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Crescent Capital BDC, Inc.

# Quarterly Earnings Presentation

*For the quarter ended December 31, 2019*

# Disclaimer and Forward-Looking Statement

This presentation (the "Presentation") has been prepared by Crescent Capital BDC, Inc. (together with its consolidated subsidiaries, "CCAP" or the "Company") and may only be used for informational purposes only. This Presentation contains summaries of certain financial and statistical information about the Company and should be viewed in conjunction with the Company's most recent Quarterly Report on Form 10-Q and Annual Report on Form 10-K. The information contained herein may not be used, reproduced, referenced, quoted, linked by website, or distributed to others, in whole or in part, except as agreed in writing by the Company.

This Presentation does not constitute a prospectus and should under no circumstances be understood as an offer to sell or the solicitation of an offer to buy the Company's common stock or any other securities nor will there be any sale of the common stock or any other securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such state or jurisdiction. This Presentation provides limited information regarding the Company and is not intended to be taken by, and should not be taken by, any individual recipient as investment advice, a recommendation to buy, hold or sell, or an offer to sell or a solicitation of offers to purchase, the Company's common stock or any other securities that may be issued by the Company, or as legal, accounting or tax advice. An investment in securities of the type described herein presents certain risks.

Footnotes contain important information about the definition of terms used herein, the composition of the investment portfolio and related performance information as well as unrealized investment valuations and should be carefully reviewed. Market data and information included herein (including information relating to portfolio companies) is based on various published and unpublished sources considered to be reliable, but has not been independently verified and there is no guarantee of its accuracy or completeness. Performance information contained herein is based in significant part on unrealized investment valuations which may not be achieved. We undertake no duty or obligation to publicly update or revise the information contained in this Presentation.

Legal, tax and regulatory changes, as well as judicial decisions, both within and outside of the United States, could have an adverse impact on the Company and its investments. Instability in the securities markets may increase the risk inherent in CCAP's investments in that the ability of issuers to refinance or redeem portfolio securities held may depend on their ability to sell new securities in the market. Future periods of uncertainty in the U.S. economy and the economies of other countries of issuers of securities and loans in which the Company may invest, and the possibility of increased volatility, default rates and deterioration in financial markets, may adversely affect the Company's investment portfolio.

This Presentation may contain forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by the use of forward-looking terminology such as "anticipates," "believes," "expects," "intends," "will," "should," "may," "plans," "continue," "believes," "seeks," "estimates," "would," "could," "targets," "projects," "outlook," "potential," "predicts" and variations of these words and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words. You should read statements that contain these words carefully because they discuss plans, strategies, prospects and expectations concerning CCAP's business, operating results, financial condition and other similar matters. We believe that it is important to communicate our future expectations to our investors. There may be events in the future, however, that we are not able to predict accurately or control. You should not place undue reliance on these forward-looking statements, which speak only as of the date on which we make them. Factors or events that could cause our actual results to differ, possibly materially from our expectations, include, but are not limited to, the risks, uncertainties and other factors we identify in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in filings we make with the Securities and Exchange Commission (the "SEC"), and it is not possible for us to predict or identify all of them. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

CCAP is managed by Crescent Cap Advisors, LLC (the "Investment Adviser"), an SEC-registered investment adviser and a subsidiary of Crescent Capital Group LP (together with its affiliates, "Crescent").

This Presentation contains information about the Company and certain of its affiliates and includes the Company's historical performance. You should not view information related to the past performance of the Company as indicative of the Company's future results, the achievement of which is dependent on many factors, many of which are beyond the control of the Company and the Investment Adviser and cannot be assured. There can be no assurances that future dividends will match or exceed historic rates or will be paid at all. Further, an investment in the Company is discrete from, and does not represent an interest in, any other Crescent entity. Nothing contained herein shall be relied upon as a promise or representation whether as to the past or future performance of the Company or any other Crescent entity.

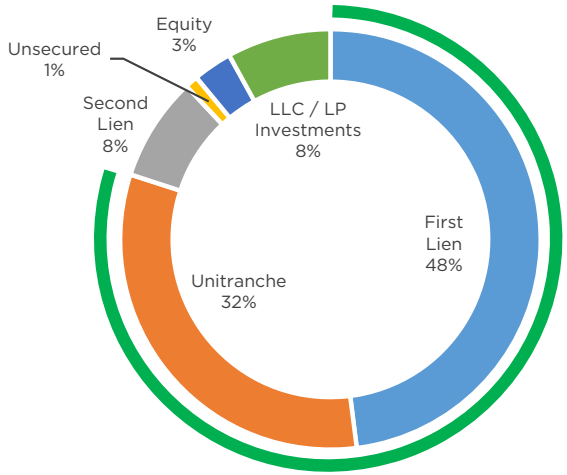
# A. Portfolio Update

# Portfolio Highlights

## CCAP Portfolio Characteristics – December 31, 2019

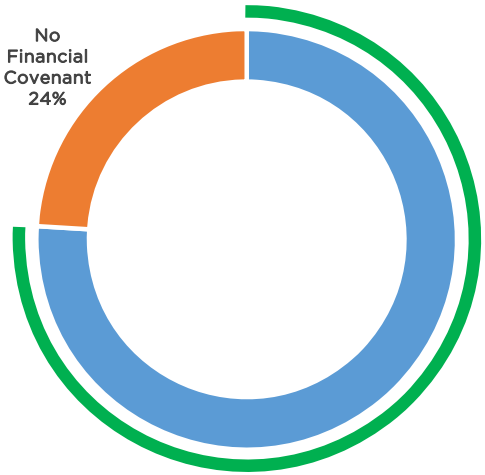
| $727mm | $29mm | 0.5x | 4.9x | 99% |
|---|---|---|---|---|
| Investments at fair value[1] | Median portfolio company EBITDA[2] | Weighted avg. portfolio company attachment point[2][3][4][5] | Weighted avg. portfolio company leverage[2][3][4][5] | Sponsored debt positions[3] |

### Asset Type[1]



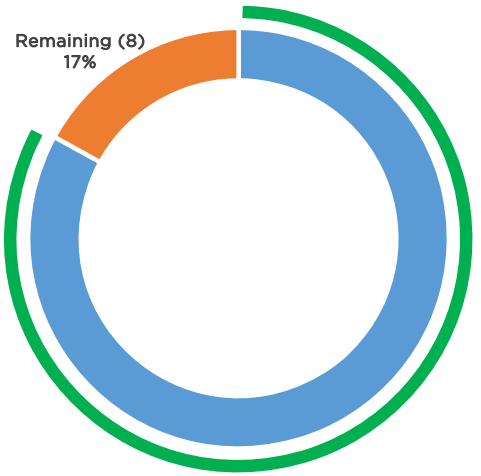

80% First Lien

### Portfolio Companies with Covenant[3]




76% with Financial Covenants

### Non-Cyclical Industry Focus[1][6]




83% Non-Cyclical Industries[7]

(1) Based on fair value of investments.
(2) At underwrite.
(3) Includes debt investments only.
(4) Represents leverage through CCAP owned securities.
(5) Based on total commitments, defined as outstanding par amount plus unfunded amount.
(6) Excludes LLC/LP Investments and asset-based loans. Excluded assets comprise less than 10% of total fair value of investments.
(7) Designation of "non-cyclical" based on CCAP management's general views on cyclicality. Management considers the following industries non-cyclical: commercial & professional services; healthcare equipment & services; software services; consumer services; insurance; pharmaceutical, biotech & life sciences; food & staples retailing; household & personal products; media; telecom services; and food, beverages & tobacco.
(8) Includes investments in the following industries: auto & components; capital goods; energy; retail; financials; materials; transportation; tech hardware & equipment; and consumer durables & apparel.



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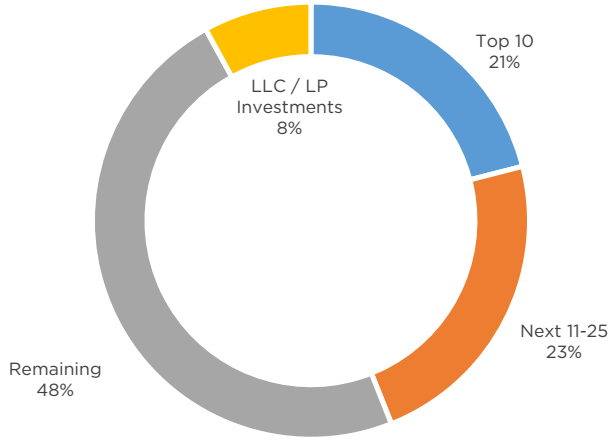
# Portfolio Highlights (Cont'd)

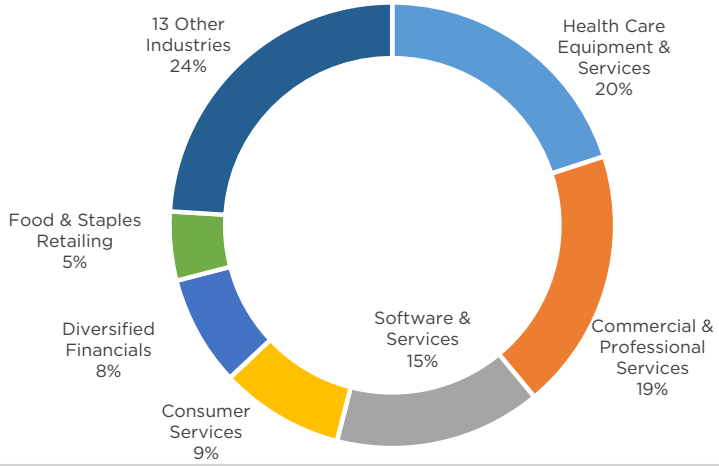
## Diversification Characteristics

- 98 Portfolio Companies
- $7mm / 1.0% Average Position
- High FCF & Non-Cyclical Industry Focus
- U.S.-Centric Investments

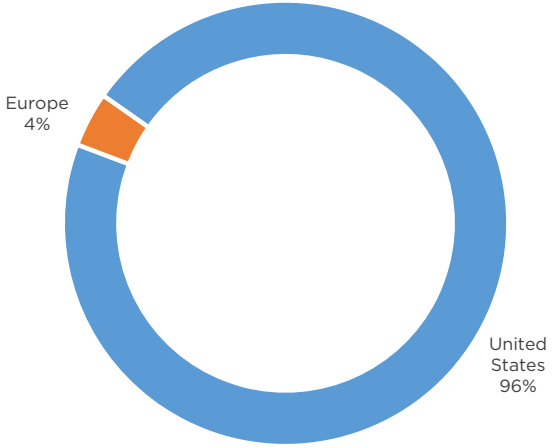
## Diversification




## Industry




## Geography



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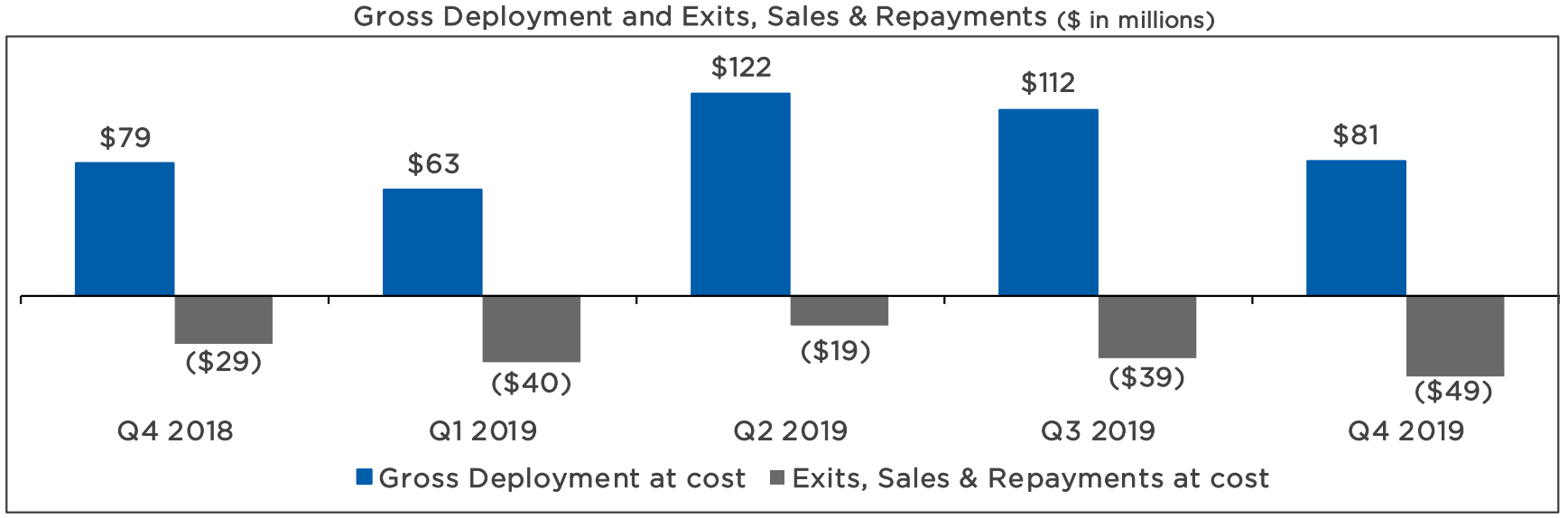
# Portfolio Activity

| ($ in thousands) | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 |
|---|---|---|---|---|---|
| Beginning Investments, at fair value | $ 449,780 | $ 493,342 | $ 520,254 | $ 624,905 | $ 692,283 |
| Gross Deployment at cost | 79,146 | 63,382 | 121,791 | 112,345 | 80,823 |
| Exits, Sales & Repayments at cost | (28,971) | (39,935) | (18,701) | (38,502) | (48,690) |
| Change in Unrealized/Realized Gain (Loss) & Other | (6,613) | 3,465 | 1,561 | (6,465) | 2,115 |
| Ending Investments, at fair value | $ 493,342 | $ 520,254 | $ 624,905 | $ 692,283 | $ 726,531 |



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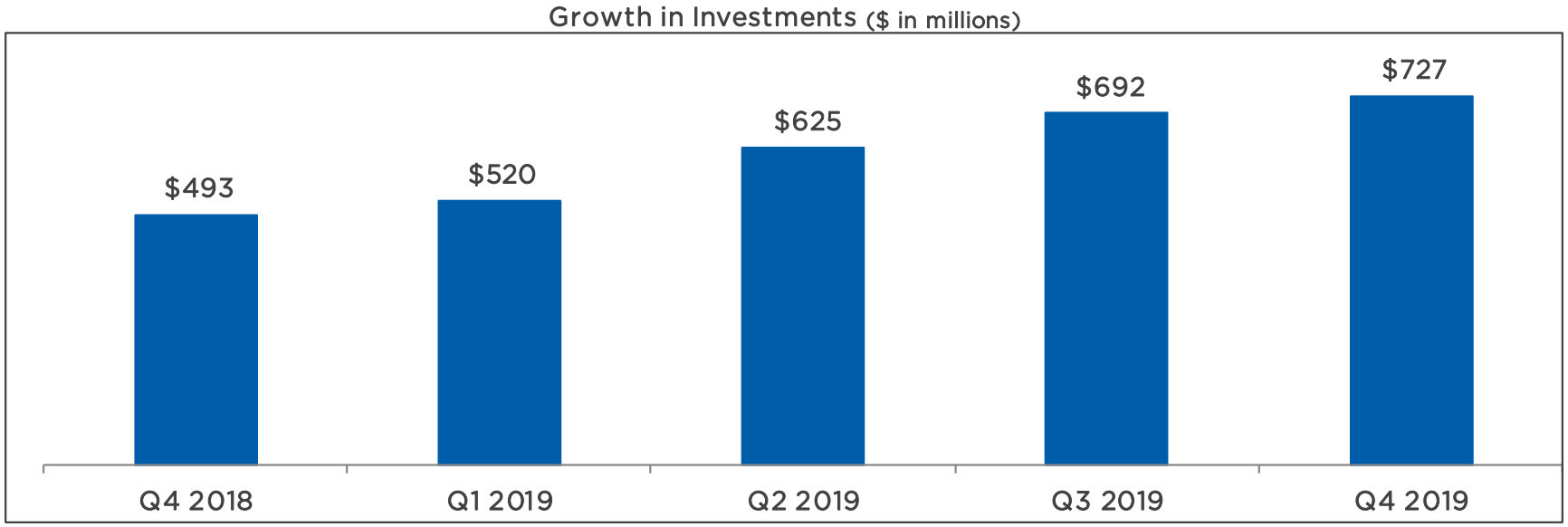
# Portfolio Yield and Growth

| ($ in thousands) | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 |
|---|---|---|---|---|---|
| Investments, at fair value | $ 493,342 | $ 520,254 | $ 624,905 | $ 692,283 | $ 726,531 |
| Weighted Average Yield (at cost) [1] | 9.0% | 8.9% | 8.6% | 8.5% | 8.4% |
| Percentage of debt investments at a floating rate | 95% | 95% | 96% | 98% | 98% |
| Number of portfolio companies | 86 | 86 | 91 | 96 | 98 |




(1) Weighted average yield on debt investments at amortized cost is computed as (a) the annual stated interest rate or yield earned plus additional interest, if any, as a result of arrangements between us and other lenders in any syndication plus the net annual amortization of original issue discount and market discount earned on accruing debt investments, divided by (b) total debt investments at amortized cost. Yield is inclusive of a return on income producing investments in GACP II LP and CBDC Senior Loan Fund, LLC.



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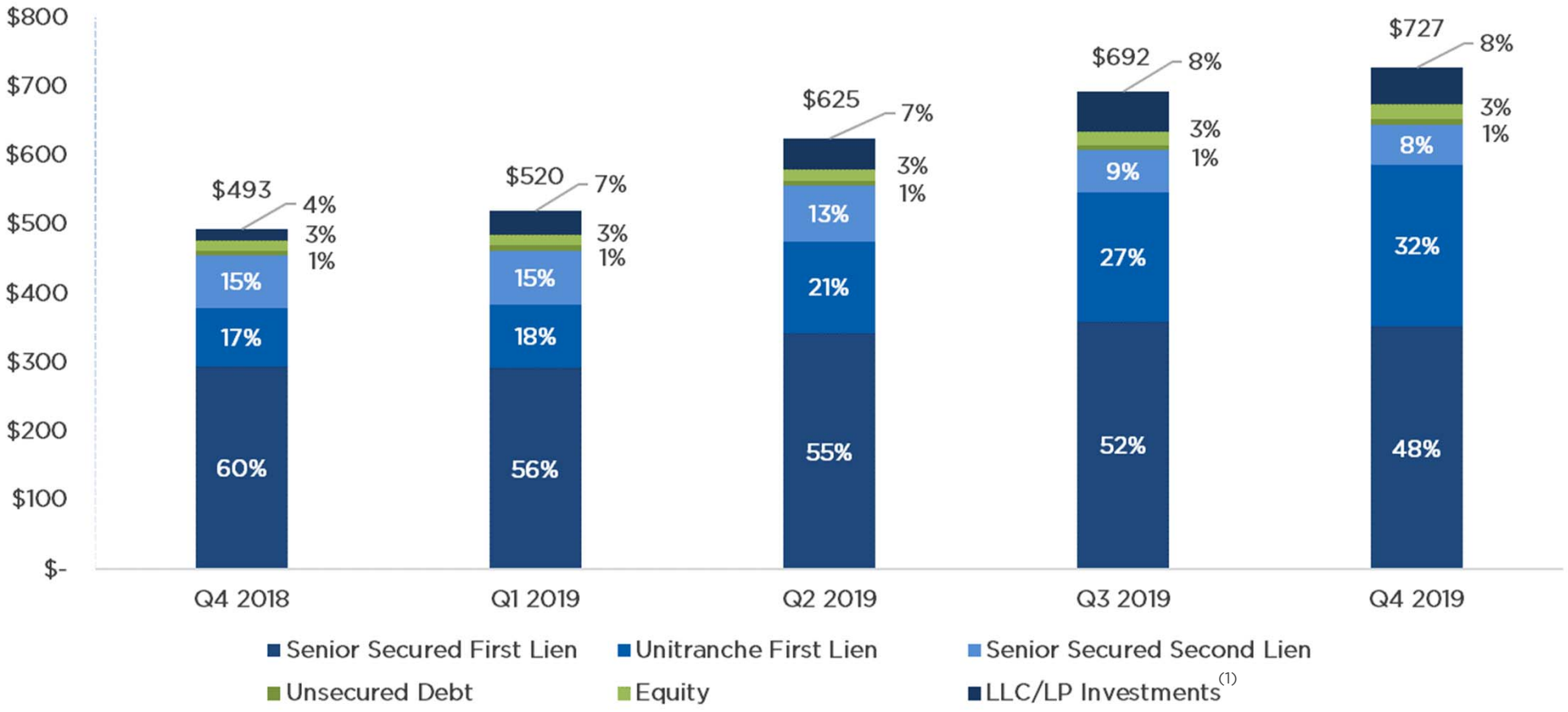
# Portfolio by Asset Type

($ in millions)




(1) Includes limited partnership interest in GACP II LP, along with equity commitment in the CBDC Senior Loan Fund, LLC.



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# Investment Performance Ratings

| | ($ in millions) | Mar 31, 2019 | | Jun 30, 2019 | | Sep 30, 2019 | | Dec 31, 2019 | |
|---|---|---|---|---|---|---|---|---|---|
| | Investment Rating | Fair Value | % of Fair Value | Fair Value | % of Fair Value | Fair Value | % of Fair Value | Fair Value | % of Fair Value |
| At or above expectations | 1 | $ 4.4 | 1% | $ 8.5 | 2% | $ 8.5 | 1% | $ 19.1 | 3% |
| | 2 | 461.6 | 89% | 564.0 | 90% | 624.3 | 90% | 653.1 | 90% |
| Below expectations | 3 | 47.7 | 9% | 45.9 | 7% | 51.0 | 8% | 47.8 | 6% |
| | 4 | 6.6 | 1% | 6.5 | 1% | 6.6 | 1% | 6.5 | 1% |
| | 5 | - | 0% | - | 0% | 1.9 | 0% | - | 0% |
| | Total Investments (1) | $ 520.3 | 100% | $ 624.9 | 100% | $ 692.3 | 100% | $ 726.5 | 100% |

## Internal Investment Ratings Definition

| Rating | Definition |
|---|---|
| 1 | Investment is performing above expectations and the trends and risk factors are generally favorable. |
| 2 | Investment is generally performing as expected and the risk factors are neutral to favorable. |
| 3 | Investment is performing below expectations and may be out of compliance with debt covenants; however, loan payments are generally not past due. |
| 4 | Investment is performing materially below expectations and is generally out of compliance with debt covenants. The risk factors have increased materially since investment. |
| 5 | Investment is performing substantially below expectations and the risk factors have substantially increased since investment. Investments are not anticipated to be repaid in full. |

(1) At fair value and excludes unfunded commitments.



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# B. Financial Results

# Summary of Quarterly Results – December 31, 2019

- Net investment income for the three month period ended December 31, 2019 was $8.3 million, or $0.41 per share, which compares to $9.2 million, or $0.49 per share for Q3 2019

- Declared Q4 2019 dividend of $8.6 million, or $0.41 per share, which compares to $8.0 million, or $0.41 per share for Q3 2019. Dividend coverage for Q4 2019 was 99%[(1)]

- Net increase in net assets resulting from operations for the three month period ended December 31, 2019 was $9.2 million, or $0.45 per share

- Net realized and unrealized gain on investments, net of taxes, of $0.9 million, or $0.04 per share

- Net asset value per share was $19.50 as of December 31, 2019, up from $19.48 per share as of September 30, 2019

Note: Net asset value per share is based on the shares outstanding at quarter-end. Dividend distributions per share is based on the shares outstanding on the declaration date. Net investment income per share and net realized and unrealized gain/(loss) per share are based on the weighted average number of shares outstanding for the period.
(1) Dividend Coverage is calculated by dividing net investment income per share by the dividend distribution per share declared for the quarter.

# Financial Highlights

## Key Per Share Data

| | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 |
|---|---|---|---|---|---|
| Net Investment Income per share | $ 0.47 | $ 0.47 | $ 0.47 | $ 0.49 | $ 0.41 |
| Net realized and unrealized gain (loss) per share | (0.61) | 0.14 | 0.07 | (0.34) | 0.04 |
| Earnings (loss) per share | (0.14) | 0.61 | 0.54 | 0.15 | 0.45 |
| Dividend distributions per share | 0.40 | 0.41 | 0.41 | 0.41 | 0.41 |
| **Net Asset Value (NAV) per share** | **$ 19.43** | **$ 19.63** | **$ 19.75** | **$ 19.48** | **$ 19.50** |
| | | | | | |
| Dividend Coverage [1] | 117% | 115% | 115% | 119% | 99% |

## Key Financial Condition Data

| ($ in thousands) | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 |
|---|---|---|---|---|---|
| Investments, at fair value | $ 493,342 | $ 520,254 | $ 624,905 | $ 692,283 | $ 726,531 |
| Total Leverage Outstanding (gross) | 237,403 | 235,024 | 268,520 | 323,241 | 325,441 |
| Total Leverage Facility Capacity | 260,000 | 260,000 | 335,000 | 450,000 | 450,000 |
| Debt to Equity | 0.91x | 0.81x | 0.84x | 0.85x | 0.80x |
| Outstanding Capital Commitments [2] | $ 139,562 | $ 117,412 | $ 101,587 | $ 36,587 | $ 44,297 |
| Called Capital as a % of Total Capital Commitments | 65.6% | 71.3% | 76.0% | 91.4% | 90.3% |
| | | | | | |
| **Net Asset Value (NAV)** | **$ 259,579** | **$ 288,648** | **$ 320,784** | **$ 380,823** | **$ 406,917** |

Note: Net asset value per share is based on the shares outstanding at the respective quarter-end. Dividend distributions per share is based on the shares outstanding on the declaration date. Net investment income per share, net realized and unrealized gain/(loss) per share and earnings (loss) per share are based on the weighted average number of shares outstanding for the period.

(1) Dividend Coverage is calculated by dividing net investment income per share by the dividend distribution per share declared for the quarter.

(2) The remaining capital call commitments were called prior to the merger close on January 31, 2020.



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# Quarterly Operating Results

| ($ in thousands except per share data) | For the The Three Months Ended Dec 31, 2018 | Mar 31, 2019 | June 30, 2019 | Sep 30, 2019 | Dec 31, 2019 |
|---|---|---|---|---|---|
| **Investment Income** | | | | | |
| Interest & Dividend income | $ 10,404 | $ 11,400 | $ 12,492 | $ 14,799 | $ 14,626 |
| Other income | 105 | 56 | 27 | 37 | $ 41 |
| **Total Investment Income** | **$ 10,509** | **$ 11,456** | **$ 12,518** | **$ 14,836** | **$ 14,667** |
| **Expenses** | | | | | |
| Interest and other debt financing costs | $ 2,667 | $ 2,809 | $ 3,173 | $ 3,524 | $ 3,856 |
| Management fees-Base, net of waiver | 963 | 987 | 1,116 | 1,250 | 1,343 |
| Management fees-Incentive, net of waiver | (0) | - | - | - | - |
| Organization expenses | 57 | 42 | 49 | 45 | - |
| Income and excise taxes | 114 | 2 | 3 | 8 | 125 |
| Other general and administrative | 740 | 785 | 802 | 840 | 1,033 |
| Total Expenses and taxes | $ 4,540 | $ 4,627 | $ 5,143 | $ 5,668 | $ 6,357 |
| **Net Investment Income after taxes** | **$ 5,969** | **$ 6,829** | **$ 7,376** | **$ 9,168** | **$ 8,310** |
| **Net Gain (Loss) on Investments** | | | | | |
| Net realized gain (loss) on investments | $ (364) | $ (247) | $ (184) | $ (24) | $ (6,757) |
| Net unrealized appreciation (depreciation) on foreign currency forward contracts | 17 | (27) | 309 | 1,205 | (812) |
| Net unrealized appreciation (depreciation) on investments | (7,324) | 2,756 | 1,042 | (7,596) | 8,086 |
| Net gain (loss) on investments | $ (7,671) | $ 2,481 | $ 1,167 | $ (6,415) | $ 517 |
| Benefit/(Provision) for taxes on unrealized appreciation (depreciation) on investments | (105) | (449) | (31) | (26) | 351 |
| **Net increase in Net Assets Resulting from Operations** | **$ (1,807)** | **$ 8,861** | **$ 8,512** | **$ 2,728** | **$ 9,178** |
| Net Investment Income Per Share | $ 0.47 | $ 0.47 | $ 0.47 | $ 0.49 | $ 0.41 |
| Dividend Distributions Declared | $ 5,343 | $ 6,028 | $ 6,661 | $ 8,015 | $ 8,554 |
| Weighted average common shares outstanding | 12,724,993 | 14,464,423 | 15,703,473 | 18,810,099 | 20,320,131 |

# Quarterly Statements of Assets and Liabilities

| ($ in thousands except per share data) | As of Dec 31, 2018 | Mar 31, 2019 | June 30, 2019 | Sep 30, 2019 | Dec 31, 2019 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investments, at fair value | $ 493,342 | $ 520,254 | $ 624,905 | $ 692,283 | $ 726,531 |
| Cash and cash equivalents | 10,369 | 11,994 | 9,040 | 18,083 | 13,427 |
| Receivable for shares & investments sold | 37 | 765 | - | 260 | 160 |
| Deferred Merger Expenses | - | - | - | - | 3,006 |
| Deferred Tax Asset [1] | 299 | 278 | 282 | 273 | 420 |
| Unrealized appreciation on foreign currency forward contracts [1] | 17 | 109 | 308 | 1,504 | 758 |
| Other assets | 1,355 | 2,101 | 2,957 | 4,819 | 2,872 |
| **Total Assets** | **$ 505,419** | **$ 535,501** | **$ 637,493** | **$ 717,222** | **$ 747,175** |
| **Liabilities and Net Assets** | | | | | |
| Secured Borrowings (Leverage, gross) | $ 237,403 | $ 235,024 | $ 268,520 | $ 323,241 | $ 325,441 |
| Deferred financing costs (netted against gross debt) [1] | (1,695) | (1,518) | (1,923) | (3,755) | (3,431) |
| Interest and credit facility expense payable | 1,850 | 2,025 | 2,348 | 2,986 | 3,545 |
| Payable for open trades | 300 | 2,007 | 37,825 | 10 | - |
| Dividend Payable | 5,343 | 6,028 | 6,661 | 8,015 | 8,554 |
| Management/Incentive fees payable | 963 | 987 | 1,116 | 1,250 | 1,343 |
| Due to Administrator/Advisor | 315 | 403 | 372 | 378 | 175 |
| Deferred Tax Liability [1] | 604 | 1,032 | 1,067 | 1,083 | 879 |
| Accrued Merger Expenses | - | - | - | - | 1,667 |
| Other liabilities [1] | 758 | 863 | 725 | 3,191 | 2,085 |
| **Total Liabilities** | **$ 245,841** | **$ 246,852** | **$ 316,709** | **$ 336,399** | **$ 340,258** |
| **Total Net Assets (NAV)** | **$ 259,579** | **$ 288,648** | **$ 320,784** | **$ 380,823** | **$ 406,917** |
| **Total Liabilites and Net Assets** | **$ 505,419** | **$ 535,501** | **$ 637,493** | **$ 717,222** | **$ 747,175** |
| **NAV Per Share and Leverage Ratio** | | | | | |
| Common shares outstanding | 13,358,289 | 14,703,566 | 16,245,796 | 19,549,661 | 20,862,314 |
| NAV Per Share | $ 19.43 | $ 19.63 | $ 19.75 | $ 19.48 | $ 19.50 |
| Debt to Equity [1] | 0.91x | 0.81x | 0.84x | 0.85x | 0.80x |

(1) Prior periods were updated to reflect current period presentation.



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# Net Asset Value Per Share Bridge – Q4 2019




Note: Net asset value per share is based on the shares outstanding at the respective quarter-end. Dividend distributions per share is based on the shares outstanding on the declaration date. Net investment income per share and net realized/unrealized gains per share are based on the weighted average number of shares outstanding for the period.



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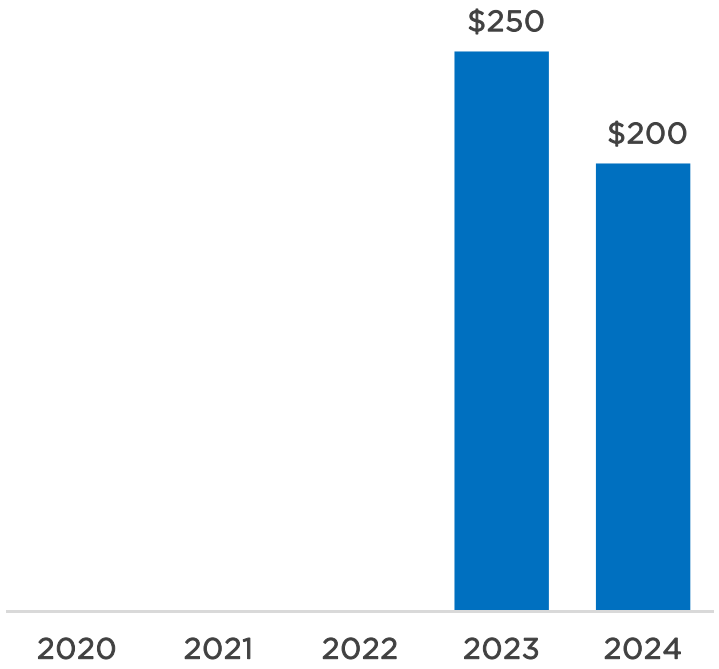
# Committed Leverage Facilities

($ in millions)

**Debt Summary (1)**

| | Total Committed Amount | Principal Amount Outstanding | Interest Rate | Maturity Date |
|---|---|---|---|---|
| SPV Asset Facility | $250 | $220 | L+165<br>L+225 | 9/28/23 |
| Corporate Revolving Facility | $200 | $105 | L+230 | 8/20/24 |
| **Total Debt** | **$450** | **$325** | | |

**Debt Maturities**




Note: Leverage Facility Capacity represents maximum principal amount of the facility subject to borrowing base advance rates and certain other limits/restrictions.
(1) As of December 31, 2019.



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# C. Pro Forma Combined Portfolio

# Acquisition of Alcentra Capital Corporation

- In August 2019, the Company entered into a definitive agreement to acquire Alcentra Capital Corporation ("Alcentra Capital") in a cash and stock transaction (the "Alcentra Acquisition").

- Upon the completion of the Alcentra Acquisition in January 2020, each share of Alcentra Capital common stock was converted into the right to receive (a) $1.50 in cash (less $0.80 per share spillover dividend declared by Alcentra Capital), and (b) shares of our common stock converted at a fixed exchange ratio of 0.4041.

- Alcentra Capital shareholders also received approximately $1.68 per share in cash from Crescent Cap Advisors.

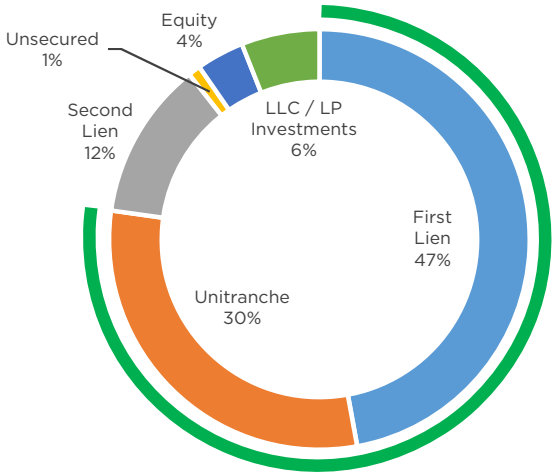
- With the closing of the merger, the Company began trading on the NASDAQ stock exchange under the ticker symbol "CCAP."

# Pro Forma Combined Portfolio Highlights

## Pro Forma Portfolio Characteristics – December 31, 2019

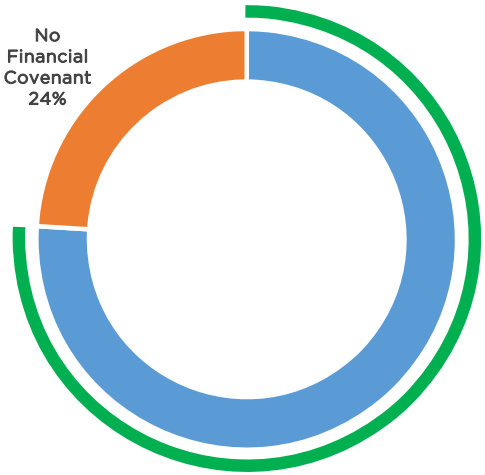
| $923mm | $28mm | 0.6x | 5.1x | 99% |
|---|---|---|---|---|
| Investments at fair value[1] | Median portfolio company EBITDA[2] | Weighted avg. portfolio company attachment point[2][3][4][5] | Weighted avg. portfolio company leverage[2][3][4][5] | Sponsored debt positions[3] |

### Asset Type[1]



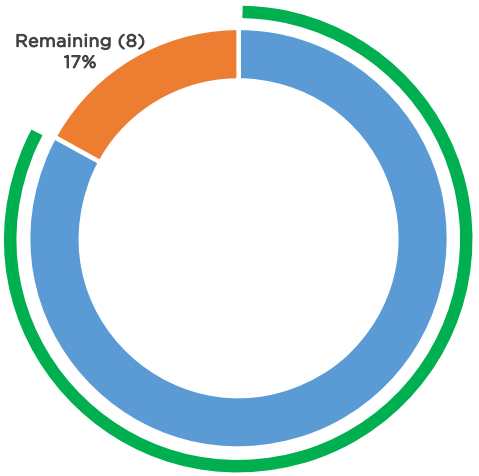

77% First Lien

### Portfolio Companies with Covenant[3]




76% with Financial Covenants

### Non-Cyclical Industry Focus[1][6]




83% Non-Cyclical Industries[7]

(1) Based on CCAP's audited fair value of investments as of December 31, 2019, and Alcentra Capital portfolio's unaudited fair value of investments as of December 31, 2019.
(2) At underwrite for CCAP portfolio investments. At closing as of January 31, 2020 for Alcentra Capital portfolio investments.
(3) Includes debt investments only.
(4) Represents leverage through CCAP and Alcentra Capital owned securities.
(5) Based on total commitments, defined as outstanding par amount plus unfunded amount.
(6) Excludes LLC/LP investments, asset-based loans, and structured credit. Excluded assets comprise less than 10% of pro forma total fair value of investments.
(7) Designation of "non-cyclical" based on CCAP management's general views on cyclicality. Management considers the following industries non-cyclical: commercial & professional services; healthcare equipment & services; software services; consumer services; insurance; pharmaceutical, biotech & life sciences; food & staples retailing; household & personal products; media; telecom services; and food, beverages & tobacco.
(8) Includes investments in the following industries: auto & components; capital goods; energy; retail; financials; materials; transportation; tech hardware & equipment; and consumer durables & apparel.



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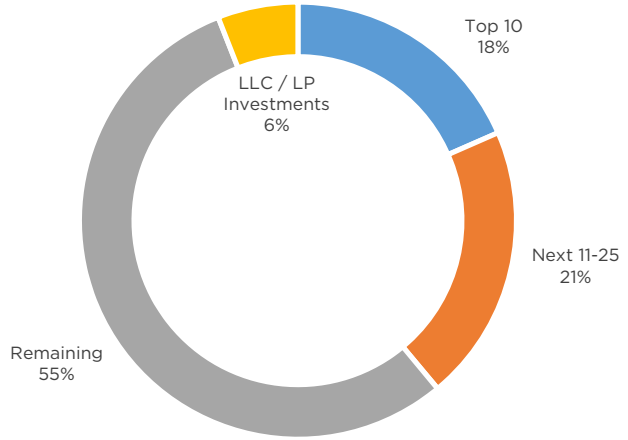
# Pro Forma Combined Portfolio Highlights (Continued)

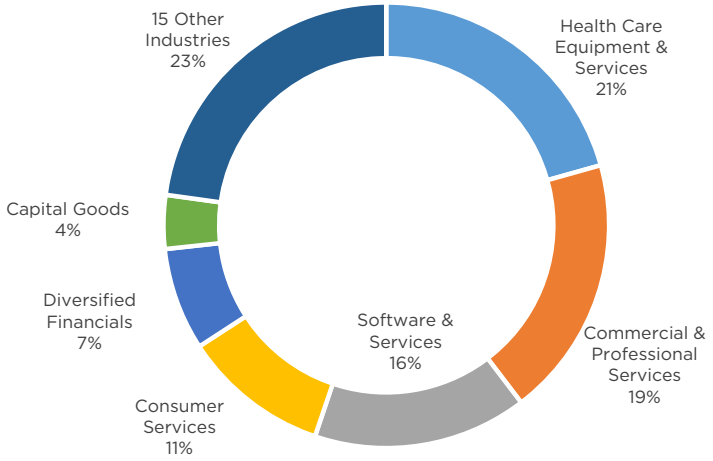
## Diversification Characteristics

- 125 Portfolio Companies
- $7mm / 0.8% Average Position
- High FCF & Non-Cyclical Industry Focus
- U.S.-Centric Investments

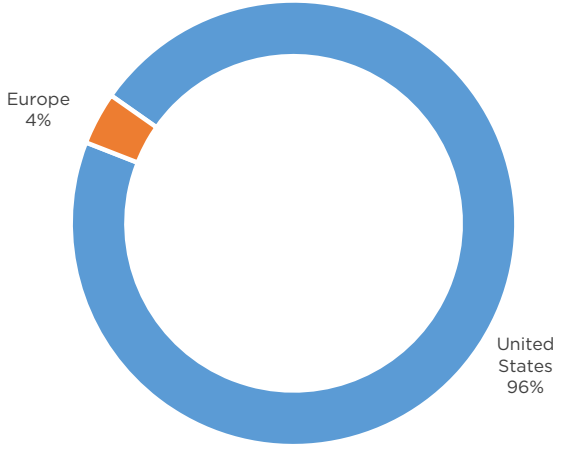
## Diversification




## Industry




## Geography






Based on CCAP's audited fair value of investments as of December 31, 2019, and Alcentra Capital portfolio's unaudited fair value of investments as of December 31, 2019.

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# Pro Forma Combined Net Asset Value Per Share Bridge – Q4 2019




Note: Net asset value per share is based on the shares outstanding at the respective quarter-end. Dividend distributions per share is based on the shares outstanding on the declaration date. Net investment income per share and net realized/unrealized gains per share are based on the weighted average number of shares outstanding for the period.



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