

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

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED March 31, 2020

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

COMMISSION FILE NUMBER: 814-01180

**Runway Growth Credit Fund Inc.**

(Exact name of registrant as specified in its charter)

Maryland

(State of incorporation)

47-5049745

(I.R.S. Employer Identification No.)

205 N. Michigan Ave., Suite 4200

Chicago, IL

(Address of principal executive offices)

60601

(Zip Code)

(312) 281-6270

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

**Title of each class**

None

**Trading Symbol(s)**

N/A

**Name of each exchange on which registered**

N/A

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 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

Non-accelerated filer

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The issuer had 26,407,367 shares of common stock, \$0.01 par value per share, outstanding as of May 13, 2020.

RUNWAY GROWTH CREDIT FUND INC.

FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2020

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**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**RUNWAY GROWTH CREDIT FUND INC.**

**Statements of Assets and Liabilities**

	<b>March 31,</b>	<b>December 31,</b>
	<b>2020</b>	<b>2019</b>
	<b>(Unaudited)</b>	
<b>Assets</b>		
Investments at fair value:		
Non-control/non-affiliate investments at fair value (cost of \$371,630,341 and \$377,018,900, respectively)	\$ 361,430,628	\$ 368,016,276
Investment in U.S. Treasury Bills at fair value (cost of \$50,000,667 and \$99,982,765, respectively)	50,001,334	99,965,423
<b>Total investments at fair value (cost of \$421,631,008 and \$477,001,665, respectively)</b>	<b>411,431,962</b>	<b>467,981,699</b>
Cash and cash equivalents	16,814,362	45,799,672
Accrued interest receivable	1,748,343	1,941,502
Other accounts receivable	451,069	403,566
Deferred credit facility fees (net of accumulated amortization of \$184,699 and \$0, respectively)	923,497	-
Prepaid expenses	108,854	165,901
<b>Total assets</b>	<b>431,478,087</b>	<b>516,292,340</b>
<b>Liabilities</b>		
Debt:		
Credit facilities	-	61,000,000
Deferred credit facility fees (net of accumulated amortization of \$0 and \$129,290, respectively)	-	(978,907)
<b>Total debt, less unamortized deferred financing costs</b>	<b>-</b>	<b>60,021,093</b>
Payable for securities purchased	156,972	-
Reverse repurchase agreement	49,751,199	74,593,802
Accrued incentive fees	4,206,795	3,582,987
Dividends payable	17,459	-
Due to affiliate	117,681	81,537
Interest payable	143,692	500,056
Accrued expenses and other liabilities	692,647	1,199,644
<b>Total liabilities</b>	<b>55,086,445</b>	<b>139,979,119</b>
Commitments and contingencies (Note 3)		
<b>Net assets</b>		
Common stock, \$0.01 par value; 100,000,000 shares authorized; 26,407,367 and 25,811,214 shares issued and outstanding, respectively	264,074	258,112
Additional paid-in capital	393,019,555	384,369,854
Distributable (losses) earnings	(16,891,987)	(8,314,745)
<b>Total net assets</b>	<b>\$ 376,391,642</b>	<b>\$ 376,313,221</b>
Net asset value per share	<b>\$ 14.25</b>	<b>\$ 14.58</b>

See notes to financial statements.

**RUNWAY GROWTH CREDIT FUND INC.**

**Statements of Operations  
(Unaudited)**

	<b>Three Months Ended March 31, 2020</b>	<b>Three Months Ended March 31, 2019</b>
<b>Investment income</b>		
From non-control/non-affiliate:		
Interest income	\$ 13,643,944	\$ 11,914,033
Payment in-kind interest income	517,930	174,301
Other income	404,550	51,462
Dividend income	229,170	-
Other income from non-investment sources	25,263	10,533
Total investment income	<u>14,820,857</u>	<u>12,150,329</u>
<b>Operating expenses</b>		
Management fees	1,536,948	1,203,125
Incentive fees	2,315,118	1,881,369
Interest expense	164,412	155,578
Professional fees	337,813	210,248
Overhead allocation expense	184,318	199,739
Administration fee	124,311	181,574
Facility fees	178,729	-
Directors' fees	67,750	52,000
Consulting fees	17,000	27,420
Tax expense	1,319	-
Insurance expense	26,438	25,071
General and administrative expenses	23,720	2,009
Other expenses	199,394	138,172
Total operating expenses	<u>5,177,270</u>	<u>4,076,305</u>
<b>Net investment income</b>	<u>9,643,587</u>	<u>8,074,024</u>
<b>Realized and unrealized gain (loss) on investments</b>		
Realized gain (loss) on non-control/non-affiliate investments, including U.S. Treasury Bills	(6,717,262)	-
Net change in unrealized appreciation (depreciation) on non-control/non-affiliate investments, including U.S. Treasury Bills	(1,179,081)	(2,240,510)
<b>Net realized and unrealized gain (loss) on investments</b>	<u>(7,896,343)</u>	<u>(2,240,510)</u>
<b>Net increase in net assets resulting from operations</b>	<u>\$ 1,747,244</u>	<u>\$ 5,833,514</u>
Net increase in net assets resulting from operations per common share	\$ 0.07	\$ 0.40
Net investment income per common share	\$ 0.37	\$ 0.55
Weighted-average shares outstanding	25,887,286	14,751,065

See notes to financial statements.

**RUNWAY GROWTH CREDIT FUND INC.**

**Statements of Changes in Net Assets  
(Unaudited)**

	<b>Three Months Ended March 31, 2020</b>	<b>Three Months Ended March 31, 2019</b>
<b>Net increase in net assets from operations</b>		
Net investment income	\$ 9,643,587	\$ 8,074,024
Realized gain (loss) on investments and U.S. Treasury Bills	(6,717,262)	-
Net change in unrealized appreciation (depreciation) on investments and U.S. Treasury Bills	(1,179,081)	(2,240,510)
<b>Net increase in net assets resulting from operations</b>	<u>1,747,244</u>	<u>5,833,514</u>
<b>Distributions to shareholders from:</b>		
Dividends paid to shareholders	(10,324,486)	(6,160,624)
<b>Total distributions to shareholders</b>	<u>(10,324,486)</u>	<u>(6,160,624)</u>
<b>Capital share transactions</b>		
Issuance of common stock	315,308	66,000,000
Issuance of common stock under dividend reinvestment plan	8,385,423	4,942,168
Offering costs	(45,068)	-
<b>Net increase in net assets resulting from capital share transactions</b>	<u>8,655,663</u>	<u>70,942,168</u>
<b>Total increase in net assets</b>	<u>78,421</u>	<u>70,615,058</u>
Net assets at beginning of period	376,313,221	167,369,395
<b>Net assets at end of period</b>	<u>\$ 376,391,642</u>	<u>\$ 237,984,453</u>
<b>Capital share activity</b>		
Shares issued	596,153	4,671,395
Shares outstanding at beginning of period	25,811,214	11,056,595
<b>Shares outstanding at end of period</b>	<u>26,407,367</u>	<u>15,727,990</u>

See notes to financial statements.

**RUNWAY GROWTH CREDIT FUND INC.**

**Statements of Cash Flows  
(Unaudited)**

	<b>Three Months Ended March 31, 2020</b>	<b>Three Months Ended March 31, 2019</b>
<b>Cash flows from operating activities</b>		
Net increase in net assets resulting from operations	\$ 1,747,244	\$ 5,833,514
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchases of investments	(34,749,725)	(34,649,818)
Purchases of U.S. Treasury Bills	(50,001,334)	(69,943,733)
Payment in-kind interest	(517,930)	(174,301)
Sales or repayments of investments	36,107,388	17,467,129
Sales or maturities of U.S. Treasury Bills	99,986,570	80,000,000
Realized (gain) loss on non-control/non-affiliate investments, including U.S. Treasury Bills	6,717,262	-
Net change in unrealized (appreciation) depreciation on non-control/non-affiliate investments, including U.S. Treasury Bills	1,179,081	2,240,510
Amortization of fixed income premiums or accretion of discounts	(2,171,574)	(3,158,310)
Amortization of deferred credit facility fees	55,410	36,993
Changes in operating assets and liabilities:		
Accrued interest receivable	193,159	(33,302)
Other accounts receivable	(47,500)	-
Prepaid expenses	57,047	32,554
Payable for securities purchased	156,972	(80,699)
Deferred revenue	-	(100,000)
Accrued incentive fees	623,808	1,169,500
Due to affiliate	36,144	(39,521)
Interest payable	(356,364)	(162,132)
Accrued expenses and other liabilities	(507,001)	93,179
<b>Net cash provided by (used in) operating activities</b>	<b>58,508,657</b>	<b>(1,468,437)</b>
<b>Cash flows from financing activities</b>		
Deferred offering costs	-	(109,274)
Deferred credit facility fees	-	(13,782)
Borrowings under credit facilities	22,000,000	6,750,000
Repayments under credit facilities	(83,000,000)	(59,500,000)
Proceeds from reverse purchase agreements	49,751,199	69,594,014
Repayments of reverse purchase agreements	(74,593,802)	(79,560,129)
Dividends paid to shareholders	(1,921,604)	(1,218,456)
Offering costs	(45,068)	-
Net cash received from common stock issued	315,308	66,000,000
<b>Net cash provided by (used in) financing activities</b>	<b>(87,493,967)</b>	<b>1,942,373</b>
Net increase (decrease) in cash	(28,985,310)	473,936
Cash and cash equivalents at beginning of period	45,799,672	2,527,474
<b>Cash and cash equivalents at end of period</b>	<b>\$ 16,814,362</b>	<b>\$ 3,001,410</b>
<b>Supplemental and non-cash financing cash flow information:</b>		
Taxes paid	\$ 99,549	\$ 2,490
Interest paid	520,776	317,710
Non-cash portfolio purchases	23,959,450	-
Non-cash dividend reinvestments	8,385,423	4,942,168

See notes to financial statements.

**RUNWAY GROWTH CREDIT FUND INC.**

**Schedule of Investments (Unaudited)  
March 31, 2020**

<b>Portfolio Companies</b>	<b>Sub-Industry</b>	<b>Investment Description<sup>(1),(5),(6),(11)</sup></b>	<b>Acquisition Date</b>	<b>Principal/ Shares</b>	<b>Cost</b>	<b>Fair Value<sup>(2),(9)</sup></b>	<b>% of Net Assets</b>
<b>Non-control/non-affiliate investments</b>							
<b>Common Stock</b>							
Hercules Capital, Inc.	Specialty Finance	Common stock <sup>(3)</sup>	3/19/2020	159,627	\$ 1,123,560	\$ 1,219,550	0.32%
TriplePoint Venture Growth BDC Corp.	Specialty Finance	Common stock <sup>(3)</sup>	3/19/2020	98,723	546,505	566,670	0.15
<b>Total Common Stock</b>					<u>1,670,065</u>	<u>1,786,220</u>	<u>0.47</u>
<b>Corporate Bond</b>							
TriplePoint Venture Growth BDC Corp.	Specialty Finance	Bonds, 5.75%, due 7/15/2022 <sup>(3)</sup>	3/23/2020	9,550	179,819	207,713	0.06
<b>Senior Secured Term Loans</b>							
Aria Systems, Inc.	Application Software	Tranche I: LIBOR+9.0%, 11.35% floor, 4.5% ETP, due 12/15/2021	6/29/2018	25,000,000	25,184,795	25,067,339	6.66
		Tranche II: LIBOR+9.0%, 11.35% floor, 4.5% ETP, due 12/15/2021	3/31/2020	2,500,000	2,500,160	2,488,500	0.66
Brilliant Earth, LLC	Internet Retail	LIBOR+8.25%, 10.40% floor, 4.5% ETP, due 4/15/2023	9/30/2019	35,000,000	34,016,897	33,624,188	8.93
Circadence Corporation	Application Software	LIBOR+9.50%, 12.0% floor, 6% ETP, due 12/15/2022	12/20/2018	18,000,000	15,494,454	15,426,047	4.10
Cloud Passage, Inc.	Data Processing & Outsourced Services	LIBOR+7.50%+1.0% PIK, 10.00% floor, 2.75% ETP, due 6/13/2023 <sup>(4)</sup>	6/13/2019	7,557,696	7,342,775	7,270,350	1.93
Credit Sesame, Inc.	Specialized Consumer Services	Tranche I: LIBOR+8.35%, 10.25% floor, 2.5% ETP, due 12/15/2023	1/7/2020	35,000,000	34,214,525	34,214,525	9.09
		Tranche II: LIBOR+8.35%, 10.25% floor, due 5/15/2023	1/7/2020	8,637,431	8,637,431	8,637,431	2.29
Dejero Labs Inc.	Data Processing & Outsourced Services	LIBOR+9.25%, 11.75% floor, 4.5% ETP, due 5/31/2023 <sup>(3),(7)</sup>	5/31/2019	11,000,000	10,860,220	10,792,759	2.87
Dtex Systems, Inc.	Application Software	LIBOR+9.15%, 11.5% floor, 5.0% ETP, due 11/15/2021	6/1/2018	7,473,782	7,629,162	7,592,141	2.02
Echo 360 Holdings, Inc.	Education Services	Tranche I: LIBOR+9.25%, 12.05% floor, 4.0% ETP, due 5/3/2023	5/3/2019	14,000,000	13,847,291	13,735,231	3.65
		Tranche II: LIBOR+9.25%, 12.05% floor, 4.0% ETP, due 5/3/2023	5/3/2019	3,000,000	2,986,773	2,960,051	0.79
INRIX, Inc.	Internet Software and Services	Tranche I: LIBOR+8.0%, 10.5% floor, 2.5% ETP, due 7/15/2023	7/26/2019	20,000,000	19,671,899	19,226,020	5.11
		Tranche II: LIBOR+8.0%, 10.5% floor, 2.5% ETP, due 7/15/2023	7/26/2019	10,000,000	9,723,284	9,502,898	2.52
Longtail Ad Solutions, Inc. (dba JW Player)	Internet Software and Services	LIBOR+8.75%, 10.75% Floor, 3% ETP, due 6/15/2023	12/12/2019	30,000,000	29,744,630	29,744,630	7.90
Massdrop Inc.	Computer & Electronics Retail	LIBOR+8.25%, 10.65% floor, 4% ETP, due 1/15/2023	7/22/2019	17,500,000	17,316,724	16,911,364	4.49

See notes to financial statements.

**RUNWAY GROWTH CREDIT FUND INC.**

**Schedule of Investments (Unaudited)**  
**March 31, 2020**

Portfolio Companies	Sub-Industry	Investment Description <sup>(1),(5),(6),(11)</sup>	Acquisition Date	Principal/ Shares	Cost	Fair Value <sup>(2),(9)</sup>	% of Net Assets
<b>Non-control/non-affiliate investments (continued)</b>							
<b>Senior Secured Term Loans (continued)</b>							
MingleHealth Care Solutions, Inc.	Healthcare Technology	LIBOR+9.5%, 11.75% floor, 4% ETP, due 8/15/2022	8/15/2018	\$ 4,416,667	\$ 4,483,662	\$ 4,318,608	1.15%
Mojix, Inc.	Application Software	Tranche I: LIBOR+12% PIK, 11.00% floor, 5% ETP, due 5/15/2021 <sup>(4)</sup>	5/16/2017	6,519,240	6,502,036	4,836,849	1.29
		Tranche II: LIBOR+12% PIK, 11.00% floor, 5% ETP, due 5/15/2021 <sup>(4)</sup>	8/3/2017	2,173,080	2,170,069	1,612,283	0.43
		Tranche III: LIBOR+12% PIK, 11.00% floor, 5% ETP, due 5/15/2021 <sup>(4)</sup>	7/6/2018	542,721	543,783	402,664	0.11
		Tranche IV: LIBOR+12% PIK, 11.00% floor, 5% ETP, due 5/15/2021 <sup>(4)</sup>	9/5/2018	541,964	542,215	402,102	0.11
		Tranche V: LIBOR+12% PIK, 11.00% floor, 5% ETP, due 5/15/2021 <sup>(4)</sup>	1/28/2019	1,079,293	1,073,081	800,765	0.21
		Tranche VI: LIBOR+12% PIK, 11.00% floor, due 5/15/2020 <sup>(4)</sup>	12/18/2019	1,034,143	1,034,143	1,034,143	0.27
3DNA Corp.(dba NationBuilder)	Application Software	Tranche I: LIBOR+9.00%, 11.50% floor, 5% ETP, due 4/28/2022	12/28/2018	7,000,000	7,068,751	6,927,610	1.84
		Tranche II: LIBOR+9.00%, 11.50% floor, 5% ETP, due 4/28/2022	6/12/2019	500,000	505,875	494,829	0.13
Ouster, Inc.	Technology Hardware, Storage & Peripherals	LIBOR+8.50%, 10.75% floor, 3.50% ETP, due 5/15/2021	11/27/2018	10,000,000	10,064,839	9,981,529	2.65
Pivot3, Inc.	Data Processing & Outsourced Services	LIBOR+8.50%, 11.00% floor, 4% ETP, due 11/15/2022	5/13/2019	20,000,000	19,979,229	19,398,262	5.15
Scale Computing, Inc.	System Software	LIBOR+9.25%, 11.75% floor, 6.0% ETP, due 9/15/2022	3/29/2019	15,000,000	14,926,816	14,401,910	3.83
ShareThis, Inc.	Data Processing & Outsourced Services	Tranche I: LIBOR+9.25%, 11.60% floor, 3% ETP, due 12/31/2022	12/3/2018	19,250,000	18,370,714	18,213,133	4.84
		Tranche II: LIBOR+9.25%, 11.60% floor, 3% ETP, due 12/31/2022	1/17/2019	750,000	709,779	703,691	0.19
		Tranche III: LIBOR+9.25%, 11.60% floor, 3% ETP, due 12/31/2022	7/24/2019	1,000,000	933,249	925,244	0.25
The Kaim Corporation	Application Software	Tranche I: LIBOR+8.00% PIK, 9.31% floor, due 3/9/2027 <sup>(4)</sup>	3/24/2020	250,000	250,000	250,000	0.07
		Tranche II: 5.00% PIK, due 3/9/2027 <sup>(4)</sup>	3/09/2020	4,003,333	4,003,333	4,003,333	1.06
<b>Total Senior Secured Term Loans</b>					<u>332,332,594</u>	<u>325,900,429</u>	<u>86.59</u>
<b>Preferred Stock</b>							
Aria Systems, Inc.	Application Software	Series G Preferred Stock <sup>(8)</sup>	7/10/2018	289,419	250,000	451,494	0.12
MTBC, Inc.	Healthcare Technology	11% Series A Cumulative Redeemable Perpetual Preferred Stock	1/8/2020	760,000	18,687,450	16,580,000	4.40
<b>Total Preferred Stock</b>					<u>18,937,450</u>	<u>17,031,494</u>	<u>4.52</u>

See notes to financial statements.

**RUNWAY GROWTH CREDIT FUND INC.**

**Schedule of Investments (Unaudited)  
March 31, 2020**

<b>Portfolio Companies</b>	<b>Sub-Industry</b>	<b>Investment Description<sup>(1),(5),(6),(11)</sup></b>	<b>Acquisition Date</b>	<b>Principal/ Shares</b>	<b>Cost</b>	<b>Fair Value<sup>(2),(9)</sup></b>	<b>% of Net Assets</b>
<b>Non-control/non-affiliate investments (continued)</b>							
<b>Warrants<sup>(8)</sup></b>							
AllClear ID, Inc.	Specialized Consumer Services	Warrant for Common Stock, exercise price \$0.01/share, expires 9/1/2027	9/1/2017	870,514	\$ 1,749,733	\$ 882,701	0.23%
Aria Systems, Inc.	Application Software	Warrant for Series G Preferred Stock, exercise price \$0.8638/share, expires 6/29/2028	6/29/2018	2,170,641	770,578	2,770,032	0.74
Aspen Group Inc.	Education Services	Warrant for Common Stock, exercise price \$6.87/share, expires 7/25/2022	7/25/2017	224,174	583,301	634,000	0.17
Brilliant Earth, LLC	Internet Retail	Warrant for Class P Units, exercise price \$5.25/share, expires 9/30/2029	9/30/2019	333,333	973,000	902,667	0.24
Circadence Corporation	Application Software	Warrant for Series A-5 Preferred Stock, exercise price \$1.08/share, expires 12/20/2028	12/20/2018	1,666,667	3,630,000	3,225,922	0.86
		Warrant for Series A-5 Preferred Stock, exercise price \$1.08/share, expires 10/31/2029	10/31/2019	416,667	845,540	806,481	0.21
Cloud Passage, Inc.	Data Processing & Outsourced Services	Warrant for Series D-1 Preferred Stock, exercise price \$1.60/share, expires 6/13/2029	6/13/2019	210,938	273,798	233,508	0.06
Credit Sesame, Inc.	Specialized Consumer Services	Warrant for Common Stock, exercise price \$0.01/share, expires 1/7/2030	1/7/2020	191,601	424,800	423,935	0.11
Dejero Labs Inc.	Data Processing & Outsourced Services	Warrant for Common Stock, exercise price \$0.01/share, expires 5/31/2029 <sup>(3),(7)</sup>	5/31/2019	333,621	192,499	174,006	0.05
Dtex Systems, Inc.	Application Software	Warrant for Series C-Prime Preferred Stock, exercise price \$0.6000/share, expires 6/1/2025	6/1/2018	500,000	59,000	51,000	0.01
		Warrant for Series C-Prime Preferred Stock, exercise price \$0.6000/share, expires 7/11/2026	7/11/2019	833,333	114,719	105,000	0.03
Echo 360 Holdings, Inc.	Education Services	Warrant for Series E Preferred Stock, exercise price \$1.5963/share, expires 5/3/2029	5/3/2019	1,066,767	299,762	305,095	0.08
INRIX, Inc.	Internet Software and Services	Warrant for Common Stock, exercise price \$9.29/share, expires 7/26/2029	7/26/2019	150,804	522,083	462,817	0.12
Longtail Ad Solutions, Inc. (dba JW Player)	Internet Software and Services	Warrant for Common Stock, exercise price \$1.49/share, expires 12/12/2029	12/12/2019	322,997	38,800	38,114	0.01
Massdrop Inc.	Computer & Electronics Retail	Warrant for B Series Preferred Stock, exercise price \$1.1938/share, expires 7/22/2029	7/22/2019	848,093	183,188	167,922	0.04
MingleHealth Care Solutions, Inc.	Healthcare Technology	Warrant for Series AA Preferred Stock, exercise price \$0.24/share, expires 8/15/2028	8/15/2018	1,625,000	492,375	—	—

See notes to financial statements.

**RUNWAY GROWTH CREDIT FUND INC.**

**Schedule of Investments (Unaudited)  
March 31, 2020**

Portfolio Companies	Sub-Industry	Investment Description <sup>(1),(5),(6),(11)</sup>	Acquisition Date	Principal/ Shares	Cost	Fair Value <sup>(2),(9)</sup>	% of Net Assets
<b>Non-control/non-affiliate investments (continued)</b>							
<b>Warrants<sup>(8)</sup> (continued)</b>							
Mojix, Inc.	Application Software	Warrant for Common Stock exercise price \$10.64/share, expires 5/16/2027	5/16/2017	164,427	\$ 417,645	\$ —	—%
		Warrant for Series 1 Preferred Stock, exercise price \$0.28/share, expires 12/20/2028	12/20/2018	7,176,973	806,991	—	—
		Warrant for Series 1 Preferred Stock exercise price \$0.28/share, expires 5/30/2029	5/30/2019	358,849	21,531	—	—
		Warrant for Series 1 Preferred Stock exercise price \$0.28/share, expires 12/17/2019	12/17/2019	358,849	—	—	—
MTBC, Inc.	Healthcare Technology	Warrant for Common Stock, exercise price \$0.01/share, expires 1/8/2022	1/8/2020	1,000,000	435,000	1,023,000	0.27
		Warrant for Common Stock, exercise price \$0.01/share, expires 1/8/2023	1/8/2020	1,000,000	837,000	1,553,000	0.41
3DNA Corp.(dba NationBuilder)	Application Software	Warrant for Series C-1 Preferred Stock, exercise price \$1.4643/share, expires 12/28/2028	12/28/2018	273,164	104,138	46,204	0.01
Ouster, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series A Preferred Stock, exercise price \$11.3158/share, expires 11/27/2028	11/27/2018	53,023	103,010	145,380	0.04
Pivot3, Inc.	Data Processing & Outsourced Services	Warrant for Series D Preferred Stock, exercise price \$0.59/share, expires 5/13/2029	5/13/2019	2,033,898	216,610	49,835	0.01
RealWear, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series A Preferred Stock, exercise price \$4.4464/share, expires 10/5/2028	10/5/2018	112,451	135,841	—	—
		Warrant for Series A Preferred Stock, exercise price \$4.4464/share, expires 12/28/2028	12/28/2018	22,491	25,248	—	—
		Warrant Series A Preferred Stock, exercise price \$6.78/share, expires 6/27/2029	6/27/2019	123,894	380,850	—	—
Scale Computing, Inc.	System Software	Warrant for Series F-1 Preferred Stock, exercise price \$0.8031/share, expires 3/29/2029	3/29/2019	2,147,926	345,816	307,153	0.08
SendtoNews Video, Inc.	Advertising	Warrant for Class B Non-Voting Stock, exercise price \$0.67/share, expires 6/30/2027 <sup>(3),(7)</sup>	6/30/2017	191,500	246,461	35,000	0.01
ShareThis Inc.	Data Processing & Outsourced Services	Warrant for Series D-3 Preferred Stock, exercise price \$2.4320/share, expires 12/3/2028	12/3/2018	647,615	2,162,000	2,162,000	0.57

See notes to financial statements.

**RUNWAY GROWTH CREDIT FUND INC.**

**Schedule of Investments (Unaudited)**  
**March 31, 2020**

Portfolio Companies	Sub-Industry	Investment Description <sup>(1),(5),(6),(11)</sup>	Acquisition Date	Principal/ Shares	Cost	Fair Value <sup>(2),(9)</sup>	% of Net Assets
<b>Non-control/non-affiliate investments (continued)</b>							
<b>Warrants<sup>(8)</sup> (continued)</b>							
The Kaim Corporation	Application Software	Warrant for Common Stock, exercise price \$0.01/share, expires 3/9/2030	3/9/2020	81,177	\$ —	\$ —	—%
zSpace, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series E Preferred Stock, exercise price \$0.90/share, expires 12/29/2027	12/29/2017	1,896,966	707,568	—	—
		Warrant for Series E Preferred Stock, exercise price \$0.90/share, expires 2/11/2029	2/11/2019	2,806,830	411,528	—	—
<b>Total Warrants</b>					<u>18,510,413</u>	<u>16,504,772</u>	<u>4.36</u>
<b>Total non-control/non-affiliate investments</b>					<u>371,630,341</u>	<u>361,430,628</u>	<u>96.00</u>
<b>U.S. Treasury</b>		U.S. Treasury Bill, 1.33%, due 4/7/2020 <sup>(10)</sup>			50,000,667	50,001,334	13.28
<b>Total Investments</b>					<u>\$ 421,631,008</u>	<u>\$ 411,431,962</u>	<u>109.28%</u>

- (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 rate debt investments bear interest at a rate that is determined by reference to the 3-Month London Interbank Offered Rate (“LIBOR”) or the U.S. Prime Rate. At March 31, 2020, the 3-Month LIBOR was 1.45% and the U.S. Prime Rate was 3.25%.
- (2) All investments in portfolio companies, which as of March 31, 2020 represented 96.00% of the Company’s net assets, are restricted as to resale and were valued at fair value as determined in good faith by the Company’s Board of Directors.
- (3) Investment is not a qualifying investment as defined under Section 55(a) of the Investment Company Act of 1940, as amended. Non-qualifying assets represent 3.41% of total investments at fair value as of March 31, 2020. 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).
- (4) Represents a PIK security. PIK interest will be accrued and paid at maturity.
- (5) All investments are valued using unobservable inputs, except Common Stock, Corporate Bonds and U.S. Treasury Bills, which are valued using observable inputs.
- (6) All investments are domiciled in the United States, unless otherwise noted.
- (7) Investment is domiciled in Canada.
- (8) Investments are non-income producing.
- (9) Investments are held at Fair Value net of the Fair Value of Unfunded Commitments. See Note 3 for additional detail.
- (10) Treasury bills with \$50,000,000 in aggregate of par value were purchased pursuant to a 4.00% reverse repurchase agreement with Goldman Sachs, dated March 26, 2020, due April 3, 2020, with a repurchase price of \$50,000,000 and collateralized by a 1.45% U.S. Treasury Bill due April 7, 2020 with a par value of \$50,000,000 and fair value of \$50,001,334.

See notes to financial statements.

**RUNWAY GROWTH CREDIT FUND INC.**

**Schedule of Investments (Unaudited)**  
**March 31, 2020**

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

The following tables show the fair value of our portfolio of investments (excluding any U.S. Treasury Bills held) by geographic region and industry as of March 31, 2020:

<b>Geographic Region</b>	<b>March 31, 2020</b>	
	<b>Investments at Fair Value</b>	<b>Percentage of Net Assets</b>
Western United States	\$ 220,258,146	58.52%
Northeastern United States	65,939,121	17.52
Northwestern United States	29,191,735	7.76
South Central United States	20,330,798	5.40
Midwestern United States	14,709,063	3.91
Canada	11,001,765	2.92
<b>Total</b>	<b>\$ 361,430,628</b>	<b>96.03%</b>

<b>Industry</b>	<b>March 31, 2020</b>	
	<b>Investments at Fair Value</b>	<b>Percentage of Net Assets</b>
Application Software	\$ 108,577,482	28.85%
Data Processing & Outsourced Services	48,956,023	13.01
Specialized Consumer Services	44,158,592	11.73
Internet Retail	34,526,855	9.17
Internet Software & Services	29,191,735	7.76
System Software	25,675,828	6.82
Healthcare Technology	23,474,608	6.24
Education Services	17,634,377	4.68
Computer & Electronics Retail	17,079,286	4.54
Technology Hardware, Storage & Peripherals	10,126,909	2.69
Specialty Finance	1,993,933	0.53
Advertising	35,000	0.01
<b>Total</b>	<b>\$ 361,430,628</b>	<b>96.03%</b>

See notes to financial statements.

**RUNWAY GROWTH CREDIT FUND INC.**

**Schedule of Investments  
December 31, 2019**

<b>Portfolio Companies</b>	<b>Sub-Industry</b>	<b>Investment Description<sup>(1),(5),(6),(11)</sup></b>	<b>Acquisition Date</b>	<b>Principal/ Shares</b>	<b>Cost</b>	<b>Fair Value<sup>(2)</sup></b>	<b>% of Net Assets</b>
<b>Non-control/non-affiliate investments</b>							
<b>Senior Secured Term Loans</b>							
Aginity, Inc.	Application Software	Tranche I: LIBOR+10.5% PIK, 11.50% floor, 5% ETP, due 2/15/2020 <sup>(4),(8),(12)</sup>	5/25/2018	\$ 7,386,026	\$ 7,232,349	\$ 2,511,589	0.67%
		Tranche II: LIBOR+10.5% PIK, 11.50% floor, Extension line, due 2/15/2020 <sup>(4),(8),(12)</sup>	7/25/2019	2,000,000	2,000,000	1,800,000	0.48
Aria Systems, Inc.	Application Software	LIBOR+9.0%, 11.35% floor, 4.5% ETP, due 12/15/2021	6/29/2018	25,000,000	25,016,698	24,863,442	6.61
Brilliant Earth, LLC	Internet Retail	LIBOR+8.25%, 10.40% floor, 4.5% ETP, due 4/15/2023	9/30/2019	35,000,000	33,795,605	33,795,605	8.98
CareCloud Corporation	Healthcare Technology	Prime+7.0%, 11.75% floor, 3.5% ETP, due 6/15/2022	6/19/2018	25,000,000	24,994,734	23,320,627	6.20
Circadence Corporation	Application Software	LIBOR+9.50%, 12.0% floor, 6% ETP, due 12/15/2022	12/20/2018	18,000,000	15,038,641	15,485,065	4.11
Cloud Passage, Inc.	Data Processing & Outsourced Services	LIBOR+7.50%, 1% PIK, 10.00% floor, 2.75% ETP, due 6/13/2023 <sup>(4)</sup>	6/13/2019	7,538,624	7,280,486	7,280,486	1.93
Dejero Labs Inc.	Data Processing & Outsourced Services	LIBOR+9.25%, 11.75% floor, 4.5% ETP, due 5/31/2023 <sup>(3),(7)</sup>	5/31/2019	11,000,000	10,797,612	10,797,612	2.87
Dtex Systems, Inc.	Application Software	LIBOR+10.65% PIK, 13% floor, 4.875% ETP, due 11/15/2021	6/1/2018	8,130,147	8,233,588	8,436,559	2.24
Echo 360 Holdings, Inc.	Education Services	Tranche I: LIBOR+9.25%, 12.05% floor, 4.0% ETP, due 5/3/2023	5/3/2019	14,000,000	13,773,561	13,773,561	3.66
		Tranche II: LIBOR+9.25%, 12.05% floor, 4.0% ETP, due 5/3/2023	5/3/2019	3,000,000	2,973,193	2,970,709	0.79
eSilicon Corporation	Semiconductors	Tranche I: LIBOR+10.50%, 13% floor, 5% ETP, due 7/15/2020	7/31/2017	2,916,667	3,323,305	3,442,998	0.91
		Tranche II: LIBOR+10.50%, 13% floor, 5% ETP, due 1/15/2021	2/8/2018	2,708,333	2,886,855	2,982,784	0.79
		Tranche III: LIBOR+10.50%, 13% floor, 5% ETP, due 6/15/2020	6/21/2019	10,000,000	10,177,163	11,063,021	2.94
		Tranche IV: Prime+2.75%, Revolving line, due 6/15/2020	6/21/2019	11,000,000	11,000,000	10,590,278	2.81
INRIX, Inc.	Internet Software and Services	Tranche I: LIBOR+8.0%, 10.5% floor, 2.5% ETP, due 7/15/2023	7/26/2019	20,000,000	19,600,991	19,600,991	5.21
		Tranche I: LIBOR+8.0%, 10.5% floor, 2.5% ETP, due 7/15/2023	7/26/2019	5,000,000	4,703,249	4,703,249	1.25
Longtail Ad Solutions, Inc. (dba JW Player)	Internet Software and Services	LIBOR+8.75%, 10.75% Floor, 3% ETP, due 6/15/2023	12/12/2019	25,000,000	24,655,194	24,655,194	6.55
Massdrop Inc.	Computer & Electronics Retail	LIBOR+8.25%, 10.65% floor, 4% ETP, due 1/15/2023	7/22/2019	17,500,000	17,220,865	17,220,865	4.58
MingleHealth Care Solutions, Inc.	Healthcare Technology	LIBOR+9.5%, 11.75% floor, 4% ETP, due 8/15/2022 <sup>(12)</sup>	8/15/2018	6,000,000	5,783,543	5,417,339	1.44

See notes to financial statements.

RUNWAY GROWTH CREDIT FUND INC.

Schedule of Investments – (continued)  
December 31, 2019

Portfolio Companies	Sub-Industry	Investment Description <sup>(1),(5),(6),(11)</sup>	Acquisition Date	Principal/ Shares	Cost	Fair Value <sup>(2)</sup>	% of Net Assets
<b>Non-control/non-affiliate investments (continued)</b>							
<b>Senior Secured Term Loans (continued)</b>							
Mojix, Inc.	Application Software	Tranche I: LIBOR+12% PIK, 11.00% floor, 5% ETP, due 5/15/2021	5/16/2017	\$ 6,296,833	\$ 6,191,982	\$ 4,726,334	1.26%
		Tranche II: LIBOR+12% PIK, 11.00% floor, 5% ETP, due 5/15/2021	8/3/2017	2,098,944	2,067,505	1,575,445	0.42
		Tranche III: LIBOR+12% PIK, 11.00% floor, 5% ETP, due 5/15/2021	7/6/2018	524,206	518,864	393,914	0.10
		Tranche IV: LIBOR+12% PIK, 11.00% floor, 5% ETP, due 5/15/2021	9/5/2018	523,474	516,902	392,469	0.10
		Tranche V: LIBOR+12% PIK, 11.00% floor, 5% ETP, due 5/15/2021	1/28/2019	1,042,472	1,020,642	782,469	0.21
		Tranche VI: LIBOR+12% PIK, 11.00% floor, due 1/31/2020	12/18/2019	1,000,000	1,000,000	1,000,000	0.27
3DNA Corp.(dba NationBuilder)	Application Software	Tranche I: LIBOR+9.00%, 11.50% floor, 5% ETP, due 4/28/2022	12/28/2018	7,000,000	7,016,888	6,942,703	1.84
		Tranche II: LIBOR+9.00%, 11.50% floor, 5% ETP, due 4/28/2022	6/12/2019	500,000	502,374	497,063	0.13
Ouster, Inc.	Technology Hardware, Storage & Peripherals	LIBOR+8.50%, 10.75% floor, 3.50% ETP, due 5/15/2021	11/27/2018	10,000,000	10,007,056	10,007,056	2.66
Pivot3, Inc.	Data Processing & Outsourced Services	LIBOR+8.50%, 11.00% floor, 4% ETP, due 11/15/2022	5/13/2019	20,000,000	19,863,175	19,728,122	5.24
RealWear, Inc.	Technology Hardware, Storage & Peripherals	LIBOR+8%, 10.35% floor, 5% ETP, due 6/28/2023	6/28/2018	25,000,000	24,653,512	24,653,512	6.55
Scale Computing, Inc.	System Software	LIBOR+9.25%, 11.75% floor, 4.5% ETP, due 9/15/2022	3/29/2019	15,000,000	14,798,210	14,418,842	3.83
ShareThis, Inc.	Data Processing & Outsourced Services	Tranche I: LIBOR+9.25%, 11.60% floor, 5% ETP, due 6/15/2022	12/3/2018	19,250,000	18,123,758	18,123,758	4.82
		Tranche II: LIBOR+9.25%, 11.60% floor, 5% ETP, due 6/15/2022	1/17/2019	750,000	699,312	699,312	0.19
		Tranche III: LIBOR+9.25%, 11.60% floor, 5% ETP, due 6/15/2022	7/24/2019	1,000,000	917,457	917,457	0.25
<b>Total Senior Secured Term Loans</b>					<u>358,385,089</u>	<u>349,570,424</u>	<u>92.89</u>
<b>Preferred Stock<sup>(8)</sup></b>							
Aria Systems, Inc.	Application Software	Series G Preferred Stock	7/10/2018	289,419	250,000	437,515	0.12
<b>Warrants<sup>(8)</sup></b>							
Aginity, Inc.	Application Software	Warrant for Series A Preferred Stock, exercise price \$1.949/share, expires 5/25/2028 <sup>(12)</sup>	5/25/2018	359,158	167,727	—	—
		Warrant for Series A-1 Preferred Stock, exercise price \$0.01/share, expires 2/25/2029	2/25/2019	205,234	151,873	—	—

See notes to financial statements.

**RUNWAY GROWTH CREDIT FUND INC.**

**Schedule of Investments – (continued)  
December 31, 2019**

Portfolio Companies	Sub-Industry	Investment Description <sup>(1),(5),(6),(11)</sup>	Acquisition Date	Principal/ Shares	Cost	Fair Value <sup>(2)</sup>	% of Net Assets
<b>Non-control/non-affiliate investments (continued)</b>							
<b>Warrants<sup>(8)</sup> (continued)</b>							
AllClear ID, Inc.	Specialized Consumer Services	Warrant for Common Stock, exercise price \$0.01/share, expires 9/1/2027	9/1/2017	\$ 870,514	\$ 1,749,733	\$ 906,205	0.24%
Aria Systems, Inc.	Application Software	Warrant for Series G Preferred Stock, exercise price \$0.8638/share, expires 6/29/2028	6/29/2018	2,170,641	770,578	2,633,681	0.69
Aspen Group Inc.	Education Services	Warrant for Common Stock, exercise price \$6.87/share, expires 7/25/2022	7/25/2017	224,174	583,301	631,000	0.17
Brilliant Earth, LLC	Internet Retail	Warrant for Class P Units, exercise price \$5.25/share, expires 9/30/2029	9/30/2019	333,333	973,000	955,667	0.25
CareCloud Corporation	Healthcare Technology	Warrant for Series A-1 Preferred Stock, exercise price \$0.8287/share, expires 6/16/2025	4/17/2019	2,262,579	394,163	—	—
Circadence Corporation	Application Software	Warrant for Series A-5 Preferred Stock, exercise price \$1.08/share, expires 12/20/2028	12/20/2018	1,666,667	3,630,000	3,393,522	0.90
		Warrant for Series A-5 Preferred Stock, exercise price \$1.08/share, expires 10/31/2029	10/31/2019	416,667	845,540	848,380	0.22
Cloud Passage, Inc.	Data Processing & Outsourced Services	Warrant for Series D-1 Preferred Stock, exercise price \$1.60/share, expires 6/13/2029	6/13/2019	210,938	273,798	266,626	0.07
Dejero Labs Inc.	Data Processing & Outsourced Services	Warrant for Common Stock, exercise price \$0.01/share, expires 5/31/2029 <sup>(3),(7)</sup>	5/31/2019	333,621	192,499	198,664	0.05
Dtex Systems, Inc.	Application Software	Warrant for Series C-Prime Preferred Stock, exercise price \$0.6000/share, expires 6/1/2025	6/1/2018	500,000	59,000	57,500	0.02
		Warrant for Series C-Prime Preferred Stock, exercise price \$0.6000/share, expires 7/11/2026	7/11/2019	833,333	114,719	115,000	0.03
Echo 360 Holdings, Inc.	Education Services	Warrant for Series E Preferred Stock, exercise price \$1.5963/share, expires 5/3/2029	5/3/2019	1,066,767	299,762	318,963	0.08
eSilicon Corporation	Semiconductors	Warrant for Series H Preferred Stock, exercise price \$1.01/share, expires 7/31/2027	7/31/2017	1,485,149	543,564	2,249,999	0.60
		Warrant for Series H Preferred Stock, exercise price \$1.01/share, expires 6/21/2029	6/21/2019	990,099	312,871	500,000	0.13
INRIX, Inc.	Internet Software and Services	Warrant for Common Stock, exercise price \$9.29/share, expires 7/26/2029	7/26/2019	150,804	522,083	475,485	0.13
Longtail Ad Solutions, Inc. (dba JW Player)	Internet Software and Services	Warrant for Common Stock, exercise price \$1.49/share, expires 12/12/2029	12/12/2019	332,997	38,800	38,800	0.01

See notes to financial statements.

**RUNWAY GROWTH CREDIT FUND INC.**

**Schedule of Investments – (continued)  
December 31, 2019**

<b>Portfolio Companies</b>	<b>Sub-Industry</b>	<b>Investment Description<sup>(1),(5),(6),(11)</sup></b>	<b>Acquisition Date</b>	<b>Principal/ Shares</b>	<b>Cost</b>	<b>Fair Value<sup>(2)</sup></b>	<b>% of Net Assets</b>
<b>Non-control/non-affiliate investments (continued)</b>							
<b>Warrants<sup>(8)</sup> (continued)</b>							
Massdrop Inc.	Computer & Electronics Retail	Warrant for B Series Preferred Stock, exercise price \$1.1938/share, expires 7/22/2019	7/22/2019	\$ 848,093	\$ 183,188	\$ 190,821	0.05%
MingleHealth Care Solutions, Inc.	Healthcare Technology	Warrant for Series AA Preferred Stock, exercise price \$0.24/share, expires 8/15/2028	8/15/2018	1,625,000	492,375	—	—
Mojix, Inc.	Application Software	Warrant for Common Stock exercise price \$10.64/share, expires 5/16/2027	5/16/2017	164,427	417,645	—	—
		Warrant for Series 1 Preferred Stock, exercise price \$0.28/share, expires 12/20/2028	12/20/2018	7,176,973	806,991	—	—
		Warrant for Series 1 Preferred Stock exercise price \$0.28/share, expires 5/30/2029	5/30/2019	358,849	21,531	—	—
		Warrant for Series 1 Preferred Stock exercise price \$0.28/share, expires 12/17/2029	12/17/2029	358,849	—	—	—
3DNA Corp.(dba NationBuilder)	Application Software	Warrant for Series C-1 Preferred Stock, exercise price \$1.4643/share, expires 12/28/2028	12/28/2018	273,164	104,138	87,959	0.02
Ouster, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series A Preferred Stock, exercise price \$11.3158/share, expires 11/27/2028	11/27/2018	53,023	103,010	134,837	0.04
Pivot3, Inc.	Data Processing & Outsourced Services	Warrant for Series D Preferred Stock, exercise price \$0.59/share, expires 5/13/2029	5/13/2029	2,033,898	216,610	141,966	0.04
RealWear, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series A Preferred Stock, exercise price \$4.4464/share, expires 10/5/2028	10/5/2018	112,451	135,841	393,129	0.10
		Warrant for Series A Preferred Stock, exercise price \$4.4464/share, expires 12/28/2028	12/28/2018	22,491	25,248	78,628	0.02
		Warrant Series A Preferred Stock, exercise price \$6.78/share, expires 6/27/2029	6/27/2019	123,894	380,850	336,372	0.09
Scale Computing, Inc.	System Software	Warrant for Series F-1 Preferred Stock, exercise price \$0.8031/share, expires 3/29/2029	3/29/2019	2,147,926	345,816	317,893	0.08
SendtoNews Video, Inc.	Advertising	Warrant for Class B Non-Voting Stock, exercise price \$0.67/share, expires 6/30/2027 <sup>(3),(7)</sup>	6/30/2017	191,500	246,461	58,000	0.02
ShareThis Inc.	Data Processing & Outsourced Services	Warrant for Series D-3 Preferred Stock, exercise price \$2.4320/share, expires 12/3/2028	12/3/2018	647,615	2,162,000	2,162,000	0.57

See notes to financial statements.

**RUNWAY GROWTH CREDIT FUND INC.**

**Schedule of Investments – (continued)  
December 31, 2019**

Portfolio Companies	Sub-Industry	Investment Description <sup>(1),(5),(6),(11)</sup>	Acquisition Date	Principal/ Shares	Cost	Fair Value <sup>(2)</sup>	% of Net Assets
<b>Non-control/non-affiliate investments (continued)</b>							
<b>Warrants<sup>(8)</sup> (continued)</b>							
zSpace, Inc.	Technology Hardware, Storage & Peripherals	Warrant for Series E Preferred Stock, exercise price \$0.90/share, expires 12/29/2027	12/29/2017	\$ 1,896,966	\$ 707,568	\$ 208,595	0.07%
		Warrant for Series E Preferred Stock, exercise price \$0.90/share, expires 2/11/2029	2/11/2019	\$ 2,806,830	411,528	308,645	0.07
<b>Total Warrants</b>					<u>18,383,811</u>	<u>18,008,337</u>	<u>4.78</u>
<b>Total non-control/non-affiliate investments</b>					<u>377,018,900</u>	<u>368,016,276</u>	<u>97.67</u>
<b>U.S. Treasury</b>		U.S. Treasury Bill, 1.33%, due 1/7/2020 <sup>(10)</sup>			74,983,437	74,966,770	19.92
		U.S. Treasury Bill, 0.97%, due 1/2/2020			24,999,328	24,998,653	6.64
<b>Total U.S. Treasury</b>					<u>99,982,765</u>	<u>99,965,423</u>	<u>26.56</u>
<b>Total Investments</b>					<u>\$ 477,001,665</u>	<u>\$ 467,981,699</u>	<u>124.36%</u>

- (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 rate debt investments bear interest at a rate that is determined by reference to the 3-Month London Interbank Offered Rate (“LIBOR”) or the U.S. Prime Rate. At December 31, 2019, the 3-Month LIBOR was 1.91% and the U.S. Prime Rate was 4.75%.
- (2) All investments in portfolio companies, which as of December 31, 2019 represented 97.80% of the Company’s net assets, are restricted as to resale and were valued at fair value as determined in good faith by the Company’s Board of Directors.
- (3) Investment is not a qualifying investment as defined under Section 55(a) of the Investment Company Act of 1940, as amended. Non-qualifying assets represent 4.25% of total investments at fair value as of December 31, 2019. 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).
- (4) Represents a PIK security. PIK interest will be accrued and paid at maturity.
- (5) All investments are valued using unobservable inputs, except the U.S. Treasury Bills which are valued using observable inputs.
- (6) All investments are domiciled in the United States, unless otherwise noted.
- (7) Investment is domiciled in Canada.
- (8) Investments are non-income producing.
- (9) Investments are held at Fair Value net of the Fair Value of Unfunded Commitments. See Note 3 for additional detail.
- (10) Treasury bills with \$75,000,000 in aggregate of par value were purchased pursuant to a 5.00% reverse repurchase agreement with Goldman Sachs, dated December 27, 2019, due January 3, 2020, with a repurchase price of \$75,000,000 and collateralized by a 1.45% U.S. Treasury Bill due January 7, 2020 with a par value of \$75,000,000 and fair value of \$74,966,771.

See notes to financial statements.

**RUNWAY GROWTH CREDIT FUND INC.**

**Schedule of Investments – (continued)  
December 31, 2019**

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

(12) In the occurrence of a sale by the borrower, Aginity, Inc. will satisfy the repayment of the Extension line first from the proceeds available to the Company.

The following tables show the fair value of our portfolio of investments (excluding any U.S. Treasury Bills held) by geographic region and industry as of December 31, 2019:

<b>Geographic Region</b>	<b>December 31, 2019</b>	
	<b>Investments at Fair Value</b>	<b>Percentage of Net Assets</b>
Western United States	\$ 226,473,356	60.19%
Northwestern United States	50,241,366	13.35
Southeastern United States	23,320,627	6.20
South Central United States	20,776,293	5.52
Midwestern United States	19,048,324	5.06
Northeastern United States	17,102,034	4.54
Canada	11,054,276	2.94
<b>Total</b>	<b>\$ 368,016,276</b>	<b>97.80%</b>

<b>Industry</b>	<b>December 31, 2019</b>	
	<b>Investments at Fair Value</b>	<b>Percentage of Net Assets</b>
Application Software	\$ 101,674,597	27.02%
Data Processing & Outsourced Services	60,316,003	16.03
Technology Hardware, Storage & Peripherals	36,120,776	9.60
Internet Retail	34,751,272	9.23
Semiconductors	30,829,079	8.19
Healthcare Technology	28,737,966	7.64
Internet Software & Services	24,779,724	6.58
Education Services	17,694,233	4.70
Computer & Electronics Retail	17,411,686	4.63
System Software	14,736,735	3.92
Specialized Consumer Services	906,205	0.24
Advertising	58,000	0.02
<b>Total</b>	<b>\$ 368,016,276</b>	<b>97.80%</b>

See notes to financial statements.

## RUNWAY GROWTH CREDIT FUND INC.

### Notes to Financial Statements

#### Note 1 – Organization

Runway Growth Credit Fund Inc. (the “Company”) is a Maryland corporation that was formed on August 31, 2015. 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 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, small, fast-growing companies 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 appreciation 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.

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 \$25,000. The sale of shares of common stock was approved by the unanimous consent of the Company’s sole director at the time. In December 2016, the Company completed the initial closing of capital commitments in its first private offering of shares of common stock to investors (the “Initial Private Offering”) in reliance on exemptions from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), and other applicable securities laws. The final closing of the Initial Private Offering occurred on December 1, 2017. As of March 31, 2020, in connection with the Initial Private Offering, the Company had total capital commitments of \$275,000,000 and had issued 18,241,157 shares of its common stock for a total purchase price of \$275,000,000. The Company has issued an additional 3,143,522 shares as part of the dividend reinvestment program. Refer to Note 6 for further detail.

As of March 31, 2020, the Company had completed multiple closings under its second private offering (the “Second Private Offering”) and had accepted aggregate capital commitments of \$174,423,500. The Company has issued 5,018,918 shares of its common stock for a total purchase price of \$75,283,766 in connection with the Second Private Offering. The Company has issued 2,103 shares as an additional direct investment by Runway Growth Holdings LLC, an affiliate of RGC for total proceeds of \$31,542.

#### Note 2 – Summary of Significant Accounting Policies

##### *Basis of Presentation*

The interim unaudited 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-Q 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.

In the opinion of management, all adjustments, all of which were of a normal recurring nature, considered necessary for the fair presentation of financial statements for the interim period have been included. The results of operations for the current interim period are not necessarily indicative of results that ultimately may be achieved for any other interim period or for the year ending December 31, 2020, including the impact of the COVID-19 pandemic thereon. The interim unaudited financial statements and notes hereto should be read in conjunction with the audited financial statements and notes thereto contained in the Company's annual report on Form 10-K for the year ended December 31, 2019 filed with the SEC on March 19, 2020.

### ***Use of Estimates***

The preparation of 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 financial statements and the reported amounts of income and expense during the reporting period. Actual results could differ from those estimates.

### ***Cash and cash equivalents***

Cash represents deposits held at financial institutions, while cash equivalents are highly liquid investments held at financial institutions with an original maturity of three months or less at the date of acquisition. From time to time, the Company's cash and cash equivalents exceed federally insured limits, subjecting the Company to risks related to the uninsured balance. Cash and cash equivalents are held at large, established, high credit-quality financial institutions, and management believes that risk of loss associated with any uninsured balance is remote.

### ***Deferred Credit Facility Fees***

The fees and expenses associated with opening the KeyBank loan facilities or Credit Agreement (each as defined below) are being deferred and amortized as part of interest expense using the effective interest method over the term of the Credit Agreement in accordance with ASC 470, Debt. Debt issuance costs associated with the Credit Agreement are classified as a direct reduction of the carrying amount of borrowings with the Credit Agreement, unless there are no outstanding borrowings, in which case the debt issuance costs are presented as an asset.

The fees and expenses associated with opening the CIBC USA Credit Facilities (as defined below) are being deferred and amortized as part of interest expense using the effective interest method over the term of the Credit Facilities in accordance with ASC 470, Debt. Debt issuance costs associated with the Credit Agreement are classified as a direct reduction of the carrying amount of borrowings with the Credit Agreement, unless there are no outstanding borrowings, in which case the debt issuance costs are presented as an asset.

### ***Reverse Repurchase agreement***

The Company may enter into reverse repurchase agreements, under the terms of a Master Repurchase Agreement, with selected commercial banks and broker-dealers, under which the Company acquires securities as collateral (debt obligation) subject to an obligation of the counterparty to repurchase and the Company to resell the securities (obligation) at an agreed upon time and price. The Company, through the custodian or a sub-custodian, receives delivery of the underlying securities collateralizing repurchase agreements. The Company requires the custodian to take possession, to have legally segregated in the Federal Reserve Book Entry System, or to have segregated within the custodian's vault, all securities held as collateral for repurchase agreements. The Company and the counterparties are permitted to sell, re-pledge, or use the collateral associated with the transaction. It is the Company's policy that the market value of the collateral be at least equal to 100 percent of the repurchase price in the case of a repurchase agreement of one-day duration and 102 percent of the repurchase price in the case of all other repurchase agreements. Upon an event of default under the terms of the Master Repurchase Agreement, both parties have the right to set-off. If the seller defaults or enters an insolvency proceeding, realization of the collateral by the Company may be delayed, limited or wholly denied.

Pursuant to a reverse repurchase agreement with Goldman Sachs, which expired on April 3, 2020, the Company purchased a U.S. Treasury Bill, due April 7, 2020. The fair value of the related collateral that the Company received for this agreement was \$50,001,334 at March 31, 2020. Pursuant to a reverse repurchase agreement with Goldman Sachs which expired on January 3, 2020, the Company purchased a U.S. Treasury Bill, due January 7, 2020. The value of the related collateral that the Company received for this agreement was \$74,593,802 at December 31, 2019. At March 31, 2020 and December 31, 2019, the repurchase liability is \$49,751,199 and \$74,593,802, respectively, which is reflected as Reverse Repurchase Agreement on the Statement of Assets and Liabilities.

### ***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 appreciation (depreciation) on investments on the Statements of Operations.

Dividends are recorded on the ex-dividend date. 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, principally representing the estimated fair value of detachable equity or warrants 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 loan or debt security, any prepayment penalties, unamortized loan origination fees, end-of-term payments, and unamortized market discounts are recorded as interest 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 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. Generally, when current cash interest and/or principal payments on a loan become past due, or if the Company otherwise does not expect the borrower to be able to service its debt and other obligations, the Company will place the investment on non-accrual status and will generally cease recognizing PIK interest and dividend 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 and dividend income is deemed to be collectible. As of March 31, 2020, and December 31, 2019, the Company has not written off any accrued and uncollected PIK interest and dividends. As of March 31, 2020, the Company had no loans on non-accrual status. For the three months ended March 31, 2020 and March 31, 2019, approximately 3.5% and 1.4%, respectively, of the Company's total investment income was attributable to non-cash PIK interest and dividend income.

## Valuation of Investments

The Company measures the value of its investments 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. The COVID-19 pandemic and its resultant impact on economic activity and capital market volatility has impacted and may continue to have impact on the fair market values of our investments. As a result, the fair market values of our portfolio investments may be negatively impacted after March 31, 2020 by circumstances and events that are not yet known, including the complete or continuing impact of the COVID-19 pandemic and the resulting measures taken in response thereto. Our valuation process carefully considers the impact of COVID-19 related uncertainties in the various inputs utilized in the determination of the fair market value of investments.

The audit committee of the Company’s Board of Directors (the “Audit Committee”) 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.

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, an investment’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 investment.

Under ASC Topic 820, the fair value measurement also assumes that the transaction to sell an asset occurs in the principal market for the asset 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 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. 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.

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 one or more independent valuation firms. Certain investments, however, may not be evaluated by the applicable 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 applicable independent valuation firm, if any, and makes a recommendation to our 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 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 instruments and, thus, RGC's senior investment team must estimate the fair value of these investment securities based on models utilizing unobservable inputs.

### ***Investment Valuation Techniques***

*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 original issue discount, if any, 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 which 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 or decreases in these unobservable inputs could result in a significantly higher or lower fair value measurement; 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 these unobservable inputs.

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 or 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 or 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 or 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.

These 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.

*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. These 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.

### ***Fair Value of Financial Instruments***

The carrying amounts of the Company's financial instruments, including cash and accrued liabilities, approximate fair value due to their short-term nature.

### ***Investment Classification***

The Company is a non-diversified company within the meaning of the 1940 Act. The Company classifies its investments by level of control. As defined in the 1940 Act, control investments are those where there is the ability or power to exercise a controlling influence over the management or policies of a 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 voting securities of a company. Affiliated investments and affiliated companies are defined by a lesser degree of influence and are deemed to exist through the possession outright, or via the right to acquire within 60 days or less, beneficial ownership of 5.0% or more of the outstanding voting securities of a company.

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 as receivables for investments sold and payables for investments acquired, respectively, on the Statements of Assets and Liabilities.

### ***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, and currently qualifies and intends to qualify annually for the tax treatment applicable to RICs. Generally, a RIC 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 obtains and maintains its status as a RIC, it generally will not pay corporate-level U.S. federal income taxes 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 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.

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 to be treated as a RIC but is subsequently unable to qualify for treatment as a RIC, 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 as a RIC by the end of the first year that it intends to requalify as a RIC. If the Company fails to requalify as a RIC for a period greater than two taxable years, it may be subject to regular corporate-level U.S. federal income tax 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.

### ***Per Share Information***

Basic and diluted earnings per common share is calculated using the weighted-average number of common shares outstanding for the period presented. For the three months ended March 31, 2020 and 2019, basic and diluted earnings 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.

### ***Distributions***

The Company generally intends to distribute, out of assets legally available for distribution, substantially all of its available earnings, on a quarterly basis, subject to the discretion of the Board of Directors. For the three months ended March 31, 2020, the Company declared dividends in the amount of \$10,324,486, of which \$1,939,063 was distributed in cash and the remainder distributed in shares to stockholders pursuant to the Company’s dividend reinvestment plan. Of these distributions for the three months ended March 31, 2020, \$10,307,027 was paid as of March 31, 2020, of which \$1,921,604, was cash distributed and the remainder distributed in shares to stockholders pursuant to the Company’s dividend reinvestment plan. For the three months ended March 31, 2019, the Company declared and paid dividends in the amount of \$6,160,624 of which \$1,218,456 was distributed in cash and the remainder distributed in shares to stockholders pursuant to the Company’s dividend reinvestment plan.

### ***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 our 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 private placement memorandum and other offering documents, including travel-related expenses related to the Initial Private Offering. Pursuant to the investment advisory agreement between the Company and RGC, as subsequently amended and restated (the “Amended Advisory Agreement”), the Company and RGC agreed that organization and offering costs incurred in connection with the Initial Private Offering would be borne by the Company up to a maximum amount of \$1,000,000, provided that the amount of such costs in excess of \$1,000,000 would be paid by RGC. As of December 31, 2016, the Company had already incurred the maximum amount of \$1,000,000 in organization and offering costs incurred in connection with the Initial Private Offering. As a result, for the quarter ended March 31, 2020, the Company did not incur any organization or offering expenses in connection with the Initial Private Offering.

Offering costs related to new or follow-on offerings were accumulated and charged to additional paid in capital at the time of closing beginning in 2019. These offering costs are subject to a cap of \$600,000, excluding placement agent fees which have no cap, and of which the Company will bear the cost. As of March 31, 2020 and December 31, 2019, respectively, the Company had accumulated and recorded \$555,096 and \$510,027 of deferred offering costs. As of March 31, 2020 and December 31, 2019, respectively, \$123,009 and \$123,009 in placement agent fees had been incurred. Under the terms of the Second Private Offering, offering costs in excess of \$600,000, excluding placement agent fees, will be reimbursed by RGC.

### Recent Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*, which changes the fair value measurement disclosure requirements of ASC 820. The key provisions include new, eliminated and modified disclosure requirements. The new guidance is effective for fiscal years beginning after December 15, 2019, including interim periods therein. Early application is permitted. The Company adopted ASU 2018-13 effective January 1, 2020. The adoption of this accounting standard had no material effect on the Company's financial statements.

In June 2016, the FASB issued ASU 2016-13 Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments to replace the incurred loss model for loans and other financial assets with an expected loss model, which is referred to as the current expected credit loss (CECL) model. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including loan receivables and held-to maturity debt securities. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, stand-by letters of credit, financial guarantees and other similar instruments) and net investments in certain leases recognized by a lessor. Effective January 1, 2020, the Company adopted ASU 2016-13 under a modified retrospective approach for all financial assets measured at amortized cost. There was no adjustment recorded to distributable losses for the cumulative effect of adopting ASU 2016-13 as amortized cost has approximated fair value.

### Note 3 – Commitments and Contingencies

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.

At March 31, 2020, the Company had \$30,612,569 in unfunded loan commitments to provide debt financing to its portfolio companies. The balance of unfunded commitments to extend financing as of March 31, 2020 was as follows:

Portfolio Company	Investment Type	March 31, 2020
Brilliant Earth, LLC	Senior Secured Term Loan	\$ 5,000,000
CloudPassage, Inc.	Senior Secured Term Loan	2,500,000
Credit Sesame, Inc.	Revolving Line	1,362,569
Dejero Labs, Inc.	Senior Secured Term Loan	4,000,000
Dtex Systems, Inc.	Senior Secured Term Loan	7,000,000
INRIX, Inc.	Senior Secured Term Loan	3,000,000
Massdrop Inc.	Senior Secured Term Loan	5,000,000
ShareThis, Inc.	Senior Secured Term Loan	2,000,000
The Kairn Corporation	Senior Secured Term Loan	750,000
<b>Total unused commitments to extend financing</b>		<b>\$ 30,612,569</b>

At December 31, 2019, the Company had \$40,000,000 in unfunded loan commitments.

The Company's management believes that its available cash balances, availability under the Credit Agreement and/or ability to drawdown capital from investors provides sufficient funds to cover its unfunded commitments as of March 31, 2020. The Company has evaluated the expected net future cash flows related to unfunded commitments and determined the fair value to be zero as of March 31, 2020 and December 31, 2019.

The Company is currently not subject to any material legal proceedings, nor, to its knowledge, is any material proceeding threatened against the Company. 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. While the outcome of these legal proceedings cannot be predicted with certainty, the Company does not expect that these proceedings will have a material effect upon its business, financial condition or results of operations.

#### Note 4 – Concentration of Credit Risk

In the normal course of business, the Company maintains its cash balances in 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. Management monitors the financial condition of those financial institutions and does not currently anticipate any losses from these counterparties.

#### Note 5 – Net Increase in Net Assets Resulting from Operations per Common Share

The following information sets forth the computation of basic income per common share for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Net increase in net assets resulting from operations	\$ 1,747,244	\$ 5,833,514
<b>Per Share Data<sup>(1)</sup>:</b>		
Weighted-average shares outstanding for the period		
Basic	25,887,286	14,751,065
Diluted	25,887,286	14,751,065
Basic and diluted income per common share		
Basic	\$ 0.07	\$ 0.40
Diluted	\$ 0.07	\$ 0.40

(1) Per share data is based on average weighted shares outstanding.

#### Note 6 – Net Assets

The Company has the authority to issue 100,000,000 shares of common stock, \$0.01 par value per share. The common shares issued, the price per share and the proceeds raised, since inception, are detailed in the following table:

Issuance Date	Shares Issued	Price Per Share	Gross Proceeds
October 8, 2015	1,667	\$ 15.00	\$ 25,000
December 22, 2016	333,333	15.00	5,000,000
April 19, 2017	1,000,000	15.00	15,000,000
June 26, 2017	1,666,667	15.00	25,000,000
September 12, 2017	2,666,667	15.00	40,000,000
December 22, 2017	3,000,000	15.00	45,000,000
May 31, 2018 <sup>(1)</sup>	70,563	14.82	1,045,570
August 31, 2018 <sup>(1)</sup>	117,582	14.92	1,754,244
September 27, 2018	1,997,337	15.02	30,000,000
November 15, 2018 <sup>(1)</sup>	202,779	15.07	3,055,498
January 14, 2019	4,344,964	15.19	66,000,000
March 26, 2019 <sup>(1)</sup>	326,431	15.14	4,942,168
May 21, 2019 <sup>(1)</sup>	374,783	15.13	5,670,467
May 24, 2019	3,232,189	15.16	49,000,000
July 16, 2019 <sup>(1)</sup>	464,986	15.13	7,035,236
August 26, 2019 <sup>(1)</sup>	480,121	14.76	7,088,143
October 15, 2019	1,666,667	15.00	25,000,000
November 12, 2019 <sup>(1)</sup>	43,979	14.76	649,123
December 20, 2019	3,333,333	15.00	50,000,000
December 23, 2019 <sup>(1)</sup>	487,166	14.52	7,073,650
March 20, 2020 <sup>(1)</sup>	575,132	14.58	8,385,423
March 31, 2020	21,021	15.00	315,308
<b>Total</b>	<b>26,407,367</b>		<b>\$ 397,039,830</b>

(1) Shares were issued as part of the dividend reinvestment plan.

At March 31, 2020 and December 31, 2019, the Company had total commitments of \$275,000,000 under the Company's Initial Private Offering, all of which had been drawn as of March 31, 2020 and December 31, 2019. Between June 14, 2019 and March 31, 2020, the Company accepted \$174,423,500 in capital commitments under its Second Private Offering. As of March 31, 2020 and December 31, 2019, respectively, \$75,283,766 and \$75,000,000 of capital commitments under the Second Private Offering had been drawn. In March 2020, the Company issued 2,103 shares as an additional direct investment of \$31,542 by Runway Growth Holdings LLC, an affiliate of RGC.

Capital commitments may be drawn down by the Company on a pro rata basis, as needed, upon not less than ten (10) days' prior written notice for the purposes of funding the Company's investments (including follow-on investments), paying the Company's expenses, including fees under the Amended Advisory Agreement, by and between the Company and RGC, and/or maintaining a reserve account for the payment of future expenses or liabilities.

## **Note 7 – Related Party Agreements and Transactions**

### ***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. On August 3, 2017, the Board of Directors approved the Amended Advisory Agreement and recommended that the Company's stockholders approve the Amended Advisory Agreement. The Amended Advisory Agreement became effective on September 12, 2017 upon approval by the stockholders at a special meeting of stockholders of the Company. Under the terms of the Amended 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 Amended 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, is subject to an annual cap based on RGC's actual operating expenses and is calculated based on the Capital Commitments (as defined below) and assets purchased with borrowed funds or other forms of leverage (collectively, the "Pre-Spin-Off Gross Assets") during the preceding calendar quarter. For purposes of the Amended Advisory Agreement, "Capital Commitments" is defined as the aggregate amount of capital committed to the Company by investors as of the end of the most recently completed calendar quarter. On September 12, 2017, without changing the base management fee percentage, the Advisory Agreement was amended to provide clarification as to the calculation of the base management fee. Prior to amendment, the base management fee was collected on the first day of each quarter based on an estimate of actual operating expenses, not to exceed 1.75% per annum, for the following quarter with an implied, though not defined "true-up" mechanism effected once all actual costs were known. The Amended Advisory Agreement defines the process and timing of the true-up and base management fee. The base management fee is now collected at the maximum annualized rate of 1.75% per annum with a comparison of actual expenses for the immediately preceding calendar year to occur on or before March 31 of the subsequent calendar year, with any excess management fee collected when compared to actual operating expenses credited against the base management fee payable for subsequent quarters.

Until the earlier of (1) the consummation of an initial public offering (“IPO”) of the Public Fund (defined below) in connection with a Spin-Off transaction (defined below) and (2) the earliest date at which (a) all Capital Commitments have been called for investments and/or expenses and (b) the Company holds no more than 10.0% of its total assets in cash, the base management fee will be an amount equal to 0.4375% (1.75% annualized) of the Pre-Spin-Off Gross Assets at the end of the most recently completed calendar quarter, provided, however, that the base management fee payable in a calendar year will not exceed the actual operating expenses incurred by RGC during such calendar year (the “Management Fee Cap”). No later than March 31 of each calendar year, RGC will provide the Company a reconciliation of the actual operating expenses incurred by RGC for the prior calendar year and the base management fee paid to RGC for such prior calendar year. To the extent the base management fee paid to RGC for such prior calendar year exceeds the Management Fee Cap (the “Excess Fee”) for such prior calendar year, the base management fee payable to RGC for the second calendar quarter and each subsequent quarter immediately following such calendar year will be reduced by the Excess Fee until such time as the Excess Fee for the prior calendar year has been reduced to zero. For the avoidance of doubt, actual operating expenses of RGC for a particular year will not include any reduction in base management fees as a result of Excess Fees paid by the Company.

For purposes of the Amended Advisory Agreement, a “Spin-Off transaction” includes a transaction whereby the Company offers its stockholders the option to elect to either (i) retain their ownership of shares of the Company’s common stock; (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, and will use its commercially reasonable best efforts to complete an IPO of shares of its common stock not later than three years after the Company’s final closing of the Initial Private Offering, which occurred on December 1, 2017; or (iii) exchange their shares of the Company’s common stock for interests of one or more newly formed entities (each, a “Liquidating Fund”) that will each be organized as a limited liability company, and which will, among other things, seek to complete an orderly wind down and/or liquidation of any such Liquidating Fund.

Following the earlier of (1) the consummation of an IPO of the Public Fund in connection with a Spin-Off transaction and (2) the earliest date at which (a) all Capital Commitments have been called for investments and/or expenses and (b) the Company holds no more than 10.0% of its total assets in cash, the base management fee will be an amount equal to 0.4375% (1.75% annualized) of the Company’s average daily Gross Assets (defined below) during the most recently completed calendar quarter for so long as the aggregate amount of Gross Assets of the Company as of the end of the most recently completed calendar quarter is less than \$500,000,000. For purposes of the Amended Advisory Agreement, “Gross Assets” is defined as the Company’s gross assets, including assets purchased with borrowed funds or other forms of leverage, as well as any paid-in-kind interest, as of the end of the most recently completed fiscal quarter. If 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 \$500,000,000, but less than \$1,000,000,000, 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 equal to or greater than \$1,000,000,000, 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.

RGC earned base management fees of \$1,536,948 and \$1,203,125 for the three months ended March 31, 2020 and 2019 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 will pay RGC each quarter an incentive fee with respect to the Company’s Pre-Incentive Fee net investment income. The Income Incentive Fee is calculated and payable quarterly in arrears based on the Pre-Incentive Fee net investment income for the immediately preceding fiscal quarter. Payments based on Pre-Incentive Fee net investment income will be based on the Pre-Incentive Fee net investment income earned for the quarter. For this purpose, “Pre-Incentive Fee net investment income” 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 administration agreement with the Administrator (the “Administration Agreement”), and any dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee); provided however, that Pre-Incentive Fee net investment income will be reduced by multiplying the Pre-Incentive Fee net investment income earned for the quarter by a fraction, the numerator of which is the Company’s average daily Gross Assets during the immediately preceding fiscal quarter minus average daily borrowings during the immediately preceding fiscal quarter, and the denominator of which is the Company’s average daily Gross Assets during the immediately preceding fiscal quarter. Pre-Incentive Fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, 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 net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

Pre-Incentive Fee net investment income, 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 will pay RGC an Income Incentive Fee with respect to the Company’s Pre-Incentive Fee net investment income in each calendar quarter as follows: (1) no Income Incentive Fee in any calendar quarter in which the Company’s Pre-Incentive Fee net investment income does not exceed the hurdle rate of 2.0%; (2) 80% of the Company’s Pre-Incentive Fee net investment income with respect to that portion of such Pre-Incentive Fee net investment income, 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 net investment income 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 net investment income as if a hurdle did not apply if the Company’s Pre-Incentive Fee net investment income exceeds 2.667% in any calendar quarter (10.668% annualized)); and (3) 20.0% of the amount of the Company’s Pre-Incentive Fee net investment income, 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 net investment income thereafter is allocated to RGC).

Until the consummation of an IPO of the Public Fund in connection with a Spin-Off transaction, 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 exceeds 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 net investment income adjusted to include any realized capital gains and losses (“Adjusted Pre-Incentive Fee net investment income”), 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 is less than 10.0%, no Income Incentive Fee will 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 is 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 net investment income, 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 will any Income Incentive Fee be payable for any prior quarter after the three-year anniversary of the end of such quarter.

After the consummation of an IPO of the Public Fund in connection with a Spin-Off transaction, in the event that (a) the sum of the Company's cumulative net realized losses for the previous four fiscal quarters or, if fewer than four fiscal quarters have passed since such IPO, that number of fiscal quarters since such IPO (the "Look-Back Period"), exceeds 2.0% of the total non-control/non-affiliate investments (i) made by the Company during the Look-Back Period or (ii) transferred to the Public Fund in connection with a Spin-Off transaction during the Look-Back Period and (b) the Adjusted Pre-Incentive Fee net investment income, expressed as an annualized rate of return on the value of the Company's average daily net assets (defined as total assets less liabilities), during the Look-Back Period is less than 10.0% no Income Incentive Fee will be payable for such quarter until the first subsequent quarter in which (x) the sum of the Company's cumulative net realized losses for the Look-Back Period is equal to or less than 2.0% of the total non-control/non-affiliate investments (i) made by the Company during the Look-Back Period or (ii) transferred to the Public Fund in connection with a Spin-Off transaction during the Look-Back Period or (y) the Adjusted Pre-Incentive Fee net investment income, expressed as an annualized rate of return on the value of the Company's average daily net assets (defined as total assets less liabilities), during the Look-Back Period equals or exceeds 10.0%; provided, however, that in no event will any Income Incentive Fee be paid for any prior quarter after the three-year anniversary of the end of such quarter.

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 depreciation through the end of such year, less the aggregate amount of any previously paid Capital Gains Fee; provided, however, that the Company will not pay the Capital Gains Fee to RGC for any calendar year in which the sum of the Company's (1) Pre-Incentive Fee net investment income and (2) realized gains less realized losses and unrealized capital depreciation from the date of the Company's election to be regulated as a BDC through the end of such calendar year, 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 such calendar year is less than 8.0% until the first subsequent calendar quarter in which the sum of the Company's (1) Pre-Incentive Fee net investment income and (2) realized gains less realized losses and unrealized capital depreciation from the date of the Company's election to be regulated as a BDC through, and including, the end of such subsequent calendar quarter, 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 such calendar quarter is equal to or exceeds 8.0%; provided, further, that in no event will any Capital Gains Fee be paid for any prior year after the three-year anniversary of the end of such year. For the foregoing purpose, the Company's "aggregate cumulative realized capital gains" will not include any unrealized appreciation. If such amount is negative, then no Capital Gains Fee will be payable for such year.

RGC earned incentive fees of \$2,315,118 for the three months ended March 31, 2020; \$1,846,533, of the incentive fees for the three months ended March 31, 2020 were earned, payable in cash, and \$468,585 of the incentive fees for the three months ended March 31, 2020 were accrued and generated from deferred interest (i.e., PIK interest and certain discount accretion) and are not payable pending receipt of cash by the Company. RGC earned incentive fees of \$1,881,369 for the three months ended March 31, 2019; \$1,562,821 of the incentive fees for the three months ended March 31, 2019 were earned, payable in cash, and \$318,548 of the incentive fees for the three months ended March 31, 2019 were accrued and deferred (i.e., PIK interest and certain discount accretion) and are not payable pending receipt of cash by the Company.

The capital gains incentive fee consists of fees related to realized gains, realized capital losses and unrealized capital depreciation. 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 appreciation in the calculation, as a capital gains incentive fee would be payable if such unrealized appreciation were realized even though such unrealized appreciation is not permitted to be considered in calculating the fee actually payable under the Amended Advisory Agreement. As of each of March 31, 2020 and December 31, 2019, there was no capital gains incentive fee accrued, earned or payable to RGC under the Amended Advisory Agreement.

### Spin-Off Incentive Fee

The Income Incentive Fee will be payable in connection with a Spin-Off transaction. The Income Incentive Fee will be calculated as of the date of the completion of each Spin-Off transaction 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 a Spin-Off transaction (x) include the portion of the Income Incentive Fee attributable to deferred interest features of a particular investment that is not transferred pursuant to a Spin-Off transaction until such time as the deferred interest is received in cash, or (y) exceed 20.0% of the Company's Pre-Incentive Fee net investment income accrued by the Company for the fiscal quarter as of the date of the completion of the Spin-Off transaction. The Company will make the payment of the Income Incentive Fee paid in connection with the completion of a Spin-Off transaction in cash on or immediately following the date of the completion of a Spin-Off transaction. After a Spin-Off transaction, all calculations relating to the incentive fee payable will be made beginning on the day immediately following the completion of the Spin-Off transaction 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 a Spin-Off transaction and will be calculated as of the date of the completion of a Spin-Off transaction 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 a Spin-Off transaction unless, on the date of the completion of a Spin-Off transaction, the sum of the Company's (i) Pre-Incentive Fee net investment income and (ii) realized capital gains less realized capital losses and unrealized capital depreciation from the date of the Company's election to be regulated as a BDC through, and including, the date of the completion of such Spin-Off transaction, 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 and other 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 certain of its officers, including the Company's Chief Financial Officer, Chief Compliance Officer and any administrative support staff. Pursuant to the terms of the Administration Agreement, the amounts payable to the Administrator by the Company in any fiscal year will not exceed the greater of (i) 0.75% of the aggregate capital commitments as of the end of the most recently completed fiscal year and (ii) \$1.0 million.

The Company reimbursed the Administrator \$162,123 and \$318,154 during the three months ended March 31, 2020 and 2019, respectively. As of March 31, 2020, the Company had accrued a payable to the Administrator of \$117,681. Of the total amount reimbursed and accrued during the three months ended March 31, 2020, \$132,793 was related to overhead allocation expense. As of March 31, 2019, the Company accrued a payable to the Administrator of \$103,094. Of the total amount reimbursed and accrued during the three months ended March 31, 2019, \$175,725 was related to overhead allocation expense. The Company reimbursed the Administrator \$1,168,188 during the year ended December 31, 2019 and the Company had accrued a net payable to the Administrator of \$81,537 as of December 31, 2019. Administration fees were \$124,311 and \$181,574 for the three months ended March 31, 2020 and 2019, respectively.

## 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 Credit Fund”. Under the License Agreement, the Company has the right to use the “Runway Growth Credit Fund” 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 Credit Fund” name.

## Oaktree Strategic Relationship

In December 2016, RGC entered into a strategic relationship with Oaktree Capital Management, L.P. (“Oaktree”). In connection with the strategic relationship, OCM Growth Holdings, LLC, a Delaware limited liability company (“OCM”) managed by Oaktree, made an initial \$125.0 million capital commitment to the Company, which was subsequently increased to \$139.0 million (the “Initial OCM Commitment”). On June 14, 2019, in connection with the Second Private Offering, the Company accepted a capital commitment from OCM in the amount of \$112.5 million (the “Subsequent OCM Commitment and, together with the Initial OCM Commitment, the “OCM Commitment”). OCM has granted a proxy to the Company pursuant to which the shares held by OCM will be voted in the same proportion as the Company’s other stockholders vote their shares.

In connection with the OCM Commitment, the Company entered into a stockholder agreement, dated December 15, 2016, with OCM, pursuant to which OCM has a right to nominate a member of the Company’s Board of Directors for election. Brian Laibow was appointed to the Company’s Board of Directors as OCM’s representative. OCM also holds an 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. Brian Laibow is OCM’s initial appointee to RGC’s board of managers and investment committee.

## Note 8 – Fair Value Measurements

The Company’s assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC Topic 820. See Note 2 for discussion of the Company’s policies.

The following tables present information about the Company’s assets measured at fair value as of March 31, 2020 and December 31, 2019, respectively:

	As of March 31, 2020 (Unaudited)			
	Level 1	Level 2	Level 3	Total
<b>Portfolio Investments</b>				
Common Stock	\$ 1,786,220	\$ -	\$ -	\$ 1,786,220
Corporate Bonds	-	207,713	-	207,713
Senior Secured Term Loans	-	-	325,900,429	325,900,429
Preferred Stock	-	-	17,031,494	17,031,494
Warrants	-	-	16,504,772	16,504,772
<b>Total Portfolio Investments</b>	<u>1,786,220</u>	<u>207,713</u>	<u>359,436,695</u>	<u>361,430,628</u>
<b>U.S. Treasury Bill</b>	<u>50,001,334</u>	<u>-</u>	<u>-</u>	<u>50,001,364</u>
<b>Total Investments</b>	<u>\$ 51,787,554</u>	<u>\$ 207,713</u>	<u>\$ 359,436,695</u>	<u>\$ 411,431,962</u>
	As of December 31, 2019			
	Level 1	Level 2	Level 3	Total
<b>Portfolio Investments</b>				
Senior Secured Term Loans	\$ -	\$ -	\$ 349,570,424	\$ 349,570,424
Preferred Stock	-	-	437,515	437,515
Warrants	-	-	18,008,337	18,008,337
<b>Total Portfolio Investments</b>	<u>-</u>	<u>-</u>	<u>368,016,276</u>	<u>368,016,276</u>
<b>U.S. Treasury Bill</b>	<u>99,965,423</u>	<u>-</u>	<u>-</u>	<u>99,965,423</u>
<b>Total Investments</b>	<u>\$ 99,965,423</u>	<u>\$ -</u>	<u>\$ 368,016,276</u>	<u>\$ 467,981,699</u>

The Company recognizes transfers into and out of the levels indicated above at the end of the reporting period. There were no transfers into or out of the levels during the period ended March 31, 2020 and the year ended December 31, 2019.

The following table presents a rollforward of Level 3 assets measured at fair value as of March 31, 2020:

	Preferred Stock	Senior Secured Term Loans	Warrants	Total
Fair value at December 31, 2019	\$ 437,515	\$ 349,570,424	\$ 18,008,337	\$ 368,016,276
Amortization of fixed income premiums or accretion of discounts	-	2,155,005	-	2,155,005
Purchases of investments <sup>(1)</sup>	18,687,450	36,992,971	1,696,800	57,377,221
Sales or repayments of investments <sup>(1)</sup>	-	(57,316,889)	(2,749,949)	(60,066,838)
Realized gain (loss)	-	(7,883,582)	1,179,751	(6,703,831)
Change in unrealized appreciation (depreciation)	(2,093,471)	2,382,500	(1,630,167)	(1,341,138)
Fair value at March 31, 2020	<u>\$ 17,031,494</u>	<u>\$ 325,900,429</u>	<u>\$ 16,504,772</u>	<u>\$ 359,436,695</u>
Change in unrealized appreciation (depreciation) on Level 3 investments still held as of March 31, 2020	<u>\$ (2,093,471)</u>	<u>\$ (3,520,610)</u>	<u>\$ (450,367)</u>	<u>\$ (6,064,448)</u>

(1) Includes PIK interest, reorganization and restructuring of investments.

The following table presents a rollforward of Level 3 assets measured at fair value as of March 31, 2019:

	Preferred Stock	Senior Secured Term Loans	Warrants	Total
Fair value at December 31, 2018	\$ 461,826	\$ 208,539,353	\$ 15,247,210	\$ 224,248,389
Amortization of fixed income premiums or accretion of discounts	-	3,118,238	-	3,118,238
Purchases of investments <sup>(1)</sup>	-	33,746,337	1,077,782	34,824,119
Sales or repayments of investments <sup>(1)</sup>	-	(17,374,776)	(92,353)	(17,467,129)
Realized gain	-	-	-	-
Change in unrealized appreciation (depreciation)	-	(670,639)	(1,569,871)	(2,240,510)
Fair value at March 31, 2019	<u>\$ 461,826</u>	<u>\$ 227,358,513</u>	<u>\$ 14,662,768</u>	<u>\$ 242,483,107</u>
Change in unrealized appreciation (depreciation) on Level 3 investments still held as of March 31, 2019	<u>\$ -</u>	<u>\$ (92,109)</u>	<u>\$ (1,122,860)</u>	<u>\$ (1,214,969)</u>

(1) Includes PIK interest, reorganization and restructuring of investments.

The following table provides quantitative information regarding Level 3 fair value measurements as of March 31, 2020:

Description	Fair Value	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
<b>Preferred Stock</b>	\$ 17,031,494	Recent private market and merger and acquisition transaction prices	N/A	N/A
<b>Senior Secured Term Loans<sup>(1)</sup></b>	316,811,623	Discounted Cash Flow analysis	Discount rate	11.6%-100.1% (17.3%)
	9,088,806	Market approach	Origination yield	12.3%-100.1% (15.4%)
	11,572,740	PWERM	Discount rate	20.5%-25.5% (23.0%)
<b>Warrants<sup>(2)</sup></b>	11,572,740	Black-Scholes model	Risk-free interest rate	0.1%-1.6% (0.3%)
	4,932,032		Average industry volatility	30.0%-70.0% (48.6%)
	4,932,032		Estimated time to exit	1.0 years-9.9 years (2.6 years)
	4,932,032	PWERM	Discount rate	21.0%-55.0% (26.1%)
<b>Total Level 3 Investments</b>	<u>\$ 359,436,695</u>			

The following table provides quantitative information regarding Level 3 fair value measurements as of December 31, 2019:

Description	Fair Value	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
<b>Preferred Stock</b>	\$ 437,515	Recent private market and merger and acquisition transaction prices	N/A	N/A
<b>Senior Secured Term Loans<sup>(1)</sup></b>	336,388,211	Discounted Cash Flow analysis	Discount rate	12.3%-28.0% (16.8%)
	13,182,213	Market approach	Origination yield	12.3%-26.0% (14.5%)
		PWERM	Discount rate	30.5%-36.2% (32.6%)
<b>Warrants<sup>(2)</sup></b>	12,695,414	Black-Scholes model	Risk-free interest rate	1.6%-1.8% (1.6%)
			Average industry volatility	30.0%-60.0% (41.2%)
			Estimated time to exit	0.5 years-5.9 years (3.1 years)
	5,312,923	PWERM	Discount Rate	20.7% - 45.0% (32.6%)
<b>Total Level 3 Investments</b>	<u>\$ 368,016,276</u>			

(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 (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 Black Scholes option pricing model ("OPM"), which include industry volatility, risk free interest rate and estimated time to exit. 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 or 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.

#### Note 9 – 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**

Warrants provide exposure and potential gains upon equity appreciation 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.

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 10 – Credit Facilities**

On May 31, 2019, the Company entered into a Credit Agreement (the "Credit Agreement") by and among the Company, as borrower, KeyBank National Association, as administrative agent, syndication agent, and a lender, CIBC Bank USA, as documentation agent and a lender, U.S. Bank National Association, as paying agent, the guarantors from time to time party thereto, and the other lenders from time to time party thereto.

The Credit Agreement provides for borrowings up to a maximum aggregate principal amount of \$100 million, subject to availability under a borrowing base that is determined by the number and value of eligible loan investments in the collateral, applicable advance rates and concentration limits, and certain cash and cash equivalent holdings of the Company. The Credit Agreement has an accordion feature that allows the Company to increase the aggregate commitments up to \$200 million, subject to new or existing lenders agreeing to participate in the increase and other customary conditions. There can be no assurances that existing lenders will agree to such an increase, or that additional lenders will join the credit facility to increase available borrowings.

Borrowings under the Credit Agreement bear interest on a per annum basis equal to a three-month adjusted LIBOR rate (with a LIBOR floor of zero), plus an applicable margin rate that varies from 3.00% to 2.50% per annum depending on utilization and other factors. During the availability period, the applicable margin rate (i) is 3.00% per annum for interest periods during which the average utilization is less than 60% and (ii) varies from 3.00% to 2.50% per annum when the average utilization equals or exceeds 60% (with 3.00% applying when the eligible loans in the collateral consist of 9 or fewer unaffiliated obligors, 2.75% applying when the eligible loans consist of between 10 and 29 unaffiliated obligors, and 2.50% applying when the eligible loans consist of 30 or more unaffiliated obligors). During the amortization period, the applicable margin rate will be 3.00%. If certain eurodollar disruption events occur, then borrowings under the Credit Agreement will bear interest on a per annum basis equal to (i) a base rate instead of LIBOR that is set at the higher of (x) the federal funds rate plus 0.50% and (y) the prime rate, plus (ii) the applicable margin rate discussed above. Interest is payable quarterly in arrears. The Company also pays unused commitment fees of 0.50% per annum on the unused lender commitments under the Credit Agreement, as well as a minimum earnings fee of 3.00% that will be payable annually in arrears, starting on May 31, 2021, on the average unused commitments below 60% of the aggregate commitments during the preceding 12-month period.

The availability period under the Credit Agreement expires on May 31, 2022 and is followed by a two-year amortization period. The stated maturity date under the Credit Agreement is May 31, 2024.

The Credit Agreement is secured by a perfected first priority security interest in substantially all of the Company's assets and portfolio investments.

The Credit Agreement contains certain customary covenants and events of default for secured revolving credit facilities of this nature, including, without limitation, maintenance of a tangible net worth as of the last day of each fiscal quarter in excess of the greater of (i) \$125 million plus 75% of the net proceeds of sales of equity interests in the Company and (ii) the loan balance of the Company's four largest obligors; maintenance of an asset coverage ratio as of the last day of each fiscal quarter that equals or exceeds the greater of 150% and the ratio otherwise applicable to the Company under the 1940 Act; maintenance of an interest coverage ratio as of the last day of each fiscal quarter of 2.00 to 1.00; maintenance of a minimum liquidity amount as of the last day of each fiscal quarter; net income not being negative for two consecutive fiscal quarters or any trailing 12-month period; a limitation on incurring additional indebtedness without the prior written consent of the administrative agent (subject to limited exceptions); certain change-of-control events occur at the Company or the Company's investment adviser; the departure of certain key persons from the Company or the Company's investment adviser; RGC ceases to be the Company's investment adviser; maintenance of business-development-company status and regulated-investment-company status; nonpayment; misrepresentation of representations and warranties; breach of covenant; and certain bankruptcy and liquidation events.

For the three months ended March 31, 2020, the weighted average outstanding debt balance was \$7,538,462, and the weighted average effective interest rate under the Credit Agreement was 4.91%.

As of March 31, 2020, the Company had zero outstanding under the Credit Agreement.

As of December 31, 2019, the Company had \$61,000,000 outstanding under the Credit Agreement with maturity as follows:

<b>Loan Facility</b>	<b>Date of Advance</b>	<b>Due Date</b>	<b>Amount</b>	<b>Rate</b>
KeyBank National Association Loan Facility	12/31/2019	5/31/2022	\$ 61,000,000	5.10%
			<u>\$ 61,000,000</u>	

On June 22, 2018, the Company entered into a demand loan agreement (the “Uncommitted Facility”) and a revolving loan agreement (the “Committed Facility,” and together with the Uncommitted Facility, the “Credit Facilities”) with CIBC Bank USA (“CIBC”). An amendment to the Credit Facilities was entered into on September 24, 2018 between the Company and CIBC. On May 31, 2019, in conjunction with securing and entering into the new Credit Agreement, the Company terminated the Credit Facilities.

#### Note 11 – Financial Highlights

	<b>Three Months Ended March 31, 2020 (Unaudited)</b>	<b>Three Months Ended March 31, 2019 (Unaudited)</b>
<b>Per Share Data<sup>(1)</sup>:</b>		
Net asset value at beginning of period	\$ 14.58	\$ 15.14
Net investment income <sup>(3)</sup>	0.37	0.55
Realized gain (loss)	(0.26)	-
Change in unrealized appreciation (depreciation)	(0.05)	(0.15)
Dividends	(0.40)	(0.42)
Accretion <sup>(4)</sup>	0.01	0.01
Net asset value at end of period	<u>\$ 14.25</u>	<u>\$ 15.13</u>
Total return based on net asset value <sup>(2)</sup>	(2.26)%	(0.05)%
Weighted-average shares outstanding for period, basic	25,887,286	14,751,065
<b>Ratio/Supplemental Data:</b>		
Net assets at end of period	\$ 376,391,642	\$ 237,984,453
Average net assets <sup>(5)</sup>	\$ 382,210,805	\$ 227,733,008
Annualized ratio of net operating expenses to average net assets <sup>(6),(7)</sup>	3.61%	4.73%
Annualized ratio of net increase (decrease) in net assets resulting from operations to average net assets <sup>(7)</sup>	3.66%	12.91%

(1) Financial highlights are based on weighted-average shares outstanding.

(2) Total return based on net asset value is based upon the change in net asset value per share between the opening and ending net asset values per share in the period. The total returns are not annualized.

(3) Return from investment operations was 2.54% and 3.63% for the three months ended March 31, 2020 and 2019, respectively. Return from investment operations represents returns on net investment income (loss) from operations.

(4) Return from accretion was 0.07% and 0.08% for the three months ended March 31, 2020 and 2019, respectively.

(5) The annualized ratio of net investment income to average net assets was 11.94% and 16.90% for the three months ended March 31, 2020 and 2019, respectively. Incentive fees are not annualized.

(6) The annualized ratio of net operating expenses excluding incentive fees, to average net assets was 3.00% and 3.91% for the three months ended March 31, 2020 and 2019, respectively.

(7) Incentive fees are not annualized.

## Note 12 - Subsequent Events

Effective April 1, 2020, the Company put two loans to Mojix, Inc., representing an aggregate principal funded of \$11,000,000 at a fair market value of \$9,088,806, which represents 2.51% of the portfolio as of March 31, 2020, on non-accrual status.

On April 17, 2020, the Company funded an additional \$777,000 on the revolving line to Credit Sesame, Inc.

On May 1, 2020, the Company funded a \$400,000 bridge loan to Mojix, Inc.

On May 7, 2020 the Company declared a dividend of \$0.35 per share payable on May 21, 2020 to shareholders of record as of May 8, 2020.

We evaluated events subsequent to March 31, 2020 through May 14, 2020. On March 11, 2020, the World Health Organization declared the novel coronavirus (“COVID-19”) as a pandemic, and on March 13, 2020 the United States declared a national emergency with respect to the COVID-19 pandemic. The outbreak of the COVID-19 pandemic has severely impacted global economic activity and caused significant volatility and negative pressure in financial markets. The global impact of the outbreak has been rapidly evolving and many countries, including the United States, have reacted by instituting quarantines, mandating business and school closures and restricting travel. Such actions are creating disruption in global supply chains and adversely impacting a number of industries. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the COVID-19 pandemic. Nevertheless, the COVID-19 pandemic presents material uncertainty and risks with respect to the underlying value of the Company’s portfolio companies, the Company’s business, financial condition, results of operations and cash flows, such as the potential negative impact to financing arrangements, increased costs of operations, changes in law and/or regulation, and uncertainty regarding government and regulatory policy. The volatility and disruption to the global economy from the COVID-19 pandemic has affected, and is expected to continue to affect, the pace of our investment activity, which may have a material adverse impact on our results of operations. Such volatility and disruption have also led to the increased credit spreads in the private debt capital markets. Further, the operational and financial performance of the portfolio companies in which we make investments may be significantly impacted by the COVID-19 pandemic, which may in turn impact the valuation of our investments. As a result, the long term impacts of the COVID-19 pandemic may not yet be fully reflected in the valuation of our investments and the fair value of our portfolio investments may be further negatively impacted after March 31, 2020 by circumstances and events that are not yet known, including the complete or continuing impact of the COVID-19 pandemic and the resulting measures taken in response thereto. In addition, write downs in the value of our investments have reduced, and any additional write downs may further reduce, our net asset value (and, as a result, our asset coverage calculation). Accordingly, we may continue to incur additional net unrealized losses or may incur realized losses after March 31, 2020, which could have a material adverse effect on our business, financial condition and results of operations.

Accordingly, the Company cannot predict the extent to which its financial condition and results of operations will be affected at this time. The potential impact to our results will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of the COVID-19 pandemic and the actions taken by authorities and other entities to contain the coronavirus or treat its impact, all of which are beyond our control.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

### Forward-Looking Statements

This quarterly report on Form 10-Q 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, including changes from the impact of the current COVID-19 pandemic and sharp declines in energy price;
- our ability to continue to effectively manage our business due to the disruptions caused by the current COVID-19 pandemic;
- an economic downturn 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, including as a result of the COVID-19 pandemic;
- interest rate volatility that could adversely affect our results, particularly to the extent that we use leverage as part of our investment strategy;
- currency fluctuations could adversely affect the results of our investments in foreign companies, particularly to the extent that we receive payments denominated in foreign currency rather than U.S. dollars;
- our future operating results, including our ability to achieve objectives as a result of the COVID-19 pandemic;
- our business prospects and the prospects of our portfolio companies, including the impact of the COVID-19 pandemic thereon;
- our contractual arrangements and relationships with third parties;
- the ability of our portfolio companies to achieve their objectives, including as a result of the COVID-19 pandemic;
- 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;
- the timing of cash flows, if any, from the operations of our portfolio companies and the impact of the COVID-19 pandemic thereon;
- the ability of our external investment adviser, Runway Growth Capital LLC (“RGC”), to locate suitable investments for us and to monitor and administer our investments and the impacts of the COVID-19 pandemic thereon;
- the ability of RGC to attract and retain highly talented professionals;
- our ability to qualify and maintain our qualification as a regulated investment company (“RIC”) under Subchapter M of the Code, and as a business development company (“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;
- our ability to receive exemptive and/or no-action relief from the SEC to conduct certain co-investments or joint transactions that may be otherwise prohibited;
- 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 our annual report on Form 10-K for the fiscal year ended December 31, 2019 and in our other filings with the Securities and Exchange Commission (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 quarterly report on Form 10-Q 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 Part I, Item 1A of our annual report on Form 10-K for the fiscal year ended December 31, 2019 filed with the SEC on March 20, 2020.

We have based the forward-looking statements included in this Form 10-Q on information available to us on the date of this Form 10-Q, 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 financial statements and the related notes thereto contained elsewhere in this quarterly report on Form 10-Q.

## Overview

We are an externally managed, non-diversified closed-end investment management company that was formed on August 31, 2015 as a corporation under the laws of the State of Maryland. We have elected to be regulated as a BDC under the 1940 Act. In addition, we have elected to be treated, currently qualify, and intend to qualify annually as a RIC under Subchapter M of the Code. If we fail to qualify as a RIC for any taxable year, we will be subject to corporate-level U.S. federal income tax 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 could remain an emerging growth company until the last day of our fiscal year following the fifth anniversary of an initial public offering (“IPO”), if any, or until the earliest of (i) the last day of the first fiscal year in which we have total annual gross revenue of \$1,070,000,000 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 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.

We commenced investment activities in portfolio securities during the quarter ended June 30, 2017, and we commenced investment activities in U.S. Treasury Bills during the quarter ended December 31, 2016. In October 2015, in connection with our formation, we issued and sold 1,667 shares of our common stock to R. David Spreng, our President, Chief Executive Officer and Chairman of our Board of Directors, for an aggregate purchase price of \$25,000. In December 2016, we completed the initial closing of capital commitments in the Initial Private Offering, in connection with which we called capital and issued 333,333 shares of our common stock to investors for an aggregate purchase price of \$5,000,000. The final closing of the Initial Private Offering occurred on December 1, 2017. As of March 31, 2020, in connection with the Initial Private Offering, we had total capital commitments of \$275,000,000 and had issued 18,241,157 shares of our common stock to stockholders for a total purchase price of \$275,000,000.

As of March 31, 2020, we had completed multiple closings under the Company’s second private offering (the “Second Private Offering”) and had accepted capital commitments of \$174,423,500. As of March 31, 2020, in connection with the Second Private Offering, we have issued an aggregate of 5,018,918 shares for a total purchase price of \$75,283,766. In March 2020, we issued 2,103 shares as an additional direct investment of \$31,542 by Runway Growth Holdings LLC, an affiliate of RGC.

## Portfolio Composition and Investment Activity

### Portfolio Composition

At March 31, 2020, we had investments in 27 portfolio companies, representing 19 companies where we held loan and warrant investments, six companies where we held warrant investments only, one company where we held common stock and bonds, one company where we held common stock only, and we held one U.S. Treasury Bill. At December 31, 2019, we had investments in twenty-five portfolio companies, representing 21 companies where we held loan and warrant investments, four companies where we held warrant interest only, and held two U.S. Treasury Bills. The following table shows the fair value of our investments, by asset class, as of March 31, 2020 and December 31, 2019:

Investments	March 31, 2020 (Unaudited)			December 31, 2019		
	Cost	Fair Value	Percentage of Total Portfolio	Cost	Fair Value	Percentage of Total Portfolio
<b>Portfolio Investments</b>						
Common Stock	\$ 1,670,065	\$ 1,786,220	0.4%	\$ -	\$ -	-%
Corporate Bonds	179,819	207,713	0.1	-	-	-
Senior Secured Term Loans	332,332,594	325,900,429	79.2	358,385,089	349,570,424	74.6
Preferred Stock	18,937,450	17,031,494	4.1	250,000	437,515	0.1
Warrants	18,510,413	16,504,772	4.0	18,383,811	18,008,337	3.9
<b>Total Portfolio Investments</b>	<b>371,630,341</b>	<b>361,430,628</b>	<b>87.8</b>	<b>377,018,900</b>	<b>368,016,276</b>	<b>78.6</b>
<b>U.S. Treasury Bill</b>	<b>50,000,667</b>	<b>50,001,334</b>	<b>12.2</b>	<b>99,982,765</b>	<b>99,965,423</b>	<b>21.4</b>
<b>Total Investments</b>	<b>\$ 421,631,008</b>	<b>\$ 411,431,962</b>	<b>100.0%</b>	<b>\$ 477,001,665</b>	<b>\$ 467,981,699</b>	<b>100.0%</b>

### 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 three months ended March 31, 2020, the Company funded \$69.7 million in five new portfolio companies and \$13.5 million in four existing portfolio companies. The Company also received \$56.6 million in loan repayments from four portfolio companies and \$2.7 million in proceeds from the termination of warrants.

## Portfolio Reconciliation

The following is a reconciliation of our investment portfolio, including U.S. Treasury Bills, for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31, 2020 (unaudited)	Three Months Ended March 31, 2019 (unaudited)
Beginning Investment Portfolio	\$ 467,981,699	\$ 304,208,317
Purchases of Investments <sup>(1)</sup>	59,227,106	34,824,119
Purchases of U.S. Treasury Bills	50,001,334	69,943,733
Amortization of Fixed Income Premiums or Accretion of Discounts	2,171,574	3,158,310
Sales or Repayments of Investments	(59,319,460)	(15,799,462)
Scheduled Principal Payments of Investments	(747,378)	(1,667,667)
Sales and Maturities of U.S. Treasury Bills	(99,986,570)	(80,000,000)
Realized Gain (Loss) on Investments	(6,717,262)	-
Net Change in Unrealized Appreciation (Depreciation) on Investments	(1,179,081)	(2,240,510)
Ending Investment Portfolio	<u>\$ 411,431,962</u>	<u>\$ 312,426,840</u>

(1) Includes PIK interest.

## 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. 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 rankings of our debt investments at fair value as of March 31, 2020 and December 31, 2019:

Investment Rating	As of March 31, 2020 (Unaudited)			As of December 31, 2019		
	Fair Value	% of Total Portfolio	Number of Portfolio Companies	Fair Value	% of Total Portfolio	Number of Portfolio Companies
1	\$ -	-	-	\$ -	-	-
2	234,017,354	56.9%	10	217,278,446	46.4%	11
3	82,794,269	20.1%	8	119,109,762	25.5%	8
4	9,088,806	2.2%	1	8,870,625	1.9%	1
5	-	-	-	4,311,591	0.9%	1
	<u>\$ 325,900,429</u>	<u>79.2%</u>	<u>19</u>	<u>\$ 349,570,424</u>	<u>74.7%</u>	<u>21</u>

#### 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 generally 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 March 31, 2020, we had no loans on non-accrual status. Effective April 1, 2020, we had two loans to Mojix, Inc. representing an aggregate principal funded of \$11,000,000 at a fair market value of \$9,088,806 on non-accrual status. As of December 31, 2019, we had two loans to Aginity, Inc. representing an aggregate principal funded of \$9,000,000 at a fair market value of \$4,311,589 on non-accrual status.

#### 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, net realized gain/(loss) and net unrealized appreciation/(depreciation). Net investment income 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 unrealized appreciation/(depreciation) on investments is the net change in the fair value of our investment portfolio.

Comparison of the Three Months Ended March 31, 2020 and 2019.

	Three Months Ended March 31, 2020		Three Months Ended March 31, 2019	
	Total	Per Share <sup>(1)</sup>	Total	Per Share <sup>(1)</sup>
<b>Investment income</b>				
Interest and dividend income	\$ 14,391,044	\$ 0.55	\$ 12,088,334	\$ 0.82
Other income	429,813	0.02	61,995	0.00
<b>Total investment income</b>	<b>14,820,857</b>	<b>0.57</b>	<b>12,150,329</b>	<b>0.82</b>
<b>Operating expenses</b>				
Management fees	1,536,948	0.06	1,203,125	0.08
Incentive fees	2,315,118	0.09	1,881,369	0.13
Interest expense	164,412	0.01	155,578	0.01
Professional fees	337,813	0.01	210,248	0.02
Overhead allocation expense	184,318	0.01	199,739	0.01
Administration fees	124,311	0.00	181,574	0.01
Credit facility fees	178,729	0.01	-	-
Directors' fees	67,750	0.00	52,000	0.00
Consulting fees	17,000	0.00	27,420	0.00
Tax expense	1,319	0.00	-	-
Insurance expense	26,438	0.00	25,071	0.00
General and administrative expenses	23,720	0.00	2,009	0.00
Other expenses	199,394	0.01	138,171	0.01
<b>Total operating expenses</b>	<b>5,177,270</b>	<b>0.20</b>	<b>4,076,304</b>	<b>0.27</b>
<b>Net investment income</b>	<b>9,643,587</b>	<b>0.37</b>	<b>8,074,025</b>	<b>0.55</b>
<b>Realized gain (loss) on investments</b>	<b>(6,717,262)</b>	<b>(0.26)</b>	<b>-</b>	<b>-</b>
<b>Net change in unrealized appreciation (depreciation) on investments</b>	<b>(1,179,081)</b>	<b>(0.04)</b>	<b>(2,240,511)</b>	<b>(0.15)</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ 1,747,244</b>	<b>0.07</b>	<b>\$ 5,833,514</b>	<b>0.40</b>

(1) The basic per share figures noted above are based on weighted averages of 25,887,286 and 14,751,065 shares outstanding for the three months ended March 31, 2020 and 2019, respectively.

**Investment Income**

Our investment objective is to maximize our total return to our stockholders primarily through current income on our loan portfolio, and secondarily through capital appreciation 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 and second lien secured loans that generally fall into two strategies: Sponsored Growth Lending and Non-Sponsored Growth Lending. Our Sponsored Growth Lending also typically includes the receipt of warrants and/or other equity from venture-backed companies. We expect our investments in loans will generally range from between \$5.0 million to \$50.0 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 quarterly or semiannually. 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 generally will become due at the maturity date. In addition, we may generate revenue in the form of commitment and other fees in connection with transactions. Original issue discounts and market discounts or premiums will be capitalized, and we will accrete or amortize such amounts as interest income. We will record prepayment premiums on loans and debt securities as interest 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 three months ended March 31, 2020 was \$14,820,857 due primarily to interest income earned on our portfolio investments. Investment income for the three months ended March 31, 2019 was \$12,150,329 due primarily to interest income earned on our portfolio investments. The increase in interest income for the three months ended March 31, 2020 compared to the three months ended March 31, 2019 was a result of our deployment of capital and increased size.

### ***Operating Expenses***

Our primary operating expenses include the payment of fees to RGC under the Amended 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:

- organization and offering (the amount of organizational and offering expenses in connection with the Initial Private Offering in excess of \$1,000,000 were previously paid by RGC);
- our pro-rata portion of fees and expenses related to any future spin-off transaction;
- 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 three months ended March 31, 2020 and 2019 were \$5,177,270 and \$4,076,304, respectively. Operating expenses increased for the three months ended March 31, 2020 from the three months ended March 31, 2019 primarily due to increased portfolio activity, which resulted in increased management fees and incentive fees paid to RGC, professional fees, and credit facility fees. Operating expenses per share for the three months ended March 31, 2020 and 2019 were \$0.20 per share and \$0.27 per share, respectively.

#### ***Incentive Fees***

Incentive fees for the three months ended March 31, 2020 and 2019 were \$2,315,118 and \$1,881,369, respectively, primarily due to the increase in investment income. \$1,846,533 of the incentive fees for the three months ended March 31, 2020 were earned, payable in cash, and included in accrued incentive fees in the statement of assets and liabilities as of March 31, 2020. \$468,585 of the incentive fees for the three months ended March 31, 2020 were deferred and accrued, and included in accrued incentive fees in the statement of assets and liabilities as of March 31, 2020. \$1,562,821 of the incentive fees for the three months ended March 31, 2019 were earned, payable in cash, and included in accrued incentive fees in the statement of assets and liabilities as of March 31, 2019. \$318,548 of the incentive fees for the three months ended March 31, 2019 were deferred and accrued, and included in accrued incentive fees in the statement of assets and liabilities as of March 31, 2020. Incentive fees related to PIK or deferred interest are accrued and payment is deferred until such interest is collected in cash. Incentive fees per share for the three months ended March 31, 2020 and March 31, 2019 were \$0.09 and \$0.13 per share, respectively.

#### ***Net Investment Income***

Net investment income for the three months ended March 31, 2020 and 2019 was \$9,643,587 and \$8,074,025 respectively. Net investment income increased for the three months ended March 31, 2020 from the three months ended March 31, 2019 primarily due to interest income earned on our portfolio investments, partially offset by increased management and incentive fees and the other operating expenses discussed above. Net investment income per share for the three months ended March 31, 2020 and 2019 was \$0.37 per share and \$0.55 per share, respectively.

#### ***Net Realized Loss on Investment***

The net realized loss on investments of \$6,717,262 for the three months ended March 31, 2020 was primarily due to the loss on our senior secured loan to Aginity, Inc. There were no net realized gains or losses on investments for the three months ended March 31, 2019.

### ***Net Change in Unrealized Depreciation on Investments***

Net change in unrealized depreciation on investments of \$1,179,081 for the three months ended March 31, 2020 was primarily due to decreases in the fair value of our senior secured loans to Circadence Corporation, our preferred stock in MTBC, Inc., and our warrants in RealWear, Inc. The net change in unrealized depreciation on investments of \$2,240,511 for the three months ended March 31, 2019 was primarily due to a decrease in the fair value of certain warrants in our portfolio, most notably Mojix, Inc., RedSeal, Inc. and zSpace, Inc.

The COVID-19 pandemic and its resultant impact on economic activity and capital market volatility has impacted and may continue to have impact on the fair market values of our investments. As of March 31, 2020 numerous variables used in the valuation process reflected the impact of the COVID-19 pandemic, such as market comparables, market volatility, discount rates and credit spreads; however, the dynamic nature of the COVID-19 pandemic and ability of portfolio companies to assess its impact on future performance may not be fully incorporated into our assumptions. As a result, the fair market values of our portfolio investments may be negatively impacted after March 31, 2020 by circumstances and events that are not yet known, including the complete or continuing impact of the COVID-19 pandemic and the resulting measures taken in response thereto. Our valuation process carefully considers the impact of the COVID-19 pandemic related uncertainties in the various inputs utilized in the determination of the fair market value of investments.

### ***Net Increase in Net Assets Resulting from Operations***

We had a net increase in net assets resulting from operations of \$1,747,244 for the three months ended March 31, 2020, as compared to a net increase in net assets resulting from operations of \$5,833,514 for the three months ended March 31, 2019. The net increase in net assets resulting from operations for the three months ended March 31, 2020 was primarily due to interest and other income earned from portfolio investments, offset by the net realized loss related to a senior secured loan in our portfolio to Aginity, Inc. The net increase in net assets resulting from operations for the three months ended March 31, 2019 was primarily due to interest and other income earned from our portfolio investments, partially offset by management and incentive fees, professional fees incurred and the net change in unrealized depreciation related to our warrants for preferred stock of RedSeal Inc.

### ***Financial Condition, Liquidity and Capital Resources***

We generate cash primarily from the net proceeds of the offering of our securities and cash flows from our operations, including investment sales and repayments as well as income earned on investments and cash equivalents. We may also fund a portion of our investments through borrowings under the Credit Facilities (discussed below). 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. We may fund a portion of our investments through borrowings from banks and issuances of senior securities. 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 three months ended March 31, 2020, cash and cash equivalents decreased to \$16,814,362 from \$45,799,672 as of December 31, 2019. This decrease was primarily the result of the purchase of investments in portfolio companies for \$34,749,725 and U.S. Treasury Bills for \$50,001,334 and repayments under our Credit Facilities for \$83,000,000 and was partially offset by the sales of investments in portfolio companies.

### ***Equity Activity***

We have the authority to issue 100,000,000 shares of common stock, \$0.01 par value per share.

On October 8, 2015, in connection with our initial capitalization, we issued 1,667 shares of our common stock to R. David Spreng, our President, Chief Executive Officer and Chairman of our Board of Directors, for an aggregate purchase price of \$25,000. The remaining shares were issued in connection with the Initial Private Offering, the Second Private Offering, or pursuant to our dividend reinvestment plan, as follows:

Issuance Date	Shares Issued	Price Per Share	Gross Proceeds
December 22, 2016	333,333	\$ 15.00	\$ 5,000,000
April 19, 2017	1,000,000	15.00	15,000,000
June 26, 2017	1,666,667	15.00	25,000,000
September 12, 2017	2,666,667	15.00	40,000,000
December 22, 2017	3,000,000	15.00	45,000,000
May 31, 2018 <sup>(1)</sup>	70,563	14.82	1,045,570
August 31, 2018 <sup>(1)</sup>	117,582	14.92	1,754,244
September 27, 2018	1,997,337	15.02	30,000,000
November 15, 2018 <sup>(1)</sup>	202,779	15.07	3,055,498
January 14, 2019	4,344,964	15.19	66,000,000
March 26, 2019 <sup>(1)</sup>	326,431	15.14	4,942,168
May 21, 2019 <sup>(1)</sup>	374,783	15.13	5,670,467
May 24, 2019	3,232,189	15.16	49,000,000
July 16, 2019 <sup>(1)</sup>	464,986	15.13	7,035,236
August 26, 2019 <sup>(1)</sup>	480,121	14.76	7,088,143
October 15, 2019	1,666,667	15.00	25,000,000
November 12, 2019 <sup>(1)</sup>	43,979	14.76	649,123
December 20, 2019	3,333,333	15.00	50,000,000
December 23, 2019 <sup>(1)</sup>	487,166	14.52	7,073,650
March 20, 2020 <sup>(1)</sup>	575,132	14.58	8,385,423
March 31, 2020	21,021	15.00	315,308
<b>Total</b>	<b>26,405,700</b>		<b>\$ 397,014,830</b>

(1) Shares were issued as part of the dividend reinvestment plan.

#### **Contractual Obligations**

At March 31, 2020, the Company had \$30,612,569 in unfunded loan commitments to provide debt financing to nine portfolio companies. The Company's management believes that its available cash balances, availability under the Credit Agreement and/or ability to drawdown from investors provides sufficient funds to cover its unfunded commitments as of March 31, 2020.

	Payments Due By Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Reverse repurchase agreement <sup>(1)</sup>	\$ 49,751,199	\$ 49,751,199	\$ -	\$ -	\$ -
Credit facilities <sup>(2)</sup>	-	-	-	-	-
<b>Total</b>	<b>\$ 49,751,199</b>	<b>\$ 49,751,199</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(1) Reverse repurchase agreement relates to the purchase of the U.S. Treasury Bill on margin. The reverse repurchase agreement purchased was subsequently repaid in April 2020.

(2) See "Note 10 – Credit Facilities." to our financial statements in Part I of this Form 10-Q for more information.

## ***Credit Facilities***

On May 31, 2019, we entered into the Credit Agreement with KeyBank National Association, as administrative agent, syndication agent, and a lender, CIBC Bank USA, as documentation agent and a lender, and U.S. Bank National Association, as paying agent. The Credit Agreement provides for borrowings up to a maximum aggregate principal amount of \$100 million, subject to availability under a borrowing base that is determined by the number and value of eligible loan investments in the collateral, applicable advance rates and concentration limits, and certain cash and cash equivalent holdings of the Company. The Credit Agreement has an accordion feature that allows the Company to increase the aggregate commitments up to \$200 million, subject to new or existing lenders agreeing to participate in the increase and other customary conditions. Current capital markets dislocation and economic uncertainty associated with the COVID-19 pandemic may impact our ability to access the accordion features of our credit facility. Borrowings under the Credit Agreement bear interest on a per annum basis equal to a three-month adjusted LIBOR rate (with a LIBOR floor of zero), plus an applicable margin rate that varies from 3.00% to 2.50% per annum depending on utilization and other factors. During the availability period, the applicable margin rate (i) is 3.00% per annum for interest periods during which the average utilization is less than 60% and (ii) varies from 3.00% to 2.50% per annum when the average utilization equals or exceeds 60% (with 3.00% applying when the eligible loans in the collateral consist of 9 or fewer unaffiliated obligors, 2.75% applying when the eligible loans consist of between 10 and 29 unaffiliated obligors, and 2.50% applying when the eligible loans consist of 30 or more unaffiliated obligors). During the amortization period, the applicable margin rate will be 3.00%. If certain eurodollar disruption events occur, then borrowings under the Credit Agreement will bear interest on a per annum basis equal to (i) a base rate instead of LIBOR that is set at the higher of (x) the federal funds rate plus 0.50% and (y) the prime rate, plus (ii) the applicable margin rate discussed above. Interest is payable quarterly in arrears. The Company also pays unused commitment fees of 0.50% per annum on the unused lender commitments under the Credit Agreement, as well as a minimum earnings fee of 3.00% that will be payable annually in arrears, starting on May 31, 2021, on the average unused commitments below 60% of the aggregate commitments during the preceding 12-month period. The availability period under the Credit Agreement expires on May 31, 2022 and is followed by a two-year amortization period. The stated maturity date under the Credit Agreement is May 31, 2024. The Credit Agreement is secured by a perfected first priority security interest in substantially all of the Company's assets and portfolio investments.

On June 22, 2018, as amended on September 24, 2018, we entered into the Uncommitted Facility and the Committed Facility with CIBC. The maximum principal amount of available borrowings under each of the Uncommitted Facility and the Committed Facility was \$30 million (for a combined maximum principal amount under the Credit Facilities of \$60 million), subject in each case to availability under the borrowing base, which is based on unused capital commitments. On May 31, 2019, in conjunction with securing and entering into the new Credit Agreement, we terminated the Credit Facilities.

During the three months ended March 31, 2020, the Company drew down \$22,000,000 on the Credit Agreement and repaid \$83,000,000, of which zero remains outstanding at March 31, 2020. At March 31, 2020, interest was accruing at a rate of 4.91%. During the year ended December 31, 2019, the Company drew down \$162,250,000 on the Credit Facilities and repaid \$160,750,000 of which \$61,000,000 remained outstanding at December 31, 2019. At December 31, 2019, interest was accruing at a rate of 5.10%. See "Note 10 – Credit Facilities" to our financial statements in Part I, Item 1 of this Form 10-Q for more information on the Credit Facilities.

## ***Off-Balance Sheet Arrangements***

We currently have no off-balance sheet arrangements, including any risk management of commodity pricing or other hedging practices.

## **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. We maintain an “opt out” dividend reinvestment plan for our common stockholders. As a result, if we declare a distribution, then stockholders’ cash distributions will be automatically reinvested in additional shares of our common stock, unless they specifically “opt out” of the dividend reinvestment plan so as to receive cash distributions. During the three months ended March 31, 2020, we declared dividends in the amount of \$10,324,486, of which \$1,939,063, was distributed in cash and the remainder distributed in shares to stockholders pursuant to our dividend reinvestment plan. During the year ended December 31, 2019, we declared and paid dividends in the amount of \$40,651,334, of which \$8,192,547 was distributed in cash and the remainder distributed in shares to stockholders pursuant to our dividend reinvestment program.

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. The following table shows the dividends per share declared since our formation through March 31, 2020.

<b>Date Declared</b>	<b>Record Date</b>	<b>Payment Date</b>	<b>Amount per Share</b>
May 3, 2018	May 15, 2018	May 31, 2018	\$ 0.15
July 26, 2018	August 15, 2018	August 31, 2018	\$ 0.25
November 1, 2018	October 31, 2018	November 15, 2018	\$ 0.35
March 22, 2019	March 22, 2019	March 26, 2019	\$ 0.40
May 2, 2019	May 7, 2019	May 21, 2019	\$ 0.45
May 2, 2019	May 31, 2019	July 16, 2019	\$ 0.46
July 30, 2019	August 8, 2019	August 26, 2019	\$ 0.45
September 27, 2019	September 30, 2019	November 12, 2019	\$ 0.04
December 9, 2019	December 10, 2019	December 23, 2019	\$ 0.40
March 5, 2020	March 6, 2020	March 20, 2020	\$ 0.40

## Critical Accounting Policies

### *Basis of Presentation*

The preparation of the 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 financial statements, and revenues and expenses during the period reports. Actual results could materially differ from those estimates. We believe that our most critical accounting policies, which are those that are most important to the portrayal of our financial condition and results of operations and require management's most difficult, subjective and complex judgments, include the valuation of investments and our election to be treated, and intent to qualify annually, as a RIC. See "Note 2 — Summary of Significant Accounting Policies" to our financial statements in Part I, Item 1 of this Form 10-Q, which describes our critical accounting policies and recently adopted accounting pronouncements not yet required to be adopted by us.

### *Valuation of Investments*

We measure the value of our investments at fair value in accordance with 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. The COVID-19 pandemic and its resultant impact on economic activity and capital market volatility has impacted and may continue to have impact on the fair market values of our investments. As a result, the fair market values of our portfolio investments may be negatively impacted after March 31, 2020 by circumstances and events that are not yet known, including the complete or continuing impact of the COVID-19 pandemic and the resulting measures taken in response thereto. Our valuation process carefully considers the impact of the COVID-19 pandemic related uncertainties in the various inputs utilized in the determination of the fair market value of investments.

The Audit Committee assists our 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, our 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 our 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. We consider a range of fair values based upon the valuation techniques utilized and select 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.

Our 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.

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, an investment'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 investment.

Under ASC Topic 820, the fair value measurement also assumes that the transaction to sell an asset occurs in the principal market for the asset 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 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. 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.

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

- Our 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 one or more independent valuation firms. Certain investments, however, may not be evaluated by the applicable 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 applicable independent valuation firm, if any, and makes a recommendation to our Board of Directors regarding such valuations; and
- Our Board of Directors reviews the recommended preliminary valuations and determines the fair value of each investment in our portfolio, in good faith, based on the input of RGC, the applicable independent valuation firm and the Audit Committee.

Our investments are primarily loans made to 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 instruments and, thus, RGC's senior investment team must estimate the fair value of these investment securities based on models utilizing unobservable inputs.

#### ***Investment Valuation Techniques***

*Debt Investments.* To determine the fair value of our debt investments, we compare the cost basis of the debt investment, which includes original issue discount, 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 which are similar in nature to our investments, in order to determine a comparable range of effective market interest rates for our 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 or decreases in these unobservable inputs could result in a significantly higher or lower fair value measurement; 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 these unobservable inputs

Under certain circumstances, we may use an alternative technique to value the debt investments to be acquired by us 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 or decrease in this unobservable input.
- Other adjustments, including a marketability discount on private company warrants, are estimated based on our 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 or 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 IPOs, 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 or decrease in this unobservable input.

Under certain circumstances we 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.

These 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.

*Equity Investments.* The fair value of an equity investment in a privately held company is initially the face value of the amount invested. We adjust the fair value of equity investments in private companies upon the completion of a new third-party round of equity financing subsequent to our investment. We 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. We may also reference comparable transactions and/or secondary market transactions in connection with our 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. These 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.

## Fair Value

The Company's assets measured at fair value on a recurring basis subject to the requirements of ASC Topic 820 at March 31, 2020 and December 31, 2019 were as follows:

	As of March 31, 2020 (Unaudited)			
	Level 1	Level 2	Level 3	Total
<b>Portfolio Investments</b>				
Common Stock	\$ 1,786,220	\$ -	\$ -	\$ 1,786,220
Corporate Bonds	-	207,713	-	207,713
Senior Secured Term Loans	-	-	325,900,429	325,900,429
Preferred Stock	-	-	17,031,494	17,031,494
Warrants	-	-	16,504,772	16,504,772
<b>Total Portfolio Investments</b>	<b>1,786,220</b>	<b>207,713</b>	<b>359,436,695</b>	<b>361,430,628</b>
<b>U.S. Treasury Bill</b>	<b>50,001,334</b>	<b>-</b>	<b>-</b>	<b>50,001,334</b>
<b>Total Investments</b>	<b>\$ 51,787,554</b>	<b>\$ 207,713</b>	<b>\$ 359,436,695</b>	<b>\$ 411,431,962</b>

	As of December 31, 2019			
	Level 1	Level 2	Level 3	Total
<b>Portfolio Investments</b>				
Senior Secured Term Loans	\$ -	\$ -	\$ 349,570,424	\$ 349,570,424
Preferred Stock	-	-	437,515	437,515
Warrants	-	-	18,008,337	18,008,337
<b>Total Portfolio Investments</b>	<b>-</b>	<b>-</b>	<b>368,016,276</b>	<b>368,016,276</b>
<b>U.S. Treasury Bill</b>	<b>99,965,423</b>	<b>-</b>	<b>-</b>	<b>99,965,423</b>
<b>Total Investments</b>	<b>\$ 99,965,423</b>	<b>\$ -</b>	<b>\$ 368,016,276</b>	<b>\$ 467,981,699</b>

## Investment Transactions and Related Investment Income

Security transactions, if any, are recorded on a trade-date basis. We measure realized gains or losses from the repayment or sale of investments 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. We report changes in fair value of investments that are measured at fair value as a component of net change in unrealized appreciation (depreciation) on investments in the statement of operations.

Dividends are recorded on the ex-dividend date. 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 we expect to collect such amounts. Original issue discount, principally representing the estimated fair value of detachable equity or warrants obtained in conjunction with our 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 over the contractual life of the loan based on the effective interest method. Upon prepayment of a loan or debt security, any prepayment penalties, unamortized loan origination fees, end of term payments and unamortized market discounts are recorded as interest income.

## Management and Incentive Fees

We accrue for base management fees and incentive fees. The accrual for incentive fees includes the recognition of incentive fees on unrealized capital gains, even though such incentive fees are neither earned nor payable to RGC until the gains are both realized and in excess of unrealized depreciation on investments. See "Note 7 – Related Party Agreements and Transactions" to our financial statements in Part I, Item 1 of this Form 10-Q for more information on the Amended Advisory Agreement and the fee structure thereunder.

## **Income Taxes**

We have elected to be treated, currently qualify and intend to qualify annually, as a RIC under Subchapter M of the Code. Generally, a RIC is not subject to U.S. federal income taxes on distributed income and gains if 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 we qualify, and maintain our status, as a RIC, we generally will not pay corporate-level U.S. federal income taxes on any ordinary income or capital gains that we distribute at least annually to our stockholders as dividends. Rather, any tax liability related to income earned by us represents obligations of our investors and will not be reflected in the financial statements of the Company. We intend to make sufficient distributions to maintain our RIC tax treatment each year and we do not anticipate paying any material U.S. federal income taxes in the future.

## **Recent Developments**

Effective April 1, 2020, the Company put two loans to Mojix, Inc., representing an aggregate principal funded of \$11,000,000 at a fair market value of \$9,088,806, which represents 2.51% of the portfolio as of March 31, 2020, on non-accrual status.

On April 17, 2020, the Company funded an additional \$777,000 on the revolving line to Credit Sesame, Inc.

On May 1, 2020, the Company funded a \$400,000 bridge loan to Mojix, Inc.

On May 7, 2020 the Company declared a dividend of \$0.35 per share payable on May 21, 2020 to shareholders of record as of May 8, 2020.

We evaluated events subsequent to March 31, 2020 through May 14, 2020. On March 11, 2020, the World Health Organization declared the novel coronavirus (“COVID-19”) as a pandemic, and on March 13, 2020 the United States declared a national emergency with respect to the COVID-19 pandemic. The outbreak of the COVID-19 pandemic has severely impacted global economic activity and caused significant volatility and negative pressure in financial markets. The global impact of the outbreak has been rapidly evolving and many countries, including the United States, have reacted by instituting quarantines, mandating business and school closures and restricting travel. Such actions are creating disruption in global supply chains and adversely impacting a number of industries. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the COVID-19 pandemic. Nevertheless, the COVID-19 pandemic presents material uncertainty and risks with respect to the underlying value of the Company’s portfolio companies, the Company’s business, financial condition, results of operations and cash flows, such as the potential negative impact to financing arrangements, increased costs of operations, changes in law and/or regulation, and uncertainty regarding government and regulatory policy. The volatility and disruption to the global economy from the COVID-19 pandemic has affected, and is expected to continue to affect, the pace of our investment activity, which may have a material adverse impact on our results of operations. Such volatility and disruption have also led to the increased credit spreads in the private debt capital markets. Further, the operational and financial performance of the portfolio companies in which we make investments may be significantly impacted by the COVID-19 pandemic, which may in turn impact the valuation of our investments. As a result, the long term impacts of the COVID-19 pandemic may not yet be fully reflected in the valuation of our investments and the fair value of our portfolio investments may be further negatively impacted after March 31, 2020 by circumstances and events that are not yet known, including the complete or continuing impact of the COVID-19 pandemic and the resulting measures taken in response thereto. In addition, write downs in the value of our investments have reduced, and any additional write downs may further reduce, our net asset value (and, as a result, our asset coverage calculation). Accordingly, we may continue to incur additional net unrealized losses or may incur realized losses after March 31, 2020, which could have a material adverse effect on our business, financial condition and results of operations.

Accordingly, the Company cannot predict the extent to which its financial condition and results of operations will be affected at this time. The potential impact to our results will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of the COVID-19 pandemic and the actions taken by authorities and other entities to contain the coronavirus or treat its impact, all of which are beyond our control.

### **Item 3. 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 the COVID-19 outbreak 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 COVID-19 pandemic and its potential impact on our business and our operating results, see Part II – Other Information, 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. Significant economic uncertainty and market volatility associated with the COVID-19 pandemic may exaggerate the inherent difficulty in determining the fair market value of our investments.

## ***Interest Rate Risk***

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 the general level of interest rates can affect our net interest income, which is the difference between the interest income earned on interest earning assets and our interest expense incurred in connection with our interest-bearing debt and liabilities. Changes in interest rates can also affect, among other things, 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 LIBOR and prime rates. In addition, in a prolonged low interest rate environment, including a reduction of LIBOR to zero, the difference between the total interest income earned on interest earning assets and the total interest expense incurred on interest bearing liabilities may be compressed, reducing our net interest income and potentially adversely affecting our operating results.

We typically expect that interest rates on the investments held in our portfolio will be based on LIBOR, with many of these investments also having a LIBOR floor. As of March 31, 2020, 100.0%, or \$332,332,594 (at cost), of our debt portfolio investments bore interest at variable rates, which are U.S. Prime Rate or LIBOR-based and subject to certain floors, and none of our debt portfolio investments bore interest at fixed rates. As of a policy, any interest above 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 \$6,774,587 and decrease our investment income by a maximum of \$304,722 on an annual basis.

Borrowings under the Credit Facilities bear interest, at our election at the time of drawdown, at a rate per annum equal to the LIBOR rate for the applicable interest period plus 3.00%.

The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has announced that it intends to phase out LIBOR by the end of 2021. It is unclear if at that time whether LIBOR will cease to exist or if new methods of calculating LIBOR will be established such that it continues to exist after 2021. At this time, it is not possible to predict the effect of any such changes, any establishment of alternative reference rates or any other reforms to LIBOR that may be enacted. The elimination of LIBOR or any other changes or reforms to the determination or supervision of LIBOR could have an adverse impact on the market for or value of any LIBOR-linked securities, loans, and other financial obligations or extensions of credit held by or due to us or on our overall financial condition or results of operations. In addition, if LIBOR ceases to exist, we may need to renegotiate agreements extending beyond 2021 with our portfolio companies that utilize LIBOR as a factor in determining the interest rate, in order to replace LIBOR with the new standard that is established, which may have an adverse effect on our overall financial condition or results of operations. Following the replacement of LIBOR, some or all of these agreements may bear interest a lower interest rate, which could have an adverse impact on our results of operations. Moreover, if LIBOR ceases to exist, we may need to renegotiate certain terms of our credit facilities. If we are unable to do so, amounts drawn under our credit facilities may bear interest at a higher rate, which would increase the cost of our borrowings and, in turn, affect our results of operations.

Because we currently borrow, and plan to borrow in the future, money to make investments, our net investment income would be 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 the COVID-19 pandemic and its impact on foreign financial markets.

#### **Item 4. 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 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.

There have been no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

We 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 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 1A. Risk Factors.

You should carefully consider the risks described below and all other information contained in this quarterly report on Form 10-Q, including our interim financial statements and the related notes thereto, before making a decision to purchase our securities. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

If any of the following risks actually occur, our business, financial condition or results of operations could be materially adversely affected. If that happens, you may lose all or part of your investment. Other than as set forth below, there have been no material changes during the period ended March 31, 2020 to the risk factors discussed in “Risk Factors” in Part I, Item 1A of our annual report on Form 10-K for the fiscal year ended December 31, 2019, filed with the SEC on March 20, 2020.

#### ***We may be subject to risks associated with our investments in the consumer services industry.***

Portfolio companies in the consumer services sector are subject to many risks, including the negative impact of regulation, changing technology, a competitive marketplace, unpredictability in attracting new customers and difficulty in obtaining financing. Portfolio companies in the consumer services industry must respond quickly to technological changes and understand the impact of these changes on customers’ preferences. If a significant number of clients of our portfolio companies in the consumer services industry, or any one client to whom a portfolio company intends to provide a significant amount of services, were to terminate services, or reduce the amount of services purchased or fail to purchase additional services or delay payment of fees, the portfolio company’s results of operations may be negatively and materially affected. If the client retention rate of any our portfolio companies declines, the portfolio company’s revenue could decline unless it is able to obtain additional clients or alternate revenue sources. Additionally, adverse economic, business, or regulatory developments affecting the consumer services sector could have a negative impact on the value of our investments in portfolio companies operating in this industry, and therefore could negatively impact our business and results of operations.

#### ***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.

The Company and its service providers are currently impacted by quarantines and similar measures being enacted by governments in response to COVID-19, which are obstructing the regular functioning of business workforces (including requiring employees to work from external locations and their homes). Accordingly, the risks described above may be heightened under current conditions.

***We are currently operating in a period of capital markets disruption and economic uncertainty.***

The U.S. capital markets have experienced extreme volatility and disruption following the global outbreak of COVID-19 that began in December 2019. Some economists and major investment banks have expressed concern that the continued spread of the virus globally could lead to a world-wide economic downturn. Disruptions in the capital markets have increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in parts of the capital markets. These and future market disruptions and/or illiquidity would be expected to have an adverse effect on our business, financial condition, results of operations and cash flows. Unfavorable economic conditions also would be expected to increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events have limited and could continue to limit our investment originations, limit our ability to grow and have a material negative impact on our operating results and the fair values of our debt and equity investments.

***If the current period of capital market disruption and instability continues for an extended period of time, there is a risk that investors in our equity securities may not receive distributions consistent with historical levels or at all or that our distributions may not grow over time and a portion of our distributions may be a return of capital.***

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions. Our ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in this quarterly report or incorporated herein by reference, including the COVID-19 pandemic described above. For example, if the temporary closure of many corporate offices, retail stores, and manufacturing facilities and factories in the jurisdictions, including the United States, affected by the COVID-19 pandemic were to continue for an extended period of time it could result in reduced cash flows to us from our existing portfolio companies, which could reduce cash available for distribution to our stockholders. If we violate certain covenants under our existing or future credit facilities or other leverage, we may be limited in our ability to make distributions. If we declare a distribution and if more stockholders opt to receive cash distributions rather than participate in our dividend reinvestment plan, we may be forced to sell some of our investments in order to make cash distribution payments. To the extent we make distributions to stockholders that include a return of capital, such portion of the distribution essentially constitutes a return of the stockholder's investment. Although such return of capital may not be taxable, such distributions would generally decrease a stockholder's basis in our common stock and may therefore increase such stockholder's tax liability for capital gains upon the future sale of such stock. A return of capital distribution may cause a stockholder to recognize a capital gain from the sale of our common stock even if the stockholder sells its shares for less than the original purchase price.

***Due to the COVID-19 pandemic or other disruptions in the economy, we may not be able to increase our dividends and may reduce or defer our dividends and choose to incur U.S. federal excise tax in order to preserve cash and maintain flexibility.***

As a BDC, we are not required to make any distributions to shareholders 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 distribute to shareholders for each taxable year at least 90% of our investment company taxable income (i.e., net ordinary income plus realized net short-term capital gains in excess of realized net long-term capital losses). If we qualify for taxation as a RIC, we generally will not be subject to corporate-level US federal income tax 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 shareholders. 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) 98.0% 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 shareholders 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 “spillover 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 corporate-level U.S. federal income tax. Under these spillover 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 2020 until as late as December 31, 2021. If we choose to pay a spillover dividend, we will incur the 4% U.S. federal excise tax on some or all of the distribution.

Due to the COVID-19 pandemic 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 not be able to increase our dividends. In addition, 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 spillover 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 taxes in excess of the cash distributions 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 taxes in excess of the cash distributions you receive.***

We may distribute taxable distributions that are payable in cash or shares of our common stock at the election of each stockholder. Under certain applicable provisions of the Code and the published guidance, distributions payable of a publicly offered RIC that are in cash or in shares of stock at the election of stockholders may be treated as taxable distributions. The Internal Revenue Service 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% (which has been temporarily reduced to 10% for distributions declared on or after April 1, 2020, and on or before December 31, 2020) 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 distributions paid in stock). If we decide to make any distributions consistent with this revenue procedure that are payable in part in our stock, taxable stockholders receiving such distributions will be required to include the full amount of the distribution (whether received in cash, our 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 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 market price 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. 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 dividends, it may put downward pressure on the net asset value of our common stock.

***Due to the COVID-19 pandemic and other disruptions in the economy, the risk that our investors may default on capital drawdowns may be heightened.***

In connection with the offerings of our securities, we issue drawdowns on capital commitments from time to time at the discretion of RGC based upon RGC's assessment of our needs and opportunities. To satisfy such capital drawdowns, investors may need to maintain a substantial portion of their capital commitments in assets that can be readily converted to cash. Due to the COVID-19 pandemic, investors may not have ready access to liquid assets and may not be able to satisfy our capital drawdowns on a timely basis or at all. If an investor fails to pay when due installments of its capital commitment to us, and the capital commitments made by non-defaulting investors and our borrowings are inadequate to cover the defaulted capital commitment, we may be unable to pay our obligations when due. As a result, we may be subjected to significant penalties that could materially adversely affect the returns of the investors (including non-defaulting investors), and non-defaulting investors may be subject to increased expenses and/or funding requirements. Moreover, the subscription agreements signed by our investors provide for significant adverse consequences in the event an investor defaults on its capital commitment or other payment obligations.

**Item 2. Unregistered Sales of Equity 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, we did not sell any securities during the period covered by this Form 10-Q that were not registered under the Securities Act.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

## Item 5. Other Information

Not applicable.

## Item 6. Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC:

- [3.1 Articles of Amendment and Restatement](#)<sup>(1)</sup>
- [3.2 Articles of Amendment](#)<sup>(2)</sup>
- [3.3 Amended and Restated Bylaws](#)<sup>(2)</sup>
- [4.1 Form of Subscription Agreement](#)<sup>(3)</sup>
- [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\\*](#)

\* Filed herewith.

- (1) Previously filed as an exhibit to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2016.
- (2) Previously filed as an exhibit to the Registrant's Current Report on Form 8-K filed with the SEC on June 14, 2017.
- (3) Previously filed as an exhibit to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2017.

**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.

Date: May 14, 2020

**RUNWAY GROWTH CREDIT FUND INC.**

By: /s/ R. David Spreng  
R. David Spreng  
President, Chief Executive Officer and Chairman of the Board of Directors

Date: May 14, 2020

By: /s/ Thomas B. Raterman  
Thomas B. Raterman  
Chief Financial Officer, Treasurer and Secretary  
(Principal Financial and Accounting Officer)

**Certification of Chief Executive Officer of Runway Growth Credit Fund Inc.  
pursuant to Rule 13a-14(a) under the Exchange Act,  
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, R. David Spreng, as Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Runway Growth Credit Fund Inc.;
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 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; and
  - (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.

/s/ R. David Spreng

R. David Spreng  
Chief Executive Officer

May 14, 2020

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**Certification of Chief Financial Officer of Runway Growth Credit Fund Inc.  
pursuant to Rule 13a-14(a) under the Exchange Act,  
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Thomas B. Raterman, as Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Runway Growth Credit Fund Inc.;
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 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; and
  - (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.

/s/ Thomas B. Raterman

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Thomas B. Raterman  
Chief Financial Officer

May 14, 2020

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Certification of Chief Executive Officer  
Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the quarterly report on Form 10-Q for the three months ended March 31, 2020 (the "Report") of Runway Growth Credit Fund Inc. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, R. David Spreng, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) the 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 Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ R. David Spreng

Name: R. David Spreng

Date: May 14, 2020

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Certification of Chief Financial Officer  
Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the quarterly report on Form 10-Q for the three months ended March 31, 2020 (the "Report") of Runway Growth Credit Fund Inc. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Thomas B. Raterman, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) the 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 Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Thomas B. Raterman

Name: Thomas B. Raterman

Date: May 14, 2020

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