456	456	456
Total EquipmentShare, Inc.				15,346	15,457	15,428
Knockaway, Inc.	Secured Loan	December 1, 2023	Fixed interest rate 11.0%; EOT 3.0%	$ 10,000	$ 10,068	$ 10,066
	Secured Loan	February 1 , 2024	Fixed interest rate 11.0%; EOT 3.0%	2,500	2,510	2,547
	Secured Loan	March 1, 2024	Fixed interest rate 11.0%; EOT 3.0%	2,500	2,507	2,546
Total Knockaway, Inc.				15,000	15,085	15,159
Wanderjaunt, Inc.	Equipment Financing	June 1, 2023	Fixed interest rate 10.2%; EOT 12.0%	$ 421	$ 410	$ 436
	Equipment Financing	August 1, 2023	Fixed interest rate 10.2%; EOT 12.0%	1,333	1,396	1,364
Total Wanderjaunt, Inc.				1,754	1,806	1,800
Sub-total: Real Estate and Rental and Leasing (13.6%)*				**$ 32,100**	**$ 32,348**	**$ 32,387**
Retail Trade [2]						
Birchbox, Inc. [7]	Secured Loan	July 1, 2024	Fixed interest rate 9.0%; EOT 3.0%	$ 10,000	$ 10,397	$ 9,924
Gobble, Inc.	Secured Loan	July 1, 2023	Fixed interest rate 11.3%; EOT 6.0%	$ 3,726	$ 3,798	$ 3,759
	Secured Loan	July 1, 2023	Fixed interest rate 11.5%; EOT 6.0%	1,872	1,908	1,913
Total Gobble Inc.				5,598	5,706	5,672
Madison Reed, Inc.	Secured Loan	May 1, 2024	Variable interest rate PRIME + 6.0% or Floor rate 10.3%; EOT 4.0% [18]	$ 17,500	$ 17,391	$ 17,700
UnTuckIt, Inc.	Secured Loan	June 1, 2024	Fixed interest rate 12.0%; EOT 5.0%	$ 20,000	$ 21,107	$ 19,605
Sub-total: Retail Trade (22.3%)*				**$ 53,098**	**$ 54,601**	**$ 52,901**

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Debt Securities, Continued						
***Utilities* [2]**						
Invenia, Inc.	Secured Loan	January 1, 2023	Fixed interest rate 11.5%; EOT 5.0%	$ 7,258	$ 7,733	$ 7,654
	Secured Loan	May 1, 2023	Fixed interest rate 11.5%; EOT 5.0%	3,620	3,832	3,838
	Secured Loan	January 1, 2024	Fixed interest rate 11.5%; EOT 5.0%	3,000	3,043	3,159
	Secured Loan	February 1, 2024	Fixed interest rate 11.5%; EOT 5.0%	4,000	4,085	4,210
	Secured Loan	July 1, 2024	Fixed interest rate 11.5%: EOT 5.0%	4,000	4,025	4,070
Total Invenia, Inc. [21]				21,878	22,718	22,931
Sub-total: Utilities (0.0%)*				**$ 21,878**	**$ 22,718**	**$ 22,931**
Wholesale Trade						
BaubleBar, Inc.	Secured Loan	March 1, 2023	Fixed interest rate 11.5%; EOT 7.3%	$ 6,305	$ 7,099	$ 6,644
GrubMarket, Inc.	Secured Loan	July 1, 2024	Fixed interest rate 10.5%; EOT 3.0%	$ 10,000	$ 9,830	$ 10,037
Sub-total: Wholesale Trade (7.0%)*				**$ 16,305**	**$ 16,929**	**$ 16,681**
Total: Debt Securities (160.7%)* [22]				**$ 389,418**	**$ 390,172**	**$ 381,376**

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Warrant Investments							
Agriculture, Forestry, Fishing and Hunting [2]							
Bowery Farming, Inc.	Warrant	June 10, 2029	Common Stock	68,863	$ 5.08	$ 410	$ 395
Mainspring Energy, Inc.	Warrant	July 9, 2029	Common Stock	140,186	$ 1.15	$ 283	$ 385
Robotany, Inc.	Warrant	July 19, 2029	Common Stock	23,579	$ 1.52	$ 128	$ 39
Sub-Total: Agriculture, Forestry, Fishing and Hunting (0.3%)*						**$ 821**	**$ 819**
Construction [2]							
Project Frog, Inc. [7]	Warrant	July 26, 2026	Preferred Series AA	391,990	$ 0.19	$ 18	$ 2
Sub-Total: Construction (0.0%)*						**$ 18**	**$ 2**
Educational Services [2]							
Qubed, Inc. dba Yellowbrick	Warrant	September 28, 2028	Common Stock	526,316	$ 0.38	$ 120	$ 262
Sub-Total: Educational Services (0.1%)*						**$ 120**	**$ 262**
Finance and Insurance [2]							
DailyPay, Inc.	Warrant	September 30, 2030	Common Stock	62,485	$ 3.00	$ 89	$ 89
Petal Card, Inc.	Warrant	November 27, 2029	Preferred Series B	250,268	$ 1.32	$ 147	$ 371
Realty Mogul, Co	Warrant	December 18, 2027	Preferred Series B	234,421	$ 3.88	$ 285	$ 140
Sub-Total: Finance and Insurance (0.3%)*						**$ 521**	**$ 600**
Health Care and Social Assistance [2]							
Lark Technologies, Inc.	Warrant	September 30, 2030	Common Stock	76,231	$ 1.76	$ 177	$ 177
Sub-Total: Health Care and Social Assistance (0.1%)*						**$ 177**	**$ 177**
Information [2]							
Convercent, Inc.	Warrant	November 30, 2025	Preferred Series 1	3,139,579	$ 0.16	$ 924	$ 816
Figg, Inc. [20]	Warrant	March 31, 2028	Common Stock	935,198	$ 0.07	$ —	$ —
Everalbum, Inc.	Warrant	July 29, 2026	Preferred Series A	851,063	$ 0.10	$ 24	$ 6
Firefly Systems, Inc.	Warrant	January 29, 2030	Common Stock	133,147	$ 1.14	$ 282	$ 236
Gtxcel, Inc.	Warrant	September 24, 2025	Preferred Series C	1,000,000	$ 0.21	$ 83	$ 11
	Warrant	September 24, 2025	Preferred Series D	1,000,000	$ 0.21	83	11
Total Gtxcel, Inc.						166	22
Hytrust, Inc.	Warrant	June 23, 2026	Preferred Series D2	424,808	$ 0.82	$ 172	$ —
Lucidworks, Inc.	Warrant	June 27, 2026	Preferred Series D	619,435	$ 0.77	$ 806	$ 752
Market6	Warrant	November 19, 2020	Preferred Series B	53,410	$ 1.65	$ 29	$ —
Oto Analytics, Inc.	Warrant	August 31, 2028	Preferred Series B	1,018,718	$ 0.79	$ 295	$ 213
RapidMiner, Inc.	Warrant	March 25, 2029	Preferred Series C-1	11,624	$ 60.22	$ 528	$ 342
STS Media, Inc.	Warrant	March 15, 2028	Preferred Series C	20,210	$ 24.74	$ —	$ —
Sub-Total: Information (1.0%)*						**$ 3,226**	**$ 2,387**

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Warrant Investments, Continued							
Manufacturing [2]							
Atieva, Inc.	Warrant	March 31, 2027	Preferred Series D	390,016	$ 5.13	$ 3,067	$ 950
	Warrant	September 8, 2027	Preferred Series D	195,008	$ 5.13	1,533	475
Total Atieva, Inc.						4,600	1,425
AyDeeKay LLC	Warrant	March 30, 2028	Preferred Series G	6,250	$ 35.42	$ 23	$ 22
Footprint International Holding, Inc.	Warrant	February 14, 2030	Common Stock	26,852	$ 0.31	$ 5	$ 21
	Warrant	June 22, 2030	Common Stock	10,836	$ 0.31	4	9
Total Footprint International Holding, Inc.						9	30
Happiest Baby, Inc.	Warrant	May 16, 2029	Common Stock	182,554	$ 0.33	$ 194	$ 127
Hexatech, Inc. [20]	Warrant	April 2, 2022	Preferred Series A	226	$ 2.77	$ —	$ —
Lensvector, Inc.	Warrant	December 30, 2021	Preferred Series C	85,065	$ 1.18	$ 32	$ —
Molekule, Inc.	Warrant	June 19, 2030	Preferred Series C-1	32,051	3.12	$ 16	$ 19
SBG Labs, Inc.	Warrant	June 29, 2023	Preferred Series A-1	42,857	$ 0.70	$ 13	$ 8
	Warrant	September 18, 2024	Preferred Series A-1	25,714	$ 0.70	8	5
	Warrant	January 14, 2024	Preferred Series A-1	21,492	$ 0.70	7	4
	Warrant	March 24, 2025	Preferred Series A-1	12,155	$ 0.70	4	2
	Warrant	October 10, 2023	Preferred Series A-1	11,150	$ 0.70	4	2
	Warrant	May 6, 2024	Preferred Series A-1	11,145	$ 0.70	4	2
	Warrant	June 9, 2024	Preferred Series A-1	7,085	$ 0.70	2	1
	Warrant	May 20, 2024	Preferred Series A-1	342,857	$ 0.70	110	66
	Warrant	March 26, 2025	Preferred Series A-1	200,000	$ 0.70	65	39
Total SBG Labs, Inc.						217	129
Vertical Communications, Inc. [7] [20]	Warrant	July 11, 2026	Preferred Series A	828,479	$ 1.00	$ —	$ —
Sub-Total: Manufacturing (0.74%)*						**$ 5,091**	**$ 1,752**

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Warrant Investments, Continued							
Pharmaceutical [2]							
Nanotherapeutics, Inc. [8]	Warrant	November 14, 2021	Common Stock	67,961	$ 1.03	$ 1,122	$ 1,657
Zosano Pharma Corporation	Warrant	September 25, 2025	Common Stock	75,000	$ 3.59	$ 69	$ 64
Sub-Total: Pharmaceutical (0.7%)*						**$ 1,191**	**$ 1,721**
Professional, Scientific, and Technical Services [2]							
Augmedix, Inc.	Warrant	September 3, 2029	Preferred Series B	1,379,028	$ 1.21	$ 449	$ 267
Continuity, Inc.	Warrant	March 29, 2026	Preferred Series C	1,588,806	$ 0.25	$ 21	$ 32
Crowdtap, Inc.	Warrant	December 16, 2025	Preferred Series B	442,233	$ 1.09	$ 42	$ 89
	Warrant	November 30, 2027	Preferred Series B	100,000	$ 1.09	9	20
Total Crowdtap, Inc.						51	109
Dynamics, Inc.	Warrant	March 10, 2024	Common Stock	17,000	$ 10.59	$ 86	$ —
E La Carte, Inc.	Warrant	July 28, 2027	Common Stock	497,183	$ 0.30	$ 186	$ 78
	Warrant	July 28, 2027	Preferred Series A	104,284	$ 7.49	15	17
	Warrant	July 28, 2027	Preferred Series AA-1	106,841	$ 7.49	15	16
Total E La Carte, Inc.						216	111
Edeniq, Inc.	Warrant	December 23, 2026	Preferred Series B	2,685,501	$ 0.22	$ —	$ —
	Warrant	December 23, 2026	Preferred Series B	2,184,672	$ 0.01	—	—
	Warrant	March 12, 2028	Preferred Series C	5,106,972	$ 0.44	—	—
	Warrant	October 15, 2028	Preferred Series C	3,850,294	$ 0.01	—	—
Total Edeniq, Inc. [7][20]						—	—
Fingerprint Digital, Inc.	Warrant	April 29, 2026	Preferred Series B	48,102	$ 10.39	$ 165	$ 102
Hologram, Inc.	Warrant	January 27, 2030	Common Stock	193,054	$ 1.37	$ 49	$ 35
Hospitalists Now, Inc.	Warrant	March 30, 2026	Preferred Series D2	135,807	$ 5.89	$ 71	$ 169
	Warrant	December 6, 2026	Preferred Series D2	750,000	$ 5.89	391	932
Total Hospitalists Now, Inc.						462	1,101
Incontext Solutions, Inc.	Warrant	September 28, 2028	Preferred Series AA-1	332,858	$ 1.47	$ 34	$ —
Matterport, Inc.	Warrant	April 20, 2028	Common Stock	143,813	$ 1.43	$ 434	$ 461
Pendulum Therapeutics, Inc.	Warrant	October 9, 2029	Preferred Series B	55,263	$ 1.90	$ 44	$ 20
	Warrant	July 15, 2030	Preferred Series B	36,842	$ 1.90	36	14
Total Pendulum Therapeutics, Inc.						80	34
Reciprocity, Inc.	Warrant	September 25, 2030	Common Stock	114,678	$ 4.17	$ 99	$ 101
Resilinc, Inc.	Warrant	December 15, 2025	Preferred Series A	589,275	$ 0.51	$ 40	$ 87
Reterro, Inc.	Warrant	October 30, 2025	Common Stock	12,841	$ 20.00	$ —	$ —
	Warrant	October 31, 2026	Common Stock	15,579	$ 50.00	—	—
Total Reterro, Inc. [20]						—	—
Saylent Technologies, Inc.	Warrant	March 31, 2027	Preferred Series C	24,096	$ 9.96	$ 108	$ 70
Sun Basket, Inc.	Warrant	October 5, 2027	Preferred Series C-2	249,306	$ 6.02	$ 111	$ 155
Utility Associates, Inc.	Warrant	June 30, 2025	Preferred Series A	92,511	$ 4.54	$ 55	$ 5
	Warrant	May 1, 2026	Preferred Series A	60,000	$ 4.54	36	3
	Warrant	May 22, 2027	Preferred Series A	200,000	$ 4.54	120	12
Total Utility Associates, Inc.						211	20
Vidsys, Inc.	Warrant	June 14, 2029	Preferred Series 1	22,507	$ 4.91	$ —	$ —
	Warrant	March 17, 2027	Common Stock	3,061	$ 4.91	—	—
Total Vidsys, Inc. [8] [20]						—	—
Sub-Total: Professional, Scientific, and Technical Services (1.1%)*						**$ 2,616**	**$ 2,685**

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Warrant Investments, Continued							
Real Estate and Rental and Leasing [2]							
Egomotion Corporation	Warrant	December 10, 2028	Preferred Series A	60,786	$ 1.32	$ —	$ 30
	Warrant	June 29, 2028	Preferred Series A	121,571	$ 1.32	219	61
Total Egomotion Corporation						219	91
Knockaway, Inc.	Warrant	May 24, 2029	Preferred Series B	87,955	$ 8.53	$ 209	$ 217
Sub-Total: Real Estate and Rental and Leasing (0.1%)*						**$ 428**	**$ 308**
Retail Trade [2]							
Gobble, Inc.	Warrant	May 9, 2028	Common Stock	74,635	$ 1.20	$ 73	$ 447
	Warrant	December 27, 2029	Common Stock	10,000	$ 1.22	617	60
Total Gobble, Inc.						690	507
Madison Reed, Inc.	Warrant	March 23, 2027	Preferred Series C	194,553	$ 2.57	$ 185	$ 222
	Warrant	July 18, 2028	Common Stock	43,158	$ 0.99	71	83
	Warrant	May 19, 2029	Common Stock	36,585	$ 1.23	56	65
Total Madison Reed, Inc.						312	370
Trendly, Inc.	Warrant	August 10, 2026	Preferred Series A	245,506	$ 1.14	$ 222	$ 281
Sub-Total: Retail Trade (0.5%)*						**$ 1,224**	**$ 1,158**
Wholesale Trade [2]							
BaubleBar, Inc.	Warrant	March 29, 2027	Preferred Series C	531,806	$ 1.96	$ 638	$ 186
	Warrant	April 20, 2028	Preferred Series C	60,000	$ 1.96	72	21
Total BaubleBar, Inc.						710	207
GrubMarket, Inc.	Warrant	June 15, 2030	Common Stock	405,000	$ 1.10	$ 116	$ 806
Sub-Total: Wholesale Trade (0.4%)*						**$ 826**	**$ 1,013**
Total: Warrant Investments (5.4%)* [22]						**$ 16,259**	**$ 12,884**

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Equity Investments					
Construction [2]					
Project Frog, Inc.	Equity	8,118,527	Preferred Series AA-1	$ 702	$ 90
	Equity	6,300,134	Preferred Series BB	2,667	907
Total Project Frog, Inc. [7]				3,369	997
Sub-Total: Construction (0.4%)*				**$ 3,369**	**$ 997**
Health Care and Social Assistance [2]					
WorkWell Prevention & Care	Equity	7,000,000	Common Stock	$ 51	$ —
	Equity	3,450	Preferred Series P	3,450	2,077
		na	Convertible Notes [10][11]	1,149	1,100
Total WorkWell Prevention & Care [7]				4,650	3,177
Sub-Total: Health Care and Social Assistance (1.3%)*				**$ 4,650**	**$ 3,177**
Manufacturing [2]					
Store Intelligence, Inc. [8]	Equity	1,430,000	Preferred Series A	$ 608	$ 1,430
Vertical Communications, Inc.	Equity [21]	3,892,485	Preferred Series 1	$ —	$ —
	Equity	na	Convertible Notes [10][12]	3,966	2,011
Total Vertical Communications, Inc. [7]				3,966	2,011
Sub-Total: Manufacturing (1.4%)*				**$ 4,574**	**$ 3,441**
Pharmaceutical [2]					
Nanotherapeutics, Inc. [8]	Equity	382,277	Common Stock [15]	$ 6,691	$ 9,715
Sub-Total: Pharmaceutical (4.1%)*				**$ 6,691**	**$ 9,715**
Professional, Scientific, and Technical Services [2]					
Dynamics, Inc.	Equity	17,726	Preferred Series A	$ 390	$ —
	Equity	15,000	Common Stock	—	—
Total Dynamics, Inc.				390	—
Edeniq, Inc.	Equity	7,807,499	Preferred Series B [20]	$ —	$ —
	Equity	2,441,082	Preferred Series C [20]	—	—
	Equity	na	Convertible Notes [10][13][20]	—	—
Total Edeniq, Inc. [7]				—	—
Instart Logic, Inc.	Equity	na	Convertible Notes [10][14]	$ 2,646	$ 3,623
Reterro, Inc. [20]	Equity	7,829	Common Stock	$ —	$ —
Vidsys, Inc. [8]	Equity	123,530	Preferred Series 1	$ 300	$ —
Sub-Total: Professional, Scientific, and Technical Services (1.5%)*				**$ 3,336**	**$ 3,623**
Retail Trade [2]					
Birchbox, Inc. [7]	Equity	3,140,927	Preferred Series D	$ 10,271	$ 10,271
Sub-Total: Retail Trade (4.3%)*				**$ 10,271**	**$ 10,271**
Total: Equity Investments (13.2%)* [22]				**$ 32,891**	**$ 31,224**

Total Investment in Securities (179.3%)*	**$ 439,322**	**$ 425,484**
Cash, Cash Equivalents, and Restricted Cash		
Goldman Sachs Financial Square Government Institutional Fund	$ 39,747	$ 39,747
Other cash accounts	12,907	12,907
Cash, Cash Equivalents, and Restricted Cash (22.2%)*	52,654	52,654
Total Portfolio Investments and Cash and Cash Equivalents (201.5% of net assets)	**$ 491,976**	**$ 478,138**

* Value as a percent of net assets.

(1) All portfolio companies are located in North America. The Company generally acquires its investments in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). These investments are generally subject to certain limitations on resale and may be deemed to be "restricted securities" under the Securities Act.

(2) Trinity Capital uses the North American Industry Classification System ("NAICS") code for classifying the industry grouping of its portfolio companies.

(3) All debt investments are income producing unless otherwise noted. Warrant investments are associated with funded debt investments. All equity investments are non-income producing unless otherwise noted. Equipment financed under our equipment financing investments relates to operational equipment essential to revenue production for the portfolio company in the industry noted.

(4) Interest rate is the fixed or variable rate of the debt investments and does not include any original issue discount, end-of-term ("EOT") payment, or any additional fees related to such investments, such as deferred interest, commitment fees, prepayment fees or exit fees. EOT payments are contractual and fixed interest payments due in cash at the maturity date of the loan, including upon prepayment, and are a fixed amount determined at the inception of the loan. At the end of the term of certain equipment financings, the borrower has the option to purchase the underlying assets at fair market value in certain cases subject to a cap, or return the equipment and pay a restocking fee. The fair values of the financed assets have been estimated as a percentage of original cost for purpose of the EOT payment value. The EOT payment is amortized and recognized as non-cash income over the loan or equipment financing prior to its payment.

(5) Principal is net of repayments.

(6) All investments were valued at fair value using Level 3 significant unobservable inputs as determined in good faith by the Company's board of directors.

(7) This investment is deemed to be a "Control Investment." Control Investments are defined by the Investment Company Act of 1940 as investments in companies in which the Company owns more than 25% of the voting securities or maintains greater than 50% of the board representation. As defined in the Investment Company Act, Trinity Capital is deemed to be an "Affiliated Person" of this portfolio company. See "Note 3 – Investments" in the accompanying notes to the Financial Statements.

(8) This investment is deemed to be a "Affiliate Investment." Affiliate Investments are defined by the Investment Company Act of 1940 as investments in companies in which the Company owns between 5% and 25% of the voting securities. As defined in the Investment Company Act, Trinity Capital is deemed to be an "Affiliated Person" of this portfolio company. See "Note 3 – Investments" in the accompanying notes to the Financial Statements.

(9) Debt is on non-accrual status at September 30, 2020, and is therefore considered non-income producing.

(10) Convertible notes represent investments through which the Company will participate in future equity rounds at preferential rates. There are no principal or interest payments made against the note unless conversion does not take place.

(11) Principal balance of $1.1 million at period end.

(12) Principal balance of $5.5 million at period end.

(13) Principal balance of $1.7 million at period end.

(14) Principal balance of $2.6 million at period end.

(15) Certain third parties have rights to 17,485 shares of Nanotherapeutics common stock at a fair value of approximately $0.4 million as of September 30, 2020.

(16) Cost balance represents the balance of the EOT payment which was negotiated to be paid in monthly installments over 12 months instead of a one-time lump sum. This asset is considered non-income producing.

(17) Interest on this loan includes Paid-In-Kind (“PIK”). PIK interest income represents income not paid currently in cash, if the loan were not on non-accrual.

(18) Index based floating interest rate is subject to contractual minimum interest rate. Interest rate PRIME represents 3.25% at September 30, 2020.

(19) Investment has an unfunded commitment as of September 30, 2020 (see “Note 6 – Commitments and Contingencies”). The fair value of the investment includes the impact of the fair value of any unfunded commitments.

(20) Investment has zero cost basis as it was purchased at a fair market value of zero as part of the Formation Transaction.

(21) Indicates an asset that the Company deems as a “non-qualifying asset” under section 55(a) of 1940 Act. The Company’s percentage of non-qualifying assets represents 4.8% of the Company’s total assets. Qualifying assets must represent at least 70% of the Company’s total assets at the time of acquisition of any additional non-qualifying assets.

(22) All of the Company’s debt, warrant and equity securities are pledged as collateral supporting the amounts outstanding under the credit agreement with Credit Suisse AG (see “Note 5 – Debt”).

(23) The unfunded commitment of approximately $19.7 million was funded on October 1, 2020.

(24) Investment is considered non-income producing.

1. Organization and Basis of Presentation

Unless otherwise noted or the context otherwise indicates, the terms "we," "us," "our," the "Company" and "Trinity Capital" refer to Trinity Capital Inc. and its consolidated wholly owned subsidiaries.

Trinity Capital Inc., formed on August 12, 2019 as a Maryland corporation, is a specialty lending company focused on providing debt, including loans and equipment financings, to growth stage companies, including venture-backed companies and companies with institutional equity investors. The Company sources its investments through its principal office located in Chandler, AZ, as well as through its additional staff located in San Francisco, CA. The Company commenced operations on January 16, 2020. Prior to January 16, 2020, the Company had no operations, except for immaterial matters relating to its formation and organization as a business development company (“BDC”).

The Company is an internally managed, closed-end, non-diversified management investment company that commenced operations and filed its election to be regulated as a BDC under the Investment Company Act of 1940, as amended (the “1940 Act”), on January 16, 2020. The Company intends to elect to be treated, and intends to qualify annually thereafter, as a regulated investment company (a “RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”), for U.S. federal income tax purposes.

Management of the Company consists of the Company’s officers and investment and administrative professionals. Our business and affairs are managed under the direction of our Board of Directors (the “Board”). The responsibilities of the Board include the oversight of our investment activities, the quarterly valuation of our assets, oversight of our financing arrangements and corporate governance activities. The Board consists of five directors, three of whom are not “interested persons” of the Company (as such term is defined in the 1940 Act).

The Company’s investment objective is to maximize the total return to the Company’s stockholders in the form of current income and capital appreciation through investments in growth stage companies, including venture-backed companies and companies with institutional equity investors. The Company targets investments in growth stage companies, which are typically private companies that have recently issued equity to raise cash to offset potential cash flow needs related to projected growth, have achieved positive cash flow to cover debt service, or have institutional investors committed to additional funding. The Company seeks to achieve its investment objective by making investments consisting primarily of term loans and equipment financings, and, to a lesser extent, working capital loans, equity and equity-related investments. In addition, the Company may obtain warrants or contingent exit fees at funding, providing an additional potential source of investment returns.

On September 27, 2019, the Company was initially capitalized with the issuance of 10 shares of its common stock for $150 to its sole stockholder. On January 16, 2020, the Company completed a private equity offering (the “Private Common Stock Offering”) of shares of its common stock pursuant to which it issued and sold 7,000,000 shares for gross proceeds of approximately $105.0 million. An over-allotment option related to the Private Common Stock Offering was exercised in full and on January 29, 2020 the Company issued and sold an additional 1,333,333 shares of its common stock for gross proceeds of approximately $20 million. As a result, in total, the Company issued and sold 8,333,333 shares of its common stock for total aggregate gross proceeds of approximately $125 million.

On January 16, 2020, concurrent with the initial closing of the Private Common Stock Offering, the Company completed a private debt offering (the “144A Note Offering” and together with the Private Common Stock Offering, the “Private Offerings”) of $105.0 million in aggregate principal amount of the Company’s unsecured 7.00% Notes due 2025 (the “Notes”). An over-allotment option related to the 144A Note Offering was exercised in full and on January 29, 2020 the Company issued and sold an additional $20 million in aggregate principal amount of the Notes. As a result, the Company issued and sold $125 million in aggregate principal amount of the Notes. See “Note 5 - Debt,” “Note 7 – Stockholder’s Equity,” and “Note 12– Formation Transactions.”

On January 16, 2020, immediately following the initial closings of the Private Offerings, the Company used the proceeds from the Private Offerings to complete a series of transactions (the "Formation Transactions"). Through the Formation Transactions, the Company acquired Trinity Capital Investment, LLC ("TCI"), Trinity Capital Fund II, L.P. ("Fund II"), Trinity Capital Fund III, L.P. ("Fund III"), Trinity Capital Fund IV, L.P. ("Fund IV"), and Trinity Sidecar Income Fund, L.P. ("Sidecar Fund") (collectively the "Legacy Funds") through mergers of the Legacy Funds with and into the Company. Each member/limited partner of the Legacy Funds was given the option to elect to receive cash and or shares of the Company's common stock in exchange for its limited partner interests or membership interests, as applicable. The general partners, managers or managing members of the Legacy Funds received only shares in exchange for their interests held in such capacities. In addition, as part of the Formation Transactions, the Company purchased the equity interests of Trinity Capital Holdings, LLC ("Trinity Capital Holdings") for an aggregate purchase price of $10.0 million, which was comprised of 533,332 shares and $2.0 million in cash, and Trinity Capital Holdings became a wholly owned subsidiary of the Company. In connection with the acquisition of the equity interests of Trinity Capital Holdings, the Company assumed a $3.5 million severance related liability with respect to a former member of certain general partners of certain Legacy Funds. The Formation Transactions constitute a business acquisition and were accounted for in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification, as amended ("ASC"), 805, *Business Combinations* ("ASC 805"), and as a result the assets acquired and liabilities assumed were recorded at fair values as of January 16, 2020. Transaction costs related to the acquisition of a business are expensed as incurred and excluded from the fair value of the consideration transferred. See "Note 12 – Formation Transactions."

On January 16, 2020, in connection with the Formation Transactions, the Company became a party to, and assumed, a $300 million credit agreement (as amended, the "Credit Facility") with Credit Suisse AG ("Credit Suisse") through the Company's wholly owned subsidiary, Trinity Funding 1, LLC ("TF1"). TF1 was formed on August 14, 2019 as a Delaware limited liability company with the Company as its sole equity member. TF1 is a special purpose bankruptcy-remote entity and is a separate legal entity from the Company. Any assets conveyed to TF1 are not available to creditors of the Company or any other entity other than TF1's lenders. TF1 is consolidated for financial reporting purposes and in accordance with generally accepted accounting principles in the United States of America ("GAAP"), and the portfolio investments held by this subsidiary are included in the Company's consolidated financial statements and recorded at fair value. All intercompany balances and transactions have been eliminated.

Basis of Presentation

The Company's consolidated financial statements are prepared in accordance with GAAP and pursuant to Regulation S-X. As an investment company, the Company follows accounting and reporting guidance determined by the FASB, in Topic 946 - *Financial Services – Investment Companies* ("ASC 946").

Additionally, the accompanying consolidated financial statements of the Company and related financial information have been prepared pursuant to the requirements for reporting on Form 10-Q and Articles 6 and 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual consolidated financial statements prepared in accordance with GAAP are omitted. In the opinion of management, the unaudited interim financial results included herein contain all adjustments and reclassifications that are necessary for the fair presentation of consolidated financial statements for the period included herein.

Principles of Consolidation

Under ASC 946, the Company is precluded from consolidating portfolio company investments, including those in which it has a controlling interest, unless the portfolio company is another investment company. An exception to this general principle occurs if the Company holds a controlling interest in an operating company that provides all or substantially all of its services directly to the Company or to its portfolio companies. None of the portfolio investments made by the Company qualify for this exception. Therefore, the Company's investment portfolio is carried on the Consolidated Statements of Assets and Liabilities at fair value, as discussed further in "Note 3 - Investments," with any adjustments to fair value recognized as "Net unrealized appreciation (depreciation) from investments" on the Consolidated Statements of Operations.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements.

These estimates and assumptions also affect the reported amounts of revenues, costs and expenses during the reporting period. Management evaluates these estimates and assumptions on a regular basis. Actual results could materially differ from those estimates.

Investment Transactions

Loan originations are recorded on the date of the binding commitment. Realized gains or losses are recorded using the specific identification method as the difference between the net proceeds received and the amortized cost basis of the investment without regard to unrealized gains or losses previously recognized, and include investments written off during the period, net of recoveries. The net change in unrealized gains or losses primarily reflects the change in investment fair values as of the last business day of the reporting period and also includes the reversal of previously recorded unrealized gains or losses with respect to investments realized during the period.

Valuation of Investments

The most significant estimate inherent in the preparation of the Company’s consolidated financial statements is the valuation of investments and the related amounts of unrealized appreciation and depreciation of investments recorded.

The Company’s investments are carried at fair value in accordance with the 1940 Act and ASC 946 and measured in accordance with ASC 820, *Fair Value Measurements and Disclosures* (“ASC 820”). ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the observability of inputs used to measure fair value, and provides disclosure requirements for fair value measurements. ASC 820 requires the Company to assume that each of the portfolio investments is sold in a hypothetical transaction in the principal or, as applicable, most advantageous market using market participant assumptions as of the measurement date. Market participants are defined as buyers and sellers in the principal market that are independent, knowledgeable and willing and able to transact. The Company values its investments at fair value as determined in good faith pursuant to a consistent valuation policy by the Board in accordance with the provisions of ASC 820 and the 1940 Act.

While the Board is ultimately and solely responsible for determining the fair value of the Company’s investments, the Company has engaged independent valuation firms to provide the Company with valuation assistance with respect to its investments. The Company engages independent valuation firms on a discretionary basis. Specifically, on a quarterly basis, the Company will identify portfolio investments with respect to which an independent valuation firm will assist in valuing. The Company selects these portfolio investments based on a number of factors, including, but not limited to, the potential for material fluctuations in valuation results, size, credit quality and the time lapse since the last valuation of the portfolio investment by an independent valuation firm.

Investments recorded on the Company’s Consolidated Statements of Assets and Liabilities are categorized based on the inputs to the valuation techniques as follows:

Level 1 — Investments whose values are based on unadjusted quoted prices for identical assets in an active market that the Company has the ability to access (examples include investments in active exchange-traded equity securities and investments in most U.S. government and agency securities).

Level 2 — Investments whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investment.

Level 3 — Investments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (for example, investments in illiquid securities issued by privately held companies). These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the investment.

Given the nature of lending to venture capital-backed growth stage companies, substantially all of the Company's investments in these portfolio companies are considered Level 3 assets under ASC 820 because there is no known or accessible market or market indexes for these investment securities to be traded or exchanges. The Company uses an internally developed portfolio investment rating system in connection with its investment oversight, portfolio management and analysis and investment valuation procedures. This system takes into account both quantitative and qualitative factors of the portfolio companies. 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 the Company's investments may fluctuate from period to period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been reported had a ready market for the investments existed, and it is reasonably possible that the difference could be material.

Debt Securities

The debt securities identified on the Consolidated Schedule of Investments are secured loans and equipment financings made to growth stage companies focused in technology, manufacturing, consumer and retail, life sciences and other high growth industries that are backed by a select group of leading venture capital investors.

For portfolio investments in debt securities for which Trinity Capital has determined that third-party quotes or other independent pricing are not available, the Company generally estimates the fair value based on the assumptions that hypothetical market participants would use to value the investment in a current hypothetical sale using an income approach.

In its application of the income approach to determine the fair value of debt securities, Trinity Capital bases its assessment of fair value on projections of the discounted future free cash flows that the security will likely generate, including analyzing the discounted cash flows of interest and principal amounts for the security, as set forth in the associated loan and equipment financing agreements, as well as market yields and the financial position and credit risk of the portfolio company (the "Hypothetical Market Yield Method"). The discount rate applied to the future cash flows of the security is based on the calibrated yield implied by the terms of the Company's investment adjusted for changes in market yields and performance of the subject company. The Company's estimate of the expected repayment date of its loans and equipment financings securities is either the maturity date of the instrument or the anticipated pre-payment date, depending on the facts and circumstances. The Hypothetical Market Yield Method analysis also considers changes in leverage levels, credit quality, portfolio company performance, market yield movements, and other factors. If there is deterioration in credit quality or if a security is in workout status, the Company may consider other factors in determining the fair value of the security, including, but not limited to, the value attributable to the security from the enterprise value of the portfolio company or the proceeds that would most likely be received in a liquidation analysis.

Equity-Related Securities and Warrants

Often the Company is issued warrants by issuers as yield enhancements. These warrants are recorded as assets at estimated fair value on the grant date. Depending on the facts and circumstances, the Company usually utilizes a combination of one or several forms of the market approach as well as contingent claim analyses (a form of option analysis) to estimate the fair value of the securities as of measurement date. 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, and, if appropriate based on the facts and circumstances 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 securities in order of their preference relative to one another.

Fair value estimates are made at discrete points in time based on relevant information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. The carrying amounts of the Company's financial instruments, consisting of cash, investments, receivables, payables and other liabilities approximate the fair values of such items due to the short-term nature of these instruments. See "Note 4 – Fair Value of Financial Instruments."

Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash consist of funds deposited with financial institutions and short-term (original maturity of three months for less) liquid investments in money market deposit accounts. Cash equivalents are classified as Level I assets and are valued using the Net Asset Value ("NAV") per share of the money market fund. As of September 30, 2020, cash equivalents and restricted cash consisted of $39.7 million held in the Goldman Sachs Financial Square Government Institutional Fund. Cash held in demand deposit accounts may exceed the Federal Deposit Insurance Corporation ("FDIC") insured limit and therefore is subject to credit risk. All of the Company's cash deposits are held at large established high credit quality financial institutions, and management believes that risk of loss associated with any uninsured balances is remote. As of September 30, 2020, restricted cash consisted of approximately $15.6 million related to the Credit Facility covenants (See "Note 5 – Debt"), and approximately $0.7 million held in escrow related to the payout of a severance related liability assumed as part of the Formation Transactions with respect to a former member of certain general partners of certain Legacy Funds.

Other Assets

Other assets generally consist of fixed assets net of accumulated depreciation, right of use asset, deposits and other assets.

Common Stock Issuance Costs

A portion of the net proceeds of the Private Common Stock Offering was used to pay for offering costs of such offering. Offering costs charged against the proceeds from the Private Common Stock Offering were approximately $10.5 million during the nine months ended September 30, 2020.

Debt Issuance Costs

The Company records costs related to issuance of debt obligations as deferred financing costs. These costs are deferred and amortized using the effective yield method for the Credit Facility and the Notes, over the stated maturity life of the obligations. As of September 30, 2020, there were $2.6 million and $4.8 million of deferred financing costs netted against the Credit Facility and the Notes balances, respectively, on the Company's Consolidated Statements of Assets and Liabilities. As of December 31, 2019, there were no deferred financing costs.

Income Recognition

Interest Income

The Company recognizes interest income on an accrual basis and recognizes it as earned in accordance with the contractual terms of the loan agreement to the extent that such amounts are expected to be collected. Original issue discount ("OID") initially includes the estimated fair value of detachable equity warrants obtained in conjunction with the origination of debt securities and is accreted into interest income over the term of the loan as a yield enhancement based on the effective yield method. In addition, the Company may also be entitled to an end-of-term ("EOT") fee. Debt EOT fees to be paid at the termination of the financing arrangements are accreted into interest income over the contractual life of the debt based on the effective yield method. At September 30, 2020, Trinity Capital had an EOT payment receivable of $35.5 million, which is included as a component of the cost basis of the Company's current debt securities.

The Company has a limited number of debt investments in its portfolio that contain a payment-in-kind ("PIK") provision. Contractual PIK interest, which represents contractually deferred interest added to the loan balance that is generally due at the end of the loan term, is generally recorded on an accrual basis to the extent such amounts are expected to be collected. The Company will generally cease accruing PIK interest if there is insufficient value to support the accrual or management does not expect the portfolio company to be able to pay all principal and interest due. Trinity Capital recorded no PIK income during the three months ended September 30, 2020, and $0.2 million in PIK interest income during the nine months ended September 30, 2020.

Income related to application or origination payments, net of related expenses, and generally collected in advance, includes loan commitment and facility fees for due diligence, as well as fees for transaction services rendered by the Company to borrowers. Loan and commitment fees in excess of the related expenses are amortized into interest income over the contractual life of the loan. In certain loan arrangements, warrants or other equity interests are received from the borrower as additional origination fees. The Company recognizes nonrecurring fees over the remaining term of the loan commencing in the quarter relating to specific loan modifications.

When a portfolio company pays off their outstanding indebtedness prior to the scheduled maturity date, then the acceleration of the accretion of the OID and EOT is recognized as interest income. Certain amounts in the prior period financial information have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported net increase (decrease) in net assets. Included in interest income for the nine months ended September 30, 2020 is the acceleration of OID and EOT of approximately $1.4 million for the six months ended June 30, 2020, which was reclassified from net realized gain/(loss) on investments.

One-time Fee Income

The Company recognizes one-time fee income, including, but not limited to, structuring fees, prepayment penalties, and exit fees related to a change in ownership of the portfolio company, as other income when earned. These fees are generally earned when the portfolio company enters into an equipment financing arrangement or pays off their outstanding indebtedness prior to the scheduled maturity.

Certain amounts in the prior period financial information have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported net increase (decrease) in net assets. Included in one-time fee income for the nine months ended September 30, 2020 is non-recurring fees of approximately $1.8 million for the six months ended June 30, 2020 of which $1.1 million were reclassified from net realized gain/(loss) on investment and $0.7 million were reclassified from interest income.

Non-Accrual Policy

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.

At September 30, 2020, loans to four portfolio companies were on non-accrual status with a total cost of approximately $9.0 million, and a total fair market value of approximately $4.1 million, or 1.0%, of the fair value of the Company's investment portfolio.

Net Realized Gains or 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 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 net of recoveries and realized gains or losses from in-kind redemptions. Net proceeds excludes any prepayment penalties, exit fees, and OID and EOT acceleration.

Net Unrealized Appreciation or Depreciation

Net unrealized appreciation or depreciation reflects the net change in the fair value of the investment portfolio and financial instruments and the reclassification of any prior period unrealized appreciation or depreciation on exited investments and financial instruments to realized gains or losses.

Income Taxes

Trinity Capital intends to elect to be treated for U.S. federal tax purposes as a RIC under Subchapter M of the Code and operate in a manner so as to qualify annually thereafter for the tax treatment applicable to RICs. As a RIC, Trinity Capital generally will not pay corporate-level income tax on the portion of its taxable income distributed to stockholders, generally required to be at least 90% of its investment company taxable income (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 (pass-through tax treatment for amounts distributed).

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"), as modified by ASC 946. 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. The Company has no material uncertain tax positions at September 30, 2020. All the Company's tax returns remain subject to examination by U.S. federal and state tax authorities.

In order for the Company not to be subject to federal excise taxes, it must distribute annually an amount at least equal to the sum of (i) 98% of its ordinary income (taking into account certain deferrals and elections), (ii) 98.2% of its net capital gains from the current year and (iii) any undistributed ordinary income and net capital gains from preceding year on which it paid corporate-level U.S. federal income tax. The Company, at its discretion, may carry forward taxable income in excess of calendar year distributions and pay a 4% 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. The Company will accrue excise tax on estimated undistributed taxable income as required on an annual basis. For the period ended September 30, 2020, the Company did not incur an expense for excise tax.

Distributions

Distributions to common stockholders are recorded on the record date. The amount to be paid out as a distribution is determined by the Board each quarter and is generally based upon the earnings estimated by management. Net realized capital gains, if any, are distributed at least annually, although the Company may decide to retain such capital gains for investment.

Reclassification

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported net increase (decrease) in net assets.

3. Investments

The Company provides debt, including loans and equipment financings, to growth stage companies, including venture capital-backed companies and companies with institutional equity investors, primarily in the United States. The Company's investment strategy includes making investments consisting primarily of term loans and equipment financings, and, to a lesser extent, working capital loans, equity and equity-related investments. In addition, the Company may obtain warrants or contingent exit fees at funding from many of the portfolio companies.

Debt Securities

The Company's debt securities primarily consist of direct investments in interest-bearing secured loans and equipment financings to privately held companies based in the United States. Our secured loans are generally secured by a blanket first lien or a blanket second lien on the assets of the portfolio company. Our equipment financings typically include a specific asset lien on mission critical assets as well as a second lien on the assets of the portfolio company. These debt securities typically have a term of between three and five years from the original investment date. Certain of the debt securities are "covenant-lite" loans, which generally are loans that do not have a complete set of financial maintenance covenants and have covenants that are incurrence-based, meaning 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. The equipment financings in our investment portfolio generally have fixed interest rates. The loans in our investment portfolio generally have fixed interest rates or floating interest rates subject to interest rate floors. Debt securities generally include an EOT payment.

The specific terms of each debt security depend on the creditworthiness of the portfolio company and the projected value of the financed assets. Occasionally, we will offer an initial period of lower financing factor to companies with stronger creditworthiness, which is analogous to an interest-only period on a traditional term loan. Equipment financings may include upfront interim payments and security deposits. Equipment financing arrangements have various structural protections, including customary default penalties, information and reporting rights, material adverse change or investor abandonment provisions, consent rights for any additions or changes to senior debt, and, as needed, intercreditor agreements with cross-default provisions to protect the Company's second lien positions.

Warrants

In connection with our debt investments, we occasionally receive equity 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, we may achieve additional investment return from this equity interest. We typically structure the warrants to provide provisions protecting our rights 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, we also may obtain follow-up rights in connection with these equity interests, which allow us to participate in future financing rounds.

Direct Equity Investments

In specific circumstances, we also will seek to make direct equity investments in situations where it is appropriate to align our interests with key management and stockholders of our portfolio companies, and to allow for participation in the appreciation in the equity values of portfolio companies. We usually make our direct equity investments in connection with debt investments. In addition, we may have both equity warrants and direct equity positions in some of our portfolio companies. We seek to maintain fully diluted equity positions in our portfolio companies of 5% to 50% and may have controlling equity interests in some instances.

Portfolio Investment Classification

Trinity Capital classifies its investment portfolio in accordance with the requirements of the 1940 Act. Under the 1940 Act, (a) "Control Investments" are defined as investments in which Trinity Capital owns more than 25% of the voting securities or has rights to maintain greater than 50% of the board representation, (b) "Affiliate Investments" are defined as investments in which the Company owns between 5% and 25% (inclusive) of the voting securities and does not have rights to maintain greater than 50% of the board representation, and (c) "Non-Control/Non-Affiliate Investments" are defined as investments that are neither Control Investments nor Affiliate Investments. Each of the Company's investment portfolio is carried on the Statements of Assets and Liabilities as investments at fair value, with any adjustments to fair value recognized as "net unrealized appreciation (depreciation) from investments" in the Company's Consolidated Statements of Operations until the investment is realized, usually upon exit, resulting in any gain or loss being recognized as a "net realized gain (loss)."

Portfolio Industry Classification

Trinity Capital's portfolio investments are in companies conducting business in a variety of industries. The following table summarizes the composition of the Company's portfolio investments by industry at cost and fair value and as a percentage of the total portfolio as of September 30, 2020 (dollars in thousands):

	Cost		Fair Value	
Industry	**Amount**	**%**	**Amount**	**%**
Manufacturing	$ 98,654	22.5%	$ 93,249	21.9%
Professional, Scientific, and Technical Services	83,222	18.9%	79,005	18.6%
Retail Trade	66,096	15.0%	64,330	15.1%
Information	35,466	8.1%	33,694	7.9%
Real Estate and Rental and Leasing	32,776	7.5%	32,695	7.7%
Pharmaceutical	21,554	4.9%	24,850	5.8%
Utilities	22,718	5.2%	22,931	5.4%
Wholesale Trade	17,755	4.0%	17,694	4.2%
Health Care and Social Assistance	13,921	3.2%	12,212	2.9%
Agriculture, Forestry, Fishing and Hunting	11,950	2.7%	11,919	2.8%
Finance and Insurance	10,473	2.4%	10,643	2.5%
Educational Services	10,550	2.4%	10,592	2.5%
Administrative and Support and Waste Management and Remediation Services	6,283	1.4%	6,153	1.4%
Construction	7,904	1.8%	5,517	1.3%
Total	$ 439,322	100.0%	$ 425,484	100.0%

The geographic composition is determined by the location of the corporate headquarters of the portfolio company. The following table summarizes the composition of the Company's portfolio investments by geographic region of the United States and other countries at cost and fair value and as a percentage of the total portfolio as of September 30, 2020 (dollars in thousands):

	Cost		Fair Value	
Geographic Region	**Amount**	**%**	**Amount**	**%**
West	$ 227,388	51.8%	$ 219,041	51.5%
Northeast	102,411	23.3%	95,007	22.3%
Midwest	34,840	7.9%	33,033	7.8%
Mountain	28,982	6.6%	29,027	6.8%
Canada	22,719	5.2%	22,930	5.4%
Southeast	18,797	4.3%	21,688	5.1%
South	4,185	0.9%	4,758	1.1%
Total	$ 439,322	100.0%	$ 425,484	100.0%

The following table summarizes the composition of the Company’s portfolio investments by investment type at cost and fair value and as a percentage of the total portfolio as of September 30, 2020 (dollars in thousands):

Investment	Cost		Fair Value	
	Amount	%	Amount	%
Secured Loan	$ 281,718	64.1%	$ 273,634	64.3%
Equipment Financing	108,454	24.7%	107,742	25.3%
Equity	32,891	7.5%	31,224	7.3%
Warrants	16,259	3.7%	12,884	3.1%
Total	$ 439,322	100.0%	$ 425,484	100.0%

The following table represents the Schedule of Investments in and advances to affiliates, summarizing the Company's realized gains and losses and changes in unrealized appreciation and depreciation on control and affiliate investments for the three and nine months ended September 30, 2020 (in thousands, except share data):

		As of September 30, 2020			For the Three Months Ended September 30, 2020			For the Nine Months Ended September 30, 2020		
Portfolio Company	Investment[1]	Fair Value	Principal	Shares	Interest Income	Net change in Unrealized (Depreciation)/ Appreciation	Realized Gain/(Loss)	Interest Income	Net change in Unrealized (Depreciation)/ Appreciation	Realized Gain/(Loss)
Control Investments										
Birchbox, Inc.										
	Secured Loan, June 1, 2024, Fixed Interest Rate 9.0%; EOT 3.0%	$ 9,924	$ 10,000	n/a	$ 261	$ (140)	$ —	$ 1,028	$ (473)	$ —
	Preferred Series D	10,271	n/a	3,140,927	—	(324)	—	—	—	—
Edeniq, Inc.										
	Secured Loan, June 1, 2021, Fixed Interest Rate 13.0%; EOT 9.5%	1,204	$ 3,401	n/a	$ —	$ 356	$ —	$ —	$ (260)	$ —
	Secured Loan, September 1, 2021, Fixed Interest Rate 13.0%; EOT 9.5%	909	2,554	n/a	—	272	—	—	(125)	—
	Warrants, December 23, 2026, Preferred Series B	—	n/a	2,685,501	—	—	—	—	—	—
	Warrants, December 23, 2026, Preferred Series B	—	n/a	2,184,672	—	—	—	—	—	—
	Warrants, March 12, 2028, Preferred Series C	—	n/a	5,106,972	—	—	—	—	—	—
	Warrants, October 15, 2028, Preferred Series C	—	n/a	3,850,294	—	—	—	—	—	—
	Preferred Series B	—	n/a	7,807,499	—	—	—	—	—	—
	Preferred Series C	—	n/a	2,441,082	—	—	—	—	—	—
	Convertible Note	—	1,680	n/a	—	—	—	—	—	—
Project Frog, Inc.										
	Secured Loan, May 1, 2023, Fixed Interest Rate 12.0%	4,018	4,128	n/a	140	(3)	—	412	(11)	—
	Warrants, July 26, 2026, Preferred Series AA	2	n/a	391,990	—	(1)	—	—	(16)	—
	Preferred Series AA-1	90	n/a	8,118,527	—	(57)	—	—	(612)	—
	Preferred Series BB	907	n/a	6,300,134	—	(221)	—	—	(1,760)	—
Vertical Communications, Inc.										
	Secured Loan, November 1, 2024, Fixed Interest Rate 9.5%; EOT 26.4%	12,279	12,000	n/a	517	15	—	861	(426)	—
	Secured Loan, July 1, 2022, Fixed Interest Rate 9.5%	922	924	n/a	23	3	—	26	(2)	—
	Warrants, July 11, 2026, Preferred Series A	—	n/a	828,479	—	—	—	—	—	—
	Preferred Series 1	—	n/a	3,892,485	—	—	—	—	—	—
	Convertible Notes	2,011	5,500	n/a	—	511	—	—	(1,955)	—
Workwell Prevention and Care										
	Secured Loan, March 1, 2024, Fixed Interest Rate 8.0%; EOT 10.0%	3,382	3,370	n/a	84	(13)	—	235	(209)	—
	Secured Loan, March 1, 2024, Fixed Interest Rate 8.0%; EOT 10.0%	701	700	n/a	20	1	—	55	(28)	—
	Common Stock	—	n/a	7,000,000	—	—	—	—	(51)	—
	Preferred Series P	2,077	n/a	3,450	—	488	—	—	(1,373)	—
	Convertible Note	1,100	1,100	n/a	—	(69)	—	—	(49)	—
Total Control Investments		$ 49,797			$ 1,045	$ 818	$ —	$ 2,617	$ (7,350)	$ —
Affiliate Investments										
Nanotherapeutics, Inc.										
	Warrants, November 14, 2021, Common Stock	1,657	n/a	67,961	—	332	—	—	535	—
	Common Stock [2]	9,715	n/a	382,277	—	1,869	—	—	3,024	—

Store Intelligence, Inc.										
	Secured Loan, June 1, 2024, Fixed Interest Rate 12.0%; EOT 7.8%	12,139	12,001	n/a	449	(197)	—	743	(4)	—
	Preferred Series A	1,430	n/a	1,430,000	—	726	—	—	822	—
Vidsys, Inc.										
	Secured Loan, November 1, 2020, Fixed Interest Rate 12.0% (8.0% current + 4.0% PIK) (3)	1,290	5,000	n/a	(305)	(86)	—	133	(3,606)	—
	Secured Loan, October 1, 2023, Fixed Interest Rate 0.0%	—	1,600	n/a	—	(28)	—	—	—	—
	Warrants, June 14, 2029, Preferred Series 1	—	n/a	22,507	—	—	—	—	—	—
	Warrants, March 17, 2027, Common Stock	—	n/a	3,061	—	—	—	—	—	—
	Preferred Series 1	—	n/a	123,530	—	(11)	—	—	(300)	—
Total Affiliate Investments		$ 26,231			$ 144	$ 2,605	$ —	$ 876	$ 471	$ —
Total Control and Affiliate Investments		$ 76,028			$ 1,189	$ 3,423	$ —	$ 3,493	$ (6,879)	$ —

(1) This schedule should be read in conjunction with the Consolidated Schedule of Investments and notes to the financial statements. Supplemental information can be located within the Consolidated Schedule of Investments including cost of investments and if the investments are income producing.

(2) Certain third parties have rights to 17,485 shares of Nanotherapeutics common stock at a fair value of approximately $0.4 million as of September 30, 2020.

(3) Interest on this loan includes Paid-In-Kind (“PIK”). PIK interest income represents income not paid currently in cash. During the quarter ended September 30, 2020 this investment was put on non-accrual status. All PIK and accrued income recognized during the year was reversed.

Unconsolidated Significant Subsidiaries

In accordance with Rule 10-01(b)(1) of Regulation S-X, as amended, Trinity Capital must determine which of its unconsolidated controlled portfolio companies, if any, are considered "significant subsidiaries." In evaluating these unconsolidated controlled portfolio companies, there are two significance tests utilized per Rule 1-02(w) of Regulation S-X to determine if any of Trinity Capital's Control Investments (as defined in "Note 2 - Summary of Significant Accounting Policies") are considered significant subsidiaries: the investment test, and the income test. As of September 30, 2020, Trinity Capital had no single investment that met either of these two tests.

Certain Risk Factors

In the ordinary course of business, the Company manages a variety of risks including market risk, credit risk and liquidity risk. 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.

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.

The Company's investments consist of growth stage companies, many of which have relatively limited operating histories and also may experience variation in operating results. Many of these companies conduct business in regulated industries and could be affected by the changes in government regulations. Most of the Company's borrowers will need additional capital to satisfy their continuing working capital needs and other requirements, and in many instances, to service the interest and principal payments on the debt.

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. Trinity Capital accounts for its investments at fair value.

In accordance with ASC 820, Trinity Capital has categorized its investments based on the priority of the inputs to the valuation technique into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical investments (Level 1) and the lowest priority to unobservable inputs (Level 3). See "Note 2 - Summary of Significant Accounting Policies."

As required by ASC 820, when the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement in its entirety. For example, a Level 3 fair value measurement may include inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Therefore, unrealized appreciation and depreciation related to such investments categorized within the Level 3 tables below may include changes in fair value that are attributable to both observable inputs (Levels 1 and 2) and unobservable inputs (Level 3).

As of September 30, 2020, the Company's portfolio investments consisted primarily of investments in secured loans and equipment financings. All of the Company's portfolio investments were categorized as Level 3 as of September 30, 2020. The Company held no portfolio investments as of December 31, 2019.

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

- Financial information obtained from each portfolio company, including unaudited statements of operations and balance sheets for the most recent period available as compared to budgeted numbers;
- Current and projected financial condition of the portfolio company;
- Current and projected ability of the portfolio company to service its debt obligations;
- Type and amount of collateral, if any, underlying the investment;
- Current financial ratios (e.g., fixed charge coverage ratio, interest coverage ratio and net debt/EBITDA ratio) applicable to the investment;
- Current liquidity of the investment and related financial ratios (e.g., current ratio and quick ratio);
- Pending debt or capital restructuring of the portfolio company;
- Projected operating results of the portfolio company;
- Current information regarding any offers to purchase the investment;
- Current ability of the portfolio company to raise any additional financing as needed;
- Changes in the economic environment, which may have a material impact on the operating results of the portfolio company;
- Internal occurrences that may have an impact (both positive and negative) on the operating performance of the portfolio company;
- Qualitative assessment of key management;
- Contractual rights, obligations or restrictions associated with the investment; and
- Time to exit.

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 investments, are (i) earnings before interest, tax, depreciation, and amortization (“EBITDA”) and revenue multiples (both projected and historic), and (ii) volatility assumptions. Significant increases (decreases) in EBITDA and revenue multiple inputs in isolation would result in a significantly higher (lower) fair value measurement. Similarly, significant increases (decreases) in volatility inputs in isolation would result in a significantly higher (lower) fair value assessment. On the contrary, significant increases (decreases) in weighted average cost of capital inputs in isolation would result in a significantly lower (higher) fair value measurement. However, due to the nature of certain investments, fair value measurements may be based on other criteria, such as third-party appraisals of collateral and fair values as determined by independent third parties, which are not presented in the tables below.

During the three and nine months ended September 30, 2020, all of the Company's portfolio investments were Level 3. Debt investments include both secured loans and equipment financing securities. The following table provides a summary of the significant unobservable inputs used to fair value the Level 3 portfolio investments as of September 30, 2020 (dollars in thousands):

Investment Type - Level Three Investments	**Fair Value as of September 30, 2020**	**Valuation Techniques/ Methodologies**	**Unobservable Inputs [1]**	**Range**	**Weighted Average [2]**
Debt investments	$ 334,916	Discounted Cash Flows	Hypothetical Market Yield	11.0% - 24.2%	14.6%
	33,280	Originated within the past three months	Origination Market Yield	12.3% - 16.1%	13.7%
	4,097	Liquidation Scenario	Probability Weighting of Alternative Outcomes	10.0% - 90.0%	n/a
	9,083	Transactions Precedent[6]	Transaction Price	n/a	n/a
Equity investments	26,603	Market Comparable Companies	Revenue Multiple [3]	0.4x - 3.2x	1.5x
	3,623	Liquidation Scenario	Probability Weighting of Alternative Outcomes	30.0% - 70.0%	n/a
	998	Market Adjusted OPM Backsolve	Revenue Multiple [3]	1.4x	1.4x
			Company Specific Adjustment [4]	(7.5)%	(7.5)%
			Volatility [5]	45.0%	45.0%
			Risk-Free Interest Rate	1.9%	1.9%
			Estimated Time to Exit (in years)	5.0	5.0
Warrants	12,884	Market Comparable Companies	Revenue Multiple [3]	0.7x - 16.2x	4.6x
			Company Specific Adjustment [4]	(7.5%) - (37.6%)	(20.4)%
			Volatility [5]	15.0% - 132.0%	57.2%
			Risk-Free Interest Rate	0.1% - 3.0%	1.0%
			Estimated Time to Exit (in years)	0.5 - 5.1	3.2
Total Level Three Investments	$ 425,484				

(1) The significant unobservable inputs used in the fair value measurement of the Company's debt securities are hypothetical market yields and premiums/(discounts). The hypothetical market yield is defined as the exit price of an investment in a hypothetical market to hypothetical market participants where buyers and sellers are willing participants. The significant unobservable inputs used in the fair value measurement of the Company's equity and warrant securities are revenue multiples and portfolio company specific adjustment factors. Additional inputs used in the option pricing model ("OPM") include industry volatility, risk free interest rate and estimated time to exit. Significant increases (decreases) in the inputs in isolation would result in a significantly higher (lower) fair value measurement, depending on the materiality of the investment. For some investments, additional consideration may be given to data from the last round of financing or merger/acquisition events near the measurement date.

(2) Weighted averages are calculated based on the fair market value of each investment.

(3) Represents amounts used when the Company has determined that market participants would use such multiples when pricing the investments.

(4) Represents amounts used when the Company has determined market participants would take into account these discounts when pricing the investments.

(5) Represents the range of industry volatility used by market participants when pricing the investment.

(6) Represents investments where there is an observable transaction or pending event for the investment.

The following table provides a summary of changes in the debt, including loans and equipment financings (collectively "Debt"), equity, and equity warrants fair value of the Company's Level 3 portfolio investments for the nine months ended September 30, 2020 (in thousands):

	Type of Investment			
	Debt	Equity	Equity Warrants	Total
Fair Value at January 1, 2020	$ —	$ —	$ —	$ —
Formation Transactions acquisitions	375,858	24,066	17,099	417,023
Purchases	134,101	1,800	873	136,774
Non-cash conversion	(10,148)	10,879	—	731
Proceeds from Paydowns and Sales	(114,789)	(3,855)	—	(118,644)
Amortization and Accretion	7,810	—	—	7,810
Net Realized Gain (Loss)	(2,661)	—	(1,713)	(4,374)
Change in Unrealized Appreciation (Depreciation)	(8,795)	(1,666)	(3,375)	(13,836)
Fair Value at September 30, 2020	$ 381,376	$ 31,224	$ 12,884	$ 425,484

During the three and nine months ended September 30, 2020, there were no transfers into or out of Level 3.

Fair Value of Financial Instruments Carried at Cost

As of September 30, 2020, the carrying value of the Credit Facility is approximately $112.4 million, net of unamortized deferred financing costs of $2.6 million. The carrying value of the Company's Credit Facility as of September 30, 2020 approximates the fair value, which was estimated using a market yield approach with level 3 inputs.

As discussed in "Note 5 - Debt," as of September 30, 2020, the Notes have a fixed interest rate with a carrying value of approximately $120.2 million, net of unamortized deferred financing costs of $4.8 million. The cost of the Notes as of September 30, 2020 approximates the fair value, which was estimated using a market yield approach with Level 3 inputs.

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.

5. Debt

Credit Suisse Credit Facility

On January 9, 2020, TF1 and its affiliates borrowed $190.0 million under the Credit Facility, and during the three and nine months ended September 30, 2020, repayments of $0 and approximately $85.0 million, respectively, were made to Credit Suisse. During the three and nine months ended September 30, 2020, we borrowed an additional $10.0 million. In conjunction with the Credit Facility, the Company incurred approximately $4.0 million of financing costs which were capitalized and deferred. Borrowings under the Credit Facility bear interest at a rate of the three-month London Interbank Offered Rate ("LIBOR") plus 3.25%. As of September 30, 2020, unamortized deferred financing costs related to the Credit Facility were $2.6 million and were included in Credit Facility on the Consolidated Statements of Assets and Liabilities.

On January 16, 2020, in connection with the Formation Transactions (see "Note 12 - Formation Transactions"), through our wholly owned subsidiary TF1, the Company became a party to, and assumed, the Credit Facility with Credit Suisse. The Credit Facility was entered into effective January 8, 2020 and matures on January 8, 2022, unless extended. The Credit Facility is collateralized by all investments held by TF1 and permits an advance rate of up to 65% of eligible investments. The Company has the ability to borrow up to an aggregate of $300.0 million, and the Credit Facility borrowing base contains certain criteria for eligible investments and includes concentration limits as defined in the Credit Facility. At September 30, 2020, the Company had approximately $115.0 million in borrowings outstanding under the Credit Facility and a borrowing availability of approximately $56.8 million.

The summary information regarding the Credit Facility for the three and nine months ended September 30, 2020 is as follows (dollars in thousands):

	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2020
Borrowing interest expense	$ 948	$ 3,948
Amortization of deferred financing costs	487	1,394
Total interest and amortization of deferred financing costs	$ 1,435	$ 5,342
Weighted average interest rate	3.61%	4.14%
Weighted average outstanding balance	$ 105,109	$ 127,135

The Credit Facility contains covenants that, among other things, require the Company to maintain minimum tangible net worth and leverage ratios, minimum cash balance of $15.0 million, and a cash reserve of 60 days for interest.

7.00% Notes due 2025

Concurrent with the completion of the Private Common Stock Offering, on January 16, 2020, the Company completed a private offering of $105.0 million in aggregate principal amount of the Notes in reliance upon the available exemptions from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). Keefe, Bruyette & Woods, Inc. ("KBW"), as the initial purchaser, exercised in full its option to purchase or place additional Notes and on January 29, 2020 the Company issued and sold an additional $20.0 million in aggregate principal amount of the Notes. As a result, the Company issued and sold a total of $125.0 million in aggregate principal amount of the Notes pursuant to the 144A Note Offering.

The Notes were issued pursuant to an Indenture dated as of January 16, 2020 (the "Base Indenture"), between the Company and U.S. Bank National Association, as trustee (the "Trustee"), and a First Supplemental Indenture, dated as of January 16, 2020 (the "First Supplemental Indenture" and together with the Base Indenture, the "Indenture"), between the Company and the Trustee. The Notes mature on January 16, 2025 (the "Maturity Date"), unless repurchased or redeemed in accordance with their terms prior to such date. The Notes are redeemable, in whole or in part, at any time, or from time to time, at the Company's option, on or after January 16, 2023 at a redemption price equal to 100% of the outstanding principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of redemption. The holders of the Notes do not have the option to have the Notes repaid or repurchased by the Company prior to the Maturity Date of the Notes.

The Notes bear interest at a fixed rate of 7.00% per year payable quarterly on March 15, June 15, September 15 and December 15 of each year, commencing on March 15, 2020. The Notes are direct, general unsecured obligations of the Company and will rank senior in right of payment to all of the Company's future indebtedness or other obligations that are expressly subordinated, or junior, in right of payment to the Notes. The Notes will rank pari passu, or equal, in right of payment with all of the Company's existing and future indebtedness or other obligations that are not so subordinated, or junior. The Notes will rank effectively subordinated, or junior, to any of the Company's future secured indebtedness or other obligations (including unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness. The Notes will rank structurally subordinated, or junior, to all existing and future indebtedness and other obligations (including trade payables) incurred by the Company's subsidiaries, financing vehicles, or similar facilities, including, without limitation, borrowings under the Credit Facility.

The Indenture contains certain covenants, including covenants requiring the Company to (i) comply with the asset coverage requirements of the 1940 Act, whether or not the Company is subject to those requirements, and (ii) provide financial information to the holders of the Notes and the Trustee if the Company is no longer subject to the reporting requirements under the Securities Exchange Act of 1934, as amended. These covenants are subject to important limitations and exceptions that are described in the Indenture.

Concurrently with the closing of the 144A Note Offering, the Company entered into a registration rights agreement (the "Notes Registration Rights Agreement") for the benefit of the purchasers of the Notes in the 144A Note Offering. Pursuant to the terms of the Notes Registration Rights Agreement, the Company filed with the SEC a registration statement registering the public resale of the Notes by the holders thereof that elected to include their Notes in such registration statement, which was declared effective on October 20, 2020. Under the Notes Registration Rights Agreement, the Company is obligated to use its commercially reasonable efforts to continuously maintain such registration statement's effectiveness under the Securities Act, subject to certain permitted blackout periods, for the period described in the Notes Registration Rights Agreement.

Aggregate offering costs in connection with the transaction, including the underwriter's discount and commissions, were approximately $5.6 million which were capitalized and deferred. As of September 30, 2020, unamortized deferred financing costs related to the Notes were $4.8 million and were included in the Notes on the Consolidated Statements of Assets and Liabilities.

For the three and nine months ended September 30, 2020, the components of interest expense and related fees for the Notes are as follows (in thousands):

	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2020
Notes interest expense	$ 2,139	$ 6,198
Amortization of deferred financing costs	278	788
Total interest and amortization of deferred financing costs	$ 2,417	$ 6,986

6. Commitments and Contingencies

Unfunded Commitments

The Company's commitments and contingencies consist primarily of unused commitments to extend credit in the form of loans to the Company's portfolio companies. A portion of these unfunded contractual commitments as of September 30, 2020 are dependent upon the portfolio company reaching certain milestones before the debt commitment becomes available. Furthermore, the Company's credit agreements contain customary lending provisions that allow the Company relief from funding obligations for previously made commitments in instances where the underlying company experiences materially adverse events that affect the financial condition or business outlook for the Company. Since a portion of these commitments may expire without being withdrawn, unfunded contractual commitments do not necessarily represent future cash requirements. As such, the Company's disclosure of unfunded contractual commitments includes only those which are available at the request of the portfolio company and are unencumbered by milestones.

As of September 30, 2020, the Company had an aggregate of approximately $21.3 million of unfunded commitments to three portfolio companies, Exela Inc., DailyPay, Inc., and BackBlaze, Inc., which are available at the request of such portfolio companies and unencumbered by milestones. The fair value of these unfunded commitments are considered to approximate the cost of such commitments as the yields determined at the time of underwriting are expected to be materially consistent with the yields upon funding. The Company funded $19.7 million of its unfunded commitment to DailyPay, Inc. on October 1, 2020.

The Company will fund its unfunded commitments 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 borrowings under the Credit Facility).

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.

Leases

Effective January 1, 2019, FASB ASU 2016-02, *Leases (Topic 842)* ("ASU 2016-02") required that a lessee evaluate its leases to determine whether they should be classified as operating or financing leases. Trinity Capital identified one significant operating lease for its office space. The lease commenced February 21, 2017 and expires July 31, 2022. The lease contains a five-year extension option for a final expiration date of July 31, 2027 which the company does not anticipate exercising.

Total lease expense incurred by Trinity Capital related to this lease for the three and nine months ended September 30, 2020 was approximately $61,500 and $173,200, respectively. As of September 30, 2020, the right of use asset related to the operating lease was $0.5 million and included in Other assets in the Consolidated Statements of Assets and Liabilities, and the lease liability was $0.4 million and included in Other liabilities in the Consolidated Statements of Assets and Liabilities. As of September 30, 2020, the remaining lease term was 1.75 years and the discount rate was 3.25%. The Company has also entered into a lease for new office space with an estimated commencement date in mid-2021 and a lease term of eight years. A right of use asset and corresponding lease liability will be recorded upon commencement of the lease, and future minimum payments under the term of the new lease have been included in the table below.

The following table shows future minimum payments under Trinity Capital’s operating leases as of September 30, 2020 (in thousands):

For the Years Ended December 31,	Total
2020	$ 56
2021	224
2022	484
2023	361
2024	371
Thereafter	1,999
Total	$ 3,495

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, 2020, there are no material legal matters or litigation pending of which the Company is aware.

7. Stockholder’s Equity

Private Offerings

On January 16, 2020, the Company completed a private offering of shares of its common stock in reliance upon the available exemptions from the registration requirements of the Securities Act, pursuant to which the Company issued and sold 7,000,000 shares of its common stock for aggregate gross proceeds of approximately $105.0 million. KBW acted as the initial purchaser and placement agent in connection with the Private Common Stock Offering pursuant to a purchase/placement agreement, dated January 8, 2020 by and between the Company and KBW. KBW exercised in full its option to purchase or place additional shares and on January 29, 2020 the Company issued and sold an additional 1,333,333 shares of its common stock. As a result, the Company issued and sold a total of 8,333,333 shares of its common stock pursuant to the Private Common Stock Offering for aggregate net proceeds of approximately $114.4 million, net of offering costs of approximately $10.5 million.

Concurrently with the closing of the Private Common Stock Offering, the Company entered into a registration rights agreement (the “Common Stock Registration Rights Agreement”), for the benefit of the purchasers of the shares of the Company’s common stock in the Private Common Stock Offering and the Legacy Investors that received shares of the Company’s common stock in connection with the Formation Transactions that were not the Company’s directors, officers and affiliates. Absent an amendment approved in accordance with the terms of the Common Stock Registration Rights Agreement, the Company is obligated to use commercially reasonable efforts to cause (i) a resale registration statement (the “Resale Registration Statement”) registering the public resale of the shares of the Company’s common stock issued in the Private Common Stock Offering and the Formation Transactions, and the shares of the Company’s common stock issues in respect thereof whether by contingent dividend, stock dividend, stock distribution, stock split, or otherwise, except for such shares issued to the Company’s directors, officers and affiliates (the “Registrable Shares”), to be declared effective by the SEC as soon as practicable after the initial filing of the Resale Registration Statement, but in no event later than December 31, 2020 and (ii) the Registrable Shares to be listed on a national securities exchange concurrently with the effectiveness of the Resale Registration Statement. Under the Common Stock Registration Rights Agreement, the Company is also obligated to use commercially reasonable efforts to continuously maintain the Resale Registration Statement’s effectiveness under the Securities Act, subject to certain permitted blackout periods, for the period described in the Common Stock Registration Rights Agreement.

Formation Transactions

In the Formation Transactions, all of the assets and liabilities of the Legacy Funds were acquired and assumed by the Company. In consideration for the Legacy Funds we issued 9,183,185 shares of our common stock at $15.00 per share for a total value of approximately $137.7 million, and paid approximately $108.7 million in cash to the Legacy Funds' investors, which included the general partners/managers of the Legacy Funds (the "Legacy Investors"). The acquisition consideration of the Formation Transactions was based on valuations as of December 31, 2019, as adjusted for assets that were disposed of by the Legacy Funds, as well as earnings, capital contributions and distributions paid to the members/limited partners, and material events affecting the portfolio companies of the Legacy Funds subsequent to December 31, 2019 and through the closing date of the Formation Transactions.

As part of the Formation Transactions, we also used a portion of the proceeds of the Private Offerings to acquire 100% of the equity interests of Trinity Capital Holdings, for an aggregate purchase price of $10.0 million, which was comprised of 533,332 shares of our common stock totaling approximately $8.0 million and approximately $2.0 million in cash. In connection with the acquisition of the equity interests of Trinity Capital Holdings, the Company also assumed a $3.5 million severance related liability with respect to a former member of certain general partners of certain Legacy Funds. As a result of this transaction, Trinity Capital Holdings became a wholly owned subsidiary of the Company. See "Note 12 – Formation Transactions."

Long-Term Incentive Plan

The Board has approved the 2019 Trinity Capital Inc. Long-Term Incentive Plan and the Trinity Capital Inc. 2019 Non-Employee Director Restricted Stock Plan, each to be effective upon receipt of exemptive relief from the SEC and stockholder approval of such plans. We have applied for an exemptive order from the SEC to permit us to issue securities under such plans. If exemptive relief is obtained, the Compensation Committee may award such securities in such amounts and on such terms as the Compensation Committee determines and consistent with any exemptive order the SEC may issue and the terms of such plans, as applicable. The SEC is not obligated to grant an exemptive order to allow this practice and will do so only if it determines that such practice is consistent with stockholder interests and does not involve overreaching by management or our Board. We cannot provide any assurance that we will receive such exemptive relief from the SEC.

Distribution Reinvestment Plan

Trinity Capital's distribution 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 Trinity Capital 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 Trinity Capital 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. Newly issued shares will be valued based upon the final closing price of Trinity Capital's common stock on the valuation date determined for each distribution by the Board.

Trinity Capital's DRIP is administered by its transfer agent on behalf of Trinity Capital's record holders and participating brokerage firms. Brokerage firms and other financial intermediaries may decide not to participate in Trinity Capital's DRIP but may provide a similar distribution reinvestment plan for their clients.

During the nine months ended September 30, 2020, the Company declared a distribution on May 14, 2020 of $0.22 per share that was paid on June 5, 2020 to stockholders of record as of May 29, 2020, and declared a distribution on August 10, 2020 of $0.27 per share that was paid on September 4, 2020 to stockholders of record as of August 21, 2020. The distribution paid on June 5, 2020 included approximately $2.9 million in cash and 87,740 shares issued pursuant to the DRIP, and the distribution paid on September 4, 2020 included approximately $3.7 million in cash and 98,443 shares issued pursuant to the DRIP. See "Item 14. Subsequent Events."

8. Earnings Per Share

In accordance with the provisions of ASC Topic 260 – *Earnings per Share* ("ASC 260"), basic earnings per share is computed by dividing earnings available to common stockholders by the weighted average number of shares outstanding during the period. Other potentially dilutive common shares, and the related impact to earnings, are considered when calculating earnings per share on a diluted basis. As of September 30, 2020, there are no dilutive shares. 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, 2020 (in thousands except shares and per share information):

	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2020
Net increase (decrease) in net assets resulting from operations	$ 12,334	$ (15,835)
Weighted average common shares outstanding	18,166,491	18,033,173
Net increase (decrease) in net assets resulting from operations per common share - basic and diluted	$ 0.68	$ (0.88)

9. Income Taxes

The following table sets forth the tax cost basis and the estimated aggregate gross unrealized appreciation and depreciation from investments for federal income tax purposes for the nine months ended September 30, 2020 (in thousands):

	For the Nine Months Ended September 30, 2020
Tax Cost of Investments	$ 439,322
Fair Market Value of Investments	$ 425,484
Unrealized appreciation	$ 9,509
Unrealized depreciation	(23,345)
Net unrealized (appreciation) depreciation reversed related to net realized gains or losses [(1)]	—
Net unrealized appreciation (depreciation) from investments	$ (13,836)

(1) The net unrealized (appreciation) depreciation reversed related to net realized gains or losses represents the unrealized appreciation or depreciation recorded on the related asset at the end of the prior period. Investments were recorded at their fair values in the Formation Transactions on January 16, 2020, therefore no reversal of unrealized appreciation (depreciation) was recorded during the nine months ended September 30, 2020.

10. Financial Highlights

The following presents financial highlights for the nine months ended September 30, 2020 (in thousands except share and per share information):

	For the Nine Months Ended September 30, 2020
Per Share Data:	
Net asset value, beginning of period [(1)]	$ 14.97
Net investment income [(2)]	1.00
Net realized and unrealized gains (losses) on investments [(3)]	(1.02)
Costs related to acquisition of Trinity Capital Holdings and Legacy Funds	(0.86)
Net decrease in net assets resulting from operations	(0.88)
Offering costs	(0.59)
Distributions	(0.49)
Total decrease in net assets	(1.96)
Net asset value, end of period	**$ 13.01**
Shares outstanding, end of period	18,236,043
Weighted average shares outstanding [(2)]	18,033,173
Total return [(4)] [(6)] [(7)]	(9.80)%
Ratio/Supplemental Data:	
Net assets, end of period	$ 237,325
Ratio of total expenses to average net assets [(5)]	13.39%
Ratio of net investment income to average net assets [(5)]	11.10%
Ratio of interest and credit facility expenses to average net assets [(5)]	7.76%
Portfolio turnover rate [(7)]	27.40%
Asset coverage ratio [(8)]	198.64%
Asset coverage ratio per unit [(9)]	$ 1,986

(1) The net asset value as of January 16, 2020 (commencement of operations) is calculated based on the initial common stock purchase price of $15.00 per share less the accumulated loss of $0.03 per share from August 12, 2019 (the date of inception) through December 31, 2019.

(2) Calculated based upon weighted average shares outstanding for the period from January 16, 2020 (commencement of operations) through September 30, 2020.

(3) The amount shown does not correspond with the aggregate realized and unrealized gains (losses) on investment transactions for the period as it includes the effect of the timing of equity issuances.

(4) Total return based on net asset value is calculated as the change in net asset value per share during the period plus declared distributions per share during the period, divided by the beginning net asset value per share.

(5) Annualized.

(6) Total return excluding costs related to acquisition of Trinity Capital Holdings and the Legacy Funds would have been (4.05%).

(7) Not annualized.

(8) Based on outstanding debt of $240.0 million as of September 30, 2020.

(9) Asset coverage per unit is the ratio of the current value of the Company's total consolidated assets for regulatory purposes, less all liabilities and indebtedness not represented by senior securities to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollars per $1,000 of indebtedness.

11. Related Party Transactions

As of December 31, 2019, the Company had payables to an affiliate of approximately $1.1 million related to organizational and offering cost expenses, which are included in Due to related party on the Consolidated Statements of Assets and Liabilities. The Company repaid these amounts during the quarter ended March 31, 2020.

The Legacy Funds were merged with and into the Company and the Company issued 9,183,185 shares of its common stock and paid approximately $108.7 million in cash to the Legacy Investors. In addition, as part of the Formation Transactions, the Company acquired 100% of the equity interests of Trinity Capital Holdings for shares of the Company's common stock and cash, and the Company assumed a severance related liability with respect to a former member of certain general partners of certain Legacy Funds. Members of the Company's management, including Steven L. Brown, Kyle Brown, Gerald Harder and Ron Kundich, owned 100% of the equity interests in Trinity Capital Holdings and controlling interests in the general partners/managers of the Legacy Funds.

As a result of the Formation Transactions, Messrs. S. Brown, K. Brown, Harder and Kundich collectively received (i) 533,332 shares of the Company's common stock valued at approximately $8.0 million and approximately $2.0 million in cash in exchange for their equity interests in Trinity Capital Holdings, and (ii) 377,441 shares of the Company's common stock valued at approximately $5.7 million for their limited partner and general partner interests in the Legacy Funds.

During the three months and nine months ended September 30, 2020, certain related parties received cash and/or shares pursuant to the distribution declared. See "Distribution Reinvestment Plan" under "Note 7 – Stockholder's Equity."

The Company has entered into indemnification agreements with its directors and executive officers. The indemnification agreements are intended to provide the Company's directors and executive officers the maximum indemnification permitted under Maryland law and the 1940 Act. Each indemnification agreement provides that the Company shall indemnify the director or executive officer who is a party to the agreement, or an "Indemnitee," including the advancement of legal expenses, if, by reason of his or her corporate status, the Indemnitee is, or is threatened to be, made a party to or a witness in any threatened, pending, or completed proceeding, to the maximum extent permitted by Maryland law and the 1940 Act.

12. Formation Transactions

On January 16, 2020, immediately following the consummation of the Private Offerings, we used a portion of the proceeds of the Private Offerings to acquire, through the Formation Transactions, the Legacy Funds and Trinity Capital Holdings. Each member/limited partner of the Legacy Funds was given the option to elect to receive cash and or shares of the Company's common stock in exchange for its limited partner interests or membership interests, as applicable. The general partners, managers or managing members of the Legacy Funds received only shares in exchange for their interests held in such capacities. As a result of the Formation Transactions, the Legacy Funds were merged with and into the Company and Trinity Capital Holdings became a wholly owned subsidiary of the Company. The Formation Transactions were accounted for as a business combination in accordance with ASC 805.

As consideration for the partnership and membership interests in the Legacy Funds, we issued 9,183,185 shares of our common stock at $15.00 per share for a total value of approximately $137.7 million and paid approximately $108.7 million in cash to the Legacy Investors totaling approximately $246.4 million. The acquisition consideration of the Formation Transactions was based on valuations as of December 31, 2019, as adjusted for assets that were disposed of by the Legacy Funds, as well as earnings, capital contributions and distributions paid to the members/limited partners, and material events affecting the portfolio companies of the Legacy Funds subsequent to December 31, 2019 and through the closing date of the Formation Transactions.

A summary of the fair value of the assets acquired and liabilities assumed from the Legacy Funds as of the acquisition date is as follows (in thousands):

Investments acquired	$	417,023
Interest receivable and other assets acquired		1,191
A/P and accrued liabilities assumed		(680)
Customer deposits assumed		(4,250)
Credit facility assumed		(190,000)
Financing fees related to credit facility acquired		1,900
Cash acquired		19,183
Total net assets acquired	$	244,367

The total merger consideration of the Legacy Funds of approximately $246.4 million exceeded the fair value of the net assets acquired as of the acquisition date, and as a result, the Company included a loss of approximately $2.1 million in Costs related to the acquisition of Trinity Capital Holdings and Legacy Funds in the Consolidated Statements of Operations.

Additionally, as part of the Formation Transactions, we also used a portion of the proceeds of the Private Offerings to acquire 100% of the equity interests of Trinity Capital Holdings, the sole member of Trinity Management IV, LLC, the investment manager to Fund IV and the sub-adviser to Fund II and Fund III, in exchange for 533,332 shares of our common stock totaling approximately $8.0 million and approximately $2.0 million in cash. The Company also assumed a $3.5 million severance related liability with respect to a former member of certain general partners of certain Legacy Funds. Prior to the completion of the Formation Transactions, Trinity Capital Holdings acquired approximately $0.2 million of certain net assets from Trinity SBIC Management, LLC.

In connection with the acquisition of Trinity Capital Holdings, approximately $13.5 million (consisting of the aggregate purchase price and severance related liability assumed) was expensed to Costs related to the acquisition of Trinity Capital Holdings and Legacy Funds in the Consolidated Statements of Operations. Under ASC 805, such amount represents the settlement price, based on the estimated fair value of the future profits and cash flows that would otherwise have been contractually due to Trinity Capital Holdings, had the underlying management agreements with each of the Legacy Funds not been canceled in order to enter into the Formation Transactions and operate the Company as an internally managed BDC.

13. Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* (“ASU 2016-02”) which requires lessees to recognize on the balance sheet a right-of-use asset, representing its right to use the underlying asset for the lease term, and a lease liability for all leases with terms greater than 12 months. The guidance also requires qualitative and quantitative disclosures designed to assess the amount, timing, and uncertainty of cash flows arising from leases. The standard requires the use of a modified retrospective transition approach, which includes a number of optional practical expedients that entities may elect to apply. The guidance is effective for annual periods beginning after December 15, 2020, and interim periods therein. Early adoption is permitted. The Company adopted ASU 2016-02 effective January 1, 2020. Under ASU 2016-02, the Company evaluates leases to determine if the leases are considered financing or operating leases. The Company currently has one operating lease for office space for which the Company has recorded a right-of-use asset included in Other assets in the Consolidated Statements of Assets and Liabilities and lease liability for the operating lease obligation included in Other liabilities in the Consolidated Statements of Assets and Liabilities. Non-lease components (maintenance, property tax, insurance and parking) are not included in the lease cost. The lease expense is presented as a single lease cost that is amortized on a straight-line basis over the life of the lease. See further discussion in “Note 6 – Commitments and Contingencies” regarding the lease obligation.

In March 2020, the FASB issued ASU 2020-04, “*Reference rate reform (Topic 848) - Facilitation of the effects of reference rate reform on financial reporting.*” The amendments in this update provide optional expedients and exceptions for applying U.S. GAAP to certain contracts and hedging relationships that reference LIBOR or another reference rate expected to be discontinued due to reference rate reform and became effective upon issuance for all entities. ASU 2020-04 is elective and is effective on March 12, 2020 through December 31, 2022. The Company expects that the adoption of this guidance will not have a material impact on its consolidated financial statements.

In May 2020, the SEC adopted rule amendments that will impact the requirement of investment companies, including BDCs, to disclose the financial statements of certain of their portfolio companies or acquired funds (the "Final Rules"). The Final Rules adopted a new definition of "significant subsidiary" set forth in Rule l-02(w)(2) of Regulation S-X under the Securities Act. Rules 3-09 and 4-08(g) of Regulation S-X require investment companies to include separate financial statements or summary financial information, respectively, in such investment company's periodic reports for any portfolio company that meets the definition of "significant subsidiary." The Final Rules amend the definition of "significant subsidiary" in a manner that is intended to more accurately capture those portfolio companies that are more likely to materially impact the financial condition of an investment company. The Final Rules will be effective on January l, 2021, but voluntary compliance is permitted in advance of the effective date. The Company has elected to comply with the Final Rules effective June 30, 2020 which the Company expects will not have a material impact on its consolidated financial statements.

14. Subsequent Events

The Company’s management evaluated subsequent events through the date of issuance of the consolidated financial statements included herein. Other than the items below, there have been no subsequent events that occurred during the period that would require recognition or disclosure.

Distribution Declaration

On November 9, 2020, the Board declared a quarterly distribution of $0.27 per share payable on December 4, 2020 to stockholders of record as of November 20, 2020.

COVID-19 Developments

The continued outbreak and subsequent global response to the SARS-CoV-2 virus ("COVID-19") has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The pandemic and government responses are creating disruption in global supply chains and adversely impacting many industries. This outbreak could have a continued material adverse impact on economic and market conditions furthering the global economic slowdown.

The Company's business and portfolio companies could be susceptible to changes in client demand and may experience a varying degree of business interruption due to this outbreak. The full impact of the COVID-19 pandemic will have on the Company's financial condition, liquidity, and future results of operations is uncertain due to the ever-evolving nature of the situation on a local and global level. Management is actively monitoring the potential impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

The extent of the impact of the COVID-19 pandemic on the financial performance of the Company's portfolio will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions and the impact of the COVID-19 pandemic on the financial markets and the overall economy, all of which are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Company's results of future operations, financial position, and liquidity in fiscal year 2020 may be materially adversely affected.

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

In this quarterly report on Form 10-Q, except where the context suggests otherwise, the terms "we," "us," "our," "the Company" and "Trinity Capital" refer to Trinity Capital Inc. and its consolidated subsidiaries. The information contained in this section should be read in conjunction with our consolidated financial statements and related notes thereto appearing elsewhere in this quarterly report on Form 10-Q.

Forward-Looking Statements

This quarterly report contains forward-looking statements that involve substantial risks and uncertainties. Such statements involve known and unknown risks, uncertainties and other factors and undue reliance should not be placed thereon. Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “anticipate,” “believes,” “can,” “could,” “may,” “predicts,” “potential,” “should,” “will,” “estimate,” “plans,” “projects,” “continuing,” “ongoing,” “expects,” “intends” and similar words or phrases. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of several factors discussed under Item 1A. “Risk Factors” of Part II of this quarterly report and Item 1A – “Risk Factors” of our Form 10, as amended, filed with the SEC on March 13, 2020, including the following factors, among others:

- our limited operating history as a business development company (“BDC”);
- our future operating results, including the impact of the SARS-CoV-2 (“COVID-19”) pandemic;
- our dependence upon our management team and key investment professionals;
- our ability to manage our business and future growth;
- risks related to investments in growth stage companies, other venture capital-backed companies and generally U.S. companies;
- the ability of our portfolio companies to achieve their objectives, including as a result of the COVID-19 pandemic;
- the use of leverage;
- risks related to the uncertainty of the value of our portfolio investments;
- changes in political, economic or industry conditions, the interest rate environment or conditions affecting the financial and capital markets, including as a result of the COVID-19 pandemic;
- uncertainty surrounding the financial and/or political stability of the United States, the United Kingdom, the European Union and China, including as a result of the COVID-19 pandemic;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- risks related to changes in interest rates, our expenses, and other general economic conditions and the effect on our net investment income;
- the effect of the decommissioning of LIBOR;
- the effect of changes in tax laws and regulations and interpretations thereof;

- the impact on our business of new or amended legislation or regulations;
- risks related to market volatility, including general price and volume fluctuations in stock markets;
- our ability to make distributions, including as a result of the COVID-19 pandemic; and
- our ability to maintain our status as a BDC under the Investment Company Act of 1940, as amended (the “1940 Act”) and qualify annually for tax treatment as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”).

Additionally, there may be other risks that are otherwise described from time to time in the reports that we file with the Securities and Exchange Commission. Any forward-looking statements in this report should be considered in light of various important factors, including the risks and uncertainties listed above, as well as others. All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations, and, therefore, you are cautioned not to place undue reliance on such statements. Any forward-looking statements are qualified in their entirety by reference to the risk factors discussed throughout this quarterly report. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. Because we are an investment company, the forward-looking statements and projections contained in this quarterly report are excluded from the safe harbor protections provided by Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (the “safe harbor” provision of the Private Securities Litigation Reform Act of 1995).

Overview

We are a specialty lending company providing debt, including loans and equipment financings, to growth stage companies, including venture-backed companies and companies with institutional equity investors. We are an internally managed, closed-end, non-diversified management investment company that has elected to be regulated as a BDC under the 1940 Act. We also intend to elect to be treated, and intend to qualify annually thereafter, as a RIC under Subchapter M of the Code for U.S. federal income tax purposes. As a BDC and a RIC, we are required to comply with certain regulatory requirements.

Our investment objective is to generate current income and, to a lesser extent, capital appreciation through our investments. We seek to achieve our investment objective by making investments consisting primarily of term loans and equipment financings and, to a lesser extent, working capital loans, equity and equity-related investments. In addition, we may obtain warrants or contingent exit fees at funding from many of our portfolio companies, providing an additional potential source of investment returns. We generally are required to invest at least 70% of our total assets in qualifying assets in accordance with the 1940 Act but may invest up to 30% of our total assets in non-qualifying assets, as permitted by the 1940 Act.

We target investments in growth stage companies, which are typically private companies, including venture-backed companies and companies with institutional equity investors. We define “growth stage companies” as companies that have significant ownership and active participation by sponsors, such as institutional investors or private equity firms, and annual revenues of up to $100.0 million. Subject to the requirements of the 1940 Act, we are not limited to investing in any particular industry or geographic area and seek to invest in under-financed segments of the private credit markets.

We invest in debt, including loans and equipment financings, that may have initial interest-only periods of 0 to 24 months and may then fully amortize over a term of 24 to 60 months and are typically secured by a blanket first lien, a specific asset lien on mission critical assets, or a blanket second lien. We may also make a limited number of direct equity and equity-related investments in conjunction with our debt investments.

Certain of the loans in which we invest have financial maintenance covenants, which are used to proactively address materially adverse changes in a portfolio company's financial performance. However, we have invested in, and may in the future invest in or obtain significant exposure to "covenant-lite" loans, which generally are 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, because we invest in and have exposure to 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 financial maintenance covenants.

COVID-19 Developments

In March 2020, the outbreak of COVID-19 was recognized as a pandemic by the World Health Organization. Shortly thereafter, the President of the United States declared a National Emergency throughout the United States attributable to such pandemic. The pandemic has become increasingly widespread in the United States, including in the markets in which the Company primarily operates. As of the three and nine months ended September 30, 2020, and subsequent to September 30, 2020, the COVID-19 pandemic has had a significant impact on the U.S. and global economy.

We have and continue to assess the impact of the COVID-19 pandemic on our portfolio companies. We cannot predict the full impact of the COVID-19 pandemic, including its duration in the United States and worldwide, the effectiveness of governmental responses designed to mitigate strain to businesses and the economy, and the magnitude of the economic impact of the outbreak, including with respect to the travel restrictions, business closures and other quarantine measures imposed on service providers and other individuals by various local, state, and federal governmental authorities, as well as non-U.S. governmental authorities. While several countries, as well as certain states in the United States, have begun to lift travel restrictions, business closures and other quarantine measures with a view to reopening their economies, recurring COVID-19 outbreaks have led to the re-introduction of such restrictions in certain states in the United States and globally and could continue to lead to the re-introduction of such restrictions elsewhere. As such, we are unable to predict the duration of any business and supply-chain disruptions, the extent to which the COVID-19 pandemic will negatively affect our portfolio companies' operating results or the impact that such disruptions may have on our results of operations and financial condition. Though the magnitude of the impact remains to be seen, we expect our portfolio companies and, by extension, our operating results to be adversely impacted by the COVID-19 pandemic and, depending on the duration and extent of the disruption to the operations of our portfolio companies, we expect that certain portfolio companies will experience financial distress and possibly default on their financial obligations to us and their other capital providers. Some of our portfolio companies have significantly curtailed business operations, furloughed or laid off employees and terminated service providers, and deferred capital expenditures, which could impair their business on a permanent basis and additional portfolio companies may take similar actions. We continue to closely monitor our portfolio companies, which includes assessing each portfolio company's operational and liquidity exposure and outlook; however, any of these developments would likely result in a decrease in the value of our investment in any such portfolio company. In addition, to the extent that the impact to our portfolio companies results in reduced interest payments or permanent impairments on our investments, we could see a decrease in our net investment income, which would increase the percentage of our cash flows dedicated to our debt obligations and could impact the amount of any future distributions to our stockholders.

In response to the COVID-19 pandemic, we instituted a temporary work-from-home policy in March 2020, during which our employees primarily worked remotely without disruption to our operations. In May 2020, we began to allow healthy employees to work in the office if they so choose.

Critical Accounting Policies

The Company's financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("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"), in FASB Accounting Standards Codification ("ASC") 946, *Financial Services — Investment Companies*.

The preparation of our financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Changes in the economic environment, financial markets and any other parameters used in determining such estimates could cause actual results to differ. Valuation of investments, income recognition, realized / unrealized gains or losses and U.S. federal income taxes are considered to be our critical accounting policies and estimates. –For additional information, please refer to "Note 2 - Summary of Significant Accounting Policies" in the notes to the financial statements included with this quarterly report on Form 10-Q.

Valuation of Investments

The most significant estimate inherent in the preparation of the Company's consolidated financial statements is the valuation of investments and the related amounts of unrealized appreciation and depreciation of investments recorded.

The Company's investments are carried at fair value in accordance with the 1940 Act and ASC 946 and measured in accordance with ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the observability of inputs used to measure fair value, and provides disclosure requirements for fair value measurements. ASC 820 requires the Company to assume that each of the portfolio investments is sold in a hypothetical transaction in the principal or, as applicable, most advantageous market using market participant assumptions as of the measurement date. Market participants are defined as buyers and sellers in the principal market that are independent, knowledgeable and willing and able to transact. The Company values its investments at fair value as determined in good faith by the Company's Board of Directors (the "Board") in accordance with the provisions of ASC 820 and the 1940 Act.

While the Board is ultimately and solely responsible for determining the fair value of the Company's investments, the Company has engaged an independent valuation firm to provide the Company with valuation assistance with respect to its investments. The Company engages independent valuation firms on a discretionary basis. Specifically, on a quarterly basis, the Company will identify portfolio investments with respect to which an independent valuation firm will assist in valuing. The Company selects these portfolio investments based on a number of factors, including, but not limited to, the potential for material fluctuations in valuation results, size, credit quality and the time lapse since the last valuation of the portfolio investment by an independent valuation firm.

Investments recorded on the Company's Consolidated Statements of Assets and Liabilities as of September 30, 2020 are categorized based on the inputs to the valuation techniques as follows:

Level 1 — Investments whose values are based on unadjusted quoted prices for identical assets in an active market that the Company has the ability to access (examples include investments in active exchange-traded equity securities and investments in most U.S. government and agency securities).

Level 2 — Investments whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investment.

Level 3 — Investments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (for example, investments in illiquid securities issued by privately held companies). These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the investment.

Given the nature of lending to venture capital-backed growth stage companies, substantially all of the Company's investments in these portfolio companies are considered Level 3 assets under ASC 820 because there is no known or accessible market or market indexes for these investment securities to be traded or exchanged. The Company uses an internally developed portfolio investment rating system in connection with its investment oversight, portfolio management and analysis and investment valuation procedures. This system takes into account both quantitative and qualitative factors of the portfolio companies. 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 the Company's investments may fluctuate from period to period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been reported had a ready market for the investments existed, and it is reasonably possible that the difference could be material.

Debt Securities

The debt investments identified in the Company's Consolidated Schedule of Investments as of September 30, 2020 are secured loans and equipment financings made to growth stage companies focused in technology, manufacturing, consumer and life sciences and other high growth industries, which are backed by a select group of leading venture capital investors.

For portfolio investments in debt securities for which the Company has determined that third-party quotes or other independent pricing are not available, the Company generally estimates the fair value based on the assumptions that hypothetical market participants would use to value the investment in a current hypothetical sale using an income approach.

In its application of the income approach to determine the fair value of debt securities, the Company bases its assessment of fair value on projections of the discounted future free cash flows that the security will likely generate, including analyzing the discounted cash flows of interest and principal amounts for the security, as set forth in the associated loan and equipment financing agreements, as well as market yields and the financial position and credit risk of the portfolio company (the "Hypothetical Market Yield Method"). The discount rate applied to the future cash flows of the security is based on the calibrated yield implied by the terms of the Company's investment adjusted for changes in market yields and performance of the subject company. The Company's estimate of the expected repayment date of its loans and equipment financing securities is either the maturity date of the instrument or the anticipated pre-payment date, depending on the facts and circumstances. The Hypothetical Market Yield Method analysis also considers changes in leverage levels, credit quality, portfolio company performance, market yield movements, and other factors. If there is deterioration in credit quality or if a security is in workout status, the Company may consider other factors in determining the fair value of the security, including, but not limited to, the value attributable to the security from the enterprise value of the portfolio company or the proceeds that would most likely be received in a liquidation analysis.

Equity-Related Securities and Warrants

Often the Company is issued warrants by issuers as yield enhancements. These warrants are recorded as assets at estimated fair value on the grant date. Depending on the facts and circumstances, the Company usually utilizes a combination of one or several forms of the market approach as well as contingent claim analyses (a form of option analysis) to estimate the fair value of the securities as of measurement date. 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, and, if appropriate based on the facts and circumstances 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 securities in order of their preference relative to one another.

Fair value estimates are made at discrete points in time based on relevant information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. The carrying amounts of the Company's financial instruments, consisting of cash, investments, receivables, payables and other liabilities approximate the fair values of such items due to the short-term nature of these instruments.

Our History

Overview

Trinity Capital Inc., was incorporated under the general corporation laws of the State of Maryland on August 12, 2019, and commenced operations on January 16, 2020. Prior to commencing operations, our activities were limited to immaterial matters relating to our organization and formation as a BDC.

On January 16, 2020, through a series of transactions (the "Formation Transactions"), we acquired Trinity Capital Investment, LLC ("TCI"), Trinity Capital Fund II, L.P. ("Fund II"), Trinity Capital Fund III, L.P. ("Fund III"), Trinity Capital Fund IV, L.P. ("Fund IV") and Trinity Sidecar Income Fund, L.P. ("Sidecar Fund," and collectively, the "Legacy Funds") and all of their respective assets (the "Legacy Assets"), including their respective investment portfolios (the "Legacy Portfolio"), as well as Trinity Capital Holdings, LLC ("Trinity Capital Holdings"), a holding company whose subsidiaries managed and/or had the right to receive fees from certain of the Legacy Funds. We used a portion of the proceeds from the Private Offerings (as such term is defined below) to complete these transactions.

In the Formation Transactions, the Legacy Funds were merged with and into the Company, and we issued 9,183,185 shares of our common stock for an aggregate amount of approximately $137.7 million and paid approximately $108.7 million in cash to the Legacy Funds' investors, which included the general partners/managers of the Legacy Funds (the "Legacy Investors"), to acquire the Legacy Funds and all of their respective assets, including the Legacy Portfolio. Our senior management team, led by Steven L. Brown, comprises the majority of the senior management team that managed the Legacy Funds and sourced the Legacy Portfolio.

As part of the Formation Transactions, we also acquired 100% of the equity interests of Trinity Capital Holdings for an aggregate purchase price of $10.0 million, which was comprised of 533,332 shares of our common stock, totaling approximately $8.0 million, and approximately $2.0 million in cash. In connection with the acquisition of such equity interests, the Company also assumed a $3.5 million severance related liability with respect to a former member of certain general partners of certain Legacy Funds. As a result of the Formation Transactions, Trinity Capital Holdings became a wholly owned subsidiary of the Company.

Credit Agreement

On January 8, 2020, Fund II, Fund III and Fund IV entered into a $300 million Credit Agreement (as amended, the "Credit Agreement") with Credit Suisse AG ("Credit Suisse"). The Credit Agreement matures on January 8, 2022, unless extended, and we have the ability to borrow up to an aggregate of $300.0 million. Borrowings under the Credit Agreement generally bear interest at a rate of the three-month LIBOR plus 3.25%. Fund II and Fund III, which were each licensed by the U.S. Small Business Administration ("SBA") to operate as a small business investment company ("SBIC"), used the initial proceeds under the Credit Agreement to repay the outstanding SBA guaranteed debentures in aggregate amounts of $64.2 million and $150.0 million, respectively, and surrendered their respective SBIC licenses, which the SBA accepted and approved on January 10, 2020.

On January 16, 2020, in connection with the Formation Transactions, we became a party to, and assumed, the Credit Agreement through our wholly owned subsidiary, Trinity Funding 1, LLC. We used a portion of the proceeds from the Private Offerings to repay a portion of the aggregate amount outstanding under the Credit Agreement in amount of approximately $60 million. As of September 30, 2020, approximately $115 million was outstanding under the Credit Agreement.

Private Offerings

On January 16, 2020, in reliance upon the available exemptions from the registration requirements of the Securities Act, we completed a private equity offering (the “Private Common Stock Offering”) of shares of our common stock pursuant to which we issued and sold 7,000,000 shares for gross proceeds of approximately $105.0 million. The over-allotment option related to the Private Common Stock Offering was exercised in full and on January 29, 2020, we issued and sold an additional 1,333,333 shares of our common stock for gross proceeds of approximately $20 million. As a result, we issued and sold a total of 8,333,333 shares of our common stock for aggregate gross proceeds of approximately $125 million.

On January 16, 2020, concurrent with the completion of the initial closing of the Private Common Stock Offering, we completed a private debt offering (the “144A Note Offering,” and together with the Private Common Stock Offering, the “Private Offerings”) of $105.0 million in aggregate principal amount of our unsecured 7.00% Notes due 2025 (the “Notes”) in reliance upon the available exemptions from the registration requirements of the Securities Act. The over-allotment option related to the 144A Note Offering was exercised in full and on January 29, 2020, we issued and sold an additional $20 million in aggregate principal amount of the Notes. As a result, we issued and sold a total of $125 million in aggregate principal amount of the Notes. The Notes were issued pursuant to an Indenture dated as of January 16, 2020 (the “Base Indenture”), between us and U.S. Bank National Association, as trustee (the “Trustee”), and a First Supplemental Indenture, dated as of January 16, 2020 (the “First Supplemental Indenture” and together with the Base Indenture, the “Indenture”), between us and the Trustee. The Notes mature on January 16, 2025 (the “Maturity Date”), unless repurchased or redeemed in accordance with their terms prior to such date, and bear interest at a rate of 7.00% per year payable quarterly on March 15, June 15, September 15 and December 15 of each year, commencing on March 15, 2020.

Portfolio Composition and Investment Activity

Portfolio Composition

Through the Formation Transactions, we acquired the Legacy Assets, including the Legacy Portfolio, from the Legacy Funds, as well as Trinity Capital Holdings. The Legacy Portfolio became our investment portfolio. As of September 30, 2020, our investment portfolio had an aggregate fair value of approximately $425.5 million and was comprised of approximately $273.6 million in secured loans, $107.7 million in equipment financings, and $44.2 million in equity and equity-related investments, including warrants, across 81 portfolio companies.

A summary of the composition of our investment portfolio at cost and fair value as a percentage of total investments as of September 30, 2020 are shown in following table:

Type	Cost	Fair Value
Secured Loans	64.1%	64.3%
Equipment Financings	24.7%	25.3%
Equity and Equity-Related	11.2%	10.4%
Total	100.0%	100.0%

The following table shows the composition of our investment portfolio by geographic region at cost and fair value as a percentage of total investments as of September 30, 2020. The geographic composition is determined by the location of the corporate headquarters of the portfolio company.

Geographic Region	Cost	Fair Value
West	51.8%	51.5%
Northeast	23.3%	22.3%
Midwest	7.9%	7.8%
Mountain	6.6%	6.8%
Canada	5.2%	5.4%
Southeast	4.3%	5.1%
South	0.9%	1.1%
Total	100.0%	100.0%

Set forth below is a table showing the industry composition of our investment portfolio at cost and fair value as a percentage of total investments as of September 30, 2020:

Industry	Cost	Fair Value
Manufacturing	22.5%	21.9%
Professional, Scientific, and Technical Services	18.9%	18.6%
Retail Trade	15.0%	15.1%
Information	8.1%	7.9%
Real Estate and Rental and Leasing	7.5%	7.7%
Pharmaceutical	4.9%	5.8%
Utilities	5.2%	5.4%
Wholesale Trade	4.0%	4.2%
Health Care and Social Assistance	3.2%	2.9%
Agriculture, Forestry, Fishing and Hunting	2.7%	2.8%
Finance and Insurance	2.4%	2.5%
Educational Services	2.4%	2.5%
Administrative and Support and Waste Management and Remediation Services	1.4%	1.4%
Construction	1.8%	1.3%
Total	100.0%	100.0%

As of September 30, 2020, the debt, including loans and equipment financings, in our portfolio had a weighted average time to maturity of approximately 2.9 years. Additional information regarding our portfolio is set forth in the schedule of investments and the related notes thereto included with this quarterly report on Form 10-Q.

Investment Activity

During the nine months ended September 30, 2020, we made an aggregate of approximately $92.2 million of investments in 12 new portfolio companies and approximately $45.8 million of investments in 13 existing portfolio companies. During the nine months ended September 30, 2020, we received an aggregate of $118.6 million in proceeds from repayments of our investments.

The level of our investment activity can vary substantially from period to period depending on many factors, including the amount of debt, including loans and equipment financings, and equity capital required by growth stage companies, the general economic environment and market conditions, including as a result of the COVID-19 pandemic, and the competitive environment for the types of investments we make.

Portfolio Asset Quality

Our portfolio management team uses an ongoing investment risk rating system to characterize and monitor our outstanding loans and equipment financings. Our portfolio management team monitors and, when appropriate, recommends changes to the investment risk ratings. Our Investment Committee reviews the recommendations and/or changes to the investment risk ratings, which are submitted on a quarterly basis to the Board and its Audit Committee.

For our investment risk rating system, we review seven different criteria and, based on our review of such criteria, we assign a risk rating on a scale of 1 to 5, as set forth in the following illustration.

The following table shows the distribution of our loan and equipment financing investments on the 1 to 5 investment risk rating scale range at fair value as of September 30, 2020 (dollars in thousands):

Investment Risk Rating Scale Range	Investments at Fair Value	Percentage of Total Portfolio
4.0 - 5.0	$ 59,767	15.8%
3.0 - 3.9	187,844	49.3%
2.0 - 2.9	130,263	34.2%
1.6 - 1.9	—	0.0%
1.0 - 1.5	3,502	0.7%
Total	$ 381,376	100.0%

At September 30, 2020, our loan and equipment financing investments had a weighted average risk rating score of 3.2.

Debt Investments on Non-Accrual Status

When a debt security becomes 90 days or more past due, or if our management otherwise does not expect that principal, interest, and other obligations due will be collected in full, we 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 we believe 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, we may make exceptions to this policy if the investment has sufficient collateral value and is in the process of collection.

At September 30, 2020, loans to four portfolio companies were on non-accrual status with a total cost of approximately $9.0 million, and a total fair market value of approximately $4.1 million, or 1.0%, of the fair value of the Company’s investment portfolio.

Results of Operations

The following discussion and analysis of our results of operations encompasses our consolidated results for the three and nine months ended September 30, 2020. We were formed on August 12, 2019, and commenced operations on January 16, 2020. Prior to January 16, 2020, we had no operations, except for immaterial matters relating to our formation and organization as a BDC, including general and administrative expenses of approximately $38,000 for the period of August 12, 2019 (date of inception) to September 30, 2019. As a result, there are no historical results for comparative purposes.

The following table represents our results of operations for the three and nine months ended September 30, 2020 (in thousands):

	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2020
Total investment income	$ 13,529	$ 39,621
Total expenses	(7,984)	(21,660)
Net investment income	5,545	17,961
Net realized gains (losses) on investments	(1,490)	(4,374)
Net unrealized gains (losses) on investments	8,279	(13,836)
Net increase (decrease) in net assets resulting from operations before formation costs	12,334	(249)
Costs related to the acquisition of Trinity Capital Holdings and Legacy Funds	—	(15,586)
Net increase (decrease) in net assets resulting from operations	$ 12,334	$ (15,835)

Net increase (decrease) in net assets resulting from operations can vary from period to period as a result of various factors, including the level of new investment commitments, expenses, the recognition of realized gains and losses and changes in unrealized appreciation and depreciation on the investment portfolio.

Investment Income

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.

Loan and commitment fees in excess of related expenses are amortized into interest income over the contractual life of the loan. The Company recognizes certain fees as one-time fee income, including, but not limited to, prepayment penalties, fees related to select covenant default, late-payment fees, structuring fees and exit fees related to a change in ownership of the portfolio company.

Investment income represents interest income recognized as earned in accordance with the contractual terms of the loan agreement. Interest income from original issue discount ("OID") represents the estimated fair value of detachable equity warrants obtained in conjunction with the origination of debt securities, including loans and equipment financings and is accreted 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.

For the three and nine months ended September 30, 2020, total investment income was approximately $13.5 million and $39.6 million, respectively, which represents an approximate yield of 14.1% and 14.6%, respectively, on the investments during such periods.

Operating Expenses

Our operating expenses are comprised of interest and fees on our borrowings, employee compensation and general and administrative expenses. Our operating expenses totaled approximately $8.0 million and $21.7 million for the three and nine months ended September 30, 2020, respectively.

Interest and Fees on our Borrowings

Interest and fees on our borrowings totaled approximately $4.0 million and $12.6 million for the three and nine months ended September 30, 2020, respectively, which is primarily comprised of interest and fees related to the Credit Agreement and the Notes. We had a weighted average cost of debt, comprised of interest and fees, of approximately 5.4% for both the three and nine months ended September 30, 2020.

Employee Compensation

Employee compensation and benefits totaled approximately $2.8 and $5.8 million for the three and nine months ended September 30, 2020, respectively. The increase in employee compensation related expenses during the three months ended September 30, 2020 relates primarily to the accrual of bonuses expected to be paid at the discretion of management or upon approval of the Board, as applicable. As of September 30, 2020, the Company had 34 employees.

The Board has approved the 2019 Trinity Capital Inc. Long-Term Incentive Plan and the Trinity Capital Inc. 2019 Non-Employee Director Restricted Stock Plan, each to be effective upon receipt of exemptive relief from the SEC and stockholder approval of such plans. We have applied for an exemptive order from the SEC to permit us to issue certain securities under such plans. If exemptive relief is obtained, the Compensation Committee may award such securities in such amounts and on such terms as the Compensation Committee determines and consistent with any exemptive order the SEC may issue and the terms of such plans, as applicable. The SEC is not obligated to grant an exemptive order to allow this practice and will do so only if it determines that such practice is consistent with stockholder interests and does not involve overreaching by management or our Board. We cannot provide any assurance that we will receive such exemptive relief from the SEC.

General and Administrative Expenses

General and administrative expenses include legal, accounting and valuation fees, insurance premiums, rent, marketing and investor relations expenses, and other various expenses. Our general and administrative expenses totaled $1.2 million and $3.3 million for the three and nine months ended September 30, 2020, respectively.

Net Investment Income

As a result of approximately $13.5 million in total investment income as compared to approximately $8.0 million in total expenses, net investment income for the three months ended September 30, 2020 was approximately $5.5 million.

As a result of approximately $39.6 million in total investment income as compared to approximately $21.7 million in total expenses, net investment income for the nine months ended September 30, 2020 was approximately $17.9 million.

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 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. For the three and nine months ended September 30, 2020, we realized net loss on investments of approximately $1.5 million and $4.4 million, respectively.

The net realized gains (losses) from the sales, repayments, or exits of investments during the three and nine months ended September 30, 2020 were comprised of the following (in thousands):

	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2020
Sales, repayments or exits of investments	$ (38,316)	$ (118,644)
Net realized gain (loss) on investments:		
Gross realized gains	$ 37	$ 872
Gross realized losses	(1,527)	(5,246)
Total net realized gains (losses) on investments	$ (1,490)	$ (4,374)

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 of the investment portfolio and financial instruments and the reclassification of any prior period unrealized appreciation or depreciation on exited investments and financial instruments to realized gains or losses. The unrealized depreciation was due primarily to the uncertainty caused by the COVID-19 pandemic and its effect on market yields and fundamental portfolio company performance. See "COVID-19 Developments" for additional information.

Net unrealized gains and losses on investments for the three and nine months ended September 30, 2020 is comprised of the following (in thousands):

	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2020
Unrealized appreciation	$ 10,465	$ 9,509
Unrealized depreciation	(3,162)	(23,345)
Net unrealized (appreciation) depreciation reversed related to net realized gains or losses [1]	976	—
Total net unrealized gains (losses) on investments	$ 8,279	$ (13,836)

(1) The net unrealized (appreciation) depreciation reversed related to net realized gains or losses represents the unrealized appreciation or depreciation recorded on the related asset at the end of the prior period. Investments were recorded at their fair values in the Formation Transactions on January 16, 2020, therefore no reversal of unrealized appreciation (depreciation) was recorded during the nine month period ended September 30, 2020.

The changes in net unrealized appreciation (depreciation) from investments during the three months ended September 30, 2020 consisted of the following (in thousands):

Portfolio Company	Net Unrealized Appreciation (Depreciation)
Nanotherapeutics, Inc.	$ 2,202
GrubMarket, Inc.	903
Instart Logic, Inc.	894
Hospitalists Now, Inc.	730
Edeniq, Inc.	629
Oto Analytics, Inc.	(133)
Footprint International Holding, Inc.	(218)
Atieva, Inc.	(219)
Project Frog, Inc.	(289)
Birchbox, Inc.	(392)
Other, net	4,172
Total	$ 8,279

The changes in net unrealized appreciation (depreciation) from investments during the nine months ended September 30, 2020 consisted of the following (in thousands):

Portfolio Company	Net Unrealized Appreciation (Depreciation)
Nanotherapeutics, Inc.	$ 3,560
Instart Logic, Inc.	978
GrubMarket, Inc.	898
Store Intelligence, Inc.	818
Hospitalists Now, Inc.	638
Workwell Prevention & Care	(1,710)
Vertical Communications, Inc.	(2,384)
Project Frog, Inc.	(2,398)
Atieva, Inc.	(3,174)
Vidsys, Inc.	(3,907)
Other, net	(7,155)
Total	$ (13,836)

Net Increase (Decrease) in Net Assets Resulting from Operations Before Formation Costs

Net increase in net assets resulting from operations during the three months ended September 30, 2020 was approximately $12.3 million.

Net decrease in net assets resulting from operations before formation costs during the nine months ended September 30, 2020 was approximately ($0.2) million.

Net Decrease in Net Assets Resulting from Operations and Earnings Per Share

During the three months ended September 30, 2020 basic and fully diluted net change in net assets per common share were $0.31 and $0.68, respectively.

Costs related to the acquisition of Trinity Capital Holdings was approximately $13.5 million, and the cost related to the acquisition of the Legacy Funds was approximately $2.1 million (see "Item 1. Financial Statements – Note 12 – Formation Transactions"). The total cost of $15.6 million, when added to the net decrease in net assets resulting from operations before formation costs, resulted in a net decrease in net assets resulting from operations during the nine months ended September 30, 2020 of approximately ($0.2) million. Basic and fully diluted net change in net assets per common share were $1.00 and ($0.88), respectively, for the nine months ended September 30, 2020.

Financial Condition, Liquidity and Capital Resources

Our liquidity and capital resources are generated primarily from the net proceeds of offerings of our securities, including the Private Offerings, borrowings under the Credit Agreement, and cash flows from our operations, including investment sales and repayments, as well as income earned on investments and cash equivalents. Our primary use of our funds includes investments in portfolio companies, payments of interest on our outstanding debt, and payments of fees and other operating expenses we incur. We also expect to use our funds to pay distributions to our stockholders. We have used, and expect to continue to use, our borrowings, including under the Credit Agreement or any future credit facility, and proceeds from the turnover of our portfolio to finance our investment objectives and activities.

We may, from time to time, enter into additional credit facilities, increase the size of our existing Credit Agreement, or issue additional securities in private or public offerings. Any such incurrence or issuance would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions, and other factors.

During the nine months ended September 30, 2020, cash provided by financing activities of $148.3 million was primarily used for the $89.5 million acquisition of the Legacy Funds in the Formation Transactions (see “Item 1. Consolidated Financial Statements – Note 12 Formation Transactions”).

At September 30, 2020, we had $93.1 million in available liquidity, including $36.3 million in cash and cash equivalents. We had available borrowing availability of $56.8 million under the Credit Agreement, subject to its terms and regulatory requirements. We primarily invest cash on hand in interest bearing deposit accounts.

At September 30, 2020, we had approximately $16.3 million of restricted cash which consists of approximately $15.6 million related to the Credit Agreement covenants, and approximately $0.7 million held in escrow related to the payout of a settlement with a former member of certain general partners of certain of the Legacy Funds.

Credit Agreement

On January 16, 2020, in connection with the Formation Transactions, we became a party to, and assumed, the Credit Agreement through our wholly owned subsidiary, Trinity Funding 1, LLC. The Credit Agreement matures on January 8, 2022, unless extended, and we have the ability to borrow up to an aggregate of $300.0 million. The Borrowings under the Credit Agreement generally bear interest at a rate of the three-month LIBOR plus 3.25%. We may utilize the leverage available under the Credit Agreement to finance future investments. We used a portion of the proceeds from the Private Offerings to repay a portion of the aggregate amount outstanding under the Credit Agreement in amount of approximately $60 million. As of September 30, 2020, approximately $115 million was outstanding under the Credit Agreement. During the three and nine months ended September 30, 2020, we repaid $0 and approximately $85.0 million, respectively, of borrowings under the Credit Agreement. During the three and nine months ended September 30, 2020, we borrowed an additional $10.0 million on the Credit Agreement.

The following table summarizes the interest expense and amortization of financing costs incurred on the Credit Agreement for the three and nine months ended September 30, 2020 (dollars in thousands):

	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2020
Borrowing interest expense	$ 948	$ 3,948
Amortization of deferred financing costs	487	1,394
Total interest and amortization of deferred financing costs	$ 1,435	$ 5,342
Weighted average interest rate	3.61%	4.14%
Weighted average outstanding balance	$ 105,109	$ 127,135

The Credit Facility contains covenants that, among other things, require the Company to maintain minimum tangible net worth and leverage ratios, minimum cash balance of $15.0 million, and a cash reserve of 60 days for interest.

Private Common Stock Offering

In January 2020, we completed the Private Common Stock Offering in reliance upon the available exemptions from the registration requirements of the Securities Act, pursuant to which we issued and sold 8,333,333 shares of our common stock for aggregate gross proceeds of approximately $125 million. A portion of the proceeds of the Private Common Stock Offering were used to complete the Formation Transactions and repay a portion of the outstanding borrowings under the Credit Agreement.

144A Note Offering

In January 2020, concurrent with the completion of the Private Common Stock Offering, we completed the 144A Note Offering in reliance upon the available exemptions from the registration requirements of the Securities Act, pursuant to which we issued and sold $125 million in aggregate principal amount of the unsecured Notes. A portion of the proceeds of the 144A Note Offering were used to complete the Formation Transactions and repay a portion of the outstanding borrowings under the Credit Agreement.

The Notes were issued pursuant to the Indenture and mature on January 16, 2025, unless repurchased or redeemed in accordance with their terms prior to such date. The Notes are redeemable, in whole or in part, at any time, or from time to time, at our option, on or after January 16, 2023 at a redemption price equal to 100% of the outstanding principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of redemption. The holders of the Notes do not have the option to have the Notes repaid or repurchased by us prior to the Maturity Date of the Notes.

The Notes bear interest at a rate of 7.00% per year payable quarterly on March 15, June 15, September 15 and December 15 of each year, commencing on March 15, 2020. The Notes are direct, general unsecured obligations of us and rank senior in right of payment to all of our future indebtedness or other obligations that are expressly subordinated, or junior, in right of payment to the Notes. The Notes rank pari passu, or equal, in right of payment with all of our existing and future indebtedness or other obligations that are not so subordinated, or junior. The Notes rank effectively subordinated, or junior, to any of our future secured indebtedness or other obligations (including unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness. The Notes rank structurally subordinated, or junior, to all existing and future indebtedness and other obligations (including trade payables) incurred by our subsidiaries, financing vehicles or similar facilities including, without limitation, borrowings under the Credit Agreement, and effectively subordinated to any indebtedness that is secured.

The Indenture contains certain covenants, including covenants requiring us to (i) comply with the asset coverage requirements of the 1940 Act, whether or not we are subject to those requirements, and (ii) provide financial information to the holders of the Notes and the Trustee if we are no longer subject to the reporting requirements under the Exchange Act. These covenants are subject to important limitations and exceptions that are described in the Indenture.

The following table summarizes the interest expense and amortization of financing costs incurred on the Notes for the three and nine months ended September 30, 2020 (in thousands):

	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2020
Notes interest expense	$ 2,139	$ 6,198
Amortization of deferred financing costs	278	788
Total interest and amortization of deferred financing costs	$ 2,417	$ 6,986

Reduced Asset Coverage Requirements

In accordance with the 1940 Act, with certain limited exceptions, we are only allowed to incur borrowings, issue debt securities or issue preferred stock, if immediately after the borrowing or issuance, the ratio of total assets (less total liabilities other than indebtedness) to total indebtedness plus preferred stock, is at least 150%. On September 27, 2019, the Board, including a “required majority” (as such term is defined in Section 57(o) of the 1940 Act) and our initial stockholder approved the application to us of the 150% minimum asset coverage ratio set forth in Section 61(a)(2) of the 1940 Act. As a result, effective September 28, 2019, the asset coverage ratio under the 1940 Act applicable to us decreased from 200% to 150%, permitting us to potentially borrow $2 for investment purposes of every $1 of investor equity. As of September 30, 2020, our asset coverage ratio was approximately 198.64% and our asset coverage ratio per unit was approximately $1,986. We target a leverage range of between 1.15x and 1.35x.

Commitments

The Company’s commitments and contingencies consist primarily of unfunded commitments to extend credit in the form of loans to the Company’s portfolio companies. A portion of these unfunded contractual commitments as of September 30, 2020 are 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 for the company. Since a portion of these commitments may expire without being withdrawn, unfunded contractual commitments do not necessarily represent future cash requirements. As such, the Company’s disclosure of unfunded contractual commitments includes only those which are available at the request of the portfolio company and unencumbered by milestones.

As of September 30, 2020, the Company had an aggregate of approximately $21.3 million of unfunded commitments to three portfolio companies, Exela Inc., DailyPay, Inc., and BackBlaze, Inc. which are available at the request of such portfolio companies and unencumbered by milestones. The fair value of these unfunded commitments are considered to approximate the cost of such commitments as the yields determined at the time of underwriting are expected to be materially consistent with the yields upon funding. The Company funded $19.7 million of its unfunded commitment to DailyPay, Inc. on October 1, 2020.

The Company will fund its unfunded commitments 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 borrowings under the Credit Agreement).

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.

Off-Balance Sheet Arrangements

Other than contractual commitments with respect to our portfolio companies and other legal contingencies incurred in the normal course of our business, we do not have any off-balance sheet financings or liabilities as of September 30, 2020.

Contractual Obligations

A summary of our contractual payment obligations as of September 30, 2020, is as follows:

	Payments Due by Period				
	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years	Total
Credit Agreement	$ —	$ 115,000	$ —	$ —	$ 115,000
7.00% Notes due 2025	—	—	125,000	—	125,000
Operating Leases (1)	56	1,068	721	1,650	3,495
Total Contractual Obligations	$ 56	$ 116,068	$ 125,721	$ 1,650	$ 243,495

(1) Relates to lease for the Company's office, which expires on July 31, 2022 and is subject to a five-year extension option, plus the lease the Company signed for a new space in downtown Phoenix, Arizona with an estimated commencement date in mid-year 2021. The Company has recorded the current lease as a right-of-use asset and lease liability in its financial statements, and will record the new lease as such upon its commencement date in mid-2021. No right of use asset or corresponding lease liability has been recorded on the new lease as the lease has not commenced.

Distributions

We intend to elect to be treated for U.S. federal income tax purposes, and intend to qualify annually thereafter, as a RIC under Subchapter M of the Code, beginning with our taxable year ended December 31, 2020. To obtain and maintain our tax treatment as a RIC, we must timely distribute (or be deemed to distribute) in each taxable year distribution for tax purposes equal to at least 90 percent 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 distributions 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. 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 on the retained amounts. We may choose to carry forward our net capital gains or any investment company taxable income in excess of current year distributions and pay the U.S. federal excise tax as described below.

Amounts not distributed on a timely basis in accordance with a calendar year distribution requirement are subject to a nondeductible 4% U.S. federal excise tax payable by us. We may be subject to a nondeductible 4% U.S. federal excise tax if we do not distribute (or we are not treated as distributing) during each calendar year an amount at least equal to the sum of:

- 98% of our net ordinary income excluding certain ordinary gains or losses for that calendar year;
- 98.2% of our capital gain net income, adjusted for certain ordinary gains and losses, recognized for the twelve-month period ending on October 31 of that calendar year; and
- 100% of any income or net capital gains that we recognized in preceding years, but were not distributed in such years, and on which we paid no U.S. federal income tax.

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.

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 the Board 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 the Board may deem relevant from time to time.

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.

We have adopted an "opt out" distribution reinvestment plan for our stockholders. As a result, if we declare a cash distribution or other distribution, each stockholder that has not "opted out" of our distribution reinvestment plan will have their distributions automatically reinvested in additional shares of our common stock rather than receiving cash distributions. Stockholders who receive distributions in the form of shares of common stock will be subject to the same U.S. federal, state and local tax consequences as if they received cash distributions. See "Item 1. Consolidated Financial Statements – Note 7 – Stockholder's Equity".

During the nine months ended September 30, 2020, the Company declared a distribution on May 14, 2020 of $0.22 per share that was paid on June 5, 2020 to stockholders of record as of May 29, 2020, and declared a distribution on August 10, 2020 of $0.27 per share that was paid on September 4, 2020 to stockholders of record as of August 21, 2020. The distribution paid on June 5, 2020 included approximately $2.9 million in cash and 87,740 shares issued pursuant to the Company's distribution reinvestment plan (the "DRIP"), and the distribution paid on September 4, 2020 included approximately $3.7 million in cash and 98,443 shares issued pursuant to the DRIP. See "—Recent Developments."

Related Party Transactions

As discussed herein, the Legacy Funds were merged with and into the Company and we issued 9,183,185 shares of our common stock at $15.00 per share for a total value of approximately $137.7 million and paid approximately $108.7 million in cash to the Legacy Investors, which include the general partners/managers of the Legacy Funds. In addition, as part of the Formation Transactions, we acquired 100% of the equity interests of Trinity Capital Holdings for shares of our common stock and cash. Members of our management, including Steven L. Brown, Kyle Brown, Gerald Harder and Ron Kundich, owned 100% of the equity interests in Trinity Capital Holdings and controlling interests in the general partners/managers of the Legacy Funds.

As a result of the Formation Transactions, Messrs. S. Brown, K. Brown, Harder and Kundich collectively received (i) 533,332 shares of the Company's common stock valued at approximately $8.0 million and approximately $2.0 million in cash in exchange for their equity interests in Trinity Capital Holdings, and (ii) 377,441 shares of the Company's common stock valued at approximately $5.7 million for their limited partner and general partner interests in the Legacy Funds.

We have entered into indemnification agreements with our directors and executive officers. The indemnification agreements are intended to provide our directors and executive officers with the maximum indemnification permitted under Maryland law and the 1940 Act. Each indemnification agreement provides that we shall indemnify the director or executive officer who is a party to the agreement, or an "Indemnitee," including the advancement of legal expenses, if, by reason of his or her corporate status, the Indemnitee is, or is threatened to be, made a party to or a witness in any threatened, pending, or completed proceeding, to the maximum extent permitted by Maryland law and the 1940 Act.

Recent Developments

Distribution Declaration

On November 9, 2020, the Board declared a quarterly distribution of $0.27 per share payable on December 4, 2020 to stockholders of record as of November 20, 2020.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Uncertainty with respect to the economic effects of the COVID-19 pandemic has 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 and interest rate risk.

Valuation Risk

Our investments may not have a readily available market price, and we value these investments at fair value as determined in good faith by the Board of Directors 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 the Credit Agreement or any future financing arrangement, 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, 2020, approximately 15.2% of our debt investments at fair value represented floating-rate investments and approximately 84.8% of our debt investments at fair value represented fixed-rate investments. In addition, borrowings under the Credit Agreement are subject to floating interest rates based on LIBOR, generally bearing interest at a rate of the three-month LIBOR plus 3.25%.

Based on our Consolidated Statements of Operations as of September 30, 2020, the following table shows the annualized impact on net income of hypothetical base rate changes in interest rates on our debt investments (considering interest rate floors for floating rate instruments) and the Credit Agreement, assuming each floating rate investment is subject to three-month LIBOR and there are no changes in our investment and borrowing structure (in thousands):

	Interest Income	Interest Expense	Net Income/(Loss)
Up 300 basis points	$ 1,310	$ 3,450	$ (2,140)
Up 200 basis points	$ 645	$ 2,300	$ (1,655)
Up 100 basis points	$ 170	$ 1,150	$ (980)
Down 100 basis points	$ —	$ (307)	$ 307
Down 200 basis points	$ —	$ (307)	$ 307
Down 300 basis points	$ —	$ (307)	$ 307

Currency Risk

In addition, any investments we make that are denominated in a foreign currency will be subject to risks associated with changes in currency exchange rates. These risks include the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential illiquidity in the secondary market. These risks will vary depending upon the currency or currencies involved. As of September 30, 2020, we had one portfolio company located outside of the U.S. Payments from such portfolio company are received in U.S. dollars. No other investments at September 30, 2020 were subject to currency risk.

Hedging

We do not currently engage in any hedging activities. However, we may, in the future, hedge against interest rate and currency exchange rate fluctuations by using standard hedging instruments such as futures, options and forward contracts subject to the requirements of the 1940 Act. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in benefits of lower interest rates with respect to our portfolio of investments with fixed interest rates. We may also borrow funds in local currency as a way to hedge our non-U.S. denominated investments.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

In accordance with Rules 13a-15(b) and 15d-15(b) under the Securities Exchange Act of 1934, as amended (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 period ended September 30, 2020 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, is any material legal proceeding 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. Our business is also subject to extensive regulation, which may result in regulatory proceedings against us. While the outcome of these legal or regulatory proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our financial condition or results of operations.

Item 1A. Risk Factors

Investing in our securities involves a number of significant risks. In addition to the other information set forth in this quarterly report on Form 10-Q, including the risk factors set forth below, you should carefully consider the risk factors discussed in "Item 1A. Risk Factors" of our amended registration statement on Form 10 filed with the SEC on March 13, 2020 and in Part II, "Item 1A. Risk Factors" of our quarterly report on Form 10-Q for the quarter ended June 30, 2020, filed with the SEC on August 12, 2020, all of which could materially affect our business, financial condition and/or results of operations. Although the risks described below and in our other SEC filings referenced above represent the principal risks associated with an investment in us, they are not the only risks we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, might materially and adversely affect our business, financial condition and/or results of operations. Other than as described below, during the nine months ended September 30, 2020, there have been no material changes to the risk factors discussed in our SEC filings referenced above.

There is uncertainty surrounding potential legal, regulatory and policy changes by new presidential administrations in the United States that may directly affect financial institutions and the global economy.

As a result of the United States presidential election, which occurred on November 3, 2020, commencing January 2021, the Democratic Party is expected to control the executive branch of government. Control of the legislative branch of government is uncertain and may remain uncertain for several weeks or longer. Changes in federal policy, including tax policies, and at regulatory agencies occur over time through policy and personnel changes following elections, which lead to changes involving the level of oversight and focus on the financial services industry or the tax rates paid by corporate entities. The nature, timing and economic and political effects of potential changes to the current legal and regulatory framework affecting financial institutions remain highly uncertain. Uncertainty surrounding future changes may adversely affect our operating environment and therefore our business, financial condition, results of operations and growth prospects.

Global economic, political and market conditions may adversely affect our business, financial condition and results of operations, including our revenue growth and profitability.

The current worldwide financial markets situation, as well as various social and political tensions in the United States and around the world (including wars and other forms of conflict, terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics), may contribute to increased market volatility, may have long term effects on the United States and worldwide financial markets, and may cause economic uncertainties or deterioration in the United States and worldwide. For example, the worldwide outbreak of COVID-19 that began in December 2019 continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The outbreak of COVID-19 may have a material adverse impact on the ability of our portfolio companies to fulfill their end customers' orders due to supply chain delays, limited access to key commodities or technologies or other events that impact their manufacturers or their suppliers. We monitor developments and seek to manage our investments in a manner consistent with achieving our investment objective, but there can be no assurance that we will be successful in doing so.

The COVID-19 pandemic has created disruption and instability, but may create attractive investment opportunities.

The ongoing spread of COVID-19 has had, and will continue to have, a material adverse impact on the global economy, including in the United States, as cross-border commercial activity and market sentiment have been negatively impacted by the pandemic and government and other measures seeking to contain its spread. We believe that attractive investment opportunities may present themselves during this volatile period in particular, especially if the spread of the COVID-19 pandemic can be contained, and during other periods of market volatility, including opportunities to make acquisitions of other companies or investment portfolios at compelling values. However, periods of market disruption and instability, like the one we are experiencing currently, may adversely affect the Company's access to sufficient debt and equity capital in order to take advantage of attractive investment and acquisition opportunities that are created during these periods. In addition, the debt capital that will be available, if any, may be at a higher cost and on less favorable terms and conditions in the future.

The COVID-19 pandemic has caused severe disruptions in the global economy and has disrupted financial activity in the areas in which we or our portfolio companies operate.

The COVID-19 pandemic has resulted in widespread outbreaks of illness and numerous deaths, adversely impacted global and U.S. commercial activity and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak is rapidly evolving, and many countries and localities, including the U.S. and states in which our portfolio companies operate, have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of the COVID-19 pandemic, have created significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries, including industries in which certain of our portfolio companies operate. The impact of the COVID-19 pandemic has led to significant volatility and declines in the global public equity markets and it is uncertain how long this volatility will continue. As the COVID-19 pandemic continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

While several countries, as well as certain states in the United States, began to lift or otherwise relax certain public health restrictions during 2020 with a view to partially or fully reopening their economies, recurring COVID-19 outbreaks have led to the re-introduction of such restrictions in certain states and countries and could continue to lead to the re-introduction of such restrictions elsewhere. Additionally, as of late September 2020, travelers from the United States are not allowed to visit Canada, Australia or the majority of countries in Europe, Asia, Africa and South America. These continued travel restrictions may prolong the global economic downturn. The absence or delay of viable treatment options or a vaccine could lead people to continue to self-isolate and not participate in the economy at pre-pandemic levels for a prolonged period of time. Even after the COVID-19 pandemic subsides, the U.S. economy and most other major global economies may continue to experience a recession, and we anticipate our business and operations could be materially adversely affected by a prolonged recession in the U.S. and other major markets. Some economists and major investment banks have expressed concern that the continued spread of the virus globally could lead to a world-wide economic downturn, the impacts of which could last for some period of time after the COVID-19 pandemic is controlled and/or abated.

The COVID-19 pandemic (including the preventative measures taken in response thereto) has to date (i) created significant business disruption issues for certain of our portfolio companies, and (ii) materially and adversely impacted the value and performance of certain of our portfolio companies. The COVID-19 pandemic is having a particularly adverse impact on industries in which certain of our portfolio companies operate, including manufacturing and retail. Certain of our portfolio companies in other industries have also been significantly impacted. The COVID-19 pandemic is continuing as of this quarterly report, and its extended duration may have further adverse impacts on our portfolio companies after September 30, 2020, including for the reasons described herein. Although on March 27, 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which contains provisions intended to mitigate the adverse economic effects of the COVID-19 pandemic, it is uncertain whether, or how much, our portfolio companies have benefited or may benefit from the CARES Act or any other subsequent legislation intended to provide financial relief or assistance. As a result of this disruption and the pressures on their liquidity, certain of our portfolio companies have been, or may continue to be, incentivized to draw on most, if not all, of the unfunded portion of any revolving or delayed draw term loans made by us, subject to availability under the terms of such loans.

Further, disruptions in the capital markets caused by the COVID-19 pandemic have increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in parts of the capital markets. These and future market disruptions and/or illiquidity would be expected to have an adverse effect on our business, financial condition, results of operations and cash flows.

Unfavorable economic conditions also would be expected to increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events have limited and could continue to limit our investment originations, limit our ability to grow and have a material negative impact on our and our portfolio companies’ operating results and the fair values of our debt and equity investments.

Political, social and economic uncertainty, including uncertainty related to the COVID-19 pandemic, creates and exacerbates risks.

Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) will occur that create uncertainty and have significant impacts on issuers, industries, governments and other systems, including the financial markets, to which companies and their investments are exposed. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets, including in established markets such as the U.S. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat.

Uncertainty can result in or coincide with, among other things: increased volatility in the financial markets for securities, derivatives, loans, credit and currency; a decrease in the reliability of market prices and difficulty in valuing assets (including portfolio company assets); greater fluctuations in spreads on debt investments and currency exchange rates; increased risk of default (by both government and private obligors and issuers); further social, economic, and political instability; nationalization of private enterprise; greater governmental involvement in the economy or in social factors that impact the economy; changes to governmental regulation and supervision of the loan, securities, derivatives and currency markets and market participants and decreased or revised monitoring of such markets by governments or self-regulatory organizations and reduced enforcement of regulations; limitations on the activities of investors in such markets; controls or restrictions on foreign investment, capital controls and limitations on repatriation of invested capital; the significant loss of liquidity and the inability to purchase, sell and otherwise fund investments or settle transactions (including, but not limited to, a market freeze); unavailability of currency hedging techniques; substantial, and in some periods extremely high, rates of inflation, which can last many years and have substantial negative effects on credit and securities markets as well as the economy as a whole; recessions; and difficulties in obtaining and/or enforcing legal judgments.

For example, in December 2019, COVID-19 emerged in China and then spread rapidly to other countries, including the United States. This outbreak has led to and for an unknown period of time will continue to lead to disruptions in local, regional, national and global markets and economies affected thereby. With respect to the U.S. credit markets, this outbreak has resulted in, and until fully resolved is likely to continue to result in, the following among other things: (i) government imposition of various forms of shelter in place orders and the closing of "non-essential" businesses, resulting in significant disruption to the businesses of many middle-market loan borrowers including supply chains, demand and practical aspects of their operations, as well as in lay-offs of employees, and, while these effects are hoped to be temporary, some effects could be persistent or even permanent; (ii) increased draws by borrowers on revolving lines of credit; (iii) increased requests by borrowers for amendments and waivers of their credit agreements to avoid default, increased defaults by such borrowers and/or increased difficulty in obtaining refinancing at the maturity dates of their loans; (iv) volatility and disruption of these markets including greater volatility in pricing and spreads and difficulty in valuing loans during periods of increased volatility, and liquidity issues; and (v) rapidly evolving proposals and/or actions by state and federal governments to address problems being experienced by the markets and by businesses and the economy in general which will not necessarily adequately address the problems facing the loan market and businesses. This outbreak is having, and any future outbreaks could have, an adverse impact on the markets and the economy in general, which could have a material adverse impact on, among other things, the ability of lenders to originate loans, the volume and type of loans originated, and the volume and type of amendments and waivers granted to borrowers and remedial actions taken in the event of a borrower default, each of which could negatively impact the amount and quality of loans available for investment by us and returns to us, among other things. As of the date of this quarterly report, it is impossible to determine the scope of this outbreak, or any future outbreaks, how long any such outbreak, market disruption or uncertainties may last, the effect any governmental actions will have or the full potential impact on us and our portfolio companies.

Although it is impossible to predict the precise nature and consequences of these events, or of any political or policy decisions and regulatory changes occasioned by emerging events or uncertainty on applicable laws or regulations that impact us, our portfolio companies and our investments, it is clear that these types of events are impacting and will, for at least some time, continue to impact us and our portfolio companies and, in many instances, the impact will be adverse and profound. For example, growth stage companies in which we may invest are being significantly impacted by these emerging events and the uncertainty caused by these events. The effects of a public health emergency may materially and adversely impact (i) the value and performance of us and our portfolio companies, (ii) the ability of our borrowers to continue to meet loan covenants or repay loans provided by us on a timely basis or at all, which may require us to restructure our investments or write down the value of our investments, (iii) our ability to repay debt obligations, on a timely basis or at all, or (iv) our ability to source, manage and divest investments and achieve our investment objectives, all of which could result in significant losses to us.

If the economy is unable to substantially reopen, and high levels of unemployment continue for an extended period of time, loan delinquencies, loan non-accruals, problem assets, and bankruptcies may increase. In addition, collateral for our loans may decline in value, which could cause loan losses to increase and the net worth and liquidity of loan guarantors could decline, impairing their ability to honor commitments to us. An increase in loan delinquencies and non- accruals or a decrease in loan collateral and guarantor net worth could result in increased costs and reduced income which would have a material adverse effect on our business, financial condition or results of operations

We will also be negatively affected if the operations and effectiveness of us or a portfolio company (or any of the key personnel or service providers of the foregoing) are compromised or if necessary or beneficial systems and processes are disrupted.

Any public health emergency, including the COVID-19 pandemic or any outbreak of other existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty could have a significant adverse impact on us and the fair value of our investments and our portfolio companies.

The extent of the impact of any public health emergency, including the COVID-19 pandemic, on our and our portfolio companies' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the actions taken by governmental authorities to contain its financial and economic impact, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. In addition, our and our portfolio companies' operations may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any of our or our portfolio companies' personnel. This could create widespread business continuity issues for us and our portfolio companies.

These factors may also cause the valuation of our investments to differ materially from the values that we may ultimately realize. Our valuations, and particularly valuations of private investments and private companies, are inherently uncertain, may fluctuate over short periods of time and are often based on estimates, comparisons and qualitative evaluations of private information. As a result, our valuations may not show the completed or continuing impact of the COVID-19 pandemic and the resulting measures taken in response thereto. Any public health emergency, including the COVID-19 pandemic or any outbreak of other existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty could have a significant adverse impact on us and the fair value of our investments and our portfolio companies.

The capital markets are currently in a period of disruption and economic uncertainty. Such market conditions have materially and adversely affected debt and equity capital markets, which have had, and may continue to have, a negative impact on our business and operations.

The U.S. capital markets have experienced extreme volatility and disruption following the global outbreak of COVID-19 that began in December 2019, as evidenced by the volatility in global stock markets as a result of, among other things, uncertainty surrounding the COVID-19 pandemic and the fluctuating price of commodities such as oil. Despite actions of the U.S. federal government and foreign governments, these events have contributed to worsening general economic conditions that are materially and adversely impacting the broader financial and credit markets and reducing the availability of debt and equity capital for the market as a whole. These conditions could continue for a prolonged period of time or worsen in the future.

Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the full impact of the COVID-19 pandemic on our business. The extent of such impact will depend on future developments, which are highly uncertain, including when the COVID-19 pandemic can be controlled and abated and when and how the economy may be reopened. As the result of the COVID-19 pandemic and the related adverse local and national economic consequences, we could be subject to any of the following risks, any of which could have a material, adverse effect on our business, financial condition, liquidity, and results of operations:

- Current market conditions may make it difficult to raise equity capital because, subject to some limited exceptions, as a business development company, we are generally not able to issue additional shares of our common stock at a price less than the NAV per share without first obtaining approval for such issuance from our stockholders and our independent directors. In addition, these market conditions may make it difficult to access or obtain new indebtedness with similar terms to our existing indebtedness.

- Significant changes or volatility in the capital markets may also have a negative effect on the valuations of our investments. While most of our investments are not publicly traded, applicable accounting standards require us to assume as part of our valuation process that our investments are sold in a principal market to market participants (even if we plan on holding an investment through its maturity).

- Significant changes in the capital markets, such as the recent disruption in economic activity caused by the COVID-19 pandemic, have adversely affected, and may continue to adversely affect, the pace of our investment activity and economic activity generally. Additionally, the recent disruption in economic activity caused by the COVID-19 pandemic has had, and may continue to have, a negative effect on the potential for liquidity events involving our investments. The illiquidity of our investments may make it difficult for us to sell such investments to access capital if required, and as a result, we could realize significantly less than the value at which we have recorded our investments if we were required to sell them for liquidity purposes. An inability to raise or access capital, and any required sale of all or a portion of our investments as a result, could have a material adverse effect on our business, financial condition or results of operations.

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

Many of our portfolio companies may be susceptible to economic slowdowns or recessions and may be unable to repay our debt investments during these periods. The recent global outbreak of COVID-19 has disrupted economic markets, and the prolonged economic impact is uncertain. Some economists and major investment banks have expressed concern that the continued spread of the virus globally could lead to a world-wide economic downturn. Many manufacturers of goods in China and other countries in Asia have seen a downturn in production due to the suspension of business and temporary closure of factories in an attempt to curb the spread of the illness. As the impact of the COVID-19 pandemic spreads to other parts of the world, similar impacts may occur with respect to affected countries. In the past, instability in the global capital markets resulted in disruptions in liquidity in the debt capital markets, significant write-offs in the financial services sector, the re-pricing of credit risk in the broadly syndicated credit market and the failure of major domestic and international financial institutions. In particular, in past periods of instability, the financial services sector was negatively impacted by significant write-offs as the value of the assets held by financial firms declined, impairing their capital positions and abilities to lend and invest. In addition, continued uncertainty surrounding the negotiation of trade deals between Britain and the European Union following the United Kingdom's exit from the European Union and uncertainty between the United States and other countries, including China, with respect to trade policies, treaties, and tariffs, among other factors, have caused disruption in the global markets. There can be no assurance that market conditions will not worsen in the future.

In an economic downturn, we may have non-performing assets or non-performing assets may increase, and the value of our portfolio is likely to decrease during these periods. Adverse economic conditions may also decrease the value of any collateral securing our loans. A severe recession may further decrease the value of such collateral and result in losses of value in our portfolio and a decrease in our revenues, net income, assets and net worth. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us on terms we deem acceptable. These events could prevent us from increasing investments and harm our operating results.

The occurrence of recessionary conditions and/or negative developments in the domestic and international credit markets may significantly affect the markets in which we do business, the value of our investments, and our ongoing operations, costs and profitability. Any such unfavorable economic conditions, including rising interest rates, may also increase our funding costs, limit our access to capital markets or negatively impact our ability to obtain financing, particularly from the debt markets. In addition, any future financial market uncertainty could lead to financial market disruptions and could further impact our ability to obtain financing. These events could limit our investment originations, limit our ability to grow and negatively impact our operating results and financial condition.

Internal and external cyber threats, as well as other disasters, could impair our ability to conduct business effectively.

The occurrence of a disaster, such as a cyber-attack against us or against a third-party that has access to our data or networks, a natural catastrophe, an industrial accident, failure of our disaster recovery systems, or consequential employee error, could have an adverse effect on our ability to communicate or conduct business, negatively impacting our operations and financial condition. This adverse effect can become particularly acute if those events affect our electronic data processing, transmission, storage, and retrieval systems, or impact the availability, integrity, or confidentiality of our data.

We depend heavily upon computer systems to perform necessary business functions. Despite our implementation of a variety of security measures, our computer systems, networks, and data, like those of other companies, could be subject to cyber-attacks and unauthorized access, use, alteration, or destruction, such as from physical and electronic break-ins or unauthorized tampering. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary, and other information processed, stored in, and transmitted through our computer systems and networks. Such an attack could cause interruptions or malfunctions in our operations, which could result in financial losses, litigation, regulatory penalties, client dissatisfaction or loss, reputational damage, and increased costs associated with mitigation of damages and remediation.

Third parties with which we do business may also be sources of cybersecurity or other technological risk. We outsource certain functions and these relationships allow for the storage and processing of our information, as well as client, counterparty, employee, and borrower information. While we engage in actions to reduce our exposure resulting from outsourcing, ongoing threats may result in unauthorized access, loss, exposure, destruction, or other cybersecurity incidents that adversely affects our data, resulting in increased costs and other consequences as described above.

We and our third party providers are currently impacted by quarantines and similar measures being enacted by governments in response to the COVID-19 pandemic that are obstructing the regular functioning of business workforces (including requiring employees to work from external locations and their homes). In response to the COVID-19 pandemic, we instituted a work from home policy until it was deemed safe to return to the office. We have since reopened our principal office but permit employees to work from home on a voluntary basis. An extended period of remote working, whether by us or our third party providers, could strain technology resources and introduce operational risks, including heightened cybersecurity risk. Remote working environments may be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts that seek to exploit the COVID-19 pandemic. Accordingly, the risks described above are heightened under current conditions.

Falling interest rates may negatively impact our investment income.

As a result of the decision by the Federal Reserve Board to decrease the target range for the federal funds rate in response to the COVID-19 pandemic, interest rates have decreased. Some of our credit agreements with our portfolio companies utilize the prime rate as a factor in determining interest rate. However, under the Credit Agreement with Credit Suisse, borrowing generally will bear interest at a rate of the three-month LIBOR plus 3.25%. Accordingly, a reduction in interest rates will result in a decrease in our total investment income unless limited by interest rate floors. Further, our net investment income could decrease if there is not a corresponding decrease in the interest that we pay on our borrowings.

Our investments in the life sciences industry are subject to various risks, including extensive government regulation, litigation risk and certain other risks particular to that industry, which may adversely affect the performance of such investments.

We may invest in companies in the life sciences industry that are subject to extensive regulation by the Food and Drug Administration and to a lesser extent, other federal, state and other foreign agencies. If any of these portfolio companies fail to comply with applicable regulations, they could be subject to significant penalties and claims that could materially and adversely affect their operations. Portfolio companies that produce medical devices or drugs are subject to the expense, delay and uncertainty of the regulatory approval process for their products and, even if approved, these products may not be accepted in the marketplace. In addition, governmental budgetary constraints effecting the regulatory approval process, new laws, regulations or judicial interpretations of existing laws and regulations might adversely affect a portfolio company in this industry. Portfolio companies in the life sciences industry may also have a limited number of suppliers of necessary components or a limited number of manufacturers for their products, and therefore face a risk of disruption to their manufacturing process if they are unable to find alternative suppliers when needed, including in response to any supply chain disruptions resulting from the COVID-19 pandemic. Any of these factors could materially and adversely affect the operations of a portfolio company in this industry and, in turn, impair our ability to timely collect principal and interest payments owed to us and consequently may adversely affect the performance of such investments.

Our Bylaws include an exclusive forum selection provision, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or other agents.

Our Bylaws require that, unless we consent in writing to the selection of an alternative forum, the Circuit Court for Baltimore City (or, if that court does not have jurisdiction, the United States District Court for the District of Maryland, Northern Division) shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company (ii) any action asserting a claim of breach of any standard of conduct or legal duty owed by any of the Company's director, officer or other agent to the Company or to its stockholders, (iii) any action asserting a claim arising pursuant to any provision of the MGCL or the Charter or the Bylaws (as either may be amended from time to time), or (iv) any action asserting a claim governed by the internal affairs doctrine.

This exclusive forum selection provision in our Bylaws will not apply to claims arising under the federal securities laws, including the Securities Act and the Exchange Act. There is uncertainty as to whether a court would enforce such a provision, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. In addition, this provision may increase costs for stockholders in bringing a claim against us or our directors, officers or other agents. Any investor purchasing or otherwise acquiring our shares is deemed to have notice of and consented to the foregoing provision.

The exclusive forum selection provision in our Bylaws may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other agents, which may discourage lawsuits against us and such persons. It is also possible that, notwithstanding such exclusive forum selection provision, a court could rule that such provision is inapplicable or unenforceable. If this occurred, we may incur additional costs associated with resolving such action in another forum, which could materially adversely affect our business, financial condition and results of operations.

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

On September 4, 2020, pursuant to its distribution reinvestment plan, the Company issued 98,443 shares of its common stock, at a price of $12.44 per share, to stockholders of record as of August 21, 2020 that did not opt out of the Company’s distribution reinvestment plan in order to satisfy the reinvestment portion of the Company’s distribution. This issuance was not subject to the registration requirements of the Securities Act.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

None.

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 Exhibits
3.1	Articles of Amendment and Restatement (incorporated by reference to exhibit 3.1 to the Company's Registration Statement on Form 10 filed on January 16, 2020).
3.2	Bylaws (incorporated by reference to exhibit 3.2 to the Company's Registration Statement on Form 10 filed on January 16, 2020).
4.1	Registration Rights Agreement, dated January 16, 2020 (Common Stock) (incorporated by reference to exhibit 4.1 to the Company's Registration Statement on Form 10 filed on January 16, 2020).
4.2	Registration Rights Agreement, dated January 16, 2020 (Notes) (incorporated by reference to exhibit 4.2 to the Company's Registration Statement on Form 10 filed on January 16, 2020).
4.3	Indenture, dated as of January 16, 2020, by and between Trinity Capital Inc. and U.S. Bank National Association, as trustee (incorporated by reference to exhibit 4.3 to the Company's Registration Statement on Form 10 filed on January 16, 2020).
4.4	First Supplemental Indenture, dated as of January 16, 2020, relating to the 7.00% Notes due 2025, by and between Trinity Capital Inc. and U.S. Bank National Association, as trustee (incorporated by reference to exhibit 4.4 to the Company's Registration Statement on Form 10 filed on January 16, 2020).
4.5	Form of 7.00% Note due 2025 (incorporated by reference to Exhibit 4.4 hereto)
10.1	First Amendment to Credit Agreement, dated as of March 31, 2020, with Credit Suisse AG (incorporated by reference to exhibit 99(k)(2) to the Company's Registration Statement on Form N-2 (File No. 333-248850) filed on September 16, 2020).
10.2	Second Amendment to Credit Agreement, dated as of September 29, 2020, with Credit Suisse AG (incorporated by reference to exhibit (k)(3) to Pre-Effective Amendment No. 1 to the Company's Registration Statement on Form N-2 (File No. 333-248850) filed on October 19, 2020).
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

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

TRINITY CAPITAL INC.

Dated: November 12, 2020	By:	/s/ Steven L. Brown
		Steven L. Brown Chairman and Chief Executive Officer (Principal Executive Officer)
Dated: November 12, 2020	By:	/s/ Susan Echard
		Susan Echard Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)