



Runway Growth Finance Corp.

Overview of Proposed Transaction

NASDAQ Listed | [RWAY](#) | [RWAYL](#) | [RWAYZ](#)



October 2024

Forward-looking Statements

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What We're Announcing

Runway Growth Capital, RWAY's investment adviser, is entering into a combination with BC Partners whereby BC Partners Credit will acquire Runway Growth Capital as a long-term, strategic investment.

- + Runway Growth Capital will continue to operate independently and serve as the external investment adviser to **Runway Growth Finance Corp. (or "Runway Growth") (Nasdaq: RWAY)**, with the **current leadership and investment teams remaining** in place.
- + Agreement positioned to **expand origination channels, enhance investment solutions**, and **accelerate access to capital** as Runway Growth seeks to expand its portfolio and strengthen its leadership position in the broader venture ecosystem.

Transaction Overview

1

BC Partners Acquisition: Runway Growth Capital and BC Partners Credit, the \$8 billion credit arm of BC Partners Advisors, an approximately \$40 billion AUM alternative investment firm, today announced a definitive agreement whereby BC Partners Credit will acquire Runway. BC Partners' credit arm is acquiring Runway Growth Capital as a long-term, strategic investment, complementing BC Partners' existing platform across private lending, opportunistic credit and specialty finance.

2

Continuation in Investment Advisory Role: Runway Growth Capital will continue to operate independently and serve as the external investment adviser to Runway Growth Finance (Nasdaq: RWAY) ("Runway Growth" or the "Company"), a publicly traded business development company, with the current leadership and investment teams remaining in place.

3

Board Approval: The Runway Growth Board of Directors unanimously recommends that the Company's stockholders approve Runway to continue in its capacity as the Company's investment adviser. Closing of the transaction is subject to customary closing conditions, including approval of a new investment advisory agreement with Runway, by the Company's stockholders, the terms of which are expected to remain the same as the existing investment advisory agreement.

4

Go-Forward Plan: As Runway Growth seeks to strengthen the venture ecosystem, the transaction will expand origination channels, enhance investment solutions, and accelerate capital formation and fundraising capabilities.

Senior management of Runway Growth Capital LLC has agreed to vote their shares in favor of the transaction. The transaction is expected to close in the fourth quarter of 2024.

Key Transaction Benefits

The transaction fortifies Runway's market positioning as the only pureplay late- and growth-stage lending platform in venture lending and enables Runway to accelerate originations in its target investment size of \$30-150 million as part of a world-class platform in BC Partners.

Fueling Operational Excellence

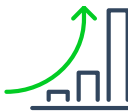


Prioritizes consistency in leadership: Preserves Runway's existing management team while adding key resources to achieve strategic execution as Runway expands its venture lending investment strategy.



Augments access to capital: Strengthens Runway's ability to invest across the liquidity spectrum and provides capacity for Runway to deploy additional leverage and participate in larger deals which will grow AUM and generate additional origination activities.

Driving Investment Opportunities



Enhances financing solutions: Allows Runway to deliver more comprehensive financing solutions for a wider range of borrowers by harnessing BC Partners' resources and scale.



Expands origination channels: Access to BC Partners' overall investment platform positions Runway to expand origination channels, strengthen sourcing capabilities and capture a broader range of investment opportunities designed to enhance stockholder value.



Fueling Operational Excellence

Expanding Runway's Opportunity Set

BC Partners is a world-class private markets platform. Combining BC Partners' resources and scale with Runway's network, expertise and differentiated presence in the market will enable Runway to work more efficiently within the capital stack, deliver more comprehensive financing solutions for a wider range of borrowers, and improve access to larger deals across a broader range of industries.

Broad and Deep Sourcing Capabilities

- Access to networks in Europe built over 35+ years and in North America over nearly 15 years.
- Over 60 PE and 30 Credit deal professionals evaluating 200+ deals annually across the middle market in North America and Europe.
- Proactive origination platform for bespoke investment opportunities across the credit spectrum.
- Greatly augments information on primary deal flow and secondary debt purchases.

Sector Expertise

- PE deal team focuses on 4 core sectors – Technology, Media and Telecom, Healthcare, Business Services & Industrial, Consumer/Retail.
- Advantaged insights and technical know-how via consultation with PE team and proprietary market research enhances BC Partners Credit's diligence.
- Credit team leverages PE's sector knowledge but acts industry agnostic across private lending / structured equity, asset-based lending, stressed / distressed circumstances and event driven and special situations.

Portfolio Operations Team

- Eight operating partners with expertise across industries and functions to help maintain a diversified portfolio with target positions at 3 – 5%.
- Middle market borrowers attracted to value-add not typically available to companies their size.
- Downside protection in recovery situations by structuring strong covenants and lender protections.
- Manage various vehicles, from special opportunities funds to public BDCs, to provide flexible solutions.

BC Partners' Broader Institutional Platform

- Infrastructure of a \$40 billion asset manager.
- Central Functions (Legal, HR, IT, Group Finance, Admin)
- Investor Relations
- Capital Markets
- History and commitment of providing LPs with material co-investment capacity.
- Valuation committees, compliance software and allocation oversight to protect against platform risk.

Consistent Leadership to Deliver Runway's Vision

The transaction preserves Runway's existing highly experienced leadership team with strong venture-related backgrounds while adding key resources to achieve strategic execution.

Runway's Leadership



David Spreng
Chairman, CEO, CIO, Founder

Prior Experiences



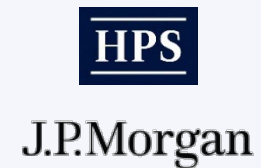
Tom Raterman
CFO, COO

Prior Experiences



Greg Greifeld
Deputy CIO, Head of Credit,
Managing Director

Prior Experiences





Driving Investment Opportunities

Strengthening Origination Engine: Origination Team Overview

Runway’s top-of-the-funnel deal generation is focused exclusively on venture lending execution. By enabling Runway to both originate loans from the BC Partners platform and partner on tailored solutions, this transaction is positioned to expand Runway’s origination engine, leading to a diversified and strengthened portfolio. Below is an overview of our current origination team.

Origination Engine

Top-down origination effort led by David Spreng and supported by four dedicated specialists with deep relationships across the venture landscape



David Spreng CEO, CIO
Brad Pritchard MD
Jeff Goldrich MD
Brian Sapp MD
Ted Cavan MD

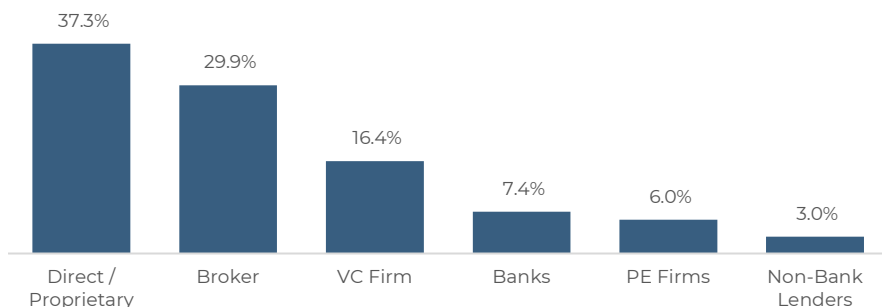
- Multi-tiered approach to deal sourcing includes: (i) venture capital and private equity funds (ii) direct-to-borrower (iii) venture banks and (iv) advisors / brokers.
- Borrower types include both sponsor-backed and non-sponsor, which influences the approach to origination.

Investment Capabilities

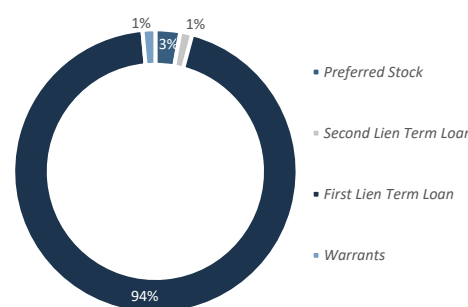
Pureplay venture lender with investments structured to maximize returns while minimizing losses, with potential upside equity participation

Target Facility Size:	\$30-\$150M+
Sectors:	Tech, Life Sciences/Healthcare, Select Consumer in the U.S.
Criteria:	<ul style="list-style-type: none"> No real estate, restaurant, or brick and mortar retail exposure; no energy Focus on mission-critical, recurring-revenue products Avoid SMB, focused on B to large B Avoid lumpy revenue streams
Interest Rate:	SOFR plus 700 - 1000(+); occasional PIK
Other Fees:	Origination, end of term and prepayment fees
Warrant Coverage:	Included in 75% of deals
Loan To Value:	Less than 30%
Covenant Coverage:	Performance and Liquidity
Stage Of Growth:	Proven revenue model and track record
Use Of Proceeds:	Mostly to fund growth (sales, distribution)

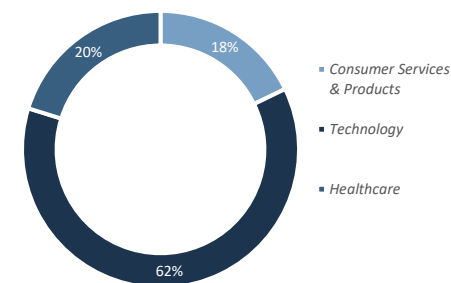
Sourcing by Channel (# of Deals)



Security Type Mix⁽¹⁾⁽²⁾

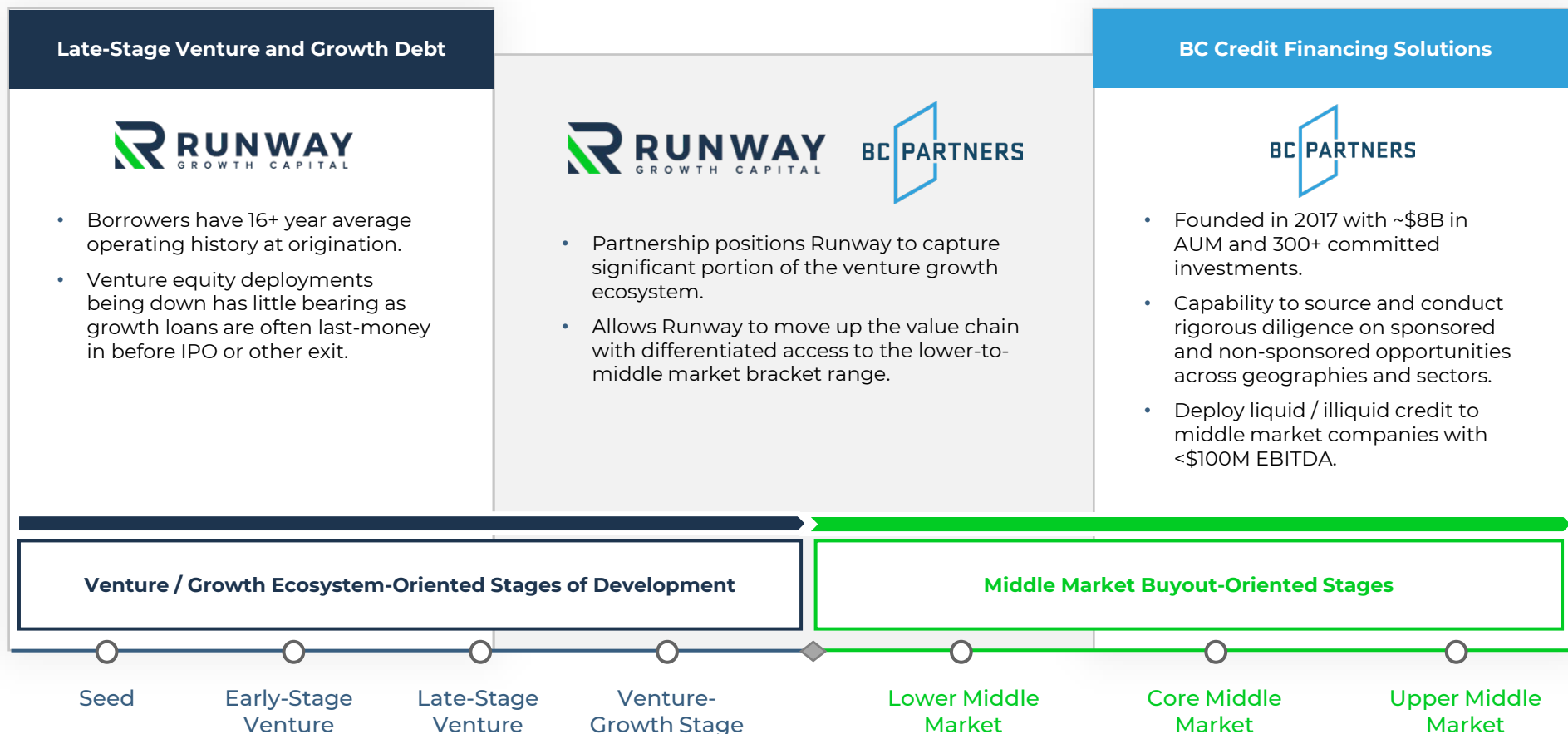


Industry Type Mix⁽¹⁾



Creating a Full-Service Credit Platform

The transaction enables Runway and BC Partners to create a full-serve credit platform that spans late-stage venture through Upper Middle Market asset classes with best-in-class financing solutions.





**Contact us with any
questions or comments.**

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