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MidCap Financial Receives SBA Committee Approval for its Subsidiary's SBIC License

BETHESDA, MD, February 23, 2010 – Midcap Financial Holdings, LLC ("Midcap") is pleased to announce that its subsidiary, Midcap Financial SBIC, L.P., (the "Midcap SBIC"), has received approval from the Investment Committee of the United States Small Business Administration ("SBA") to operate as a Small Business Investment Company ("SBIC"). Midcap has filed its formal application and expects that the SBIC license will be issued by the end of the 3rd quarter of 2010.

The license will allow the Midcap SBIC to provide financing to qualifying small businesses in the healthcare sector. Midcap is committing \$50 million of equity to the SBIC, and current SBA regulations permit two to one leverage. The Midcap SBIC will be permitted to borrow up to \$100 million from the SBA (the "Debentures"). Debentures are issued by the Midcap SBIC and are payable semi-annually, with a ten year maturity. The interest rate is fixed at the time of issuance at a market determined spread over 10 year treasury yields U.S. Treasury Notes.

Howard Widra, Midcap's Chief Executive Officer, stated, "We are excited we have received SBA Investment Committee approval for the SBIC license. We look forward to formal approval, which we expect in late summer. This will provide an additional source of capital to serve the needs of our clients as we continue to meet the strong demand for capital in the middle market."

The Midcap SBIC will primarily target senior loans in the broad based healthcare market across Midcap's product lines.

ABOUT MIDCAP FINANCIAL, LLC

Midcap Financial, LLC is a commercial finance firm that focuses exclusively on providing debt solutions to middle market health care companies. Midcap provides a broad array of products intended to finance the growth and manage the working capital of companies spanning the breadth of the healthcare industry. Midcap is capitalized with over \$505 million of equity commitments, primarily from Genstar Capital LLC, Lee Equity Partners and Moelis Capital Partners, a unit of Moelis & Co. The company is headquartered in Bethesda, MD, with offices in Chicago and Los Angeles.

MidCap Financial focuses on investments in four areas:

- Real estate loans to senior housing, skilled nursing facilities and medical office buildings;
- Working capital loans collateralized by third-party accounts receivable and other assets;
- Leveraged loans to healthcare companies backed by private equity sponsors; and
- Life sciences loans, primarily to pharmaceutical, biotech and medical device companies.

Additional information about MidCap Financial can be found at www.midcapfinancial.com.