

Board of Directors Approves Asset Coverage Ratio of 150% Effective March 29, 2019

On March 29, 2018, the board of directors (the “Board”) of KCAP Financial, Inc. (the “Company”), including a “required majority” (as such term is defined in Section 57(o) of the Investment Company Act of 1940 (the “1940 Act”)) of the Board, approved the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act, as amended by the Small Business Credit Availability Act. As a result, the Company’s asset coverage requirements for senior securities will be changed from 200% to 150%, effective as of March 29, 2019.