

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 March 31, 2024

OR

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

Commission file number: 001-40564

SILVER SPIKE INVESTMENT CORP.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

86-2872887

(IRS Employer Identification No.)

600 Madison Avenue, Suite 1800
New York, NY

(Address of principal executive offices)

10022
(Zip Code)

(212) 905-4923

(Registrant's telephone number, including area code)

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

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

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

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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 May 9, 2024, the registrant had 6,214,949 shares of common stock (\$0.01 par value per share) outstanding.

SILVER SPIKE
INVESTMENT CORP.
FORM 10-Q

TABLE OF CONTENTS

	PAGE NO.	
PART I	FINANCIAL INFORMATION	
Item 1	Financial Statements (unaudited)	4
	Statements of Assets and Liabilities	4
	Statements of Operations	5
	Statements of Changes in Net Assets	6
	Statements of Cash Flows	7
	Schedule of Investments	8
	Notes to Financial Statements	10
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations	25
Item 3	Quantitative and Qualitative Disclosures About Market Risk	36
Item 4	Controls and Procedures	37
PART II	OTHER INFORMATION	
Item 1	Legal Proceedings	38
Item 1A	Risk Factors	38
Item 2	Unregistered Sales of Equity Securities and Use of Proceeds	38
Item 3	Defaults Upon Senior Securities	38
Item 4	Mine Safety Disclosures	38
Item 5	Other Information	38
Item 6	Exhibits	38
	SIGNATURES	39

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Except where the context suggests otherwise, the terms “we,” “us,” “our;” “the Company,” and “SSIC” refer to Silver Spike Investment Corp. In addition, the terms “SSC,” “Adviser,” “investment adviser” and “administrator” refer to Silver Spike Capital, LLC, our external investment adviser and administrator.

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

- our future operating results and distribution projections;
- the ability of Silver Spike Capital, LLC (“SSC”) to attract and retain highly talented professionals;
- our business prospects and the prospects of our portfolio companies;
- the impact of interest and inflation rates on our business prospects and the prospects of our portfolio companies;
- the impact of the investments that we expect to make;
- the ability of our portfolio companies to achieve their objectives;
- our expected financings and investments and the timing of our investments in our initial portfolio;
- changes in regulation impacting the cannabis industry;
- the adequacy of our cash resources and working capital;
- the current and future effects of the COVID-19 pandemic on us and our portfolio companies;
- the timing of cash flows, if any, from the operations of our portfolio companies; and
- the Loan Portfolio Acquisition (as defined below), the likelihood the Loan Portfolio Acquisition is completed, and the anticipated timing of its completion. See “Note 12 – Proposed Loan Portfolio Acquisition” in the notes to the financial statements included with this quarterly report on Form 10-Q for further information regarding the Loan Portfolio Acquisition Agreement and the Loan Portfolio Acquisition.

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

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

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

PART I: FINANCIAL INFORMATION**Item 1. Financial Statements****SILVER SPIKE INVESTMENT CORP.****Statements of Assets and Liabilities**

	<u>March 31, 2024</u> (unaudited)	<u>December 31, 2023</u>
ASSETS		
Investments at fair value:		
Non-control/non-affiliate investments at fair value (amortized cost of \$53,602,697 and \$53,471,317, respectively)	\$ 54,851,000	\$ 54,120,000
Cash and cash equivalents	33,160,294	32,611,635
Interest receivable	1,675,075	1,755,360
Deferred offering costs	333,320	-
Prepaid expenses	261,473	39,276
Other assets	69,913	50,000
Total assets	<u>90,351,075</u>	<u>88,576,271</u>
LIABILITIES		
Transaction fees payable related to the Loan Portfolio Acquisition	2,712,577	711,264
Income-based incentive fees payable	1,511,253	1,511,253
Due to custodian	468,829	-
Offering costs payable	332,564	-
Management fee payable	246,131	257,121
Capital gains incentive fees payable	207,507	87,583
Audit fees payable	136,623	123,998
Administrator fees payable	107,075	86,463
Legal fees payable	71,660	84,824
Other payables	16,676	13,822
Professional fees payable	11,750	17,233
Valuation fees payable	9,405	24,675
Directors fees payable	258	94,760
Distributions payable	-	2
Excise tax payable	-	10,655
Total liabilities	<u>5,832,308</u>	<u>3,023,653</u>
Commitments and contingencies (Note 6)	-	-
NET ASSETS		
Common Stock, \$0.01 par value, 100,000,000 shares authorized, 6,214,949 and 6,214,941 shares issued and outstanding, respectively	62,149	62,149
Additional paid-in-capital	85,030,601	85,041,203
Distributable earnings (Accumulated losses)	(573,983)	449,266
Total net assets	<u>\$ 84,518,767</u>	<u>\$ 85,552,618</u>
NET ASSET VALUE PER SHARE	<u>\$ 13.60</u>	<u>\$ 13.77</u>

See notes to financial statements.

SILVER SPIKE INVESTMENT CORP.

Statements of Operations
(Unaudited)

	For the three months ended	
	March 31, 2024	March 31, 2023
INVESTMENT INCOME		
Non-control/non-affiliate investment income		
Interest income	\$ 2,726,497	\$ 2,457,839
Fee income	33,750	-
Total investment income	2,760,247	2,457,839
EXPENSES		
Transaction expenses related to the Loan Portfolio Acquisition	2,106,050	-
Management fee	246,131	238,419
Capital gains incentive fees	119,924	142,602
Audit expense	106,625	97,883
Administrator fees	98,456	77,844
Insurance expense	66,279	69,082
Legal expenses	58,051	98,760
Other expenses	19,191	19,504
Custodian fees	11,850	12,000
Director expenses	5,526	35,944
Valuation fees	1,973	73,065
Income-based incentive fees	-	203,821
Professional fees	-	18,192
Total expenses	2,840,056	1,087,116
NET INVESTMENT INCOME (LOSS)	(79,809)	1,370,723
NET REALIZED GAIN (LOSS) FROM INVESTMENTS		
Non-controlled/non-affiliate investments	-	-
Net realized gain (loss) from investments	-	-
NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) FROM INVESTMENTS		
Non-controlled/non-affiliate investments	599,620	986,357
Net change in unrealized appreciation (depreciation) from investments	599,620	986,357
Net realized and unrealized gains (losses)	599,620	986,357
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ 519,811	\$ 2,357,080
NET INVESTMENT INCOME (LOSS) PER SHARE — BASIC AND DILUTED	\$ (0.01)	\$ 0.22
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE — BASIC AND DILUTED	\$ 0.08	\$ 0.38
WEIGHTED AVERAGE SHARES OUTSTANDING — BASIC AND DILUTED	6,214,941	6,214,672

See notes to financial statements.

SILVER SPIKE INVESTMENT CORP.

Statements of Changes in Net Assets
(Unaudited)

	Common Stock			Distributable Earnings/ (Accumulated Loss)	Total net assets
	Shares	Par Value	Additional paid-in capital		
Balance, December 31, 2023	6,214,941	\$ 62,149	\$ 85,041,203	\$ 449,266	\$ 85,552,618
<i>Net increase (decrease) in net assets resulting from operations</i>					
Net investment income (loss)	-	-	-	(79,809)	(79,809)
Net realized gain (loss) from investments	-	-	-	-	-
Net change in unrealized appreciation (depreciation) from investments	-	-	-	599,620	599,620
Total net increase (decrease) in net assets resulting from operations	-	-	-	519,811	519,811
<i>Distributions to stockholders from:</i>					
Investment income-net	-	-	-	(1,553,736)	(1,553,736)
<i>Capital transactions</i>					
Reinvestment of stockholder distributions	8	-	74	-	74
Total net increase (decrease) in net assets from capital transactions	8	-	74	-	74
Total increase (decrease) in net assets	8	-	74	(1,033,925)	(1,033,851)
Effect of permanent adjustments	-	-	(10,676)	10,676	-
Balance, March 31, 2024	<u>6,214,949</u>	<u>\$ 62,149</u>	<u>\$ 85,030,601</u>	<u>\$ (573,983)</u>	<u>\$ 84,518,767</u>

	Common Stock			Distributable Earnings/ (Accumulated Loss)	Total net assets
	Shares	Par value	Additional paid-in capital		
Balance, December 31, 2022	6,214,672	\$ 62,147	\$ 84,917,788	\$ 1,495,794	\$ 86,475,729
<i>Net increase (decrease) in net assets resulting from operations</i>					
Net investment income (loss)	-	-	-	1,370,723	1,370,723
Net realized gain (loss) from investments	-	-	-	-	-
Net change in unrealized appreciation (depreciation) from investments	-	-	-	986,357	986,357
Total net increase (decrease) in net assets resulting from operations	-	-	-	2,357,080	2,357,080
<i>Capital transactions</i>					
Issuance of common stock	-	-	-	-	-
Total increase (decrease) in net assets	-	-	-	2,357,080	2,357,080
Effect of permanent adjustments	-	-	121,099	(121,099)	-
Balance, March 31, 2023	<u>6,214,672</u>	<u>\$ 62,147</u>	<u>\$ 85,038,887</u>	<u>\$ 3,731,775</u>	<u>\$ 88,832,809</u>

See notes to financial statements.

SILVER SPIKE INVESTMENT CORP.
**Statements of Cash Flows
(Unaudited)**

	For the three months ended	
	March 31, 2024	March 31, 2023
Cash flows from operating activities		
Net increase (decrease) in net assets resulting from operations	\$ 519,811	\$ 2,357,080
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net change in unrealized (appreciation) depreciation from investments	(599,620)	(986,357)
Net (accretion of discounts) and amortization of premiums	(141,429)	(140,819)
Purchase of investments	-	(4,230,000)
PIK interest capitalized	(52,951)	(11,573)
Proceeds from sales of investments and principal repayments	63,000	-
(Increase)/Decrease in operating assets:		
Interest receivable	80,285	(8,945)
Other assets	(19,913)	-
Prepaid expenses	(222,197)	(222,328)
Increase/(Decrease) in operating liabilities:		
Income-based incentive fees payable	-	203,821
Management fee payable	(10,990)	238,419
Capital gains incentive fees payable	119,924	142,602
Legal fees payable	(13,164)	57,773
Transaction fees payable related to the Loan Portfolio Acquisition	2,001,313	-
Valuation fees payable	(15,270)	72,185
Administrator fees payable	20,612	25,630
Audit fees payable	12,625	(2,117)
Directors fees payable	(94,502)	3,895
Professional fees payable	(5,483)	18,192
Other payables	2,854	(18,148)
Due to custodian	468,829	-
Due to affiliate	-	(37)
Excise tax payable	(10,655)	(80,566)
Net cash provided by (used in) operating activities	2,103,079	(2,581,293)
Cash flows from financing activities		
Offering costs paid	(756)	-
Distributions paid	(1,553,664)	-
Net cash provided by (used in) financing activities	(1,554,420)	-
Net increase (decrease) in cash and cash equivalents	548,659	(2,581,293)
Cash and cash equivalents, beginning of period	32,611,635	35,125,320
Cash and cash equivalents, end of period	\$ 33,160,294	\$ 32,544,027
Supplemental and non-cash financing activities		
Reinvestment of dividend distributions	\$ 74	\$ -

See notes to financial statements.

SILVER SPIKE INVESTMENT CORP.

Schedule of Investments

March 31, 2024

(Unaudited)

(in thousands)

Portfolio Company (1)	Type of Investment (2)	Investment Date (3)	Maturity Date	Interest Rate (4)	Fair Value Hierarchy (5)	Geographic Region (6)	Non-Qualifying Asset (7)	Principal Amount (8)	Amortized Cost	Fair Value (9)	% of Net Assets
Debt Securities - United States Wholesale Trade (10)											
Curaleaf Holdings, Inc.	Senior Secured Note	10/11/2022	12/15/2026	Fixed interest rate 8.0%	3	Northeast	Yes	\$ 4,500	\$ 4,026	\$ 4,208	4.98%
Dreamfields Brands, Inc. (d/b/a Jeeter)	Senior Secured First Lien Term Loan	5/3/2023	5/3/2026	Variable interest rate PRIME ⁽¹¹⁾ + 8.75% (7.5% PRIME Floor)	3	West	No	4,320	4,237	4,320	5.11
PharmaCann, Inc.	Senior Secured Note	6/30/2022	6/30/2025	Fixed interest rate 12.0%	3	Midwest	No	4,250	4,131	4,016	4.75
STHIZY, Inc. (f/k/a Shryne Group Inc.)	Senior Secured First Lien Term Loan	5/26/2022	5/26/2026	Variable interest rate PRIME ⁽¹¹⁾ + 8.5% (4.0% PRIME Floor) ⁽¹¹⁾ "1.0% PIK"	3	West	No	21,118	20,774	21,224	25.11
Verano Holdings Corp.	Senior Secured First Lien Term Loan	10/27/2022	10/30/2026	Variable interest rate PRIME ⁽¹¹⁾ + 6.5% (6.25% PRIME Floor)	3	Midwest	Yes	20,874	20,435	21,083	24.95
								<u>\$ 55,062</u>	<u>53,603</u>	<u>54,851</u>	<u>64.90</u>
Total: Debt Securities -United States (64.90%):									<u>53,603</u>	<u>54,851</u>	<u>64.90</u>
Total: Debt Securities (64.90%):									<u>53,603</u>	<u>54,851</u>	<u>64.90</u>
Total Investment in Securities (64.90%):								<u>\$ 53,603</u>	<u>\$ 54,851</u>	<u>64.90%</u>	
Cash equivalents											
State Street Institutional U.S. Government Money Market Fund (12)								1	\$ 33,160	\$ 33,160	39.23%
Cash equivalents (39.23%):									<u>33,160</u>	<u>33,160</u>	<u>39.23</u>
Total Portfolio Investments and Cash equivalents (104.13%):								<u>\$ 86,763</u>	<u>\$ 88,011</u>	<u>104.13%</u>	

- (1) All portfolio companies are located in the United States, as determined by the location of the portfolio company's headquarters.
- (2) No debt investment is non-income producing as of March 31, 2024.
- (3) Investment date represents the date of initial investment, at which date interest began accruing.
- (4) Interest rate is the fixed or variable rate of the debt investments.
- (5) See Note 2 – Significant Accounting Policies and Note 4 — Fair Value of Financial Instruments in the accompanying notes to the financial statements.
- (6) Geographic regions are determined by the respective portfolio company's headquarters' location.
- (7) Under the Investment Company Act of 1940, as amended (the "1940 Act"), a business development company ("BDC") may not acquire any "non-qualifying asset" (i.e., an asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as "qualifying assets"), unless, at the time the acquisition is made, qualifying assets represent at least 70% of the BDC's total assets. As of March 31, 2024 the aggregate fair value of non-qualifying assets is \$25,291 or 28.0% of the Company's total assets.
- (8) Principal is net of repayments, if any, as per the terms of the debt instrument's contract.
- (9) All investments were valued at fair value. See Note 4 — Fair Value of Financial Instruments in the accompanying notes to the financial statements.
- (10) The Company uses the North American Industry Classification System ("NAICS") code for classifying the industry grouping of its portfolio companies.
- (11) As of March 31, 2024 PRIME is 8.50%.
- (12) The annualized seven-day yield as of March 31, 2024 is 5.26%.

See notes to financial statements.

SILVER SPIKE INVESTMENT CORP.

Schedule of Investments
December 31, 2023
(in thousands)

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

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

See notes to financial statements.

SILVER SPIKE INVESTMENT CORP.**Notes to Financial Statements
(Unaudited)****NOTE 1 — ORGANIZATION**

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

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

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

The Company’s investment objective is to maximize risk-adjusted returns on equity for its shareholders. The Company seeks to drive return on equity by generating current income from debt investments and capital appreciation from equity and equity-related investments. The Company intends to achieve its investment objective by investing primarily in secured debt, unsecured debt, equity warrants and direct equity investments in private leveraged middle-market cannabis companies and other companies in the health and wellness sector. The debt investments are often secured by either a first or second priority lien on the assets of the portfolio company, can include either fixed or floating rate terms and will generally have a term of between two and six years from the original investment date.

On November 8, 2022, the Board of Directors (“Board”) of the Company approved a change in its fiscal year end from March 31 to December 31. Certain prior period information has been reclassified to conform to the current period presentation.

On February 18, 2024, the Company entered into a definitive Purchase Agreement (the “Loan Portfolio Acquisition Agreement”) with Chicago Atlantic Loan Portfolio, LLC (“CALP”), pursuant to which the Company would purchase all or substantially all of the portfolio investments held by CALP (the “Loan Portfolio”) in exchange for newly issued shares of the Company’s common stock with a net asset value equal to the value of the Loan Portfolio, each determined shortly before closing (the “Loan Portfolio Consideration”), subject to certain customary closing conditions (the “Loan Portfolio Acquisition”). The Board, including all the independent directors, upon the recommendation of a special committee composed solely of the independent directors (the “Special Committee”), has approved the Loan Portfolio Acquisition Agreement and the transactions contemplated thereby. The Company’s current officers would continue to be a part of the Company’s management team following the Loan Portfolio Acquisition. Assuming satisfaction of the conditions to the transaction, the Loan Portfolio Acquisition is expected to close in mid-2024. See “Note 12 – Proposed Loan Portfolio Acquisition” for further information regarding the Loan Portfolio Acquisition Agreement and the Loan Portfolio Acquisition.

On February 20, 2024, SSC announced that it entered into a definitive agreement with Chicago Atlantic BDC Holdings, LLC (together with its affiliates, “Chicago Atlantic”), the investment adviser of CALP, pursuant to which a joint venture between Chicago Atlantic and SSC would be created to combine and jointly operate SSC’s, and a portion of Chicago Atlantic’s, investment management businesses, subject to certain customary closing conditions (the “Joint Venture”). The Joint Venture would cause the automatic termination of the Company’s existing investment advisory agreement with SSC. As a result, the Board unanimously approved, upon the recommendation of the Special Committee, a new investment advisory agreement with SSC to take effect upon closing of the Joint Venture, subject to Company stockholder approval. The new investment advisory agreement is identical, in all material respects, to the current investment advisory agreement. Upon the effectiveness of the new investment advisory agreement, the Company would be renamed Chicago Atlantic BDC, Inc. and SSC would be renamed Chicago Atlantic BDC Advisers, LLC.

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

SILVER SPIKE INVESTMENT CORP.

Notes to Financial Statements
(Unaudited)

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Use of Estimates

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

Investment Valuation

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

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

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

Effective September 8, 2022, pursuant to Rule 2a-5 under the 1940 Act, the Board designated the Adviser as the Valuation Designee to perform the fair value determinations for the Company, subject to the oversight of the Board and certain Board reporting and other requirements.

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

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

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

SILVER SPIKE INVESTMENT CORP.**Notes to Financial Statements
(Unaudited)**

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

We conduct this valuation process on a quarterly basis.

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

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

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

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

Cash and Cash Equivalents

Cash and cash equivalents consists of funds deposited with financial institutions and short-term (maturity of 90 days or less) liquid investments and money market funds. Funds held in money market funds are considered Level 1 in the fair value hierarchy in accordance with ASC 820. Cash held in demand deposit accounts may exceed the Federal Deposit Insurance Corporation ("FDIC") insured limit. The Company has not incurred any losses on these accounts, and the credit risk exposure is mitigated by the financial strength of the banking institution where the accounts are held. As of March 31, 2024 and December 31, 2023, cash and cash equivalents consisted of \$33.16 million and \$32.61 million, respectively, of which \$33.16 million and \$32.61 million, respectively, was held in the State Street Institutional U.S. Government Money Market Fund.

Earnings per share

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

Investment Transactions

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

SILVER SPIKE INVESTMENT CORP.**Notes to Financial Statements
(Unaudited)**

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

Interest and Dividend Income

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

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

Interest income earned, excluding accretion of discounts and amortization of premiums, was \$2,585,068 and \$2,317,020 for the three months ended March 31, 2024 and 2023, respectively. As of March 31, 2024 and December 31, 2023, \$1,675,075 and \$1,755,360, respectively, were recorded as interest receivable.

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

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

Fee Income

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

For the three months ended March 31, 2024 and 2023, the Company earned \$33,750 and \$0, respectively, in fee income.

Income Taxes

The Company adopted an initial tax year end of December 31, 2021 and was taxed as a corporation for U.S. federal income tax purposes for the tax period ended December 31, 2021. The Company adopted the tax year end of March 31, 2022 and elected to be treated for U.S. federal income tax purposes as a RIC under Subchapter M of the Code for the tax period January 1, 2022 through March 31, 2022, and intends to maintain such election in the current and future taxable years. To maintain its tax treatment as a RIC, the Company must meet specified source-of-income and asset diversification requirements and timely distribute to its stockholders for each taxable year at least 90% of its investment company taxable income. In order for the Company not to be subject to U.S. federal excise taxes, it must distribute annually an amount at least equal to the sum of (i) 98% of its net ordinary income for the calendar year, (ii) 98.2% of its capital gains in excess of capital losses for the one-year period ending on October 31 of the calendar year and (iii) any net ordinary income and capital gains in excess of capital losses for preceding years that were not distributed during such years. The Company, at its discretion (subject to the requirement to distribute 90% of its investment company taxable income as described above), may carry forward taxable income in excess of calendar year dividends and pay a 4% nondeductible U.S. federal excise tax on this income. If the Company chooses to do so, this generally would increase expenses and reduce the amount available to be distributed to stockholders. For the three months ended March 31, 2024 and 2023, the Company accrued excise taxes of \$0 and \$0, respectively. As of March 31, 2024 and December 31, 2023, \$19,913 and \$0, respectively, of overpaid excise taxes are included as Other assets in the Statement of Assets and Liabilities. As of March 31, 2024 and December 31, 2023, \$0 and \$10,655, respectively, of accrued excise taxes remained payable.

SILVER SPIKE INVESTMENT CORP.**Notes to Financial Statements
(Unaudited)**

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

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

Distributions

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

Organization Expenses and Offering Costs***Organizational expenses***

Costs associated with the organization of the Company are expensed as incurred. These expenses consist primarily of legal fees and other costs of organizing the Company.

As of March 31, 2024 and December 31, 2023, there were no unpaid organizational expenses.

Offering costs

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

Costs associated with the offering of common shares of the Company are capitalized as deferred offering and, if any, are included in deferred offering costs on the Statements of Assets and Liabilities. As of March 31, 2024 and December 31, 2023, deferred offering costs were \$333,320 and \$0, respectively. The deferred offering costs will be charged to capital upon the issuance of shares subsequent to the completion of the Loan Portfolio Acquisition. For the three months ended March 31, 2024 and 2023, no offering costs were charged to capital. As of March 31, 2024 and December 31, 2023, there were \$332,564 and \$0, respectively, of offering costs payable by the Company.

Transaction expenses related to the Loan Portfolio Acquisition

Transaction expenses related to the Loan Portfolio Acquisition at March 31, 2024 and December 31, 2023 were \$2,817,314 and \$711,264, respectively, and consisted primarily of legal fees incurred related to the Loan Portfolio Acquisition. See "Note 12 – Proposed Loan Portfolio Acquisition" for further information regarding the Loan Portfolio Acquisition Agreement and the Loan Portfolio Acquisition.

For the three months ended March 31, 2024 and 2023, the Company incurred transaction expenses related to the Loan Portfolio Acquisition of \$2,106,050 and \$0, respectively. As of March 31, 2024 and December 31, 2023, there were \$2,712,577 and \$711,264, respectively, of transaction expenses related to the Loan Portfolio Acquisition payable by the Company.

New Accounting Standards

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

NOTE 3 — INVESTMENTS

The Company seeks to invest in portfolio companies primarily in the form of loans (secured and unsecured), but may include equity warrants and direct equity investments. The loans typically pay interest with some amortization of principal. As of March 31, 2024, 84.8% of the portfolio (based on amortized cost) pays interest on a floating rate basis with a PRIME floor, and 15.2% of the portfolio (based on amortized cost) pays fixed interest. As of December 31, 2023, 84.9% of the portfolio (based on amortized cost) pays interest on a floating rate basis with a PRIME floor, and 15.1% of the portfolio (based on amortized cost) pays fixed interest. We will generally seek to obtain security interests in the assets of our portfolio companies that serve as collateral in support of the repayment of these loans. This collateral may take the form of first or second priority liens on the assets of a portfolio company. In some of our portfolio investments, we expect to receive nominally priced equity warrants and/or make direct equity investments in connection with a debt investment. In addition, a portion of our portfolio may be comprised of derivatives, including total return swaps. No such equity or derivative instruments were held as of March 31, 2024 or December 31, 2023.

SILVER SPIKE INVESTMENT CORP.

Notes to Financial Statements
(Unaudited)

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

Portfolio Composition

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

Industry	March 31, 2024			
	Amortized Cost		Fair Value	
	Amount	%	Amount	%
Wholesale Trade	\$ 53,602,697	100.0%	\$ 54,851,000	100.0%
Total	\$ 53,602,697	100.0%	\$ 54,851,000	100.0%

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

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

Geographic Location	March 31, 2024			
	Amortized Cost		Fair Value	
	Amount	%	Amount	%
West	\$ 25,010,806	46.7%	\$ 25,544,000	46.5%
Midwest	24,566,014	45.8	25,099,000	45.8
Northeast	4,025,877	7.5	4,208,000	7.7
Total	\$ 53,602,697	100.0%	\$ 54,851,000	100.0%

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

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

Investment	March 31, 2024			
	Amortized Cost		Fair Value	
	Amount	%	Amount	%
Senior Secured First Lien Term Loans	\$ 45,445,599	84.8%	\$ 46,627,000	85.0%
Senior Secured Notes	8,157,098	15.2	8,224,000	15.0
Total	\$ 53,602,697	100.0%	\$ 54,851,000	100.0%

SILVER SPIKE INVESTMENT CORP.
**Notes to Financial Statements
(Unaudited)**

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

Certain Risk Factors

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

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

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

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

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

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

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

NOTE 4 — FAIR VALUE OF FINANCIAL INSTRUMENTS

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

SILVER SPIKE INVESTMENT CORP.

Notes to Financial Statements
(Unaudited)

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

The use of significant unobservable inputs creates uncertainty in the measurement of fair value as of the reporting date. The significant unobservable inputs used in the fair value measurement of the Company's investments may vary and may include debt investments' yield (i.e. discount rate) and volatility assumptions.

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

Assets	Fair Value Measurements at March 31, 2024 Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Senior Secured First Lien Term Loans	\$ -	\$ -	\$ 46,627,000	\$ 46,627,000
Senior Secured Notes	-	-	8,224,000	8,224,000
Total	\$ -	\$ -	\$ 54,851,000	\$ 54,851,000

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

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

Investment Type	Fair Value as of March 31, 2024	Valuation Techniques/ Methodologies	Unobservable Input	Range	Weighted Average (1)
Senior Secured First Lien Term Loans	\$ 46,627,000	Discounted Cash Flow	Discount Rate	10.1% - 13.5%	11.9%
Senior Secured Notes	8,224,000	Discounted Cash Flow	Discount Rate	6.9% - 13.4%	10.1%
Total	\$ 54,851,000				

Investment Type	Fair Value as of December 31, 2023	Valuation Techniques/ Methodologies	Unobservable Input	Range	Weighted Average (1)
Senior Secured First Lien Term Loans	\$ 46,006,000	Discounted Cash Flow	Discount Rate	10.4% - 14.0%	12.2%
Senior Secured Notes	8,114,000	Discounted Cash Flow	Discount Rate	7.4% - 13.7%	10.5%
Total	\$ 54,120,000				

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

SILVER SPIKE INVESTMENT CORP.
**Notes to Financial Statements
(Unaudited)**

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

The following tables provide a summary of changes in the fair value of the Company's Level 3 portfolio investments for the three months ended March 31, 2024 and 2023:

	Senior Secured First Lien Term Loans	Senior Secured Notes	Total Investments
Fair Value as of December 31, 2023	\$ 46,006,000	\$ 8,114,000	\$ 54,120,000
Purchases	-	-	-
Accretion of discount and fees (amortization of premium), net	83,022	58,407	141,429
PIK interest	52,951	-	52,951
Proceeds from sales of investments and principal repayments	(63,000)	-	(63,000)
Net realized gain (loss) on investments	-	-	-
Net change in unrealized appreciation (depreciation) from investments	548,027	51,593	599,620
Balance as of March 31, 2024	<u>\$ 46,627,000</u>	<u>\$ 8,224,000</u>	<u>\$ 54,851,000</u>
Net change in unrealized appreciation/depreciation on Level 3 investments still held as of March 31, 2024	<u>\$ 548,027</u>	<u>\$ 51,593</u>	<u>\$ 599,620</u>

	Senior Secured First Lien Term Loans	Senior Secured Notes	Total Investments
Fair Value as of December 31, 2022	\$ 40,660,633	\$ 9,593,917	\$ 50,254,550
Purchases	4,230,000	-	4,230,000
Accretion of discount and fees (amortization of premium), net	62,621	78,198	140,819
PIK interest	11,573	-	11,573
Proceeds from sales of investments and principal repayments	-	-	-
Net realized gain (loss) on investments	-	-	-
Net change in unrealized appreciation (depreciation) from investments	738,564	247,793	986,357
Balance as of March 31, 2023	<u>\$ 45,703,391</u>	<u>\$ 9,919,908</u>	<u>\$ 55,623,299</u>
Net change in unrealized appreciation/depreciation on Level 3 investments still held as of March 31, 2023	<u>\$ 738,564</u>	<u>\$ 247,793</u>	<u>\$ 986,357</u>

NOTE 5 — RELATED PARTY TRANSACTIONS

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

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

The management fee is payable quarterly in arrears. For the three months ended March 31, 2024 and 2023, the Company incurred management fee expenses of \$246,131 and \$238,419, respectively. As of March 31, 2024 and December 31, 2023, \$246,131 and \$257,121, respectively, remained payable.

For the three months ended March 31, 2024 and 2023, the Company incurred income-based incentive fee expenses of \$0 and \$203,821, respectively. As of March 31, 2024 and December 31, 2023, \$1,511,253 and \$1,511,253, respectively, remained payable.

SILVER SPIKE INVESTMENT CORP.**Notes to Financial Statements
(Unaudited)**

For the three months ended March 31, 2024 and 2023, the Company incurred capital gains incentive fee expenses of \$119,924 and \$142,602, respectively. As of March 31, 2024 and December 31, 2023, \$207,507 and \$87,583, respectively, remained payable.

Pursuant to the administration agreement between the Company and SSC (the “Administration Agreement”), the Company is to reimburse SSC for the costs and expenses incurred by SSC in performing its obligations, including but not limited to maintaining and keeping all books and records and providing personnel and facilities. This includes costs and expenses incurred by SSC in connection with the delegation of its obligations to SS&C, the sub-administrator. The Company is generally not responsible for the compensation of SSC’s employees or any overhead expenses. However, we may reimburse SSC for an allocable portion of the compensation paid by SSC to our CCO and CFO and their respective staffs (based on a percentage of time such individuals devote, on an estimated basis, to our business affairs). For the three months ended March 31, 2024 and 2023, the Adviser has waived any expense reimbursement, other than those associated with the delegation of its obligations to the sub-administrator.

For the three months ended March 31, 2024 and 2023, the Company paid \$0 and \$984, respectively, for expenses on SSC’s behalf.

SSC was the seed investor of the Company and provided initial funding to the Company by purchasing approximately \$63 million of the Company’s common stock in the Company’s initial public offering. SSC provided this “seed capital” to the Company for the purpose of facilitating the launch and initial operation of the Company, as opposed to for long term investment purposes. SSC does not expect to hold the Company’s common stock indefinitely, and may sell the Company’s common stock at a future point in time. In order for SSC’s sales of the shares of the Company not to be deemed to have been made “on the basis of” material nonpublic information, such sales may be made pursuant to a pre-approved trading plan that complies with Rule 10b5-1 under the Exchange Act and that may obligate SSC to make recurring sales of the Company’s common stock on a periodic basis. Sales of substantial amounts of the Company’s common stock, including by SSC or other large stockholders, or the availability of such common stock for sale, could adversely affect the prevailing market prices for the Company’s common stock. If this occurs and continues for a sustained period of time, it could impair the Company’s ability to raise additional capital through the sale of securities, should the Company desire to do so.

SSC holds approximately 72% of the Company’s voting stock and has the ability to exercise substantial control over all corporate actions requiring stockholder approval, including the election and removal of directors, certain amendments of the Company’s charter, the Company’s ability to issue its common stock at a price below NAV per share, and the approval of any merger or other extraordinary corporate action.

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

During the three months ended March 31, 2024, SSC and certain related parties received a dividend distribution from the Company relating to their shares held. Refer to “Note 7 – Common Stock” for further details on the Company’s dividend reinvestment plan and the distributions declared. The Company did not make any distributions during the three months ended March 31, 2023.

NOTE 6 — COMMITMENTS AND CONTINGENCIES

Commitments and contingencies have been reviewed and the Company has identified no commitments or contingencies as of March 31, 2024 and December 31, 2023.

NOTE 7 — COMMON STOCK

In connection with its formation, the Company authorized 100,000,000 shares of its common stock with a par value of \$0.01 per share. On June 15, 2021, the Company was initially capitalized by the issuance of 386 shares of its common stock for an aggregate purchase price of \$5,400 to SSC.

Initial Public Offering

On February 4, 2022, the Company completed its initial public offering of 6,214,286 shares of common stock at a price of \$14.00 per share, inclusive of the underwriters’ option to purchase additional shares, which was exercised on March 1, 2022, and raised capital of approximately \$85 million (net of approximately \$2 million of offering costs).

SILVER SPIKE INVESTMENT CORP.

Notes to Financial Statements
(Unaudited)

Distributions

The following table summarizes distributions declared and paid by the Company during the three months ended March 31, 2024:

Declaration Date	Type	Record Date	Payment Date	Per Share Amount	Dividends Paid
March 8, 2024	Quarterly	March 20, 2024	March 28, 2024	\$ 0.25	\$ 1,553,662

During the three months ended March 31, 2023, the Company did not have any distributions.

Dividend Reinvestment Plan

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

The Company's DRIP is administered by its transfer agent on behalf of the Company's record holders and participating brokerage firms. Brokerage firms and other financial intermediaries may decide not to participate in the Company's DRIP but may provide a similar dividend reinvestment plan for their clients. During the three months ended March 31, 2024, the Company issued the following shares of common stock under the DRIP:

Declaration Date	Type	Record Date	Payment Date	Shares
March 8, 2024	Quarterly	March 20, 2024	March 28, 2024	8

During the three months ended March 31, 2023, the Company issued no new shares of common stock under the DRIP.

NOTE 8 — INDEMNIFICATION

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

NOTE 9 — EARNINGS PER SHARE

The following table sets forth the computation of the weighted average basic and diluted net increase (decrease) in net assets per share from operations for the three months ended March 31, 2024 and 2023:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Net increase (decrease) in net assets resulting from operations	\$ 519,811	\$ 2,357,080
Weighted Average Shares Outstanding — basic and diluted	6,214,941	6,214,672
Net increase (decrease) in net assets resulting from operations per share — basic and diluted	\$ 0.08	\$ 0.38

NOTE 10 — INCOME TAXES

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

SILVER SPIKE INVESTMENT CORP.

**Notes to Financial Statements
(Unaudited)**

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

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

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

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

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

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

For income tax purposes, distributions paid to shareholders are reported as ordinary income, return of capital, long-term capital gains, or a combination thereof. The tax character of distributions paid for the tax years ended March 31, 2024 and March 31, 2023, were as follows:

	For the tax year from April 1, 2023 through March 31, 2024	For the tax year from April 1, 2022 through March 31, 2023
Ordinary Income	\$ 9,819,273	\$ -
Long-Term Capital Gain	-	-
Return of Capital	-	-
Total Distributions	<u>\$ 9,819,273</u>	<u>\$ -</u>

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

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

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

	March 31, 2024	December 31, 2023
Tax cost of investments and cash equivalents	\$ 86,762,991	\$ 86,082,952
Unrealized appreciation	\$ 1,363,524	\$ 784,052
Unrealized depreciation	\$ (115,221)	\$ (135,369)
Net unrealized appreciation (depreciation) from investments and cash equivalents	<u>\$ 1,248,303</u>	<u>\$ 648,683</u>

SILVER SPIKE INVESTMENT CORP.
**Notes to Financial Statements
(Unaudited)**
NOTE 11 — FINANCIAL HIGHLIGHTS

The following presents financial highlights for the three months ended March 31, 2024 and 2023:

	For the three months ended	
	March 31, 2024	March 31, 2023
Per share data:		
Net asset value at beginning of period	\$ 13.77	\$ 13.91
Net investment income (loss) ⁽¹⁾	(0.01)	0.22
Net realized and unrealized gains/(losses) on investments ⁽¹⁾	0.09	0.16
Net increase/(decrease) in net assets resulting from operations	0.08	0.38
Distributions from net investment income (loss)	(0.25)	-
Net asset value at end of period	\$ 13.60	\$ 14.29
Net assets at end of period	\$ 84,518,767	\$ 88,832,809
Shares outstanding at end of period	6,214,949	6,214,672
Weighted average net assets	\$ 85,541,257	\$ 86,501,919
Per share market value at end of period	\$ 9.61	\$ 9.19
Total return based on market value ⁽²⁾	16.82%	(6.22)%
Total return based on net asset value ⁽²⁾	1.33%	2.73%
Ratio/Supplemental data:		
Ratio of expenses to average net assets ⁽³⁾	3.32%	1.26%
Ratio of net investment income (loss) to average net assets ⁽³⁾	(0.09)%	1.58%
Portfolio turnover ⁽³⁾	0.10%	N/A

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

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

⁽³⁾ Ratio is not annualized.

NOTE 12 — PROPOSED LOAN PORTFOLIO ACQUISITION
Overview

On February 18, 2024, the Company entered into a Purchase Agreement (the “Loan Portfolio Acquisition Agreement”) with Chicago Atlantic Loan Portfolio, LLC, a Delaware limited liability company (“CALP”). The Loan Portfolio Acquisition Agreement provides that, subject to the conditions set forth in the Loan Portfolio Acquisition Agreement, at the closing of the transactions contemplated by the Loan Portfolio Acquisition Agreement (the “Closing”, and the date on which the Closing occurs, the “Closing Date”), the Company will issue to CALP shares of the Company’s common stock (the “Stock Issuance”) in consideration for acquiring a portfolio of loans (the “Loan Portfolio” and together with the Stock Issuance, the “Loan Portfolio Acquisition”) from CALP (the “Loan Purchase” and together with the Stock Issuance, the “Transactions”).

The Board, on the recommendation of a special committee (the “Special Committee”) comprised solely of all of the independent directors of the Company, has approved the Loan Portfolio Acquisition Agreement and the Transactions contemplated thereby.

As of January 1, 2024, the Loan Portfolio comprised 24 loans with an aggregate value of approximately \$130 million. CALP has agreed to use reasonable best efforts to add 4 loans with an aggregate value of approximately \$43 million to the Loan Portfolio prior to the Closing. The Company and CALP may also agree to the addition of other loans to the Loan Portfolio prior to the Closing. The inclusion and/or addition of certain loans to the Loan Portfolio requires third-party consents, and/or such loans may need to be acquired by CALP, and there can be no assurance that any additional loans will be added to the Loan Portfolio prior to the Closing. Certain loans may also be removed from the Loan Portfolio upon the agreement of the Company and CALP, if required third-party consents are not obtained, or upon the repayment of the loans.

SILVER SPIKE INVESTMENT CORP.**Notes to Financial Statements
(Unaudited)***The Transactions; Valuations*

At the Closing, (x) CALP shall sell and transfer to the Company, and the Company shall purchase and acquire from CALP, the Loan Portfolio, including all of CALP's right, title and interest in, to and under each loan in the Loan Portfolio, the loan documents, collateral and files relating to each loan in the Loan Portfolio, and all amounts received by CALP after the Closing Cut-off Time (as defined below) arising under or in connection with each such loan (the "Contributed Investment Assets"), and (y) the Company shall issue and sell to CALP, and CALP shall purchase and acquire from the Company, such number of newly issued shares of the Company's common stock (the "Purchased Shares") equal to (i) the fair value of the Contributed Investment Assets (the "Contributed Investment Assets Fair Value") as of the Closing Cut-off Time, divided by (ii) the SSIC NAV Per Share. The "SSIC NAV Per Share" means the SSIC NAV (as defined below) divided by the number of outstanding shares of the Company's common stock as of the Closing Cut-off Time.

Promptly, and within twenty-four (24) hours following 5:00 p.m. Central time on the second day (excluding Sundays and holidays) immediately prior to the Closing Date (the "Closing Cut-off Time"), the Company will deliver to CALP a calculation of the net asset value of the Company (the "SSIC NAV") and the Contributed Investment Assets Fair Value as of the Closing Cut-off Time, in each case using the valuation policies and procedures of the Company (the "Calculation Notice"). To the extent that CALP does not agree with the calculation of the SSIC NAV or the Contributed Investment Assets Fair Value presented by the Company and set forth in the Calculation Notice, the parties shall negotiate in good faith to agree upon the calculation of the SSIC NAV or the Contributed Investment Assets Fair Value, as the case may be, prior to Closing.

Closing Conditions

Consummation of the Transactions is subject to certain closing conditions, including (1) requisite approvals of the Company's stockholders, (2) finalization of the Contributed Investment Assets Fair Value and SSIC NAV calculations, (3) the absence of certain legal impediments or challenges to the consummation of the Transactions by a governmental entity, (4) the effectiveness of a registration statement registering the issuance of the new shares of the Company's common stock and the listing of the new shares of the Company's common stock on the NASDAQ Global Market, (5) the Purchased Shares, after giving effect to the Stock Issuance, would collectively constitute at least 65%, but no more than 75%, of the total issued and outstanding shares of the Company's common stock, (6) the absence of a "material adverse effect" on the applicable party (or the Adviser) and (7) subject to certain exceptions, the accuracy of the representations, warranties and other factual statements and compliance with the covenants set forth in the Loan Portfolio Acquisition Agreement.

No-Solicitation

The Loan Portfolio Acquisition Agreement provides that the Company must immediately terminate any existing discussions and negotiations regarding any competing proposals and may not solicit competing proposals, or, subject to certain exceptions, enter into discussions or negotiations or provide information in connection with any competing proposal. However, the Board may, subject to certain conditions (including engaging in negotiations with CALP, if CALP wishes to negotiate), change its recommendation to the stockholders of the Company and, subject to payment by the Company of a termination fee in an amount of \$6,046,613 (the "Termination Fee"), terminate the Loan Portfolio Acquisition Agreement to enter into a definitive agreement with respect to a superior proposal if the Board (acting on the recommendation of the Special Committee) determines in good faith, after consultation with its outside financial advisor and outside legal counsel that the failure to take such action would be reasonably likely to constitute a breach of the standard of conduct applicable to the directors of the Company under applicable law (taking into account, among other factors, any changes to the Loan Portfolio Acquisition Agreement proposed by CALP).

Termination; Termination Fees

The Loan Portfolio Acquisition Agreement contains certain reciprocal termination rights for both parties, including if the Transactions are not consummated on or before November 18, 2024 or if the requisite approvals of the Company stockholders are not obtained. In addition, the Loan Portfolio Acquisition Agreement contains certain termination rights for the Company and CALP, including the right of the Company to terminate the Agreement in order for the Company to enter into a definitive agreement with respect to a superior proposal, subject to complying with certain requirements and the payment by the Company to CALP of the Termination Fee. CALP also has a right to terminate the Loan Portfolio Acquisition Agreement in the event the Board changes its recommendation to the stockholders of the Company (subject to payment of the Termination Fee) or in the event the Company or the Board materially breaches their respective nonsolicitation obligations (subject to payment of the Termination Fee in certain circumstances). The Termination Fee is also payable in the event of certain other terminations when a competing proposal has been made public (or was otherwise known to the Board) and was not withdrawn prior to termination and a definitive agreement is entered into a competing proposal or a competing proposal is consummated within twelve months after such termination.

Representations, Warranties and Covenants

The Loan Portfolio Acquisition Agreement contains customary representations and warranties by each of the Company and CALP and certain statements regarding the Adviser. The Loan Portfolio Acquisition Agreement also contains customary covenants, including, among others, covenants relating to the operation of each of the Company's and CALP's businesses during the period prior to Closing. The Company has agreed to convene and hold a stockholder meeting for the purpose of obtaining the approvals required of its stockholders and has agreed that the Board will, subject to certain exceptions, recommend that the Company stockholders approve the applicable proposals in connection with the Transactions.

SILVER SPIKE INVESTMENT CORP.**Notes to Financial Statements
(Unaudited)***Indemnification*

Subject to the terms of the Loan Portfolio Acquisition Agreement, CALP will indemnify the Company for damages, losses, liabilities and expenses suffered by the Company arising out of any inaccuracy, misrepresentation or breach of certain representations of CALP with respect to the Contributed Investment Assets, subject to certain per-claim and aggregate deductibles. CALP's maximum liability with respect to claims of indemnification by the Company will not exceed the value of such number of Purchased Shares (the "Holdback Shares") equal to the lesser of: (x) the quotient of (i) \$10,000,000 divided by (ii) the SSIC NAV Per Share or (y) 3% of the total issued and outstanding shares of the Company's common stock after giving effect to the Stock Issuance. From the time of the issuance of the Holdback Shares until the six month anniversary of the Closing Date (the "Holdback Release Date"), CALP will not be allowed to sell, transfer, distribute, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, any Holdback Shares (the "Transfer Restrictions"). Upon the Holdback Release Date, the Holdback Shares that are not subject to pending claims will cease to be subject to the Transfer Restrictions.

Expenses

All fees and expenses incurred in connection with the Transactions will be borne by the party incurring such fees or expenses except that transfer and similar taxes incurred in connection with the consummation of the Transactions will be borne by the Company.

Voting Agreement

On February 18, 2024, CALP, SSC, Silver Spike Holdings, LP ("Silver Spike Holdings"), the managing member of SSC, and Scott Gordon, managing member of the general partner of Silver Spike Holdings, entered into a Voting Agreement (the "Voting Agreement"), pursuant to which, among other things, SSC has agreed (i) to vote all shares of the Company's common stock beneficially owned by SSC in favor of the Transactions, (ii) to vote against any competing proposal or a superior proposal and (iii) not enter into any contract, option or other arrangement or understanding with respect to the transfer of any shares of the Company's common stock beneficially owned by SSC, other than certain customary exceptions.

The Voting Agreement will terminate upon the earliest to occur of: (i) the mutual consent of CALP and SSC, (ii) the termination of the Loan Portfolio Acquisition Agreement in accordance with its terms or (iii) the Closing. SSC has also the right to terminate the Voting Agreement if the Loan Portfolio Acquisition Agreement is amended in a manner materially adverse to SSC without SSC's consent.

General

The foregoing description of the Loan Portfolio Acquisition Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Loan Portfolio Acquisition Agreement. The representations, warranties, covenants and agreements contained in the Loan Portfolio Acquisition Agreement were made only for purposes of the Loan Portfolio Acquisition Agreement and as of specific dates; were solely for the benefit of the parties to the Loan Portfolio Acquisition Agreement (except as may be expressly set forth in the Loan Portfolio Acquisition Agreement); may be subject to limitations agreed upon by the parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Loan Portfolio Acquisition Agreement instead of establishing these matters as facts; and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors and security holders should not rely on such representations, warranties, covenants or agreements, or any descriptions thereof, as characterizations of the actual state of facts or condition of any of the parties to the Loan Portfolio Acquisition Agreement or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties, covenants and agreements may change after the date of the Loan Portfolio Acquisition Agreement, which subsequent information may or may not be fully reflected in public disclosures by the parties to the Loan Portfolio Acquisition Agreement.

NOTE 13 — SUBSEQUENT EVENTS

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

On May 8, 2024, the Board approved a cash dividend of \$0.25/share. The dividend is payable on June 28, 2024 to stockholders of record on June 20, 2024.

SILVER SPIKE INVESTMENT CORP.**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

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

Overview

We were formed in January 2021 as a Maryland corporation and structured as an externally managed, closed-end, non-diversified management investment company. We have elected to be treated as a BDC under the 1940 Act. In addition, for U.S. federal income tax purposes we have elected to be treated, and intend to qualify annually to be treated, as a RIC under Subchapter M of the Code, commencing with our taxable year ended March 31, 2022. On November 8, 2022, our Board of Directors approved a change in our fiscal year end from March 31 to December 31.

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

Our investment objective is to maximize risk-adjusted returns on equity for our shareholders. We seek to capitalize on what we believe to be nascent cannabis industry growth and drive return on equity by generating current income from our debt investments and capital appreciation from our equity and equity-related investments. We intend to achieve our investment objective by investing primarily in secured debt, unsecured debt, equity warrants and direct equity investments in privately held businesses. We intend that our debt investments will often be secured by either a first or second priority lien on the assets of the portfolio company, can include either fixed or floating rate terms and will generally have a term of between three and six years from the original investment date. To date, we have invested in first lien secured, fixed and floating rate debt with terms of two to four years. We expect our secured loans to be secured by various types of assets of our borrowers. While the types of collateral securing any given secured loan will depend on the nature of the borrower's business, common types of collateral we expect to secure our loans include real property and certain personal property, including equipment, inventory, receivables, cash, intellectual property rights and other assets to the extent permitted by applicable laws and the regulations governing our borrowers. Certain attractive assets of our borrowers, such as cannabis licenses and cannabis inventory, may not be able to be used as collateral or transferred to us. See "Item 1A. Risk Factors—Risks Relating to Our Investments—Certain assets of our borrowers may not be used as collateral or transferred to us due to applicable state laws and regulations governing the cannabis industry, and such restrictions could negatively impact our profitability." In some of our portfolio investments, we expect to receive nominally priced equity warrants and/or make direct equity investments in connection with a debt investment. In addition, a portion of our portfolio may be comprised of derivatives, including total return swaps.

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

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

SILVER SPIKE INVESTMENT CORP.

We have typically invested in and expect to continue to invest in loans made primarily to private leveraged middle-market companies with up to \$100 million of earnings before interest, taxes, depreciation and amortization, or “EBITDA.” Our business model is focused primarily on the direct origination of investments through portfolio companies or their financial sponsors. We expect that our investments will generally range between \$4 million and \$40 million each, although we expect that this investment size will vary proportionately with the size of our capital base. We have an active pipeline of investments and are currently reviewing approximately \$425 million of potential investments in varying stages of underwriting.

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

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

Revenues

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

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

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

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

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

Expenses

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

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

- the cost of our organization and offerings;
- the cost of calculating our NAV, including the cost of any third-party valuation services;
- the cost of effecting sales and repurchases of shares of our common stock and other securities;
- fees and expenses payable under any underwriting agreements, if any;
- debt service and other costs of borrowings or other financing arrangements;
- costs of hedging;

SILVER SPIKE INVESTMENT CORP.

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

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

Hedging

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

SILVER SPIKE INVESTMENT CORP.

Portfolio Composition and Investment Activity

Portfolio Composition

As of March 31, 2024, our investment portfolio had an aggregate fair value of approximately \$54.8 million and was comprised of approximately \$46.6 million in first lien, senior secured loans, and approximately \$8.2 million in senior secured notes across five portfolio companies. As of December 31, 2023, our investment portfolio had an aggregate fair value of approximately \$54.1 million and was comprised of approximately \$46.0 million in first lien, senior secured loans, and approximately \$8.1 million in senior secured notes across five portfolio companies.

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

Type	March 31, 2024	
	Amortized Cost	Fair Value
Senior Secured First Lien Term Loans	84.8%	85.0%
Senior Secured Notes	15.2	15.0
Total	100.0%	100.0%

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

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

Geographic Region	March 31, 2024	
	Amortized Cost	Fair Value
West	46.7%	46.5%
Midwest	45.8	45.8
Northeast	7.5	7.7
Total	100.0%	100.0%

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

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

Industry	March 31, 2024	
	Amortized Cost	Fair Value
Wholesale Trade	100.0%	100.0%
Total	100.0%	100.0%

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

Concentrations of Credit Risk

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

SILVER SPIKE INVESTMENT CORP.

As of March 31, 2024 and December 31, 2023, we had two portfolio companies that represented 77.1% and 77.0% respectively, of the fair values of our portfolio. As of March 31, 2024 and December 31, 2023, our largest portfolio company represented 38.7% and 38.7%, respectively, of the total fair values of our investments in portfolio companies.

Investment Activity

The following table provides a summary of the changes in the investment portfolio for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Beginning Portfolio, at fair value	\$ 54,120,000	\$ 50,254,550
Purchases	-	4,230,000
Accretion of discount and fees (amortization of premium), net	141,429	140,819
PIK interest	52,951	11,573
Proceeds from sales of investments and principal repayments	(63,000)	-
Net realized gain/(loss) on investments	-	-
Net change in unrealized appreciation/(depreciation) on investments	599,620	986,357
Ending Portfolio, at fair value	\$ 54,851,000	\$ 55,623,299

Portfolio Asset Quality

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

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

SILVER SPIKE INVESTMENT CORP.

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

Investment Performance Risk Rating	March 31, 2024	
	Investments at Fair Value	Percentage of Total Investments
1	\$ -	-%
2	54,851,000	100.00
3	-	-
4	-	-
5	-	-
Total	<u>\$ 54,851,000</u>	<u>100.00%</u>

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

Debt Investments on Non-Accrual Status

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

Results of Operations

The following discussion and analysis of our results of operations encompasses our results for the three months ended March 31, 2024 and 2023.

Investment Income

The following table sets forth the components of investment income for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Stated interest income	\$ 2,532,117	\$ 2,317,020
Accretion of discount and fees (amortization of premium), net	141,429	140,819
Payment in-kind interest	52,951	-
Total interest income	<u>2,726,497</u>	<u>2,457,839</u>
Other fee income	33,750	-
Total investment income	<u>\$ 2,760,247</u>	<u>\$ 2,457,839</u>

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

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

For the three months ended March 31, 2024, total investment income was approximately \$2.8 million, which is attributable to less than \$0.1 million of fee income related to administrative fees and approximately \$2.7 million of interest income.

The \$0.3 million increase in investment income during the three months ended March 31, 2024 in comparison to the three months ended March 31, 2023 is due to an increase in interest income driven by the increase in interest rates.

SILVER SPIKE INVESTMENT CORP.
Operating Expenses

The table below provides a detailed breakdown of the operating expenses for the quarters ending March 31, 2024 and March 31, 2023.

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	\$ Change	% Change
Transaction expenses related to the Loan Portfolio Acquisition	\$ 2,106,050	\$ -	2,106,050	100%
Management fee	246,131	238,419	7,712	3%
Capital gains incentive fees	119,924	142,602	(22,678)	-16%
Audit expense	106,625	97,883	8,742	9%
Administrator fees	98,456	77,844	20,612	26%
Insurance expense	66,279	69,082	(2,803)	-4%
Legal expenses	58,051	98,760	(40,709)	-41%
Other expenses	19,191	19,504	(313)	-2%
Custodian fees	11,850	12,000	(150)	-1%
Director expenses	5,526	35,944	(30,418)	-85%
Valuation fees	1,973	73,065	(71,092)	-97%
Income-based incentive fees	-	203,821	(203,821)	-100%
Professional fees	-	18,192	(18,192)	-100%
Total operating expenses	<u>\$ 2,840,056</u>	<u>\$ 1,087,116</u>	<u>\$ 1,752,940</u>	<u>161%</u>

Net Investment Income

Net investment income (loss) was approximately \$(0.1) million for the three months ended March 31, 2024, as compared to approximately \$1.4 million for the three months ended March 31, 2023. The fluctuation in net investment income is primarily due to transaction fees of \$2.1 million incurred in connection with the Loan Portfolio Acquisition during the quarter ended March 31, 2024. While we consider these fees to be largely non-recurring and anticipate less transaction fees going forward, we acknowledge the possibility of unforeseen transaction-related costs in future periods.

Net Realized Gains and Losses

Realized gains or losses are measured by the difference between the net proceeds from the sale or redemption of an investment or a financial instrument and the amortized cost basis of the investment or financial instrument, without regard to unrealized appreciation or depreciation previously recognized, and includes investments written-off during the period. There were no sales or redemptions of investments during the three months ended March 31, 2024 or 2023.

Net Change in Unrealized Appreciation (Depreciation) from Investments

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

Net unrealized appreciation and depreciation on investments for the three months ended March 31, 2024 and 2023 is comprised of the following:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Gross unrealized appreciation	\$ 608,096	\$ 986,357
Gross unrealized depreciation	(8,476)	-
Total net change in unrealized appreciation (depreciation) from investments	<u>\$ 599,620</u>	<u>\$ 986,357</u>

The following table details net change in unrealized appreciation (depreciation) for our portfolio for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Verano Holdings Corp.	\$ 173,035	\$ 465,148
STHIZY, Inc. (f/k/a Shryne Group Inc.)	383,468	273,416
Curaleaf Holdings, Inc.	31,445	156,992
Dreamfields Brands, Inc. (d/b/a Jeeter)	(8,476)	-
PharmaCann, Inc.	20,148	84,214
AYR Wellness, Inc.	-	6,587
Total net change in unrealized appreciation (depreciation) on investments	<u>\$ 599,620</u>	<u>\$ 986,357</u>

Financial Condition, Liquidity and Capital Resources

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

SILVER SPIKE INVESTMENT CORP.

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

Our primary use of funds will be investments in portfolio companies, dividend payments to holders of our common stock who opt out of the DRIP, and the payment of operating expenses. As of March 31, 2024 and December 31, 2023, we had cash resources of approximately \$33.2 million and \$32.6 million, respectively, and no indebtedness.

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

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

U.S. Federal Income Taxes

We elected to be treated, and intend to qualify annually to be treated, as a RIC under Subchapter M of the Code for federal income tax purposes. As a RIC, we generally will not have to pay corporate-level federal income taxes on any ordinary income or capital gains that we distribute to our stockholders from our tax earnings and profits. To obtain and maintain our RIC tax treatment, we must, among other things, meet specified source-of-income and asset diversification requirements and distribute annually at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any.

Critical Accounting Estimates

Basis of Presentation

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

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

Investment Valuation

Investments for which market quotations are readily available will typically be valued at the bid price of those market quotations. To validate market quotations, we utilize a number of factors to determine if the quotations are representative of fair value, including the source and number of the quotations. Debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value as determined in good faith by the Adviser, as the Company's valuation designee (the "Valuation Designee"), based on inputs that may include valuations, or ranges of valuations, provided by independent third-party valuation firm(s) engaged by the Adviser. Effective September 8, 2022, pursuant to Rule 2a-5 under the 1940 Act, the Board designated the Adviser as the Valuation Designee to perform the fair value determinations for the Company, subject to the oversight of the Board and certain Board reporting and other requirements.

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

SILVER SPIKE INVESTMENT CORP.

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

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

We conduct this valuation process on a quarterly basis.

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

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

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

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

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

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

SILVER SPIKE INVESTMENT CORP.

Other Contractual Obligations

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

Common Stock

Our common stock began trading on the Nasdaq Global Market on February 4, 2022 under the symbol “SSIC” in connection with our IPO of shares of our common stock.

The following table lists the net asset value per share of our common stock, the range of high and low closing sales prices of our common stock reported on the Nasdaq Global Market, the closing sale prices as a premium (or discount) to our net asset value per share and dividends per share for each fiscal quarter since our common stock began trading on the Nasdaq Global Market. On May 7, 2024, the last reported closing sales price of our common stock on the Nasdaq Global Market was \$11.40 per share, which represented a discount of approximately 16.2% to our net asset value per share of \$13.60 as of March 31, 2024.

Class and Period	Net Asset Value ⁽¹⁾	Price Range		High Sales Price Premium (Discount) to Net Asset Value ⁽²⁾	Low Sales Price Premium (Discount) to Net Asset Value ⁽²⁾	Cash Dividend Per Share ⁽³⁾
		High	Low			
Year Ended December 31, 2024						
Second Quarter (Through May 7, 2024)	*	\$ 11.40	\$ 9.61	*	*	*
First Quarter	\$ 13.60	\$ 10.28	\$ 7.65	-24.4%	-43.8%	\$ 0.25
Year Ended December 31, 2023						
Fourth Quarter	\$ 13.77	\$ 9.81	\$ 8.32	-28.8%	-39.6%	\$ 0.70 ⁽⁶⁾
Third Quarter	\$ 14.06	\$ 10.37	\$ 7.65	-26.3%	-45.6%	\$ 0.63 ⁽⁶⁾
Second Quarter	\$ 14.49	\$ 9.19	\$ 7.82	-36.3%	-45.8%	-
First Quarter	\$ 14.29	\$ 9.98	\$ 8.25	-30.2%	-42.3%	-
Year Ended December 31, 2022⁽⁴⁾						
Fourth Quarter	\$ 13.91	\$ 10.55	\$ 9.57	-24.2%	-31.2%	-
Third Quarter	\$ 13.73	\$ 10.74	\$ 9.00	-21.8%	-34.5%	-
Second Quarter	\$ 13.64	\$ 13.50	\$ 7.80	-1.0%	-42.8%	-
First Quarter ⁽⁵⁾	\$ 13.61	\$ 14.41	\$ 12.57	5.9%	-7.6%	-

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

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

Holders

As of May 7, 2024, there were approximately 3 holders of record of our common stock, which does not include stockholders for whom shares are held in “nominee” or “street name.”

SILVER SPIKE INVESTMENT CORP.**Distributions**

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

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

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

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

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

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

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

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

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

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

Declaration Date	Type	Record Date	Payment Date	Per Share Amount	Dividends Paid
August 10, 2023	Quarterly	September 15, 2023	September 29, 2023	\$ 0.23	\$ 1,429,375
August 10, 2023	Special	September 15, 2023	September 29, 2023	\$ 0.40	\$ 2,485,869
November 9, 2023	Quarterly	December 20, 2023	December 29, 2023	\$ 0.25	\$ 1,553,676
November 9, 2023	Special	December 20, 2023	December 29, 2023	\$ 0.45	\$ 2,796,617
March 8, 2024	Quarterly	March 20, 2024	March 28, 2024	\$ 0.25	\$ 1,553,662

Dividend Reinvestment Plan

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

SILVER SPIKE INVESTMENT CORP.

During the three months ended March 31, 2024, the Company issued the following shares of common stock under the DRIP:

Declaration Date	Type	Record Date	Payment Date	Shares
March 8, 2024	Quarterly	March 20, 2024	March 28, 2024	8

During the three months ended March 31, 2023, the Company issued no new shares of common stock under the DRIP.

Issuer Purchases of Equity Securities

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

Recent Developments

On February 18, 2024, we entered into a definitive Purchase Agreement (the “Loan Portfolio Acquisition Agreement”) with Chicago Atlantic Loan Portfolio, LLC (“CALP”), pursuant to which we would purchase all or substantially all of the portfolio investments held by CALP (the “Loan Portfolio”) in exchange for newly issued shares of our common stock with a net asset value equal to the value of the Loan Portfolio, each determined shortly before closing (the “Loan Portfolio Consideration”), subject to certain customary closing conditions (the “Loan Portfolio Acquisition”). Our Board of Directors, including all our independent directors, upon the recommendation of a special committee composed solely of our independent directors (the “Special Committee”), has approved the Loan Portfolio Acquisition Agreement and the transactions contemplated thereby. Our current officers would continue to be a part of our management team following the Loan Portfolio Acquisition. Assuming satisfaction of the conditions to the transaction, the Loan Portfolio Acquisition is expected to close in mid-2024. See “Note 12 – Proposed Loan Portfolio Acquisition” in the notes to the financial statements included with this quarterly report on Form 10-Q for further information regarding the Loan Portfolio Acquisition Agreement and the Loan Portfolio Acquisition.

On February 20, 2024, SSC announced that it entered into a definitive agreement with Chicago Atlantic BDC Holdings, LLC (together with its affiliates, “Chicago Atlantic”), the investment adviser of CALP, pursuant to which a joint venture between Chicago Atlantic and SSC would be created to combine and jointly operate SSC’s, and a portion of Chicago Atlantic’s, investment management businesses, subject to certain customary closing conditions (the “Joint Venture”). The Joint Venture would cause the automatic termination of our existing investment advisory agreement with SSC. As a result, our Board of Directors unanimously approved, upon the recommendation of the Special Committee, a new investment advisory agreement with SSC to take effect upon closing of the Joint Venture, subject to Company stockholder approval. The new investment advisory agreement is identical, in all material respects, to the current investment advisory agreement. Upon the effectiveness of the new investment advisory agreement, the Company would be renamed Chicago Atlantic BDC, Inc. and SSC would be renamed Chicago Atlantic BDC Advisers, LLC.

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Valuation Risk

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

Interest Rate Risk

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

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

For the three months ended March 31, 2024, the following table shows the annualized impact on net income of hypothetical base rate changes in the PRIME rate on our debt investments (considering interest rate floors for floating rate instruments):

Change in Interest Rates	Interest Income	Interest expense	Net Income/(Loss)
Up 300 basis points	\$ 1,389	\$ -	\$ 1,389
Up 200 basis points	926	-	926
Up 100 basis points	463	-	463
Down 100 basis points	(463)	-	(463)
Down 200 basis points	(883)	-	(883)
Down 300 basis points	(1,146)	-	(1,146)

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

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

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

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

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

SILVER SPIKE INVESTMENT CORP.**PART II: OTHER INFORMATION****Item 1. Legal Proceedings**

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

Item 1A. Risk Factors

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

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**Dividend Reinvestment Plan**

On March 28, 2024, pursuant to its dividend reinvestment plan, the Company issued 8 shares of its common stock, at a price of \$9.61 per share, to stockholders of record as of March 20, 2024 that did not opt out of the Company’s dividend reinvestment plan in order to satisfy the reinvestment portion of the Company’s dividends. This issuance was not subject to the registration requirements of the Securities Act. See “Item 1. Financial Statements – Note 7. Common Stock – Dividend Reinvestment Plan” for more information.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

During the three months ended March 31, 2024, none of our officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement.”

Item 6. Exhibits

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

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

* Filed herewith.

(1) Incorporated by reference to Exhibit 2.1 of the Company’s current report on Form 8-K filed on February 23, 2024.

(2) Incorporated by reference to the Company’s annual report on Form 10-K/A, filed on June 30, 2022.

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

I, Scott Gordon, Chief Executive Officer of Silver Spike Investment Corp., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Silver Spike Investment Corp. (the "registrant") for the quarter ended March 31, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2024

By:

/s/ Scott Gordon
Scott Gordon
Chief Executive Officer
(Principal Executive Officer)

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

I, Umesh Mahajan, Chief Financial Officer of Silver Spike Investment Corp., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Silver Spike Investment Corp. (the "registrant") for the quarter ended March 31, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2024

By:

/s/ Umesh Mahajan

Umesh Mahajan
Chief Financial Officer
(Principal Financial Officer)

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

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

- 1) the Company's Form 10-Q for the quarter ended March 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) as applicable of the Securities Exchange Act of 1934, as amended; and
- 2) the information contained in the Company's Form 10-Q for the quarter ended March 31, 2024 fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2024

By:

/s/ Scott Gordon

Scott Gordon
Chief Executive Officer
(Principal Executive Officer)

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

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

- 1) the Company's Form 10-Q for the quarter ended March 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) as applicable of the Securities Exchange Act of 1934, as amended; and
- 2) the information contained in the Company's Form 10-Q for the quarter ended March 31, 2024 fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2024

By:

/s/ Umesh Mahajan

Umesh Mahajan
Chief Financial Officer
(Principal Financial Officer)
