UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

FOR THE FISCAL YEAR ENDED December 31, 2023

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

COMMISSION FILE NUMBER: 814-01180

Runway Growth Finance Corp.

(Exact name of registrant as specified in its charter)

Maryland	**47-5049745**
(State of incorporation)	(I.R.S. Employer Identification No.)
205 N. Michigan Ave., Suite 4200 **Chicago, Illinois**	**60601**
(Address of principal executive offices)	(Zip Code)

(312) 698-6902

(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	RWAY	Nasdaq Global Select Market LLC
7.50% Notes due 2027	RWAYL	Nasdaq Global Select Market LLC
8.00% Notes due 2027	RWAYZ	Nasdaq Global Select Market LLC

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☐
Emerging growth company ☒	

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the Registrant's common stock held by non-affiliates of the Registrant as of the last day of the Registrant's most recently completed second fiscal quarter was approximately $293 million based upon the last close price of $12.35 reported for such date on the Nasdaq Global Select Market LLC.

There were 40,509,269 shares of the Registrant's common stock outstanding as of March 7, 2024 .

Auditor Firm ID: 49 Auditor Name: RSM US LLP Auditor Location: Chicago, Illinois

RUNWAY GROWTH FINANCE CORP.
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PART I

Item 1. Business

Runway Growth Finance Corp.

Runway Growth Finance Corp. ("we," "us," "our," or the "Company"), a Maryland corporation formed on August 31, 2015, is structured as an externally managed, non-diversified closed-end management investment company. On August 18, 2021, we changed our name to "Runway Growth Finance Corp." from "Runway Growth Credit Fund Inc." We are a specialty finance company focused on providing senior secured loans to high growth-potential companies in technology, life sciences, healthcare information and services, business services, financial services, select consumer services and products and other high-growth industries. Our goal is to create significant value for our stockholders, and the entrepreneurs we support, by providing high growth-potential companies with hybrid debt and equity financing that is more flexible than traditional credit and less dilutive than equity. Our investment objective is to maximize our total return to our stockholders primarily through current income on our loan portfolio, and secondarily through capital gains on our warrants and other equity positions. Our offices are in Chicago, Illinois; Menlo Park, California; and New York, New York.

We have elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the "1940 Act"). We have also elected to be treated as regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). While we currently qualify, and expect to qualify annually, to be treated as a RIC, no assurance can be provided that we will be able to maintain our tax treatment as a RIC. If we fail to qualify for tax treatment as a RIC for any taxable year, we will be subject to U.S. federal income tax at corporate rates on any net taxable income for such year. See "— Certain U.S. Federal Income Tax Considerations" and "Note 2 — Summary of Significant Accounting Policies" to our consolidated financial statements in Part II, Item 8 of this Form 10-K for more information.

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). We will remain an emerging growth company until the last day of our fiscal year following the fifth anniversary of our IPO (December 31, 2026), or until the earliest of (i) the last day of the first fiscal year in which we have total annual gross revenue of $1.235 billion or more, (ii) December 31 of the fiscal year in which we become a “large accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (together with the rules and regulations promulgated thereunder, the “Exchange Act”), (which would occur if the market value of our common stock held by non-affiliates exceeds $700.0 million, measured as of the last business day of our most recently completed second fiscal quarter, and we have been publicly reporting for at least 12 months), or (iii) the date on which we have issued more than $1.0 billion in non-convertible debt during the preceding three-year period. For so long as we remain an emerging growth company under the JOBS Act, we will be subject to reduced public company reporting requirements.

From the commencement of investment operations on December 16, 2016, through December 31, 2023, we funded 77 portfolio companies and invested $2.1 billion in debt investments. As of December 31, 2023, our debt investment portfolio, excluding U.S. Treasury bills, consisted of 29 portfolio companies with an aggregate fair value of $978.5 million while our equity portfolio consisted of 58 warrant positions, five preferred stock positions, six common stock positions, one equity interest position, and one convertible note position in 48 portfolio companies with an aggregate fair value of $46.5 million. As of December 31, 2023, 98.5%, or $964.1 million, of our debt investment portfolio at fair value consisted of senior term loans. As of December 31, 2023, our net assets were $547.1 million, and all of our debt investments were secured by all or a portion of the tangible and intangible assets of the applicable portfolio company. The debt investments in our portfolio are generally not rated by any rating agency. If the individual debt investments in our portfolio were rated, they would be rated below "investment grade." Debt investments that are unrated or rated below investment grade are sometimes referred to as "junk bonds" and have predominantly speculative characteristics with respect to the issuer’s capacity to pay interest and repay principal.

For the year ended December 31, 2023, our debt investment portfolio had a dollar-weighted annualized yield of 15.8%. For the year ended December 31, 2022, our debt investment portfolio had a dollar-weighted annualized yield of 13.7%. For the year ended December 31, 2021, our debt investment portfolio had a dollar-weighted annualized yield of 13.8%. We calculate the yield on dollar-weighted debt investments for any period measured as (1) total related investment income during the period divided by (2) the daily average of the fair value of debt investments outstanding during the period, including any debt investments on non-accrual status. As of December 31, 2023, our debt investments had a dollar-weighted average outstanding term of 58 months at origination and a dollar-weighted average remaining term of 39 months, or approximately 3.2 years. As of December 31, 2023, substantially all of our debt investments had a committed principal amount of between $6.0 million and $85.0 million and pay cash interest at annual interest rates between 8.0% and 15.6%.

The following table shows our dollar-weighted annualized yield by investment type for the years ended December 31, 2023, and December 31, 2022, and December 31, 2021:

	Fair Value(1)			Cost(2)		
	Year Ended December 31,			Year Ended December 31,		
	2023	2022	2021	2023	2022	2021
Investment type:						
Debt investments	15.78 %	13.71 %	13.77 %	15.54 %	13.49 %	13.52 %
Equity interest	2.66 %	3.42 %	2.68 %	2.06 %	3.31 %	3.43 %
All investments	15.20 %	13.22 %	12.74 %	14.79 %	13.00 %	12.78 %

(1) We calculate the dollar-weighted annualized yield on average investment type for any period as (a) total related investment income during the period divided by (b) the daily average of the fair value of the investment type outstanding during the period, including any investments on non-accrual status. The dollar-weighted annualized yield represents the portfolio yield and will be higher than what investors will realize because it does not reflect our expenses or any sales load paid by investors.

(2) We calculate the dollar-weighted annualized yield on average investment type for any period as (a) total related investment income during the period divided by (b) the daily average of the investment type outstanding during the period, at amortized cost, including any investments on non-accrual status. The dollar-weighted annualized yield represents the portfolio yield and will be higher than what investors will realize because it does not reflect our expenses or any sales load paid by investors.

About RGC

We are externally managed by Runway Growth Capital LLC ("RGC" or the "Adviser"), an investment adviser that has registered with the U.S. Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the "Advisers Act"). Runway Administrator Services LLC (the "Administrator"), a wholly-owned subsidiary of RGC, provides all administrative services necessary for us to operate. Subject to the overall supervision of our board of directors ("Board of Directors"), RGC manages our day-to-day operations and provides us with investment advisory services pursuant to an investment advisory agreement, as amended and restated (the "Advisory Agreement"). Under the terms of the Advisory Agreement, RGC:

- determines the composition of our portfolio, the nature and timing of the changes to the portfolio and the manner of implementing such changes;
- identifies, evaluates and negotiates the structure of the investments we make;
- executes, closes and monitors the investments we make;
- determines the securities and other assets that we will purchase, retain or sell;
- performs due diligence on prospective investments; and
- provides us with other such investment advisory, research and related services as we may, from time to time, reasonably require for the investment of our funds.

Pursuant to the Advisory Agreement, we pay RGC a fee for its investment advisory and management services consisting of two components: a base management fee and an incentive fee. The cost of both the base management fee and incentive fee are ultimately borne by our stockholders. See "Note 3 — Related Party Agreements and Transactions" to our consolidated financial statements in Part II, Item 8 of this Form 10-K for more information on the Advisory Agreement and the fee structure thereunder.

Payment of Our Expenses

All professionals of RGC, when and to the extent engaged in providing investment advisory and management services to us, and the compensation and routine overhead expenses of personnel allocable to these services to us, are provided and paid for by RGC and not by us. We bear all other out-of-pocket costs and expenses of our operations and transactions, including, without limitation, those relating to:

- our pro-rata portion of fees and expenses related to an initial public offering in connection with a spin-off transaction;
- fees and expenses related to public and private offerings, sales and repurchases of the Company's securities;
- calculating our net asset value (including the cost and expenses of any independent valuation firm);
- fees and expenses payable to third parties, including agents, consultants or other advisers, in connection with monitoring financial and legal affairs for us and in providing administrative services, monitoring our investments and performing due diligence on our prospective portfolio companies or otherwise relating to, or associated with, evaluating and making investments;
- interest payable on debt incurred to finance our investments;
- sales and purchases of our common stock and other securities;
- investment advisory and management fees;
- administration fees payable under the administration agreement with the Administrator (the "Administration Agreement");
- transfer agent and custodial fees;
- federal and state registration fees;
- all costs of registration and listing our securities on any securities exchange;
- U.S. federal, state and local taxes;
- independent directors' fees and expenses;
- costs of preparing and filing reports or other documents required by the SEC, the Financial Industry Regulatory Authority or other regulators;
- costs of any reports, proxy statements or other notices to stockholders, including printing costs;
- our allocable portion of any fidelity bond, directors' and officers' errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and
- all other expenses incurred by us, our Administrator or RGC in connection with administering our business, including payments under the Administration Agreement based on our allocable portion of our Administrator's overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our Chief Compliance Officer and Chief Financial Officer and their respective staffs.

Investment Committee

RGC's investment committee (the "Investment Committee") consists of R. David Spreng, RGC's founder, Chief Executive Officer and Chief Investment Officer, Thomas B. Raterman, our Acting President, Chief Financial Officer, Chief Operating Officer, Treasurer and Secretary, and RGC's Chief Financial Officer and Chief Operating Officer, Greg Greifeld, our Acting Chief Executive Officer and RGC's Managing Director, Deputy Chief Investment Officer and Head of Credit, and Gregory M. Share, OCM Growth's (as defined below) appointee. The Investment Committee meets regularly to consider our investments, review our strategic initiatives and supervise the actions taken by RGC on our behalf. In addition, the Investment Committee reviews and monitors the performance of our investment portfolio. Each investment must be approved by a majority of the Investment Committee. In addition, Mr. Spreng, as Chairman of the Investment Committee, has the right to veto the approval of any investment, and any investment by us that is outside of certain agreed upon investment criteria requires the affirmative vote of OCM Growth's appointee to the Investment Committee. See "— Strategic Relationship" below for more information.

Board Approval of the Advisory Agreement

Our Board of Directors, including a majority of the directors who were not "interested persons," as defined in Section 2(a)(19) of the 1940 Act, of us or RGC ("the Independent Directors"), approved the Advisory Agreement at a virtual meeting on April 7, 2021 and recommended that our stockholders approve the Advisory Agreement. In reliance upon certain exemptive relief granted by the SEC in connection with the global COVID-19 pandemic, the Board of Directors undertook to ratify the Advisory Agreement at its next in-person meeting which was held in July 2021. The Advisory Agreement became effective on May 27, 2021 upon approval by our stockholders at a special meeting of stockholders of the Company. The Advisory Agreement amended the prior advisory agreement to include certain revisions to the management and incentive fee calculation mechanisms and clarify language relating to liquidity events. In its consideration of the approval of the Advisory Agreement, our Board of Directors focused on information it had received relating to, among other things:

- the nature, quality and extent of the advisory and other services provided to us by RGC under the terms of the Advisory Agreement;
- our investment performance and the investment performance of RGC;
- comparative data with respect to advisory fees or similar expenses paid by other BDCs with similar investment objectives;
- information about the services being performed and the personnel performing such services under the Advisory Agreement;
- our projected operating expenses and expense ratio compared to BDCs with similar investment objectives, including expenses related to investment due diligence, travel and investigating and monitoring investments;
- any existing and potential sources of indirect income to RGC from its relationship with us and RGC's profitability; and
- the extent to which economies of scale would be realized as we grow and whether fee levels reflect these economies of scale for the benefit of our stockholders.

Our Board of Directors did not quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision. Our Board of Directors did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination. Rather, our Board of Directors based its approval on the totality of information presented to, and the investigation conducted by, it. In considering the factors discussed above, individual directors may have given different weights to different factors. Based on its review of the above-mentioned factors and discussion of the Advisory Agreement, our Board of Directors approved the Advisory Agreement as being in our and our stockholders' best interests and recommended that our stockholders approve the Advisory Agreement as well. The initial two-year term of the Advisory Agreement expired on May 27, 2023, however, prior to the expiration of the initial term, on May 2, 2023 at an in-person meeting, the Board of Directors re-approved the Advisory Agreement for a period of twelve months, commencing May 23, 2023.

Duration and Termination

Unless terminated earlier as described below, the Advisory Agreement will continue automatically for successive annual periods provided that such continuance is specifically approved at least annually by (i) (A) the affirmative vote of a majority of our Board of Directors or (B) the affirmative vote of a majority of our outstanding voting securities, and (ii) the affirmative vote of a majority of our Independent Directors. The Advisory Agreement automatically terminates in the event of its assignment, as defined in the 1940 Act, and may be terminated, without penalty, upon not more than 60 days' written notice, by (i) the affirmative vote of a majority of our outstanding voting securities, (ii) the affirmative vote of a majority of our Board of Directors, including a majority of our Independent Directors, or (iii) RGC. See "Risk Factors — Risks Related to our Business and Structure — RGC and our Administrator have the right to resign upon not more than 60 days' notice, and we may not be able to find a suitable replacement for either within that time, or at all, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations" in Part I, Item 1A of this Form 10-K.

About Our Administrator

We have entered into the Administration Agreement with our Administrator, a wholly-owned subsidiary of RGC, pursuant to which our Administrator is responsible for furnishing us with office facilities and equipment and provides us with clerical, bookkeeping, recordkeeping and other administrative services at such facilities. Pursuant to the Administration Agreement, we pay our Administrator an amount equal to our allocable portion (subject to the review of our Board of Directors) of our Administrator's overhead resulting from its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our Chief Compliance Officer and Chief Financial Officer and their respective staffs associated with performing compliance functions.

Strategic Relationship

In December 2016, we and RGC entered into a strategic relationship with Oaktree Capital Management, L.P. ("Oaktree"). In connection with the strategic relationship, OCM Growth Holdings, LLC ("OCM Growth") purchased an aggregate of 14,571,334 shares of our common stock for an aggregate purchase price of $219.3 million in our Initial Private Offering and Second Private Offering (each as defined in "Note 9 – Net Assets" in Part II, Item 8 of this Form 10-K). Oaktree Opportunities Fund Xb Holdings (Delaware), L.P. ("Oaktree Opportunities") purchased 24,100 shares of our common stock in secondary transactions in 2020 and 2022. As of December 31, 2023, OCM Growth and Oaktree Opportunities (together with OCM Growth, the "OCM Holders"), each an affiliate of Oaktree, own 16,473,290 shares and 18,878 shares of our common stock, respectively, or 40.7% of our outstanding shares. Pursuant to an irrevocable proxy, certain shares held by OCM Growth must be voted in the same proportion that our other stockholders vote their shares. Of the 16,492,168 shares of our common stock owned by the OCM Holders, 15,588,549 shares, or approximately 38% of our outstanding shares, are subject to this proxy voting arrangement.

In connection with OCM Growth's commitment, we entered into a stockholder agreement, dated December 15, 2016, with OCM Growth, pursuant to which OCM Growth has a right to nominate a member of our Board of Directors for election for so long as OCM Growth holds shares of our common stock in an amount equal to, in the aggregate, at least one-third (33%) of OCM Growth's initial $125.0 million capital commitment. Gregory M. Share, Managing Director of Oaktree's Global Opportunities Group in Los Angeles, serves on our Board of Directors as OCM Growth's director nominee and is considered an interested director. OCM Growth also holds a minority interest in RGC and has the right to appoint a member of RGC's board of managers and a member of RGC's investment committee. Mr. Share is OCM Growth's appointee to RGC's board of managers and investment committee.

Investment Strategy and Approach

Our investment objective is to maximize our total return to our stockholders primarily through current income on our loan portfolio, and secondarily through capital gains on our warrants and other equity positions. We invest in senior secured term loans and other senior debt obligations and may on occasion invest in second lien loans. We have and continue to expect to acquire warrants and other equity securities from portfolio companies in connection with our investments in loans to these companies.

We focus on lending to late and growth stage companies in technology, life sciences, healthcare information and services, business services, financial services, select consumer services and products and other high-growth industries.

We are typically the sole lender to our portfolio companies and do not actively syndicate the loans we originate to other lenders nor do we participate in syndications built by other lenders.

We originate our investments through two strategies: Sponsored Growth Lending and Non-Sponsored Growth Lending. In addition to our core strategy of providing Sponsored Growth Lending and Non-Sponsored Growth Lending, we may also opportunistically participate in the secondary markets for investments that are consistent with our broader investment strategy.

We seek to construct a balanced portfolio with diversification among sponsored and non-sponsored transactions, diversification among sponsors within the Sponsored Growth Lending strategy, diversification among industry, geography, and stage of development, all contributing to a favorable risk adjusted return for the portfolio viewed as a whole. Borrowers tend to use the proceeds of our financings to invest in sales and marketing, expand capacity of the overall business or refinance existing debt.

Sponsored Growth Lending. Our Sponsored Growth Lending generally includes loans to late and growth stage companies that are already backed by established venture capital and private equity firms. Our Sponsored Growth Lending strategy typically includes the receipt of warrants and/or other equity from the venture-backed companies.

We believe that our Sponsored Growth Lending strategy is particularly attractive because the loans we make typically have higher investment yields relative to lending to larger, more mature companies and usually include additional equity upside potential. We believe our Sponsored Growth Lending strategy:

- provides us access to many high-quality companies backed by top-tier venture capital and private equity investors;
- delivers consistent returns through double-digit loan yields; and
- often offers us the ability to participate in equity upside of portfolio companies through the acquisition of warrants.

Non-Sponsored Growth Lending. Our Non-Sponsored Growth Lending strategy generally includes loans to late and growth stage, private companies that are funded directly by entrepreneurs and founders, or companies that no longer require institutional equity investment (which may selectively include publicly traded companies). We refer to these target borrowers as "non-sponsored growth companies".

Generally, financing available to these non-sponsored companies is predicated on the underlying value of the business's assets, in an orderly liquidation scenario, and/or the entrepreneur's own personal financial resources. These options frequently provide insufficient capital to fund growth plans and do not consider the underlying enterprise value of the business which may be substantial relative to the value of tangible assets deployed in the business. We are frequently the only senior lender to non-sponsored growth companies and evaluate business fundamentals, the commitment of the entrepreneur and secondary sources of repayment in our underwriting approach.

Exemptive Relief

As a BDC, we are generally limited in our ability to invest in any portfolio company in which RGC or any of its affiliates currently has an investment or to make any co-investments with RGC or its affiliates without an exemptive order from the SEC, subject to certain exceptions. On August 10, 2020, we, RGC, and certain other funds and accounts sponsored or managed by RGC were granted an exemptive order (the "Order"), as amended on August 30, 2022, that permits us greater flexibility than the 1940 Act permits to negotiate the terms of co-investments if our Board of Directors determines that it would be advantageous for us to co-invest with other accounts sponsored or managed by RGC or its affiliates in a manner consistent with our investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. We believe that the ability to co-invest with similar investment structures and accounts sponsored or managed by RGC or its affiliates will provide additional investment opportunities and the ability to achieve greater diversification. Under the terms of the Order, a majority of our Independent Directors are required to make certain determinations in connection with a co-investment transaction, including that (1) the terms of the proposed transaction are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors.

Market Opportunity

We believe that the market environment is favorable for us to continue to pursue an investment strategy primarily focused on late stage and high-growth companies in technology, life sciences, healthcare information and services, business services, financial services, select consumer services and products and other high-growth industries.

Focus on Innovative Companies Across a Variety of High-Growth Industries

Diversified high growth-potential industries: We target companies active in industries that support high growth-potential. Our Sponsored Growth Lending strategy is focused on the largest industry sectors where venture capital investors are active, primarily technology, life sciences, healthcare information and services, business services, financial services, select consumer services and products and other high-growth industries. These industries' continued growth is supported mostly by ongoing innovation and performance improvements in specific products as well as the adoption of innovative technologies and services across virtually all industries in response to competitive pressures. Term debt has been a loan product used by many of the largest, most successful venture-backed companies.

Sponsored and Non-Sponsored Growth Lending Represents an Attractive Source of Funding

Sponsored Growth Lending: An attractive market opportunity exists for a lender that invests in secured loans to late and growth stage companies that have not yet achieved profitability. Sponsored growth lending provides an attractive source of funds for venture-backed companies, their management teams, and their equity capital investors, as it:

- is typically less dilutive and complements equity financing from venture capital and private equity funds;
- often extends the time period during which a company can operate before seeking additional equity capital or pursuing a sale transaction or other liquidity event; and
- generally allows companies to better match cash sources with uses.

Non-Sponsored Growth Lending: An attractive market opportunity exists for a lender that invests in secured loans to late and growth stage companies that have reached profitability and need long-term growth capital but do not want the challenges that come with selling equity to venture capital or private equity firms. Non-Sponsored Growth Lending often provides all or some of the following benefits to our borrowers:

- access to growth capital without the requirement to take on institutional-size investments that may exceed the company's capital requirements;
- tax deductible interest payments;
- no significant operational involvement;
- no personal guarantees;
- very modest dilution, if any; and
- no loss of managerial control or forced redemption.

Large and Growing Market for Debt Financing to Venture Capital-Backed Companies

Healthy, stable venture environment: Approximately 13,608 companies received venture capital financing in 2023, according to the Pitchbook-NVCA Venture Monitor, a quarterly report published jointly by NVCA and Pitchbook on venture capital activity ("Pitchbook-NVCA"), and approximately 8.4% of these transactions were first-round financings. In 2023, venture deal volume amounted to an estimated $171 billion in value. While the current venture environment is currently demonstrating reduced activity and some disruption following an extended cycle of expansion, management believes the general state of the venture ecosystem healthy, particularly among very late and growth stage segments. The significant increase in investment amounts beginning in 2014 through 2022 was largely the result of growth investments in later-stage companies that are staying private longer. The venture debt lending market, as defined in the Q4 2023 Pitchbook-NVCA Venture Monitor, is estimated at $30.2 billion or roughly 17.7% of total U.S. venture capital deal value. While the current venture environment is currently demonstrating reduced activity and some disruption following an extended cycle of expansion, management believes the general state of the venture ecosystem healthy, particularly among very late and growth stage segments.

Growing pool of target companies: The average time from initial venture capital investment to transaction exit of such investment, either by an initial public offering or merger and acquisition transaction, has lengthened considerably. According to the Pitchbook-NVCA 2016 Yearbook, in 1998 the average number of years from initial venture investment to initial public offering of a U.S. venture capital-backed company was 3.1 years and the average number of years from initial venture investment to merger and acquisition transaction was 4.5 years. These numbers have steadily increased and have ranged between 6.0 years and 6.3 years from 2017 through 2020. According to the Q4 2023 Pitchbook-NVCA Venture Monitor, the current average time from initial venture investment to exit transaction is now 5.9 years. Exit transactions are a small proportion of companies financed by venture capital each year. As a result, the pool of target companies has grown larger with increased demand for private capital.

Highly Fragmented, Underserved Market with High Barriers to Entry

Many viable venture-backed companies have been unable to obtain sufficient growth financing from traditional lenders, such as commercial banks or asset-based finance companies, because traditional lenders normally underwrite to tangible asset values and/or operating cash flows. If such firms do provide financing, their loans normally contain financial performance covenants stipulating tangible asset coverage or setting standards of operating performance that do not apply to our target companies. Because sponsored growth lending and non-sponsored growth lending require specialized underwriting and investment structures that fit the distinct characteristics of venture-backed companies and non-sponsored growth companies, more traditional lending approaches largely do not apply to these companies. We also believe that our relationship-based approach to investing helps us to assess and manage investment risks and determine appropriate pricing for our debt investments in portfolio companies.

Competitive Advantages

We believe we are well positioned to address the market for growth lending in a manner that will result in a competitive advantage over other established sponsored growth lenders. We believe our competitive strengths and key differentiators include:

Experienced, Proven Management Team Supported by a Deep Bench of Dedicated Investment Professionals

The senior investment professionals of RGC have over 30 years of experience as venture capitalists and lenders who have developed a disciplined, repeatable approach to investing and managing investments in high potential growth businesses. We believe that the experience, relationships and disciplined investment and risk management processes of RGC's investment professionals are a competitive advantage for us.

David Spreng, the founder, Chief Executive Officer and Chief Investment Officer of RGC, has a unique combination of experience as a senior executive of a $20 billion asset management firm and over 30 years as a venture capital equity and debt investor. Mr. Spreng has been a leader in applying risk management processes to investing in equity and debt of small, fast-growing, private companies. Our Acting President, Chief Financial Officer and Chief Operating Officer, Treasurer and Secretary, Thomas Raterman, who is also Chief Financial Officer and Chief Operating Officer of RGC, has more than 30 years of corporate finance, investment banking, private equity and financial executive management experience with rapidly growing entrepreneurial companies. Greg Greifeld, our Acting Chief Executive Officer, who is also Managing Director, Deputy Chief Investment Officer and Head of Credit at RGC, has over 14 years of lending, venture capital, and investment management experience.

RGC has a broad team of professionals focused on every aspect of the investment life cycle. RGC has origination, underwriting and portfolio monitoring teams that manage and oversee the investment process from identification of investment opportunity through negotiations of final term sheet and investment in a portfolio company followed by active portfolio monitoring. The team members serving investment management and oversight functions have significant operating experience and are not associated with origination functions to avoid any biased views of performance. This structure helps originators focus on identifying investment opportunities while other team members continue building relationships with our portfolio companies.

Provide Capital to Robust, High-Growth Venture-backed Companies

We believe we are favorably positioned within the venture lending ecosystem, targeting primarily growth focused technology and life sciences companies. We believe the technology and life sciences industries are among the most attractive industries within the venture lending space, primarily representing large, addressable markets with strong and consistent growth. According to the Q4 2023 Pitchbook-NVCA Venture Monitor and Pitchbook-NVCA industry classifications, venture capital deal volume for technology totaled approximately $146.5 billion in 2023, representing an 13.1% compound annual growth rate ("CAGR") from 2013 to 2023. Venture capital deal volume for life sciences totaled approximately $30.9 billion in 2023, representing a 9.9% CAGR from 2013 to 2023. We believe companies within these industries can often be characterized as having asset-light business models, attractive recurring revenue streams and strong growth trajectories.

We invest across industries to diversify risk and deliver more stable returns. The investment professionals at RGC have extensive experience investing in the industries on which we focus, including technology, life sciences, healthcare information and services, business services, financial services, select consumer services and products and other high-growth industries. Our ability to invest across diverse industries is supported by our Sponsored Growth Lending strategy and relationships with leading venture firms, who are generally industry experts in the areas in which they invest. We are able to leverage our relationships across equity providers, lenders, and advisers to source deals within the venture industry.

We believe we are able to access opportunities to finance companies that are both backed by venture capital sponsors as well as through direct lead generation and other relationships. While many growth lenders focus solely on sponsored lending, we believe we are differentiated in our approach by offering both sponsored growth lending and non-sponsored growth lending that are secured by the assets of many of the most dynamic, innovative and fastest growing companies in the United States.

Robust Disciplined Investment Process and Credit Analysis

RGC's senior investment professionals draw upon their substantial experience, including operating, lending, venture capital and growth investing, to manage the underwriting investment process. Credit analysis, which is a fundamental part of our investment process, is driven by our credit-first philosophy and utilizes the core competencies the team has developed. A strong assessment of underwriting transactions often enables development of structure and pricing terms to win deals and produce strong returns for risks taken versus other lenders that take a more formulaic approach to the business.

We believe the focused and disciplined approach that RGC applies to our lending strategy enables us to deliver strong, consistent returns to our investors. As of December 31, 2023, our debt portfolio is 98.5% first lien senior secured. Of our $2.5 billion total commitments since inception, our cumulative gross loss rate, as a percentage of total commitments since inception, has been 0.98% and our net losses, as a percentage of total commitments since inception, has been 0.79%. At the point of origination, our portfolio companies have raised on average $106.4 million of equity proceeds relative to our average commitment size of $30.6 million. To achieve this, we do not follow an "index" strategy or a narrowly focused approach, and we do not lend only to those companies that are backed by a specific set of sponsors. We believe that careful selection among many opportunities will yield the optimal portfolio results within both sponsored and non-sponsored lending opportunities - although we do expect the sponsored segment to represent the majority of the portfolio for the foreseeable future.

We maintain rigorous underwriting, monitoring and risk management processes across our portfolio, which is underpinned by our two main lending principles, first the ability to price risk and second the ability to measure and track enterprise value. Our investment process differs from many of our competitors in that we have a dedicated credit team, separate from the origination team, that manages the underwriting process. Unlike many of our competitors, we underwrite the company and the loan separately and spend significant time analyzing the enterprise value of the company and potential upside from the equity component of the transaction.

Proprietary Risk Analytics and Return Optimization.

Over the past 20 years, RGC's senior investment professionals have iterated upon and built out an extensive due diligence process, which has resulted in the proprietary risk analysis used today. Mr. Spreng has overseen the development of a risk management model that helps to identify, analyze and mitigate risk within individual portfolio companies in the venture capital space. The model utilized by us today examines a consistent set of more than 30 quantitative and qualitative variables in four main risk areas (market, technology, management and financing) to generate a composite risk ranking for each portfolio company.

Flexible, Opportunity-Specific Pricing and Structure

RGC’s comprehensive analysis assesses all factors and does not rely on any one criterion above or more than others. For example, we do not seek to provide financing to every early-stage company backed by top-tier venture firms, but only to those companies that, in our opinion, possess the most favorable risk and return characteristics for our investments. We seek to understand the attractiveness of each opportunity on its own merits. The quality of the venture investors involved is important, but it is only one component of our decision-making process. Within our Non-Sponsored Growth Lending strategy, we expect that many companies will have positive EBITDA but have been unable to access sufficient capital to fund current growth opportunities. We believe that gaining a comprehensive picture of an opportunity based on RGC’s defined assessment factors allows us to be more flexible, to identify price and structure inefficiencies in the debt market, better support our portfolio companies, and to maximize loan and warrant returns, while minimizing losses. In our Sponsored and Non-Sponsored Growth Lending strategies, we target our loan to be less than 25% of enterprise value at inception.

Strong Reputation and Deep Relationships

RGC’s senior investment professionals enjoy reputations as innovative thought leaders, ingrained in the fabric of the venture community. RGC’s senior investment professionals have been active in venture capital investing, private lending, growth equity investing, corporate finance, and investment banking for more than 25 years and are viewed as trustworthy partners to both management and venture investors as well as entrepreneurs. Our investment professionals’ experience has often encouraged private companies to work with a lender that can manage challenges and deviations from plans that often arise in developing companies.

RGC’s senior investment professionals also have established a network of relationships with various venture capital firms, venture banks, institutional investors, entrepreneurs and other venture capital market participants, which has allowed RGC to develop a variety of channels for investment originations and referrals. These investment professionals maintain ongoing dialogue with a number of venture capital firms across the country, leverage a suite of technologies to identify potential borrowers and often seek to be the first contact for new investment opportunities.

Competition

Our primary competitors for investments include public and private funds, other BDCs, commercial and investment banks, venture-oriented commercial banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, we believe some competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or to the distribution and other requirements we must satisfy to qualify and maintain our qualification as a RIC. We do not compete primarily on the financing terms we offer and believe that some competitors make loans with rates that are comparable to or lower than our rates. For additional information concerning the competitive risks we face, see "Risk Factors — Risks Related to Our Business and Structure — We operate in a highly competitive market for investment opportunities and we may not be able to compete effectively." in Part I, Item 1A of this Form 10-K.

Staffing

We do not currently have any employees. Greg Greifeld, our Acting Chief Executive Officer, also serves as Managing Director, Deputy Chief Investment Officer and Head of Credit at RGC. Thomas B. Raterman is our Acting President, Chief Financial Officer, Chief Operating Officer, Treasurer, and Secretary, and serves as the Chief Financial Officer and Chief Operating Officer of RGC. Our Chief Financial Officer performs his functions for us under the terms of our Administration Agreement. Our Board of Directors has appointed Colleen Corwell of Kroll Associates, Inc. to serve as our Chief Compliance Officer pursuant to an agreement with Kroll Associates, Inc. Ms. Corwell also serves as the Chief Compliance Officer for RGC pursuant to an agreement with Kroll Associates, Inc.

Our day-to-day investment and administrative operations are managed by RGC and our Administrator. The Investment Committee is supported by a team of additional experienced investment professionals. RGC and our Administrator may hire additional investment and administrative professionals in the future to provide services to us, based upon our needs.

In addition, we reimburse the Administrator for its costs and expenses and our allocable portion of overhead incurred by it in performing its obligations under the Administration Agreement, including compensation paid to or compensatory distributions received by our officers (including our Chief Compliance Officer and Chief Financial Officer) and any of their respective staff who provide services to us, operations staff who provide services to us, and any internal audit staff, to the extent internal audit performs a role in our internal control assessment under Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act").

Implications of Being an Emerging Growth Company

We currently are, and expect to remain, an "emerging growth company," as that term is used in the JOBS Act until the earliest of:

- the last day of our fiscal year following the fifth anniversary of the closing of our IPO, which occurred on October 25, 2021;
- the last day of the first fiscal year in which our annual gross revenues are equal to or greater than $1.235 billion;
- the date on which we have, during the preceding three-year period, issued more than $1.0 billion in non-convertible debt; and
- the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of any June 30.

Under the JOBS Act, we are exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act, which would require that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting. This may increase the risk that material weaknesses or other deficiencies in our internal control over financial reporting go undetected. See Part I, Item 1A of this Form 10-K "Risk Factors — Risks Related to Our Business and Structure — We are obligated to maintain proper and effective internal control over financial reporting. Failure to achieve and maintain effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and the value of our common stock."

Certain U.S. Federal Income Tax Considerations

The following discussion is a general summary of certain U.S. federal income tax considerations applicable to us and to an investment in shares of our common stock. This discussion is based on the provisions of the Code and the regulations of the U.S. Department of Treasury promulgated thereunder, or "Treasury regulations," each as in effect as of the date of this Form 10-K.

These provisions are subject to differing interpretations and change by legislative or administrative action, and any change may be retroactive. This discussion does not constitute a detailed explanation of all U.S. federal income tax aspects affecting us and our stockholders and does not purport to deal with the U.S. federal income tax consequences that may be important to particular stockholders in light of their individual investment circumstances or to some types of stockholders subject to special tax rules, such as financial institutions, broker dealers, insurance companies, tax-exempt organizations, partnerships or other pass-through entities, persons holding our common stock in connection with a hedging, straddle, conversion or other integrated transaction, non-U.S. stockholders (as defined below) engaged in a trade or business in the United States, persons who have ceased to be U.S. citizens or to be taxed as resident aliens or individual non-U.S. stockholders present in the United States for 183 days or more during a taxable year. This discussion also does not address any aspects of U.S. estate or gift tax or foreign, state or local tax. This discussion assumes that our stockholders hold their shares of our common stock as capital assets for U.S. federal income tax purposes (generally, assets held for investment). No ruling has been or will be sought from the Internal Revenue Service (the "IRS") regarding any matter discussed herein.

A "U.S. stockholder" is a beneficial owner of shares of our common stock that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or another entity taxable as a corporation) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust.

A "non-U.S. stockholder" means a beneficial owner of shares of our common stock that is for U.S. federal income tax purposes neither a U.S. stockholder nor partnership.

If a partnership or other entity classified as a partnership, for U.S. federal income tax purposes, holds our shares, the U.S. tax treatment of the partnership and each partner generally will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. A partnership considering an investment in our common stock should consult its own tax advisers regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition of shares by the partnership.

Taxation of the Company

We have elected to be treated as a RIC under Subchapter M of the Code, and currently qualify and intend to continue to qualify for treatment as a RIC. As a RIC, we generally will not be subject to U.S. federal income taxes on any ordinary income or capital gains that we timely distribute to our stockholders as dividends.

To qualify as a RIC, we must, among other things:

- meet the Annual Distribution Requirement (defined below);
- derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale or other disposition of stock, securities or foreign currencies, other income derived with respect to our business of investing in stock, securities or currencies, or net income derived from an interest in a "qualified publicly traded partnership," or "QPTP," hereinafter the "90% Gross Income Test;" and
- diversify our holdings so that, at the end of each quarter of each taxable year;
- at least 50% of the value of our total assets is represented by cash and cash items, U.S. Government securities, the securities of other RICs and other securities, with other securities limited, in respect of any one issuer, to an amount not greater than 5% of the value of our total assets and not more than 10% of the outstanding voting securities of such issuer; and
- not more than 25% of the value of our total assets is invested in the securities of any issuer (other than U.S. Government securities and the securities of other RICs), the securities of any two or more issuers that we control and that are determined to be engaged in the same business or similar or related trades or businesses (other than the securities of other RICs), or the securities of one or more QPTPs, or the "Diversification Tests."

In the case of a RIC that furnishes capital to development corporations, there is an exception relating to the Diversification Tests described above. This exception is available only to RICs which the SEC determines to be principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available ("SEC Certification"). We have not sought SEC Certification, but it is possible that we may seek SEC Certification in future years. If we receive SEC Certification, we generally will be entitled to include, in the computation of the 50% value of our assets (described above), the value of any securities of an issuer, whether or not we own more than 10% of the outstanding voting securities of the issuer, if the basis of the securities, when added to our basis of any other securities of the issuer that we own, does not exceed 5% of the value of our total assets.

As a RIC, we must distribute an amount equal to at least the sum of (i) 90% of our investment company taxable income (which includes, among other items, dividends, interest and the excess of any net realized short-term capital gains over net realized long-term capital losses and other taxable income (other than any net capital gain), reduced by deductible expenses) determined without regard to the deduction for dividends and distributions paid and (ii) 90% of our net tax-exempt interest income (which is the excess of our gross tax-exempt interest income over certain disallowed deductions), or the "Annual Distribution Requirement." We intend to distribute annually all or substantially all of such income. Generally, if we fail to meet this Annual Distribution Requirement for any taxable year, we will fail to qualify as a RIC for such taxable year. To the extent we meet the Annual Distribution Requirement for a taxable year, but retain our net capital gains for investment or any investment company taxable income, we will be subject to U.S. federal income tax on such retained capital gains and investment company taxable income. We may choose to retain our net capital gains for investment or any investment company taxable income, and pay the associated U.S. federal income tax, including any nondeductible 4% U.S. federal excise tax described below, if applicable.

We are subject to a nondeductible 4% U.S. federal excise tax on certain of our undistributed income, unless we timely distribute (or are deemed to have timely distributed) an amount equal to the sum of:

- at least 98% of our ordinary income (not taking into account any capital gains or losses) for the calendar year;
- at least 98.2% of our capital gain net income for a one-year period generally ending on October 31 of the calendar year (unless an election is made by us to use our taxable year); and
- any net ordinary income and capital gain net income that we recognized for preceding years, but were not distributed during such years, and on which we paid no U.S. federal income tax.

While we intend to distribute any income and capital gains in order to avoid imposition of this nondeductible 4% U.S. federal excise tax, we may not be successful in avoiding entirely the imposition of this tax. In that case, we will be liable for the tax only on the amount by which we do not meet the foregoing distribution requirement.

We are authorized to borrow funds and to sell assets in order to satisfy distribution requirements. However, under the 1940 Act, we are not permitted to make distributions to our stockholders while any senior securities are outstanding unless we meet the applicable asset coverage ratios. See "— Regulation as a Business Development Company — Senior Securities." Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (1) the illiquid nature of our portfolio and/or (2) other requirements relating to our status as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or to avoid the 4% U.S. federal excise tax, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

A RIC is limited in its ability to deduct expenses in excess of its "investment company taxable income" (which is, generally, ordinary income plus the excess of net short-term capital gains over net long-term capital losses). If our expenses in a given year exceed investment company taxable income, we would experience a net operating loss for that year. However, a RIC is not permitted to carry forward net operating losses to subsequent years. In addition, expenses can be used only to offset investment company taxable income, not net capital gain. Due to these limits on the deductibility of expenses, we may, for tax purposes, have aggregate taxable income for several years that we are required to distribute and that is taxable to our stockholders even if such income is greater than the aggregate net income we actually earned during those years. Such required distributions may be made from our cash assets or by liquidation of investments, if necessary. We may realize gains or losses from such liquidations. In the event we realize net capital gains from such transactions, stockholders may receive a larger capital gain distribution than they would have received in the absence of such transactions.

Failure to Qualify as a RIC

While we have elected to be treated as a RIC and intend to qualify to be treated as a RIC annually, no assurance can be provided that we will qualify for tax treatment as a RIC for any taxable year. If we fail to satisfy the 90% Gross Income Test or the Diversification Tests for any taxable year, we may nevertheless continue to qualify as a RIC for such year if certain relief provisions are applicable (which may, among other things, require us to pay certain U.S. federal income tax at corporate rates or to dispose of certain assets). If we were unable to qualify for treatment as a RIC and the foregoing relief provisions are not applicable, we would be subject to tax on all of our taxable income at regular corporate rates, regardless of whether we make any distributions to our stockholders. Distributions would not be required, and any distributions would be taxable to our stockholders as ordinary dividend income that, may qualify as qualified dividends that are subject to U.S. federal income tax at a rate of 20% to the extent of our current and accumulated earnings and profits provided certain holding period and other requirements were met. Subject to certain limitations under the Code, corporate distributees may be eligible for the dividends-received deduction. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital that would reduce the stockholder's adjusted tax basis in its common stock (and correspondingly increase such stockholder's gain, or reduce such stockholder's loss, on disposition of such common stock), and any remaining distributions would be treated as a capital gain.

To requalify as a RIC in a subsequent taxable year, we would be required to satisfy the RIC qualification requirements for that year and dispose of any earnings and profits from any year in which we failed to qualify as a RIC. Subject to a limited exception applicable to RICs that qualified as such under Subchapter M of the Code for at least one year prior to disqualification and that requalify as a RIC no later than the second year following the non-qualifying year, we could be subject to tax on any unrealized net built-in gains in the assets held by us during the period in which we failed to qualify as a RIC that are recognized within the subsequent five years, unless we made a special election to pay U.S. federal income tax at corporate rates on such built-in gain at the time of our requalification as a RIC.

The remainder of this discussion assumes that we qualify as a RIC for each taxable year.

Company Investments

Certain of our investment practices are subject to special and complex U.S. federal income tax provisions that may, among other things, (i) disallow, suspend or otherwise limit the allowance of certain losses or deductions, including the dividends received deduction, (ii) convert lower taxed long-term capital gains and qualified dividend income into higher taxed short-term capital gains or ordinary income, (iii) convert ordinary loss or a deduction into capital loss (the deductibility of which is more limited), (iv) cause us to recognize income or gain without a corresponding receipt of cash, (v) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur, (vi) adversely alter the characterization of certain complex financial transactions and (vii) produce income that will not qualify as good income for purposes of the 90% Gross Income Test. We monitor our transactions and may make certain tax elections and may be required to borrow money or dispose of securities to mitigate the effect of these rules and to prevent disqualification of us as a RIC but there can be no assurance that we will be successful in this regard.

Debt Instruments. In certain circumstances, we may be required to recognize taxable income prior to the time at which we receive cash. For example, if we hold debt instruments that are treated under applicable tax rules as having original issue discount (such as debt instruments with an end-of-term payment and/or payment-in-kind ("PIK") interest payment or, in certain cases, increasing interest rates or issued with warrants), we must include in taxable income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. Because any original issue discount accrued will be included in our investment company taxable income for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement and to avoid the 4% U.S. federal excise tax, even though we will not have received any corresponding cash amount.

Warrants. Gain or loss realized by us from the sale or exchange of warrants acquired by us as well as any loss attributable to the lapse of such warrants generally are treated as capital gain or loss. The treatment of such gain or loss as long-term or short-term generally depends on how long we held a particular warrant and on the nature of the disposition transaction.

Foreign Investments. In the event we invest in foreign securities, we may be subject to withholding and other foreign taxes with respect to those securities. We do not expect to satisfy the requirement to pass through to our stockholders their share of the foreign taxes paid by us.

Passive Foreign Investment Companies. We may invest in the stock of a foreign corporation which is classified as a "passive foreign investment company" (within the meaning of Section 1297 of the Code), or "PFIC." As a result, we may be subject to U.S. federal income tax on a portion of any "excess distribution" or gain from the disposition of such shares. Additional charges in the nature of interest may be imposed on us in respect of deferred taxes arising from such distributions or gains. This additional tax and interest may apply even if we make a distribution in an amount equal to any "excess distribution" or gain from the disposition of such shares as a taxable dividend by us to our shareholders. If we invest in a PFIC and elect to treat the PFIC as a "qualified electing fund" under the Code (a "QEF"), in lieu of the foregoing requirements, we will be required to include in income each year a portion of the ordinary earnings and net capital gain of the QEF, even if such income is not distributed to us. Alternatively, we can elect to mark-to-market at the end of each taxable year our shares in a PFIC; in this case, we will recognize as ordinary income any increase in the value of such shares, and as ordinary loss any decrease in such value to the extent it does not exceed prior increases included in income. Under either election, we may be required to recognize in a year income in excess of our distributions from PFICs and our proceeds from dispositions of PFIC stock during that year, and such income will nevertheless be subject to the Annual Distribution Requirement and will be taken into account for purposes of the 4% U.S. federal excise tax. No assurances can be given that any such election will be available or that, if available, we will make such an election.

Controlled Foreign Corporations. If we hold more than 10% of the shares in a foreign corporation that is treated as a controlled foreign corporation, or "CFC," we may be treated as receiving a deemed distribution (taxable as ordinary income) each year from such foreign corporation in an amount equal to our pro rata share of the corporation’s income for the tax year (including both ordinary earnings and capital gains), whether or not the corporation makes an actual distribution during such year. In general, a foreign corporation will be classified as a CFC if more than 50% of the shares of the corporation, measured by reference to combined voting power or value, is owned (directly, indirectly or by attribution) by U.S. shareholders. A "U.S. shareholder," for this purpose, is any U.S. person that possesses (actually or constructively) 10% or more of the combined voting power or 10% or more of the total value of all classes of shares of a corporation. If we are treated as receiving a deemed distribution from a CFC, we will be required to include such distribution in our investment company taxable income regardless of whether we receive any actual distributions from such CFC, and we must distribute such income to satisfy the Annual Distribution Requirement and will the income be taken into account for purposes of the 4% excise tax.

Income inclusions from a QEF or CFC will be "good income" for purposes of the 90% Gross Income Test provided that they are derived in connection with our business of investing in stocks and securities or the QEF or CFC distributes such income to us in the same taxable year to which the income is included in our income.

Foreign Currency Transactions. Under the Code, gains or losses attributable to fluctuations in exchange rates which occur between the time we accrue income or other receivables or accrue expenses or other liabilities denominated in a foreign currency and the time we actually collect such receivables or pay such liabilities generally are treated as ordinary income or loss. Similarly, on disposition of debt instruments and certain other instruments denominated in a foreign currency, gains or losses attributable to fluctuations if the value of the foreign currency between the date of acquisition of the instrument and the date of disposition also are treated as ordinary gain or loss. These currency fluctuations related gains and losses may increase or decrease the amount of our investment company taxable income to be distributed to our stockholders as ordinary income.

Regulation as a Business Development Company

General

We have elected to be regulated as a BDC under the 1940 Act. A BDC must be organized in the United States for the purpose of investing in or lending to primarily private companies and offering significant managerial assistance to them. A BDC may use capital provided by stockholders and from other sources to make long-term, private investments in businesses. A BDC provides stockholders the ability to retain the liquidity of a publicly traded stock while sharing in the possible benefits, if any, of investing in primarily privately-owned companies.

We may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC unless authorized by vote of a majority of the outstanding voting securities, as required by the 1940 Act. A majority of the outstanding voting securities of a company is defined under the 1940 Act as the lesser of: (a) 67% or more of such company's voting securities present at a meeting if more than 50% of the outstanding voting securities of such company are present or represented by proxy, or (b) more than 50% of the outstanding voting securities of such company. We do not anticipate any substantial change in the nature of our business.

As with other companies regulated by the 1940 Act, a BDC must adhere to certain substantive regulatory requirements. A majority of our directors must be persons who are not "interested persons," as that term is defined in the 1940 Act. Additionally, we are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect the BDC. Furthermore, as a BDC, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

As a BDC, we are generally required to meet an asset coverage ratio, defined under the 1940 Act as the ratio of our gross assets (less all liabilities and indebtedness not represented by senior securities) to our outstanding senior securities, of at least 150% (at least 200% prior to June 16, 2022) after each issuance of senior securities if certain requirements are met. On June 16, 2022, our stockholders approved the reduced asset coverage ratio at our 2022 annual meeting of stockholders. The reduced asset coverage ratio of 150% became effective upon receiving stockholder approval.

We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our directors who are not "interested persons," as defined in Section 2(a)(19) of the 1940 Act, of us, RGC or our respective affiliates and, in some cases, prior approval by the SEC.

We do not intend to acquire securities issued by any investment company that exceed the limits imposed by the 1940 Act and the rules and regulations thereunder. Under these limits, we generally cannot acquire more than 3% of the voting stock of any registered investment company (as defined in the 1940 Act), invest more than 5% of the value of our total assets in the securities of one investment company, or invest more than 10% of the value of our total assets in the securities of more than one investment company. The SEC rules permit us to exceed these limits without obtaining exemptive relief if we comply with certain conditions. If we invest in securities issued by investment companies, if any, it should be noted that such investments might subject our stockholders to additional expenses as they will be indirectly responsible for the costs and expenses of such companies. Our investment portfolio is also subject to diversification requirements by virtue of our election to be treated as a RIC for U.S. federal income tax purposes and our intention to continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. See "Risk Factors — Risks Related to Our Business and Structure" in Part I, Item 1A of this Form 10-K for more information.

In addition, investment companies registered under the 1940 Act and private funds that are excluded from the definition of "investment company" pursuant to either Section 3(c)(1) or 3(c)(7) of the 1940 Act may not acquire directly or through a controlled entity more than 3% of our total outstanding voting stock (measured at the time of the acquisition), unless the funds comply with an exemption under the 1940 Act. As a result, certain of our investors may hold a smaller position in our shares than if they were not subject to these restrictions.

We are generally not able to issue and sell our common stock at a price below net asset value per share. See "Risk Factors — Risks Related to Our Business and Structure — Regulations governing our operation as a BDC affect our ability to raise additional capital and the way in which we do so. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage." in Part I, Item 1A of this Form 10-K. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then-current net asset value of our common stock if our Board of Directors determines that such sale is in our best interests and the best interests of our stockholders, and our stockholders approve such sale. In addition, we may generally issue new shares of our common stock at a price below net asset value in rights offerings to existing stockholders, in payment of dividends and in certain other limited circumstances.

As a BDC, we are generally limited in our ability to invest in any portfolio company in which RGC or any of its affiliates currently has an investment or to make any co-investments with our investment adviser or its affiliates without an exemptive order from the SEC, subject to certain exceptions. On August 10, 2020, we, RGC, and certain other funds and accounts sponsored or managed by RGC were granted the Order, as amended on August 30, 2022, that permits us greater flexibility than the 1940 Act permits to negotiate the terms of co-investments if our Board of Directors determines that it would be advantageous for us to co-invest with other accounts sponsored or managed by RGC or its affiliates in a manner consistent with our investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. We believe that the ability to co-invest with similar investment structures and accounts sponsored or managed by RGC or its affiliates will provide additional investment opportunities and the ability to achieve greater diversification. Under the terms of the Order, a majority of our independent directors are required to make certain determinations in connection with a co-investment transaction, including that (1) the terms of the proposed transaction are reasonable and fair to us and our stockholders and do not involve overreaching of us or our stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors.

We are subject to periodic examination by the SEC for compliance with the 1940 Act.

As a BDC, we are subject to certain risks and uncertainties. See "Risk Factors — Risks Related to Our Business and Structure" in Part I, Item 1A of this Form 10-K.

Qualifying Assets

Under the 1940 Act, a BDC may not acquire any 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 Company's total gross assets. The principal categories of qualifying assets relevant to our business are any of the following:

(1) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the 1940 Act as any issuer which:

   (a) is organized under the laws of, and has its principal place of business in, the United States;

   (b) is not an investment company (other than a small business investment company wholly owned by the BDC) or a company that would be an investment company but for certain exclusions under the 1940 Act; and

   (c) satisfies any of the following:

      (i) does not have any class of securities that is traded on a national securities exchange;

      (ii) has a class of securities listed on a national securities exchange, but has an aggregate market value of outstanding voting and non-voting common equity of less than $250.0 million;

      (iii) is controlled by a BDC or a group of companies including a BDC and the BDC has an affiliated person who is a director of the eligible portfolio company; or

      (iv) is a small and solvent company having total assets of not more than $4.0 million and capital and surplus of not less than $2.0 million.

(2) Securities of any eligible portfolio company which we control.

(3) Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities, was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements.

(4) Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and the Company already owns 60% of the outstanding equity of the eligible portfolio company.

(5) Securities received in exchange for or distributed on or with respect to securities described in (1) through (4) above, or pursuant to the exercise of warrants or rights relating to such securities.

(6) Cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment.

In addition, a BDC must be operated for the purpose of making investments in the types of securities described in (1), (2) or (3) above. Control, as defined by the 1940 Act, is presumed to exist where a BDC beneficially owns more than 25% of the outstanding voting securities of the portfolio company but may exist in other circumstances based on the facts and circumstances. The regulations defining qualifying assets may change over time. The Company may adjust its investment focus as needed to comply with and/or take advantage of any regulatory, legislative, administrative, or judicial actions.

Managerial Assistance to Portfolio Companies

In addition, a BDC must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described above in Qualifying Assets categories (1), (2) or (3). However, in order to count portfolio securities as qualifying assets for the purpose of the 70% test, the BDC must either control the issuer of the securities or must offer to make available to the issuer of the securities (other than small and solvent companies described above in Qualifying Assets category (1)(c)(iv)) significant managerial assistance; except that, where the BDC purchases such securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such managerial assistance. Making available managerial assistance means, among other things, any arrangement whereby the BDC, through its directors, officers, or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. We may also receive fees for these services. RGC may provide, or arrange for the provision of, such managerial assistance on our behalf to portfolio companies that request this assistance, subject to reimbursement of any fees or expenses incurred on our behalf by RGC in accordance with our Advisory Agreement.

Temporary Investments

Pending investment in other types of "qualifying assets," as described above, our investments may consist of cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment, which we refer to, collectively, as temporary investments, so that 70% of our assets are qualifying assets. Typically, we will invest in U.S. Treasury Bills or in repurchase agreements, provided that such agreements are fully collateralized by cash or securities issued by the U.S. government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed-upon future date and at a price which is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25% of our gross assets constitute repurchase agreements from a single counterparty, we would not meet the diversification tests in order to qualify as a RIC for U.S. federal income tax purposes. Thus, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. RGC monitors the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Warrants

Under the 1940 Act, a BDC is subject to restrictions on the issuance, terms and number of warrants, options or rights to purchase shares of capital stock that it may have outstanding at any time. Under the 1940 Act, we may generally only offer warrants provided that (i) the warrants expire by their terms within ten years, (ii) the exercise or conversion price is not less than the current market value at the date of issuance, (iii) stockholders authorize the proposal to issue such warrants, and the Board of Directors approves such issuance on the basis that the issuance is in our best interests and the stockholders best interests and (iv) if the warrants are accompanied by other securities, the warrants are not separately transferable unless no class of such warrants and the securities accompanying them has been publicly distributed. The 1940 Act also provides that the amount of our voting securities that would result from the exercise of all outstanding warrants, as well as options and rights, at the time of issuance may not exceed 25% of our outstanding voting securities. In particular, the amount of capital stock that would result from the conversion or exercise of all outstanding warrants, options, or rights to purchase capital stock cannot exceed 25% of the BDC’s total outstanding shares of capital stock.

Senior Securities; Coverage Ratio

We are generally permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 150% immediately after each such issuance. On June 16, 2022, our stockholders approved the reduced asset coverage ratio at our 2022 annual meeting of stockholders. The reduced asset coverage ratio of 150% became effective upon receiving stockholder approval.

In addition, while any senior securities remain outstanding, we must make provisions to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5% of the value of our gross assets for temporary purposes without regard to asset coverage. For a discussion of the risks associated with leverage, see "Risk Factors — Risks Related to Our Business and Structure — We may borrow money, which would magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us." in Part I, Item 1A of this Form 10-K.

Compliance Policies and Procedures

We and RGC have adopted and implemented written policies and procedures reasonably designed to detect and prevent violation of the federal securities laws and are required to review these compliance policies and procedures annually for their adequacy and the effectiveness of their implementation. Our Chief Compliance Officer is responsible for administering the policies and procedures. Colleen Corwell currently serves as our Chief Compliance Officer.

Sarbanes-Oxley Act of 2002

The Sarbanes-Oxley Act imposes a wide variety of regulatory requirements on publicly held companies and their insiders. Many of these requirements affect us. For example:

- pursuant to Rule 13a-14 of the Exchange Act, our Chief Executive Officer and Chief Financial Officer must certify the accuracy of the consolidated financial statements contained in our periodic reports;
- pursuant to Item 307 of Regulation S-K, our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures;
- pursuant to Rule 13a-15 of the Exchange Act, our management must prepare a report regarding its assessment of our internal control over financial reporting and, starting from the date on which we cease to be an emerging growth company under the JOBS Act, must obtain an audit of the effectiveness of internal control over financial reporting performed by our independent registered public accounting firm should we become an accelerated filer; and
- pursuant to Item 308 of Regulation S-K and Rule 13a-15 of the Exchange Act, our periodic reports must disclose whether there were significant changes in our internal control over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The Sarbanes-Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated thereunder. We will continue to monitor our compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we are in compliance therewith.

Proxy Voting Policies and Procedures

We have delegated our proxy voting responsibility to RGC. The proxy voting policies and procedures of RGC are set forth below. The guidelines will be reviewed periodically by RGC and our independent directors, and, accordingly, are subject to change. For purposes of the Proxy Voting Policies and Procedures described below, "we," "our" and "us" refers to RGC.

As an investment adviser registered under the Advisers Act, RGC has a fiduciary duty to act solely in the best interests of its clients. As part of this duty, RGC recognizes that it must vote client securities in a timely manner, free of conflicts of interest and in the best interests of our clients.

These policies and procedures for voting proxies for RGC's investment advisory clients are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

Proxy Policies

RGC will vote proxies relating to our portfolio securities in the best interest of its clients’ stockholders. RGC will review on a case-by-case basis each proposal submitted to a stockholder vote to determine its impact on the portfolio securities held by us. Although RGC will generally vote against proposals that may have a negative impact on its clients’ portfolio securities, RGC may vote for such a proposal if there exist compelling long-term reasons to do so.

RGC's proxy-voting decisions will be made by the senior officers who are responsible for monitoring each of its clients’ investments. To ensure that its vote is not the product of a conflict of interest, RGC will require that: (1) anyone involved in the decision-making process disclose to its management any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (2) employees involved in the decision-making process or vote administration are prohibited from revealing how RGC intend to vote on a proposal in order to reduce any attempted influence from interested parties.

Proxy Voting Records

You may obtain information about how we voted proxies by making a written request for proxy voting information to: Runway Growth Capital LLC, 205 N. Michigan Ave., Suite 4200, Chicago, IL 60601.

Privacy Principles

We are committed to maintaining the privacy of our stockholders and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information we collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Pursuant to our privacy policy, we do not disclose any non-public personal information about our stockholders or former stockholders to anyone, except as permitted by law, or as is necessary in order to service stockholder accounts (for example, to a transfer agent or third-party administrator).

We may collect non-public information about investors from our subscription agreements or other forms, such as name, address, account number and the types and amounts of investments, and information about transactions with us or our affiliates, such as participation in other investment programs, ownership of certain types of accounts or other account data and activity. We may disclose the information that we collect from our stockholders or former stockholders, as described above, only to our affiliates and service providers and only as allowed by applicable law or regulation. Any party that receives this information uses it only for the services required by us and as allowed by applicable law or regulation and is not permitted to share or use this information for any other purpose. To protect the non-public personal information of individuals, we restrict access to non-public personal information about our stockholders to employees of RGC and its affiliates with a legitimate business need for the information. In order to guard our stockholders' non-public personal information, we maintain physical, electronic and procedural safeguards that are designed to comply with applicable law. Non-public personal information that we collect about our stockholders is generally stored on secured servers located in the United States. An individual stockholder's right to privacy extends to all forms of contact with us, including telephone, written correspondence, and electronic media, such as the Internet.

Reporting Obligations

We furnish our stockholders with annual reports containing audited consolidated financial statements, quarterly reports, and such other periodic reports as we determine to be appropriate or as may be required by law. We are required to comply with all periodic reporting, proxy solicitation and other applicable requirements under the Exchange Act.

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, as well as reports on Forms 3, 4 and 5 regarding directors, officers, or our 10% beneficial owners, filed or furnished pursuant to section 13(a), 15(d) or 16(a) of the Exchange Act, are available on our website free of charge (https://investors.runwaygrowth.com/financial-information/sec-filings).

Stockholders and the public may also view any materials we file with the SEC on the SEC's website (http://www.sec.gov).

Item 1A. Risk Factors.

An investment in our securities involves certain risks relating to our structure and investment objective. The risks set forth below are not the only risks we face, and we may face other risks that we have not yet identified, which we do not currently deem material or which are not yet predictable. If any of the following risks occur, our business, financial condition and results of operations could be materially adversely affected. In such case, our net asset value and the price of our common stock could decline, and you may lose all or part of your investment.

Summary Risk Factors

The risk factors described below are a summary of the principal risk factors associated with an investment in us. These are not the only risks we face. You should carefully consider these risk factors, together with the risk factors set forth in the following section, Item 1A. of this Annual Report on Form 10-K, and the other reports and documents filed by us with the SEC.

Risks Related to the Economy

- Political, social and economic uncertainty creates and exacerbates risks.
- A renewed period of disruption in the capital markets may cause uncertain economic conditions. Such market conditions may materially and adversely affect debt and equity capital markets, which may have a negative impact on our business and operations.
- Increasing level of inflation and rising interest rate could impact our portfolio company's operations and cash flows and harm our operating results.

Risks Related to Our Business and Structure

- Our investment portfolio is recorded at fair value, with our Board of Directors determining, in good faith, the fair value of our investment portfolio and, as a result, there is uncertainty as to the value of our portfolio investments.
- Our financial condition and results of operations depend on our ability to effectively manage and deploy capital.
- We operate in a highly competitive market for investment opportunities and we may not be able to compete effectively.
- We may need to raise additional capital to grow because we must distribute most of our income.
- Any defaults under our Credit Facility or other borrowings, including the 2026 or 2027 Notes, could adversely affect our business.

Risks Related to Our Investments

- Our investments are very risky and highly speculative.
- Investing in high growth-potential, private companies involves a high degree of risk, and our financial results may be affected adversely if one or more of our significant portfolio investments defaults on its loans or fails to perform as we expect.
- An investment strategy focused primarily on privately held companies presents certain challenges, including the lack of available information about these companies and a greater vulnerability to economic downturns.
- Inflation may adversely affect our and our portfolio companies' business, results of operations and financial condition.

Risks Related to Our Conflicts of Interest

- Our strategic relationship with Oaktree may create conflicts of interest.
- There are significant potential conflicts of interest which could impact our investment returns.
- RGC's liability is limited under the Advisory Agreement and we have agreed to indemnify RGC against certain liabilities, which may lead RGC to act in a riskier manner on our behalf than it would when acting for its own account.

Risks Related to Our Common Stock

- Shares of our common stock have traded at a discount from net asset value and may do so in the future.
- A stockholder’s interest in us will be diluted if we issue additional shares, which could reduce the overall value of an investment in us.
- Sales of substantial amounts of our common stock in the public market may have an adverse effect on the market price of our common stock.

Risks Related to RIC Tax Treatment

- We will be subject to U.S. federal income tax at corporate rates if we are unable to qualify as a RIC.
- We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.

General Risks

- We may experience fluctuations in our quarterly and annual results.
- Government intervention in the credit markets could adversely affect our business.

Risks Related to the Economy

Political, social and economic uncertainty creates and exacerbates risks.

Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) will occur that create uncertainty and have significant impacts on issuers, industries, governments and other systems, including the financial markets, to which companies and their investments are exposed. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets, including in established markets such as the United States. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat.

Uncertainty can result in or coincide with, among other things: increased volatility in the financial markets for securities, derivatives, loans, credit and currency; a decrease in the reliability of market prices and difficulty in valuing assets (including portfolio company assets); greater fluctuations in spreads on debt investments and currency exchange rates; increased risk of default (by both government and private obligors and issuers); further social, economic, and political instability; nationalization of private enterprise; greater governmental involvement in the economy or in social factors that impact the economy; changes to governmental regulation and supervision of the loan, securities, derivatives and currency markets and market participants and decreased or revised monitoring of such markets by governments or self-regulatory organizations and reduced enforcement of regulations; limitations on the activities of investors in such markets; controls or restrictions on foreign investment, capital controls and limitations on repatriation of invested capital; the significant loss of liquidity and the inability to purchase, sell and otherwise fund investments or settle transactions (including, but not limited to, a market freeze); unavailability of currency hedging techniques; substantial, and in some periods extremely high rates of inflation, which can last many years and have substantial negative effects on credit and securities markets as well as the economy as a whole; recessions; and difficulties in obtaining and/or enforcing legal judgments.

A renewed period of disruption in the capital markets may cause uncertain economic conditions. Such market conditions may materially and adversely affect debt and equity capital markets, which may have a negative impact on our business and operations.

The capital markets have experienced extreme volatility in recent periods, and as a result, there has been and will likely continue to be uncertainty in the financial markets in general. Unpredictable general economic conditions may materially and adversely impact the broader financial and credit markets which could reduce the availability of debt and equity capital for the market as a whole. These conditions could continue for a prolonged period of time or worsen in the future.

Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the full impact that current market conditions may have on our business. The extent of such impact will depend on future developments, which are highly uncertain and current market conditions, and the related adverse local and national economic consequences, we could be subject to any of the following risks, any of which could have a material, adverse effect on our business, financial condition, liquidity, and results of operations:

- Current market conditions may make it difficult to raise equity capital because, subject to some limited exceptions, as a BDC, we are generally not able to issue additional shares of our common stock at a price less than the NAV per share without first obtaining approval for such issuance from our stockholders and our independent directors. In addition, these market conditions may make it difficult to access or obtain new indebtedness with similar terms to our existing indebtedness.
- Significant changes or volatility in the capital markets may also have a negative effect on the valuations of our investments. While most of our investments are not publicly traded, applicable accounting standards require us to assume as part of our valuation process that our investments are sold in a principal market to market participants (even if we plan on holding an investment through its maturity).
- Significant changes in the capital markets may adversely affect the pace of our investment activity and economic activity generally.
- The illiquidity of our investments may make it difficult for us to sell such investments to access capital if required, and as a result, we could realize significantly less than the value at which we have recorded our investments if we were required to sell them for liquidity purposes. An inability to raise or access capital, and any required sale of all or a portion of our investments as a result, could have a material adverse effect on our business, financial condition or results of operations.

The current period of capital markets disruption and economic uncertainty may make it difficult to extend the maturity of, or refinance, our existing indebtedness or obtain new indebtedness and any failure to do so could have a material adverse effect on our business, financial condition or results of operations.

Current market conditions may make it difficult to extend the maturity of or refinance our existing indebtedness or obtain new indebtedness with similar terms and any failure to do so could have a material adverse effect on our business. The debt capital that will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than what we currently experience, including being at a higher cost in rising rate environments. If we are unable to raise or refinance debt, then our equity investors may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies. An inability to extend the maturity of, or refinance, our existing indebtedness or obtain new indebtedness could have a material adverse effect on our business, financial condition or results of operations.

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

Many of the portfolio companies in which we make investments may be susceptible to economic slowdowns or recessions and may be unable to repay the loans we made to them during these periods. Therefore, our non-performing assets may increase and the value of our portfolio may decrease during these periods as we are required to record our investments at their current fair value. Adverse economic conditions also may decrease the value of collateral securing some of our loans and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our and our portfolio companies’ funding costs, limit our and our portfolio companies’ access to the capital markets or result in a decision by lenders not to extend credit to us or our portfolio companies. In similar fashion, increasing or excessive levels of inflation and rising interest rates could also impair our portfolio companies cash flow and operations. These events could prevent us from increasing investments and harm our operating results.

A portfolio company’s failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, acceleration of the time when the loans are due and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize the portfolio company’s ability to meet its obligations under the debt that we hold. We may incur additional expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances, including the extent to which we will actually provide significant managerial assistance to that portfolio company, a bankruptcy court might subordinate all or a portion of our claim to that of other creditors.

Further downgrades of the U.S. credit rating could negatively impact our liquidity, financial conditions and earnings.

The U.S. debt ceiling and budget deficit concerns have raised the possibility of additional credit-rating downgrades and economic slowdowns in the United States and globally. Legislation passed in June 2023 suspends the debt ceiling through early 2025, unless Congress takes further legislative action to extend it. Downgrades by rating agencies to the U.S. government’s credit rating or concerns about its credit and deficit levels in general could cause interest rates and borrowing costs to rise, which may negatively impact both the perception of credit risk associated with our debt portfolio and our ability to access the debt markets on favorable terms. In addition, a decreased U.S. government credit rating could create broader financial turmoil and uncertainty, which may weigh heavily on our financial performance and the value of our common stock.

Global economic, political and market conditions may adversely affect our business, financial condition and results of operations, including our revenue growth and profitability.

Deterioration in the economic conditions in the Eurozone and other regions or countries globally and the resulting instability in global financial markets may pose a risk to our business. Financial markets have been affected at times by a number of global macroeconomic events, including the following: large sovereign debts and fiscal deficits of several countries in Europe and in emerging markets jurisdictions, levels of non-performing loans on the balance sheets of European banks, the effect of the United Kingdom (the "U.K.") leaving the European Union (the "EU"), instability in the Chinese capital markets and the COVID-19 pandemic. Global market and economic disruptions have affected, and may in the future affect, the U.S. capital markets, which could adversely affect our business, financial condition or results of operations. We cannot assure you that market disruptions in Europe and other regions or countries, including the increased cost of funding for certain governments and financial institutions, will not impact the global economy, and we cannot assure you that assistance packages will be available, or if available, be sufficient to stabilize countries and markets in Europe or elsewhere affected by a financial crisis. To the extent uncertainty regarding any economic recovery in Europe negatively impacts consumer confidence and consumer credit factors, our business, financial condition and results of operations could be significantly and adversely affected. Moreover, there is a risk of both sector-specific and broad-based corrections and/or downturns in the equity and credit markets. Any of the foregoing could have a significant impact on the markets in which we operate and could have a material adverse impact on our business prospects and financial condition.

Various social and political circumstances in the U.S. and around the world (including wars and other forms of conflict, including rising trade tensions between the United States and China, and other uncertainties regarding actual and potential shifts in the United States and foreign, trade, economic and other policies with other countries, terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics), may also contribute to increased market volatility and economic uncertainties or deterioration in the United States and worldwide. Specifically, the ongoing conflict between Russia and Ukraine, and the ongoing conflict in the Middle East and the resulting market volatility, could adversely affect our business, financial condition or results of operations. In response to the conflict between Russia and Ukraine, the United States and other countries have imposed sanctions or other restrictive actions against Russia. Any of the above factors, including sanctions, export controls, tariffs, trade wars and other governmental actions, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and/or debt securities to decline. These market and economic disruptions could also negatively impact the operating results of our portfolio companies.

Additionally, the Federal Reserve may further raise, or may announce its intention to further raise, the Federal Funds Rate in 2024. These developments, along with the United States government’s credit and deficit concerns, global economic uncertainties and market volatility could cause interest rates to be volatile, which may negatively impact our ability to access the debt markets and capital markets on favorable terms.

Risks Related to Our Business and Structure

Our investment portfolio is recorded at fair value, with our Board of Directors determining, in good faith, the fair value of our investment portfolio and, as a result, there is uncertainty as to the value of our portfolio investments.

Under the 1940 Act, we are required to carry our portfolio investments at market value or, if there is no readily available market value, at fair value as determined by our Board of Directors. Typically, there will not be a public market for the securities of the privately held companies in which we invest. As a result, our Board of Directors values these securities quarterly at fair value based on input from management, a third-party independent valuation firm and the audit committee of our Board of Directors (the "Audit Committee"). The fair value of such securities may meaningfully change between the date of the fair value determination by our Board of Directors, as assisted by third-party independent valuation firms and the Audit Committee, and the release of the financial results for the corresponding period and/or the next date at which fair value is determined.

The determination of fair value and consequently, the amount of unrealized gains and losses in our portfolio, are to a certain degree, subjective and dependent on a valuation process approved by our Board of Directors. Certain factors that may be considered in determining the fair value of our investments include external events, such as private mergers, sales and acquisitions involving comparable companies. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, they may fluctuate over short periods of time and may be based on estimates. Our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. Due to this uncertainty, our fair value determinations may cause our net asset value on a given date to materially understate or overstate the value that we may ultimately realize on one or more of our investments. As a result, investors purchasing our common stock based on an overstated net asset value would pay a higher price than the value of our investments might warrant. Conversely, investors selling shares of our common stock during a period in which the net asset value understates the value of our investments will receive a lower price for their shares of our common stock than the value of our investments might warrant.

Our financial condition and results of operations depend on our ability to effectively manage and deploy capital.

Our ability to achieve our investment objective depends on our ability to effectively manage and deploy capital, which depends, in turn, on RGC’s ability to identify, originate, evaluate and monitor, and our ability to finance and invest in, companies that meet our investment criteria.

Accomplishing our investment objective on a cost-effective basis is largely a function of RGC’s handling of the investment process, its ability to provide competent, attentive and efficient services and our access to investments offering acceptable terms. In addition to monitoring the performance of our existing investments and other responsibilities under the Advisory Agreement, RGC’s investment team may also be called upon, from time to time, to provide managerial assistance to some of our portfolio companies. These demands may distract our investment team or slow the rate at which we may make investments.

Even if we are able to grow and build upon our investment portfolio, any failure to manage our growth effectively could have a material adverse effect on our business, financial condition, results of operations and prospects. Our results of operations depend on many factors, including the availability of opportunities for investment, readily accessible short and long-term funding alternatives in the financial markets and economic conditions. Furthermore, if we cannot successfully operate our business or implement our investment policies and strategies as described herein, it could negatively impact our ability to pay dividends.

We operate in a highly competitive market for investment opportunities and we may not be able to compete effectively.

Our primary competitors for investments include both existing and newly formed debt, and to a lesser extent equity, focused public and private funds, other BDCs, commercial and investment banks, venture-oriented commercial banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, we believe some competitors may have a lower cost of capital and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments than we have, which could allow them to consider a wider variety of investments and establish more relationships than we can. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or to the distribution and other requirements we must satisfy to maintain our ability to be subject to taxation as a RIC. These characteristics could allow our competitors to consider a wider variety of investments, establish more relationships and offer better pricing and more flexible structuring than we are able to offer. In recent years, substantial investor capital has been allocated to the private credit and direct lending asset classes, creating and increasing competition among lenders. Increased competition across all segments of the private credit and direct lending markets, has reduced credit spreads, and along with historically low interest rates, has reduced investment yields and resulted in more borrower friendly terms and conditions. For instance, typically when interest rates are low and a credit cycle extended, new entrants will enter traditionally higher yielding markets creating additional competition and pressures and temporarily compressing yields. We believe the credit markets, and in particular the market for our lending strategies, are presently experiencing such pressures. New competitors, including established private credit platforms in other segments, have entered the sponsored and non-sponsored growth lending market and a similar competitive dynamic is possible. While their entry may or may not be permanent, their entry could lead to competitive pressure on our investment yields and other terms and conditions in the short-term.

We do not compete primarily on the financing terms we offer and some competitors make loans with rates that are comparable or lower than our rates. We may lose some investment opportunities if we do not match our competitors' pricing, terms and structure. However, if we match our competitors' pricing, terms and structure, we may experience decreased net interest income, lower yields and increased risk of credit loss. As a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we may not be able to identify and make investments that are consistent with our investment objective. The competitive pressures we face may have a material adverse effect on our financial condition, results of operations and cash flows.

Our business model depends to a significant extent upon strong referral relationships. Any inability of RGC to maintain or develop these relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business.

We depend upon RGC to maintain its relationships with venture capital and private equity firms, placement agents, investment banks, management groups and other financial institutions, and we expect to rely to a significant extent upon these relationships to provide us with potential investment opportunities. If RGC fails to maintain such existing relationships, or to develop new relationships with other sources of investment opportunities, we may not be able to grow our investment portfolio. In addition, individuals with whom RGC has relationships are not obligated to provide us with investment opportunities, and we can offer no assurance that these relationships will generate investment opportunities for us in the future. The failure of RGC to maintain existing relationships, grow new relationships, or for any of those relationships to generate investment opportunities could have an adverse effect on our business, financial condition and results of operations.

We are dependent upon RGC's key personnel for our future success.

We depend on the diligence, skill and investment acumen of R. David Spreng, the founder, Chief Executive Officer and Chief Investment Officer of RGC , along with the senior officers and other investment professionals at RGC, including Thomas Raterman, our Acting President, Chief Operating Officer, Chief Financial Officer, Treasurer and Secretary, and Greg Greifeld our Acting Chief Executive Officer, and Managing Director, Deputy Chief Investment Officer, and Head of Credit at RGC. Mr. Raterman also serves as the Chief Financial Officer, and Chief Operating Officer of RGC. Mr. Spreng, Mr. Raterman, Mr. Greifeld and the other members of RGC's senior management evaluate, negotiate, structure, close and monitor our investments. Our future success depends on the continued service of these members of RGC's senior management. We cannot assure you that unforeseen business, medical, personal or other circumstances would not lead any such individual to terminate his or her relationship with us. The loss of Mr. Spreng, Mr. Raterman, Mr. Greifeld and/or any of the other members of RGC's senior management could have a material adverse effect on our ability to achieve our investment objective as well as on our financial condition and results of operations. In addition, we can offer no assurance that RGC will continue indefinitely as RGC.

The members of RGC's senior management are and may in the future become affiliated with entities engaged in business activities similar to those intended to be conducted by us and may have conflicts of interest in allocating their time. RGC may also manage and sub-advise private investment funds and accounts, and may manage other such funds and accounts in the future, which have investment mandates that are similar, in whole or in part, with ours. Accordingly, RGC's senior management may have obligations to investors in those entities, the fulfillment of which might not be in the best interests of us or our stockholders. For example, RGC's senior management may face conflicts of interest in the allocation of investment opportunities to us and such other existing and future funds and accounts.

Our success depends on the ability of RGC to attract and retain qualified personnel in a competitive environment.

Our growth requires that RGC retains and attracts new investment and administrative personnel in a competitive market. RGC's ability to attract and retain personnel with the requisite credentials, experience and skills depends on several factors including, but not limited to, its ability to offer competitive wages, benefits and professional growth opportunities. Many of the entities, including investment funds (such as venture capital funds, private equity funds and mezzanine funds) and traditional financial services companies, with which RGC competes for experienced personnel have greater resources than it possesses, which could have a negative impact on RGC's ability to attract and retain qualified personnel and, as a result, have a material adverse effect on our business and results of operations.

The compensation we pay to RGC and our Administrator was not determined on an arm's-length basis. Thus, the terms of such compensation may be less advantageous to us than if such terms had been the subject of arm's-length negotiations.

The compensation we pay to RGC and our Administrator was not determined on an arm's-length basis with an unaffiliated third party. As a result, the form and amount of such compensation may be less favorable to us than if the respective agreements had been entered into through arm's-length transactions with an unaffiliated third party. In addition, we may choose not to enforce, or to enforce less vigorously, our respective rights and remedies under the Advisory Agreement and the Administration Agreement because of our desire to maintain our ongoing relationship with RGC, our Administrator and their respective affiliates. Any such decision, however, could cause us to breach our fiduciary obligations to our stockholders.

Our management fee may induce RGC to purchase assets with borrowed funds and to use leverage despite any enhanced risk.

The management fee payable by us to RGC may create an incentive for RGC to purchase assets with borrowed funds when it is unwise to do so or to pursue investments on our behalf that are riskier or more speculative than would be the case in the absence of such compensation arrangement. The management fee payable to RGC is calculated based on the amount of our gross assets, which includes assets purchased with borrowed funds or other forms of leverage. Under certain circumstances, the use of leverage may increase the likelihood of default, which would impair the value of our common stock.

The capital gains portion of our incentive fee may induce RGC to make speculative investments.

RGC receives the incentive fee based, in part, upon net capital gains realized on our investments. Under the incentive fee structure, RGC may benefit when we recognize capital gains and, because RGC, in certain circumstances, will determine when to sell an investment, RGC will control the timing of the recognition of such capital gains. As a result, in certain situations RGC may have a tendency to invest more capital in investments that are likely to result in capital gains as compared to income producing securities. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during economic downturns.

A general increase in interest rates will likely have the effect of making it easier for RGC to receive incentive fees, without necessarily resulting in an increase in our net earnings.

Given the structure of the Advisory Agreement, any general increase in interest rates can be expected to lead to higher interest rates applicable to our debt investments and will likely have the effect of making it easier for RGC to meet the quarterly hurdle rate for payment of income incentive fees under the Advisory Agreement without any additional increase in relative performance on the part of RGC. This may occur without a corresponding increase in distributions to our stockholders. In addition, in view of the catch-up provision applicable to income incentive fees under the Advisory Agreement, RGC could potentially receive a significant portion of the increase in our investment income attributable to such a general increase in interest rates. If that were to occur, our increase in net earnings, if any, would likely be significantly smaller than the relative increase in RGC's income incentive fee resulting from such a general increase in interest rates.

RGC and our Administrator have the right to resign upon not more than 60 days' notice, and we may not be able to find a suitable replacement for either within that time, or at all, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

RGC has the right, under the Advisory Agreement, to resign at any time upon not more than 60 days' written notice, regardless of whether we have found a replacement. Similarly, our Administrator has the right under the Administration Agreement to resign at any time upon not more than 60 days' written notice, regardless of whether we have found a replacement. If RGC or our Administrator were to resign, we may not be able to find a new investment adviser or administrator or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms prior to the resignation of RGC or our Administrator, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations, as well as our ability to pay distributions, are likely to be materially and adversely affected. In addition, the coordination of our internal management and investment or administrative activities, as applicable, are likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by RGC, our Administrator and their respective affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our financial condition, business, results of operations and cash flows.

We may need to raise additional capital to grow because we must distribute most of our income.

We may need additional capital to fund growth in our investments. A reduction in the availability of new capital could limit our ability to grow. We must distribute at least 90% of our investment company taxable income to our stockholders to maintain our tax treatment as a RIC. As a result, any such cash earnings may not be available to fund investment originations. We have and may, in the future, borrow under debt facilities from financial institutions and issue additional debt and equity securities. If we fail to obtain funds from such sources or from other sources to fund our investments, it could limit our ability to grow, which may have an adverse effect on the value of our securities. In addition, as a BDC, our ability to borrow or issue preferred stock may be restricted if our total assets are less than 150% of our total borrowings and preferred stock. See "— Regulations governing our operation as a BDC affect our ability to raise additional capital and the way in which we do so. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage."

In addition, shares of BDCs have recently traded at discounts to their net asset values. If our common stock trades below its net asset value, we will not be able to issue additional shares of our common stock at its market price without first obtaining the approval for such issuance from our stockholders and our independent directors. If additional funds are not available to us, we could be forced to curtail or cease new lending and investment activities and our net asset value could decline.

A reduction in the availability of new capital or an inability on our part to access the capital markets successfully could limit our ability to grow our business and execute our business strategy fully and decrease our earnings, if any, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Any failure on our part to maintain our status as a BDC or fail to qualify as a RIC would reduce our operating flexibility.

The 1940 Act imposes numerous constraints on the operations of BDCs. For example, BDCs are required to invest at least 70% of their gross assets in specified types of "qualifying assets," primarily in private U.S. companies or thinly-traded U.S. public companies, cash, cash equivalents, U.S. government securities and other high-quality debt investments that mature in one year or less. In addition, subject to certain limited exceptions, an investment in an issuer that has outstanding securities listed on a national exchange may be treated as a qualifying asset only if such issuer has a market capitalization that is less than $250.0 million at the time of such investment. Moreover, as a RIC, the treatment for which we intend to qualify annually, we are required to satisfy certain source-of-income, diversification and distribution requirements. Therefore, we may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets. Conversely, if we fail to invest a sufficient portion of our assets in qualifying assets, we could lose our status as a BDC, which would have a material adverse effect on our business, financial condition and results of operations. Similarly, these constraints could prevent us from making additional investments in existing portfolio companies, which could result in the dilution of our position, or could require us to dispose of investments at an inopportune time to comply with the 1940 Act. If we were forced to sell non-qualifying investments in the portfolio for compliance purposes, the proceeds from such sale could be significantly less than the current value of such investments. These constraints, among others, may hinder our ability to take advantage of attractive investment opportunities and to achieve our investment objective.

Any failure to comply with the requirements imposed on BDCs by the 1940 Act could cause the SEC to bring an enforcement action against us and/or expose us to claims of private litigants. In addition, upon approval of a majority of our stockholders, we may elect to withdraw our status as a BDC. If we decide to withdraw our election, or if we otherwise fail to qualify, or maintain our qualification, as a BDC, we will be subject to the substantially greater regulation under the 1940 Act as a closed-end investment company. Compliance with such regulations would significantly decrease our operating flexibility and could significantly increase our costs of doing business.

Regulations governing our operation as a BDC affect our ability to raise additional capital and the way in which we do so. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage.

We may issue debt securities or preferred stock and/or borrow money from banks or other financial institutions, which we refer to collectively as "senior securities," up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, we are generally permitted, as a BDC, to issue senior securities in amounts such that our asset coverage ratio, as defined in the 1940 Act, equals at least 150% of gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities.

If the value of our assets decline, we may be unable to satisfy the asset coverage test. If that happens, we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when such sales may be disadvantageous. Also, any amounts that we use to service our indebtedness would not be available for distributions to our common stockholders. Furthermore, as a result of issuing senior securities, we would also be exposed to typical risks associated with leverage, including an increased risk of loss.

If we issue preferred stock, the preferred stock would rank "senior" to common stock in our capital structure, preferred stockholders would have separate voting rights on certain matters and might have other rights, preferences, or privileges more favorable than those of our common stockholders, and the issuance of preferred stock could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for holders of our common stock or otherwise be in your best interest.

We are generally not able to issue and sell our common stock at a price below net asset value per share. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then-current net asset value per share of our common stock if our Board of Directors determines that such sale is in the best interests of our stockholders, and our stockholders approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our Board of Directors, closely approximates the market value of such securities (less any distributing commission or discount). If we raise additional funds by issuing more common stock or senior securities convertible into, or exchangeable for, our common stock, then the percentage ownership of our stockholders at that time will decrease, and you may experience dilution.

We borrow money, which could magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us.

The use of leverage magnifies the potential for gain or loss on amounts invested and, therefore, increases the risks associated with investing in our securities. We borrow from and issue, and may continue to in the future, senior debt securities to banks, insurance companies and other lenders. Holders of these senior securities will have fixed dollar claims on our assets that are superior to the claims of our common stockholders, and we would expect such lenders to seek recovery against our assets in the event of a default. If the value of our assets increases, then leveraging would cause the net asset value attributable to our common stock to increase more sharply than it would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged. Similarly, any increase in our income in excess of interest payable on the borrowed funds would cause our net investment income to increase more than it would without the leverage, while any decrease in our income would cause net income to decline more sharply than it would have had we not borrowed. Such a decline could also negatively affect our ability to make dividend payments on our common stock, scheduled debt payments or other payments related to our securities. Leverage is generally considered a speculative investment technique. Our ability to service any debt that we incur will depend largely on our financial performance and will be subject to prevailing economic conditions and competitive pressures. In addition, our common stockholders will bear the burden of any increase in our expenses, including our interest expense, as a result of leverage.

As a BDC, we are generally required to meet an asset coverage ratio, defined under the 1940 Act as the ratio of our gross assets (less all liabilities and indebtedness not represented by senior securities) to our outstanding senior securities, of at least 150% after each issuance of senior securities. If this ratio declines below 150%, we may not be able to incur additional debt and could be required by law to sell a portion of our investments to repay some debt when it is disadvantageous to do so, which could have a material adverse effect on our operations, and we may not be able to make distributions. The amount of leverage that we employ will depend on RGC's and our Board of Director's assessment of market and other factors at the time of any proposed borrowing. We cannot assure you that we will be able to obtain credit at all or on terms acceptable to us. In addition, any debt facility into which we may enter would likely impose financial and operating covenants that restrict our business activities, including limitations that could hinder our ability to finance additional loans and investments or to make the distributions required to qualify as a RIC.

The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns on our portfolio as of December 31, 2023, net of expenses. Leverage generally magnifies the return of stockholders when the portfolio return is positive and magnifies their losses when the portfolio return is negative. The calculations in the table below are hypothetical, and actual returns may be higher or lower than those appearing in the table below.

	Assumed Return on Our Portfolio (Net of Expenses)				
	-10%	**-5%**	**0%**	**5%**	**10%**
Corresponding return to common stockholder[1]	-26.8%	-16.9%	-7.0%	2.8%	12.7%

(1) Assumes (i) $1.1 billion in total assets, (ii) $519.3 million in outstanding indebtedness, (iii) $547.1 million in net assets and (iv) weighted average interest rate, excluding fees (such as fees on undrawn amounts and amortization of financing costs) of 7.41%.

Any defaults under our Credit Facility or other borrowings, including the 2026 or 2027 Notes, could adversely affect our business.

On May 31, 2019 (as subsequently amended), we entered into a credit agreement ("Credit Facility") by and among us, as borrower, the financial institutions party thereto as lenders, KeyBank National Association, as administrative agent, syndication agent, and a lender, CIBC Bank USA, as documentation agent and a lender, MUFG Union Bank, N.A., as co-documentation agent and lender and U.S. Bank National Association, as paying agent.

On December 10, 2021, we entered into a master note purchase agreement in connection with a private debt offering of $70.0 million in aggregate principal amount of 4.25% interest-bearing unsecured Series 2021A Senior Notes due 2026 (the "December 2026 Notes"). On April 13, 2023, we entered into the first supplement to the master note purchase agreement in connection with an additional private debt offering of $25.0 million in aggregate principal amount of 8.54% interest-bearing unsecured Series 2023A Senior Notes due 2026 (the "April 2026 Notes" and together with the December 2026 Notes, the "2026 Notes").

On July 28, 2022, we issued and sold $80.5 million in aggregate principal amount of 7.50% interest-bearing unsecured Notes due 2027 (the "July 2027 Notes"), pursuant to a base indenture by and between us and U.S. Bank Trust Company, National Association, as trustee, dated July 28, 2022 (the "Base Indenture"), and the first supplemental indenture thereto, dated July 28, 2022. On August 31, 2022, we issued and sold $20.0 million in aggregate principal amount of 7.00% interest-bearing unsecured Series 2022A Senior Notes due 2027 (the "August 2027 Notes") to HCM Master Fund Limited in a private debt offering. On December 7, 2022, we issued and sold $51.75 million in aggregate principal amount of 8.00% interest-bearing unsecured Notes due 2027 (the "December 2027 Notes" and together with the July 2027 Notes and the August 2027 Notes, the "2027 Notes"), pursuant to the Base Indenture and the second supplemental indenture thereto, dated December 7, 2022.

In the event we default under our Credit Facility, or other borrowings, including the 2026 Notes and 2027 Notes, our business could be adversely affected as we may be forced to sell a portion of our investments quickly and prematurely at what may be unfavorable prices to us in order to meet our outstanding payment obligations and/or support working capital requirements under such borrowing facility, any of which would have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, following any such default, the agent for the lenders under such borrowing facility could assume control of the disposition of any or all of our assets, including the selection of such assets to be disposed and the timing of such disposition, which would have a material adverse effect on our business, financial condition, results of operations and cash flows.

If we are unable to obtain additional debt financing, or if our borrowing capacity is materially reduced, our business could be materially adversely affected.

We may want to obtain additional debt financing or need to do so upon maturity of the Credit Facility, in order to obtain funds that may be made available for investments. The availability period under the Credit Facility expires on April 20, 2025 and is followed by a one year amortization period. The stated maturity date under the Credit Facility is April 20, 2026, unless extended. If we are unable to increase, renew or replace the Credit Facility and enter into new debt financing facilities or other debt financing on commercially reasonable terms, our liquidity may be reduced significantly. In addition, if we are unable to repay amounts outstanding under any such facilities and are declared in default or are unable to renew or refinance these facilities, we may not be able to make new investments or operate our business in the normal course. These situations may arise due to circumstances that we may be unable to control, such as lack of access to the credit markets, a severe decline in the value of the U.S. dollar, an economic downturn or an operational problem that affects us or third parties, and could materially damage our business operations, results of operations and financial condition.

Changes in interest rates may affect our cost of capital, the ability of our portfolio companies to service their debt obligations and our net investment income.

General interest rate fluctuations and changes in credit spreads on floating rate loans may have a substantial negative impact on our investments and investment opportunities and, accordingly, may have a material adverse effect on our rate of return on invested capital, our net investment income, and our net asset value. Substantially all of our debt investments will have variable interest rates that reset periodically based on benchmarks such as SOFR and Prime rate.

In periods of rising interest rates, to the extent we borrow money subject to a floating interest rate, our cost of funds would increase, which could reduce our net investment income. Further, rising interest rates could also adversely affect our performance if such increases cause our borrowing costs to rise at a rate in excess of the rate that our investments yield. If general interest rates rise, there is a risk that the portfolio companies in which we hold floating rate securities will be unable to pay escalating interest amounts, which could result in a default under their loan documents with us. Rising interest rates could also cause portfolio companies to shift cash from other productive uses to the payment of interest, which may have a material adverse effect on their business and operations and could, over time, lead to increased defaults. In addition, rising interest rates may increase pressure on us to provide fixed rate loans to our portfolio companies, which could adversely affect our net investment income, as increases in our cost of borrowed funds would not be accompanied by increased interest income from such fixed-rate investments.

In addition, to the extent we borrow money to make investments, our net investment income depends, in part, upon the difference between the rate at which we borrow funds and the rate at which we invest those funds. As a result, we can offer no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income to the extent we use debt to finance our investments. In periods of rising interest rates, our cost of funds would increase, which could reduce our net investment income. In addition, in a prolonged low interest rate environment, including a reduction of SOFR or Prime rate to zero, the difference between the total interest income earned on interest earning assets and the total interest expense incurred on interest bearing borrowings may be compressed, reducing our net interest income and potentially adversely affecting our operating results.

In addition, a rise in the general level of interest rates can be expected to lead to higher interest rates applicable to our debt investments. Accordingly, an increase in interest rates would make it easier for us to meet or exceed the incentive fee hurdle rate and may result in a substantial increase of the amount of incentive fees payable to RGC with respect to our pre-incentive fee net investment income.

Our portfolio securities may not have a readily available market price and, in such a case, we will value these securities at fair value as determined in good faith under procedures adopted by our Board of Directors, which valuation is inherently subjective and may not reflect what we may actually realize for the sale of the investment.

A large percentage of our portfolio investments are in the form of debt investments that are not publicly traded. The fair value of these securities is not readily determinable. We value these investments on at least a quarterly basis in accordance with our valuation policy, which is at all times consistent with generally accepted accounting principles in the United States ("U.S. GAAP"). Our Board of Directors utilizes the services of certain independent third-party valuation firms to aid it in determining the fair value of these investments. The Board of Directors discusses valuations and determines the fair value in good faith based on the input of RGC, the Audit Committee and the applicable third-party valuation firm. The participation of RGC in our valuation process could result in a conflict of interest, since the management fees are based in part on our gross assets and also because RGC is receiving performance-based incentive fees. The factors that are considered in the fair value pricing of our investments include the nature and realizable value of any collateral, the portfolio company's ability to make payments on loans and its earnings, the markets in which the portfolio company does business, comparisons to publicly traded companies, discounted cash flow, relevant credit market indices, and other relevant factors. Because such valuations, and particularly valuations of private investments and private companies, are inherently uncertain, may fluctuate over short periods of time and are often based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. In addition, the valuation of these types of securities may result in substantial write-downs and earnings volatility.

Our net asset value as of a particular date may be materially greater than or less than the value that would be realized if our assets were to be liquidated as of such date. For example, if we were required to sell a certain asset or all or a substantial portion of its assets on a particular date, the actual price that we would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in our net asset value. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in our net asset value.

Our Board of Directors may change our investment objective, operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse.

Our Board of Directors has the authority to modify or waive our investment objective, current operating policies, investment criteria and strategies without prior notice (except as required by the 1940 Act) and without stockholder approval. However, absent stockholder approval, we may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC. We cannot predict the effect any changes to our current operating policies, investment criteria and strategies would have on our business, net asset value, operating results and value of our stock. However, the effects of changes to our investment objective or criteria by our Board might be adverse, which could negatively impact our ability to pay you dividends and cause you to lose all or part of your investment.

To the extent original issue discount and PIK-interest constitute a portion of our income, we are exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash representing such income.

Certain of our investments include original-issue-discount instruments and contractual PIK-interest arrangements. To the extent original issue discount or PIK-interest constitutes a portion of our income, we are exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash, including the following:

- The higher interest rates of original issue discount and PIK instruments reflect the payment deferral, which results in a higher principal amount at the maturity of the instrument as compared to the original principal amount of the instrument. Increased credit risk associated with these instruments, and original issue discount and PIK instruments generally, represent a significantly higher credit risk than coupon loans.
- Even if the accounting conditions for income accrual are met, the borrower could still default when our actual collection is supposed to occur at the maturity of the obligation.

- Original issue discount and PIK instruments may have unreliable valuations because their continuing accruals require continuing judgments about the collectability of the deferred payments and the value of any associated collateral. Original issue discount and PIK-income may also create uncertainty about the source of our cash distributions.
- To the extent we provide loans with interest-only payments or moderate loan amortization, the majority of the principal payment or amortization of principal may be deferred until loan maturity. Because this debt generally allows the borrower to make a large lump-sum payment of principal at the end of the loan term, there is a risk of loss if the borrower is unable to pay the lump sum or refinance the amount owed at maturity.
- For accounting purposes, any cash distributions to stockholders representing original issue discount and PIK-income are not treated as coming from paid-in capital, even though the cash to pay them comes from the offering proceeds. As a result, despite the fact that a distribution representing original issue discount and PIK-income could be paid out of amounts invested by our stockholders, the 1940 Act does not require that stockholders be given notice of this fact by reporting it as a return of capital.
- In certain cases, we may recognize taxable income before or without receiving corresponding cash payments and, as a result, we may have difficulty meeting the Annual Distribution Requirement necessary to maintain our tax treatment as a RIC.

We have and will continue to expend significant financial and other resources to comply with the requirements of being a public reporting entity.

As a public reporting company, we are subject to the reporting requirements of the Exchange Act and certain requirements of the Sarbanes-Oxley Act. The Exchange Act requires that we file annual, quarterly, and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal control over financial reporting, which are discussed below. See "Business – Regulation as a Business Development Company" in Part I, Item 1 of this Form 10-K. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal controls, significant resources and management oversight is required. We will continue to implement procedures, processes, policies and practices for the purpose of addressing the standards and requirements applicable to public companies. These activities may divert management's attention from other initiatives, strategies or business concerns, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. We expect to incur significant annual expenses related to these steps and, among other things, directors' and officers' liability insurance, director fees, reporting requirements of the SEC, transfer agent fees, additional administrative expenses payable to our Administrator to compensate them for hiring additional accounting, legal and administrative personnel, increased auditing and legal fees and similar expenses.

The systems and resources necessary to comply with public company reporting requirements will increase further once we cease to be an "emerging growth company" under the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"). As long as we remain an emerging growth company, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. We will remain an emerging growth company for up to five years following our IPO, which we completed on October 25, 2021, although we would cease to be an emerging growth company as of the following December 31 if (i) the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of any June 30 before that time, (ii) our annual gross revenue for the fiscal year exceeds $1.235 billion, or (iii) we issue an aggregate of $1.0 billion in non-convertible debt securities in any three year period. See "Business — Implications of Being an Emerging Growth Company" in Part I, Item 1 of this Form 10-K.

We are obligated to maintain proper and effective internal control over financial reporting. Failure to achieve and maintain effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and the value of our common stock.

We are obligated to maintain proper and effective internal control over financial reporting, including the internal control evaluation and certification requirements of Section 404 of the Sarbanes-Oxley Act ("Section 404"). We are required to conduct annual management assessments of the effectiveness of our internal controls over financial reporting. However, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting until the date (i) we are no longer an "emerging growth company" under the JOBS Act, and (ii) we become an "accelerated filer" as defined in Rule 12b-2 under the Exchange Act. Accordingly, our internal controls over financial reporting may not currently meet all of the standards contemplated by Section 404 that we will eventually be required to meet.

Our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of consolidated financial statements. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our business and operating results could be harmed and we could fail to meet our financial reporting obligations.

Risks Related to Our Investments

Our investments are very risky and highly speculative.

We invest primarily in senior secured term loans and other senior debt obligations and may on occasion invest in second lien loans issued by high growth-potential companies. We also have and continue to expect to acquire warrants and other equity securities from portfolio companies in connection with our investments in loans to these companies. We invest primarily in secured loans made to companies whose debt has generally not been rated by any rating agency, although we would expect such debt, if rated, to fall below investment grade. Securities rated below investment grade are often referred to as "high yield" securities and "junk bonds," and are considered "high risk" and speculative in nature compared to debt instruments that are rated above investment grade.

Senior Secured Loans. There is a risk that the collateral securing our loans may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio company to raise additional capital. In some circumstances, our liens on the collateral securing our loans could be subordinated to claims of other creditors. In addition, deterioration in a portfolio company's financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the loan. Consequently, the fact that a loan is secured does not guarantee that we will receive principal and interest payments according to the loan's terms, or at all, or that we will be able to collect on the loan should we be compelled to enforce our remedies.

Second Lien Secured Loans. In structuring our loans, we may subordinate our security interest in certain assets of a borrower to another lender, usually a bank. In these situations, all of the risks identified above in Senior Secured Loans would be true and additional risks inherent in holding a junior security position would also be present, including, but not limited to those outlined below in "Second priority liens on collateral securing loans that we make to our portfolio companies may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and us."

Equity Investments. When we invest in secured loans, we may acquire equity securities as well, including warrants. In addition, we may also, on a limited basis, invest directly in the equity securities of portfolio companies. The equity interests we receive may not appreciate in value and may in fact decline in value. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience.

In addition, investing in small, fast-growing, private companies involves a number of significant risks, including the following:

- they may have limited financial resources and may be unable to meet their obligations under their debt securities that we hold. This failure to meet obligations may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing any guarantees we may have obtained in connection with our investment;
- they typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions, market conditions, and general economic downturns;
- they are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on us;
- they generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion, or maintain their competitive position. In addition, our executive officers, directors and RGC may, in the ordinary course of business, be named as defendants in litigation arising from our investments in the portfolio companies; and
- they may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding debt upon maturity.

Venture lenders, in general, focus on a limited set of key financial performance metrics, including minimum liquidity, performance to plan, and investor abandonment, in lieu of a full set of financial performance covenants that do not meaningfully assess the risk of companies at the stage of development of companies in which venture lenders typically invest. As such, many of our loans could be considered covenant-lite by traditional lending standards. We use the term "covenant-lite" loans to refer generally to loans that do not require a borrower to comply with financial maintenance covenants. Generally, covenant-lite loans permit borrowers more opportunity to negatively impact lenders because their covenants are incurrence-based, which means they are only tested and can only be breached following certain actions of the borrower, rather than by a deterioration in the borrower's financial condition. Accordingly, because we make and have exposure to covenant-lite loans, we may have less protection from borrower actions and may have a greater risk of loss on such investments as compared to investments in or exposure to loans with financial maintenance covenants.

Investing in high growth-potential, private companies involves a high degree of risk, and our financial results may be affected adversely if one or more of our significant portfolio investments defaults on its loans or fails to perform as we expect.

We expect that our portfolio will continue to consist primarily of debt investments in privately-owned companies, and to a lesser extent equity investments in privately-owned companies. Investing in these companies involves a number of significant risks. Typically, the debt in which we intend to invest will not be initially rated by any rating agency; however, we believe that if such investments were rated, they would generally be below investment grade. Securities rated below investment grade are often referred to as "high yield" securities and "junk bonds," and are considered "high risk" and speculative in nature compared to debt instruments that are rated investment grade. Compared to larger publicly owned companies, these companies may be in a weaker financial position and may experience wider variations in their operating results, which may make them more vulnerable to economic downturns. Typically, these companies need more capital to compete; however, their access to capital is limited and their cost of capital is often higher than that of their competitors. Our portfolio companies face intense competition from larger companies with greater financial, technical, and marketing resources and their success typically depends on the managerial talents and efforts of an individual or a small group of persons. Therefore, the loss of any of its key employees could affect a portfolio company's ability to compete effectively and harm its financial condition. Further, some of these companies conduct business in regulated industries that are susceptible to regulatory changes, resulting in increased compliance measures and possibly more susceptibility to regulatory breaches or violations. These factors could impair the cash flow of our portfolio companies and result in other events, such as bankruptcy. These events could limit a portfolio company's ability to repay its obligations to us, which may have an adverse effect on the return on, or the recovery of, our investment in these businesses. Deterioration in a borrower's financial condition and prospects may be accompanied by deterioration in the value of the loan's collateral.

Some of these companies cannot obtain financing from public capital markets or from traditional credit sources, such as commercial banks. Accordingly, the loans we make to these types of companies pose a higher default risk than loans made to companies that have access to traditional credit sources.

An investment strategy focused primarily on privately held companies presents certain challenges, including the lack of available information about these companies and a greater vulnerability to economic downturns.

We invest primarily in high growth-potential, privately held companies and these companies may not have third-party credit ratings or audited consolidated financial statements subject to public accounting standards or otherwise. Generally, little public information exists about these companies, and we are required to rely on the ability of RGC's investment team to obtain adequate financial or other information to evaluate the potential returns from investing in these companies. Furthermore, private companies and their financial information will not generally be subject to the Sarbanes-Oxley Act and other rules that govern public companies. If we are unable to uncover all material information about these companies through our diligence and underwriting process, we may not make a fully informed investment decision. This could adversely affect our investment returns as compared to companies investing primarily in the securities of public companies.

Inflation may adversely affect our and our portfolio companies' business, results of operations and financial condition.

Some of our portfolio companies may be adversely impacted during times of inflation. If such portfolio companies are unable to pass any increases in their costs along to their customers, it could adversely affect their results and impact their ability to pay interest and principal on our loans. In addition, any projected future decreases in our portfolio companies' operating results due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of our investments could result in future unrealized losses and therefore reduce our net assets resulting from operations.

Our portfolio companies may have limited operating histories and financial resources.

Our portfolio consists of investments in companies that may have relatively limited operating histories. Generally, limited public information exists about these companies, and we are required to rely on the ability of RGC's investment team to obtain adequate information to evaluate the potential returns from investing in these companies. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and we may lose money on our investments. These companies may be particularly vulnerable to U.S. economic downturns and may have limited access to capital. These companies also frequently have less diverse product lines and a smaller market presence than larger competitors and may experience substantial variations in operating results. These companies may face intense competition, including from companies with greater financial, technical, operational and marketing resources, and typically depend upon the expertise and experience of a single individual executive or a small management team. Our success depends, in large part, upon the abilities of the key management personnel of our portfolio companies, who are responsible for the day-to-day operations of our portfolio companies. Competition for qualified personnel is intense at any stage of a company's development, but even more so at the growth stage of the companies we typically invest in. The inability to attract and retain and/or the loss of one or more key managers can hinder or delay a company's implementation of its business plan and harm its financial condition, which could negatively affect our investment returns.

In addition, our existing and future portfolio companies may compete with each other for investment or business opportunities and the success of one could negatively impact the other. Furthermore, some of our portfolio companies do business in regulated industries and could be affected by changes in government regulation. Accordingly, these factors could impair their cash flow or result in other events, such as bankruptcy, which could limit their ability to repay their obligations to us, and may materially and adversely affect the return on, or the recovery of, our investment. As a result, we may lose our entire investment in any of our portfolio companies.

The financial projections of our portfolio companies could prove inaccurate.

We generally evaluate the capital structure of portfolio companies on the basis of financial projections prepared by the management of such portfolio companies. These projected operating results are normally based primarily on judgments of the management of the portfolio companies. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. General economic conditions, which are not predictable with accuracy, along with other macroeconomic factors and specific factors of the portfolio company, may cause actual performance to fall short of the financial projections that were used to establish a given portfolio company's capital structure. Because of the leverage that is typically employed by our portfolio companies, this could cause a substantial decrease in the value of our investment in the portfolio company. The inaccuracy of financial projections of portfolio companies could thus cause our performance to fall short of our expectations.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies.

We invest primarily in senior secured loans made to high growth-potential private companies but, on occasion make second lien loans to portfolio companies. Our portfolio companies may have, or may be permitted to incur, other debt that ranks equally with, or in some cases senior to, the debt in which we invest. By their terms, such debt instruments may entitle the holders to receive payment of interest or principal on or before the dates on which we are entitled to receive payments with respect to the debt instruments in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization, or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution. After repaying such senior creditors, such portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with debt instruments in which we invest, we would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization, or bankruptcy of the relevant portfolio company. In the case of second lien loans that we make to portfolio companies, we would not recover any of our principal amount of the loan until the first lien holder is fully repaid, which would likely result in us recovering less or no amounts due on our loan and, in turn, could have a materials adverse effect on our operations and financial condition.

There may be circumstances in which our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims.

Even though we intend to structure most of our debt investments as secured loans, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances, and based upon principles of equitable subordination as defined by existing case law, a bankruptcy court could subordinate all or a portion of our claim to that of other creditors and transfer any lien securing such subordinated claim to the bankruptcy estate. The principles of equitable subordination defined by case law have generally indicated that a claim may be subordinated only if its holder is guilty of misconduct or where the senior loan is re-characterized as an equity investment and the senior lender has actually provided significant managerial assistance to the bankrupt debtor. In our case, we may, if requested to do so, provide managerial assistance to our portfolio companies. We may also be subject to lender liability claims for actions taken by us with respect to a borrower's business or instances where we exercise control over the borrower. It is possible that we could become subject to a lender's liability claim, including as a result of actions taken in rendering significant managerial assistance or actions to compel and collect payments from the borrower outside the ordinary course of business.

Second priority liens on collateral securing loans that we make to our portfolio companies may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and us.

Certain loans that we make will be secured by a second priority security interest in the same collateral pledged by a portfolio company to secure senior debt owed by the portfolio company to commercial banks or other traditional lenders. Often the senior lender has procured covenants from the portfolio company prohibiting the incurrence of additional secured debt without the senior lender's consent. Prior to and as a condition of permitting the portfolio company to borrow money from us secured by the same collateral pledged to the senior lender, the senior lender may require assurances that it will control the disposition of any collateral in the event of bankruptcy or other default. In many such cases, the senior lender will require us to enter into an intercreditor agreement prior to permitting the portfolio company to borrow from us. Typically the intercreditor agreements we will be requested to execute will expressly subordinate our debt instruments to those held by the senior lender and further provide that the senior lender will control: (1) the commencement of foreclosure or other proceedings to liquidate and collect on the collateral; (2) the nature, timing, and conduct of foreclosure or other collection proceedings; (3) the amendment of any collateral document; (4) the release of the security interests in respect of any collateral; and (5) the waiver of defaults under any security agreement. Because of the control we may cede to senior lenders under intercreditor agreements we may enter, we may be unable to realize the proceeds of any collateral securing some of our loans.

We may be subject to risks associated with our investments in covenant-lite loans.

Venture lenders, in general, focus on a limited set of key financial performance metrics, including minimum liquidity, performance to plan, and investor abandonment, in lieu of a full set of financial performance covenants that do not meaningfully assess the risk of companies at the stage of development of companies in which venture lenders typically invest. As such, many of our loans could be considered covenant-lite by traditional lending standards. We have made and may in the future make or obtain significant exposure to covenant-lite loans, which generally are loans that do not require a borrower to comply with financial maintenance covenants, and may not include terms that allow the lender to monitor the financial performance of the borrower, including financial ratios, and declare a default if certain financial criteria are breached. While these loans may still contain other collateral protections, a covenant-lite loan may carry more risk than a covenant-heavy loan made by the same borrower as it does not require the borrower to provide affirmation that certain specific financial tests have been satisfied on a routine basis as is generally required under a covenant-heavy loan agreement. Generally, covenant-lite loans permit borrowers more opportunity to negatively impact lenders because their covenants, if any, tend to be incurrence-based, which means they are only tested and can only be breached following certain actions of the borrower, rather than by a deterioration in the borrower's financial condition. Our investment in or exposure to a covenant-lite loan may potentially hinder our ability to reprice credit risk associated with the issuer and reduce our ability to restructure a problematic loan and mitigate potential loss. As a result, our exposure to losses may be increased, which could result in an adverse impact on our revenues, net income and net asset value.

The lack of liquidity in our investments may adversely affect our business.

We typically invest in companies whose securities are not publicly traded, and whose securities will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. There is typically no established trading market for the securities in which we invest. The illiquidity of these investments may make it difficult for us to sell these investments when desired. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we had previously recorded these investments. As a result, we do not expect to achieve liquidity in our investments in the near-term and, in particular, with respect to the equity securities we acquire in our portfolio companies. Our investments are typically subject to contractual or legal restrictions on resale or are otherwise illiquid because there is no established trading market for such investments. The illiquidity of our investments may make it difficult for us to dispose of them at a favorable price or at all, and we may suffer losses as a result.

Our failure to make follow-on investments in our portfolio companies could impair the value of our portfolio.

Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as "follow-on" investments, in order to: (1) increase or maintain in whole or in part our equity ownership percentage; (2) exercise warrants, options, or convertible securities that were acquired in the original or a subsequent financing; or (3) attempt to preserve or enhance the value of our investment. However, we may elect not to make follow-on investments or lack sufficient funds to make those investments. We will have the discretion to make any follow-on investments, subject to the availability of capital resources. The failure to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment or may result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make a follow-on investment because we do not want to increase our concentration of risk, we prefer other opportunities, we are subject to BDC requirements that would prevent such follow-on investments, or the follow-on investment would affect our qualification as a RIC.

Our portfolio may lack diversification among portfolio companies, which subjects us to a risk of significant loss if one or more of these companies default on their repayment obligations under any of their debt instruments.

Our portfolio may hold a limited number of portfolio companies. Beyond the asset diversification requirements associated with our qualification as a RIC, we do not have fixed guidelines for diversification, and our investments may be concentrated in relatively few companies. As our portfolio is less diversified than the portfolios of some larger funds, we are more susceptible to failure if a single loan fails. As a result, if a significant loan fails to perform as expected, our business, financial condition, results of operation and cash flows could be more negatively affected and the magnitude of the loss could be more significant than if we had made smaller investments in more companies. Similarly, the aggregate returns we realize may be significantly adversely affected if a small number of investments perform poorly or if we need to write down the value of any one investment.

Our portfolio may be concentrated in a limited number of industries, which will subject us to a risk of significant loss if there is a downturn in a particular industry in which a number of our investments are concentrated.

Our portfolio is concentrated in a limited number of industries. We invest primarily in companies focused in technology, life sciences, healthcare information and services, business services, financial services, select consumer services and products and other high growth industries. A downturn in any particular industry in which we are invested could significantly impact the aggregate returns we realize. As our portfolio may be less diversified than the portfolios of other investment vehicles, we may be more susceptible to losses if a single loan is not repaid. Similarly, the aggregate returns we realize may be significantly adversely affected if a small number of investments perform poorly or if we need to write down the value of any one investment.

Our portfolio may lack diversification among our Sponsored Growth Lending and Non-Sponsored Growth Lending strategies and among sponsors within the Sponsored Growth Lending strategy.

Our objective is to build a balanced portfolio with diversification among sponsored and non-sponsored transactions, diversification among sponsors within the Sponsored Growth Lending strategy, and diversification among industry, geography, and stage of development generally, which we believe will contribute to a favorable risk adjusted return for the portfolio viewed as a whole. If we are unable to achieve diversification or retain it, we may not achieve favorable risk adjusted returns for the portfolio viewed as a whole.

We invest in sectors including technology, life sciences, healthcare information and services, business services, financial services, select consumer services and products and other high-growth industries, which are subject to specific risks related to each.

We intend to continue to invest the largest portions of our portfolio in technology, life sciences, healthcare information and services, business services, financial services, select consumer services and products and other high-growth industries. Our portfolio companies may address needs in technology-related industries and markets. We expect that our technology portfolio will consist of companies that commercialize and integrate products targeted at technology-related markets. There are risks in investing in companies that target technology-related markets, including rapid and sometimes dramatic price erosion of products, the reliance on capital and debt markets to finance large capital outlays, including fabrication facilities, the reliance on partners outside of the United States, particularly in Asia, and inherent cyclicality of the technology market in general. As a result of multiple factors, access to capital may be difficult or impossible for companies in our portfolio that are pursuing these markets.

We may be subject to risks associated with our investments in life sciences-related companies.

Our life sciences portfolio consists primarily of companies that commercialize and integrate products in life sciences-related industries, including biotechnology, drug discovery, drug delivery, bioinformatics and medical devices. There are risks in investing in companies that target life sciences-related industries, including, but not limited to, the uncertainty of timing and results of clinical trials to demonstrate the safety and efficacy of products; failure to obtain any required regulatory approval of products; failure to develop manufacturing processes that meet regulatory standards; competition, in particular from companies that develop rival products; and the ability to protect proprietary technology. Adverse developments in any of these areas may adversely affect the value of our life sciences portfolio.

This life sciences industry is dominated by large multinational corporations with substantially greater financial and technical resources than generally will be available to our portfolio companies. Such large corporations may be better able to adapt to the challenges presented by continuing rapid and major scientific, regulatory and technological changes as well as related changes in governmental and third-party reimbursement policies.

Within the life sciences industry, the development of products generally is a costly and time-consuming process. Many highly promising products ultimately fail to prove to be safe and effective. There can be no assurance that the research or product development efforts of our portfolio companies or those of their collaborative partners will be successfully completed, that specific products can be manufactured in adequate quantities at an acceptable cost and with appropriate quality, or that such products can be successfully marketed or achieve customer acceptance. There can be no assurance that a product will be relevant and/or be competitive with products from other companies following the costly, time-consuming process of its development.

The research, development, manufacturing, and marketing of products developed by some life sciences companies are subject to extensive regulation by numerous government authorities in the United States and other countries. There can be no assurance that products developed by the portfolio companies will ever be approved by such governmental authorities.

Many life sciences portfolio companies will depend heavily upon intellectual property for their competitive position. There can be no assurance that the portfolio companies will be able to obtain patents for key inventions. Moreover, within the life sciences industry, patent challenges are frequent. Even if patents held by the portfolio companies are upheld, any challenges thereto may be costly and distracting to the portfolio companies' management.

Some of the life sciences portfolio companies will be at least partially dependent for their success upon governmental and third-party reimbursement policies that are under constant review and are subject to change at any time. Any such change could adversely affect the viability of one or more portfolio companies.

Technology-related sectors, including those involving data processing and outsourced services, in which we invest are subject to many risks, including volatility, intense competition, decreasing life cycles, product obsolescence, changing consumer preferences and periodic downturns.

Given the experience of RGC's senior investment professionals within the technology space, a number of the companies in which we intend to invest operate in technology-related sectors. The revenue, income (or losses) and valuations of technology-related companies can and often do fluctuate suddenly and dramatically. In addition, because of rapid technological change, the average selling prices of products and some services provided by technology-related sectors have historically decreased over their productive lives. As a result, the average selling prices of products and services offered by our portfolio companies that operated in technology-related sectors may decrease over time, which could adversely affect their operating results and, correspondingly, the value of any securities that we may hold. This could, in turn, materially adversely affect our business, financial condition and results of operations. Specifically, our investments in electronic equipment may be subject to risks unique to this industry. The products manufactured in the electronic equipment industry are subject to rapid technological change and intense competition. The electronic equipment industry is also subject to fluctuations in demand, which may adversely affect the operating results of our portfolio companies in this industry.

Certain technology-related industries are subject to extensive government regulation, which exposes us to the risk of significant loss if any of these industry sectors experiences a downturn.

Our portfolio companies in technology-related industries may be subject to extensive regulation by U.S. and foreign federal, state and/or local agencies. Changes in existing laws, rules or regulations, or judicial or administrative interpretations thereof, or new laws, rules or regulations could have an adverse impact on the business and industries of our portfolio companies. In addition, changes in government priorities or limitations on government resources could also adversely impact our portfolio companies. We are unable to predict whether any such changes in laws, rules or regulations will occur and, if they do occur, the impact of these changes on our portfolio companies and our investment returns. Furthermore, if any of our portfolio companies were to fail to comply with applicable regulations, they could be subject to significant penalties and claims that could materially and adversely affect their operations. Our portfolio companies may be subject to the expense, delay and uncertainty of the regulatory approval process for their products and, even if approved, these products may not be accepted in the marketplace.

As of December 31, 2023, our investments in healthcare technology represented 17.8% of our portfolio at fair value. Our investments in healthcare technology are subject to substantial risks, including, but not limited to, the risk that the laws and regulations governing the business of health care companies, and interpretations thereof, may change frequently. Current or future laws and regulations could force our portfolio companies engaged in health care, to change their policies related to how they operate, restrict revenue, change costs, change reserve levels and change business practices.

Any of our portfolio companies operating in the healthcare information and services industry are subject to extensive government regulation and certain other risks particular to that industry.

Our portfolio companies may be subject to extensive regulation by U.S. and foreign federal, stated and/or local agencies. Our healthcare information and services portfolio companies provide technology to companies that are subject to extensive regulation, including Medicare and Medicaid payment rules and regulation, the False Claims Act and federal and state laws regarding the collection, use and disclosure of patient health information and the storage handling and administration of pharmaceuticals. Changes in existing laws, rules or regulations, or judicial or administrative interpretations, or new laws, rules or regulations could have an adverse impact on the business and industries of our portfolio companies. In addition, changes in government priorities or limitations on government resources could also adversely impact our portfolio companies. If any of our portfolio companies or the companies to which they provide such technology fail to comply with applicable regulations, they could be subject to significant penalties and claims that could materially and adversely affect their operations. Portfolio companies in the healthcare information and services industry are also subject to the risk that changes in applicable regulations will render their technology obsolete or less desirable in the marketplace. We are unable to predict whether any such changes in laws, rules or regulations will occur and, if they do occur, the impact of these changes on our portfolio companies and our investment returns.

Portfolio companies in the healthcare information and services industry may also have a limited number of suppliers of necessary components or a limited number of manufacturers for their products, and therefore face a risk of disruption to their manufacturing process if they are unable to find alternative suppliers when needed. Any of these factors could materially and adversely affect the operations of a portfolio company in this industry and, in turn, impair our ability to timely collect principal and interest payments owed to us.

The internet retail industry is subject to many risks and is highly competitive.

A number of the companies in which we invest operate in the internet retail industry. The internet retail industry is highly competitive. This competition is increasingly intense as a number of internet-based retailers have started and failed in recent years. Competitors include larger companies than the portfolio companies in which we invest, which, in particular, may have access to greater resources, and may be more successful in the recruitment and retention of qualified employees which may give them a competitive advantage. In addition, actual or potential competitors may be strengthened through the acquisition of additional assets and interests. If our portfolio companies are unable to compete effectively or adequately respond to competitive pressures, this inability may materially adversely affect our results of operation and financial condition.

We may be subject to risks associated with our investments in the software industry.

Portfolio companies in the software industry are subject to a number of risks. The revenue, income (or losses) and valuations of software and other technology-related companies can and often do fluctuate suddenly and dramatically. In addition, because of rapid technological change, the average selling prices of software products have historically decreased over their productive lives. As a result, the average selling prices of software offered by our portfolio companies may decrease over time, which could adversely affect their operating results and, correspondingly, the value of any securities that we may hold. Additionally, companies operating in the software industry are subject to vigorous competition, changing technology, changing client and end-consumer needs, evolving industry standards and frequent introductions of new products and services. Our portfolio companies in the software industry compete with several companies that operate in the global, regional and local software industries, and certain of those current or potential competitors may be engaged in a greater range of businesses, have a larger installed base of customers for their existing products and services or have greater financial, technical, sales or other resources than our portfolio companies do. Our portfolio companies may lose market share if their competitors introduce or acquire new products that compete with their software and related services or add new features to their products. Any of this could, in turn, materially adversely affect our business, financial condition and results of operations.

Our portfolio companies operating in the human resources and employment services industry operate in a complex regulatory environment, and failure to comply with applicable laws and regulations could adversely affect the business of our portfolio companies.

Certain of our portfolio companies that operate in the human resource industry are subject to a broad range of complex and evolving laws and regulations, including those applicable to payroll practices, benefits administration, employment practices, workers' compensation coverage, and privacy. Because our portfolio companies have clients with employees in many states throughout the United States, our portfolio companies must perform services in compliance with the legal and regulatory requirements of multiple jurisdictions. Some of these laws and regulations may be difficult to ascertain or interpret and may change from time to time. Violation of such laws and regulations could subject our portfolio companies to fines and penalties, damage their reputation, constitute a breach of client agreements, impair our portfolio companies' ability to obtain and renew required licenses, and decrease our portfolio companies' profitability or competitiveness. If any of these effects were to occur, our operating results and financial condition could be adversely affected.

Because we generally do not hold controlling equity interests in our portfolio companies, we may not be in a position to exercise control over our portfolio companies or to prevent decisions by management of our portfolio companies that could decrease the value of our investments.

Although in some instances, we may control our portfolio companies or provide our portfolio companies with significant managerial assistance, we typically do not hold controlling equity positions in our portfolio companies. Thus, we generally do not, and do not expect to, control the decision making in many of our portfolio companies. As a result, we are subject to the risk that a portfolio company in which we invest will make business decisions with which we disagree and the management of such company, as representatives of the holders of their common equity, will take risks or otherwise act in ways that do not serve our interests as debt investors. Due to the lack of liquidity of the debt and equity investments that we typically hold in our portfolio companies, we may not be able to dispose of our interests as readily as we would like or at an appropriate valuation in the event we disagree with the actions of a portfolio company. As a result, a portfolio company may make decisions that would decrease the value of our investments.

Defaults by our portfolio companies will harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize a portfolio company's ability to meet its obligations under the debt or equity securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms — which may include the waiver of certain financial covenants — with a defaulting portfolio company. These expenses could materially and adversely affect our operating results and cash flow.

If our portfolio companies are unable to commercialize their technologies, products, business concepts or services, the returns on our investments could be adversely affected.

The value of our investments in our portfolio companies may decline if they are not able to commercialize their technology, products, business concepts or services. Additionally, although some of our portfolio companies may already have a commercially successful product or product line at the time of our investment, information technology, e-commerce and life science products and services often have a more limited market or life span than products in other industries. Thus, the ultimate success of these companies often depends on their ability to continually innovate in increasingly competitive markets. If they are unable to do so, our investment returns could be adversely affected and their ability to service their debt obligations to us over the term of the loan could be impaired. Our portfolio companies may be unable to successfully acquire or develop any new products, and the intellectual property they currently hold may not remain viable. Even if our portfolio companies are able to develop commercially viable products, the market for new products and services is highly competitive and rapidly changing. Neither our portfolio companies nor we will have any control over the pace of technology development. Commercial success is difficult to predict, and the marketing efforts of our portfolio companies may not be successful.

If our portfolio companies are unable to protect their intellectual property rights, our business and prospects could be harmed, and if portfolio companies are required to devote significant resources to protecting their intellectual property rights, the value of our investment could be reduced.

Our future success and competitive position will depend in part upon the ability of our portfolio companies to obtain, maintain and protect proprietary technology used in their products and services. The intellectual property held by our portfolio companies often represents a substantial portion of the collateral securing our investments and/or constitutes a significant portion of the portfolio companies' value and may be available in a downside scenario to repay our loans. Our portfolio companies rely, in part, on patent, trade secret, and trademark law to protect that technology, but competitors may misappropriate their intellectual property, and disputes as to ownership of intellectual property may arise. Portfolio companies may, from time to time, be required to institute litigation to enforce their patents, copyrights, or other intellectual property rights; protect their trade secrets; determine the validity and scope of the proprietary rights of others; or defend against claims of infringement. Such litigation could result in substantial costs and diversion of resources. Similarly, if a portfolio company is found to infringe or misappropriate a third party's patent or other proprietary rights, it could be required to pay damages to the third party, alter its products or processes, obtain a license from the third party, and/or cease activities utilizing the proprietary rights, including making or selling products utilizing the proprietary rights. Any of the foregoing events could negatively affect both the portfolio company's ability to service our debt investment and the value of any related debt and equity securities that we own, as well as any collateral securing our investment.

Any unrealized losses we experience on our loan portfolio may be an indication of future realized losses, which could reduce our income available for distribution.

As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at the fair value as determined in good faith by our Board of Directors. Decreases in the market values or fair values of our investments will be recorded as unrealized depreciation. Any unrealized losses in our loan portfolio could be an indication of a portfolio company's inability to meet its repayment obligations to us with respect to the affected loans. This could result in realized losses in the future and ultimately in reductions of our income available for distribution in future periods.

Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and reduce our return on equity.

We are subject to the risk that the investments we make in our portfolio companies may be repaid prior to maturity. When this occurs, we will generally reinvest these proceeds in temporary investments, pending future investment in new portfolio companies. These temporary investments will typically have substantially lower yields than the yields of the loans being prepaid and we could experience significant delays in reinvesting these amounts. Any future investment in a new portfolio company may also be at lower yields than the debt that was previously prepaid by a portfolio company. As a result, our results of operations could be materially adversely affected if any of our portfolio companies elect to prepay amounts owed to us. Additionally, prepayments of loans made to portfolio companies could negatively impact our return on equity.

Our investments in leveraged portfolio companies may be risky, and you could lose all or part of your investment.

Some of our portfolio companies may be highly leveraged, which may have adverse consequences to these companies and to us as an investor. These companies may be subject to restrictive financial and operating covenants and the leverage may impair these companies' ability to finance their future operations and capital needs. As a result, these companies' flexibility to respond to changing business and economic conditions and to take advantage of business opportunities may be limited. Further, a leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used. Leveraged companies may enter into bankruptcy proceedings at higher rates than companies that are not leveraged.

We may not realize gains from our equity investments.

Investments in equity securities involve a number of significant risks, including the risk of further dilution as a result of additional issuances, inability to access additional capital and failure to pay current distributions. Investments in preferred securities involve special risks, such as the risk of deferred distributions, credit risk, illiquidity restraining our ability to transfer or sell such securities and limited voting rights. In addition, we may from time to time make non-control, equity investments in portfolio companies. Our goal is ultimately to realize gains upon our disposition of such equity interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. We also may be unable to realize any value if a portfolio company does not have a liquidity event, such as a sale of the business, recapitalization or public offering, which would allow us to sell the underlying equity interests. We will sometimes seek puts or similar rights to give us the right to sell our equity securities back to the portfolio company issuer. We may be unable to exercise these put rights for the consideration provided in our investment documents if the issuer is in financial distress.

We may expose ourselves to risks if we engage in hedging transactions.

If we engage in hedging transactions, we may expose ourselves to risks associated with such transactions. We may utilize instruments such as forward contracts, credit default swaps, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions increase. It may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it may not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of factors not related to currency fluctuations.

Our investments in portfolio companies may expose us to environmental risks.

We may invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements and environmental costs that could place increasing financial burdens on such portfolio entities. Required expenditures for environmental compliance may adversely impact investment returns on portfolio companies. The imposition of new environmental and other laws, regulations and initiatives could adversely affect the business operations and financial stability of such portfolio companies.

There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on our portfolio companies. Compliance with such current or future environmental requirements does not ensure that the operations of the portfolio companies will not cause injury to the environment or to people under all circumstances or that the portfolio companies will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on a portfolio company, and we can offer no assurance that any such portfolio companies will at all times comply with all applicable environmental laws, regulations and permit requirements.

Risks Related to Our Conflicts of Interest

Our strategic relationship with Oaktree may create conflicts of interest.

As of December 31, 2023, OCM Holders owned 40.7% of our outstanding common stock. Pursuant to an irrevocable proxy, the shares of our common stock held by OCM Growth must be voted in the same manner that our other stockholders vote their shares. OCM Growth has a right to nominate a member of our Board of Directors for election for so long as OCM Growth holds shares of our common stock in an amount equal to, in the aggregate, at least one-third (33.33%) of OCM Growth’s initial $125.0 million capital commitment to us, which percentage shall be determined based on the dollar value of the shares of common stock owned by OCM Growth. OCM Growth holds the right to appoint a nominee to the Board of Directors, subject to the conditions previously described, regardless of the Company's size (e.g., assets under management or market capitalization) or the beneficial ownership interests of other stockholders. Further, to the extent OCM Growth’s share ownership falls below one-third of its initial $125.0 million capital commitment under any circumstances, OCM Growth will no longer have the right to appoint a director nominee and will use reasonable efforts to cause such nominee to resign immediately (subject to his or her existing fiduciary duties). Gregory M. Share serves on our Board of Directors as OCM Growth’s director nominee and is considered an interested director.

In addition, OCM Growth owns a minority interest in RGC and has the right to appoint a member of RGC’s board of managers as well as a member of RGC’s Investment Committee. Mr. Share serves on RGC’s board of managers and investment committee on behalf of OCM Growth.

Mr. Share is Managing Director of Oaktree's Global Opportunities Group in Los Angeles and we expect that he will continue to engage in investment advisory activities for Oaktree, which could result in a conflict of interest and may distract him from his responsibilities to us and RGC. As a result of the relationship with Oaktree and OCM Growth, we are presumed to be an affiliate of Oaktree and OCM Growth under the 1940 Act. As a result, we are not able to invest in the same portfolio companies in which any funds managed by Oaktree or OCM Growth invest without seeking exemptive relief from the SEC.

There are significant potential conflicts of interest which could impact our investment returns.

Our executive officers and directors, as well as the current and future members of RGC, may serve as officers, directors or principals of other entities that operate in the same or a related line of business as we do. Accordingly, they may have obligations to investors in those entities, the fulfillment of which obligations may not be in the best interests of us or our stockholders.

In the course of our investing activities, we pay management and incentive fees to RGC and reimburse our Administrator for certain expenses it incurs on our behalf. As a result, investors in our common stock invest on a "gross" basis and receive distributions on a "net" basis after expenses, resulting in a lower rate of return than an investor might achieve through direct investments. Accordingly, there may be times when the management team of RGC will have interests that differ from those of our stockholders, giving rise to a conflict.

We entered into a license agreement with RGC (the "License Agreement") pursuant to which RGC has granted us a personal, non-exclusive, royalty-free right and license to use the name "Runway Growth Finance". Under the License Agreement, we have the right to use the "Runway Growth Finance" name for so long as RGC or one of its affiliates remains our investment adviser. Other than with respect to this limited license, we have no legal right to the "Runway Growth Finance" name.

In addition, we pay our Administrator, a wholly-owned subsidiary of RGC, our allocable portion of overhead and other expenses incurred by our Administrator in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing accounting and compliance functions. These arrangements may create conflicts of interest that our Board of Directors must monitor.

RGC's liability is limited under the Advisory Agreement and we have agreed to indemnify RGC against certain liabilities, which may lead RGC to act in a riskier manner on our behalf than it would when acting for its own account.

Under the Advisory Agreement, RGC has not assumed any responsibility to us other than to render the services called for under that agreement. It is not responsible for any action of our Board of Directors in following or declining to follow RGC's advice or recommendations. Under the Advisory Agreement, RGC and its professionals and any person controlling or controlled by RGC are not liable to us, any subsidiary of ours, our directors, our stockholders or any subsidiary's stockholders or partners for acts or omissions performed in accordance with and pursuant to the Advisory Agreement, except those resulting from acts constituting gross negligence, willful misfeasance, bad faith or reckless disregard of the duties that RGC owes to us under the Advisory Agreement. In addition, as part of the Advisory Agreement, we will indemnify RGC and its professionals from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the Advisory Agreement, except where attributable to gross negligence, willful misfeasance, bad faith or reckless disregard of such person's duties under the Advisory Agreement.

The valuation process for certain of our investments may create a conflict of interest.

For the majority of our investments, no market-based price quotation is available. As a result, our Board of Directors determines the fair value of these securities in good faith as described in "— Our portfolio securities may not have a readily available market price and, in such a case, we will value these securities at fair value as determined in good faith under procedures adopted by our Board of Directors, which valuation is inherently subjective and may not reflect what we may actually realize for the sale of the investment." In connection with that determination, RGC's investment team provides our Board of Directors with valuation recommendations based upon the most recent and available information, which generally includes industry outlook, capitalization, consolidated financial statements and projected financial results of each portfolio company. Our Board of Directors utilizes the services of certain independent third-party valuation firms to aid it in determining the fair value of these investments. The Board of Directors discusses valuations and determines the fair value in good faith based on the input of RGC, the Audit Committee of the Board of Directors and the applicable third-party valuation firm. The participation of RGC's investment team in our valuation process, and the pecuniary interest in RGC by certain members of our Board of Directors, could result in a conflict of interest as RGC's base management fee is based, in part, on the value of our average adjusted gross assets, and RGC's incentive fee is based, in part, on realized gains and realized and unrealized losses.

We may pay our Adviser an incentive fee on certain investments that include a deferred interest feature.

We underwrite our loans to generally include an end-of-term payment, a PIK interest payment and/or original issue discount. Our end-of-term payments are contractual and fixed interest payments due at the maturity date of the loan, including upon prepayment, and are generally a fixed percentage of the original principal balance of the loan. The portion of our end-of-term payments, which equal the difference between our yield-to-maturity and the stated interest rate on the loan, are recognized as non-cash income or original issue discount until they are paid. In addition, in connection with our equity-related investments, we may be required to accrue original issue discount, which decreases the balance on our secured loans by an amount equal to the value of the warrant investment we receive in connection with the applicable secured loan over its lifetime. Under these types of investments, we accrue interest during the life of the loan on the end-of-term payment, PIK interest payment and/or original issue discount but do not receive the cash income from the investment until the end of the term. However, our pre-incentive fee net investment income, which is used to calculate the income portion of our incentive fee, includes accrued interest. Thus, a portion of this incentive fee is based on income that we have not yet received in cash, such as an end-of-term payment, a PIK interest payment and/or original issue discount.

Risks Related to our Common Stock

Shares of our common stock have traded at a discount from net asset value and may do so in the future.

Our common stock has at times traded below our net asset value per share since our IPO on October 25, 2021. Our shares may also trade at a discount to net asset value in the future. The possibility that our shares of common stock may trade at a discount from net asset value over the long term is separate and distinct from the risk that our net asset value will decrease. We cannot predict whether shares of our common stock will trade above, at or below our net asset value. If our common stock trades below our net asset value, we will generally not be able to issue additional shares of our common stock without first obtaining the approval for such issuance from our stockholders and our Independent Directors. As a result, we may be forced to curtail or cease our new lending and investment activities, our net asset value could decrease, and our level of distributions could be impacted.

A stockholder's interest in us will be diluted if we issue additional shares, which could reduce the overall value of an investment in us.

Our stockholders do not have preemptive rights to purchase any shares we issue in the future. Our charter authorizes us to issue up to 100.0 million shares of common stock. Pursuant to our charter, a majority of our entire Board of Directors may amend our charter to increase the number of shares of common stock we may issue without stockholder approval. Our Board of Directors may elect to sell additional shares in the future or issue equity interests in private offerings. To the extent we issue additional equity interests at or below net asset value, your percentage ownership interest in us may be diluted. In addition, depending upon the terms and pricing of any additional offerings and the value of our investments, you may also experience dilution in the book value and fair value of your shares.

Under the 1940 Act, we generally are prohibited from issuing or selling our common stock at a price below net asset value per share, which may be a disadvantage as compared with certain public companies. We may, however, sell our common stock, or warrants, options, or rights to acquire our common stock, at a price below the current net asset value of our common stock if our Board of Directors and independent directors determine that such sale is in our best interests and the best interests of our stockholders, and our stockholders approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our Board of Directors, closely approximates the fair value of such securities (less any distributing commission or discount). If we raise additional funds by issuing common stock or senior securities convertible into, or exchangeable for, our common stock, then the percentage ownership of our stockholders at that time will decrease and you will experience dilution.

Sales of substantial amounts of our common stock in the public market may have an adverse effect on the market price of our common stock.

Any shares of our common stock that were outstanding prior to the completion of the IPO are "restricted securities" under the meaning of Rule 144 promulgated under the Securities Act and may only be sold if such sale is registered under the Securities Act or exempt from registration, including the exemption under Rule 144.

As of December 31, 2023, OCM Holders owned 40.7% of our total outstanding shares. Subject to applicable securities laws, including Rule 144, sales of substantial amounts of our common stock, or the perception that such sales could occur, could adversely affect the prevailing market prices for our common stock. If these sales occur, it could impair our ability to raise additional capital through the sale of equity securities should we desire to do so. We cannot predict what effect, if any, future sales of securities, or the availability of securities for future sales, will have on the market price of our common stock prevailing from time to time.

Investing in our common stock involves a high degree of risk.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options, including volatility or loss of principal. Our investments in portfolio companies may be highly speculative and aggressive and, therefore, an investment in our common stock may not be suitable for someone with lower risk tolerance.

The market value of our common stock may fluctuate significantly.

The market value and liquidity, if any, of the market for shares of our common stock may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- changes in the value of our portfolio of investments and derivative instruments as a result of changes in market factors, such as interest rate shifts, and also portfolio specific performance, such as portfolio company defaults, among other reasons;
- changes in regulatory policies or tax guidelines, particularly with respect to RICs or BDCs;
- loss of RIC or BDC status;
- distributions that exceed our net investment income and net income as reported according to U.S. GAAP;
- changes in earnings or variations in operating results;
- changes in accounting guidelines governing valuation of our investments;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors;
- departure of our Adviser or certain of its key personnel;
- general economic trends and other external factors; and
- loss of a major funding source.

The amount of any distributions we may make is uncertain. We may not be able to pay you distributions, or be able to sustain distributions at any particular level, and our distributions per share, if any, may not grow over time, and our distributions per share may be reduced. We have not established any limit on the extent to which we may use borrowings, if any, to sustain distributions and we may also use offering proceeds to fund distributions (which may reduce the amount of capital we ultimately invest in portfolio companies).

Subject to our Board of Director’s discretion and applicable legal restrictions, we intend to authorize and declare cash distributions and pay such distributions on a quarterly basis. We expect to pay distributions out of assets legally available for distribution. However, we cannot assure you that we will achieve investment results that will allow us to make a consistent targeted level of distributions or year-to-year increases in distributions. Our ability to pay distributions might be adversely affected by the impact of the risks described herein. In addition, the inability to satisfy the asset coverage test applicable to us as a BDC under the 1940 Act can limit our ability to pay distributions. Distributions from offering proceeds also could reduce the amount of capital we ultimately invest in debt or equity securities of portfolio companies. We cannot assure you that we will pay distributions to our stockholders in the future. See "Business — Regulation as a Business Development Company" in Part I, Item 1 of this Form 10-K.

Distributions on our common stock may exceed our taxable earnings and profits. Therefore, portions of the distributions that we pay may represent a return of capital to you.

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 adjusted 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 may pay our distributions from offering proceeds in anticipation of future cash flow, which may constitute a return of your capital and will lower your adjusted tax basis in your shares, thereby increasing the amount of capital gain (or decreasing the amount of capital loss) realized upon a subsequent sale or redemption of such shares, even if such shares have not increased in value or have, in fact, lost value.

Stockholders may experience dilution in the net asset value of their shares if they do not participate in our Dividend Reinvestment Plan and if our shares are trading at a discount to net asset value.

All distributions declared in cash payable to stockholders that are participants in our Dividend Reinvestment Plan will be automatically reinvested in shares of our common stock. In addition, stockholders who elect not to participate in our Dividend Reinvestment Plan may experience accretion to the net asset value of their shares if our shares are trading at a premium to net asset value and dilution if our shares are trading at a discount to net asset value. The level of accretion or discount would depend on various factors, including the proportion of our stockholders who participate in the plan, the level of premium or discount at which our shares are trading and the amount of the distribution payable to stockholders.

If we issue preferred stock or convertible debt securities, the net asset value of our common stock may become more volatile.

We may issue preferred stock or convertible debt in the future. We cannot assure you that the issuance of preferred stock and/or convertible debt securities would result in a higher yield or return to the holders of our common stock. The issuance of preferred stock or convertible debt would likely cause the net asset value of our common stock to become more volatile. If the dividend rate on the preferred stock, or the interest rate on the convertible debt securities, were to approach the net rate of return on our investment portfolio, the benefit of such leverage to the holders of our common stock would be reduced. If the dividend rate on the preferred stock, or the interest rate on the convertible debt securities, were to exceed the net rate of return on our portfolio, the use of leverage would result in a lower rate of return to the holders of common stock than if we had not issued the preferred stock or convertible debt securities. Any decline in the net asset value of our investment would be borne entirely by the holders of our common stock. Therefore, if the market value of our portfolio were to decline, the leverage would result in a greater decrease in net asset value to the holders of our common stock than if we were not leveraged through the issuance of preferred stock or debt securities. This decline in net asset value would also tend to cause a greater decline in the market price, if any, for our common stock.

There is also a risk that, in the event of a sharp decline in the value of our net assets, we would be in danger of failing to maintain required asset coverage ratios, which may be required by the preferred stock or convertible debt, or our current investment income might not be sufficient to meet the dividend requirements on the preferred stock or the interest payments on the debt securities. In order to counteract such an event, we might need to liquidate investments in order to fund the redemption of some or all of the preferred stock or convertible debt. In addition, we would pay (and the holders of our common stock would bear) all costs and expenses relating to the issuance and ongoing maintenance of the preferred stock, debt securities, convertible debt, or any combination of these securities. Holders of preferred stock or convertible debt may have different interests than holders of common stock and may at times have disproportionate influence over our affairs.

Provisions of the MGCL and of our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

Under Maryland General Corporation Law (the "MGCL") and our charter and bylaws contain provisions that may discourage, delay or make more difficult a change in control of us or the removal of our directors. We are subject to the Maryland Business Combination Act, subject to any applicable requirements of the 1940 Act. Our Board has adopted a resolution exempting from the Business Combination Act any business combination between us and any other person, subject to prior approval of such business combination by our Board, including approval by a majority of our disinterested directors. If the resolution exempting business combinations is repealed or our Board does not approve a business combination, the Business Combination Act may discourage third parties from trying to acquire control of us and increase the difficulty of consummating such an offer. Our bylaws exempt from the Maryland Control Share Acquisition Act (the "Control Share Act") acquisitions of our stock by any person. If we amend our bylaws to repeal the exemption from the Control Share Act, the Control Share Act also may make it more difficult for a third party to obtain control of us and increase the difficulty of consummating such a transaction. The SEC staff has rescinded its position that, under the 1940 Act, an investment company may not avail itself of the Control Share Act. As a result, we will amend our bylaws to be subject to the Control Share Act only if our Board of Directors determines it would be in our best interests.

We have also adopted measures that may make it difficult for a third party to obtain control of us, including provisions of our charter classifying our Board in three classes serving staggered three-year terms, and authorizing our Board to classify or reclassify shares of our stock in one or more classes or series, to cause the issuance of additional shares of our stock, to amend our bylaws without stockholder approval and to increase or decrease the number of shares of stock that we have authority to issue. These provisions, as well as other provisions of our charter and bylaws, may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of our stockholders.

Our Board of Directors is authorized to reclassify any unissued shares of common stock into one or more classes of preferred stock, which could convey special rights and privileges to its owners.

Under the MGCL and our charter, our Board of Directors is authorized to classify and reclassify any authorized but unissued shares of stock into one or more classes of stock, including preferred stock. Prior to the issuance of shares of each class or series, the Board of Directors is required by Maryland law and our charter to set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series. Thus, the Board of Directors could authorize the issuance of shares of preferred stock with terms and conditions which could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of our common stock or otherwise be in their best interest. The cost of any such reclassification would be borne by our existing common stockholders. Certain matters under the 1940 Act require the separate vote of the holders of any issued and outstanding preferred stock. For example, holders of preferred stock would vote separately from the holders of common stock on a proposal to cease operations as a BDC. In addition, the 1940 Act provides that holders of preferred stock are entitled to vote separately from holders of common stock to elect two preferred stock directors. We currently have no plans to issue preferred stock, but may determine to do so in the future. The issuance of preferred stock convertible into shares of common stock might also reduce the net income per share and net asset value per share of our common stock upon conversion, provided, that we will only be permitted to issue such convertible preferred stock to the extent we comply with the requirements of Section 61 of the 1940 Act, including obtaining common stockholder approval. These effects, among others, could have an adverse effect on an investment in our common stock.

Certain investors are limited in their ability to make significant investments in us.

Private funds that are excluded from the definition of "investment company" either pursuant to Section 3(c)(1) or 3(c)(7) of the 1940 Act are restricted from acquiring directly or through a controlled entity more than 3% of our total outstanding voting stock (measured at the time of the acquisition). Investment companies registered under the 1940 Act and BDCs are also generally subject to this restriction as well as other limitations under the 1940 Act that would restrict the amount that they are able to invest in our securities.

Our business and operations could be negatively affected if we become subject to any securities litigation or stockholder activism, which could cause us to incur significant expense, hinder execution of investment strategy and impact our stock price.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Stockholder activism, which could take many forms or arise in a variety of situations, has been increasing in the BDC space in recent years. While we are currently not subject to any securities litigation or stockholder activism, due to the potential volatility of our stock price and for a variety of other reasons, we may in the future become the target of securities litigation or stockholder activism. Securities litigation and stockholder activism, including potential proxy contests, could result in substantial costs and divert management's and our Board of Director's attention and resources from our business. Additionally, such securities litigation and stockholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist stockholder matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and stockholder activism.

Risks Related to RIC Tax Treatment

We will be subject to U.S. federal income tax at corporate rates if we are unable to qualify as a RIC.

Although we have elected to be treated as a RIC under Subchapter M of the Code, no assurance can be given that we will be able to qualify as and maintain our qualification as a RIC. To maintain our tax treatment as a RIC, we must meet the 90% Gross Income Test, Diversification Tests, and the Annual Distribution Requirement described above.

Failure to meet the Diversification Tests may result in our having to dispose of certain investments quickly in order to prevent the loss of our qualification as a RIC. Because most of our investments will be in private companies, and therefore will be relatively illiquid, any such dispositions could be made at disadvantageous prices and could result in substantial losses.

Because we may use debt financing, we are subject to certain asset coverage ratio requirements under the 1940 Act and financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the Annual Distribution Requirement. If we are unable to obtain cash from other sources, we could fail to qualify for tax treatment as a RIC.

If we fail to qualify as a RIC for any reason and therefore become subject to U.S. federal income tax at corporate rates, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions.

We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.

For U.S. federal income tax purposes, we will include in our taxable income certain amounts that we have not yet received in cash, such as original issue discount, which may arise if we receive warrants in connection with the origination of a loan or possibly in other circumstances, or contractual PIK interest, which represents contractual interest added to the loan balance and due at the end of the loan term. Such original issue discount or increases in loan balances as a result of contractual PIK arrangements will be included in our taxable income before we receive any corresponding cash payments. We also may be required to include in our taxable income certain other amounts that we will not receive in cash.

Since, in certain cases, we may recognize taxable income before or without receiving corresponding cash payments, we may have difficulty meeting the Annual Distribution Requirement necessary to maintain our qualification as a RIC. Accordingly, to satisfy our RIC distribution requirements, we may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities. If we are not able to obtain cash from other sources, we may fail to qualify for tax treatment as a RIC and thus become subject to U.S. federal income tax at corporate rates. For additional discussion regarding the tax implications of our election to be taxed as a RIC, please see "Business — Certain U.S. Federal Income Tax Considerations — Taxation of the Company" in Part I, Item 1 of this Form 10-K.

Due to ongoing healthcare emergencies or other disruptions in the economy, we may reduce or defer our dividends and choose to incur U.S. federal excise tax in order preserve cash and maintain flexibility.

As a BDC, we are not required to make any distributions to stockholders other than in connection with our election to be taxed as a RIC under subchapter M of the Code. In order to maintain our tax treatment as a RIC, we must meet the Annual Distribution Requirement. If we qualify for taxation as a RIC, we generally will not be subject to U.S. federal income tax at corporate rates on our investment company taxable income and net capital gains (i.e., realized net long-term capital gains in excess of realized net short-term capital losses) that we timely distribute to stockholders. We will be subject to a 4% U.S. federal excise tax on undistributed earnings of a RIC unless we distribute each calendar year at least the sum of (i) 98% of our ordinary income for the calendar year, (ii) 98.2% of our capital gains in excess of capital losses for the one-year period ending on October 31 of the calendar year, and (iii) any ordinary income and net capital gains for preceding years that were not distributed during such years and on which we paid no federal income tax.

Under the Code, we may satisfy certain of our RIC distributions with dividends paid after the end of the current year. In particular, if we pay a distribution in January of the following year that was declared in October, November, or December of the current year and is payable to stockholders of record in the current year, the dividend will be treated for all US federal tax purposes as if it were paid on December 31 of the current year. In addition, under the Code, we may pay dividends, referred to as "spillback dividends," that are paid during the following taxable year that will allow us to maintain our qualification for taxation as a RIC and eliminate our liability for U.S. federal income tax. Under these spillback dividend procedures, we may defer distribution of income earned during the current year until December of the following year. For example, we may defer distributions of income earned during 2023 until as late as December 31, 2024. If we choose to pay a spillback dividend, we will incur the nondeductible 4% U.S. federal excise tax on some or all of the distribution.

Due to ongoing healthcare emergencies or other disruptions in the economy, we may take certain actions with respect to the timing and amounts of our distributions in order to preserve cash and maintain flexibility. For example, we may reduce our dividends and/or defer our dividends to the following taxable year. If we defer our dividends, we may choose to utilize the spillback dividend rules discussed above and incur the 4% U.S. federal excise tax on such amounts. To further preserve cash, we may combine these reductions or deferrals of dividends with one or more distributions that are payable partially in our stock as discussed below under "—We may choose to pay distributions in our own stock, including in connection with our Dividend Reinvestment Plan, in which case you may be required to pay U.S. federal income tax in excess of the cash you receive."

We may choose to pay distributions in our own stock, including in connection with our Dividend Reinvestment Plan, in which case you may be required to pay U.S. federal income tax in excess of the cash you receive.

We may distribute taxable distributions that are payable in cash or shares of our common stock, including in connection with our Dividend Reinvestment Plan. Under certain applicable provisions of the Code and published IRS guidance, distributions payable from a publicly offered RIC that are payable in cash or in shares of stock at the election of stockholders may be treated as taxable distributions. The IRS has issued a revenue procedure indicating that this rule will apply if the total amount of cash to be distributed is not less than 20% of the total distribution. Under this revenue procedure, if too many stockholders elect to receive their distributions in cash, the cash available for distribution must be allocated among the stockholders electing to receive cash (with the balance of the distribution paid in shares of our common stock). We currently expect to qualify as a publicly offered RIC. If we qualify as a publicly offered RIC and decide to make any distributions consistent with this revenue procedures that are payable in part in shares of our common stock, taxable stockholders receiving such distributions will be required to include the full amount of the distribution (whether received in cash, stock or a combination thereof) as ordinary income (or as long-term capital gain to the extent such distribution is properly reported as a capital gain distribution) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be required to pay U.S. federal income tax with respect to such distributions in excess of any cash received. If a U.S. stockholder sells the stock it receives as a distribution in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the distribution, depending on the net asset value of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. federal tax with respect to such distributions, including in respect of all or a portion of such distribution that is payable in stock. In addition, if a significant number of our stockholders sell shares of our common stock in order to pay U.S. federal income taxes owed on distributions, it may put downward pressure on the net asset value of our common stock.

If we are not treated as a "publicly offered regulated investment company," as defined in the Code, certain U.S. stockholders will be treated as having received a dividend from us in the amount of such U.S. stockholders' allocable share of the management and incentive fees paid to RGC and certain of our other expenses, and these fees and expenses will be treated as miscellaneous itemized deductions of such U.S. stockholders.

A "publicly offered RIC" is a RIC whose shares are either (i) continuously offered pursuant to a public offering, (ii) regularly traded on an established securities market or (iii) held by at least 500 persons at all times during the taxable year. We expect to be treated as a "publicly offered regulated investment company" as a result of shares of our common stock being treated as regularly traded on an established securities market. However, we cannot assure you that we will be treated as a publicly offered regulated investment company for all years. If we are not treated as a publicly offered regulated investment company for any calendar year, each U.S. stockholder that is an individual, trust or estate will be treated as having received a dividend from us in the amount of such U.S. stockholder's allocable share of the management and incentive fees paid to RGC and certain of our other expenses for the calendar year, and will be deductible by such shareholder only to the extent permitted under the limitations described below. For non-corporate U.S. stockholders, including individuals, trusts, and estates, significant limitations generally apply to the deductibility of certain expenses of a non-publicly offered RIC. In particular, these expenses, referred to as miscellaneous itemized deductions, currently are not deductible by non-corporate U.S. stockholders (and beginning in 2026, will be deductible only to non-corporate U.S. stockholders to the extent they exceed 2% of such non-corporate U.S. stockholders' adjusted gross income, and will not be deductible for alternative minimum tax purposes).

General Risks

We may experience fluctuations in our quarterly and annual results.

We may experience fluctuations in our quarterly and annual operating results due to a number of factors, including, but not limited to, our ability or inability to make investments in companies that meet our investment criteria, the interest rate payable on the debt securities we acquire, the level of portfolio dividend and fee income, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

Government intervention in the credit markets could adversely affect our business.

The central banks and, in particular, the U.S. Federal Reserve, have taken unprecedented steps since the financial crises of 2008-2009 and again related to the COVID-19 global pandemic and rising inflation rates. It is impossible to predict if, how, and to what extent the United States and other governments would further intervene in the credit markets. Such intervention is often prompted by politically sensitive issues involving family homes, student loans, real estate speculation, credit card receivables, pandemics, etc., and could, as a result, be contrary to what we would predict from an "economically rational" perspective.

Political uncertainty could adversely affect our business

U.S. and non-U.S. markets could experience political uncertainty and/or change that subjects investments to heightened risks, including, for instance, the risks related to the elections in the U.S. or the effect on world leaders and governments of the COVID-19 pandemic. These heightened risks could also include: increased risk of default (by both government and private issuers); greater social, trade, economic and political instability (including the risk of war or terrorist activity); greater governmental involvement in the economy; greater governmental supervision and regulation of the securities markets and market participants resulting in increased expenses related to compliance; greater fluctuations in currency exchange rates; controls or restrictions on foreign investment and/or trade, capital controls and limitations on repatriation of invested capital and on the ability to exchange currencies; inability to purchase and sell investments or otherwise settle security or derivative transactions (i.e., a market freeze); unavailability of currency hedging techniques; and slower clearance. During times of political uncertainty and/or change, global markets often become more volatile. There could also be a lower level of monitoring and regulation of markets while a country is experiencing political uncertainty and/or change, and the activities of investors in such markets and enforcement of existing regulations could become more limited. Markets experiencing political uncertainty and/or change could have substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates typically have negative effects on such countries' economies and markets. Tax laws could change materially, and any changes in tax laws could have an unpredictable effect on us, our investments and our investors. There can be no assurance that political changes will not cause us or our investors to suffer losses.

Terrorist attacks, acts of war or widespread health emergencies or natural disasters may affect any market for our common stock, impact the businesses in which we invest and harm our business, operating results and financial condition.

Terrorist acts, acts of war, widespread health emergencies or natural disasters may disrupt our operations, as well as the operations of the businesses in which we invest. Such acts have created, and continue to create, economic and political uncertainties and have contributed to global economic instability. Future terrorist activities, military or security operations, widespread health emergencies or natural disasters could further weaken the domestic/global economies and create additional uncertainties, which may negatively impact the businesses in which we invest directly or indirectly and, in turn, could have a material adverse impact on our business, operating results and financial condition. Losses from terrorist attacks, natural disasters and widespread health emergencies are generally uninsurable.

We are subject to risks in using custodians, administrators and other agents.

We depend on the services of custodians, administrators and other agents to carry out certain securities transactions and administrative services for us. In the event of the insolvency of a custodian, we may not be able to recover equivalent assets in full as we will rank among the custodian's unsecured creditors in relation to assets which the custodian borrows, lends or otherwise uses. In addition, our cash held with a custodian may not be segregated from the custodian's own cash, and we therefore may rank as unsecured creditors in relation thereto. The inability to recover assets from the custodian could have a material impact on our performance.

Changes in laws or regulations governing our business or the businesses of our portfolio companies, changes in the interpretation thereof or newly enacted laws or regulations, and any failure by us or our portfolio companies to comply with these laws or regulations may adversely affect our business and the businesses of our portfolio companies.

We and our portfolio companies are subject to laws and regulations at the U.S. federal, state and local levels and, in some cases, foreign levels. These laws and regulations, as well as their interpretation, could change from time to time, including as the result of interpretive guidance or other directives from the U.S. President and others in the executive branch, and new laws, regulations and interpretations could also come into effect. For example, the current U.S. presidential administration could support an enhanced regulatory agenda that imposes greater costs on all sectors and on financial services companies in particular. Any such new or changed laws or regulations could have a material adverse effect on our business, and political uncertainty could increase regulatory uncertainty in the near term.

Any such new or changed laws or regulations could have a material adverse effect on our business or the business of our portfolio companies. The legal, tax and regulatory environment for BDCs, investment advisers and the instruments that they utilize (including derivative instruments) is continuously evolving.

In addition, as private equity firms become more influential participants in the U.S. and global financial markets and economy generally, there recently has been pressure for greater governmental scrutiny and/or regulation of the private equity industry. It is uncertain as to what form and in what jurisdictions such enhanced scrutiny and/or regulation, if any, on the private equity industry may ultimately take. Therefore, there can be no assurance as to whether any such scrutiny or initiatives will have an adverse impact on the private equity industry, including our ability to effect operating improvements or restructurings of our portfolio companies or otherwise achieve our objectives.

Over the last several years, there also has been an increase in regulatory attention to the extension of credit outside of the traditional banking sector, raising the possibility that some portion of the non-bank financial sector will be subject to new regulation. While it cannot be known at this time whether any regulation will be implemented or what form it will take, increased regulation of non-bank credit extension could negatively impact our operating results or financial condition, impose additional costs on us, intensify the regulatory supervision of us or otherwise adversely affect our business.

Additionally, any changes to the laws and regulations governing our operations relating to permitted investments may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities. Such changes could result in material differences to the strategies and plans set forth herein and may result in our investment focus shifting from the areas of expertise of RGC's investment team to other types of investments in which the investment team may have less expertise or little or no experience. Thus, any such changes, if they occur, could have a material adverse effect on our results of operations and the value of your investment.

Internal and external cyber threats, as well as other disasters, could impair our ability to conduct business effectively.

The occurrence of a disaster, such as a cyber-attack against us or against a third-party that has access to our data or networks, a natural catastrophe, an industrial accident, failure of our disaster recovery systems, or consequential employee error, could have an adverse effect on our ability to communicate or conduct business, negatively impacting our operations and financial condition. This adverse effect can become particularly acute if those events affect our electronic data processing, transmission, storage, and retrieval systems, or impact the availability, integrity, or confidentiality of our data.

We depend heavily upon computer systems to perform necessary business functions. Despite our implementation of a variety of security measures, our computer systems, networks, and data, like those of other companies, could be subject to cyber-attacks and unauthorized access, use, alteration, or destruction, such as from physical and electronic break-ins or unauthorized tampering. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary, and other information processed, stored in, and transmitted through our computer systems and networks. Such an attack could cause interruptions or malfunctions in our operations, which could result in financial losses, litigation, regulatory penalties, client dissatisfaction or loss, reputational damage, and increased costs associated with mitigation of damages and remediation.

Third parties with which we do business may also be sources of cybersecurity or other technological risk. We outsource certain functions and these relationships allow for the storage and processing of our information, as well as client, counterparty, employee, and borrower information. While we engage in actions to reduce our exposure resulting from outsourcing, ongoing threats may result in unauthorized access, loss, exposure, destruction, or other cybersecurity incidents that adversely affects our data, resulting in increased costs and other consequences as described above.

We and our service providers continue to be impacted by an increase in the ability of employees to work from external locations, including their homes. Policies of extended periods of remote working, whether by us or our service providers, could strain technology resources, introduce operational risks and otherwise heighten the risks described above. Remote working environments may be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts. Accordingly, the risks described above, are heightened under the current conditions.

Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of our confidential information and/or damage to our business relationships, all of which could negatively impact our business, results of operations or financial condition.

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen information, misappropriation of assets, increased cybersecurity protection and insurance costs, litigation and damage to our business relationships. Any such attack could result in significant losses, reputational damage, litigation, regulatory fines or penalties, or otherwise adversely affect our business, financial condition or results of operations. In addition, we may be required to expend significant additional resources to modify our protective measures and to investigate and remediate vulnerabilities or other exposures arising from operational and security risks. We face risks posed to our information systems, both internal and those provided to us by third-party service providers. We and RGC have implemented processes, procedures and internal controls to help mitigate cybersecurity risks and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a risk of a cyber incident, may be ineffective and do not guarantee that a cyber incident will not occur or that our financial results, operations or confidential information will not be negatively impacted by such an incident.

Third parties with which we do business (including those that provide services to us) may also be sources or targets of cybersecurity or other technological risks. We outsource certain functions, and these relationships allow for the storage and processing of our information and assets, as well as certain investor, counterparty, employee and borrower information. While we engage in actions to reduce our exposure resulting from outsourcing, ongoing threats may result in unauthorized access, loss, exposure or destruction of data, or other cybersecurity incidents, with increased costs and other consequences, including those described above. Privacy and information security laws and regulation changes, and compliance with those changes, may also result in cost increases due to system changes and the development of new administrative processes.

We are subject to risks related to corporate social responsibility.

Our business faces increasing public scrutiny related to environmental, social and governance ("ESG") activities. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as environmental stewardship, corporate governance and transparency and considering ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations. Additionally, new regulatory initiatives related to ESG could adversely affect our business.

We cannot predict how new tax legislation will affect us, our investments, or our stockholders, and any such legislation could adversely affect our business.

Legislative or other actions relating to taxes could have a negative effect on us. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Treasury Department. The Biden Administration has proposed significant changes to the existing U.S. tax rules, and there are a number of proposals in Congress that would similarly modify the existing U.S. tax rules. The likelihood of any such legislation being enacted is uncertain, but new legislation and any U.S. Treasury regulations, administrative interpretations or court decisions interpreting such legislation could significantly and negatively affect our ability to qualify for tax treatment as a RIC or the U.S. federal income tax consequences to us and our investors of such qualification, or could have other adverse consequences. Investors are urged to consult with their tax advisor regarding tax legislative, regulatory, or administrative developments and proposals and their potential effect on an investment in our common stock.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

We have processes in place for assessing, identifying, and managing material risks from potential unauthorized occurrences on or through our electronic information systems that could negatively impact the confidentiality, integrity, or availability of our information systems or the information held on such systems. These processes include controls, procedures, systems and tools that are designed to prevent, detect, or mitigate data loss, theft, misuse, unauthorized access, or other security incidents or vulnerabilities affecting the data. Such processes are set forth in our joint Cybersecurity Policy and Disaster Recovery Plan (collectively, the "Cybersecurity Policy"). The Cybersecurity Policy sets forth the role of the Information Security Committee in preparing, implementing, and maintaining incident response procedures in consultation with senior management of the Adviser and Administrator.

Our Information Security Committee is responsible for the development and implementation of policies and technical measures to reasonably prevent security incidents. The Information Security Committee includes our Chief Financial Officer and Chief Compliance Officer. At times we may also engage assessors, consultants, or other third parties to assist with assessing, identifying and managing cybersecurity risk. As part of our risk management process, we conduct assessment and penetration testing, including regular trainings completed by employees of RGC who provide services to us pursuant to the Advisory Agreement and Administration Agreement.

Material Impact of Cybersecurity Risks

As of the date of this annual report on Form 10-K, we are not aware of any material risks from cybersecurity threats that have materially affected, or are reasonably likely to materially affect, the Company, including our business strategy, results of operations, or financial condition. However, future incidents could have a material impact on our business. Additional information about the cybersecurity risks that we face is discussed in Item 1A of Part I, "Risk Factors" in this Annual Report on Form 10-K under the heading "Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of our confidential information and/or damage to our business relationships, all of which could negatively impact our business, results of operations or financial condition."

Oversight of Cybersecurity Risks

Our cybersecurity risks and associated mitigation strategies are evaluated by our management and the Information Security Committee as needed, but no less frequently than annually. On at least a quarterly basis, management and the Information Security Committee report to our Board of Directors on developments to cybersecurity risks we face. Such reports include, among other things, an overview of the controls and procedures related to assessing, identifying, and managing risks related to cybersecurity threats, oversight of third-party service providers and related cybersecurity threats, and management's evaluation of cybersecurity risks that are material to us.

Item 2. Properties

Our corporate headquarters are located at 205 N. Michigan Ave., Suite 4200, Chicago, IL 60601 and are provided by the Administrator in accordance with the terms of the Administration Agreement. We and RGC also have offices located in Menlo Park, California and New York, New York. We do not own any real estate. We believe that our office facilities are suitable and adequate for our business as it is contemplated to be conducted.

Item 3. Legal Proceedings

We and RGC are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us. From time to time, we or RGC 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. Our business is also subject to extensive regulation, which may result in regulatory proceedings against us. While the outcome of these legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our financial condition or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Common Stock

Our common stock began trading on the Nasdaq Global Select Market LLC on October 21, 2021 under the symbol "RWAY" in connection with our IPO of shares of our common stock. Shares of BDCs may trade at a market price that is less than the value of the net assets attributable to those shares. The possibility that our shares of common stock will trade at a discount from NAV per share or at premiums that are unsustainable over the long-term are separate and distinct from the risk that our NAV per share will decrease. It is not possible to predict whether our common stock will trade at, above, or below NAV per share. See "Item 1A. Risk Factors—Risks Related to an Investment in Our Common Stock."

Holders

As of March 6, 2024, there were 77 holders of record of our common stock, which does not include stockholders for whom shares are held in nominee or "street" name.

Price Range of Common Stock

Our common stock began trading on the Nasdaq Global Select Market LLC on October 21, 2021 under the symbol "RWAY" in connection with our IPO of shares of our common stock. Shares of BDCs may trade at a market price that is less than the value of the net assets attributable to those shares. The possibility that our shares of common stock will trade at a discount from NAV per share or at premiums that are unsustainable over the long-term are separate and distinct from the risk that our NAV per share will decrease. It is not possible to predict whether our common stock will trade at, above, or below NAV per share. See "Item 1A. Risk Factors—Risks Related to an Investment in Our Common Stock." On March 6, 2024, the last reported closing sales price of our common stock on the Nasdaq Global Select Market LLC was $13.35 per share, which represented a discount of approximately 1.1% to our NAV per share of $13.50 as of December 31, 2023.

Prior to our IPO, the shares of our common stock were offered and sold in transactions exempt from registration under the Securities Act. As such, there was no public market for shares of our common stock through the period ended October 20, 2021.

The following table sets forth the most recent fiscal quarter's NAV per share of our common stock, the high and low closing sales prices of our common stock, such sales prices as a percentage of NAV per share and quarterly distribution per share.

Period	NAV[1]	Price Range High	Price Range Low	Premium/Discount of High Sales Price to NAV[2]	Premium/Discount of Low Sales Price to NAV[2]	Cash Distribution per Share[3]
2023						
Fourth Quarter	$ 13.50	$ 13.24	$ 11.90	(2.0) %	(11.9) %	$ 0.46
Third Quarter	14.08	13.55	12.15	(3.8)	(13.7)	0.45
Second Quarter	14.17	12.63	10.60	(10.9)	(25.2)	0.45
First Quarter	14.07	13.85	10.89	(1.6)	(22.6)	0.45
2022						
Fourth Quarter	$ 14.22	$ 13.52	$ 11.31	(4.9) %	(20.5) %	$ 0.36
Third Quarter	14.12	13.81	11.24	(2.2)	(20.4)	0.33
Second Quarter	14.14	14.51	10.98	2.6	(22.3)	0.30
First Quarter	14.45	14.77	12.21	2.2	(15.5)	0.27
2021						
Fourth Quarter[4]	$ 14.65	$ 13.92	$ 12.04	(5.0) %	(17.8) %	$ 0.25

(1) NAV per share is generally determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAVs shown are based on outstanding shares at the end of each period.

(2) Calculated as the respective high or low closing price less net asset value, divided by net asset value (in each case, as of the applicable quarter).

(3) Represents the dividend or distribution declared in the relevant quarter.

(4) Shares of our common stock began trading on the Nasdaq Global Select Market LLC on October 21, 2021 under the trading symbol "RWAY."

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Distributions

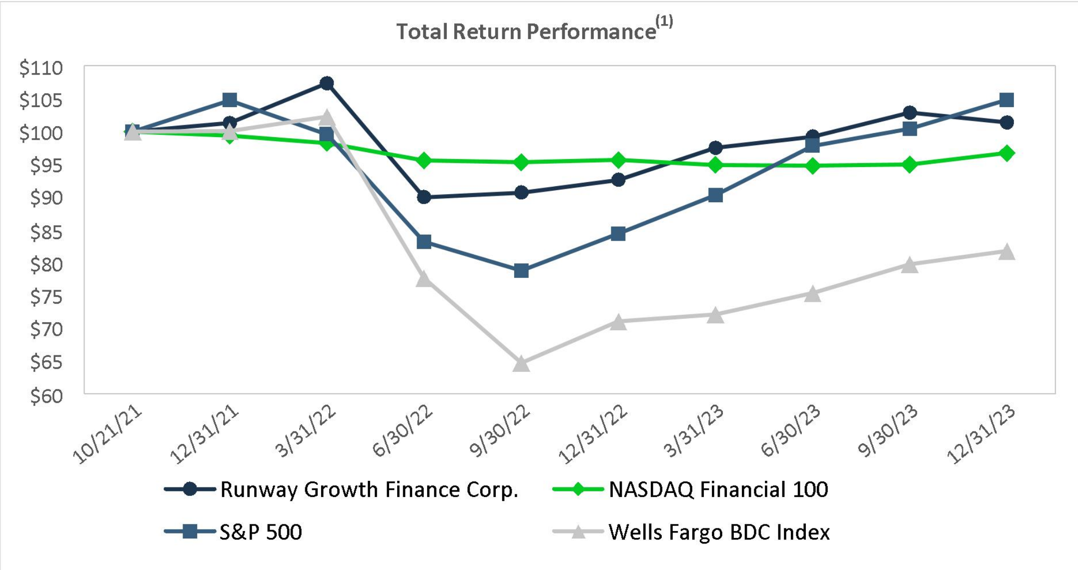
To the extent that we have funds available, we intend to make quarterly distributions to our stockholders. Our stockholder distributions, if any, will be determined by our Board of Directors. Any distribution to our stockholders will be declared out of assets legally available for distribution. We anticipate that distributions will be paid from income primarily generated by interest and dividend income earned on investments made by us.

The timing and amount of our distributions, if any, will be determined by our Board of Directors and will be declared out of assets legally available for distribution. Refer to "Note 9 – Net Assets" of our financial statements in Part II, Item 8 of this Form 10-K for a summary of the distributions declared and paid since inception.

Stock Performance Graph

The following stock performance graph compares the cumulative stockholder return on our common stock from October 21, 2021 (the date our common stock commenced trading on the Nasdaq Global Select Market LLC) to December 31, 2023, with that of the Standard & Poor's 500 Stock Index, the NASDAQ Financial 100 Index, and the Wells Fargo BDC Index. This graph assumes that on October 21, 2021, $100 was invested in our common stock, the Standard & Poor's BDC Index, the NASDAQ Financial 100 Index, and the Wells Fargo BDC Index. The graph also assumes the reinvestment of all cash dividends prior to any tax effect. The graph and other information furnished under this Part II Item 5 of this Annual Report on Form 10-K shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C under, or to the liabilities of Section 18 of, the Exchange Act. The stock price performance included in the below graph is not necessarily indicative of future stock performance.

COMPARISON OF CUMULATIVE TOTAL RETURN
Among Runway Growth Finance Corp., the Standard & Poor's 500 Index,
The NASDAQ Financial 100 Index, and the Wells Fargo BDC Index



(1) Cumulative stockholder return is calculated on the closing stock prices for each respective date.

Recent Sales of Unregistered Securities and Use of Proceeds

Other than pursuant to our Dividend Reinvestment Plan, and except as previously reported by us on our current reports on Form 8-K or quarterly reports on Form 10-Q, we did not sell any securities during the period covered by this Form 10-K that were not registered under the Securities Act.

Item 6. [Reserved]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

This annual report on Form 10-K contains forward-looking statements that involve substantial risks and uncertainties. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about us, our current and prospective portfolio investments, our industry, our beliefs and opinions, and our assumptions. Words such as "anticipates," "expects," "intends," "plans," "will," "may," "continue," "believes," "seeks," "estimates," "would," "could," "should," "targets," "projects," "outlook," "potential," "predicts" and variations of these words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including without limitation:

- changes in political, economic or industry conditions, the interest rate environment or conditions affecting the financial and capital markets;6
- an economic downturn or recession could impair our portfolio companies’ ability to continue to operate, which could lead to the loss of some or all of our investments in such portfolio companies;
- such an economic downturn could disproportionately impact the companies that we intend to target for investment, potentially causing us to experience a decrease in investment opportunities and diminished demand for capital from these companies;
- a contraction of available credit and/or an inability to access the equity markets that could impair our lending and investment activities;
- interest rate volatility that could adversely affect our results, particularly to the extent that we use leverage as part of our investment strategy;
- the impact of interest and inflation rates on our business prospects and the prospects of our portfolio companies;
- our business prospects and the prospects of our portfolio companies
- our contractual arrangements and relationships with third parties;
- the ability of our portfolio companies to achieve their objectives;
- competition with other entities and our affiliates for investment opportunities;
- the speculative and illiquid nature of our investments;
- the use of borrowed money to finance a portion of our investments;
- the adequacy of our financing sources and working capital;
- the loss of key personnel and members of our management team;
- the timing of cash flows, if any, from the operations of our portfolio companies
- the ability of our external investment adviser, Runway Growth Capital LLC, to locate suitable investments for us and to monitor and administer our investments;
- the ability of Runway Growth Capital LLC to attract and retain highly talented professionals;
- our ability to qualify and maintain our qualification as a RIC under Subchapter M of the Code, and as a BDC;
- the occurrence of a disaster, such as a cyber-attack against us or against a third party that has access to our data or networks, a natural catastrophe, an industrial accident, failure of our disaster-recovery systems, or consequential employee error;
- the effect of legal, tax, and regulatory changes; and
- the other risks, uncertainties and other factors we identify under "Risk Factors" in Part I, Item 1A of this Form 10-K and in our other filings with the SEC.

Although we believe the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this annual report on Form 10-K should not be regarded as a representation by us that our plans and objectives will be achieved. These risks and uncertainties include those described or identified in "Risk Factors" in in Part I, Item 1A of this Form 10-K.

We have based the forward-looking statements included in this Form 10-K on information available to us on the date of this Form 10-K, 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 have filed or in the future may file with the SEC, including our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

The following analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes thereto contained elsewhere in this annual report on Form 10-K.

Overview

Runway Growth Finance Corp. ("we," "us," "our," or the "Company"), a Maryland corporation formed on August 31, 2015, is structured as an externally managed, non-diversified closed-end management investment company. On August 18, 2021, we changed our name to "Runway Growth Finance Corp." from "Runway Growth Credit Fund Inc." We are a specialty finance company focused on providing senior secured loans to high growth-potential companies in technology, life sciences, healthcare information and services, business services, financial services, select consumer services and products and other high-growth industries. Our goal is to create significant value for our stockholders and the entrepreneurs we support by providing high growth-potential companies with hybrid debt and equity financing that is more flexible than traditional credit and less dilutive than equity. Our investment objective is to maximize our total return to our stockholders primarily through current income on our loan portfolio, and secondarily through capital gains on our warrants and other equity positions. Our offices are in Chicago, Illinois; Menlo Park, California; and New York, New York.

We have elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the "1940 Act"). We have also elected to be treated as regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). While we currently qualify, and intend to qualify annually, to be treated as a RIC, no assurance can be provided that we will be able to maintain our tax treatment as a RIC. If we fail to qualify for tax treatment as a RIC for any taxable year, we will be subject to U.S. federal income tax at corporate rates on any net taxable income for such year. As a BDC and a RIC, we are required to comply with various regulatory requirements, such as the requirement to invest at least 70% of our assets in “qualifying assets,” source-of-income limitations, asset diversification requirements, and the requirement to distribute annually at least 90% of our investment company taxable income and net tax-exempt interest.

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). We will remain an emerging growth company until the last day of our fiscal year following the fifth anniversary of our IPO, which closed on October 25, 2021 or until the earliest of (i) the last day of the first fiscal year in which we have total annual gross revenue of $1.235 billion or more, (ii) December 31 of the fiscal year in which we become a “large accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (together with the rules and regulations promulgated thereunder, the “Exchange Act”), (which would occur if the market value of our common stock held by non-affiliates exceeds $700.0 million, measured as of the last business day of our most recently completed second fiscal quarter, and we have been publicly reporting for at least 12 months), or (iii) the date on which we have issued more than $1.0 billion in non-convertible debt during the preceding three-year period. For so long as we remain an emerging growth company under the JOBS Act, we will be subject to reduced public company reporting requirements.

We are externally managed by Runway Growth Capital LLC ("RGC"), an investment adviser that has registered with the SEC under the Investment Advisers Act of 1940, as amended. The Administrator, a wholly-owned subsidiary of RGC, provides all the administrative services necessary for us to operate.

On August 10, 2020, we, RGC, and certain other funds and accounts sponsored or managed by RGC and/or its affiliates were granted an order (the “Order”), as amended on August 30, 2022, that permits us greater flexibility than the 1940 Act permits to negotiate the terms of co-investments if our Board of Directors determines that it would be advantageous for us to co-invest with other accounts sponsored or managed by RGC or its affiliates in a manner consistent with our investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. We believe that the ability to co-invest with similar investment structures and accounts sponsored or managed by RGC or its affiliates will provide additional investment opportunities and the ability to achieve greater diversification. Under the terms of the Order, a majority of our independent directors are required to make certain determinations in connection with a co-investment transaction, including that (1) the terms of the proposed transaction are reasonable and fair to us and our stockholders and do not involve overreaching of us or our stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of our and is consistent with our investment strategies and policies.

Portfolio Composition and Investment Activity

Portfolio Composition

At December 31, 2023, we had investments in 52 portfolio companies, representing 22 companies in which we held loan and warrant investments, three companies in which we held loan investments and shares of common stock, preferred stock, or a combination with warrants, four companies in which we held a loan investment only, 16 companies in which we held warrant investments only, and seven companies in which we held shares of common stock, preferred stock, or membership interests only, or a combination with warrants. At December 31, 2022, we had investments in 49 portfolio companies, representing 28 companies in which we held loan and warrant investments, one company in which we held loan investments and shares of common, preferred stock, or a combination with warrants, six companies in which we held a loan investment only, nine companies in which we held warrant investments only, and five companies in which we held shares of common or preferred stock only, or a combination with warrants.

The following table shows the fair value of our investments, by asset class, as of December 31, 2023 and December 31, 2022 (in thousands):

	December 31, 2023			December 31, 2022		
Investments	**Cost**	**Fair Value**	**% of Total Portfolio**	**Cost**	**Fair Value**	**% of Total Portfolio**
Portfolio Investments						
Senior Secured Term Loans	$ 977,947	$ 964,099	90.35 %	$ 1,096,724	$ 1,080,121	95.90 %
Second Lien Term Loans	14,278	14,399	1.35	13,654	13,654	1.21
Convertible Note	1,357	1,357	0.13	—	—	—
Preferred Stocks	40,602	29,838	2.80	12,382	12,682	1.13
Common Stocks	9,141	1,420	0.13	8,715	3,097	0.27
Equity Interest	950	950	0.09	—	—	—
Warrants	20,560	12,947	1.21	19,127	16,755	1.49
Total Investments, Excluding U.S. Treasury Bills	1,064,835	1,025,010	96.06	1,150,602	1,126,309	100.00
U.S. Treasury Bill	42,014	41,999	3.94	—	—	—
Total Portfolio Investments	$ 1,106,849	$ 1,067,009	100.00 %	$ 1,150,602	$ 1,126,309	100.00 %

For the years ended December 31, 2023, December 31, 2022, and December 31, 2021, our debt investment portfolio had a dollar-weighted annualized yield of 15.8%, 13.7%, and 13.8%, respectively. We calculate the yield on dollar-weighted debt investments for any period measured as (1) total related investment income during the period divided by (2) the daily average of the fair value of debt investments outstanding during the period, including any debt investments on non-accrual status. As of December 31, 2023, our debt investments had a dollar-weighted average outstanding term of 58 months at origination and a dollar-weighted average remaining term of 39 months, or approximately 3.2 years. As of December 31, 2023, substantially all of our debt investments had an original committed principal amount of between $6.0 million and $85.0 million and pay cash interest at annual interest rates of between 8.0% and 15.6%.

The following table shows our dollar-weighted annualized yield by investment type for the years ended December 31, 2023, December 31, 2022, and December 31, 2021:

	Fair Value[(1)]			Cost[(2)]		
	Year Ended December 31,			Year Ended December 31,		
	2023	2022	2021	2023	2022	2021
Investment type:						
Debt investments	15.78 %	13.71 %	13.77 %	15.54 %	13.49 %	13.52 %
Equity interest	2.66 %	3.42 %	2.68 %	2.06 %	3.31 %	3.43 %
All investments	15.20 %	13.22 %	12.74 %	14.79 %	13.00 %	12.78 %

(1) We calculate the dollar-weighted annualized yield on average investment type for any period as (a) total related investment income during the period divided by (b) the daily average of the fair value of the investment type outstanding during the period, including any investments on non-accrual status. The dollar-weighted annualized yield represents the portfolio yield and will be higher than what investors will realize because it does not reflect our expenses or any sales load paid by investors.

(2) We calculate the dollar-weighted annualized yield on average investment type for any period as (a) total related investment income during the period divided by (b) the daily average of the investment type outstanding during the period, at amortized cost, including any investments on non-accrual status. The dollar-weighted annualized yield represents the portfolio yield and will be higher than what investors will realize because it does not reflect our expenses or any sales load paid by investors.

Investment Activity

The value of our investment portfolio will change over time due to changes in the fair value of our underlying investments, as well as changes in the composition of our portfolio resulting from purchases of new and follow-on investments as well as repayments and sales of existing investments. For the year ended December 31, 2023, we funded, net of upfront fees at origination, $82.7 million in four new portfolio companies and $117.8 million in 14 existing portfolio companies. We also received $289.0 million in full or partial loan repayments from 12 portfolio companies and $7.3 million in scheduled principal payments from three portfolio companies. We received $44.0 thousand in proceeds from the termination of warrants, sale of preferred stock, and sale of common stock. For the year ended December 31, 2022 we funded, net of upfront fees at origination, $396.5 million in 14 new portfolio companies and $226.2 million in 12 existing portfolio companies. We also received $151.9 million in partial and full loan prepayments from eight portfolio companies and $2.5 million in scheduled principal payments from three portfolio companies. We received $7.2 million in proceeds from the termination of warrants, sale of preferred stock, and sale of common stock.

Portfolio Reconciliation

The following is a reconciliation of our investment portfolio, including U.S. Treasury Bills, for the years ended December 31, 2023 and 2022 (dollars in thousands):

	Years Ended December 31,	
	2023	2022
Beginning investment portfolio	$ 1,126,309	$ 729,516
Purchases of investments	200,464	622,719
Purchases of U.S. Treasury Bills	76,973	—
PIK interest	19,924	8,655
Sales and prepayments of investments	(289,078)	(159,144)
Scheduled repayments of investments	(7,331)	(9,754)
Sales and maturities of U.S. Treasury Bills	(35,000)	(45,000)
Amortization of fixed income premiums or accretion of discounts	8,682	6,863
Net realized gain (loss) on investments	(18,387)	(1,061)
Net change in unrealized gain (loss) on investments	(15,547)	(26,485)
Ending investment portfolio	$ 1,067,009	$ 1,126,309

Asset Quality

In addition to various risk management and monitoring tools, RGC uses an investment rating system to characterize and monitor the quality of our debt investment portfolio. Equity securities and Treasury Bills are not graded. This debt investment rating system uses a five-level numeric scale. The following is a description of the conditions associated with each investment rating:

Investment Rating	Rating Definition
1	Performing above plan and/or strong enterprise profile, value, financial performance/coverage. Maintaining full covenant and payment compliance as agreed.
2	Performing at or reasonably close to plan. Acceptable business prospects, enterprise value, financial coverage. Maintaining key covenant and payment compliance as agreed. Generally, all new loans are initially graded Category 2.
3	Performing below plan of record. Potential elements of concern over performance, trends and business outlook. Loan-to-value remains adequate. Potential key covenant non-compliance. Full payment compliance.
4	Performing materially below plan. Non-compliant with material financial covenants. Payment default/deferral could result without corrective action. Requires close monitoring. Business prospects, enterprise value and collateral coverage declining. These investments may be in workout, and there is a possibility of loss of return but no loss of principal is expected
5	Going concern nature in question. Substantial decline in enterprise value and all coverages. Covenant and payment default imminent if not currently present. Investments are nearly always in workout. May experience partial and/or full loss.

The following table shows the investment ratings of our debt investments at fair value as of December 31, 2023 and December 31, 2022 (dollars in thousands):

	December 31, 2023			December 31, 2022		
Investment Rating	Fair Value	% of Total Portfolio	Number of Portfolio Companies	Fair Value	% of Total Portfolio	Number of Portfolio Companies
1	$ —	— %	—	$ —	— %	—
2	612,709	57.41	19	1,006,247	89.34	30
3	361,998	33.93	9	78,238	6.95	4
4	3,791	0.36	1	—	-	—
5	—	-	—	9,290	0.82	1
	$ 978,498	91.70 %	29	$ 1,093,775	97.11 %	35

Loans and Debt Securities on Non-Accrual Status

Generally, when interest and/or principal payments on a loan become past due, or if we otherwise do not expect the borrower to be able to service its debt and other obligations, we will place the loan on non-accrual status and will cease recognizing interest income on that loan for financial reporting purposes until all principal and interest have been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. As of December 31, 2023, we had no loans on non-accrual status. As of December 31, 2022, we had one loan to Pivot3, Inc. on non-accrual status. The loan, with a cost basis of $19.2 million and a fair market value of $9.3 million represents 0.8% of the total investment portfolio. From being placed on non-accrual status through December 31, 2022, cumulative interest of $3.6 million would be payable and $0.3 million OID would be accreted into the cost basis, for a total of $3.9 million not recorded in Interest income from control investments on the Consolidated Statements of Operations. As of December 31, 2022, we have not written off any accrued and uncollected PIK interest.

Results of Operations

An important measure of our financial performance is net increase/(decrease) in net assets resulting from operations, which includes net investment income/(loss), net realized gain/(loss) and net change in unrealized gain (loss). Net investment income/(loss) is the difference between our income from interest, dividends, fees and other investment income and our operating expenses, including interest on borrowed funds. Net realized gain/(loss) on investments is the difference between the proceeds received from dispositions of portfolio investments and their amortized cost. Net change in unrealized gain (loss) on investments is the net change in the fair value of our investment portfolio.

Comparison of the Years Ended December 31, 2023, 2022 and 2021

The following table is a comparison of the results of our operations for the years ended December 31, 2023, 2022, and 2021 (dollars in thousands):

	Years Ended December 31,					
	2023		2022		2021	
	Total	Per Share(1)	Total	Per Share(1)	Total	Per Share(1)
Investment income						
Interest, fee and dividend income	$ 163,721	$ 4.04	$ 107,749	$ 2.63	$ 71,094	$ 2.08
Other income	488	0.01	2	—	1	—
Total investment income	164,209	4.05	107,751	2.63	71,095	2.08
Operating expenses						
Management fees	16,711	0.41	11,882	0.29	8,989	0.26
Incentive fees	19,046	0.47	13,183	0.32	9,232	0.27
Interest and other debt financing expenses	43,143	1.07	16,761	0.41	4,192	0.12
Professional fees	2,350	0.06	2,133	0.05	1,601	0.05
Administration agreement expenses	2,125	0.05	1,838	0.04	1,566	0.05
Insurance expense	1,028	0.02	1,016	0.03	339	0.01
Tax expense	664	0.02	291	0.01	1	—
Other expenses	867	0.02	851	0.02	683	0.02
Total operating expenses	85,934	2.12	47,955	1.17	26,603	0.78
Net investment income	78,275	1.93	59,796	1.46	44,492	1.30
Realized gain (loss) on investments	(18,387)	(0.45)	(1,061)	(0.03)	4,172	0.12
Net change in unrealized gain (loss) on investments	(15,547)	(0.39)	(26,485)	(0.64)	(3,045)	(0.09)
Net increase (decrease) in net assets resulting from operations	$ 44,341	$ 1.09	$ 32,250	$ 0.79	$ 45,619	$ 1.33

(1) The basic per share figures noted above are based on weighted averages of 40,509,269, 40,971,242, and 34,183,358 shares outstanding for the years ended December 31, 2023, 2022, and 2021, respectively.

Investment Income

Our investment objective is to maximize total return to our stockholders primarily through current income on our loan portfolio, and secondarily through capital gain on our warrants and other equity positions. We intend to achieve our investment objective by investing in high growth-potential, private companies. We typically invest in senior secured loans that generally fall into two strategies: Sponsored Growth Lending and Non-Sponsored Growth Lending. We generally receive warrants and/or other equity from our investments. We expect our investments in loans will generally range from between $10.0 million to $100.0 million, and the upper end of this range may increase as we raise additional capital.

We generate revenue in the form of interest on the debt securities that we hold and distributions and capital gains on other interests that we acquire in our portfolio companies. We expect that the debt we invest in will generally have stated terms of 36 to 60 months. Interest on debt securities is generally payable monthly, primarily based on a floating rate index, and subject to certain floors determined by market rates at the time the investment is made. In some cases, some of our investments may provide for deferred interest payments or PIK interest. The principal amount of the debt securities and any accrued but unpaid interest will become due at the maturity date. Any original issue discount ("OID") or market discount or premium will be capitalized, and we will accrete or amortize such amounts as interest income. We record prepayment fees on debt investments as fee income. Dividend income, if any, will be recognized on an accrual basis to the extent that we expect to collect such amounts.

Investment income for the year ended December 31, 2023, 2022 and 2021 was $164.2 million, $107.8 million, and $71.1 million, respectively, and includes non-recurring income of $11.4 million, $3.5 million, and $9.2 million, respectively. Non-recurring income includes, but is not limited to, acceleration of unaccreted OID, prepayment fees, and amendment fees. The increase in investment income for the years ended December 31, 2023 compared to the years ended December 31, 2022 and December 31, 2021 was primarily due to increased interest income driven by our deployment of capital and increased market interest rates.

Operating Expenses

Our primary operating expenses include the payment of fees to RGC under the Advisory Agreement, our allocable portion of overhead expenses under the Administration Agreement, professional fees, and other operating costs described below. We bear all other out-of-pocket costs and expenses of our operations and transactions, including those relating to:

- our pro-rata portion of fees and expenses related to an initial public offering in connection with a Spin-Off transaction, meaning either a transaction whereby (a) we offer our stockholders the option to elect to either (i) retain their ownership of shares of our common stock, or (ii) exchange their shares of our common stock for shares of common stock in a newly formed entity that will elect to be regulated as a BDC under the 1940 Act and treated as a RIC under Subchapter M of the Code; or (b) we complete a listing of our securities on any securities exchange;
- fees and expenses related to public and private offerings, sales and repurchases of our securities;
- calculating our net asset value (including the cost and expenses of any independent valuation firm);
- fees and expenses payable to third parties, including agents, consultants or other advisers, in connection with monitoring financial and legal affairs for us and in providing administrative services, monitoring our investments and performing due diligence on our prospective portfolio companies or otherwise relating to, or associated with, evaluating and making investments;
- interest payable on debt incurred to finance our investments;
- sales and purchases of our common stock and other securities;
- investment advisory and management fees;
- administration fees payable under the Administration Agreement;
- transfer agent and custodial fees;
- federal and state registration fees;
- all costs of registration and listing our securities on any securities exchange;
- U.S. federal, state and local taxes;
- independent directors’ fees and expenses;
- costs of preparing and filing reports or other documents required by the SEC, the Financial Industry Regulatory Authority or other regulators;
- costs of any reports, proxy statements or other notices to stockholders, including printing costs;
- our allocable portion of any fidelity bond, directors’ and officers’ errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and
- all other expenses incurred by us, our Administrator or RGC in connection with administering our business, including payments under the Administration Agreement based on our allocable portion of our Administrator’s overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our Chief Compliance Officer and Chief Financial Officer and their respective staffs.

Operating expenses for the years ended December 31, 2023, 2022 and 2021 were $85.9 million, $48.0 million, and $26.6 million, respectively. Operating expenses increased for the year ended December 31, 2023 from the years ended December 31, 2022 and 2021 primarily due to increased interest and other debt financing expenses, as well as increased management and incentive fees. Operating expenses per share for the years ended December 31, 2023, 2022 and 2021 were $2.12 per share, $1.17 per share and $0.78 per share, respectively.

Management fees for the years ended December 31, 2023, 2022, and 2021 were $16.7 million, $11.9 million, and $9.0 million, respectively. Management fees increased for the year ended December 31, 2023 as compared to the years ended December 31, 2022 and 2021 due to an increase in gross assets, offset by a decrease in the base management rate from 1.6% per annum for 2021 and 2022 to 1.5% per annum in 2023.

Incentive fees for the years ended December 31, 2023, 2022, and 2021 were $19.0 million, $13.2 million and $9.2 million, respectively. Incentive fees increased for the years ended December 31, 2023 from the years ended December 31, 2022 and 2021 primarily due to an increase in net investment income. For the year ended December 31, 2023, $14.1 million of the incentive fees were earned and payable in cash, and $4.9 million were deferred and accrued. For the year ended December 31, 2022, $11.0 million of the incentive fees were earned and payable in cash, and $2.2 million were deferred and accrued. For the year ended December 31, 2021, $7.4 million of the incentive fees were earned and payable in cash, and $1.8 million were deferred and accrued. Incentive fees related to paid-in-kind or deferred interest are accrued and payment is deferred until such interest is collected in cash. Incentive fees per share for the years ended December 31, 2023, 2022, and 2021 were $0.47 per share, $0.32 per share, and $0.27 per share, respectively.

Net Investment Income

Net investment income for the years ended December 31, 2023, 2022 and 2021 was $78.3 million, $59.8 million, and $44.5 million, respectively. Net investment income increased for the year ended December 31, 2023 from the year ended December 31, 2022 and 2021 primarily due to increased interest and fee income earned on our portfolio investments, partially offset by increased interest and other debt financing expenses, management fees, and incentive fees.Net investment income per share for the years ended December 31, 2023, 2022 and 2021 was $1.93 per share, $1.46 per share and $1.30 per share, respectively.

Net Realized Gain (Loss) on Investment

The net realized loss on investments of $18.4 million for the year ended December 31, 2023 was attributable to losses in our loan to Pivot3,Inc. that was previously on non-accrual status, as well as our warrant investments in CareCloud, Inc. and Gynesonics, Inc. The net realized loss on investments of $1.1 million for the year ended December 31, 2022 was primarily due to losses on our warrants in Aspen Group, Inc. and CareCloud, Inc. and a loss in our Pivot3 Holdings, Inc. preferred stock, offset by gains on the sale of Brilliant Earth Group, Inc. common stock. The net realized gain on investments of $4.2 million for the year ended December 31, 2021 was primarily attributable to the gains on the sale of common stock in Porch Group, Inc. and Ouster, Inc., partially offset by a realized loss on our preferred stock in CareCloud, Inc.

Net Change in Unrealized Gain (Loss) on Investments

Net change in unrealized loss on investments of $15.5 million for the year ended December 31, 2023 was primarily attributable to decreases in the fair value of CareCloud, Inc. and Gynesonics Inc. preferred stock, a decrease in the fair value of FiscalNote, Inc. common stock, decreases in the fair value of Aria Systems, Inc., INRIX, Inc., and ShareThis, Inc. warrants, and decreases in the fair value of our senior secured term loans to Gynesonics, Inc., FiscalNote, Inc., and Snagajob.com Inc., offset by an increase in fair value of Route 92 Medical, Inc. senior secured term loan and a release in prior unrealized loss in our loan to Pivot 3, Inc. Net change in unrealized loss on investments of $26.5 million for the year ended December 31, 2022 was primarily due to decreases in the fair value of a senior secured loan to Pivot3, Inc., and decreases in the fair value of our common stock in Brilliant Earth Group, Inc. and Quantum Corporation. Net change in unrealized loss on investments of $3.0 million for the year ended December 31, 2021 was primarily due to decreases in the fair value of senior secured loans to Pivot3, Inc. and Aginity Inc., and our warrants for common stock in CareCloud, Inc. This decrease was offset by the increase in the fair value of our senior secured loans to Mojix, Inc. and our units of Brilliant Earth LLC.

Net Increase in Net Assets Resulting from Operations

We had a net increase in net assets resulting from operations of $44.3 million for the year ended December 31, 2023, as compared to a net increase in net assets resulting from operations of $32.3 million and $45.6 million for the years ended December 31, 2022 and December 31, 2021, respectively. The net increase in net assets resulting from operations for the year ended December 31, 2023 from the year ended December 31, 2022 is attributable to an increase in net investment income and a decrease in net change in unrealized losses, offset by an increase in net realized losses on investments. The net decrease in net assets resulting from operations for the years ended December 31, 2022 from the year ended December 31, 2021 was primarily attributable a net change in unrealized loss on investments compared to a gain in the prior year, as well as an increase in operating expenses, particularly increases in interest expense and debt financing fees due to an increase in borrowings. The decrease is partially offset by an increase in investment income.

Financial Condition, Liquidity and Capital Resources

Our liquidity and capital resources are derived from net proceeds from the offering of our securities, debt borrowings and cash flows from operations, including investment sales and repayments, and income earned. We have used, and expect to continue to use, our debt and the proceeds from the turnover of our portfolio and from public and private offerings of securities to finance our investment objectives. We expect that we may also generate cash from any financing arrangements we may enter into in the future and any future offerings of our equity or debt securities. Financing arrangements may come in the form of borrowings from banks or issuances of senior securities, which may be secured or unsecured, through registered offerings or private placements. Our primary use of funds is to make investments in eligible portfolio companies, pay our operating expenses and make distributions to holders of our common stock.

During the year ended December 31, 2023, we principally funded our operations from (i) cash receipts from interest, dividend, and fee income from our investment portfolio and (ii) cash proceeds from the realization of portfolio investments through the repayments of debt investments and the sale of debt and equity investments.

During the year ended December 31, 2023, we principally funded our operations from (i) cash receipts from interest, dividend, and fee income from our investment portfolio and (ii) cash proceeds from the realization of portfolio investments through the repayments of debt investments and the sale of debt and equity investments.

During the year ended December 31, 2023, our operating activities provided $112.4 million of cash and cash equivalents, compared to $359.8 million and $61.2 million used in operating activities during the years ended December 31, 2022 and 2021, respectively. The $472.3 million increase in cash provided by operating activities from December 31, 2022 to December 31, 2023 was primarily due to a $345.3 million decrease in purchases of investments and U.S. Treasury Bills and a $117.5 million increase in sales and repayments of investments and U.S. Treasury Bills.

During the year ended December 31, 2023, our financing activities used $115.2 million of cash, compared to $360.9 million and $51.1 million provided by financing activities during the years ended December 31, 2022 and December 31, 2021, respectively. The $476.1 million decrease in cash flows provided by financing activities was primarily due to decreased net borrowing activity of $518.3 million, offset by decreased cash used in reverse repurchase agreements of $44.8 million and increased dividend distributions of $10.9 million. The $309.9 million increase in cash flows provided by financing activities was primarily due to increased net borrowing activity of $496.3 million, offset by decreased cash provided by reverse repurchase agreements of $149.2 million. The $298.6 million increase in cash used in operating activities from December 31, 2021 to December 31, 2022 was primarily due to a decrease of $324.7 million in sales, repayments, and maturities of investments and US Treasury bills, offset by an increase in purchases of investments and US Treasury bills of $11.7 million.

Available Liquidity and Capital Resources

As of December 31, 2023, we had $281.0 million in available liquidity, including $3.0 million in cash and cash equivalents, and approximately $278.0 million available under our Credit Facility, subject to borrowing base capacity. As of December 31, 2023, we had $272.0 million of secured debt outstanding under our Credit Facility, which are floating interest rate obligations and $247.3 million of unsecured debt outstanding under 2026 and 2027 Notes, which are all fixed interest rate debt obligations. Refer to "Note 7 – Borrowings" to our consolidated financial statements in Part I, Item 8 of this Form 10-K for additional discussion of our debt obligations.

Pursuant to the 1940 Act, we are permitted to incur borrowings, issue debt securities, or issue preferred stock unless, immediately after the borrowings or issuance, the ratio of total assets (less total liabilities other than indebtedness) to total indebtedness plus preferred stock is at least 150% (at least 200% prior to June 17, 2022). As of December 31, 2023 and December 31, 2022, our asset coverage ratio was 205% and 203%, respectively.

As detailed above, our diverse and well-structured balance sheet is designed to provide a long-term focused and sustainable investment platform. Currently, we believe we have sufficient liquidity to support our near-term capital requirements.

Commitments and Obligations

Our significant contractual payment obligations relate to our borrowings and deferred incentive fees. As of December 31, 2023, we had $519.3 million of debt outstanding, none of which was due within the next year, $367.0 million within 1 to 3 years, and $152.3 million beyond 3 years. As of December 31, 2023, we had $9.2 million of deferred incentive fees, $2.6 million of which was due within the next year, $3.9 million within 1 to 3 years, and $2.7 million beyond 3 years.

In addition to our on-balance sheet contractual obligations, in the normal course of business, we have future cash requirements related to our financial instruments with off-balance sheet risk. These consist of unfunded loan commitments to extend credit, in the form of loans, to our portfolio companies. Unfunded loan commitments to provide funds to portfolio companies are not reflected on our balance sheet.

Our unfunded loan commitments may be significant from time to time. As of December 31, 2023, we had $201.5 million in unfunded loan commitments to provide debt financing to its portfolio companies. Unfunded contractual commitments depend upon a portfolio company reaching certain milestones before the debt commitment is available to the portfolio company, which is expected to affect our funding levels. These commitments are subject to the same underwriting and ongoing portfolio maintenance as the on-balance sheet financial instruments that we hold. From time to time, unfunded contractual commitments may expire without being drawn and thus do not represent future cash requirements. We maintain sufficient liquidity (through cash on hand and available borrowings under the Credit Facility) to fund such unfunded loan commitments should the need arise. As of December 31, 2023, we had approximately $42.0 million of available unfunded commitments eligible to be drawn based on achieved milestones. Refer to “Note 8 – Commitments and Contingencies” of our consolidated financial statements in Part I, Item 1 of this Form 10-Q for a summary of unfunded loan commitments by portfolio company as of December 31, 2023.

The fair value of our unfunded commitments is considered to be immaterial as the yield determined at the time of underwriting is expected to be materially consistent with the yield upon funding, given that interest rates are generally pegged to market indices and given the existence of milestones, conditions and/or obligations embedded in the borrowing agreements.

As of December 31, 2023 and December 31, 2022, our asset coverage ratio was 205% and 203%, respectively.

Repurchase Program

On February 24, 2022, our Board of Directors approved a repurchase program (the “ Initial Repurchase Program”) under which we could have repurchased up to $25.0 million of our outstanding common stock. Under the Initial Repurchase Program, we could have repurchased shares at management’s discretion from time to time in open-market transactions, in accordance with all applicable securities laws and regulations. As of December 31, 2023 and December 31, 2022, we had repurchased 871,345 shares of our common stock under the Initial Repurchase Program for an aggregate purchase price of $10.8 million. The Board of Directors did not renew the Initial Repurchase Program, and it expired on February 24, 2023.

On November 2, 2023, our Board of Directors approved a new share repurchase program (the "Repurchase Program"), under which we may repurchase up to $25.0 million of our outstanding shares of common stock. Under the Repurchase Program, purchases may be made at management’s discretion from time to time in open-market transactions, in accordance with all applicable securities laws and regulations. As of December 31, 2023, we had repurchased 0 shares under the Repurchase Program. If not renewed, the Repurchase Program will terminate upon the earlier of (i) November 2, 2024 and (ii) the repurchase of $25.0 million of our shares of common stock.

Distributions

To the extent that we have funds available, we intend to make quarterly distributions to our stockholders. Our stockholder distributions, if any, will be determined by our Board of Directors. Any distribution to our stockholders will be declared out of assets legally available for distribution. We anticipate that distributions will be paid from income primarily generated by interest and dividend income earned on investments made by us.

For the years ended December 31, 2023, we declared and paid dividends in the amount of $73.3 million, of which $70.8 million was distributed in cash and the remainder distributed in shares to stockholders pursuant to our Dividend Reinvestment Plan. For year ended December 31, 2022, we declared dividends in the amount of $51.6 million, of which $40.7 million was distributed in cash and the remainder distributed in shares to stockholders pursuant to our dividend reinvestment plan (the "Dividend Reinvestment Plan"). For year ended December 31, 2021, we declared dividends in the amount of $44.9 million, of which $17.9 was distributed in cash and the remainder distributed in shares to stockholders pursuant to our Dividend Reinvestment Plan.

The timing and amount of our distributions, if any, will be determined by our Board of Directors and will be declared out of assets legally available for distribution. Refer to "Note 9 – Net Assets" of our consolidated financial statements in Part I, Item 8 of this Form 10-K for a summary of the distributions declared and paid since inception.

Critical Accounting Estimates

The preparation of the consolidated financial statements and related disclosures in conformity with U.S. GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and revenues and expenses during the period reports. Actual results could materially differ from those estimates. For a description of our critical accounting policies, including those related to the valuation of investments and our election to be treated, and intent to qualify annually, as a RIC refer to “Note 2 – Summary of Significant Accounting Policies” to our consolidated financial statements in Part I, Item 8 of this Form 10-K . We consider the most significant accounting policies to be those related to our Fair Value Measurements and Income Taxes.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We commenced investment activities in portfolio securities during the quarter ended June 30, 2017 and commenced investment activities in U.S. Treasury Bills during the quarter ended December 31, 2016.

We are subject to financial market risk, including changes in the valuations of our investment portfolio. Market risk includes risks that arise from changes in interest rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. The prices of securities held by us may decline in response to certain events, including those directly involving the companies we invest in; conditions affecting the general economy; overall market changes; legislative reform; local, regional, national or global political, social or economic instability; and interest rate fluctuations. Uncertainty with respect to the economic effects of rising interest rates and inflation has introduced significant volatility in the financial markets, and the effects of this volatility could materially impact our market risks. For additional information concerning the risks we face and their potential impact on our business and our operating results, see Part I, Item 1A. Risk Factors.

Valuation Risk

Our investments may not have a readily available market price, and we value these investments at fair value as determined in good faith by our Board of Directors 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. 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

We are subject to financial market risks, including changes in interest rates. Interest rate risk is defined as the sensitivity of our current and future earnings to interest rate volatility, variability of spread relationships, the difference in re-pricing intervals between our assets and liabilities and the effect that interest rates may have on our cash flows. Changes in interest rates may affect both our cost of funding and our interest income from portfolio investments, and cash and cash equivalents. Changes in interest rates can also affect our ability to acquire and originate loans and securities and the value of our investment portfolio. Our net investment income is affected by fluctuations in various interest rates, including SOFR, and Prime rates. Increasing interest rates could have the effect of increasing our total investment income once interest rates increase above contractual interest rates floors to which our portfolio companies are subject. Conversely, we would expect the cost of our floating rate Credit Facility and unsecured notes to increase as well, offsetting the positive effect on our net interest income.

As of December 31, 2023, 100.0%, or $978.5 million, of our debt portfolio investments bore interest at variable rates, consisting of approximately 66.0% based on SOFR and 34.0% based on Prime. As a policy, any interest in excess of the cash cap, if applicable, as determined on an individual loan basis will accrue to principal and be treated as PIK interest. A hypothetical 200 basis point increase or decrease in the interest rates on our variable-rate debt investments could increase our investment income by a maximum of $19.3 million and decrease our investment income by a maximum of $17.2 million, due to certain floors, on an annual basis.

Our debt borrowings under the Credit Facility bear interest at a floating rate, all other outstanding debt borrowings bear interest at a fixed rate. Borrowings under the Credit Facility bear interest on a per annum basis equal to the SOFR plus an applicable margin rate that ranges from 2.95% to 3.35% per annum depending on the Company's leverage ratio and number of eligible loans in the collateral pool. For additional information regarding the interest rate associated with each of our debt borrowings, see "Note 7 — Borrowings" to our consolidated financial statements in Part II, Item 8 of this Form 10-K.

Because we currently borrow, and plan to borrow in the future, to originate loans and securities, our net investment income is dependent upon the difference between the rate at which we borrow funds and the rate at which we invest the funds borrowed. Accordingly, 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. In periods of rising interest rates, our cost of funds would increase, which could reduce our net investment income if there is not a corresponding increase in interest income generated by our investment portfolio.

We regularly measure exposure to interest rate risk. We assess interest rate risk and manage interest rate exposure on an ongoing basis by comparing our interest rate sensitive assets to our interest rate sensitive liabilities. We may hedge against interest rate and currency exchange rate fluctuations by using standard hedging instruments such as futures, options and forward contracts subject to the requirements of the 1940 Act. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in benefits of lower interest rates with respect to our portfolio of investments with fixed interest rates.

In addition, any investments we make that are denominated in a foreign currency will be subject to risks associated with changes in currency exchange rates. These risks include the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential illiquidity in the secondary market. These risks will vary depending upon the currency or currencies involved and may be exacerbated by current economic conditions and any associated impact on foreign financial markets. See "Risk Factors — Risks Related to Our Business and Structure" in Part I, Item 1A of this Form 10-K.

Item 8. Consolidated Financial Statements and Supplementary Data.

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Runway Growth Finance Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of assets and liabilities of Runway Growth Finance Corp. and its subsidiary (the Company), including the consolidated schedules of investments, as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in net assets, and cash flows for each of the three years in the period ended December 31, 2023, and the related notes, which include the senior securities table, to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of investments owned as of December 31, 2023 and 2022, by correspondence with the custodians and other appropriate procedures where replies were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ RSM US LLP

We have served as the Company's auditor since 2015.

Chicago, Illinois
March 7, 2024

RUNWAY GROWTH FINANCE CORP.
Consolidated Statements of Assets and Liabilities
(In thousands, except share and per share data)

	December 31, 2023	December 31, 2022
Assets		
Investments at fair value:		
Non-control/non-affiliate investments at fair value (cost of $1,005,024 and $1,126,879, respectively)	$ 972,604	$ 1,114,935
Affiliate investments at fair value (cost of $58,861 and $4,551, respectively)	51,456	2,084
Control investments at fair value (cost of $950 and $19,172, respectively)	950	9,290
Investment in U.S. Treasury Bills at fair value (cost of $42,014 and $0, respectively)	41,999	—
Total investments at fair value (cost of $1,106,849 and $1,150,602, respectively)	1,067,009	1,126,309
Cash and cash equivalents	2,970	5,761
Interest and fees receivable	8,269	8,766
Other assets	905	930
Total assets	1,079,153	1,141,766
Liabilities		
Debt:		
Credit facility	272,000	337,000
2026 Notes	95,000	70,000
2027 Notes	152,250	152,250
Unamortized deferred debt costs	(9,172)	(10,293)
Total debt, less unamortized deferred debt costs	510,078	548,957
Incentive fees payable	12,500	8,808
Interest payable	6,764	6,221
Accrued expenses and other liabilities	2,740	1,728
Total liabilities	532,082	565,714
Commitments and contingencies (Note 8)		
Net assets		
Common stock, par value	414	414
Additional paid-in capital	605,110	605,774
Distributable earnings (losses)	(47,637)	(19,320)
Treasury stock	(10,816)	(10,816)
Total net assets	$ 547,071	$ 576,052
Shares of common stock outstanding ($0.01 par value, 100,000,000 shares authorized)	40,509,269	40,509,269
Net asset value per share	$ 13.50	$ 14.22

See notes to consolidated financial statements.

RUNWAY GROWTH FINANCE CORP.
Consolidated Statements of Operations
(In thousands, except share and per share data)

	Years Ended December 31, 2023	2022	2021
Investment income			
From non-control/non-affiliate investments:			
Interest income	$ 136,912	$ 95,264	$ 63,226
Payment-in-kind interest income	20,083	5,558	2,992
Dividend income	1,279	1,338	1,395
Fee income	3,342	1,383	3,364
From affiliate investments:			
Interest income	2,090	5	—
Payment-in-kind interest income	—	96	—
Fee income	15	8	—
From control investments:			
Interest income	—	1,112	113
Payment-in-kind interest income	—	2,985	4
Other income	488	2	1
Total investment income	164,209	107,751	71,095
Operating expenses			
Management fees	16,711	11,882	8,989
Incentive fees	19,046	13,183	9,232
Interest and other debt financing expenses	43,143	16,761	4,192
Professional fees	2,350	2,133	1,601
Administration agreement expenses	2,125	1,838	1,566
Insurance expense	1,028	1,016	339
Tax expense	664	291	1
Other expenses	867	851	683
Total operating expenses	85,934	47,955	26,603
Net investment income	78,275	59,796	44,492
Net realized and net change in unrealized gain (loss) on investments			
Net realized gain (loss) on non-control/non-affiliate investments, including U.S. Treasury Bills	(1,374)	939	4,172
Net realized gain (loss) on control investments	(17,013)	(2,000)	—
Net realized gain (loss) on investments, including U.S. Treasury Bills	(18,387)	(1,061)	4,172
Net change in unrealized gain (loss) on non-control/non-affiliate investments, including U.S. Treasury Bills	(20,491)	(18,870)	(16,231)
Net change in unrealized gain (loss) on affiliate investments	(4,938)	(3,476)	—
Net change in unrealized gain (loss) on control investments	9,882	(4,139)	13,186
Net change in unrealized gain (loss) on investments, including U.S. Treasury Bills	(15,547)	(26,485)	(3,045)
Net realized and unrealized gain (loss) on investments	(33,934)	(27,546)	1,127
Net increase (decrease) in net assets resulting from operations	$ 44,341	$ 32,250	$ 45,619
Net investment income per common share (basic and diluted)	$ 1.93	$ 1.46	$ 1.30
Net increase (decrease) in net assets resulting from operations per common share (basic and diluted)	$ 1.09	$ 0.79	$ 1.33
Weighted average shares outstanding (basic and diluted)	40,509,269	40,971,242	34,183,358

See notes to consolidated financial statements.

RUNWAY GROWTH FINANCE CORP.
Consolidated Statements of Changes in Net Assets
(In thousands, except share and per share data)

	Common Stock			Additional	Distributable	
	Shares [(1)]	Par value	Treasury Stock	Paid-in Capital	Earnings (Losses)	Total Net Assets
Balances at December 31, 2020	31,414,051	$ 314	$ —	$ 466,873	$ (943)	$ 466,244
Net investment income	—	—	—	—	44,492	44,492
Net realized gain (loss) on investments					4,172	4,172
Net change in unrealized gain (loss) on investments					(3,045)	(3,045)
Issuance of common stock	8,135,589	82	—	119,212	—	119,294
Reinvestment of dividends	1,830,974	18	—	26,977	—	26,995
Refunds (payments) of offering costs	—	—	—	(7,014)	—	(7,014)
Dividends paid to stockholders	—	—	—	—	(44,943)	(44,943)
Balances at December 31, 2021	41,380,614	414	—	606,048	(267)	606,195
Net investment income	—	—	—	—	59,796	59,796
Net realized gain (loss) on investments					(1,061)	(1,061)
Net change in unrealized gain (loss) on investments					(26,485)	(26,485)
Acquisition of treasury stock	(871,345)	—	(10,816)	—	—	(10,816)
Refunds (payments) of offering costs	—	—	—	16	—	16
Dividends paid to stockholders	—	—	—	—	(51,593)	(51,593)
Tax reclassification	—	—	—	(290)	290	—
Balances at December 31, 2022	40,509,269	414	(10,816)	605,774	(19,320)	576,052
Net investment income	—	—	—	—	78,275	78,275
Net realized gain (loss) on investments					(18,387)	(18,387)
Net change in unrealized gain (loss) on investments					(15,547)	(15,547)
Dividends paid to stockholders	—	—	—	—	(73,322)	(73,322)
Tax reclassification	—	—	—	(664)	664	—
Balances at December 31, 2023	40,509,269	$ 414	$ (10,816)	$ 605,110	$ (47,637)	$ 547,071

[(1)] Number of shares is shown net of cumulative treasury stock repurchases of 871,345 shares as of December 31, 2023 and December 31, 2022.

See notes to consolidated financial statements.

RUNWAY GROWTH FINANCE CORP.
Consolidated Statements of Cash Flows
(In thousands)

	For the Years Ended December 31, 2023	2022	2021
Cash flows from operating activities			
Net increase in net assets resulting from operations	$ 44,341	$ 32,250	$ 45,619
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:			
Purchases of investments	(200,464)	(622,719)	(424,441)
Purchases of U.S. Treasury Bills	(76,973)	—	(210,002)
Payment-in-kind interest	(19,924)	(8,655)	(2,996)
Sales or repayments of investments	296,409	168,898	303,602
Sales or maturities of U.S. Treasury Bills	35,000	45,000	234,999
Net realized (gain) loss on investments	18,387	1,061	(4,172)
Net change in unrealized (gain) loss on investments	15,547	26,485	3,045
Amortization of fixed income premiums or accretion of discounts	(8,682)	(6,863)	(7,742)
Amortization of deferred debt costs	3,027	1,390	472
Changes in operating assets and liabilities:			
(Increase) decrease in interest and fees receivable	497	(5,782)	(301)
(Increase) decrease in other assets	25	227	(599)
Increase (decrease) in incentive fees payable	3,692	2,798	1,003
Increase (decrease) in interest payable	543	5,972	(219)
Increase (decrease) in accrued expenses and other liabilities	1,012	92	486
Net cash provided by (used in) operating activities	112,437	(359,846)	(61,246)
Cash flows from financing activities			
Payments of deferred debt costs	(1,906)	(10,172)	(400)
Borrowings under credit facility	210,000	484,000	161,000
Repayments under credit facility	(275,000)	(208,000)	(199,000)
Proceeds from 2026 Notes	25,000	50,000	20,000
Proceeds from 2027 Notes	—	152,250	—
Proceeds from reverse repurchase agreements	—	—	149,249
Repayments of reverse repurchase agreements	—	(44,775)	(174,124)
Acquisition of treasury shares	—	(10,816)	—
Dividends paid to stockholders	(73,322)	(51,593)	(17,948)
Refunds (payments) of offering costs	—	16	(7,014)
Cash received from common stock issued	—	—	119,294
Net cash (used in) provided by financing activities	(115,228)	360,910	51,057
Net increase (decrease) in cash and cash equivalents	(2,791)	1,064	(10,189)
Cash and cash equivalents at beginning of period	5,761	4,697	14,886
Cash and cash equivalents at end of period	$ 2,970	$ 5,761	$ 4,697
Supplemental and non-cash financing cash flow information:			
Taxes paid	$ 340	$ 1	$ —
Interest paid	38,099	7,784	2,773
Non-cash dividend reinvestments	—	—	26,995

See notes to consolidated financial statements.

RUNWAY GROWTH FINANCE CORP.
Consolidated Schedule of Investments
December 31, 2023
(In thousands, except share and per share data)

Portfolio Company	Investment Type	Investment Description[(1),(2),(4)]	Initial Acquisition Date	Maturity Date	Principal ($) / Shares	Cost ($)	Fair Value ($) [(3)]	Footnotes
Non-Control/Non-Affiliate Investments								
Debt Investments								
Application Software								
Blueshift Labs, Inc.	Senior Secured	SOFR+6.25%, 11.25% floor, 2.00% PIK, 1.50% ETP	12/19/2023	12/15/2028	25,500	25,083	25,083	(9) (10) (11)
Circadence Corporation	Senior Secured	SOFR+9.50%, 12.26% floor, 10.00% cash cap, 7.50% ETP	12/20/2018	3/15/2024	23,147	24,281	19,028	(9) (10)
FiscalNote, Inc.	Senior Secured	PRIME+5.00%, 9.00% floor, 1.00% PIK, 5.75% ETP	10/19/2020	7/15/2027	65,916	65,868	64,615	(9) (10) (11) (13)
VTX Intermediate Holdings, Inc. (dba VertexOne)	Senior Secured	SOFR+9.00%, 9.50% floor, 10.00% cash cap, 4.50% ETP	12/28/2021	12/28/2026	87,971	88,747	87,814	(9) (10) (11)
Total Application Software - 35.92%*						203,979	196,540	
Asset Management & Custody Banks								
Betterment Holdings, Inc.	Senior Secured	PRIME+4.50%, 8.50% floor	10/6/2023	10/6/2027	8,000	7,888	7,860	(11)
Total Asset Management & Custody Banks - 1.44%*						7,888	7,860	
Data Processing & Outsourced Services								
Elevate Services, Inc.	Senior Secured	SOFR+7.50%, 12.78% floor	7/10/2023	7/10/2027	20,000	19,424	19,424	(11)
Interactions Corporation	Senior Secured	SOFR+9.26%, 9.76% floor, 3.4375% ETP	6/24/2022	6/15/2027	40,000	39,907	39,945	(10) (11)
ShareThis, Inc.	Senior Secured	SOFR+9.25%, 11.86% floor, 3.00% ETP	12/3/2018	9/30/2024	19,950	20,503	19,895	(10) (11)
	Senior Secured	SOFR+8.25%, 10.86% floor, 3.00% ETP	8/18/2020	9/30/2024	950	978	947	(10) (11)
Vesta Payment Solutions, Inc.	Senior Secured	SOFR+7.00%, 9.00% floor, 3.00% ETP	11/29/2022	11/15/2026	25,000	24,769	24,370	(10) (11)
Total Data Processing & Outsourced Services - 19.12%*						105,581	104,581	
Education Services								
Turning Tech Intermediate, Inc. (dba Echo 360, Inc.)	Senior Secured	SOFR+8.50%, 9.00% floor, 13.00% cash cap, 3.00% ETP	6/22/2021	12/14/2025	25,218	25,702	25,796	(9) (10) (11)
Total Education Services - 4.72%*						25,702	25,796	
Electronic Equipment & Instruments								
Brivo, Inc.	Senior Secured	SOFR+6.85%, 10.89% floor, 3.00% ETP	10/20/2022	10/20/2027	26,293	26,323	26,790	(10) (11)
Total Electronic Equipment & Instruments - 4.90%*						26,323	26,790	
Health Care Equipment								
Moximed, Inc.	Senior Secured	PRIME+5.25%, 8.75% floor, 3.50% ETP	6/24/2022	7/1/2027	15,000	14,919	15,284	(10) (11)
Total Health Care Equipment - 2.79%*						14,919	15,284	
Health Care Technology								
EBR Systems, Inc.	Senior Secured	PRIME+4.90%, 8.90% floor, 4.50% ETP	6/30/2022	6/15/2027	40,000	39,496	40,337	(10) (11) (15)
Mingle Healthcare Solutions, Inc.	Senior Secured	SOFR+9.75%, 12.26% floor, 10.50% ETP	8/15/2018	12/15/2026	4,322	4,952	3,791	(10)
Nalu Medical, Inc.	Senior Secured	PRIME+2.70%, 6.70% floor, 2.00% PIK, 4.50% ETP	10/12/2022	10/12/2027	20,482	20,395	21,191	(9) (10) (11)
Route 92 Medical, Inc.	Senior Secured	SOFR+8.48%, 8.98% floor, 3.95% ETP	8/17/2021	7/1/2026	35,000	34,239	35,435	(10) (11)
SetPoint Medical Corporation	Senior Secured	SOFR+5.75%, 9.00% floor, 4.00% ETP	12/29/2022	12/1/2027	25,000	25,014	25,450	(10) (11)
Total Health Care Technology - 23.06%*						124,096	126,204	

See notes to consolidated financial statements.

RUNWAY GROWTH FINANCE CORP.
Consolidated Schedule of Investments – (continued)
December 31, 2023
(In thousands, except share and per share data)

Portfolio Company	Investment Type	Investment Description[(1),(2),(4)]	Initial Acquisition Date	Maturity Date	Principal ($) / Shares	Cost ($)	Fair Value ($) [(3)]	Footnotes
Non-Control/Non-Affiliate Investments								
Debt Investments								
Human Resource & Employment Services								
CloudPay, Inc.	Senior Secured	PRIME+6.25%, 10.25% floor, 2.00% ETP	9/26/2022	8/17/2027	75,000	74,939	75,465	(5) (8) (10) (11)
Snagajob.com, Inc.	Senior Secured	SOFR+8.50% PIK, 9.00% floor, 2.75% ETP	9/29/2021	9/1/2025	40,825	41,170	36,541	(9) (10)
Total Human Resource & Employment Services - 20.47%*						116,109	112,006	
Internet & Direct Marketing Retail								
Madison Reed, Inc.	Senior Secured	PRIME+4.75%, 11.00% floor, 11.00% cash cap, 3.00% ETP	12/16/2022	12/16/2026	10,913	10,784	10,847	(9) (10) (11)
Marley Spoon SE	Senior Secured	SOFR+7.50%, 8.26% floor, 1.25% PIK	6/30/2021	6/15/2026	44,983	44,836	44,462	(6) (8) (9) (11)
Total Internet & Direct Marketing Retail - 10.11%*						55,620	55,309	
Internet Software and Services								
Bombora, Inc.	Senior Secured	SOFR+4.75%, 6.75% floor, 3.25% PIK, 0.96% ETP	12/26/2023	1/15/2028	28,000	27,879	27,879	(9) (10) (11)
Skillshare, Inc.	Senior Secured	SOFR+6.50%, 10.72% floor, 3.00% ETP	11/8/2022	11/8/2026	30,000	29,765	29,183	(10) (11)
Synack, Inc.	Senior Secured	SOFR+7.00%, 11.07% floor, 1.00% ETP	12/29/2023	12/29/2028	40,000	39,758	39,758	(10)
Total Internet Software and Services - 17.70%*						97,402	96,820	
Property & Casualty Insurance								
Kin Insurance, Inc.	Senior Secured	PRIME+6.25%, 12.50% floor, 3.00% ETP	9/26/2022	9/15/2026	75,000	74,877	74,767	(10) (11)
Total Property & Casualty Insurance - 13.67%*						74,877	74,767	
System Software								
3PL Central LLC (dba Extensiv)	Senior Secured	SOFR+4.50%, 6.50% floor, 2.50% PIK, 2.00% ETP	11/9/2022	11/9/2027	70,395	70,064	69,066	(9) (10) (11)
Linxup, LLC	Senior Secured	PRIME+3.25%, 11.75% floor, 2.25% ETP	11/03/2023	11/15/2027	30,000	29,490	29,490	(10) (11)
Dejero Labs Inc.	Second Lien	SOFR+8.00%, 8.50% floor, 2.00% PIK, 3.00% ETP	12/22/2021	12/22/2025	14,172	14,278	14,399	(7) (8) (9) (10) (11)
Total System Software - 20.64%*						113,832	112,955	
Total Debt Investments - 174.54%*						966,328	954,912	

See notes to consolidated financial statements.

RUNWAY GROWTH FINANCE CORP.
Consolidated Schedule of Investments – (continued)
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(In thousands, except share and per share data)

Portfolio Company	Investment Type	Investment Description[(1),(2),(4)]	Initial Acquisition Date	Maturity Date	Principal ($) / Shares	Cost ($)	Fair Value ($) [(3)]	Footnotes
Non-Control/Non-Affiliate Investments								
Equity Investments								
Advertising								
Minute Media Inc.	Equity	Preferred Stock	12/13/2023	N/A	1,030	120	120	(5) (12)
	Equity	Common Stock	12/13/2023	N/A	134	16	16	(5) (12)
Total Advertising - 0.03%*						136	136	
Application Software								
Aria Systems, Inc.	Equity	Series G Preferred Stock	7/10/2018	N/A	289,419	250	127	(12)
FiscalNote, Inc.	Equity	Common Stock	10/19/2020	N/A	230,881	438	263	(12) (13) (16)
Total Application Software - 0.07%*						688	390	
Health Care Technology								
CareCloud, Inc.	Equity	11% Series A Cumulative Redeemable Perpetual Preferred Stock	1/8/2020	N/A	462,064	12,132	3,553	(14) (16)
Total Health Care Technology - 0.65%*						12,132	3,553	
Human Resource & Employment Services								
Snagajob.com, Inc.	Equity	Convertible Note	10/26/2023	12/31/2026	1,357	1,357	1,357	(20)
Total Human Resource & Employment Services - 0.25%*						1,357	1,357	
Internet & Direct Marketing Retail								
Marley Spoon SE	Equity	Common Stock	7/7/2023	N/A	46,004	410	125	(6) (12) (19)
Total Internet & Direct Marketing Retail - 0.02%*						410	125	
Technology Hardware, Storage & Peripherals								
Quantum Corporation	Equity	Common Stock	8/13/2021	N/A	459,720	2,607	160	(8) (12) (14) (16)
zSpace, Inc.	Equity	Common Stock	12/31/2020	N/A	6,078,499	1,119	—	(12)
Total Technology Hardware, Storage & Peripherals - 0.03%*						3,726	160	
Total Equity Investments - 1.05%*						18,449	5,721	
Warrants								
Application Software								
3DNA Corp. (dba NationBuilder)	Warrants	Series C-1 Preferred Stock	12/28/2018	12/28/2028	273,164	104	—	(12)
Aria Systems, Inc.	Warrants	Series G Preferred Stock	6/29/2018	6/29/2028	2,387,705	1,048	1,048	(12)
Blueshift Labs, Inc.	Warrants	Success fee	12/19/2023	N/A	N/A	167	167	(12) (18)
Circadence Corporation	Warrants	Series A-6 Preferred Stock	12/20/2018	12/20/2028	1,538,462	3,630	48	(12)
	Warrants	Series A-6 Preferred Stock	10/31/2019	10/31/2029	384,615	846	12	(12)
	Warrants	Success fee	12/21/2023	N/A	N/A	304	283	(12) (18)
Dtex Systems, Inc.	Warrants	Series C-Prime Preferred Stock	6/1/2018	6/1/2025	500,000	59	233	(12)
	Warrants	Series C-Prime Preferred Stock	7/11/2019	7/11/2026	833,333	115	389	(12)
FiscalNote, Inc.	Warrants	Earnout	7/29/2022	7/29/2027	N/A	127	16	(12) (13) (18)
Total Application Software - 0.40%*						6,400	2,196	
Asset Management & Custody Banks								
Betterment Holdings, Inc.	Warrants	Common Stock	10/6/2023	10/6/2033	7,680	35	146	(12)
	Warrants	Common Stock	10/6/2023	10/6/2033	9,818	40	15	(12)
Total Asset Management & Custody Banks - 0.03%*						75	161	

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(In thousands, except share and per share data)

Portfolio Company	Investment Type	Investment Description(1),(2),(4)	Initial Acquisition Date	Maturity Date	Principal ($) / Shares	Cost ($)	Fair Value ($) (3)	Footnotes
Non-Control/Non-Affiliate Investments								
Warrants								
Biotechnology								
Mustang Bio, Inc.	Warrants	Common Stock	3/4/2022	3/4/2032	748,036	315	39	(12) (14)
TRACON Pharmaceuticals, Inc.	Warrants	Common Stock	9/2/2022	9/2/2032	150,753	226	12	(12) (14)
Total Biotechnology - 0.01%*						541	51	
Computer & Electronics Retail								
Massdrop, Inc.	Warrants	Series B Preferred Stock	7/22/2019	7/22/2029	848,093	183	—	(12)
Total Computer & Electronics Retail - 0.00%*						183	—	
Data Processing & Outsourced Services								
Elevate Services, Inc.	Warrants	Series C Preferred Stock	7/10/2023	7/10/2033	248,997	447	384	(12)
Interactions Corporation	Warrants	Common Stock	6/24/2022	6/24/2032	189,408	219	67	(12)
ShareThis, Inc.	Warrants	Series D-3 Preferred Stock	12/3/2018	12/3/2028	647,615	2,162	803	(12)
Total Data Processing & Outsourced Services - 0.23%*						2,828	1,254	
Electronic Equipment & Instruments								
Brivo, Inc.	Warrants	Series A-2 Preferred Stock	10/20/2022	10/20/2032	201,000	98	322	(12)
Epic IO Technologies, Inc.	Warrants	Success fee	12/17/2021	12/17/2028	N/A	505	423	(12) (18)
Total Electronic Equipment & Instruments - 0.14%*						603	745	
Health Care Equipment								
Moximed, Inc.	Warrants	Series C Preferred Stock	6/24/2022	6/24/2032	214,285	175	138	(12)
Revelle Aesthetics, Inc.	Warrants	Series A-2 Preferred Stock	3/30/2022	3/30/2032	115,591	126	102	(12)
Total Health Care Equipment - 0.04%*						301	240	
Health Care Technology								
Allurion Technologies, Inc.	Warrants	Common Stock	3/30/2021	1/22/2025	132,979	282	15	(12) (13)
	Warrants	Common Stock	6/14/2022	1/22/2025	46,256	141	—	(12) (13)
	Warrants	Common Stock	9/15/2022	1/22/2025	46,256	144	—	(12) (13)
	Warrants	Earnout	8/2/2023	8/1/2028	N/A	—	77	(12) (13) (18)
EBR Systems, Inc.	Warrants	Success fee	6/30/2022	6/30/2032	N/A	605	690	(12) (15) (18)
Mingle Healthcare Solutions, Inc.	Warrants	Series CC Preferred Stock	8/15/2018	8/15/2028	1,770,973	492	—	(12)
Nalu Medical, Inc.	Warrants	Series D-2 Preferred Stock	10/12/2022	10/12/2032	91,717	173	99	(12)
Route 92 Medical, Inc.	Warrants	Success fee	8/17/2021	8/17/2031	N/A	835	897	(12) (18)
SetPoint Medical Corporation	Warrants	Series B Preferred Stock	6/29/2021	6/29/2031	400,000	14	133	(12)
	Warrants	Series B Preferred Stock	12/29/2022	12/29/2032	600,000	74	199	(12)
VERO Biotech LLC	Warrants	Success fee	12/29/2020	12/29/2025	N/A	377	396	(12) (18)
Total Health Care Technology - 0.46%*						3,137	2,506	
Human Resource & Employment Services								
CloudPay, Inc.	Warrants	Series B Preferred Stock	6/30/2020	6/30/2030	11,273	218	1,001	(5) (8) (12)
	Warrants	Series D Preferred Stock	8/17/2021	8/17/2031	3,502	52	95	(5) (8) (12)
	Warrants	Series D Preferred Stock	9/26/2022	9/26/2032	5,252	176	143	(5) (8) (12)
Snagajob.com, Inc.	Warrants	Warrant for Series B-1 Preferred Stock	9/29/2021	9/29/2031	763,269	343	-	(12)
Total Human Resource & Employment Services - 0.23%*						789	1,239	

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December 31, 2023
(In thousands, except share and per share data)

Portfolio Company	Investment Type	Investment Description(1),(2),(4)	Initial Acquisition Date	Maturity Date	Principal ($) / Shares	Cost ($)	Fair Value ($) (3)	Footnotes
Non-Control/Non-Affiliate Investments								
Warrants								
Internet & Direct Marketing Retail								
Madison Reed, Inc.	Warrants	Success fee	12/16/2022	N/A	N/A	143	154	(12) (18)
Total Internet & Direct Marketing Retail - 0.03%*						143	154	
Internet Software and Services								
Bombora, Inc.	Warrants	Common Stock	3/31/2021	3/31/2031	121,581	174	104	(12)
	Warrants	Common Stock	12/26/2023	12/26/2033	48,632	43	41	(12)
Fidelis Cybersecurity, Inc.	Warrants	Common Stock	3/25/2022	3/25/2032	N/A	79	—	(12) (17)
INRIX, Inc.	Warrants	Common Stock	7/26/2019	7/26/2029	150,804	522	735	(12)
Longtail Ad Solutions, Inc. (dba JW Player)	Warrants	Common Stock	12/12/2019	12/12/2029	387,596	47	321	(12)
Skillshare, Inc.	Warrants	Success fee	11/8/2022	11/8/2026	N/A	301	294	(12) (18)
Synack, Inc.	Warrants	Common Stock	12/29/2023	6/30/2032	116,908	147	147	(12)
Total Internet Software and Services - 0.30%*						1,313	1,642	
Property & Casualty Insurance								
Kin Insurance, Inc.	Warrants	Series D-3 Preferred Stock	9/26/2022	9/26/2032	41,576	302	292	(12)
	Warrants	Series D-3 Preferred Stock	5/5/2023	9/26/2032	11,549	69	81	(12)
	Warrants	Series D-3 Preferred Stock	8/25/2023	9/26/2032	9,239	55	65	(12)
Total Property & Casualty Insurance - 0.08%*						426	438	
Specialized Consumer Services								
AllClear ID, Inc.	Warrants	Common Stock	8/31/2017	8/31/2027	523,893	1,053	—	(12)
	Warrants	Common Stock	10/17/2018	8/31/2027	346,621	697	—	(12)
Credit Sesame, Inc.	Warrants	Common Stock	1/7/2020	1/7/2030	191,601	425	373	(12)
Total Specialized Consumer Services - 0.07%*						2,175	373	
System Software								
Dejero Labs Inc.	Warrants	Common Stock	5/31/2019	5/31/2029	333,621	192	268	(7) (8) (12)
Linxup, LLC	Warrants	Success fee	11/3/2023	11/3/2033	N/A	253	294	(12) (18)
Scale Computing, Inc.	Warrants	Common Stock	3/29/2019	3/29/2029	9,665,667	346	—	(12)
Total System Software - 0.10%*						791	562	
Technology Hardware, Storage & Peripherals								
RealWear, Inc.	Warrants	Series A Preferred Stock	10/5/2018	10/5/2028	112,451	136	178	(12)
	Warrants	Series A Preferred Stock	12/28/2018	10/5/2028	22,491	25	36	(12)
	Warrants	Series A Preferred Stock	6/27/2019	6/27/2029	123,894	381	196	(12)
Total Technology Hardware, Storage & Peripherals - 0.07%*						542	410	
Total Warrants - 2.19%*						20,247	11,971	
Total Non-Control/Non-Affiliate Investments - 177.78%*						1,005,024	972,604	

See notes to consolidated financial statements.

RUNWAY GROWTH FINANCE CORP.
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December 31, 2023
(In thousands, except share and per share data)

Portfolio Company	Investment Type	Investment Description(1),(2),(4)	Initial Acquisition Date	Maturity Date	Principal ($) / Shares	Cost ($)	Fair Value ($) (3)	Footnotes
Affiliate Investments								(22)
Debt Investments								
Health Care Technology								
Gynesonics, Inc.	Senior Secured	SOFR+8.75%, 8.00% ceiling, 5.00% ETP	3/1/2023	11/30/2026	25,595	25,897	23,586	(10) (11)
Total Health Care Technology - 4.31%*						25,897	23,586	
Total Debt Investments - 4.31%*						25,897	23,586	
Equity Investments								
Application Software								
Coginiti Corp	Equity	Common Stock	3/9/2020	N/A	1,040,160	4,551	856	(12)
Total Application Software - 0.16%*						4,551	856	
Health Care Technology								
Gynesonics, Inc.	Equity	Series A-2 Preferred Stock	3/1/2023	N/A	3,266,668	25,000	21,461	(12)
	Equity	Series A-1 Preferred Stock	10/24/2023	N/A	3,100,000	3,100	4,577	(12)
Total Health Care Technology - 4.76%*						28,100	26,038	
Total Equity Investments - 4.92%*						32,651	26,894	
Warrants								
Application Software								
Coginiti Corp	Warrants	Common Stock	3/9/2020	3/9/2030	811,770	—	663	(12)
Total Application Software - 0.12%*						—	663	
Health Care Technology								
Gynesonics, Inc.	Warrants	Success fee	3/1/2023	3/1/2030	N/A	313	313	(12) (18)
Total Health Care Technology - 0.06%*						313	313	
Total Warrants - 0.18%*						313	976	
Total Affiliate Investments - 9.41%*						58,861	51,456	
Control Investments								(23)
Equity Investments								
Data Processing & Outsourced Services								
Pivot3, Inc.	Equity	Equity Interest	12/31/2023	N/A	N/A	950	950	(12) (21)
Total Data Processing & Outsourced Services - 0.17%*						950	950	
Total Equity Investments - 0.17%*						950	950	
Total Control Investments - 0.17%*						950	950	
Total Investments, excluding U.S. Treasury Bills - 187.36%*						$ 1,064,835	$ 1,025,010	
U.S. Treasury								
		U.S. Treasury Bill, 4.324%	12/29/2023	1/4/2024	42,029	42,014	41,999	
Total U.S. Treasury - 7.68%*						42,014	41,999	
Total Investments - 195.04%*						$ 1,106,849	$ 1,067,009	

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Consolidated Schedule of Investments – (continued)
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(1) Disclosures of interest rates on notes include cash interest rates and payment-in-kind ("PIK") interest rates, as applicable. Unless otherwise indicated, all of the Company's variable interest rate debt instruments bear interest at a rate that is determined by reference to the U.S. Prime Rate, the 1-month Secured Overnight Financing Rate ("SOFR"), or the 3-month Secured Overnight Financing Rate ("SOFR"). At December 31, 2023, the U.S. Prime Rate was 8.50% the 1-Month SOFR was 5.35%. and the 3-Month SOFR was 5.33%.

(2) The Company's investments are generally acquired in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), and, therefore, except as otherwise noted, are subject to limitation on resale, may be deemed to be "restricted securities" under the Securities Act, and were valued at fair value as determined in good faith by the Company's Board of Directors.

(3) Investments are held at Fair Value net of the Fair Value of Unfunded Commitments. Refer to "Note 8 – Commitments and Contingencies" for additional detail.

(4) All portfolio companies are domiciled in the United States, unless otherwise noted.

(5) Portfolio company is domiciled in the United Kingdom. Fair value of United-Kingdom-domiciled investments represents 14.05% of net assets.

(6) Portfolio company is domiciled in Germany. Fair value of Germany-domiciled investments represents 8.15% of net assets.

(7) Portfolio company is domiciled in Canada. Fair value of Canadian-domiciled investments represents 2.68% of net assets.

(8) Investment is not a qualifying investment as defined under Section 55(a) of the Investment Company Act of 1940, as amended. The fair value of non-qualifying assets represent 12.63% of total assets as of December 31, 2023. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets. If at any time qualifying assets do not represent at least 70% of the Company's total assets, the Company will be precluded from acquiring any additional non-qualifying assets until such time as it complies with the requirements of Section 55(a).

(9) Represents a PIK security. PIK interest will be accrued and paid at maturity.

(10) Disclosures of end-of-term payments ("ETP") are one-time payments stated as a percentage of original principal amount.

(11) The investment is an eligible loan investment in the collateral under the Credit Facility (as defined in "Note 7 – Borrowings").

(12) Investments are non-income producing.

(13) Portfolio company is publicly traded and listed on NYSE.

(14) Portfolio company is publicly traded and listed on NASDAQ.

(15) Portfolio company is publicly traded and listed on ASX.

(16) Investment is not a "restricted security" under the Securities Act.

(17) The warrant count is based upon a percentage of ownership of Fidelis Cybersecurity, Inc.

(18) Investment is either a cash success fee payable or earnout of shares based on the consummation of certain trigger events.

(19) Investment is denominated in a foreign currency and is publicly traded on ETR. At each balance sheet date, portfolio company investments denominated in foreign currencies are translated into U.S. dollars using the spot exchange rate on the last business day of the period. Transactions of foreign portfolio company investments, and income related from such investments, are translated into U.S. dollars using relevant rates of exchange on the respective dates of such transactions.

(20) Convertible notes represent investments that are redeemable by the Company upon occurrence of contingent events. There are no principal or interest payments to be made against the note.

(21) The assets recovered on the senior secured term loan to Pivot 3, Inc. was contributed to P3 Holdco LLC by the Company, a wholly owned subsidiary of the BDC. For more information, refer to "Note 2 — Summary of Significant Accounting Policies, Principles of Consolidation"

(22) Affiliate portfolio company as defined under the 1940 Act in which the Company owns between 5% and 25% (inclusive) of the investment's voting securities and does not have rights to maintain greater than 50% representation on the board.

(23) Control portfolio company, as defined under the 1940 Act, in which the Company owns more than 25% of the investment's voting securities or has greater than 50% representation on its board.

* Fair value as a percentage of net assets.

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Portfolio Company	Investment Type	Investment Description[(1),(5),(9)]	Initial Acquisition Date	Maturity Date	Principal ($) / Shares	Cost ($)	Fair Value ($) [(2),(6)]	Footnotes
Non-Control/Non-Affiliate Investments								
Debt Investments								
Application Software								
Circadence Corporation	Senior Secured	SOFR+9.50% PIK, 12.26% floor, 7.50% ETP	12/20/2018	12/15/2023	19,928	21,260	17,083	(4)(8)
Dtex Systems, Inc.	Senior Secured	SOFR+9.25%, 9.75% floor, 1.75% ETP	6/1/2021	6/1/2025	10,000	10,033	10,033	(8)
FiscalNote, Inc.	Senior Secured	PRIME+5.00%, 9.00% floor, 1.00% PIK, 4.25% ETP	10/19/2020	7/15/2027	65,251	64,466	64,466	(4)(8)
VTX Intermediate Holdings, Inc. (dba VertexOne)	Senior Secured	SOFR+9.00%, 9.50% floor, 4.50% ETP	12/28/2021	12/28/2026	85,000	85,000	85,000	(8)
Total Application Software - 30.66%*						180,759	176,582	
Biotechnology								
Mustang Bio, Inc.	Senior Secured	SOFR+8.75%, 9.25% floor, 3.50% ETP	3/4/2022	4/15/2027	30,000	29,709	29,709	(8)
TRACON Pharmaceuticals, Inc.	Senior Secured	PRIME+5.00%, 8.50% floor, 4.25% ETP	9/2/2022	9/1/2026	10,000	9,795	10,000	(8)
Total Biotechnology - 6.89%*						39,504	39,709	
Data Processing & Outsourced Services								
Interactions Corporation	Senior Secured	SOFR+9.26%, 9.76% floor, 3.4375% ETP	6/24/2022	6/15/2027	40,000	39,504	39,504	(8)
ShareThis, Inc.	Senior Secured	SOFR+9.25%, 11.86% floor, 3.00% ETP	12/3/2018	7/15/2025	21,000	21,500	21,150	(8)
	Senior Secured	SOFR+8.25%, 10.86% floor, 3.00% ETP	8/18/2020	7/15/2025	1,000	1,026	1,007	(8)
Vesta Payment Solutions, Inc.	Senior Secured	SOFR+7.00%, 9.00% floor, 3.00% ETP	11/29/2022	11/15/2026	25,000	24,521	24,521	(8)
Total Data Processing & Outsourced Services - 14.96%*						86,551	86,182	
Education Services								
Turning Tech Intermediate, Inc. (dba Echo 360, Inc.)	Senior Secured	SOFR+8.50%, 9.00% floor, 13.00% cash cap, 3.00% ETP	6/22/2021	12/14/2025	25,000	25,305	25,305	(4)(8)
Total Education Services - 4.39%*						25,305	25,305	
Electronic Equipment & Instruments								
Brivo, Inc.	Senior Secured	SOFR+6.85%, 10.89% floor, 50% of interest PIK, 3.00% ETP	10/20/2022	10/20/2027	44,378	43,912	43,912	(4)(8)
Intellisite Holdings, Inc. (dba Epic IO Technologies, Inc.)	Senior Secured	SOFR+9.75%, 10.25% floor, 2.00% ETP	12/17/2021	12/17/2025	34,000	33,639	33,639	
Total Electronic Equipment & Instruments - 13.46%*						77,551	77,551	
Health Care Equipment								
Moximed, Inc.	Senior Secured	PRIME+5.25%, 8.75% floor, 3.50% ETP	6/24/2022	7/1/2027	15,000	14,772	14,772	(8)
Revelle Aesthetics, Inc.	Senior Secured	PRIME+5.50%, 8.75% floor, 4.00% ETP	3/30/2022	4/1/2027	12,500	12,377	12,377	(8)
Total Health Care Equipment - 4.71%*						27,149	27,149	

See notes to consolidated financial statements.

RUNWAY GROWTH FINANCE CORP.
Consolidated Schedule of Investments – (continued)
December 31, 2022
(In thousands, except share and per share data)

Portfolio Company	Investment Type	Investment Description[(1),(5),(9)]	Initial Acquisition Date	Maturity Date	Principal ($) / Shares	Cost ($)	Fair Value ($) [(2),(6)]	Footnotes
Non-Control/Non-Affiliate Investments								
Debt Investments								
Health Care Technology								
Allurion Technologies, Inc.	Senior Secured	PRIME+6.44%, 9.50% floor, 3.00% ETP	12/30/2021	12/30/2026	55,000	54,715	54,715	(8)
EBR Systems, Inc.	Senior Secured	PRIME+4.90%, 8.90% floor, 4.50% ETP	6/30/2022	6/15/2027	20,000	19,648	19,648	(8)(20)
Gynesonics, Inc.	Senior Secured	SOFR+8.75%, 9.25% floor, 3.50% ETP	12/1/2020	12/1/2025	50,000	50,022	50,022	(8)
Mingle Healthcare Solutions, Inc.	Senior Secured	SOFR+9.50%, 12.01% floor, .25% PIK, 10.50% ETP	8/15/2018	12/15/2023	4,015	4,615	3,821	(4)(8)
Nalu Medical, Inc.	Senior Secured	PRIME+2.70%, 6.70% floor, 2.00% PIK, 4.50% ETP	10/12/2022	10/12/2027	20,071	19,756	19,756	(4)(8)
Route 92 Medical, Inc.	Senior Secured	SOFR+8.48%, 8.98% floor, 3.95% ETP	8/17/2021	7/1/2026	13,000	12,843	12,843	(8)
SetPoint Medical Corporation	Senior Secured	SOFR+5.75%, 9.00% floor, 4.00% ETP	12/29/2022	12/1/2027	25,000	24,802	24,802	(8)
VERO Biotech LLC	Senior Secured	SOFR+9.05%, 9.55% floor, 3.00% ETP	12/29/2020	12/1/2024	40,000	40,308	40,308	(8)
Total Health Care Technology - 39.22%*						226,709	225,915	
Human Resource & Employment Services								
CloudPay, Inc.	Senior Secured	PRIME+6.25%, 10.25% floor, 2.00% ETP	9/26/2022	8/17/2027	60,000	59,693	59,693	(3)(8)(12)
Snagajob.com, Inc.	Senior Secured	SOFR+8.50%, 9.00% floor, 9.00% cash cap, 2.75% ETP	9/29/2021	9/1/2025	37,609	37,574	36,785	(4)(8)
Total Human Resource & Employment Services - 16.75%*						97,267	96,478	
Internet & Direct Marketing Retail								
Madison Reed, Inc.	Senior Secured	PRIME+4.75%, 11.00% floor, 3.00% ETP	12/16/2022	12/16/2026	9,600	9,353	9,353	(8)
Marley Spoon AG	Senior Secured	SOFR+8.50%, 1.25% PIK, 9.26% floor	6/30/2021	6/15/2025	46,754	46,500	46,500	(3)(4)(8)(11)
Total Internet & Direct Marketing Retail - 9.70%*						55,853	55,853	
Internet Software and Services								
Bombora, Inc.	Senior Secured	SOFR+5.00%, 5.76% floor, 3.75% PIK, 2.00% ETP	3/31/2021	3/31/2025	21,341	21,337	21,337	(4)(8)
Fidelis Cybersecurity, Inc.	Senior Secured	SOFR+11.00%, 12.00% floor, 2.39% ETP	5/13/2021	5/13/2024	12,205	12,360	11,857	(8)
	Senior Secured	SOFR+11.00%, 12.00% floor, 2.00% ETP	3/25/2022	5/13/2024	8,947	8,986	8,692	(8)
INRIX, Inc.	Senior Secured	SOFR+9.00%, 9.76% floor, 2.50% ETP	11/15/2021	11/15/2025	45,000	45,329	45,329	(8)
Skillshare, Inc.	Senior Secured	SOFR+6.50%, 10.72% floor, 3.00% ETP	11/8/2022	11/8/2026	25,000	24,414	24,414	(8)
Synack, Inc.	Senior Secured	PRIME+4.25%, 8.25% floor	6/30/2022	6/30/2027	35,000	34,906	34,906	(8)
Total Internet Software and Services - 25.44%*						147,332	146,535	
Property & Casualty Insurance								
Kin Insurance, Inc.	Senior Secured	PRIME+6.25%, 12.50% floor, 3.00% ETP	9/26/2022	9/15/2026	50,000	49,143	49,143	(8)
Total Property & Casualty Insurance - 8.53%*						49,143	49,143	
System Software								
3PL Central LLC	Senior Secured	SOFR+4.50%, 6.50 floor, 2.50% PIK, 2.00% ETP	11/9/2022	11/9/2027	65,163	64,429	64,429	(4)(8)
Dejero Labs Inc.	Second Lien	SOFR+5.00%, 5.50 floor, 5.00% PIK, 3.00% ETP	12/22/2021	12/22/2025	13,661	13,654	13,654	(3)(4)(8)(10)
Total System Software - 13.55%*						78,083	78,083	
Total Debt Investments - 188.26%*						1,091,206	1,084,485	

See notes to consolidated financial statements.

RUNWAY GROWTH FINANCE CORP.
Consolidated Schedule of Investments – (continued)
December 31, 2022
(In thousands, except share and per share data)

Portfolio Company	Investment Type	Investment Description[1],[5],[9]	Initial Acquisition Date	Maturity Date	Principal ($) / Shares	Cost ($)	Fair Value ($) [2],[6]	Footnotes
Non-Control/Non-Affiliate Investments								
Equity Investments								
Application Software								
Aria Systems, Inc.	Equity	Series G Preferred Stock	7/10/2018	N/A	289,419	250	347	(7)
FiscalNote, Inc.	Equity	Common Stock	10/19/2020	N/A	230,881	438	1,422	(7)(19)
Total Application Software - 0.31%*						688	1,769	
Health Care Technology								
CareCloud, Inc.	Equity	11% Series A Cumulative Redeemable Perpetual	1/8/2020	N/A	462,064	12,132	12,335	(15)(17)
Total Health Care Technology - 2.14%*						12,132	12,335	
Equity Investments								
Technology Hardware, Storage & Peripherals								
Quantum Corporation	Equity	Common Stock	8/13/2021	N/A	459,720	2,607	501	(3)(7)(15)(17)
zSpace, Inc.	Equity	Common Stock	12/31/2020	N/A	6,078,499	1,119	-	(7)
Total Technology Hardware, Storage & Peripherals - 0.09%*						3,726	501	
Total Equity Investments - 2.54%*						16,546	14,605	
Warrants								
Advertising								
STN Video Inc.	Warrants	Class B Non-Voting Stock	6/30/2017	6/30/2027	191,500	246	—	(3)(7)
Total Advertising - 0.00%*						246	—	
Application Software								
3DNA Corp. (dba NationBuilder)	Warrants	Series C-1 Preferred Stock	12/28/2018	12/28/2028	273,164	104	—	(7)
Aria Systems, Inc.	Warrants	Series G Preferred Stock	6/29/2018	6/29/2028	2,387,705	1,048	2,865	(7)
Circadence Corporation	Warrants	Series A-6 Preferred Stock	12/20/2018	12/20/2028	1,538,462	3,630	87	(7)
	Warrants	Series A-6 Preferred Stock	10/31/2019	10/31/2029	384,615	845	22	(7)
Dtex Systems, Inc.	Warrants	Series C-Prime Preferred Stock	6/1/2018	6/1/2025	500,000	59	214	(7)
	Warrants	Series C-Prime Preferred Stock	7/11/2019	7/11/2026	833,333	115	356	(7)
FiscalNote, Inc.	Warrants	Earnout	7/29/2022	7/29/2027	N/A	127	105	(7)(13)(19)
Porch Group, Inc.	Warrants	Earnout	12/23/2020	12/23/2023	N/A	—	—	(7)(13)(15)
Total Application Software - 0.63%*						5,928	3,649	
Biotechnology								
Mustang Bio, Inc.	Warrants	Common Stock	3/4/2022	3/4/2032	748,036	315	59	(7)
TRACON Pharmaceuticals, Inc.	Warrants	Common Stock	9/2/2022	9/2/2032	150,753	226	157	(7)(15)
Total Biotechnology - 0.04%*						541	216	
Computer & Electronics Retail								
Massdrop, Inc.	Warrants	Series B Preferred Stock	7/22/2019	7/22/2029	848,093	183	68	(7)
Total Computer & Electronics Retail - 0.01%*						183	68	
Data Processing & Outsourced Services								
Interactions Corporation	Warrants	Common Stock	6/24/2022	6/24/2032	189,408	219	204	(7)
ShareThis, Inc.	Warrants	Series D-3 Preferred Stock	12/3/2018	12/3/2028	647,615	2,162	1,728	(7)
Total Data Processing & Outsourced Services - 0.34%*						2,381	1,932	
Electronic Equipment & Instruments								
Brivo, Inc.	Warrants	Series A-2 Preferred Stock	10/20/2022	10/20/2032	201,000	98	107	(7)
Epic IO Technologies, Inc.	Warrants	Success fee	12/17/2021	12/17/2024	N/A	430	456	(7)(13)
Total Electronic Equipment & Instruments - 0.10%*						528	563	
Health Care Equipment								
Moximed, Inc.	Warrants	Series C Preferred Stock	6/24/2022	6/24/2032	214,285	175	163	(7)
Revelle Aesthetics, Inc.	Warrants	Series A-2 Preferred Stock	3/30/2022	3/30/2032	115,591	127	121	(7)
Total Health Care Equipment - 0.05%*						302	284	

See notes to consolidated financial statements.

RUNWAY GROWTH FINANCE CORP.
Consolidated Schedule of Investments – (continued)
December 31, 2022
(In thousands, except share and per share data)

Portfolio Company	Investment Type	Investment Description[(1),(5),(9)]	Initial Acquisition Date	Maturity Date	Principal ($) / Shares	Cost ($)	Fair Value ($) [(2),(6)]	Footnotes
Non-Control/Non-Affiliate Investments								
Warrants								
Health Care Technology								
Allurion Technologies, Inc.	Warrants	Series C Preferred Stock	3/30/2021	3/30/2031	132,979	283	632	(7)
	Warrants	Series D-1 Preferred Stock	6/14/2022	3/30/2031	88,440	284	259	(7)
CareCloud, Inc.	Warrants	Common Stock	1/8/2020	1/8/2023	1,000,000	837	—	(7)
EBR Systems, Inc.	Warrants	Success fee	6/30/2022	6/30/2032	N/A	292	305	(7)(13)(20)
Gynesonics, Inc.	Warrants	Series G Convertible Preferred Stock	11/19/2021	11/19/2031	27,978,115	341	446	(7)
Mingle Healthcare Solutions, Inc.	Warrants	Series CC Preferred Stock	8/15/2018	8/15/2028	1,770,973	492	—	(7)
Nalu Medical, Inc.	Warrants	Series D-2 Preferred Stock	10/12/2022	10/12/2032	91,717	173	137	(7)
Route 92 Medical, Inc.	Warrants	Success fee	8/17/2021	8/17/2031	N/A	248	297	(7)(13)
SetPoint Medical Corporation	Warrants	Series B Preferred Stock	6/29/2021	6/29/2031	400,000	14	50	(7)
	Warrants	Series B Preferred Stock	12/29/2022	12/29/2032	600,000	74	74	(7)
VERO Biotech LLC	Warrants	Success fee	12/29/2020	12/29/2025	N/A	377	394	(7)(13)
Total Health Care Technology - 0.45%*						3,415	2,594	
Human Resource & Employment Services								
CloudPay, Inc.	Warrants	Series B Preferred Stock	6/30/2020	6/30/2030	11,273	218	920	(3)(7)(12)
	Warrants	Series D Preferred Stock	8/17/2021	8/17/2031	6,129	160	170	(3)(7)(12)
Snagajob.com, Inc.	Warrants	Series B-1 Preferred Stock	9/29/2021	9/29/2031	763,269	343	220	(7)
Total Human Resource & Employment Services - 0.23%*						721	1,310	
Internet & Direct Marketing Retail								
Madison Reed, Inc.	Warrants	Success fee	12/16/2022	N/A	N/A	132	133	(7)(13)
Total Internet & Direct Marketing Retail - 0.02%*						132	133	
Internet Software and Services								
Bombora, Inc.	Warrants	Common Stock	3/31/2021	3/31/2031	121,581	175	248	(7)
Fidelis Cybersecurity, Inc.	Warrants	Common Stock	3/25/2022	3/25/2032	N/A	79	100	(7)(16)
INRIX, Inc.	Warrants	Common Stock	7/26/2019	7/26/2029	150,804	522	2,198	(7)
Longtail Ad Solutions, Inc. (dba JW Player)	Warrants	Common Stock	12/12/2019	12/12/2029	387,596	47	345	(7)
Skillshare, Inc.	Warrants	Success fee	11/8/2022	11/8/2026	N/A	243	225	(7)(13)
Synack, Inc.	Warrants	Common Stock	6/30/2022	6/30/2032	100,645	127	129	(7)
Total Internet Software and Services - 0.56%*						1,193	3,245	
Property & Casualty Insurance								
Kin Insurance, Inc.	Warrants	Series D-3 Preferred Stock	9/26/2022	9/26/2032	41,576	302	297	(7)
Total Property & Casualty Insurance - 0.05%*						302	297	
Specialized Consumer Services								
AllClear ID, Inc.	Warrants	Common Stock	9/1/2017	9/1/2027	870,514	1,750	—	(7)
Credit Sesame, Inc.	Warrants	Common Stock	1/7/2020	1/7/2030	191,601	425	796	(7)
Total Specialized Consumer Services - 0.14%*						2,175	796	
System Software								
Dejero Labs Inc.	Warrants	Common Stock	5/31/2019	5/31/2029	333,621	192	191	(3)(7)(10)
Scale Computing, Inc.	Warrants	Common Stock	3/29/2019	3/29/2029	9,665,667	346	—	(7)
Total System Software - 0.03%*						538	191	
Technology Hardware, Storage & Peripherals								
RealWear, Inc.	Warrants	Series A Preferred Stock	10/5/2018	10/5/2028	112,451	136	246	(7)
	Warrants	Series A Preferred Stock	12/28/2018	12/28/2028	22,491	25	49	(7)
	Warrants	Series A Preferred Stock	6/27/2019	6/27/2029	123,894	381	272	(7)
Total Technology Hardware, Storage & Peripherals - 0.10%*						542	567	
Total Warrants - 2.75%*						19,127	15,845	
Total Non-Control/Non-Affiliate Investments - 193.55%*						1,126,879	1,114,935	

See notes to consolidated financial statements.

RUNWAY GROWTH FINANCE CORP.
Consolidated Schedule of Investments – (continued)
December 31, 2022
(In thousands, except share and per share data)

Portfolio Company	Investment Type	Investment Description(1),(5),(9)	Initial Acquisition Date	Maturity Date	Principal ($) / Shares	Cost ($)	Fair Value ($) (2),(6)	Footnotes
Affiliate Investments								(18)
Equity Investments								
Application Software								
Coginiti Corp	Equity	Common Stock	3/9/2020	N/A	1,040,160	4,551	1,174	(7)
Total Application Software - 0.20%*						4,551	1,174	
Total Equity Investments - 0.20%*						4,551	1,174	
Warrants								
Application Software								
Coginiti Corp	Warrants	Common Stock	3/9/2020	3/9/2030	811,770	—	910	(7)
Total Application Software - 0.16%*						—	910	
Total Warrants - 0.16%*						—	910	
Total Affiliate Investments - 0.36%*						4,551	2,084	
Control Investments								(14)
Debt Investments								
Data Processing & Outsourced Services								
Pivot3, Inc.	Senior Secured	LIBOR+8.50% PIK, 11.00% floor, 4.00% ETP	5/13/2019	1/15/2023	18,598	19,172	9,290	(4)(7)
Total Data Processing & Outsourced Services - 1.61%*						19,172	9,290	
Total Debt Investments - 1.61%*						19,172	9,290	
Total Control Investments - 1.61%*						19,172	9,290	
Total Investments - 195.52%*						$ 1,150,602	$ 1,126,309	

(1) Disclosures of interest rates on notes include cash interest rates and payment-in-kind ("PIK") interest rates, as applicable. Unless otherwise indicated, all of the Company's variable interest rate debt instruments bear interest at a rate that is determined by reference to the 3-Month London Interbank Offered Rate ("LIBOR"), the U.S. Prime Rate, or the 3-Month Secured Overnight Financing Rate ("SOFR"). At December 31, 2022, the 3-Month LIBOR was 4.77%, the U.S. Prime Rate was 7.50%, and the 3-Month SOFR was 4.79%.

(2) The Company's investments are generally acquired in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act") and, therefore, except as otherwise noted, are subject to limitation on resale, may be deemed to be "restricted securities" under the Securities Act, and were valued at fair value as determined in good faith by the Company's Board of Directors.

(3) Investment is not a qualifying asset as defined under Section 55(a) of the Investment Company Act of 1940, as amended (the "1940 Act"). Non-qualifying assets at fair value represent 10.65% of total assets as of December 31, 2022. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets. If at any time qualifying assets do not represent at least 70% of the Company's total assets, the Company will be precluded from acquiring any additional non-qualifying assets until such time as it complies with the requirements of Section 55(a) of the 1940 Act.

(4) Represents a PIK security. PIK interest is accrued and will be paid at maturity.

(5) Disclosures of end-of-term-payments ("ETP") are one-time payments stated as a percentage of original principal amount.

(6) Investments are held at Fair Value net of the Fair Value of Unfunded Commitments. Refer to "Note 8 – Commitments and Contingencies" for additional detail.

(7) Investments are non-income producing.

(8) The investment is an eligible loan investment in the collateral under the Credit Facility (as defined in "Note 7 – Borrowings").

(9) All portfolio companies are domiciled in the United States, unless otherwise noted.

(10) Portfolio company is domiciled in Canada. Fair value of Canadian-domiciled investments represents 2.40% of net assets.

(11) Portfolio company is domiciled in Germany. Fair value of Germany-domiciled investments represents 8.07% of net assets.

(12) Portfolio company is domiciled in the United Kingdom. Fair value of United-Kingdom-domiciled investments represents 10.55% of net assets.

(13) Investment is either a cash success fee payable or earnout of shares based on the consummation of certain trigger events.

(14) Control portfolio company, as defined under the 1940 Act, in which the Company owns more than 25% of the investment's voting securities or has greater than 50% representation on its board.

(15) Portfolio company is publicly traded and listed on NASDAQ.

(16) The warrant count is based upon a percentage of ownership of Fidelis Cybersecurity, Inc.

(17) Investment is not a "restricted security" under the Securities Act.

(18) Affiliate portfolio company as defined under the 1940 Act in which the Company owns between 5% and 25% (inclusive) of the investment's voting securities and does not have rights to maintain greater than 50% representation on the board.

(19) Portfolio company is publicly traded and listed on NYSE.

(20) Portfolio company is publicly traded and listed on ASX.

* Fair value as a percentage of net assets.

See notes to consolidated financial statements.

RUNWAY GROWTH FINANCE CORP.
Notes to Consolidated Financial Statements as of December 31, 2023

Note 1 — Organization

Runway Growth Finance Corp. (formerly known as Runway Growth Credit Fund Inc.) (the "Company"), is a Maryland corporation that was formed on August 31, 2015. On August 18, 2021, the Company changed its name to "Runway Growth Finance Corp." from "Runway Growth Credit Fund Inc." The Company is an externally managed, non-diversified, closed-end investment company that has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). In addition, the Company has elected to be treated, currently qualifies, and intends to continue to qualify annually, as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code").

The Company was formed primarily to lend to, and selectively invest in, high growth-potential companies in technology, life sciences, healthcare information and services, business services, financial services, select consumer services and products in other high-growth industries in the United States. The Company's investment objective is to maximize its total return to its stockholders primarily through current income on its loan portfolio, and secondarily through capital gain (loss) on its warrants and other equity positions. The Company's investment activities are managed by its external investment adviser, Runway Growth Capital LLC ("RGC"). The Company's administrator, Runway Administrator Services LLC (the "Administrator") is a wholly owned subsidiary of RGC and provides administrative services necessary for the Company to operate.

On October 25, 2021, the Company closed its initial public offering ("IPO"), issuing 6,850,000 shares of its common stock at a public offering price of $14.60 per share. Net of underwriting fees and offering costs, the Company received net proceeds of $93.0 million. The Company's common stock began trading on the Nasdaq Global Select Market LLC on October 21, 2021 under the symbol "RWAY".

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements of the Company are prepared on the accrual basis of accounting in conformity with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") and pursuant to the requirements for reporting on Form 10-K and Regulation S-X under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company is an investment company following the specialized accounting and reporting guidance specified in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 946, Financial Services — Investment Companies.

Certain items in the December 31, 2022 and December 31, 2021 consolidated financial statements have been reclassified to conform to the December 31, 2023 presentation with no effect on the Total net assets on the Consolidated Statements of Assets and Liabilities, no effect on the Net increase (decrease) in net assets resulting from operations on the Consolidated Statements of Operations, and no effect to the Net increase (decrease) in cash and cash equivalents on the Consolidated Statements of Cash Flows.

Principles of Consolidation

Under ASC 946, the Company is precluded from consolidating portfolio company investments, including those in which it has a controlling interest, unless the portfolio company is another investment company. An exception to this general principle occurs if the Company holds a controlling interest in an operating company that provides all or substantially all of its services directly to the Company or to its portfolio companies. None of the portfolio investments made by the Company qualify for this exception. Therefore, the Company's investment portfolio is carried on the Consolidated Statements of Assets and Liabilities at fair value, as discussed further in "Note 4 — Investments," with any adjustments to fair value recognized as "Net unrealized gain (loss) on investments" on the Consolidated Statements of Operations.

Effective December 31, 2023, the Company completed a credit bid resulting in the acquisition of Pivot3, Inc.'s assets in consideration for the Company's outstanding senior secured term loan to Pivot3, Inc. As of December 31, 2023, the cost basis of the senior secured term loan to Pivot3, Inc. was $18.0 million and the fair value of Pivot3, Inc.'s asset was $0.95 million, resulting in a realized loss of approximately $17.0 million. The public sale of the collateral included (1) all issued and outstanding equity interest of Pivot3, Inc. and (2) intangible assets. Pursuant to the credit bid purchase agreement, the Company directed that the Pivot3, Inc. pledged equity be transferred to P3 Holdco LLC ("P3 Holdco"), a wholly owned subsidiary of the Company, and the assets be contributed to Pivot3, Inc. (resulting in Pivot3, Inc. becoming a wholly-owned subsidiary of P3 Holdco).

The Company's consolidated operations include the activities of its wholly owned subsidiary, P3 Holdco and P3 Holdco's wholly owned subsidiary Pivot3, Inc. The subsidiaries are consolidated and included in the Company's consolidated financial statements and the assets of Pivot3, Inc. are recorded at fair value. All intercompany balances and transactions have been eliminated. Refer to the Schedule of Investments for the Company's equity interest in Pivot3, Inc. as of December 31, 2023.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of income and expense during the reporting period. Changes in the economic and regulatory environment, financial markets, the credit worthiness of our portfolio companies, and any other parameters used in determining these estimates and assumptions could cause actual results to differ from these estimates and assumptions.

Cash and Cash Equivalents

Cash consists solely of funds deposited with financial institutions, while cash equivalents consists of short-term liquid investments in money market funds. Cash and cash equivalents are carried at cost, which approximates fair value. As of December 31, 2023, the Company did not have any cash equivalents invested in money market funds. As of December 31, 2022, $5.6 million was invested in money market funds. Interest earned in money market funds are recorded in Other income on the Consolidated Statements of Operations.

Debt and Deferred Debt Costs

The debt of the Company is carried at amortized cost, which is comprised of the principal amount borrowed, net of unamortized debt issuance costs on the Consolidated Statements of Assets and Liabilities. Debt issuance costs are fees and other direct incremental costs incurred by the Company in relation to debt financing and are recognized as Unamortized deferred debt costs as a reduction to total debt on the Consolidated Statements of Assets and Liabilities and amortized over the life of the related debt instrument, or the life of the cost respective service if shorter, using the straight-line method, which closely approximates the effective yield method. To the extent there are no outstanding borrowings, the deferred debt costs are presented as an asset on the Consolidated Statements of Assets and Liabilities.

Amortization of deferred debt costs and interest expense on the outstanding principal balance are recorded in Interest and other deferred financing expenses on the Consolidated Statements of Operations. Accrued but unpaid interest is included within Interest payable on the Consolidated Statements of Assets and Liabilities. For more information, refer to "Note 7 – Borrowings."

Segments

The Company lends to and invests in customers in various industries. The Company separately evaluates the performance of each of its lending and investment relationships. However, because each of these loan and investment relationships has similar business and economic characteristics, they have been aggregated into a single lending and investment segment. All applicable segment disclosures are included in or can be derived from the Company's consolidated financial statements.

Investment Transactions and Related Investment Income

Security transactions, if any, are recorded on a trade-date basis. Realized gains or losses from the repayment or sale of investments are measured using the specific identification method. The amortized cost basis of investments represents the original cost adjusted for the accretion/amortization of discounts and premiums and upfront loan origination fees. The Company reports changes from the prior period in fair value of investments that are measured at fair value as a component of net change in unrealized gain (loss) on investments on the Consolidated Statements of Operations.

Dividend income is recorded on an accrual basis to the extent that such amounts are payable and expected to be collected. Dividend income is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies. Interest income, if any, adjusted for amortization of market premium and accretion of market discount, is recorded on an accrual basis to the extent that the Company expects to collect such amounts. Original issue discount ("OID"), principally representing the estimated fair value of detachable equity, warrants or contractual success fees obtained in conjunction with the Company's debt investments, loan origination fees, end of term payments, and market discount or premium are capitalized and accreted or amortized into interest income over the life of the respective security using the effective interest method. Loan origination fees received in connection with the closing of investments are reported as unearned income, which is included as amortized cost of the investment; the unearned income from such fees is accreted into interest income over the contractual life of the loan based on the effective interest method. Upon prepayment of a debt investment, any unamortized loan origination fees, end-of-term payments, and unamortized market discounts are recorded as interest income and any prepayment penalties are recorded as fee income. Upon amending terms of an existing investment, any amendment fees charged are recorded as fee income.

The Company currently holds, and expects to hold in the future, some investments in its portfolio that contain payment-in-kind ("PIK") interest provisions. PIK interest is computed at the contractual rate specified in each loan agreement and is added to the principal balance of the loan, rather than being paid to the Company in cash, and is recorded as interest income. Thus, the actual collection of PIK interest may be deferred until the time of debt principal repayment. PIK interest, which is a non-cash source of income, is included in the Company's taxable income and therefore affects the amount of income the Company is required to distribute to stockholders to maintain its qualification as a RIC for U.S. federal income tax purposes, even though the Company has not yet collected the cash. For the years ended December 31, 2023, December 31, 2022, and December 31, 2021, approximately 12.2%, 8.0%, and 4.2%, respectively, of the Company's total investment income was attributable to non-cash PIK interest.

Investments Denominated in Foreign Currency

At each balance sheet date, portfolio company investments denominated in foreign currencies are translated into U.S. dollars using the spot exchange rate on the last business day of the period. Purchases and sales of foreign portfolio company investments, and any income from such investments, are translated into U.S. dollars using the rates of exchange prevailing on the respective dates of such transactions. As of December 31, 2023, the Company held one investment denominated in a foreign currency. As of December 31, 2022, the Company did not hold any investments denominated in a foreign currency.

Although the fair values of foreign portfolio company investments and the fluctuation in such fair values are translated into U.S. dollars using the applicable foreign exchange rates described above, the Company does not isolate the portion of the change in fair value resulting from foreign currency exchange rates fluctuations from the change in fair value of the underlying investment. All fluctuations in fair value are included in Net change in unrealized gain (loss) on investments on the Company's Consolidated Statements of Operations.

Non-Accrual of Investments

Debt investments are placed on non-accrual status when principal, interest, and other obligations become materially past due or when it is probable that principal, interest, or other obligations will not be collected in full. At the point of non-accrual, the Company will cease recognizing interest income on the debt investment until all principal and interest due have been paid or the Company believes the borrower has demonstrated the ability to repay its current and future contractual obligations. Additionally, any OID associated with the debt investment is no longer accreted to interest income as of the date the loan is placed on non-accrual status. Any payments received on non-accrual loans are first applied to principal prior to recovery of any foregone interest or end of term payment fees. Non-accrual loans are restored to accrual status when past due principal or interest are paid, and, in management's judgment are likely to remain current. The Company may make exceptions to this policy if the investment has sufficient collateral value and is in the process of collection such that the Company will be made whole on the investment, inclusive of interest and end of term payment fees.

During the years ended December 31, 2023 and December 31, 2022, the Company had not written off any accrued interest. As of December 31, 2023, we had no loans on non-accrual status as our single loan to Pivot3, Inc. was realized. For more information, refer to "Note 2 — Summary of Significant Accounting Policies, Principles of Consolidation." As of December 31, 2022, the Company had one loan to Pivot3, Inc. on non-accrual status. The loan, with a cost basis of $19.2 million and a fair value of $9.3 million represents 0.8% of the Company's total investment portfolio. From being placed on non-accrual status through December 31, 2022, cumulative interest of $3.6 million would be receivable and $0.3 million OID would be accreted into the cost basis, for a total of $3.9 million not recorded in interest income from control investments on the Statement of Operations. As of December 31, 2021, the Company had six loans to Mojix, Inc. and one loan to Pivot3, Inc., on non-accrual status. The loans, with an aggregate cost basis of $30.3 million and a fair value of $28.3 million, represents 3.9% of the Company's total investment portfolio. From being placed on non-accrual status through December 31, 2021, cumulative interest of $4.1 million would be receivable and $0.7 million OID would be accreted into the cost basis, for a total of $4.8 million not recorded in interest income from control investments on the Statement of Operations.

Fair Value Measurements

The Company measures the value of its financial instruments at fair value in accordance with ASC *Topic 820, Fair Value Measurements and Disclosure* ("ASC Topic 820"), issued by the FASB. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. With the exception of the Company's borrowings, which are reported at amortized cost, all assets and liabilities approximate fair value on the Statements of Assets and Liabilities. For more information on financial instruments reported at cost, refer to "Note 5 – Fair Value of Financial Instruments."

ASC Topic 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. ASC Topic 820 also provides guidance regarding a fair value hierarchy, which prioritizes information used to measure fair value and the effect of fair value measurements on earnings and provides for enhanced disclosures determined by the level within the hierarchy of information used in the valuation. In accordance with ASC Topic 820, these inputs are summarized in the three levels listed below:

- Level 1 — Valuations are based on quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 — Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly and model-based valuation techniques for which all significant inputs are observable.
- Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models incorporating significant unobservable inputs, such as discounted cash flow models and other similar valuations techniques. The valuation of Level 3 assets and liabilities generally requires significant management judgment due to the inability to observe inputs to valuation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of observable input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the instrument.

Under ASC Topic 820, the fair value measurement also assumes that the transaction to sell an asset or liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset, which may be a hypothetical market, and excludes transaction costs. The principal market for any asset or liability is the market with the greatest volume and level of activity for such asset in which the reporting entity would or could sell or transfer the asset or liability. In determining the principal market for an asset or liability under ASC Topic 820, it is assumed that the reporting entity has access to such market as of the measurement date. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable and willing and able to transact.

Rule 2a-5 under the 1940 Act established requirements for determining fair value of a BDC's investments in good faith for purposes of the 1940 Act. Rule 2a-5 permits boards, in compliance with certain conditions, to designate certain parties to perform fair value determinations, subject to board oversight. Rule 2a-5 also defines when market quotations are "readily available" for purposes of the 1940 Act and the threshold for determining whether a fund must determine the fair value of a security. The SEC also adopted new Rule 31a-4 under the 1940 Act ("Rule 31a-4"), which provides the recordkeeping requirements associated with fair value determinations. The Company's Board of Directors has not designated a valuation designee.

Investment Valuation Techniques

With respect to investments for which market quotations are not readily available, the Company undertakes a multi-step valuation process each quarter, as described below:

- The quarterly valuation process begins with each portfolio company investment being initially valued by RGC’s investment professionals that are responsible for the portfolio investment;
- Preliminary valuation conclusions are then documented and discussed with RGC’s senior investment team;
- At least once annually, the valuation for each portfolio investment is reviewed by an independent valuation firm. Certain investments, however, may not be evaluated annually by an independent valuation firm if the net asset value and other aspects of such investments in the aggregate do not exceed certain thresholds;
- The Audit Committee then reviews these preliminary valuations from RGC and the independent valuation firm, if any, and makes a recommendation to the Company's Board of Directors regarding such valuations; and
- The Company’s Board of Directors reviews the recommended preliminary valuations and determines the fair value of each investment in the Company’s portfolio, in good faith, based on the input of RGC, the independent valuation firm(s) and the Audit Committee.

The Company’s investments are primarily loans made to and equity and warrants of small, fast-growing companies focused in technology, life sciences, health care information and services, business services and other high-growth industries. These investments are considered Level 3 assets under ASC Topic 820 because there is no known or accessible market or market indices for these types of debt and equity instruments and, thus, RGC’s senior investment team must estimate the fair value of these investment securities based on models utilizing unobservable inputs.

The Audit Committee of the Company’s Board of Directors assists the Board of Directors in valuing investments that are not publicly traded or for which current market values are not readily available. Investments for which market quotations are readily available are valued using market quotations, which are generally obtained from independent pricing services, broker-dealers or market makers. With respect to portfolio investments for which market quotations are not readily available, the Company’s Board of Directors, with the assistance of the Audit Committee, RGC and its senior investment team and independent valuation agents, is responsible for determining, in good faith, the fair value in accordance with the valuation policy approved by the Board of Directors. If more than one valuation method is used to measure fair value, the results are evaluated and weighted, as appropriate, considering the reasonableness of the range indicated by those results. The Company considers a range of fair values based upon the valuation techniques utilized and selects the value within that range that was most representative of fair value based on current market conditions as well as other factors RGC’s senior investment team considers relevant.

The Company's Board of Directors makes this fair value determination on a quarterly basis and any other time when a decision regarding the fair value of the portfolio investments is required. A determination of fair value involves subjective judgments and estimates and depends on the facts and circumstances. Due to the inherent uncertainty of determining the fair value of portfolio investments that do not have a readily available market value, the fair value of the investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material.

Valuation methodologies involve a significant degree of judgment. There is no single standard for determining the fair value of investments that do not have an active public market. Valuations of privately held investments are inherently uncertain, as they are based on estimates, and their values may fluctuate over time. The determination of fair value may differ materially from the values that would have been used if an active market for these investments existed. In some cases, the fair value of such investments is best expressed as a range of values derived utilizing different methodologies from which a fair value may then be determined.

Debt Investments

To determine the fair value of the Company's debt investments, the Company compares the cost basis of the debt investment, which includes OID, to the resulting fair value determined using a discounted cash flow model, unless another model is more appropriate based on the circumstances at the measurement date. The discounted cash flow approach entails analyzing the interest rate spreads for recently completed financing transactions that are similar in nature to the Company's investments, in order to determine a comparable range of effective market interest rates for its investments. The range of interest rate spreads utilized is based on borrowers with similar credit profiles. All remaining expected cash flows of the investment are discounted using this range of interest rates to determine a range of fair values for the debt investment.

This valuation process includes, among other things, evaluating the underlying investment performance, the portfolio company's current financial condition and ability to raise additional capital, as well as macro-economic events that may impact valuations. These events include, but are not limited to, current market yields and interest rate spreads of similar securities as of the measurement date. Significant increases (decreases) in these unobservable inputs could result in a significantly higher (lower) fair value measurements.

Under certain circumstances, the Company may use an alternative technique to value the debt investments to be acquired by the Company that better reflects the fair value of the investment, such as the price paid or realized in a recently completed transaction or a binding offer received in an arms-length transaction, the use of multiple probability-weighted cash flow models when the expected future cash flows contain elements of variability or estimates of proceeds that would be received in a liquidation scenario.

Warrants

Fair value of warrants is primarily determined using a Black Scholes option-pricing model. Privately held warrants and equity-related securities are valued based on an analysis of various factors including, but not limited to, the following:

- Underlying enterprise value of the issuer is estimated based on information available, including any information regarding the most recent rounds of issuer funding. Valuation techniques to determine enterprise value include market multiple approaches, income approaches or approaches that utilize recent rounds of financing and the portfolio company's capital structure to determine enterprise value. Valuation techniques are also utilized to allocate the enterprise fair value of a portfolio company to the specific class of common or preferred stock exercisable in the warrant. Such techniques take into account the rights and preferences of the portfolio company's securities, expected exit scenarios, and volatility associated with such outcomes to allocate the fair value to the specific class of stock held in the portfolio. Such techniques include Option Pricing Models, or "OPM," including back-solve techniques, Probability Weighted Expected Return Models, or "PWERM," and other techniques as determined to be appropriate.
- Volatility, or the amount of uncertainty or risk about the size of the changes in the warrant price, is based on comparable publicly traded companies within indices similar in nature to the underlying company issuing the warrant. Significant increases (decreases) in this unobservable input could result in a significantly lower (higher) fair value, but a significantly higher or lower fair value measurement of any of the Company's portfolio investments may occur regardless of whether there is a significant increase or decrease in this unobservable input.
- The risk-free interest rates are derived from the U.S. Treasury yield curve. The risk-free interest rates are calculated based on a weighted average of the risk-free interest rates that correspond closest to the expected remaining life of the warrant. Significant increases (decreases) in this unobservable input could result in a significantly higher (lower) fair value, but a significantly higher or lower fair value measurement of any of the Company's portfolio investments may occur regardless of whether there is a significant increase (decrease) in this unobservable input.
- Other adjustments, including a marketability discount on private company warrants, are estimated based on judgment about the general industry environment. Significant increases (decreases) in this unobservable input could result in a significantly lower (higher) fair value, but a significantly higher or lower fair value measurement of any of the Company's portfolio investments may occur regardless of whether there is a significant increase (decrease) in this unobservable input.
- Historical portfolio experience on cancellations and exercises of warrants are utilized as the basis for determining the estimated life of the warrants in each financial reporting period. Warrants may be exercised in the event of acquisitions, mergers or initial public offerings, and cancelled due to events such as bankruptcies, restructuring activities or additional financings. These events cause the expected remaining life assumption to be shorter than the contractual term of the warrants. Significant increases (decreases) in this unobservable input could result in a significantly higher (lower) fair value, but a significantly higher or lower fair value measurement of any of the Company's portfolio investments may occur regardless of whether there is a significant increase (decrease) in this unobservable input.

Under certain circumstances, the Company may use an alternative technique to value warrants that better reflects the warrants' fair values, such as an expected settlement of a warrant in the near term, a model that incorporates a put feature associated with the warrant, or the price paid or realized in a recently completed transaction or binding offer received in an arms-length transaction. The fair value may be determined based on the expected proceeds to be received from such settlement or based on the net present value of the expected proceeds from the put option.

Equity Investments

The fair value of an equity investment in a privately held company is initially the face value of the amount invested. The Company adjusts the fair value of equity investments in private companies upon the completion of a new third-party round of equity financing subsequent to the Company's investment. The Company may make adjustments to fair value, absent a new equity financing event, based upon positive or negative changes in a portfolio company's financial or operational performance. The Company may also reference comparable transactions and/or secondary market transactions in connection with its determination of fair value. The fair value of an equity investment in a publicly traded company is based upon the closing public share price on the date of measurement. These assets are recorded at fair value on a recurring basis.

Investment Classification

The Company classifies its investments by level of affiliation and control. As defined in the 1940 Act, investee companies are deemed as affiliated investments when a company or individual possesses, or has the right to acquire within 60 days or less, beneficial ownership of 5.0% or more of the outstanding voting securities of an investee company. Control investments are those where the investor has the ability or power to exercise a controlling influence over the management or policies of an investee company. Control is generally deemed to exist when a company or individual possesses, or has the right to acquire within 60 days or less, beneficial ownership of more than 25.0% of the outstanding voting securities of an investee company, or maintains greater than 50% representation on the investee company's board of directors.

Investments are recognized when the Company assumes an obligation to acquire a financial instrument and assumes the risks for gains or losses related to that instrument. Investments are derecognized when the Company assumes an obligation to sell a financial instrument and foregoes the risks for gains or losses related to that instrument. Specifically, the Company records all security transactions on a trade date basis. Investments in other, non-security financial instruments, such as limited partnerships or private companies, are recorded on the basis of subscription date or redemption date, as applicable. Amounts for investments recognized or derecognized but not yet settled will be reported on the Consolidated Statements of Assets and Liabilities.

Income Taxes

The Company elected to be treated as a RIC under Subchapter M of the Code beginning with its taxable year ended December 31, 2016, currently qualifies as a RIC, and intends to qualify annually for the tax treatment applicable to RICs. A RIC generally is not subject to U.S. federal income taxes on distributed income and gains so long as it meets certain source-of-income and asset diversification requirements and it distributes at least 90% of its net ordinary income and net short-term capital gains in excess of its net long-term capital losses, if any, to its stockholders. So long as the Company maintains its status as a RIC, it generally will not be subject to U.S. federal income tax on any ordinary income or capital gains that it distributes at least annually to its stockholders as dividends. Rather, any tax liability related to income earned by the Company represents obligations of the Company's investors and will not be reflected in the consolidated financial statements of the Company. The Company intends to make sufficient distributions to maintain its RIC status each year and it does not anticipate paying any material U.S. federal income taxes in the future.

Depending on the level of taxable income earned in a tax year, the Company may choose to carry forward such taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income, as required. If the Company determines that the estimated current year taxable income will exceed the estimated dividend distributions for the current year from such income, the Company accrues excise tax on estimated excess taxable income as such taxable income is earned. Differences between taxable income and net increase in net assets resulting from operations either can be temporary, meaning they will reverse in the future, or permanent. In accordance with Section 946-205-45-3 of the ASC, permanent tax differences are reclassified from accumulated undistributed earnings to paid-in-capital at the end of each year and have no impact on total net assets. For more information, refer to "Note 10 – Income Taxes."

Per Share Information

Basic and diluted earnings (loss) per common share is calculated using the weighted-average number of common shares outstanding for the period presented. For the years ended December 31, 2023, 2022, and 2021, basic and diluted earnings (loss) per share of common stock were the same because there were no potentially dilutive securities outstanding. Per share data is based on the weighted-average shares outstanding.

Comprehensive Income

The Company reports all changes in comprehensive income in the Consolidated Statements of Operations. The Company did not have other comprehensive income in 2023, 2022, or 2021. The Company's comprehensive income is equal to its Net increase in net assets resulting from operations.

Distributions

Distributions to common stockholders are recorded on the applicable record date. The amount, if any, to be distributed to common stockholders is determined by the Board of Directors each quarter and is generally based upon the Company's earnings estimated by management. Net realized capital gains, if any, are generally distributed at least annually. For more information, refer to "Note 9 – Net Assets."

Organization and Offering Costs

Organization costs include, among other things, the cost of organizing as a Maryland corporation, including the cost of legal services and other fees pertaining to the Company's organization, all of which are expensed as incurred. Offering costs include, among other things, legal fees and other costs pertaining to the preparation of the Company's public and private offering materials as well as travel-related expenses related to the Company's public and private offerings. Pursuant to the Advisory Agreement (as defined in "Note 3 – Related Party Agreements and Transactions"), the Company and RGC agreed that organization and offering costs incurred in connection with the Initial Private Offering (as defined in "Note 9 – Net Assets") would be borne by the Company up to a maximum amount of $1.0 million, provided that the amount of such costs in excess of $1.0 million would be paid by RGC. As of December 31, 2016, the Company had already incurred the maximum amount of $1.0 million in organization and offering costs incurred in connection with the Initial Private Offering.

Offering costs related to the Second Private Offering (as defined in "Note 9 – Net Assets") were accumulated and charged to additional paid in capital at the time of closing beginning in 2019. These offering costs related to the Second Private Offering were subject to a cap of $0.6 million, excluding placement agent fees which had no cap, of which the Company will bear the cost. At the completion of the Second Private Offering, the Company had accumulated and recorded $0.7 million in offering costs and $0.2 million in placement agent fees related to the Second Private Offering. Under the terms of the Second Private Offering, offering costs in excess of $0.6 million, excluding placement agent fees, were reimbursed by RGC.

Offering costs related to the IPO were accumulated and charged to additional paid in capital at the time of closing in October 2021. The Company had accumulated and recorded $7.0 million of offering costs related to the Company's IPO. The offering costs were fully born by the Company and included underwriting fees, legal fees, and other costs pertaining to the preparation of the Company's offering materials as well as travel-related expenses.

Recent Accounting Pronouncements

In June 2022, the FASB issued ASU 2022-03, "Fair Value Measurement (Topic 820) - Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions", which was issued to (1) clarify the guidance in Topic 820, Fair Value Measurement, when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security, (2) to amend a related illustrative example, and (3) to introduce new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value in accordance with Topic 820. The new guidance is effective for interim and annual periods beginning after December 15, 2023. The Company does not anticipate the new standard will have a material impact to the consolidated financial statements and related disclosures.

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures". ASU No. 2023-07 requires disclosures to include significant segment expenses that are regularly provided to the chief operating decision maker ("CODM"), a description of other segment items by reportable segment and any additional measures of a segment's profit or loss used by the CODM when deciding how to allocate resources. The ASU requires all annual disclosures currently required by Topic 280 to be included in interim periods and is applicable to entities with a single reportable segment. ASU No. 2023-07 will be effective for the Company in fiscal year 2024 for annual reporting and in the first quarter of fiscal 2025 for interim reporting. Retrospective application is required for all prior periods presented in the consolidated financial statements. The Company does not anticipate the new standard will have a material impact to the consolidated financial statements and related disclosures.

Note 3 — Related Party Agreements and Transactions

Second Amended and Restated Advisory Agreement

On November 29, 2016, the Company's Board of Directors approved an investment advisory agreement between RGC and the Company, under which RGC, subject to the overall supervision of the Board of Directors, manages the day-to-day operations of and provides investment advisory services to the Company (together with a subsequent amendment thereto, the "Prior Advisory Agreement"). On August 3, 2017, the Board of Directors approved certain amendments to the Prior Advisory Agreement (the "First Amended and Restated Advisory Agreement") and recommended that the Company's stockholders approve the First Amended and Restated Advisory Agreement. The First Amended and Restated Advisory Agreement became effective on September 12, 2017 upon approval by the stockholders at a special meeting of stockholders of the Company. On April 7, 2021, the Board of Directors approved certain additional amendments to the advisory agreement (the "Advisory Agreement") at a virtual meeting and recommended that the Company's stockholders approve the Advisory Agreement. In reliance upon certain exemptive relief granted by the SEC in connection with the global COVID-19 pandemic, the Board of Directors undertook to ratify the Advisory Agreement at its next in-person meeting which was held in July 2021. The Advisory Agreement became effective on May 27, 2021 upon approval by the stockholders at a special meeting of stockholders of the Company. The Advisory Agreement amended the Prior Advisory Agreement to include certain revisions to the management and incentive fee calculation mechanisms and clarify language relating to liquidity events. On May 2, 2023, the Company's Board of Directors renewed the Advisory agreement for a period of twelve months commencing May 27, 2023. Under the terms of the Advisory Agreement, RGC:

- determines the composition of the Company's portfolio, the nature and timing of the changes to the portfolio and the manner of implementing such changes;
- identifies, evaluates and negotiates the structure of the investments the Company makes;
- executes, closes and monitors the investments the Company makes;
- determines the securities and other assets that the Company will purchase, retain or sell;
- performs due diligence on prospective investments; and
- provides the Company with other such investment advisory, research and related services as the Company may, from time to time, reasonably require for the investment of its funds.

Pursuant to the Advisory Agreement, the Company pays RGC a fee for its investment advisory and management services consisting of two components — a base management fee and an incentive fee. The cost of both the base management fee and incentive fee are ultimately borne by the Company's stockholders.

Base Management Fee

The base management fee is payable on the first day of each calendar quarter and is calculated on the Company's "Gross Assets" which, for purposes of the Advisory Agreement, is defined as the Company's gross assets, including assets purchased with borrowed funds or other forms of leverage, as well as any PIK interest, as of the end of the most recently completed fiscal quarter. The base management fee will be an amount equal to 0.375% (1.50% annualized) of the Company's average daily Gross Assets during the most recently completed calendar quarter, so long as the aggregate amount of the Company's Gross Assets as of the end of the most recently completed calendar quarter is equal to or greater than $1.0 billion. If the aggregate amount of the Company's Gross Assets as of the end of the most recently completed calendar quarter is less than $1.0 billion but equal to or greater than $500.0 million, the base management fee will be an amount equal to 0.40% (1.60% annualized) of the Company's average daily Gross Assets during the most recently completed calendar quarter. If the aggregate amount of the Company's Gross Assets as of the end of the most recently completed calendar quarter is less than $500.0 million, the base management fee will be an amount equal to 0.4375% (1.75% annualized) of the Company's average daily Gross Assets during the most recently completed calendar quarter.

For the year ended December 31, 2023, RGC earned base management fees at a rate of 1.50% per annum, amounting to $16.7 million For the years ended December 31, 2022 and 2021, RGC earned base management fees at a rate of 1.60% per annum, amounting to $11.9 million and $9.0 million, respectively.

Incentive Fee

The incentive fee, which provides RGC with a share of the income that RGC generates for the Company, consists of an investment-income component and a capital-gains component, which are largely independent of each other, with the result that one component may be payable even if the other is not.

Under the investment-income component (the "Income Incentive Fee"), the Company pays RGC each quarter an incentive fee with respect to the Company's pre-incentive fee net investment income ("Pre-Incentive Fee NII"). The Income Incentive Fee is calculated and payable quarterly in arrears based on the Pre-Incentive Fee NII for the immediately preceding fiscal quarter. Payments based on Pre-Incentive Fee NII will be based on the Pre-Incentive Fee NII earned for the quarter. For this purpose, Pre-Incentive Fee NII means interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial and consulting fees or other fees that the Company receives from portfolio companies) that the Company accrues during the fiscal quarter, minus the Company's operating expenses for the quarter (including the base management fee, expenses payable under the amended and restated administration were deferred incentive fees payable, both of which are included in incentive fees payable on the Consolidated Statements of Assets and Liabilities agreement with the Administrator (the "Administration Agreement"), and any dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee NII includes, in the case of investments with a deferred interest feature (such as OID accretion, debt instruments with pay in kind interest and zero coupon securities), accrued income the Company has not yet received in cash; provided, however, that the portion of the Income Incentive Fee attributable to deferred interest features will be paid, only if and to the extent received in cash, and any accrual thereof will be reversed if and to the extent such interest is reversed in connection with any write off or similar treatment of the investment giving rise to any deferred interest accrual, applied in each case in the order such interest was accrued. Such subsequent payments in respect of previously accrued income will not reduce the amounts payable for any quarter pursuant to the calculation of the Income Incentive Fee described above. Pre-Incentive Fee NII does not include any realized or unrealized capital gains (losses).

Pre-Incentive Fee NII, expressed as a rate of return on the value of the Company's net assets (defined as total assets less liabilities) at the end of the immediately preceding fiscal quarter, will be compared to a "hurdle rate" of 2.0% per quarter (8.0% annualized). The Company pays RGC an Income Incentive Fee with respect to the Company's Pre-Incentive Fee NII in each calendar quarter as follows: (1) no Income Incentive Fee in any calendar quarter in which the Company's Pre-Incentive Fee NII does not exceed the hurdle rate of 2.0%; (2) 80% of the Company's Pre-Incentive Fee NII with respect to that portion of such Pre-Incentive Fee NII, if any, that exceeds the hurdle rate but is less than 2.667% in any calendar quarter (10.668% annualized) (the portion of the Company's Pre-Incentive Fee NII that exceeds the hurdle but is less than 2.667% is referred to as the "catch-up"; the "catch-up" is meant to provide RGC with 20.0% of the Company's Pre-Incentive Fee NII as if a hurdle did not apply if the Company's Pre-Incentive Fee NII exceeds 2.667% in any calendar quarter (10.668% annualized)); and (3) 20.0% of the amount of the Company's Pre-Incentive Fee NII, if any, that exceeds 2.667% in any calendar quarter (10.668% annualized) payable to RGC (once the hurdle is reached and the catch-up is achieved, 20.0% of all Pre-Incentive Fee NII thereafter is allocated to RGC).

Until the consummation of a Spin-Off transaction (defined below), in the event that (a) the sum of the Company's cumulative net realized losses since the date of the Company's election to be regulated as a BDC exceeded 2.0% of the total non-control/non-affiliate investments made by the Company since the date of the Company's election to be regulated as a BDC through the end of the quarter and (b) the Pre-Incentive Fee NII adjusted to include any realized capital gains and losses ("Adjusted Pre-Incentive Fee NII"), expressed as an annualized rate of return on the value of the Company's average daily net assets (defined as total assets less liabilities), since the Company's election to be regulated as a BDC through the end of the quarter was less than 10.0%, no Income Incentive Fee would be payable for such quarter until the first subsequent quarter in which either (x) the sum of the Company's cumulative net realized losses since the date of the Company's election to be regulated as a BDC was equal to or less than 2.0% of the total non-control/non-affiliate investments made by the Company since the date of the Company's election to be regulated as a BDC through the end of such subsequent quarter or (y) the Adjusted Pre-Incentive Fee NII, expressed as an annualized rate of return on the value of the Company's average daily net assets (defined as total assets less liabilities), since the Company's election to be regulated as a BDC through the of the end of the quarter equals or exceeds 10.0%; provided, however, that in no event would any Income Incentive Fee be payable for any prior quarter after the three-year anniversary of the end of such quarter. For purposes of the Advisory Agreement, a "Spin-Off transaction" includes either a transaction whereby (a) the Company offers its stockholders the option to elect to either (i) retain their ownership of shares of the Company's common stock, or (ii) exchange their shares of the Company's common stock for shares of common stock in a newly formed entity (the "Public Fund") that will elect to be regulated as a BDC under the 1940 Act and treated as a RIC under Subchapter M of the Code (the "Public Fund Spin Off"); or (b) the Company completes a listing of the Company's securities on any securities exchange (an "Exchange Listing").

Under the capital gains component of the incentive fee (the “Capital Gains Fee”), the Company will pay RGC, as of the end of each calendar year, 20.0% of the Company’s aggregate cumulative realized capital gains, if any, from the date of the Company’s election to be regulated as a BDC through the end of that calendar year, computed net of the Company’s aggregate cumulative realized capital losses and aggregate cumulative unrealized capital losses through the end of such year, less the aggregate amount of any previously paid Capital Gains Fee. For the foregoing purpose, the Company’s “aggregate cumulative realized capital gains” will not include any unrealized gains. If such amount is negative, then no Capital Gains Fee will be payable for such year.

For the year ended December 31, 2023, RGC earned incentive fees of $19.0 million, $14.1 million of which was payable in cash, and $4.9 million was accrued and generated from deferred interest. For the year ended December 31, 2022, RGC earned incentive fees of $13.2 million, $11.0 million of which were payable in cash, and $2.2 million were accrued and generated from deferred interest. For the year ended December 31, 2021, RGC earned incentive fees of $9.2 million, $7.4 million of which was payable in cash, and $1.8 million were accrued and generated from deferred interest. All incentive fees accrued and generated from deferred interest (i.e., PIK and certain discount accretion) are not payable until receipt of respective cash by the Company. As of December 31, 2023, $3.3 million were payable in cash and $9.2 million were deferred incentive fees payable, both of which are included in incentive fees payable on the Consolidated Statements of Assets and Liabilities. As of December 31, 2022, $3.8 million of incentive fees payable were payable in cash, and $5.0 million were deferred incentive fees payable, both of which are included in incentive fees payable on the Consolidated Statements of Assets and Liabilities.

The capital gains incentive fee consists of fees related to realized gains and losses and unrealized capital losses. With respect to the incentive fee expense accrual related to the capital gains incentive fee, U.S. GAAP requires that the capital gains incentive fee accrual consider the cumulative aggregate unrealized gains in the calculation, as a capital gains incentive fee would be payable if such unrealized gains were realized even though such unrealized gains are not permitted to be considered in calculating the fee actually payable under the Advisory Agreement. As of each of December 31, 2023 and December 31, 2022, there was no capital gains incentive fee accrued, earned or payable to RGC under the Advisory Agreement.

Spin-Off Incentive Fee

The Income Incentive Fee will be payable in connection with a Public Fund Spin-Off as follows. The Income Incentive Fee will be calculated as of the date of the completion of each Public Fund Spin-Off and will equal the amount of Income Incentive Fee that would be payable to RGC if (1) all of the Company’s investments were liquidated for their current value and any unamortized deferred portfolio investment-related fees would be deemed accelerated, (2) the proceeds from such liquidation were used to pay all of the Company’s outstanding liabilities, and (3) the remainder were distributed to the Company’s stockholders and paid as incentive fee in accordance with the Income Incentive Fee described in clauses (1) and (2) above for determining the amount of the Income Incentive Fee; provided, however, that in no event will the Income Incentive Fee paid in connection with the completion of the Public Fund Spin-Off (x) include the portion of the Income Incentive Fee attributable to deferred interest features of a particular investment that is not transferred pursuant to the Public Fund Spin-Off until such time as the deferred interest is received in cash, or (y) exceed 20.0% of the Company’s Pre-Incentive Fee NII accrued by the Company for the fiscal quarter as of the date of the completion of the Public-Fund Spin-Off. The Company will make the payment of the Income Incentive Fee paid in connection with the completion of the Public Fund Spin-Off in cash on or immediately following the date of the completion of the Public-Fund Spin-Off. After the Public Fund Spin-Off, all calculations relating to the incentive fee payable will be made beginning on the day immediately following the completion of the Public Fund Spin-Off without taking into account the exchanged shares of the Company’s common stock (or contributions, distributions or proceeds relating thereto).

The Capital Gains Fee will be payable in respect of the exchanged shares of the Company’s common stock in connection with the Public Fund Spin-Off and will be calculated as of the date of the completion of the Public Fund Spin-Off as if such date were a calendar year-end for purposes of calculating and paying the Capital Gains Fee.

No Income Incentive Fee or Capital Gains Fee will be payable in connection with the Public Fund Spin-Off unless, on the date of the completion of the Public Fund Spin-Off, the sum of the Company’s (i) Pre-Incentive Fee NII and (ii) realized capital gains less realized capital losses and unrealized capital losses from the date of the Company’s election to be regulated as a BDC through, and including, the date of the completion of the Public Fund Spin-Off, is greater than 8.0% of the cumulative net investments made by the Company since the Company’s election to be regulated as a BDC.

Administration Agreement

The Company reimburses the Administrator for the allocable portion of overhead expenses incurred by the Administrator in performing its obligations under the Administration Agreement, including furnishing the Company with office facilities, equipment and clerical, bookkeeping and recordkeeping services at such facilities, as well as providing other administrative services. In addition, the Company reimburses the Administrator for the fees and expenses associated with performing compliance functions, and the Company's allocable portion of the compensation of the Company's Chief Financial Officer, Chief Compliance Officer and any administrative support staff, as well as any expenses paid by the Administrator on the Company's behalf.

For the year ended December 31, 2023, the Company incurred $2.1 million of Administration Agreement expenses, of which $0.8 million was payable to a third-party service provider and $1.3 million was overhead allocation expense. As of December 31, 2023, the Company had accrued a net payable to the Administrator of $0.4 million and a payable to the third-party administrator of $0.2 million, which are included in Accrued expenses and other liabilities on the Consolidated Statements of Assets and Liabilities. For the year ended December 31, 2022, the Company incurred $1.8 million of Administration Agreement expenses, of which $0.8 million was payable to a third-party service provider and $1.0 million was overhead allocation expense. As of December 31, 2022, the Company had accrued a net payable to the Administrator of $0.4 million and a payable to the third-party administrator of $0.2 million, which are included in Accrued expenses and other liabilities on the Consolidated Statements of Assets and Liabilities. For the year ended December 31, 2021, the Company incurred $1.6 million of Administration Agreement expenses, of which $0.7 million was payable to a third-party service provider and $0.9 million was overhead allocation expense. As of December 31, 2021, the Company had accrued a net payable to the Administrator of $0.2 million and a payable to the third-party administrator of $0.3 million, which are included in Accrued expenses and other liabilities on the Consolidated Statements of Assets and Liabilities.

License Agreement

The Company has entered into a license agreement with RGC (the "License Agreement") pursuant to which RGC has granted the Company a personal, non-exclusive, royalty-free right and license to use the name "Runway Growth Finance." Under the License Agreement, the Company has the right to use the "Runway Growth Finance" name for so long as RGC or one of its affiliates remains the Company's investment adviser. Other than with respect to this limited license, the Company has no legal right to the "Runway Growth Finance" name.

Strategic Relationship

In December 2016, the Company and RGC entered into a strategic relationship with Oaktree Capital Management, L.P ("Oaktree"). In connection with the strategic relationship, OCM Growth Holdings ("OCM Growth") purchased an aggregate of 14,571,334 shares of the Company's common stock for an aggregate purchase price of $219.3 million in the Company's Initial Private Offering and Second Private Offering. Oaktree Opportunities Fund Xb Holdings (Delaware), L.P. ("Oaktree Opportunities") purchased 24,100 shares of the Company common stock in secondary transactions in 2020 and 2022. As of December 31, 2023, OCM Growth and Oaktree Opportunities Fund Xb Holdings (Delaware), L.P. (together with OCM Growth, the "OCM Holders"), each an affiliate of Oaktree, own 16,473,290 shares and 18,878 shares of our common stock, respectively, or 40.7% of the Company's outstanding shares. Pursuant to an irrevocable proxy, certain shares held by OCM Growth must be voted in the same proportion that the Company's other stockholders vote their shares. Of the 16,492,168 shares of Company's common stock owned by the OCM Holders, 15,588,549 shares, or approximately 38.5% of the Company's outstanding shares, are subject to this proxy voting arrangement.

In connection with OCM Growth's commitment, the Company entered into a stockholder agreement, dated December 15, 2016, with OCM Growth, pursuant to which OCM Growth has a right to nominate a member of the Company's Board of Directors for election for so long as OCM Growth holds shares of the Company's common stock in an amount equal to, in the aggregate, at least one-third (33%) of OCM Growth's initial $125.0 million capital commitment. Gregory M. Share, Managing Director of Oaktree's Global Opportunities Group in Los Angeles, serves on the Company's Board of Directors as OCM Growth's director nominee and is considered an interested director. OCM Growth also holds a minority interest in RGC and has the right to appoint a member of RGC's board of managers and a member of RGC's investment committee. Mr. Share is OCM Growth's appointee to RGC's board of managers and investment committee.

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Note 4 — Investments

Control and Affiliate Investments

The Company classifies its investment portfolio by level of affiliation and control in accordance with the requirements of the 1940 Act. As defined in the 1940 Act, investee companies are deemed as affiliated investments when a company or individual possesses, or has the right to acquire within 60 days or less, beneficial ownership of 5.0% or more of the outstanding voting securities of an investee company. Control investments are those where the investor has the ability or power to exercise a controlling influence over the management or policies of an investee company. Control is generally deemed to exist when a company or individual possesses, or has the right to acquire within 60 days or less, beneficial ownership of more than 25.0% of the outstanding voting securities of an investee company, or maintains greater than 50% representation on the investee company's board of directors.

The Company's affiliate and control investments as of December 31, 2023 along with the transactions during the year ended December 31, 2023 are as follows (in thousands):

			For the Year Ended December 31, 2023						
Portfolio Company	Investment Type	Investment Description	Investment Income Earned 2023	Fair Value as of December 31, 2022	Gross Additions(1)	Gross Reductions(2)	Net Realized Gain (Loss)	Net Change in Unrealized Gain (Loss)	Fair Value as of December 31, 2023(3)
Affiliate Investments									
Debt Investments									
Gynesonics, Inc.	Senior Secured	SOFR+8.75%, 8.00% ceiling, 5.00% ETP, due 11/30/2026	$ 2,105	$ —	$ 25,897	$ —	$ —	$ (2,311)	$ 23,586
Total Debt Investments			2,105	—	25,897	—	—	(2,311)	23,586
Equity Investments									
Coginiti Corp	Equity	Common Stock	—	1,174	—	—	—	(318)	856
Gynesonics, Inc.	Equity	Series A-2 Preferred Stock	—	—	25,000	—	—	(3,539)	21,461
	Equity	Series A-1 Preferred Stock	—	—	3,100	—	—	1,477	4,577
Total Equity Investments			—	1,174	28,100	—	—	(2,380)	26,894
Warrants									
Coginiti Corp	Warrants	Common Stock	—	910	—	—	—	(247)	663
Gynesonics, Inc.	Warrants	Success fee	—	—	313	—	—	—	313
Total Warrants			—	910	313	—	—	(247)	976
Total Affiliate Investments			$ 2,105	$ 2,084	$ 54,310	$ —	$ —	$ (4,938)	$ 51,456
Control Investments									
Debt Investments									
Pivot3, Inc.	Senior Secured	LIBOR+8.50% PIK, 11.00% floor, 4.00% ETP, due 10/15/2023	—	9,290	—	(2,158)	(17,014)	9,882	—
Total Debt Investments			—	9,290	—	(2,158)	(17,014)	9,882	—
Equity Investments									
Pivot3, Inc.	Equity	Equity Interest	—	—	950	—	—	—	950
Total Equity Investments			—	—	950	—	—	—	950
Total Control Investments			$ —	$ 9,290	$ 950	$ (2,158)	$ (17,014)	$ 9,882	$ 950

(1) Gross additions includes increases in the basis of investments resulting from new portfolio investments, PIK interest, accretion of original issue discount ("OID"), the exchange of one or more existing investments for one or more new investments and the movement of an existing portfolio company into this category from a different category.

(2) Gross reductions include decreases in the basis of investments resulting from principal collections related to investment repayments or sales, the exchange of one or more existing investments for one or more new investments and the movement of an existing portfolio company out of this category into a different category.

(3) All investments in the portfolio companies, which as of December 31, 2023 represented 9.58% of the Company's net assets, may be deemed to be restricted securities under the Securities Act, and were valued at fair value as determined in good faith by the Company's Board of Directors.

The Company's affiliate and control investments as of December 31, 2022 along with the transactions during the year ended December 31, 2022 are as follows (in thousands):

		For the Year Ended December 31, 2022						
Portfolio Company	**Investment Description**	**Amount of Investment Income Earned 2022**	**Fair Value as of December 31, 2021**	**Gross Additions(1)**	**Gross Reductions(2)**	**Net Realized Gain (Loss)**	**Net Change in Unrealized Gain (Loss)**	**Fair Value as of December 31, 2022(3)**
Affiliate Investments								
Debt Investments								
Coginiti Corp	LIBOR+9.50% PIK, 10.81% floor, due 12/15/2022	$ 109	$ —	$ 930	$ (930)	$ —	$ —	$ —
Total Debt Investments		109	—	930	(930)	—	—	—
Equity Investments								
Coginiti Corp	Common Stock	—	—	4,551	—	—	(3,377)	1,174
Total Equity Investments		—	—	4,551	—	—	(3,377)	1,174
Warrants								
Coginiti Corp	Warrant for Common Stock, exercise price $0.01/share, expires 3/9/2030	—	—	1,009	—	—	(99)	910
Total Warrants		—	—	1,009	—	—	(99)	910
Total Affiliate Investments		$ 109	$ —	$ 6,490	$ (930)	$ —	$ (3,476)	$ 2,084
Control Investments								
Debt Investments								
Mojix, Inc.	LIBOR+12.00% , 12.00% cash cap, 5% ETP, due 1/15/2025	$ 2,287	$ 7,568	$ 1,987	$ (8,489)	$ —	$ (1,066)	$ —
	LIBOR+12.00% , 12.00% cash cap, 5% ETP, due 1/15/2025	744	2,523	647	(2,818)	—	(352)	—
	LIBOR+12.00% , 12.00% cash cap, 5% ETP, due 1/15/2025	184	630	160	(704)	—	(86)	—
	LIBOR+12.00% , 12.00% cash cap, 5% ETP, due 1/15/2025	185	629	161	(703)	—	(87)	—
	LIBOR+12.00% , 12.00% cash cap, 5% ETP, due 1/15/2025	374	1,253	327	(1,400)	—	(180)	—
	LIBOR+12.00% , 12.00% cash cap, 5% ETP, due 1/15/2025	291	1,008	266	(1,090)	—	(184)	—
Pivot3, Inc.	LIBOR+8.50% PIK, 11.00% floor, due 11/15/2022	—	14,650	—	—	—	(5,360)	9,290
Total Debt Investments		4,065	28,261	3,548	(15,204)	—	(7,315)	9,290
Equity Investments								
Mojix, Inc.	Series A-1 Preferred Stock	32	870	—	(800)	—	(70)	—
Pivot3 Holdings, Inc.	Series 1 Preferred Stock	—	—	—	—	(2,000)	2,000	—
Total Equity Investments		32	870	—	(800)	(2,000)	1,930	—
Warrants								
Mojix, Inc.	Warrant for Common Stock, exercise price $1.286/share, expires 12/13/2030	—	—	—	(119)	—	119	—
	Warrant for Common Stock, exercise price $2.1286/share, expires 12/13/2030	—	—	—	(298)	—	298	—
	Warrant for Common Stock, exercise price $5.57338/share, expires 12/13/2030	—	—	—	(829)	—	829	—
Total Warrants		—	—	—	(1,246)	—	1,246	—
Total Control Investments		$ 4,097	$ 29,131	$ 3,548	$ (17,250)	$ (2,000)	$ (4,139)	$ 9,290

(1) Gross additions includes increases in the basis of investments resulting from new portfolio investments, PIK interest, accretion of original issue discount ("OID"), the exchange of one or more existing investments for one or more new investments and the movement of an existing portfolio company into this category from a different category.

(2) Gross reductions include decreases in the basis of investments resulting from principal collections related to investment repayments or sales, the exchange of one or more existing Investments for one or more new investments and the movement of an existing portfolio company out of this category into a different category.

(3) All investments in the portfolio company, which as of December 31, 2022 represented 1.97% of the Company's net assets, may be deemed to be restricted securities under the Securities Act, and were valued at fair value as determined in good faith by the Company's Board of Directors.

Portfolio Composition

The following tables show the fair value of the Company's portfolio of investment, excluding U.S. Treasury Bills (in thousands) by geographic region and industry as of December 31, 2023 and December 31, 2022:

	December 31, 2023		December 31, 2022	
Geographic Region	**Investments at Fair Value**	**Percentage of Net Assets**	**Investments at Fair Value**	**Percentage of Net Assets**
United States				
Western United States	$ 404,541	73.94 %	$ 346,372	60.13 %
Northeastern United States	239,444	43.77	351,654	61.04
Midwestern United States	130,784	23.91	74,745	12.98
South Central United States	87,814	16.05	85,000	14.76
Northwestern United States	25,514	4.66	72,615	12.61
Southeastern United States	820	0.15	74,797	12.98
Total United States	888,917	162.48	1,005,183	174.50
United Kingdom	76,839	14.05	60,783	10.55
Germany	44,587	8.15	46,499	8.07
Canada	14,667	2.68	13,844	2.40
Total	$ 1,025,010	187.36 %	$ 1,126,309	195.52 %

	December 31, 2023		December 31, 2022	
Industry	**Investments at Fair Value**	**Percentage of Net Assets**	**Investments at Fair Value**	**Percentage of Net Assets**
Application Software	$ 200,645	36.67 %	184,084	31.96 %
Health Care Technology	182,200	33.30	240,844	41.81
Human Resource & Employment Services	114,602	20.95	97,788	16.98
System Software	113,517	20.74	78,274	13.58
Data Processing & Outsourced Services	106,785	19.52	97,404	16.91
Internet Software and Services	98,462	18.00	149,780	26.00
Property & Casualty Insurance	75,205	13.75	49,440	8.58
Internet & Direct Marketing Retail	55,588	10.16	55,986	9.72
Electronic Equipment & Instruments	27,535	5.04	78,114	13.56
Education Services	25,796	4.72	25,305	4.39
Health Care Equipment	15,524	2.83	27,433	4.76
Asset Management & Custody Banks	8,021	1.47	-	-
Technology Hardware, Storage & Peripherals	570	0.10	1,068	0.19
Specialized Consumer Services	373	0.07	796	0.14
Advertising	136	0.03	-	-
Biotechnology	51	0.01	39,925	6.93
Computer & Electronics Retail	-	-	68	0.01
Total	$ 1,025,010	187.36 %	$ 1,126,309	195.52 %

Derivative Financial Instruments

In the normal course of business, the Company may utilize derivative contracts in connection with its investment activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The derivative activities and exposure to derivative contracts primarily involve equity price risks. In addition to the primary underlying risk, additional counterparty risk exists due to the potential inability of counterparties to meet the terms of their contracts.

Warrants provide exposure and potential gains upon equity gains of the portfolio company’s equity value. A warrant has a limited life and expires on a certain date. As a warrant’s expiration date approaches, the time value of the warrant will decline. In addition, if the stock underlying the warrant declines in price, the intrinsic value of an “in the money” warrant will decline. Further, if the price of the stock underlying the warrant does not exceed the strike price of the warrant on the expiration date, the warrant will expire worthless. As a result, there is the potential for the entire value of an investment in a warrant to be lost. The Company’s volume of warrant investment activity is closely correlated to its primary senior secured loans to portfolio companies. For the year ended December 31, 2023, the Company had net realized gain (loss) of $(1.4) million and a net unrealized gain (loss) of $(5.2) million from its investments in warrants. For the year ended December 31, 2022, the Company had net realized gain (loss) of $(0.9) million and a net unrealized gain (loss) of $(2.3) million from its investments in warrants. For the year ended December 31, 2021, the Company had net realized gain (loss) of

$0.8 million and a net unrealized gain (loss) of $2.8 million from its investments in warrants. Realized gains (losses) from warrants are included in the respective control, affiliate, or non-control/non-affiliate Net realized gain (loss) on investments on the Statement of Operations. Net change in unrealized gain (loss) from investments in warrants is included in the respective control, affiliate, or non-control/non-affiliate Net change in unrealized gain (loss) on investments on the Statement of Operations.

Counterparty risk exists from the potential failure of an issuer of warrants to settle its exercised warrants. The maximum risk of loss from counterparty risk is the fair value of the contracts and the purchase price of the warrants. The Company's Board of Directors considers the effects of counterparty risk when determining the fair value of its investments in warrants.

Note 5 — Fair Value of Financial Instruments

The Company's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC Topic 820. Refer to "Note 2 — Summary of Significant Accounting Policies" for a discussion of the Company's policies.

Investments measured at fair value on a recurring basis are categorized in the tables below based upon the lowest level of significant input to the valuations as of December 31, 2023 and 2022, (in thousands):

	As of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Portfolio Investments				
Senior Secured Term Loans	$ —	$ —	$ 964,099	$ 964,099
Second Lien Term Loans	—	—	14,399	14,399
Convertible Note	—	—	1,357	1,357
Preferred Stock	3,553	—	26,285	29,838
Common Stock	548	—	872	1,420
Equity Interest	—	—	950	950
Warrants	—	109	12,838	12,947
Total Portfolio Investments	4,101	109	1,020,800	1,025,010
U.S. Treasury Bill	—	41,999	—	41,999
Total	$ 4,101	$ 42,108	$ 1,020,800	$ 1,067,009

	As of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Portfolio Investments				
Senior Secured Term Loans	$ —	$ —	$ 1,080,121	$ 1,080,121
Second Lien Term Loans	—	—	13,654	13,654
Preferred Stock	12,335	—	347	12,682
Common Stock	501	1,422	1,174	3,097
Warrants	—	105	16,650	16,755
Total Portfolio Investments	12,836	1,527	1,111,946	1,126,309
Cash equivalents	5,590	—	—	5,590
Total	$ 18,426	$ 1,527	$ 1,111,946	$ 1,131,899

The Company transfers investments in and out of Levels 1, 2 and 3 as of the beginning balance sheet date, based on changes in the use of observable and unobservable inputs utilized to perform the valuation for the period. During the period ended December 31, 2023, and December 31, 2022, the Company had common stock investments with restrictions lifted, resulting in an asset transfer out of Level 2 and into Level 1 at the fair value of $1.4 million and $5.4 million, respectively. During the period ended December 31, 2023, the Company had warrant investments in a portfolio company that went public, resulting in asset transfers out of Level 3 and into Level 2 at the fair value of $0.9 million. During the period ended December 31, 2022, the Company had warrant investments converted to common stock investments, resulting in asset transfers out of Level 3 and into Level 2 at the fair value of $2.2 million.

The following table presents a rollforward of Level 3 assets measured at fair value as of December 31, 2023 (in thousands):

	Senior Secured Term Loans	Second Lien Term Loans	Convertible Notes	Preferred Stock	Common Stock	Equity Interest	Warrants	Total
Fair value at December 31, 2022	$ 1,080,121	13,654	$ —	$ 347	$ 1,174	$ —	$ 16,650	$ 1,111,946
Transfers in(out) of Level 3	—	—	—	—	—	—	(891)	(891)
Purchases of investments[1]	166,660	—	1,357	28,220	16	950	2,851	200,054
PIK interest	19,413	511	—	—	—	—	—	19,924
Sales or prepayments of investments[1]	(289,034)	—	—	—	—	—	(44)	(289,078)
Scheduled principal repayments of investments	(7,331)	—	—	—	—	—	—	(7,331)
Amortization of fixed income premiums or accretion of discounts	8,527	114	—	—	—	—	—	8,641
Net realized gain (loss)	(17,013)	—	—	—	—	—	(1,374)	(18,387)
Net change in unrealized gain (loss)	2,756	120	—	(2,282)	(318)	—	(4,354)	(4,078)
Fair value at December 31, 2023	$ 964,099	14,399	$ 1,357	$ 26,285	872	950	12,838	$ 1,020,800
Net change in unrealized gain (loss) on Level 3 investments still held as of December 31, 2023	$ (7,746)	121	—	(2,282)	(317)	—	(5,893)	$ (16,117)

(1) Net of reorganization and restructuring of investments.

The following table presents a rollforward of Level 3 assets measured at fair value as of December 31, 2022 (in thousands):

	Senior Secured Term Loans	Second Lien Term Loans	Preferred Stock	Common Stock	Warrants	Total
Fair value at December 31, 2021	$ 623,054	$ 12,873	$ 1,332	$ —	$ 20,087	$ 657,346
Transfers in(out) of Level 3	—	—	—	—	(2,239)	(2,239)
Purchases of investments[1]	614,636	—	—	4,551	3,404	622,591
PIK interest	7,994	661	—	—	—	8,655
Sales or prepayments of investments	(151,905)	—	(800)	—	(1,508)	(154,213)
Scheduled repayments of investments	(9,754)	—	—	—	—	(9,754)
Amortization of fixed income premiums or accretion of discounts	6,743	120	—	—	—	6,863
Net realized gain (loss)	—	—	(2,000)	—	(851)	(2,851)
Net change in unrealized gain (loss)	(10,647)	—	1,815	(3,377)	(2,243)	(14,452)
Fair Value at December 31, 2022	$ 1,080,121	$ 13,654	$ 347	$ 1,174	$ 16,650	$ 1,111,946
Net change in unrealized gain (loss) on Level 3 investments still held as of December 31, 2022	$ (9,752)	$ —	$ (115)	$ (3,377)	$ (4,889)	$ (18,133)

(1) Net of reorganization and restructuring of investments.

The following table provides quantitative information regarding Level 3 fair value measurements as of December 31, 2023 (in thousands):

Description		Fair Value	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
Senior Secured Term Loans[(1)]	$	904,739	Discounted Cash Flow analysis	Discount rate	10.8% - 22.2% (15.0%)
				Origination yield	10.8% - 19.9% (13.6%)
				Revenue multiples	0.29x - 7.49x (3.66x)
		59,360	PWERM	Discount rate	20.3% - 46.5% (28.8%)
				Origination yield	10.8% - 29.7% (17.3%)
				Revenue multiples	0.95x - 3.16x (1.89x)
Second Lien Term Loans[(1)]		14,399	Discounted Cash Flow analysis	Discount rate	16.1% - 16.1% (16.1%)
				Origination yield	13.1% - 13.1% (13.1%)
Convertible Notes		1,357	PWERM	Discount rate	45.0% - 45.0% (45.0%)
				Origination yield	10.8% - 10.8% (10.8%)
Preferred Stock		120	Recent private market and merger and acquisition transaction prices	N/A	N/A
		26,038	PWERM	Risk-Free Rate	4.7% - 4.7% (4.7%)
				Average industry volatility	40.0% - 40.0% (40.0%)
				Estimated time to exit	2.0 - 2.0 (2.0 years)
				Revenue multiples	4.46x - 4.46x (4.46x)
		127	Waterfall Approach	Estimated time to exit	3.0 - 3.0 (3.0 years)
				Revenue multiples	4.00x - 4.00x (4.00x)
Common Stock		16	Recent private market and merger and acquisition transaction prices	N/A	N/A
		856	Option Pricing Model	Risk-free interest rate	4.3% - 4.3% (4.3%)
				Average industry volatility	35.0% - 35.0% (35.0%)
				Estimated time to exit	5.0 - 5.0 (5.0 years)
				Revenue multiples	3.28x - 3.28x (3.28x)
Equity Interest		950	PWERM	Discount rate	20.0% - 20.0% (20.0%)
Warrants[(2)]		7,075	Option Pricing Model	Risk-free interest rate	3.8% - 5.3% (4.5%)
				Average industry volatility	25.0% - 108.8% (45.4%)
				Estimated time to exit	0.8 - 8.2 (3.1 years)
				Revenue multiples	0.95x - 7.49x (3.95x)
		3,912	PWERM [(3)]	N/A	N/A
		1,851	Waterfall Approach	Estimated time to exit	3.0 - 3.0 (3.0 years)
				Revenue multiples	2.58x - 4.00x (3.39x)
Total Level 3 Investments	$	1,020,800			

The following table provides quantitative information regarding Level 3 fair value measurements as of December 31, 2022 (in thousands):

Description		Fair Value	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
Senior Secured Term Loans[(1)]	$	1,053,748	Discounted Cash Flow analysis	Discount rate	11.1% - 28.0% (15.2%)
				Origination yield	10.5% - 19.3% (12.9%)
		26,373	PWERM	Discount rate	27.4% - 37.4% (30.9%)
Second Lien Term Loans[(1)]		13,654	Discounted Cash Flow analysis	Discount rate	16.1% - 16.1% (16.1%)
				Origination yield	12.2% - 12.2% (12.2%)
Preferred Stock		347	Recent private market and merger and acquisition transaction prices	N/A	N/A
Common Stock		1,174	Recent private market and merger and acquisition transaction prices	N/A	N/A
Warrants[(2)]		10,246	Option Pricing Model	Risk-free interest rate	2.7% - 4.9% (4.3%)
				Average industry volatility	25.0% - 98.4% (49.0%)
				Estimated time to exit	0.5 - 5.0 (2.2 years)
				Revenue multiples	1.16x - 88.63x (5.47x)
		6,404	PWERM [(3)]	Discount rate	20.0% - 40.0% (34.6%)
				Revenue multiples	2.35x - 199.38x (13.10x)
Total Level 3 Investments	$	1,111,946			

(1) The significant unobservable inputs used in the fair value measurement of the Company's debt securities are origination yields and discount rates. The origination yield is defined as the initial market price of an investment in a hypothetical market to hypothetical market participants where buyers and sellers are willing participants. The discount rate is related to company-specific characteristics such as underlying investment performance, projected cash flows, and other characteristics of the investment. Significant increases or decreases in the inputs in isolation may result in a significantly higher (lower) fair value

measurement, depending on the materiality of the investment. However, a significantly higher or lower fair value measurement of any of the Company's portfolio investments may occur regardless of whether there is a significant increase or decrease in the unobservable inputs.

(2) The significant unobservable inputs used in the fair value measurement of the Company's warrant and equity-related securities are inputs used in the OPM, which include industry volatility, risk free interest rate and estimated time to exit. The Equity Allocation model and the Black Scholes model were the main OPMs used during the years ended December 31, 2023 and December 31, 2022. Probability Weighted Expected Return Models ("PWERM") and other techniques were used as determined appropriate. Significant increases (decreases) in the inputs in isolation would result in a significantly higher (lower) fair value measurement, depending on the materiality of the investment. However, a significantly higher or lower fair value measurement of any of the Company's portfolio investments may occur regardless of whether there is a significant increase (decrease) in the unobservable inputs. For some investments, additional consideration may be given to data from the last round of financing or merger/acquisition events near the measurement date.

(3) Warrant investments using a PWERM valuation technique contain success fees, in which case the inputs are not applicable because the nature of a success fee is a fixed payout dependent on certain liquidation events.

Fair Value of Financial Instruments Reported at Cost

The fair value of the Company's Credit Facility, April 2026 Notes, July 2027 Notes, August 2027 Notes, and December 2027 Notes (as defined in "Note 7 – Borrowings") is estimated using the relative market yield approach. The fair value of the Company's Credit Facility, December 2026 Notes and August 2027 Notes are estimated using Level 3 inputs by discounting remaining payments using comparable market rates or market quotes for similar instruments at the measurement date. The fair value of the Company's July 2027 Notes and December 2027 Notes is based on vendor pricing received by the Company, which is considered a Level 2 input, and reflects the market close price of the notes traded on the Nasdaq Global Select Market LLC under the symbol "RWAYL" and "RWAYZ", respectively.

As of both December 31, 2023, and December 31, 2022, the carrying values of the Credit Facility, April 2026 Notes, July 2027 Notes, August 2027 Notes, and December 2027 Notes approximate fair value. As of December 31, 2023, the fair value of the December 2026 Notes was approximately $63.8 million and the carrying value was approximately $69.4 million, net of unamortized deferred debt costs of $0.6 million. As of December 31, 2022, the fair value of the December 2026 Notes was approximately $57.0 million and the carrying value was approximately $69.2 million, net of unamortized deferred debt costs of $0.8 million.

Note 6 — Concentration of Credit Risk

In the normal course of business, the Company maintains its cash balances at large, high credit-quality financial institutions, which at times may exceed federally insured limits. The Company is subject to credit risk to the extent that any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. The Company monitors the financial condition of those financial institutions and believes that risk of loss associated with any uninsured balance is remote.

In the event that a portfolio company completely fails to perform according to the terms of their loan agreement, the amount of loss due to credit risk from the Company's investments would equal the sum of the Company's recorded investments in the portfolio company and the portion of unfunded commitments currently eligible to be drawn. Refer to "Note 8 – Commitments and Contingencies" for a summary of the aggregate balance of unfunded commitments as of December 31, 2023. The Company predominantly collateralizes its investments by obtaining a first priority security interest in a portfolio company's assets, which may include its intellectual property.

As of December 31, 2023 and December 31, 2022, the Company's five largest debt investments in portfolio companies represented approximately 38.0% and 30.0%, respectively, of the total fair value of the Company's debt investments in portfolio companies. As of December 31, 2023 and December 31, 2022, the Company had debt investments in 14 and 16 portfolio companies, respectively, that represented 5% or more of the Company's net assets.

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Note 7 — Borrowings

The following table shows the Company's borrowings as of December 31, 2023 and December 31, 2022 (in thousands):

	December 31, 2023				December 31, 2022			
	Total Commitment	Principal	Deferred Debt Cost(1)	Carrying Value	Total Commitment	Principal	Deferred Debt Cost(1)	Carrying Value
Credit Facility	$ 550,000	$ 272,000	$ (4,434)	$ 267,566	$ 425,000	$ 337,000	$ (4,640)	$ 332,360
April 2026 Notes	25,000	25,000	(277)	24,723	—	—	—	—
December 2026 Notes	70,000	70,000	(573)	69,427	70,000	70,000	(818)	69,182
July 2027 Notes	80,500	80,500	(1,924)	78,576	80,500	80,500	(2,380)	78,120
August 2027 Notes	20,000	20,000	(511)	19,489	20,000	20,000	(653)	19,347
December 2027 Notes	51,750	51,750	(1,453)	50,297	51,750	51,750	(1,802)	49,948
Total	$ 797,250	$ 519,250	$ (9,172)	$ 510,078	$ 647,250	$ 559,250	$ (10,293)	$ 548,957

(1) Net of accumulated amortization.

For the years ended December 31, 2023, December 31, 2022 and December 31, 2021, the components of interest expense, amortization of deferred debt costs, unused fees on the Credit Facility (as defined below), and any other costs associated with the Company's borrowings were as follows (dollars in thousands):

	Interest Expense	Amortization of Deferred Debt Costs	Unused Facility and Other Fees(1)	Total Interest and Other Debt Financing Expenses	Weighted Average Cost of Debt
Year Ended December 31, 2023					
Credit Facility	$ 22,559	$ 1,664	$ 1,474	$ 25,697	9.24 %
April 2026 Notes	1,530	87	—	1,617	8.98
December 2026 Notes	2,975	210	—	3,185	4.55
July 2027 Notes	6,038	557	—	6,595	8.19
August 2027 Notes	1,400	142	—	1,542	7.71
December 2027 Notes	4,140	367	—	4,507	8.71
Total	$ 38,642	$ 3,027	$ 1,474	$ 43,143	8.32 %
Year Ended December 31, 2022					
Credit Facility	$ 7,713	$ 921	$ 1,615	$ 10,249	7.60 %
December 2026 Notes	2,734	182	—	2,916	4.52
July 2027 Notes	2,566	219	—	2,785	8.04
August 2027 Notes	467	44	—	511	7.64
December 2027 Notes	276	24	—	300	8.44
Total	$ 13,756	$ 1,390	$ 1,615	$ 16,761	6.86 %
Year Ended December 31, 2021					
Credit Facility	$ 2,492	$ 467	$ 1,126	$ 4,085	5.82 %
December 2026 Notes	52	5	—	57	4.69
Total	$ 2,544	$ 472	$ 1,126	$ 4,142	5.80 %

(1) Unused facility and other fees for the year ended December 31, 2022 include supplemental fees of $0.2 million, which were predominantly incurred in the first half of 2022 and were nonrecurring in nature.

Credit Facility

On May 31, 2019, the Company entered into a Credit Agreement with KeyBank National Association, acting as administrative agent and syndication agent and the other lenders party thereto, which initially provided the Company with a $100.0 million commitment, subject to borrowing base requirements (as amended and restated from time to time, the “Credit Facility”). As of December 31, 2023, the Company had $550.0 million in total commitments available under the Credit Facility, subject to an accordion feature that allows the Company to increase the total commitments under the Credit Facility up to $600.0 million. The availability period under the Credit Facility expires on April 20, 2025 and is followed by a one-year amortization period. The stated maturity date under the Credit Facility is April 20, 2026, unless extended.

Borrowings under the Credit Facility bear interest on a per annum rate equal to the Adjusted Term Secured Overnight Financing Rate (“SOFR”) plus an applicable margin rate that ranges from 2.95% to 3.35% per annum depending on the Company’s leverage ratio and number of eligible loans in the collateral pool. The Credit Facility provides for a variable advance rate of up to 65% on eligible term loans. The Company also pays an unused commitment fee that ranges from 0.25% to 1.00% per annum based on the total unused lender commitments under the Credit Facility.

The Credit Facility is collateralized by all eligible investment assets held by the Company. The Credit Facility contains representations, warranties, and affirmative and negative covenants customary for secured financings of this type, including certain financial covenants such as a consolidated tangible net worth requirement and a required asset coverage ratio.

For the years ended December 31, 2023 and December 31, 2022, the weighted average outstanding principal balance was $278.2 million and $134.9 million, respectively, and the weighted average effective interest rate was 8.15% and 5.89%, respectively.

2026 Notes

On December 10, 2021, the Company entered into a master note purchase agreement, completing a private debt offering of $70.0 million in aggregate principal amount of 4.25% interest-bearing unsecured Series 2021A Senior Notes due 2026 (the “December 2026 Notes”) to institutional accredited investors (as defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act")). The December 2026 Notes were issued in two closings; the initial issuance of $20.0 million closed on December 10, 2021 and the second issuance of $50.0 million closed on February 10, 2022. On April 13, 2023, the Company completed the first supplement to the master note purchase agreement, resulting in an additional private debt offering of $25.0 million in aggregate principal amount of 8.54% interest-bearing unsecured Series 2023A Senior Notes due 2026 (the “April 2026 Notes”) to institutional accredited investors (as defined in the Securities Act). The December 2026 Notes and the April 2026 Notes (collectively the "2026 Notes") are subject to a 1.00% increase in the respective interest rates in the event that, subject to certain exceptions, the 2026 Notes cease to have an investment grade rating or receive an investment grade rating below the Investment Grade (as defined in the master note purchase agreement). The 2026 Notes are general unsecured obligations of the Company that rank *pari passu* with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

December 2026 Notes

The December 2026 Notes bear an interest rate of 4.25% per year and are due on December 10, 2026, unless redeemed, purchased or prepaid prior to such date by the Company or its affiliates in accordance with their terms. Interest on the December 2026 Notes will be due semiannually in arrears on June 10 and December 10 of each year, commencing on June 10, 2022.

Aggregate costs in connection with the December 2026 Notes issuance were $1.0 million, and were capitalized and deferred. As of December 31, 2023 and December 31, 2022, unamortized deferred debt costs related to the December 2026 Notes were $0.6 million and $0.8 million, respectively.

April 2026 Notes

The April 2026 Notes bear an interest rate of 8.54% per year and are due on April 13, 2026, unless redeemed, purchased or prepaid prior to such date by the Company or its affiliates in accordance with their terms. Interest on the April 2026 Notes will be due semiannually in arrears on April 13 and October 13 of each year, commencing on October 13, 2023.

Aggregate costs in connection with the April 2026 Notes issuance were $0.4 million, and were capitalized and deferred. As of December 31, 2023 and December 31, 2022, unamortized deferred debt costs related to the April 2026 Notes were $0.3 million and $0.0 million, respectively.

2027 Notes

July 2027 Notes

On July 28, 2022, the Company issued and sold $80.5 million in aggregate principal amount of 7.50% interest-bearing unsecured Notes due 2027 (the “July 2027 Notes”) under its shelf Registration Statement on Form N-2. The July 2027 Notes were issued pursuant to the Base Indenture dated July 28, 2022 (the “Base Indenture”) and First Supplemental Indenture, dated July 28, 2022 (together with the Base Indenture, the “Indenture”), between the Company and the Trustee, U.S. Bank Trust Company, National Association.

The July 2027 Notes bear an interest rate of 7.50% per year and are due on July 28, 2027. Interest on the 2027 Notes will be due quarterly in arrears on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2022. The July 2027 Notes may be redeemed in whole or in part at any time or from time to time at the Company’s option on or after July 28, 2024, at a redemption price of $25 per July 2027 Note plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued to the date fixed for redemption. The July 2027 Notes are general unsecured obligations of the Company that rank *pari passu* with the Company's existing and future unsecured, unsubordinated indebtedness.

Aggregate costs in connection with the July 2027 Notes issuance, including the underwriter’s discount and commissions, were $2.7 million, and were capitalized and deferred. As of December 31, 2023 and December 31, 2022, unamortized deferred debt costs related to the July 2027 Notes were $1.9 million and $2.4 million, respectively.

August 2027 Notes

On August 31, 2022, the Company issued and sold a private debt offering of $20.0 million in aggregate principal amount of 7.00% interest-bearing unsecured Series 2022A Senior Notes due 2027 (the “August 2027 Notes”) to HCM Master Fund Limited.

The August 2027 Notes bear an interest rate of 7.00% per year and are due on August 31, 2027, unless redeemed, purchased or prepaid prior to such date by the Company or its affiliates in accordance with their terms. Interest on the August 2027 Notes will be due semiannually in arrears on February 15 and August 15 of each year, commencing on February 15, 2023. The August 2027 Notes are general unsecured obligations of the Company that rank *pari passu* with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

Aggregate costs in connection with the August 2027 Notes issuance were $0.7 million, and were capitalized and deferred. As of December 31, 2023 and December 31, 2022, unamortized deferred debt costs related to the August 2027 Notes were $0.5 million and $0.7 million, respectively.

December 2027 Notes

On December 7, 2022, the Company issued and sold $51.75 million in aggregate principal amount of 8.00% interest-bearing unsecured Notes due December 2027 (the "December 2027 Notes") under its shelf Registration Statement on Form N-2. The December 2027 Notes were issued pursuant to the Base Indenture dated July 28, 2022 (the "Base Indenture") and Second Supplemental Indenture, dated December 7, 2022 (together with the Base Indenture, the "Indenture"), between the Company and the Trustee, U.S. Bank Trust Company, National Association.

The December 2027 Notes bear an interest rate of 8.0% per year and are due on December 28, 2027. Interest on the 2027 Notes will be due quarterly in arrears on March 1, June 1, September 1, and December 1 of each year, commencing March 1, 2023. The December 2027 Notes may be redeemed in whole or in part at any time or from time to time at the Company's option on or after December 31, 2024, at a redemption price of $25 per December 2027 Note plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued to the date fixed for redemption. The December 2027 Notes are general unsecured obligations of the Company that rank *pari passu* with the Company's existing and future unsecured, unsubordinated indebtedness.

Aggregate costs in connection with the December 2027 Notes issuance, including the underwriter's discount and commissions, were $1.8 million, and were capitalized and deferred. As of December 31, 2023 and December 31, 2022, unamortized deferred debt costs related to the December 2027 Notes were $1.5 million and $1.8 million, respectively.

Senior Securities

Information about the Company's senior securities is shown in the following table for the fiscal years ended December 31, 2023, 2022, 2021, 2020, 2019 and 2018 (in thousands). No senior securities were outstanding for the fiscal years ended December 31, 2017 and prior.

Class and Period	Total Amount Outstanding Exclusive of Treasury Securities(1)	Asset Coverage per Unit(2)	Involuntary Liquidating Preference per Unit(3)	Average Market Value per Unit(4)
2027 Notes				
December 31, 2023	$ 152,250	$ 4,593	—	N/A
December 31, 2022	$ 152,250	$ 4,784	—	N/A
December 31, 2021	$ —	$ —	—	N/A
December 31, 2020	$ —	$ —	—	N/A
December 31, 2019	$ —	$ —	—	N/A
December 31, 2018	$ —	$ —	—	N/A
2026 Notes				
December 31, 2023	$ 95,000	$ 6,759	—	N/A
December 31, 2022	$ 70,000	$ 9,229	—	N/A
December 31, 2021	$ 20,000	$ 31,310	—	N/A
December 31, 2020	$ —	$ —	—	N/A
December 31, 2019	$ —	$ —	—	N/A
December 31, 2018	$ —	$ —	—	N/A
Credit Facility				
December 31, 2023	$ 272,000	$ 3,011	—	N/A
December 31, 2022	$ 337,000	$ 2,709	—	N/A
December 31, 2021	$ 61,000	$ 10,938	—	N/A
December 31, 2020	$ 99,000	$ 5,710	—	N/A
December 31, 2019	$ 61,000	$ 7,169	—	N/A
December 31, 2018	$ —	$ —	—	N/A
Credit Facility - CIBC (5)				
December 31, 2023	$ —	$ —	—	N/A
December 31, 2022	$ —	$ —	—	N/A
December 31, 2021	$ —	$ —	—	N/A
December 31, 2020	$ —	$ —	—	N/A
December 31, 2019	$ —	$ —	—	N/A
December 31, 2018	$ 59,500	$ 3,813	—	N/A
Total				
December 31, 2023	$ 519,250	$ 2,054	—	N/A
December 31, 2022	$ 559,250	$ 2,030	—	N/A
December 31, 2021	$ 81,000	$ 8,484	—	N/A
December 31, 2020	$ 99,000	$ 5,710	—	N/A
December 31, 2019	$ 61,000	$ 7,169	—	N/A
December 31, 2018	$ 59,500	$ 3,813	—	N/A

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) Asset coverage per unit is the ratio of the carrying value of total assets, less all liabilities excluding indebtedness represented by senior securities in this table to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is express in terms of dollar amounts per $1,000 of indebtedness and is calculated on a consolidated basis.

(3) The amount to which such class of senior security would be entitled upon the Company's involuntary liquidation in preference to any security junior to it. The "—" in this column indicates information that the SEC expressly does not require to be disclosed for certain types of senior securities.

(4) Not applicable because the senior securities are not registered for public trading.

(5) On June 22, 2018, the Company entered into the Credit Facility with CIBC. On May 31, 2019, in conjunction with securing and entering into the new Credit Facility, the Company terminated the Credit Facility with CIBC.

Note 8 — Commitments and Contingencies

Commitments

The following table provides the Company’s contractual obligations as of December 31, 2023 (in thousands):

		Payments Due by Period			
Contractual Obligations [(1)]	Total	Less than 1 Year	1-3 years	3-5 years	More than 5 Years
Borrowings [(2)]					
Credit Facility	$ 272,000	$ —	$ 272,000	$ —	$ —
2026 Notes	95,000	—	95,000	—	—
2027 Notes	152,250	—	—	152,250	—
Total Borrowings	519,250	—	367,000	152,250	—
Deferred Incentive Fees	9,165	2,567	3,919	2,548	131
Total	$ 528,415	$ 2,567	$ 370,919	$ 154,798	$ 131

(1) Excludes interest payable on borrowings, accrued expenses, and commitments to extend credit to the Company’s portfolio companies.
(2) Amounts represent future principal repayments and not the carrying value of each liability (refer to “Note 7 – Borrowings”).

The following table provides the Company’s contractual obligations as of December 31, 2022 (in thousands):

		Payments Due by Period			
Contractual Obligations [(1)]	Total	Less than 1 Year	1-3 years	3-5 years	More than 5 Years
Borrowings [(2)]					
Credit Facility	$ 337,000	$ —	$ —	$ 337,000	$ —
2026 Notes	70,000	—	—	70,000	—
2027 Notes	152,250	—	—	152,250	—
Total Borrowings	559,250	—	—	559,250	—
Deferred Incentive Fees	5,009	674	1,760	1,023	1,552
Total	$ 564,259	$ 674	$ 1,760	$ 560,273	$ 1,552

(1) Excludes interest payable on borrowings, accrued expenses, and commitments to extend credit to the Company’s portfolio companies.
(2) Amounts represent future principal repayments and not the carrying value of each liability (refer to “Note 7 – Borrowings”).

Contingencies

The Company are not currently subject to any material legal proceedings, nor, to its knowledge, is any material legal proceeding threatened against it. From time to time, the Company may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of its rights under contracts with its portfolio companies. The Company's business is also subject to extensive regulation, which may result in regulatory proceedings against us. While the outcome of any such legal proceedings cannot be predicted with certainty, the Company does not expect that any such proceedings will have a material effect upon its financial condition or results of operations.

Off-balance Sheet Arrangements

In the normal course of business, the Company may enter into investment agreements under which it commits to make an investment in a portfolio company at some future date or over a specified period of time. These unfunded contractual commitments to provide funds to portfolio companies are not reflected on our balance sheet. The availability of such unfunded loan commitments is subject to the specific terms and conditions of each contract, which may include, among other things, portfolio company performance requirements and time-based cancellation provisions. As a result, only a portion of unfunded commitments is currently eligible to be drawn.

The Company's unfunded loan commitments to provide debt financing to its portfolio companies amounted to $201.5 million and $315.7 million as of December 31, 2023 and December 31, 2022, respectively, shown in the table below (in thousands):

Portfolio Company	Investment Type	December 31, 2023	December 31, 2022
3PL Central LLC (dba Extensiv)	Senior Secured Term Loan	$ 11,500	$ 15,000
Betterment Holdings, Inc.	Senior Secured Term Loan	5,000	—
Blueshift Labs, Inc.	Senior Secured Term Loan	14,500	—
Bombora, Inc.	Senior Secured Term Loan	2,000	—
Brivo, Inc.	Senior Secured Term Loan	6,000	16,000
CloudPay, Inc.	Senior Secured Term Loan	—	15,000
Dtex Systems, Inc.	Senior Secured Term Loan	—	15,000
EBR Systems, Inc.	Senior Secured Term Loan	10,000	30,000
Intellisite Holdings, Inc. (dba Epic IO Technologies, Inc.)	Senior Secured Term Loan	—	6,000
Interactions Corporation	Senior Secured Term Loan	10,000	10,000
Kin Insurance, Inc.	Senior Secured Term Loan	—	25,000
Linxup, LLC	Senior Secured Term Loan	7,500	—
Madison Reed, Inc.	Senior Secured Term Loan	1,200	2,400
Moximed, Inc.	Senior Secured Term Loan	15,000	15,000
Nalu Medical, Inc.	Senior Secured Term Loan	15,000	25,000
Revelle Aesthetics, Inc.	Senior Secured Term Loan	—	12,500
Route 92 Medical, Inc.	Senior Secured Term Loan	20,000	42,000
SetPoint Medical Corporation	Senior Secured Term Loan	40,000	40,000
Skillshare, Inc.	Senior Secured Term Loan	10,000	15,000
Snagajob.com, Inc.	Senior Secured Term Loan	6,785	6,785
Snagajob.com, Inc.	Convertible Note	2,035	—
Synack, Inc.	Senior Secured Term Loan	25,000	25,000
Total unused commitments to extend financing		$ 201,520	$ 315,685

Note 9 — Net Assets

The Company has the authority to issue 100,000,000 shares of common stock, $0.01 par value per share. In October 2015, in connection with the Company's formation, the Company issued and sold 1,667 shares of common stock to R. David Spreng, the President and Chief Executive Officer of the Company and Chairman of the Company's Board of Directors, for an aggregate purchase price of $25 thousand.

Private Common Stock Offerings

On December 1, 2017, the Company completed its initial private offering ("Initial Private Offering"), in which the Company issued 18,241,157 shares of its common stock to stockholders for a total purchase price of $275.0 million in reliance on exemptions from the registration requirements of the Securities Act, and other applicable securities laws.

Beginning October 15, 2019 and ending September 29, 2021, the Company had completed multiple closings under its second private offering (the "Second Private Offering") and had accepted aggregate capital commitments of $181.7 million. In connection with the Second Private Offering the Company has issued 9,617,379 shares of its common stock for a total purchase price of $144.3 million. Concurrent with the IPO, all undrawn commitments under the Second Private Offering were cancelled.

On March 31, 2020 and March 24, 2021, the Company had issued in aggregate 22,564 shares as an additional direct investment by Runway Growth Holdings LLC, an affiliate of RGC, at a per-share price of $15.00 for total proceeds of $0.3 million in a private offering pursuant to an exemption from registration under Regulation D of the Securities Act.

Initial Public Offering

On October 25, 2021, the Company closed its IPO, issuing 6,850,000 shares of its common stock at a public offering price of $14.60 per share. Net of underwriting fees and offering costs, the Company received net cash proceeds of $93.0 million. The Company’s common stock began trading on the Nasdaq Global Select Market LLC on October 21, 2021 under the symbol “RWAY”.

Repurchase Program

On February 24, 2022, the Board of Directors approved a repurchase program (the “Initial Repurchase Program”) under which the Company could have repurchased up to $25.0 million of its outstanding common stock. Under the Initial Repurchase Program, the Company could have repurchased shares at management’s discretion from time to time in open-market transactions, in accordance with all applicable securities laws and regulations. As of December 31, 2022, the Company had repurchased 871,345 shares of the Company's common stock under the Initial Repurchase Program for an aggregate purchase price of $10.8 million. No shares were repurchased during the year ended December 31, 2023. The Board of Directors did not renew the Initial Repurchase Program, and it expired on February 24, 2023.

On November 2, 2023, the Board of Directors approved a new share repurchase program (the "Repurchase Program"), under which the Company may repurchase up to $25.0 million of the Company's outstanding shares of common stock. Under the Repurchase Program, purchases may be made at management’s discretion from time to time in open-market transactions, in accordance with all applicable securities laws and regulations.

As of December 31, 2023, the Company has not repurchased any shares in connection with the Initial Repurchase Program. If not renewed, the Repurchase Program will terminate upon the earlier of (i) November 2, 2024 and (ii) the repurchase of $25.0 million of the Company's shares of common stock.

Distributions

The Company intends to pay quarterly distributions to its stockholders out of assets legally available for distribution. All distributions will be paid at the discretion of the Board of Directors and will depend on the Company's earnings, financial condition, maintenance of RIC status for income tax purposes, compliance with applicable BDC regulations and such other factors as the Board of Directors may deem relevant from time to time.

For the year ended December 31, 2023, the Company declared and paid dividends in the amount of $73.3 million, of which $70.8 million was distributed in cash and the remainder distributed in shares to stockholders pursuant to the Company’s Dividend Reinvestment Plan. For the year ended December 31, 2022, the Company declared dividends in the amount of $51.6 million, of which $40.7 million was distributed in cash and the remainder distributed in shares to stockholders pursuant to the Company’s Dividend Reinvestment Plan. For the year ended December 31, 2021, the Company declared dividends in the amount of $44.9 million, of which $17.9 million was distributed in cash and the remainder distributed in shares to stockholders pursuant to the Company’s Dividend Reinvestment Plan.

Dividend Reinvestment Plan

The Company maintains a dividend reinvestment plan for common stockholders (the "Dividend Reinvestment Plan"). The Company's Dividend Reinvestment Plan 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 Dividend Reinvestment Plan but may provide a similar distribution reinvestment plan for their clients. The share requirements of the Dividend Reinvestment Plan may be satisfied through the issuance of new common shares or through open market purchases of common shares by the Company.

During the years ended December 31, 2023, December 31, 2022, and December 31, 2021, the Company purchased 204,658, 781,498, and 1,830,974 shares of common stock in the open market under the Dividend Reinvestment Plan for a total of $2.5 million, $10.9 million and $27.0 million, respectively.

The following table summarizes the distributions declared and paid since inception through December 31, 2023:

Declaration Date	Type	Record Date	Payment Date	Amount per Share
May 3, 2018	Quarterly	May 15, 2018	May 31, 2018	$ 0.15
July 26, 2018	Quarterly	August 15, 2018	August 31, 2018	$ 0.25
November 1, 2018	Quarterly	October 31, 2018	November 15, 2018	$ 0.35
March 22, 2019	Quarterly	March 22, 2019	March 26, 2019	$ 0.40
May 2, 2019	Quarterly	May 7, 2019	May 21, 2019	$ 0.45
May 2, 2019	Quarterly	May 31, 2019	July 16, 2019	$ 0.46
July 30, 2019	Quarterly	August 5, 2019	August 26, 2019	$ 0.45
September 27, 2019	Quarterly	September 30, 2019	November 12, 2019	$ 0.04
December 9, 2019	Quarterly	December 10, 2019	December 23, 2019	$ 0.40
March 5, 2020	Quarterly	March 6, 2020	March 20, 2020	$ 0.40
May 7, 2020	Quarterly	May 8, 2020	May 21, 2020	$ 0.35
August 5, 2020	Quarterly	August 6, 2020	August 20, 2020	$ 0.36
October 1, 2020	Quarterly	October 1, 2020	November 12, 2020	$ 0.38
March 4, 2021	Quarterly	March 5, 2021	March 19, 2021	$ 0.37
April 29, 2021	Quarterly	April 30, 2021	May 13, 2021	$ 0.37
July 19, 2021	Quarterly	July 20, 2021	August 12, 2021	$ 0.34
October 28, 2021	Quarterly	November 8, 2021	November 22, 2021	$ 0.25
February 24, 2022	Quarterly	March 8, 2022	March 22, 2022	$ 0.27
April 28, 2022	Quarterly	May 10, 2022	May 24, 2022	$ 0.30
July 28, 2022	Quarterly	August 9, 2022	August 23, 2022	$ 0.33
October 27, 2022	Quarterly	November 8, 2022	November 22, 2022	$ 0.36
February 23, 2023	Quarterly	March 7, 2023	March 21, 2023	$ 0.40
February 23, 2023	Supplemental	March 7, 2023	March 21, 2023	$ 0.05
May 2, 2023	Quarterly	May 15, 2023	May 31, 2023	$ 0.40
May 2, 2023	Supplemental	May 15, 2023	May 31, 2023	$ 0.05
August 1, 2023	Quarterly	August 15, 2023	August 31, 2023	$ 0.40
August 1, 2023	Supplemental	August 15, 2023	August 31, 2023	$ 0.05
November 1, 2023	Quarterly	November 13, 2023	November 28, 2023	$ 0.40
November 1, 2023	Supplemental	November 13, 2023	November 28, 2023	$ 0.06

Note 10 — Income Taxes

The Company elected to be treated as a RIC under Subchapter M of the Code starting with its taxable year ended December 31, 2016. The Company currently qualifies and intends to qualify annually for the tax treatment applicable to RICs. A RIC generally is not subject to U.S. federal income taxes on distributed income and gains so long as it meets certain source-of-income and asset diversification requirements and it distributes at least 90% of its net ordinary income and net short-term capital gains in excess of its net long-term capital losses, if any, to its stockholders. So long as the Company maintains its status as a RIC, it generally will not be subject to U.S. federal income tax on any ordinary income or capital gains that it distributes at least annually to its stockholders as dividends. Rather, any tax liability related to income earned by the Company represents obligations of the Company's investors and will not be reflected in the consolidated financial statements of the Company. The Company intends to make sufficient distributions to maintain its RIC status each year and it does not anticipate paying any material United States federal income taxes in the future.

Depending on the level of taxable income earned in a tax year, the Company may choose to carry forward such taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income, as required. If the Company determines that the estimated current year taxable income will exceed the estimated dividend distributions for the current year from such income, the Company will accrue excise tax on estimated excess taxable income as such taxable income is earned. For the years ended December 31, 2023, 2022, and 2021, the Company recorded an expense of $0.7 million, $0.3 million, and $0.0 million, respectively, for U.S. federal excise tax, which is included in tax expense in the statement of operations. Differences between taxable income and net increase in net assets resulting from operations either can be temporary, meaning they will reverse in the future, or permanent. In accordance with Section 946-205-45-3 of the ASC, permanent tax differences are reclassified from accumulated undistributed earnings to paid-in-capital at the end of each year and have no impact on total net assets.

For the years ended December 31, 2023, 2022, and 2021, the Company reclassified for book purposes amounts arising from permanent book/tax differences primarily related to non-deductible excise taxes paid as follows (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Additional paid-in capital	$ (664)	$ (290)	$ —
Accumulated undistributed earnings	664	290	—

For U.S. federal income tax purposes, distributions paid to stockholders are reported as ordinary income, return of capital, long term capital gains or a combination thereof. The tax character of distributions paid for the years ended December 31, 2023, 2022, and 2021 was as follows (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Ordinary income	$ 73,322	$ 51,593	$ 44,943
Long-term capital gain	—	—	—
Return of capital	—	—	—

The following table sets forth the tax cost basis and the estimated aggregate gross unrealized gain (loss) on investments for federal income tax purposes as of and for the years ended December 31, 2023, 2022 and 2021 (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Tax cost of investments	$ 1,105,481	$ 1,149,902	$ 726,969
Unrealized gain on a tax basis	$ 11,239	$ 9,207	$ 23,598
Unrealized loss on a tax basis	(49,711)	(32,800)	(21,050)
Net unrealized gain (loss) on a tax basis	$ (38,472)	$ (23,593)	$ 2,548

At December 31, 2023, 2022 and 2021, the components of distributable earnings on a tax basis detailed below differ from the amounts reflected in the Company's Consolidated Statements of Assets and Liabilities by temporary and other book/tax differences, primarily relating to the tax treatment of debt modifications, as follows (in thousands):

	Years Ended December 31, 2023	2022	2021
Undistributed ordinary income	$ 17,726	$ 10,473	$ 329
Undistributed capital gains	—	—	—
Capital loss carry forwards	(26,726)	(6,011)	(2,931)
Late year losses	—	—	—
Other accumulated losses	(165)	(189)	(213)
Net unrealized gain (loss) on a tax basis	(38,472)	(23,593)	2,548
Accumulated earnings/(deficit) on a tax basis	$ (47,637)	$ (19,320)	$ (267)

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.

For the years ended December 31, 2023, 2022 and 2021, the Company utilized capital loss carryforward in the amount of $0, $0, and $1.4 million, respectively, to offset realized capital gains.

The Company accounts for income taxes in conformity with ASC Topic 740 — Income Taxes ("ASC 740"). ASC 740 provides guidelines for how uncertain tax positions should be recognized, measured, presented and disclosed in the consolidated financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions deemed to meet a "more-likely-than-not" threshold would be recorded as a tax benefit or expense in the current period. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Consolidated Statements of Operations. There were no material uncertain income tax positions at December 31, 2023, December 31, 2022 or December 31, 2021. Although the Company files federal and state tax returns, the Company's major tax jurisdiction is federal. The previous three tax year-ends and the interim tax period since then remain subject to examination by the Internal Revenue Service.

If the Company does not distribute (or is not deemed to have distributed) each calendar year the sum of (1) 98% of its net ordinary income for each calendar year, (2) 98.2% of its capital gain net income for the one-year period ending October 31 in that calendar year and (3) any income recognized, but not distributed, in preceding years (the "Minimum Distribution Amount"), the Company will generally be required to pay a U.S. federal excise tax equal to 4% of the amount by which the Minimum Distribution Amount exceeds the distributions for the year. To the extent that the Company determines that its estimated current year annual taxable income will be in excess of estimated current year dividend distributions from such taxable income, the Company accrues excise taxes, if any, on estimated excess taxable income as taxable income is earned using an annual effective excise tax rate. The annual effective U.S. federal excise tax rate is determined by dividing the estimated annual excise tax by the estimated annual taxable income.

If the Company does not qualify to be treated as a RIC for any taxable year, the Company will be taxed as a regular corporation (a "C corporation") under subchapter C of the Code for such taxable year. If the Company has previously qualified as a RIC but is subsequently unable to qualify, and certain amelioration provisions are not applicable, the Company would be subject to U.S. federal income tax on all of its taxable income (including its net capital gains) at regular corporate rates. The Company would not be able to deduct distributions to stockholders, nor would it be required to make distributions. In order to requalify as a RIC, in addition to the other requirements discussed above, the Company would be required to distribute all of its previously undistributed earnings attributable to the period it failed to qualify by the end of the first year that it intends to requalify. If the Company fails to requalify for a period greater than two taxable years, it may be subject to U.S. federal income tax at corporate tax rates on any net built-in gains with respect to certain of its assets (i.e., the excess of the aggregate gains, including items of income, over aggregate losses that would have been realized with respect to such assets if the Company had been liquidated) that it elects to recognize on requalification or when recognized over the next five years.

Note 11 — Financial Highlights

The following table sets forth the financial highlights for the years ended December 31, 2016 through 2023 (in thousands, except for per share data and ratios):

	Years Ended December 31, 2023	2022	2021	2020	2019	2018	2017	2016
Per Share Data[1]:								
Net asset value at beginning of period	$ 14.22	$ 14.65	$ 14.84	$ 14.58	$ 15.14	$ 14.66	$ 10.38	$ 15.00
Net investment income	1.93	1.46	1.30	1.38	1.95	1.26	(0.66)	(83.81)
Net realized gain (loss)	(0.45)	(0.03)	0.12	(0.19)	0.03	-	-	-
Net change in unrealized gain (loss)	(0.39)	(0.64)	(0.09)	0.52	(0.50)	-	0.14	(0.01)
Total from investment operations	1.09	0.79	1.33	1.71	1.48	1.26	(0.52)	(83.82)
Distributions	(1.81)	(1.26)	(1.33)	(1.49)	(2.20)	(0.75)	-	-
Offering costs	-	-	(0.21)	-	(0.03)	-	-	-
Accretion (dilution) [2]	-	0.04	0.02	0.04	0.19	(0.03)	4.80	79.20
Net asset value at end of period	$ 13.50	$ 14.22	$ 14.65	$ 14.84	$ 14.58	$ 15.14	$ 14.66	$ 10.38
Ratio/Supplemental Data:								
Total return based on net asset value[3]	7.67 %	5.67 %	7.68 %	12.00 %	10.83 %	8.39 %	41.23 %	(30.80) %
Total return based on market value[4]	24.50 %	0.23 %	N/A	N/A	N/A	N/A	N/A	N/A
Ratio of net investment income to average net assets[5][6]	13.62 %	10.14 %	8.74 %	9.44 %	12.85 %	8.30 %	(4.56) %	(595.90) %
Ratio of total operating expenses to average net assets[5][6]	14.96 %	8.13 %	5.23 %	4.85 %	6.58 %	6.42 %	12.46 %	595.90 %
Ratio of total operating expenses, excluding incentive fees, to average net assets[5]	11.64 %	5.90 %	3.41 %	3.05 %	3.64 %	5.42 %	12.46 %	595.90 %
Ratio of net increase (decrease) in net assets resulting from operations to average net assets[5]	7.72 %	5.47 %	8.97 %	11.65 %	9.74 %	8.34 %	(3.56) %	(595.90) %
Portfolio turnover rate[7]	18.61 %	19.17 %	52.05 %	26.31 %	35.72 %	14.08 %	206.80 %	N/A
Net assets at beginning of period	$ 576,052	$ 606,195	$ 466,244	$ 376,313	$ 167,369	$ 127,040	$ 3,477	$ 25
Net assets at end of period	$ 547,071	$ 576,052	$ 606,195	$ 466,244	$ 376,313	$ 167,369	$ 127,040	$ 3,477
Weighted average net assets	$ 574,594	$ 589,669	$ 508,836	$ 403,188	$ 283,774	$ 141,046	$ 40,389	$ 152
Weighted average shares outstanding for the period, basic	40,509,269	40,971,242	34,183,358	27,617,425	18,701,021	9,300,960	2,795,274	10,774

(1) All per share activity, excluding dividends, is calculated based on the weighted-average shares outstanding for the relevant period.

(2) Accretion (dilution) represents the effect of issuance of common stock and repurchase of treasury stock.

(3) Total return based on net asset value is calculated as the change in net asset value per share during the period plus dividends per share, divided by the beginning net asset values per share.

(4) Total return based on market value is calculated as the change in market value per share during the period plus dividends per share, divided by the beginning market value per share. For the periods 2021 and prior, total return based on market value is not applicable as the Company was not yet public for the entirety of the period.

(5) The ratios are calculated based on weighted average net assets for the relevant period.

(6) The ratio includes incentive fees and as incentive fees are performance driven, the amount expensed in future periods may vary significantly and is dependent on overall investment performance, early terminations, scheduled prepayments and other liquidity events.

(7) The portfolio turnover rate for the period is calculated by taking the lesser of investment portfolio purchases or sales during the period, divided by the average investment portfolio value during the period.

Note 12 — Subsequent Events

The Company evaluated events subsequent to December 31, 2023 through March 7, 2024, the date the consolidated financial statements were issued.

Effective January 1, 2024, the Company placed one loan to Mingle Healthcare Solutions, Inc. on non-accrual status, representing an outstanding principal of $4.3 million at a fair market value of $3.8 million as of December 31, 2023. The loan comprised 0.37% of the total fair value of the investment portfolio, excluding U.S. Treasury Bills, as of December 31, 2023

On February 1, 2024, the Company's board of directors declared an ordinary distribution of $0.40 per share and a supplemental distribution of $0.07 per share for stockholders of record as of February 12, 2024, payable on February 28, 2024.

On February 14, 2024, the Company received a partial prepayment of $7.1 million from MarleySpoon SE on its senior secured loan.

On March 7, 2024, the Company and Cadma Capital Partners LLC entered into a Limited Liability Company Agreement to co-manage Runway-Cadma I LLC (the "Joint Venture"). The Joint Venture is expected to invest in various types of investments, including, but not limited to, first and second lien senior secured term loans, including delayed draw and multi-tranche loans, and secured revolving credit facilities.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our current disclosure controls and procedures are effective in timely alerting them to material information relating to us that is required to be disclosed by us in the reports we file or submit under the Exchange Act.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act). The Company's internal control over financial reporting is a process designed under the supervision of its Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer and Treasurer (Principal Financial Officer) and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of its consolidated financial statements for external reporting purposes in accordance with U.S. GAAP.

The Company's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of the Company's assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and the directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2023 based on the framework established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concluded that the Company's internal control over financial reporting as of December 31, 2023 was effective.

This annual report does not include an attestation report of the Company's registered public accounting firm due to an exemption for emerging growth companies under the JOBS Act.

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 year ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

(a) Fees and Expenses

The following information is intended to assist you in understanding the costs and expenses that an investor in our common stock will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this Annual Report on Form 10-K contains a reference to fees or expenses paid by "you," "us," or "the Company," or that "we" will pay for expenses, stockholders will indirectly bear such fees or expenses as investors in us.

Stockholder transaction expenses:			
Sales load (as a percentage of offering price)	—	%	(1)
Offering expenses (as a percentage of offering price)	—	%	(2)
Dividend reinvestment plan expenses	—	%	(3)
Total stockholder transaction expenses (as a percentage of offering price)	—	%	
Annual expenses (as a percentage of net assets attributable to common stock):			
Management Fee payable under the Advisory Agreement	3.02	%	(4) (8)
Incentive Fee payable under the Advisory Agreement	3.24	%	(5) (8)
Interest payments and fees paid on borrowed funds	9.09	%	(6) (8)
Other expenses	1.51	%	(7) (8)
Total annual expenses	16.86	%	

(1) In the event that the securities are sold to or through underwriters, a related prospectus will disclose the applicable sales load (underwriting discount or commission).

(2) A related prospectus will disclose the estimated amount of offering expenses, the offering price and the estimated amount of offering expenses borne by the Company as a percentage of the offering price.

(3) The expenses of the Dividend Reinvestment Plan are included in "other expenses" in the table above. For additional information, refer to "Note 9 – Net Assets."

(4) Assumes the base management fee will be an amount equal to 0.375% (1.50% annualized) of our average daily Gross Assets during the most recently completed calendar quarter. For additional information, refer to "Note 3 – Related Party Agreements and Transactions."

(5) The incentive fee, which provides RGC with a share of the income that RGC generates for us, consists of an Investment Income Fee and a Capital Gains Fee. For additional information, refer to "Note 3 – Related Party Agreements and Transactions."

(6) Interest payments on borrowed funds represents an estimate of our annualized interest expense based on borrowings under the Credit Agreement. The assumed weighted average interest rate on our total debt outstanding was 7.86%. We may borrow additional funds from time to time to make investments to the extent we determine that the economic situation is conducive to doing so. We may also issue debt securities or preferred stock, subject to our compliance with applicable requirements under the 1940 Act. For additional information, refer to "Note 7 – Borrowings."

(7) Includes our overhead and other expenses, such as payments under the Investment Management Agreement for certain expenses incurred by the Adviser and Administration Agreement for certain expenses incurred by the Administrator. For additional information, refer to "Note 3 – Related Party Agreements and Transaction." We based these expenses on estimated amounts for the current fiscal year.

(8) Estimated.

Under the Income Incentive Fee, we pay RGC each quarter an incentive fee with respect to our Pre-Incentive Fee NII. The Income Incentive Fee is calculated and payable quarterly in arrears based on the Pre-Incentive Fee NII for the immediately preceding fiscal quarter. Payments based on Pre-Incentive Fee NII will be based on the Pre-Incentive Fee NII earned for the quarter. Pre-Incentive Fee NII, expressed as a rate of return on the value of our net assets (defined as total assets less liabilities) at the end of the immediately preceding fiscal quarter, will be compared to a "hurdle rate" of 2.0% per quarter (8.0% annualized). We will pay RGC an Income Incentive Fee with respect to our Pre-Incentive Fee NII in each calendar quarter as follows: (1) no Income Incentive Fee in any calendar quarter in which our Pre-Incentive Fee NII does not exceed the hurdle rate of 2.0%; (2) 80% of our Pre-Incentive Fee NII with respect to that portion of such Pre-Incentive Fee NII, if any, that exceeds the hurdle rate but is less than 2.667% in any calendar quarter (10.668% annualized) (the portion of our Pre-Incentive Fee NII that exceeds the hurdle but is less than 2.667% is referred to as the "catch-up"; the "catch-up" is meant to provide RGC with 20.0% of our Pre-Incentive Fee NII as if a hurdle did not apply if our Pre-Incentive Fee NII exceeds 2.667% in any calendar quarter (10.668% annualized)); and (3) 20.0% of the amount of our Pre-Incentive Fee NII, if any, that exceeds 2.667% in any calendar quarter (10.668% annualized) payable to RGC (once the hurdle is reached and the catch-up is achieved, 20.0% of all Pre-Incentive Fee NII thereafter is allocated to RGC). Under the Capital Gains Fee, we will pay RGC, as of the end of each calendar year, 20.0% of our aggregate cumulative realized capital gains, if any, from the date of our election to be regulated as a BDC through the end of that calendar year, computed net of our aggregate cumulative realized capital losses and aggregate cumulative unrealized capital depreciation through the end of such year, less the aggregate amount of any previously paid Capital Gains Fee. For additional information, refer to "Note 3 - Related Party Agreements and Transactions."

Example

The following example demonstrates the projected dollar amount of total cumulative expenses over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed we would have no additional leverage and that our annual operating expenses would remain at the levels set forth in the table above. Transaction expenses are included in the following example.

	1 year	3 years	5 years	10 years
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return from realized capital gains	$ 169	$ 448	$ 665	$ 1,019

The foregoing table is to assist you in understanding the various costs and expenses that an investor in our common stock will bear directly or indirectly. While the example assumes, as required by the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. Because the Income Incentive Fee under the Advisory Agreement is unlikely to be significant assuming a 5% annual return, the example assumes that the 5% annual return will be generated entirely through the realization of capital gains on our assets and, as a result, will trigger the payment of the Capital Gains Fee under the Advisory Agreement. The Income Incentive Fee under the Advisory Agreement, which, assuming a 5% annual return, would either not be payable or have an immaterial impact on the expense amounts shown above, is not included in the example. If we achieve sufficient returns on our investments, including through the realization of capital gains, to trigger an Income Incentive Fee of a material amount, our expenses, and returns to our investors, would be higher. In addition, while the example assumes reinvestment of all dividends and distributions at net asset value, if our Board authorizes and we declare a cash dividend, participants in our Dividend Reinvestment Plan who have not otherwise elected to receive cash will receive a number of shares of our common stock, determined by dividing the total dollar amount of the dividend payable to a participant by the market price per share of our common stock at the close of trading on the valuation date for the dividend. Refer to "Note 9 - Net Assets" for additional information regarding our Dividend Reinvestment Plan.

This example and the expenses in the table above should not be considered a representation of our future expenses, and actual expenses (including the cost of debt, if any, and other expenses) may be greater or less than those shown.

(b) Rule 10b5-1 Disclosure

For the period covered by this annual report on Form 10-K, no director or officer of the Company has entered into any (i) contract, instruction or written plan for the purchase or sale of securities of the registrant intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or (ii) any non-Rule 10b5-1 trading arrangement.

The Company has adopted insider trading policies and procedures governing the purchase, sale, and disposition of the Company's securities by officers and directors of the Company that are reasonably designed to promote compliance with insider trading laws, rules and regulations.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspection

None.

PART III

The terms "we," "us," the "Company" and "our" refers to Runway Growth Finance Corp.

Item 10. Directors, Executive Officers, and Corporate Governance

Board Composition

Our business and affairs are managed under the direction of our Board of Directors (the "Board"). Pursuant to our articles of amendment and restatement (the "Articles of Amendment and Restatement"), the number of directors is set at three unless otherwise designated by the Board pursuant to our bylaws. In accordance with our bylaws, the Board has designated the number of directors to be five, three of whom are not "interested persons" of the Company, the Adviser, or our respective affiliates, as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (the "1940 Act") (the "Independent Directors"). The Board is divided into three classes of directors serving staggered, three-year terms. Each director holds office for the term to which he or she is elected and until his or her successor is duly elected and qualifies.

At each annual meeting of stockholders, the successors to the class of directors whose terms expire at such meeting will be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election and until their successors have been duly elected and qualify or any director's earlier resignation, death, or removal. The term of our Class I directors will expire at the 2026 annual meeting of stockholders, the term of our Class II directors will expire at the 2024 annual meeting of stockholders, and the term of our Class III directors will expire at the 2025 annual meeting of stockholders. The current composition of our Board is described below.

Independent Directors

In accordance with the rules of Nasdaq, the Board annually determines the independence of each director. No director is considered independent unless the Board has determined that he or she has no material relationship with the Company. The Company monitors the status of its directors and officers through the activities of the Nominating and Corporate Governance Committee and through a questionnaire to be completed by each director no less frequently than annually, with updates periodically if information provided in the most recent questionnaire has changed.

In order to evaluate the materiality of any such relationship, the Board uses the definition of director independence set forth in the Nasdaq listing rules. Section 5605 provides that a director of a BDC shall be considered to be independent if he or she is not an "interested person" of the Company, as defined in Section 2(a)(19) of the 1940 Act. Section 2(a)(19) of the 1940 Act defines an "interested person" to include, among other things, any person who has, or within the last two years had, a material business or professional relationship with the Company or Runway Growth Capital, LLC (the Adviser").

The Board has determined that the following directors are independent: Mr. Engel, Mr. Kovacs and Ms. Persily. Based upon information requested from each such director concerning his or her background, employment and affiliations, the Board has affirmatively determined that none of the independent directors has a material business or professional relationship with the Company or its affiliates, other than in his or her capacity as a member of the Board or any committee thereof.

Interested Directors

Mr. Spreng and Mr. Share are considered "interested persons" (as defined in the 1940 Act) of the Company. Mr. Spreng is an "interested person" of the Company as defined in Section 2(a)(19) of the 1940 Act because he has served as President and Chief Executive Officer of the Company and is the Chief Executive Officer and Chief Investment Officer for the Adviser. Mr. Share is an "interested person" (as defined in the 1940 Act) of the Company because he is the nominee of OCM Growth Holdings, LLC ("OCM Growth"), a majority shareholder of the Company, to the Board, and because he serves on the board of managers and investment committee of the Adviser.

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Biographical Information of Directors

Name, Address and Age[1]	Position(s) Held with the Company	Principal Occupation(s) During the Past 5 Years	Term of Office and Length of Time Served[2]	Number of Companies in Fund Complex Overseen by Director[4]	Other Directorships Held by Director During Past Five Years
Independent Directors					
John F. Engel, 64	Director	Retired; co-founder of Jackson Springs Management Partners, LLC in 2019 (consulting)	Class II director since 2022; term expires 2024	1	None.
Gary Kovacs, 60	Director	Chief Executive Officer of Accela, Inc. (technology solutions)	Class I director since 2016; term expires 2026	1	Desire to Learn (D2L); ePhox Corporation; Sensory, Inc.; Make-a-Wish Foundation (Bay Area Chapter)
Julie Persily, 58	Director	Retired	Class II director since 2017; term expires 2024	1	StepStone Private Credit Fund LLC (business development company); Investcorp Credit Management BDC, Inc. (Nasdaq: ICMB) (business development company); SEACOR Marine Holdings Inc. (NYSE: SMHI) (marine and support transportation services)
Interested Directors[3]					
R. David Spreng, 62	Director, President and Chief Executive Officer (currently on medical leave)	President and Chief Executive Officer of Runway Growth Finance Corp. since 2022; Chief Executive Officer and Chief Investment Officer of Runway Growth Capital, LLC since 2015	Class III director since 2015; term expires 2025	1	Wine Forum LLC; Rose & Arrow Vineyards LLC
Gregory Share, 50	Director	Managing Director in Oaktree's Global Opportunities Group since 2021 (investment vehicle); partner at Moelis & Company's Moelis Capital Partners from March 2015 to December 2020 (private equity)	Class III director since 2023; term expires 2025	1	Kinsale Capital Group Inc. (specialty insurance company); Velocity Risk Holdings, LLC (insurance); Morse Group Inc. (project development); Investorflow Inc. (investor services)

(1) The address for each of our directors is c/o Runway Growth Finance Corp., 205 N. Michigan Ave., Suite 4200, Chicago, IL 60601.

(2) Each director will hold office until his or her successor is duly elected and qualified.

(3) Such directors are considered an "interested person" of the Company as defined in Section 2(a)(19) of the 1940 Act. Mr. Spreng is an "interested person" because he is the President and Chief Executive Officer of the Company and the Chief Executive Officer and Chief Investment Officer of the Adviser. Mr. Share is an "interested person" because he is the nominee of OCM Growth, a 40.7% shareholder of the Company, to the Board and because he serves on the board of managers and investment committee of the Adviser.

(4) "Fund Complex" refers only to the Company.

R. David Spreng is our President, Chief Executive Officer and Chairman of the Board. Currently, Mr. Spreng is currently out on medical leave. Mr. Spreng is also the founder, Chief Executive Officer and Chief Investment Officer of Runway Growth Capital LLC, our external investment adviser (the "Adviser"). Mr. Spreng has over 25 years of experience as a venture capitalist and ten years as a growth-debt lender. Mr. Spreng also previously served as a Partner of Decathlon Capital Partners, which he co-founded in 2010 as a provider of growth capital for established companies. He also served as Managing Partner of Crescendo Ventures, which he co-founded in 1998 as a venture capital firm focused on early-stage investments in the technology, digital media and technology-enabled service markets. He founded IAI Ventures in 1994, before which he served as Vice President and then Senior Vice President of Investment Advisers Inc., a $20 billion diversified asset management firm from 1989 to 1994. Mr. Spreng served on the board and as chairman of the Government Affairs Committee of the National Venture Capital Association from 2005 to 2009. He served as an advisory board member of the Silicon Valley Executive Network from 2007 to 2012 and as a member of the Silicon Valley Executive Network from 2007 to 2015. Mr. Spreng has been an active member of the World Economic Forum community since 2005, including as a frequent panelist in Davos, as a member of the Technology Pioneers Selection Committee, the Steering Committee for Entrepreneurship and Successful Growth Strategies, and as an adviser to the Alternative Investments 2020 and Mainstreaming Impact Investing initiatives. Mr. Spreng currently serves on the board of directors of a number of private companies. In addition, Mr. Spreng has served on the board of directors of eleven public companies. Mr. Spreng is a graduate, with distinction, of the University of Minnesota.

The Board has concluded that Mr. Spreng's experience in managerial positions in investment management, venture capital and direct growth-debt lending provides the Board valuable industry-specific knowledge and expertise on these and other matters, thus qualifying him to serve as a member of the Board.

John F. Engel has served as a member of the Board since 2022 and is the Chair of the Compensation Committee and a member of the Nominating and Corporate Governance Committee and the Audit Committee. Mr. Engel is a co-founder and partner of Jackson Springs Management Partners, LLC, a management firm that provides strategic advice and capital to help closely-held businesses pursue their strategic and financial objectives. Prior to co-founding Jackson Springs Management Partners, LLC in 2019, Mr. Engel served as a consultant and adviser to various executives of start-up companies and large not-for-profit companies from 2016 to 2019. From 1996 until his retirement in 2015, Mr. Engel was employed by Accenture, a global professional services company with leading capabilities in digital, cloud and security, where he served in a variety of client-facing and leadership roles for twenty years, including Managing Partner and Executive Partner for several key strategies. Mr. Engel holds an M.B.A. from the University of Chicago Booth School of Business and a B.S. in Accounting and Business Management from the University of Michigan.

The Board has concluded that Mr. Engel's extensive investment banking and management consulting experience provides the Board with knowledge and expertise on these and other matters, thus qualifying him to serve as a member of the Board.

Gary Kovacs has served as a member of the Board since 2016 and is a member of the Audit Committee and Compensation Committee and Chair of the Nominating and Corporate Governance Committee. Mr. Kovacs has served as Chief Executive Officer of Accela, Inc., a provider of technology solutions, since December 2018. Prior to joining Accela, Mr. Kovacs served as managing director of AVG Technologies N.V.'s management board and as Chief Executive Officer of AVG from 2013 to December 2016. Prior to joining AVG, Mr. Kovacs served as Chief Executive Officer of Mozilla Corporation from 2010 to 2013. Prior to joining Mozilla, Mr. Kovacs held senior leadership roles as Senior Vice President of Markets, Solutions & Products at Sybase through to the acquisition by SAP, and as General Manager and Vice President of Mobile & Devices at Macromedia and Adobe. Previously, he led Zi Corporation, a public company specializing in embedded software and services for mobile and consumer devices. Before founding Zi Corporation, Mr. Kovacs spent 10 years at IBM in leadership positions in product management, sales, marketing and operations within the global software division. Mr. Kovacs graduated from the University of Calgary, in Canada, with his Bachelor of Commerce and an MBA with distinction. Mr. Kovacs serves on the advisory board of DocuSign, and the board of directors of Desire to Learn (D2L), ePhox Corporation, Sensory, Inc. and Make-a-Wish Foundation (Bay Area Chapter). He is also a member of the University of Calgary Management Advisory Council.

The Board has concluded that Mr. Kovacs' extensive leadership experience in the technology industry qualifies him to serve as a member of the Board.

Julie Persily has served as a member of the Board since 2017 and is Acting Chair of the Board, Lead Independent Director, Chair of the Audit Committee and a member of the Nominating and Corporate Governance Committee and the Compensation Committee. Ms. Persily has also served as a member of the board of directors of Investcorp Credit Management BDC, Inc. (f/k/a CM Finance Inc.) (Nasdaq: ICMB), a business development company (a "BDC"), since 2013; SEACOR Marine Holdings Inc. (NYSE: SMHI), a global marine and support transportation services company, since April 2018; and Stepstone Private Credit Fund LLC, a BDC, since 2023. Ms. Persily retired in 2011 after serving as the Co-Head of Leveraged Finance and Capital Markets of Nomura Securities North America, a unit of Nomura Holdings Inc. (NYSE: NMR), a securities and investment banking company, since July 2010. Ms. Persily previously served in various capacities at Citigroup Inc. (NYSE: C), a financial services company, including as the Co-Head of Leveraged Finance Group from December 2006 to November 2008, the Head of Acquisition Finance Group from December 2001 to November 2006 and as Managing Director from July 1999 to November 2001. From 1990 to 1999, Ms. Persily served in various capacities including as a Managing Director, Leveraged Finance at BT Securities Corp., a financial services company and a subsidiary of Bankers Trust Corp., which was acquired by Deutsche Bank in April 1999. From 1987 to 1989, Ms. Persily served as an analyst at Drexel Burnham Lambert, a securities and investment banking company. Ms. Persily received a B.A. in psychology and economics from Columbia College and a M.B.A. in financing and accounting from Columbia Business School.

The Board has concluded that Ms. Persily's extensive experience with structuring, negotiating and marketing senior loans and high-yield and mezzanine financings brings important and valuable skills to the Board.

Gregory M. Share has served as a member of the Board since August 2023. Mr. Share is a managing director in Oaktree's Global Opportunities group in Los Angeles. He joined the firm in 2021 from Ambina Partners, investing primarily in U.S.-based private software and financial services companies. Prior thereto, Mr. Share was a partner at Moelis & Company's Moelis Capital Partners. Before that, he served as a managing director in private equity at Fortress Investment Group. Mr. Share began his career at Lazard Freres & Co. as an analyst in mergers & acquisitions before moving on to Madison Dearborn Partners, first as an associate, and then as a vice president. He received a B.S. in economics magna cum laude from the Wharton School of the University of Pennsylvania with a dual concentration in finance and decision science. Mr. Share is a CFA charterholder.

The Board has concluded that Mr. Share's extensive investment and management experience provides the Board with knowledge and expertise on these and other matters, thus qualifying him to serve as a member of the Board.

Biographical Information of Executive Officers Who Are Not Directors

Name [(1)]	Age	Position	Officer Since
Thomas B. Raterman	64	Acting President, Chief Operating Officer, Chief Financial Officer, Treasurer and Secretary	2015
Greg Greifeld	35	Acting Chief Executive Officer	2023
Colleen Corwell	55	Chief Compliance Officer	2022

(1) The address for each of our directors is c/o Runway Growth Finance Corp., 205 N. Michigan Ave., Suite 4200, Chicago, IL 60601.

Thomas B. Raterman has served as our Chief Financial Officer, Treasurer and Secretary, and as the Chief Financial Officer of Runway Growth Capital LLC since 2015, as well as our Chief Operating Officer since 2021 and Acting President since 2023. Mr. Raterman formerly served as Director, Chief Operating Officer and Chief Financial Officer of GSV Financial Group from February 2011 to December 2016. Mr. Raterman has more than 30 years of corporate finance, investment banking, private equity and financial executive management experience with rapidly growing entrepreneurial companies. Mr. Raterman also served as chairman and Chief Executive Officer of a boutique financial advisory firm, InterOcean Financial Group LLC, and its wholly-owned subsidiaries from March 2006 to August 2009, where he led the day-to-day operations of InterOcean Financial Group's merchant banking and private equity business. In addition, he was co-founder and served as Chief Financial Officer, Executive Vice President and Central Region Manager of LKQ Corporation from February 1998 to February 2001. During his tenure, LKQ completed 31 acquisitions and grew to $225 million in revenue. Today LKQ Corporation is publicly traded (Nasdaq: LKQX) with annual revenue of $11.6 billion in 2020 and current market capitalization of $15.2 billion. Mr. Raterman also served as a Vice President of Flynn Enterprises, Inc., a family office and venture capital and consulting firm, from June 1995 to February 2001. Earlier in his career, Mr. Raterman worked at several leading commercial lending firms including GE Capital, Continental Illinois National Bank and Security Pacific Bank. Mr. Raterman earned a Masters of Management with a concentration in Finance from Northwestern University Kellogg Graduate School of Management and a Bachelor of Science from Miami University in Oxford, Ohio.

Greg Greifeld has served as our Acting Chief Executive Officer since 2023. Mr. Greifeld also simultaneously serves as Managing Director, Deputy Chief Investment Officer and Head of Credit at Runway Growth Capital LLC. Following multiple consultant assignments for Runway Growth Capital LLC during 2016, Mr. Greifeld formally joined Runway Growth Capital LLC in January 2017. Mr. Greifeld has served on the Adviser's investment committee since 2018. Prior to this time, Mr. Greifeld worked for HPS Investment Partners, a $33 billion global alternative investment firm with a focus on directly originated credit (formerly Highbridge Principal Strategies), as a member of the Offices of the CFO/COO with wide ranging responsibilities in portfolio oversight, investor reporting, valuation and fund financing. Additionally, prior to HPS, Mr. Greifeld held roles in several departments at J.P. Morgan, including Technology, Media and Telecom Investment Banking and the Special Investments Group, a Merchant Banking Division of the Chief Investment Office.

Colleen Corwell has served as our Chief Compliance Officer since 2022. Ms. Corwell is a Managing Director at Kroll Associates, Inc. ("Kroll"), and performs her functions as Chief Compliance Officer under the terms of an agreement between the Company and Kroll. She may be from time to time engaged to serve as the Chief Compliance Officer for other BDCs, SEC registered investment advisers, and other funds or managers pursuant to her employment with Kroll. Prior to joining Kroll, Ms. Corwell was a Director at ACA Group. Prior to joining ACA, Ms. Corwell was a Director at Alaric Compliance Services, serving as outsourced CCO for various firms. She also served as Chief Compliance Officer & Risk Manager for Clarion Partners, LLC (formerly ING Group N.A.) broker-dealer, and as the Deputy Chief Compliance Officer for the RIA. She also held senior level compliance roles at Capital One Bank and Ameriprise Financial, and served as the Chief Compliance Officer for Taylor Companies, LLC, a private global investment bank. Ms. Corwell is a CAMS certified member of the Association of Anti-Money Laundering Specialists (ACAMS). Ms. Corwell holds a B.A. from the College of William and Mary, and an M.B.A. from Touro University.

Board Meetings and Attendance

The Board met nine times during 2023. Each incumbent director attended at least 75% of the aggregate number of meetings of the Board and of the respective committees on which he or she served (during the periods that he or she served). The Board's standing committees are set forth below under " — *Committees of the Board of Directors*". We require each director to make a diligent effort to attend all Board and committee meetings, as well as each annual meeting of stockholders. Two current directors attended the Annual Meeting in 2023.

Board Leadership Structure

The Board monitors and performs an oversight role with respect to our business and affairs, including with respect to investment practices and performance, compliance with regulatory requirements and the services, expenses and performance of service providers to us. Among other things, the Board approves the appointment of our Adviser and officers, reviews and monitors the services and activities performed by our Adviser and executive officers and approves the engagement, and reviews the performance of, our independent public accounting firm.

Under our bylaws, the Board may designate a Chair to preside over the meetings of the Board and meetings of the stockholders and to perform such other duties as may be assigned to him or her by the Board. We do not have a fixed policy as to whether the Chair of the Board should be an Independent Director, and believe that we should maintain the flexibility to select the Chair and reorganize the leadership structure, from time to time, based on the criteria that is in the Company's and our stockholders' best interests at such times.

Presently, Julie Persily, an Independent Director, serves as the Acting Chair of the Board and Lead Independent Director. Prior to Ms. Persily's appointment as Acting Chair of the Board, R. David Spreng served as the Chair of the Board. Mr. Spreng is an "interested person" of the Company as defined in Section 2(a)(19) of the 1940 Act because he is the President and Chief Executive Officer of the Company, and the Chief Executive Officer and Chief Investment Officer of the Adviser. Our view is that we are best served through this leadership structure, as Ms. Persily's familiarity with the Company and extensive knowledge of the financial services industry provide expertise to the Board.

Our corporate governance policies include regular meetings of the Independent Directors in executive session without the presence of interested directors and management, the establishment of an Audit Committee, a Nominating and Corporate Governance Committee and a Compensation Committee, each of which is comprised solely of Independent Directors, and the appointment of a Chief Compliance Officer, with whom the Independent Directors meet regularly without the presence of interested directors and other members of management, for administering our compliance policies and procedures.

We recognize that different board leadership structures are appropriate for companies in different situations. We intend to re-examine our corporate governance policies on an ongoing basis to ensure that they continue to meet our needs.

Board's Role in Risk Oversight

The Board performs its risk oversight function primarily through (a) its three standing committees, which report to the entire Board and are comprised solely of Independent Directors, and (b) active monitoring of our Chief Compliance Officer and our compliance policies and procedures.

As described below in more detail under " — *Committees of the Board of Directors*," the Audit Committee and Nominating and Corporate Governance Committee assist the Board in fulfilling its risk oversight responsibilities. The Audit Committee's risk oversight responsibilities include overseeing the Company's accounting and financial reporting processes, systems of internal controls regarding finance and accounting, audits of the Company's financial statements and establishing guidelines and making recommendations to the Board regarding the valuation of our investments. The Nominating and Corporate Governance Committee's risk oversight responsibilities include selecting, researching and nominating directors for election by our stockholders, developing and recommending to the Board a set of corporate governance principles and overseeing the evaluation of the Board and our management.

The Board also performs its risk oversight responsibilities with the assistance of the Chief Compliance Officer. The Board annually reviews a written report from the Chief Compliance Officer discussing the adequacy and effectiveness of the compliance policies and procedures of the Company and its service providers. The Chief Compliance Officer's annual report will address, at a minimum, (a) the operation of the compliance policies and procedures of the Company and its service providers since the last report; (b) any material changes to such policies and procedures since the last report; (c) any recommendations for material changes to such policies and procedures as a result of the Chief Compliance Officer's annual review; and (d) any compliance matter that has occurred since the date of the last report about which the Board would reasonably need to know to oversee our compliance activities and risks. In addition, the Chief Compliance Officer will meet separately in executive session with the Independent Directors at least once each year.

We believe that the Board's role in risk oversight is effective, and appropriate given the extensive regulation to which we are already subject as a BDC. As a BDC, we are required to comply with certain regulatory requirements that control the levels of risk in our business and operations. For example, our ability to incur indebtedness is limited such that our asset coverage must equal at least 150% immediately after each time we incur indebtedness, we generally have to invest at least 70% of our gross assets in "qualifying assets" and we are not generally permitted to invest in any portfolio company in which one of our affiliates currently has an investment.

We recognize that different board roles in risk oversight are appropriate for companies in different situations. We intend to re-examine the manners in which the Board administers its oversight function on an ongoing basis to ensure that they continue to meet our needs.

Board Diversity

Nasdaq Listing Rule 5605(f) (the "Diverse Board Representation Rule") requires each Nasdaq-listed company, subject to certain exceptions, to have at least one director who self-identifies as female and to have at least one director who self-identifies as Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Native Hawaiian or Pacific Islander, two or more races or ethnicities, or as LGBTQ+, or to explain why the company does not have at least two directors on its board who self-identify in the categories listed above.

In addition, Nasdaq Listing Rule 5606 (the "Board Diversity Disclosure Rule") requires each Nasdaq-listed company, subject to certain exceptions, to provide statistical information about the company's board of directors, in a uniform format, related to each director's self-identified gender, race, and self-identification as LGBTQ+. We are not required to fully comply with the Diverse Board Representation Rule until 2025. However, in the matrix below, we have provided the statistical information required by the Board Diversity Disclosure Rule.

BOARD DIVERSITY MATRIX (as of March 7, 2024)

Total Number of Directors	**5**			
	Female	**Male**	**Non-Binary**	**Did Not Disclose Gender**
Part I: Gender Identity				
Directors	1	0	0	4
Part II: Demographic Background				
African American or Black	0	0	0	0
Alaskan Native or Native American	0	0	0	0
Asian	0	0	0	0
Hispanic or Latinx	0	0	0	0
Native Hawaiian or Pacific Islander	0	0	0	0
White	0	0	0	0
Two or More Races or Ethnicities	0	0	0	0
LGBTQ+	0	0	0	0
Did Not Disclose Demographic Background	1	0	0	4

NTD: To be updated as needed based on D&O questionnaire responses.

Committees of the Board of Directors

The Board has established an Audit Committee, a Nominating and Corporate Governance Committee and a Compensation Committee and may establish additional committees in the future. Each of the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee operate pursuant to a charter, each of which is available under the “Documents & Charters” section of our website at *https://investors.runwaygrowth.com/corporate-governance/governance-overview*, and is also available in print to any stockholder who requests a copy.

Audit Committee

The members of our Audit Committee are Ms. Persily, Mr. Engel and Mr. Kovacs, each of whom is not considered an “interested person” of the Company for purposes of the 1940 Act and the Nasdaq Global Select Market corporate governance regulations. Ms. Persily serves as Chair of the Audit Committee. The Board has determined that Ms. Persily is an “audit committee financial expert” as that term is defined under Item 407 of Regulation S-K, as promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Ms. Persily, Mr. Engel and Mr. Kovacs meet the current independence and experience requirements of Rule 10A-3 of the Exchange Act. The Audit Committee operates pursuant to a charter approved by the Board, which sets forth the responsibilities of the Audit Committee. The Audit Committee’s responsibilities include establishing guidelines and making recommendations to the Board regarding the valuation of our loans and investments, selecting our independent registered public accounting firm, reviewing with such independent registered public accounting firm the planning, scope and results of their audit of our financial statements, pre-approving the fees for services performed, reviewing with the independent registered public accounting firm the adequacy of internal control systems, reviewing our annual financial statements, overseeing internal audit staff and periodic filings and receiving our audit reports and financial statements. The Audit Committee held eight meetings in 2023.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee operates pursuant to a charter approved by the Board. The members of the Nominating and Corporate Governance Committee are Mr. Kovacs, Mr. Engel and Ms. Persily, each of whom is considered independent under the rules of the Nasdaq Global Select Market and is not an “interested person” (as defined in the 1940 Act) of the Company. Mr. Kovacs serves as Chair of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for selecting, researching and nominating directors for election by our stockholders, selecting nominees to fill vacancies on the Board or a committee thereof, developing and recommending to the Board a set of corporate governance principles and overseeing the evaluation of the Board and our management. The Nominating and Corporate Governance Committee may consider nominating an individual recommended by a stockholder for election as a director if such stockholder complies with the advance notice provisions of our bylaws.

The Nominating and Corporate Governance Committee seeks candidates who possess the background, skills and expertise to make a significant contribution to the Board, the Company and its stockholders. In considering possible candidates for election as a director, the Nominating and Corporate Governance Committee takes into account, in addition to such other factors as it deems relevant, the desirability of selecting directors who:

(1) are of high character and integrity;

(2) are accomplished in their respective fields, with superior credentials and recognition;

(3) have relevant expertise and experience upon which to be able to offer advice and guidance to management;

(4) have sufficient time available to devote to our affairs;

(5) are able to work with the other members of the Board and contribute to our success;

(6) can represent the long-term interests of our stockholders as a whole; and

(7) are selected such that the Board represents a range of backgrounds and experience.

The Nominating and Corporate Governance Committee has not adopted a formal policy with regard to the consideration of diversity in identifying director nominees. In determining whether to recommend a director nominee, the Nominating and Corporate Governance Committee considers and discusses diversity, among other factors, with a view toward the needs of the Board as a whole. The Nominating and Corporate Governance Committee generally conceptualizes diversity expansively to include, without limitation, concepts such as race, gender, national origin, differences of viewpoint, professional experience, education, skill and other qualities that contribute to the Board, when identifying and recommending director nominees. The Nominating and Corporate Governance Committee believes that the inclusion of diversity as one of many factors considered in selecting director nominees is consistent with the Nominating and Corporate Governance Committee's goal of creating a board of directors that best serves our needs and the interests of our stockholders. In addition, as part of the Board's annual-self assessment, the members of our Nominating and Corporate Governance Committee will evaluate the membership of the Board and whether the Board maintains satisfactory policies regarding membership selection. The Nominating and Corporate Governance Committee held one meeting in 2023.

Compensation Committee

The members of our Compensation Committee are Mr. Engel, Mr. Kovacs and Ms. Persily, each of whom is not considered an "interested person" (as defined in the 1940 Act) of the Company for purposes of the Nasdaq corporate governance requirements and rules and regulations of the SEC, including the compensation committee requirements of the Nasdaq Listing Rule 5605(d) and Rule 5605(a)(2). Mr. Engel serves as Chair of the Compensation Committee. In accordance with its written charter adopted by the Board, the Compensation Committee is responsible for determining, or recommending to the Board for determination, the compensation, if any, of our Chief Executive Officer and all other executive officers. The Compensation Committee also assists the Board with matters related to compensation generally, except with respect to compensation of the directors. As none of our executive officers currently is compensated by us, the Compensation Committee will not produce and/or review a report on executive compensation practices. The Compensation Committee held one meeting in 2023.

Communication with the Board of Directors

Stockholders with questions about us are encouraged to contact Thomas B. Raterman, Corporate Secretary, 205 N. Michigan Ave, Suite 4200, Chicago IL 60601 (312) 281-6270. However, if stockholders believe that their questions have not been addressed, they may communicate with the Board directly by sending their communications to Runway Growth Finance Corp. Board of Directors, 205 N. Michigan Ave, Suite 4200, Chicago IL 60601. Stockholders should indicate clearly the director or directors to whom the communication is being sent so that each communication may be forwarded directly to the appropriate director(s).

All communications involving accounting, internal accounting controls and auditing matters, possible violations of, or non-compliance with, applicable legal and regulatory requirements or policies, or retaliatory acts against anyone who makes such a complaint or assists in the investigation of such a complaint, will be referred to the Audit Committee.

The acceptance and forwarding of a communication to any director does not imply that the director owes or assumes any fiduciary duty to the person submitting the communication, all such duties being only as prescribed by applicable law.

Code of Business Conduct and Ethics

We have adopted a code of business conduct and ethics which applies to, among others, our senior officers, including our Chief Executive Officer and our Chief Financial Officer, as well as any of our other officers, directors and employees. Our code of business conduct and ethics is available on our website at *https://investors.runwaygrowth.com/corporate-governance/governance-overview.* We will report any material amendments to or waivers of a required provision of our code of business conduct and ethics on our website and/or in a current report on Form 8-K.

Insider Trading Policies

We have adopted insider trading policies and procedures governing the purchase, sale, and disposition of our securities by our officers and directors that are reasonably designed to promote compliance with insider trading laws, rules and regulations. Our insider trading policy is attached as an exhibit to this annual report on Form 10-K.

Hedging, Speculative Trading and Pledging of Securities

Our insider trading policy prohibits our directors, executive officers and employees from engaging in any short-term trading, short sales and other speculative transactions involving our securities, including buying or selling puts or calls or other derivative securities based on our securities. In addition, such persons are prohibited under our insider trading policy from (i) entering into hedging or monetization transactions (such as zero-cost collars and forward-sale contracts) or similar arrangements, except in circumstances that are pre-approved by our chief compliance officer, and (ii) pledging our securities in a margin account or as collateral for a loan, except that our securities may be pledged as collateral for a loan (not including margin debt) if such person clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities and such transaction is pre-approved by our chief compliance officer.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires directors, certain officers and ten percent stockholders to file reports of ownership and changes in ownership with the SEC. Based upon a review of filings with the SEC, we believe that all reports for the Company's officers, directors and ten percent stockholders that were required to be filed under Section 16 of the Exchange Act were timely filed for 2023.

Item 11. Executive Compensation

We do not currently have any employees and do not expect to have any employees. Services necessary for our business are provided by individuals who are employees of the Adviser, Runway Administrator Services, LLC, our administrator (the "Administrator"), or their affiliates, pursuant to the terms of our existing investment advisory agreement with the Adviser (the "Advisory Agreement"), and the administration agreement with the Administrator (the "Administration Agreement"), as applicable. Our day-to-day investment and administrative operations are managed by the Adviser and the Administrator. Most of the services necessary for the origination and administration of our investment portfolio are provided by investment professionals employed by the Adviser, the Administrator or their affiliates. Colleen Corwell, our Chief Compliance Officer, has been appointed pursuant to an agreement between the Company and Kroll, and is compensated by Kroll.

None of our executive officers receive direct compensation from us. We reimburse the Administrator the allocable portion of the compensation paid by the Administrator (or its affiliates) to our Chief Compliance Officer and Chief Financial Officer (based on the percentage of time such individuals devote, on an estimated basis, to our business and affairs). Certain of our executive officers and other members of the Adviser's investment committee, including Mr. Spreng and Mr. Raterman, through their ownership interest in or management positions with the Adviser, may be entitled to a portion of any profits earned by the Adviser, which includes any fees payable to the Adviser under the terms of the Advisory Agreement, less expenses incurred by the Adviser in performing its services under the Advisory Agreement. See "*Certain Relationships and Related Transactions*" in Part III, Item 13 in this annual report on Form 10-K below.

We have entered into indemnification agreements with our directors and executive officers. The indemnification agreements are intended to provide our directors and executive officers the maximum indemnification permitted under Maryland law and the 1940 Act. Each indemnification agreement provides that we shall indemnify the director or executive officer who is a party to the agreement, or an "Indemnitee," including the advancement of legal expenses, if, by reason of his or her corporate status, the Indemnitee is, or is threatened to be, made a party to or a witness in any threatened, pending, or completed proceeding, to the maximum extent permitted by Maryland law and the 1940 Act.

Compensation of Directors

The following table sets forth the compensation received by our directors for the year ended December 31, 2023. No compensation is paid to our directors who are "interested persons," as such term is defined in Section 2(a)(19) of the 1940 Act, for their service as directors.

Name	Fees Earned or Paid in Cash[(1)]	All Other Compensation[(2)]	Total
Interested Directors			
R. David Spreng	—	—	—
Brian Laibow [(3)]	—	—	—
Gregory Share[(3)]	—	—	—
Independent Directors			
John F. Engel	$ 112,000	$ —	$ 112,000
Gary Kovacs	$ 112,000	$ —	$ 112,000
Julie Persily	$ 112,000	$ —	$ 112,000

(1) For a discussion of the Independent Directors' compensation, see below.

(2) We do not maintain a stock or option plan, non-equity incentive plan nor pension plan for our directors.

(3) On July 10, 2023, Mr. Laibow informed the Board of his intent to resign as a director, effective upon the appointment by the Board of another nominee of OCM Growth in accordance with the Stockholder Agreement between the Company and OCM Growth. On August 18, 2023, the Board elected Mr. Share to fill Mr. Laibow's position on the Board. Mr. Share was nominated by OCM Growth pursuant to the Stockholder Agreement and will serve for the remainder of Mr. Laibow's term as a Class III director of the Company.

The Independent Directors receive an annual fee of $95,000. They also receive $2,500 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending in-person each regular meeting of the Board and $1,500 for attending any regular Board meeting telephonically. They also receive $1,000 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with each committee meeting attended in-person and $500 for attending any committee meeting telephonically, as well as $500 plus reimbursement of reasonable out-of-pocket expenses in connection with attending each special Board meeting. The Chair of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee each receive an annual fee of $5,000. We have obtained directors' and officers' liability insurance on behalf of our directors and officers. Independent Directors will have the option of having their directors' fees paid in shares of our common stock issued at a price per share equal to the per share net asset value of our common stock.

Compensation Recoupment Policy

On November 2, 2023, we adopted a policy relating to the recovery of erroneously awarded compensation (the "Clawback Policy") to comply with Nasdaq Listing Rules 5608 and 5810(c)(2)(A)(jjj), which were adopted pursuant to SEC rules promulgated under the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. This Clawback Policy applies to certain erroneously-awarded incentive-based compensation received by a covered individual on or after October 2, 2023.

Compensation Committee Interlocks and Insider Participation

During fiscal year 2023, none of our executive officers served on the board (or a compensation committee thereof or other board committee performing equivalent functions) of any entities that had one or more executive officers serve on our compensation committee or on our Board. No executive officer or member of the Board participated in deliberations of the Board concerning executive officer compensation. No member of the Board had any relationship requiring disclosure under any paragraph of Item 404 of Regulation S-K.

Compensation Committee Report

Currently, we do not compensate any of our executive officers, and as such we are not required to produce a report on executive officer compensation for inclusion in our annual report on Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth, as of March 7, 2024, the beneficial ownership of our common stock by each of our current directors, each nominee for director, each of our executive officers, each person known to us to beneficially own 5% or more of the outstanding shares of our common stock, and all of our executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. Shares of common stock subject to options or warrants that are currently exercisable or exercisable within 60 days of March 7, 2024 are deemed to be outstanding and beneficially owned by the person holding such options or warrants. Such shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. There is no common stock subject to options or warrants that are currently exercisable or exercisable within 60 days of March 7, 2024. Percentage of ownership is based on 40,509,269 shares of common stock outstanding as of March 7, 2024.

Unless otherwise indicated, to our knowledge, each stockholder listed below has sole voting and investment power with respect to the shares beneficially owned by the stockholder, except to the extent authority is shared by their spouses under applicable law. Unless otherwise indicated, the address of all executive officers and directors is c/o Runway Growth Finance Corp., 205 N. Michigan Ave, Suite 4200, Chicago, Illinois 60601.

The Company's directors are divided into two groups — interested directors and independent directors. Interested directors are "interested persons," as defined in Section 2(a)(19) of the 1940 Act, of the Company.

Name	Number of Shares Beneficially Owned[1]	Percentage of Class
Interested Directors:		
R. David Spreng[3]	247,882	*
Gregory Share	—	*
Independent Directors:		
Gary Kovacs	60,023	*
Julie Persily	18,007	*
John F. Engel[4]	8,178	*
Executive Officers Who Are Not Directors:		
Thomas B. Raterman[5]	181,947	*
Greg Greifeld	7,905	*
Colleen Corwell	—	—
Executive Officers and Directors as a Group		
5% or More Holders:		
OCM Growth Holdings, LLC[2]	16,492,168	40.7 %

* Represents less than 1.0%.

(1) Beneficial ownership has been determined in accordance with Rule 13d-3 of the Exchange Act.

(2) Based on information included in the Form 4 filed by OCM Growth with the SEC on December 15, 2023. Pursuant to an irrevocable proxy, the shares held by OCM Growth must be voted in the same proportion that our other stockholders vote their shares. The following entities may be deemed to have indirect beneficial ownership of the shares of common stock held by OCM Growth: (i) Oaktree Fund GP, LLC, a Delaware limited liability company ("Fund GP"), in its capacity as the manager of OCM Growth; (ii) Oaktree GP I, L.P., a Delaware limited partnership ("GP I"), in its capacity as the managing member of GP LLC; (iii) Oaktree Capital I, L.P., a Delaware limited partnership ("Capital I"), in its capacity as the general partner of GP I LLC; (iv) OCM Holdings I, LLC, a Delaware limited liability company ("Holdings I"), in its capacity as the general partner of Capital I; (v) Oaktree Holdings, LLC, a Delaware limited liability company ("Holdings"), in its capacity as the managing member of Holdings I; (vi) Oaktree Capital Group, LLC, a Delaware limited liability company ("OCG"), in its capacity as the managing member of Holdings LLC; (vii) Oaktree Capital Group Holdings GP, LLC ("OCGH GP"), in its capacity as the duly appointed manager of OCG; (viii) Brookfield Multi-Strategy Master Fund LP, a Cayman Island exempted limited partnership ("Master Fund LP"); (ix) Brookfield Multi-Strategy Fund GP LLC, a Delaware limited liability company ("Multi-Fund Strategy Fund GP"), in its capacity as investment manager to Master Fund LP; (x) Brookfield BHS Advisors, LLC, a Delaware limited liability company ("BHS Advisors"), in its capacity as investment manager to Master Fund LP; (xi) Brookfield Public Securities Group Holdings LLC, a Delaware limited liability company ("Securities Group Holdings"), in its capacity as managing manager of BHS Advisors; (xii) Brookfield US Inc., a Delaware corporation ("Brookfield US"), in its capacity as managing member of Securities Group Holdings; (xiii) Brookfield US Holdings Inc., a Canadian corporation ("Brookfield US Holdings"), in its capacity as the sole shareholder of Brookfield US Holdings; (xiv) Brookfield Holdings Canada Inc., a Canadian corporation ("Brookfield Holdings Canada"), in its capacity as the sole shareholder of Brookfield US Holdings; (xv) Brookfield Asset Management Inc., a Canadian corporation ("BAM") in its capacity as the indirect owner of the class A units of OCG; and (xvi) BAD Partners Trust, a Canadian corporation ("Partners," and collectively with Fund GP, GP I, Capital I, Holdings I, Holdings, OCG, OCGH GP, Master Fund LP, Multi-Fund Strategy Fund GP, BHS Advisors, Securities Group Holdings, Brookfield US, Brookfield US Holdings, Brookfield Holdings Canada and BAM, the "Oaktree Funds"), a trust formed under the laws of Ontario, in its capacity as the sole owner of Class B Limited Voting Shares of BAM. Each Oaktree Fund disclaims beneficial ownership of all equity securities reported in the above table. OCGH GP is managed by an executive committee consisting of Howard S. Marks, Bruce A. Karsh, Sheldon M. Stone, John B. Frank and Jay S. Wintrob (the "OCGH GP Members"). In such capacity, the OCGH GP Members may be deemed to have indirect beneficial ownership of the shares of common stock held by OCM Growth. Each OCGH GP Member expressly disclaims beneficial ownership of shares

of common stock held by OCM Growth, except to the extent of his respective pecuniary interest therein. The principal business address of OCM Growth is 333 South Grand Avenue, 28th Floor, Los Angeles, California 90071.

(3) Includes 58,914 shares held by Mr. Spreng directly, 29,463 shares held by Mr. Spreng's 401(k) Plan, and 159,505 shares held by Runway Growth Holdings LLC indirectly. The shares held by Runway Growth Holdings LLC, may be deemed to be beneficially owned by Mr. Spreng by virtue of his ownership interest in Runway Growth Holdings LLC and his position of Chief Executive Officer thereof. Mr. Spreng disclaims any beneficial ownership of these shares.

(4) Mr. Engel's shares are held indirectly by the John F. Engel Trust.

(5) Includes 22,443 shares held by Mr. Raterman directly and 159,505 shares held by Runway Growth Holdings LLC indirectly. The shares held by Runway Growth Holdings LLC, may be deemed to be beneficially owned by Mr. Raterman by virtue of his ownership interest in Runway Growth Holdings LLC and his position of Chief Operating Officer and Chief Financial Officer thereof. Mr. Raterman disclaims any beneficial ownership of these shares.

Set forth below is the dollar range of equity securities beneficially owned by each of our directors as of March 6, 2024:

	Dollar Range of Equity Securities Beneficially Owned (1)(2)(3)
Interested Directors:	
R. David Spreng	Over $100,000
Gregory Share	None
Independent Directors:	
Gary Kovacs	Over $100,000
Julie Persily	Over $100,000
John Engel	Over $100,000

(1) Beneficial ownership has been determined in accordance with Rule 13d-3 of the Exchange Act.

(2) The dollar range of the Company's equity securities beneficially owned is calculated based on the closing sales price of the Company's common stock as reported on The Nasdaq Global Select Market as of March 6, 2024.

(3) The dollar ranges of equity securities beneficially owned are: none; $1 – $10,000; $10,001 – $50,000; $50,001 – $100,000; and over $100,000.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Certain members of the Adviser's senior investment team and the investment committee serve, or may serve, as officers, directors, members or principals of entities that operate in the same or a related line of business as we do, or of investment vehicles managed by the Adviser with similar investment objectives. Similarly, the Adviser may have other clients with similar, different or competing investment objectives.

Members of the Adviser's senior investment team and the investment committee, in their roles at the Adviser, may face conflicts in the allocation of investment opportunities among us and other investment vehicles that are managed by the Adviser with similar or overlapping investment objectives in a manner that is fair and equitable over time and consistent with the Adviser's allocation policy. Generally, when a particular investment would be appropriate for us as well as one or more other investment funds, accounts or vehicles that may in the future be managed by the Adviser's senior investment team, such investment will be apportioned by the Adviser's senior investment team in accordance with (1) the Adviser's internal conflict of interest and allocation policies, (2) the requirements of the Investment Advisers Act of 1940, as amended, and (3) certain restrictions under the 1940 Act regarding co-investments with affiliates. Such apportionment may not be strictly pro rata, depending on the good-faith determination of all relevant factors, including differing investment objectives, diversification considerations and the terms of our or the respective governing documents of such investment funds, accounts or investment vehicles. These procedures could, in certain circumstances, limit whether a co-investment opportunity is available to us, the timing of acquisitions and dispositions of investments, the price paid or received by us for investments or the size of the investment purchased or sold by us. The Adviser believes this allocation system is fair and equitable, and consistent with its fiduciary duty to us. In particular, we have disclosed to investors how allocation determinations are made among any investment vehicles managed by the Adviser.

In the ordinary course of business, we may enter into transactions with affiliates and portfolio companies that may be considered related party transactions. In order to ensure that we do not engage in any prohibited transactions with any persons affiliated with us, we have implemented certain policies and procedures whereby certain of our executive officers screen each of our transactions for any possible affiliations between the proposed portfolio investment, us, companies controlled by us, stockholders that own more than 5% of us and our employees and directors. We will not enter into any agreements unless and until we are satisfied that doing so will not raise concerns under the 1940 Act or, if such concerns exist, we have taken appropriate actions to seek review and approval by the Board or exemptive relief for such transaction. The Board will review these procedures on an annual basis.

We may co-invest with investment funds, accounts and vehicles managed by the Adviser, where doing so is consistent with our investment strategy as well as applicable law and SEC staff interpretations. On August 10, 2020, we, the Adviser, and certain other funds and accounts sponsored or managed by the Adviser and/or its affiliates were granted an order (the “Order”), as amended on August 30, 2022, that permits us greater flexibility than the 1940 Act permits to negotiate the terms of co-investments if our Board of Directors determines that it would be advantageous for us to co-invest with other accounts sponsored or managed by the Adviser or its affiliates in a manner consistent with our investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. We believe that the ability to co-invest with similar investment structures and accounts sponsored or managed by the Adviser or its affiliates will provide additional investment opportunities and the ability to achieve greater diversification. Under the terms of the Order, a majority of our Independent Directors are required to make certain determinations in connection with a co-investment transaction, including that (1) the terms of the proposed transaction are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment strategies and policies.

Advisory Agreement

We have entered into the Advisory Agreement with the Adviser. Mr. Spreng, our President, Chief Executive Officer and Chairman of our Board of Directors who is currently out on medical leave, and also serves as a member of the Adviser’s investment committee, and Mr. Raterman, our Acting President, Chief Operating Officer, Chief Financial Officer and a member of the Adviser’s investment committee, each have a direct pecuniary interest in the Adviser and an indirect pecuniary interest in the Adviser through their ownership interest in Runway Growth Holdings LLC (“Runway Growth Holdings”). Mr. Share, our director, and a member of the Adviser’s investment committee, may be deemed to have an indirect pecuniary interest in the Adviser through his role at Oaktree Capital Management, L.P. (“Oaktree”), which has a direct pecuniary interest in the Adviser. Pursuant to the Advisory Agreement, we pay the Adviser a base management fee and an incentive fee for its services. Management fee expense was $16.7 million and incentive fee expense was $19.0 million for the year ended December 31, 2023.

The Adviser is responsible for sourcing, reviewing and structuring investment opportunities for us, underwriting and conducting diligence on our investments and monitoring our investment portfolio on an ongoing basis. The Adviser’s incentive fee is based on the value of our investments and, therefore, there may be a conflict of interest when personnel of the Adviser are involved in the valuation process for our portfolio investments. See “Risk Factors" in Part I, Item 1A of this Form 10-K for more information.

Administration Agreement

We have entered into the Administration Agreement with the Administrator, a wholly-owned subsidiary of the Adviser, pursuant to which the Administrator is responsible for furnishing us with office facilities and equipment and will provide us with clerical, bookkeeping, recordkeeping and other administrative services at such facilities. Pursuant to the Administration Agreement, we pay the Administrator an amount equal to our allocable portion (subject to the review of the Board) of the Administrator’s overhead resulting from its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our Chief Compliance Officer and Chief Financial Officer and their respective staffs associated with performing compliance functions. We reimbursed the Administrator $1.3 million and accrued a net payable of $0.4 million due to the Administrator for the year ended December 31, 2023, which includes amounts reimbursable to the Administrator for organizational and offering costs, professional fees and other expenses.

License Agreement

We have entered into a license agreement with the Adviser (the “License Agreement”) pursuant to which the Adviser has granted us a personal, non-exclusive, royalty-free right and license to use the name “Runway Growth Finance”. Under the License Agreement, we have the right to use the “Runway Growth Finance” name for so long as the Adviser or one of its affiliates remains our Adviser. Other than with respect to this limited license, we have no legal right to the “Runway Growth Finance” name.

If any of the contractual obligations discussed above are terminated in the future, our costs under any new agreements that we enter into may increase. In addition, we would likely incur significant time and expense in locating alternative parties to provide the services we receive under the Advisory Agreement and the Administration Agreement. Any new investment advisory agreement would also be subject to approval by our stockholders.

Strategic Relationship

In December 2016, we and RGC entered into a strategic relationship with Oaktree Capital Management, L.P. ("Oaktree"). In connection with the strategic relationship, OCM Growth Holdings, LLC ("OCM Growth") purchased an aggregate of 14,571,334 shares of our common stock for an aggregate purchase price of $219.3 million in our Initial Private Offering (as defined in "Note 9 – Net Assets" in Part II, Item 8 of this form 10-K) and Second Private Offering (as defined in "Note 9 – Net Assets" in Part II, Item 8 of this form 10-K). Oaktree Opportunities Fund Xb Holdings (Delaware), L.P. ("Oaktree Opportunities") purchased 24,100 shares of our common stock in secondary transactions in 2020 and 2022. As of December 31, 2023, OCM Growth and Oaktree Opportunities Fund Xb Holdings (Delaware), L.P. (together with OCM Growth, the “OCM Holders”), each an affiliate of Oaktree, own 16,473,290 shares and 18,878 shares of our common stock, respectively, or 40.7% of the Company's outstanding shares. Pursuant to an irrevocable proxy, certain shares held by OCM Growth must be voted in the same proportion that our other stockholders vote their shares. Of the 16,492,168 shares of our common stock owned by the OCM Holders, 15,588,549 shares, or approximately 38.5% of the Company’s outstanding shares, are subject to this proxy voting arrangement.

In connection with OCM Growth’s commitment, we entered into a stockholder agreement, dated December 15, 2016, with OCM Growth, pursuant to which OCM Growth has a right to nominate a member of our Board of Directors for election for so long as OCM Growth holds shares of our common stock in an amount equal to, in the aggregate, at least one-third (33%) of OCM Growth’s initial $125.0 million capital commitment. Gregory M. Share, Managing Director of Oaktree's Global Opportunities Group in Los Angeles, serves on our Board of Directors as OCM Growth’s director nominee and is considered an interested director. OCM Growth also holds a minority interest in RGC and has the right to appoint a member of RGC’s board of managers and a member of RGC’s investment committee. Mr. Share is OCM Growth’s appointee to RGC’s board of managers and investment committee.

Director Independence

In accordance with the rules of Nasdaq, the Board annually determines the independence of each director. No director is considered independent unless the Board has determined that he or she has no material relationship with the Company. The Company monitors the status of its directors and officers through the activities of the Nominating and Corporate Governance Committee and through a questionnaire to be completed by each director no less frequently than annually, with updates periodically if information provided in the most recent questionnaire has changed.

In order to evaluate the materiality of any such relationship, the Board uses the definition of director independence set forth in the Nasdaq listing rules. Section 5605 provides that a director of a BDC shall be considered to be independent if he or she is not an “interested person” of the Company, as defined in Section 2(a)(19) of the 1940 Act. Section 2(a)(19) of the 1940 Act defines an “interested person” to include, among other things, any person who has, or within the last two years had, a material business or professional relationship with the Company or the Adviser.

The Board has determined that the following directors are independent: Mr. Engel, Mr. Kovacs and Ms. Persily (each an “Independent Director” and together, the “Independent Directors”). Based upon information requested from each such director concerning his or her background, employment and affiliations, the Board has affirmatively determined that none of the independent directors has a material business or professional relationship with the Company or its affiliates, other than in his or her capacity as a member of the Board or any committee thereof.

Mr. Spreng and Mr. Share are considered “interested persons” (as defined in the 1940 Act) of the Company. Mr. Spreng is an “interested person” of the Company as defined in Section 2(a)(19) of the 1940 Act because he is the President and Chief Executive Officer of the Company and the Chief Executive Officer and Chief Investment Officer for the Adviser. Mr. Share is an “interested person” (as defined in the 1940 Act) of the Company because he is the nominee of OCM Growth, a majority shareholder of the Company, to the Board and because he serves on the board of managers and investment committee of the Adviser.

Item 14. Principal Accountant Fees and Services

The following aggregate fees by RSM US LLP were billed for work attributable to audit, tax and other services provided to the Company in each of the fiscal years ended December 31, 2023 and 2022:

	For the years ended December 31,	
	2023	2022
Audit Fees (1)	$ 756,532	$ 740,403
Audit-Related Fees (2)	—	—
Tax Fees (3)	$ 22,400	$ 22,400
All Other Fees (4)	—	—
Total Fees:	$ 778,932	$ 762,803

(1) Audit fees include fees for services that normally would be provided by the accountant in connection with statutory and regulatory filings or engagements and that generally only the independent accountant can provide. In addition to fees for the audit of our annual financial statements and the review of our quarterly financial statements in accordance with generally accepted auditing standards, this category contains fees for comfort letters, consents, and review of documents filed with the SEC. Of the Audit Fees billed for fiscal years ended December 31, 2023 and 2022, $139,531 and $159,539, respectively, were related to the comfort letters, consents, and review of documents filed with the SEC.

(2) Audit related fees are assurance-related services that traditionally are performed by the independent accountant, such as attest services that are not required by statute or regulation.

(3) Tax fees include professional fees for tax compliance and tax advice.

(4) All other fees would include fees for products and services other than the services reported above.

Pre-Approval Policy

The Audit Committee has established a pre-approval policy that describes the permitted audit, audit-related, tax and other services to be provided by RSM US LLP, the Company’s independent registered public accounting firm. The policy requires that the Audit Committee pre-approve all audit and non-audit services performed by the independent auditor in order to assure that the provision of such service does not impair the auditor’s independence. In accordance with the pre-approval policy, the Audit Committee includes every year a discussion and pre-approval of such services and the expected costs of such services for the year.

Any requests for audit, audit-related, tax and other services that have not received general pre-approval at the first Audit Committee meeting of the year must be submitted to the Audit Committee for specific pre-approval, irrespective of the amount, and cannot commence until such approval has been granted. Normally, pre-approval is provided at regularly scheduled meetings of the Audit Committee. However, the Audit Committee may delegate pre-approval authority to one or more of its members. The member or members to whom such authority is delegated shall report any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee does not delegate its responsibilities to pre-approve services performed by the independent registered public accounting firm to management.

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed or incorporated by reference as part of this annual report on Form 10-K:

(a) Consolidated Financial Statements

(1) Consolidated Financial Statements — Refer to Part II, Item 8 of this Form 10-K, which are filed herewith::

	Page
Report of Independent Registered Public Accounting Firm	76
Consolidated Statements of Assets and Liabilities as of December 31, 2023 and 2022	77
Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021	78
Consolidated Statements of Changes in Net Assets for the years ended December 31, 2023, 2022 and 2021	79
Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021	80
Consolidated Schedules of Investments as of December 31, 2023 and 2022	81
Notes to Consolidated Financial Statements	93

Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC:

Exhibit No.	Description
3.1	Articles of Amendment and Restatement[1]
3.2	Articles of Amendment[13]
3.3	Second Amended and Restated Bylaws[13]
4.1	Description of Securities[9]
4.2	Indenture, dated July 28, 2022, by and between Runway Growth Finance Corp. and U.S. Bank Trust Company, National Association, as trustee[20]
4.3	First Supplemental Indenture, dated July 28, 2022, by and between Runway Growth Finance Corp. and U.S. Bank Trust Company, National Association, as trustee[20]
4.4	Form of Global Note 7.50% Note Due 2027 (included as part of Exhibit 4.4)[20]
4.5	Second Supplemental Indenture, dated December 7, 2022, by and between Runway Growth Finance Corp. and U.S. Bank Trust Company, National Association, as trustee[21]
4.6	Form of Global Note 8.00% Note Due 2027 (included as part of Exhibit 4.1)[21]
9.1	Voting Proxy of OCM Growth Holdings, LLC in favor of Runway Growth Credit Fund Inc.[34]
10.1	Second Amended and Restated Investment Advisory Agreement between Runway Growth Credit Fund Inc. and Runway Growth Capital LLC, as the investment adviser[4]
10.2	Amended and Restated Administration Agreement between Runway Growth Credit Fund Inc. and Runway Administrator Services, LLC, as the administrator[12]
10.3	Stockholder Agreement between Runway Growth Credit Fund Inc. and OCM Growth Holdings, LLC[1]
10.4	Custody Agreement between Runway Growth Credit Fund Inc. and U.S. Bank National Association, as the custodian dated as of December 16, 2016[1]
10.5	First Amendment to Custody Agreement between Runway Growth Finance Corp. and U.S. Bank National Association, as the custodian, dated as of August 3, 2023[24]
10.6	Amended and Restated Dividend Reinvestment Plan.[18]
10.7	Form of Indemnification Agreement[5]
10.8	Trademark License Agreement by and between Runway Growth Capital LLC and the Runway Growth Finance Corp.[17]
10.9	Transfer Agent Agreement by and between American Stock Transfer & Trust Company, LLC and the Registrant[7]
10.10	Credit Agreement, dated as of May 31, 2019, by and among the Company, as borrower, KeyBank National Association, as administrative agent and syndication agent, CIBC Bank USA, as documentation agent, U.S. Bank National Association, as paying agent, the guarantors from time to time party thereto, and the lenders from time to time party thereto.[8]
10.11	First Amendment to Credit Agreement, dated as of November 10, 2020, among the Company, as borrower; the financial institutions party thereto as lenders; KeyBank National Association, as administrative agent and lender; CIBC Bank USA, as documentation agent and lender; and U.S. Bank National Association, as paying agent.[10]
10.12	Second Amendment to Credit Agreement, dated as of December 2, 2020, among the Company, as borrower; the financial institutions party thereto as lenders; KeyBank National Association, as administrative agent and lender; CIBC Bank USA, as documentation agent and lender; MUFG Union Bank, N.A., as co-documentation agent and lender; and U.S. Bank National Association, as paying agent.[11]
10.13	Third Amendment to Credit Agreement, dated as of June 1, 2021, among the Company, as borrower; the financial institutions party thereto as lenders; KeyBank National Association, as administrative agent and lender; CIBC Bank USA, as documentation agent and lender; MUFG Union Bank, N.A., as co-documentation agent and lender; and U.S. Bank National Association, as paying agent[15]

10.14	Fourth Amendment to Credit Agreement, dated as of August 3, 2021, among Runway Growth Credit Fund Inc., as borrower; the financial institutions party thereto as lenders; KeyBank National Association, as administrative agent and lender; CIBC Bank USA, as documentation agent and lender; MUFG Union Bank, N.A. as co-documentation agent and lender; and U.S. Bank National Association, as paying agent[(12)]
10.15	Master Note Purchase Agreement, dated December 10, 2021, by and among Runway Growth Finance Corp. and the Purchasers signatory thereto[(16)]
10.16	First Supplement to Note Purchase Agreement, dated April 13, 2023, by and between Runway Growth Finance Corp. and the Purchasers party thereto[(23)]
10.17	Fifth Amendment to Credit Agreement, dated as of October 19, 2021, among Runway Growth Finance Corp., as borrower; the financial institutions party thereto as lenders; KeyBank National Association, as administrative agent and lender; CIBC Bank USA, as documentation agent and lender; MUFG Union Bank, N.A. as co-documentation agent and lender; and U.S. Bank National Association, as paying agent[(18)]
10.18	Amended and Restated Credit Agreement, dated as of April 20, 2022, among Runway Growth Finance Corp., as borrower; the financial institutions party thereto as lenders; KeyBank National Association, as administrative agent and lender; CIBC Bank USA, as documentation agent and lender; MUFG Union Bank, N.A. as co-documentation agent and lender; and U.S. Bank National Association, as paying agent[(19)]
10.19	Second Amendment to the Amended and Restated Credit Agreement, dated as of January 4, 2023, among Runway Growth Finance Corp., as borrower; the financial institutions parties thereto as lenders; and KeyBank National Association, as administrative agent and lender; CIBC Bank USA, as documentation agent; MUFG Union Bank, Ltd (as successor-in-interest to MUFG Union Bank, N.A.), as documentation agent; and U.S. Bank Trust Company, National Association, as paying agent[(22)]
10.20	Third Amendment to the Amended and Restated Credit Agreement, dated as of March 24, 2023, among Runway Growth Finance Corp., as borrower, the financial institutions party thereto as lenders, KeyBank National Association, as administrative and lender, CIBC Bank USA, as documentation, MUFG Bank, Ltd. (as successor in interest to MUFG Bank, N.A.), as co-documentation agent, and U.S. Bank Trust Company, National Association, as paying agent*
10.21	Fourth Amendment to the Amended and Restated Credit Agreement, dated as of December 4, 2023, among Runway Growth Finance Corp., as borrower, the financial institutions party thereto as lenders, KeyBank National Association, as administrative agent and lender, CIBC Bank USA, as documentation agent, MUFG Bank, Ltd. (as successor in interest to MUFG Union Bank, N.A.), as co-documentation agent, and U.S. Bank Trust Company, National Association, as paying agent[(25)]
10.22	Joinder Agreement and Facility Amount Increase, dated as of December 4, 2023, among Runway Growth Finance Corp., as borrower, the financial institutions party thereto as lenders, and KeyBank National Association, as administrative agent[(25)]
11.1	Computation of Per Share Earnings (Included in the notes to the consolidated financial statements contained in this report)
14.1	Joint Code of Ethics[(14)]
19.1	Insider Trading Policy and Procedures*
21.1	List of Subsidiaries: P3 Holdco LLC - Delaware
23.1	Consent of RSM US LLP*
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended*
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
97.1	Policy Relating to Recovery of Erroneously Awarded Compensation*
101.INS	Inline XBRL Instance Document–the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover page formatted as Inline XBRL and contained in Exhibit 101

* Filed herewith.

(1) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on December 19, 2016.

(2) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on June 14, 2017.i

(3) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed with the SEC on March 29, 2017.

(4) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on May 28, 2021.

(5) Previously filed as an exhibit to the Company's Registration Statement on Form 10 (File No. 000-55544) filed with the SEC on February 12, 2016.

(6) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 9, 2017.

(7) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on December 28, 2018.

(8) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed with the SEC on March 28, 2019.

(9) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed with the SEC on March 20, 2020.

(10) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 12, 2020.

(11) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on December 4, 2020.

(12) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 5, 2021.

(13) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on August 19, 2021.

(14) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on October 27, 2021.

(15) Previously filed as an exhibit to the Company's Registration Statement on Form N-2 (File No. 333-259824) filed with the SEC on September 27, 2021.

(16) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on December 13, 2021.

(17) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on September 23, 2021.

(18) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed with the SEC on March 14, 2022.

(19) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on April 20, 2022.

(20) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on July 22, 2022.

(21) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on December 7, 2022.

(22) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on January 9, 2023.

(23) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on April 14, 2023.

(24) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 8, 2023.

(25) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on December 6, 2023.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RUNWAY GROWTH FINANCE CORP.

Date: March 7, 2024

By:

/s/ Greg Greifeld

Greg Greifeld
Acting Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 7, 2024

By:

/s/ Greg Greifeld

Greg Greifeld
Acting Chief Executive Officer
(Principal Executive Officer)

Date: March 7, 2024

By:

/s/ Thomas B. Raterman

Thomas B. Raterman
Acting President, Chief Financial Officer, Chief Operating Officer, Treasurer and Secretary
(Principal Financial and Accounting Officer)

Date: March 7, 2024

By:

/s/ Gary Kovacs

Gary Kovacs
Director

Date: March 7, 2024

By:

/s/ Gregory M. Share

Gregory M. Share
Director

Date: March 7, 2024

By:

/s/ Julie Persily

Julie Persily
Director

Date: March 7, 2024

By:

/s/ John F. Engel

John F. Engel
Director

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement on Form N-2 of Runway Growth Finance Corp. of our report dated March 7, 2024, relating to the consolidated financial statements, including the senior securities table, of Runway Growth Finance Corp., appearing in the Annual Report on Form 10-K of Runway Growth Finance Corp. for the year ended December 31, 2023.

/s/ RSM US LLP

Chicago, Illinois
March 7, 2024

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14 UNDER THE EXCHANGE ACT OF 1934, AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Greg Greifeld, as Acting Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Runway Growth Finance Corp.;

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 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 report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act of 1934, as amended (the "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, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this 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;

   (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(s) 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 the 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: March 7, 2024

/s/ Greg Greifeld
Greg Greifeld
Acting Chief Executive Officer
(Principal Executive Officer)
Runway Growth Finance Corp.

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14 UNDER THE EXCHANGE ACT OF 1934, AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas B. Raterman, as Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Runway Growth Finance Corp.;

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 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 report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act of 1934, as amended (the "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, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this 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;

   (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(s) 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 the 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: March 7, 2024

/s/ Thomas B. Raterman
Thomas B. Raterman
Chief Financial Officer
(Principal Financial Officer)
Runway Growth Finance Corp.

Exhibit 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Greg Greifeld, the Acting Chief Executive Officer, in connection with the Annual Report of Runway Growth Finance Corp. (the “Company”), on Form 10-K for the year ended December 31, 2023, as filed with the U.S. Securities and Exchange Commission on the date hereof (the “Annual Report”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 7, 2024

/s/ Greg Greifeld
Greg Greifeld
Acting Chief Executive Officer
(Principal Executive Officer)
Runway Growth Finance Corp.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas B. Raterman, the Chief Financial Officer, in connection with the Annual Report of Runway Growth Finance Corp. (the "Company"), on Form 10-K for the year ended December 31, 2023, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Annual Report"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:
(1) the Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
(2) the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 7, 2024

/s/ Thomas B. Raterman
Thomas B. Raterman
Chief Financial Officer
(Principal Financial Officer)
Runway Growth Finance Corp.