

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 September 30, 2022

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

Commission File Number: 814-01180

Runway Growth Finance Corp.

(Exact name of registrant as specified in its charter)

Maryland
(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	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	RWAY	NASDAQ Global Select Market LLC
7.50% Notes due 2027	RWAYL	NASDAQ Global Select Market LLC

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

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The issuer had 40,524,123 shares of common stock, \$0.01 par value per share, outstanding as of November 3, 2022.

RUNWAY GROWTH FINANCE CORP.
FORM 10-Q FOR THE QUARTER ENDED September 30, 2022

Table of Contents

INDEX	PAGE NO.
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	1
<u>Statements of Assets and Liabilities as of September 30, 2022 (unaudited) and December 31, 2021</u>	1
<u>Statements of Operations for the three and nine months ended September 30, 2022 and 2021 (unaudited)</u>	2
<u>Statements of Changes in Net Assets for the three and nine months ended September 30, 2022 and 2021 (unaudited)</u>	3
<u>Statements of Cash Flows for the three and nine months ended September 30, 2022 and 2021 (unaudited)</u>	4
<u>Schedule of Investments as of September 30, 2022 (unaudited)</u>	5
<u>Schedule of Investments as of December 31, 2021</u>	16
<u>Notes to Financial Statements (unaudited)</u>	26
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	49
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	66
<u>Item 4. Controls and Procedures</u>	67
<u>PART II. OTHER INFORMATION</u>	68
<u>Item 1. Legal Proceedings</u>	68
<u>Item 1A. Risk Factors</u>	68
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	68
<u>Item 3. Defaults Upon Senior Securities</u>	68
<u>Item 4. Mine Safety Disclosures</u>	68
<u>Item 5. Other Information</u>	69
<u>Item 6. Exhibits</u>	70
<u>SIGNATURES</u>	72

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements****RUNWAY GROWTH FINANCE CORP.****Statements of Assets and Liabilities**

	September 30, 2022 (Unaudited)	December 31, 2021
Assets		
Investments at fair value:		
Non-control/non-affiliate investments at fair value (cost of \$910,870,337 and \$647,448,895, respectively)	\$ 903,521,674	\$ 655,384,403
Affiliate investments at fair value (cost of \$4,551,235 and \$0, respectively)	2,180,230	—
Control investments at fair value (cost of \$21,172,353 and \$34,873,846, respectively)	4,467,041	29,130,371
Investment in U.S. Treasury Bills at fair value (cost of \$0 and \$45,001,250, respectively)	—	45,001,500
Total investments at fair value (cost of \$936,593,925 and \$727,323,991, respectively)	910,168,945	729,516,274
Cash and cash equivalents	5,774,074	4,696,693
Accrued interest receivable	4,402,598	2,368,680
Other accounts receivable	1,823,611	816,065
Prepaid expenses	99,507	949,768
Total assets	922,268,735	738,347,480
Liabilities		
Debt:		
Credit facilities, net	170,009,357	59,864,489
2026 Notes, net	69,130,314	19,623,971
2027 Notes, net	97,405,095	—
Total debt, less unamortized deferred debt costs	336,544,766	79,488,460
Reverse repurchase agreement	—	44,774,963
Accrued incentive fees	7,188,966	6,010,250
Due to affiliate	261,180	221,243
Interest payable	3,195,407	249,247
Accrued expenses and other liabilities	1,418,045	1,408,826
Total liabilities	348,608,364	132,152,989
Commitments and contingencies (Note 3)		
Net assets		
Common stock, par value	413,806	413,806
Additional paid-in capital	606,063,671	606,047,671
Distributable (losses)	(23,515,173)	(266,986)
Treasury stock	(9,301,933)	—
Total net assets	\$ 573,660,371	\$ 606,194,491
Shares of common stock outstanding (\$0.01 par value, 100,000,000 shares authorized)	40,635,858	41,380,614
Net asset value per share	\$ 14.12	\$ 14.65

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.

Statements of Operations
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Investment income				
From non-control/non-affiliate investments:				
Interest income	\$ 25,365,328	\$ 16,732,069	\$ 61,749,677	\$ 47,542,136
Payment in-kind interest income	1,199,498	434,464	3,248,563	2,424,022
Dividend income	317,674	343,755	1,020,766	1,031,265
Fee income	445,399	982,190	1,519,292	2,663,160
From affiliate investments:				
Interest income	—	—	4,654	—
Payment in-kind interest income	—	—	96,291	—
Fee income	—	—	8,311	—
From control investments:				
Interest income	—	113,554	1,112,421	113,554
Payment in-kind interest income	—	3,786	2,984,450	3,786
Other income	805	248	1,268	517
Total investment income	<u>27,328,704</u>	<u>18,610,066</u>	<u>71,745,693</u>	<u>53,778,440</u>
Operating expenses				
Management fees	3,065,581	2,301,656	8,487,820	6,647,207
Incentive fees	3,625,686	2,686,475	8,590,821	6,498,482
Interest expense	3,588,289	812,852	6,070,906	2,302,582
Professional fees	720,115	612,854	1,968,036	1,433,360
Overhead allocation expense	258,191	249,141	713,457	655,260
Insurance expense	268,806	23,087	806,042	69,638
Administration fee	161,245	179,500	497,896	420,360
Debt financing fees	794,124	738,087	2,226,658	1,447,288
Directors' fees	90,727	67,750	261,727	201,750
Tax expense	—	—	1,073	41
Other expenses	258,991	197,540	685,841	539,142
Total operating expenses	<u>12,831,755</u>	<u>7,868,942</u>	<u>30,310,277</u>	<u>20,215,110</u>
Net investment income	<u>14,496,949</u>	<u>10,741,124</u>	<u>41,435,416</u>	<u>33,563,330</u>
Realized and unrealized gain (loss) on investments				
Realized gain (loss) on non control/non-affiliate investments, including U.S. Treasury Bills	406,917	718,310	939,442	(4,076,766)
Realized gain (loss) on control investments	—	—	(65)	—
Net realized gain (loss) on investments	<u>406,917</u>	<u>718,310</u>	<u>939,377</u>	<u>(4,076,766)</u>
Net change in unrealized appreciation (depreciation) on non control/non-affiliate investments, including U.S. Treasury Bills	(1,956,044)	(6,857,594)	(14,275,206)	(10,979,143)
Net change in unrealized appreciation (depreciation) on affiliate investments	(171,789)	—	(3,380,221)	—
Net change in unrealized appreciation (depreciation) on control investments	(1,054,260)	5,629,212	(10,961,836)	7,806,302
Net change in unrealized appreciation (depreciation) on investments and U.S. Treasury Bills	<u>(3,182,093)</u>	<u>(1,228,382)</u>	<u>(28,617,263)</u>	<u>(3,172,841)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 11,721,773</u>	<u>\$ 10,231,052</u>	<u>\$ 13,757,530</u>	<u>\$ 26,313,723</u>
Net increase in net assets resulting from operations per common share	\$ 0.29	\$ 0.31	\$ 0.33	\$ 0.81
Net investment income per common share	\$ 0.36	\$ 0.32	\$ 1.01	\$ 1.04
Weighted average shares outstanding	40,774,154	33,160,481	41,119,467	32,360,107

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.

Statements of Changes in Net Assets
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Increase (decrease) in net assets from operations:				
Net investment income	\$ 14,496,949	\$ 10,741,124	\$ 41,435,416	\$ 33,563,330
Realized gain (loss) on non control/non-affiliate investments, including U.S. Treasury Bills	406,917	718,310	939,442	(4,076,766)
Realized gain (loss) on control investments	—	—	(65)	—
Net change in unrealized appreciation (depreciation) on non control/non-affiliate investments, including U.S. Treasury Bills	(1,956,044)	(6,857,594)	(14,275,206)	(10,979,143)
Net change in unrealized appreciation (depreciation) on affiliate investments	(171,789)	—	(3,380,221)	—
Net change in unrealized appreciation (depreciation) on control investments	(1,054,260)	5,629,212	(10,961,836)	7,806,302
Net increase in net assets resulting from operations	11,721,773	10,231,052	13,757,530	26,313,723
Distributions to stockholders from:				
Dividends paid to shareholders	(13,450,710)	(11,114,754)	(37,005,717)	(34,597,684)
Total distributions to stockholders	(13,450,710)	(11,114,754)	(37,005,717)	(34,597,684)
Capital share transactions:				
Issuance of shares of common stock	—	18,976,917	—	19,283,828
Issuance of common stock under dividend reinvestment plan	—	8,401,215	—	26,994,806
Acquisition of treasury shares	(4,022,696)	—	(9,301,933)	—
Offering costs	—	(32,542)	16,000	(37,373)
Net increase (decrease) in net assets resulting from capital share transactions	(4,022,696)	27,345,590	(9,285,933)	46,241,261
Total increase (decrease) in net assets	(5,751,633)	26,461,888	(32,534,120)	37,957,300
Net assets at beginning of period	579,412,004	477,739,097	606,194,491	466,243,685
Net assets at end of period	\$ 573,660,371	\$ 504,200,985	\$ 573,660,371	\$ 504,200,985
Capital share activity				
Shares issued	—	1,840,160	—	3,116,563
Treasury shares acquired	(331,264)	—	(744,756)	—
Shares outstanding at beginning of period	40,967,122	32,690,454	41,380,614	31,414,051
Shares outstanding at end of period	40,635,858	34,530,614	40,635,858	34,530,614

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.

Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities		
Net increase in net assets resulting from operations	\$ 13,757,530	\$ 26,313,723
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchases of investments	(392,835,343)	(237,031,073)
Purchases of U.S. Treasury Bills	—	(115,000,509)
Payment in-kind interest	(6,329,304)	(2,427,808)
Sales or repayments of investments	150,410,327	203,205,733
Sales or maturities of U.S. Treasury Bills	44,999,747	124,999,118
Realized (gain) loss on investments, including U.S. Treasury Bills	(939,377)	4,076,766
Net change in unrealized appreciation (depreciation) on investments, including U.S. Treasury Bills	28,617,263	3,172,841
Amortization of fixed income premiums or accretion of discounts	(4,575,984)	(5,539,659)
Amortization of deferred debt costs	798,764	349,378
Changes in operating assets and liabilities:		
Accrued interest receivable	(2,033,918)	650,685
Other accounts receivable	(1,007,546)	197,082
Prepaid expenses	850,261	(53,246)
Accrued incentive fees	1,178,716	964,069
Due to affiliate	39,937	83,523
Interest payable	2,946,160	343,843
Accrued expenses and other liabilities	9,219	651,336
Net cash provided by (used in) operating activities	(164,113,548)	4,955,802
Cash flows from financing activities		
Payments of deferred financing costs	(8,242,458)	(19,126)
Payments of deferred offering costs	—	(439,929)
Borrowings under credit facilities	282,000,000	100,000,000
Repayments under credit facilities	(168,000,000)	(119,000,000)
Proceeds from 2026 Notes	50,000,000	—
Proceeds from 2027 Notes	100,500,000	—
Proceeds from reverse repurchase agreements	—	104,474,375
Repayments of reverse repurchase agreements	(44,774,963)	(114,424,914)
Acquisition of treasury shares	(9,301,933)	—
Dividends paid to stockholders	(37,005,717)	(7,602,878)
Offering costs	16,000	(37,373)
Net cash received from common stock issued	—	18,144,300
Net cash provided by (used in) financing activities	165,190,929	(18,905,545)
Net increase (decrease) in cash	1,077,381	(13,949,743)
Cash and cash equivalents at beginning of period	4,696,693	14,886,246
Cash and cash equivalents at end of period	\$ 5,774,074	\$ 936,503
Supplemental and non-cash financing cash flow information:		
Taxes paid	\$ 1,073	\$ —
Interest paid	3,124,746	1,958,739
Non-cash portfolio purchases	3,380,604	2,562,120
Non-cash dividend reinvestments	—	26,994,806
Subscriptions receivable	—	1,139,528

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
**Schedule of Investments (Unaudited)
September 30, 2022**

Portfolio Companies	Investment Description ^{(1),(5),(9)}	Acquisition Date	Maturity Date	Principal/ Shares	Cost	Fair Value ^{(2),(6)}	Footnotes
Non-Control/Non-Affiliate Investments							
Senior Secured Term Loans							
Application Software							
Circadence Corporation	LIBOR+9.50% PIK, 12.00% floor, 7.50% ETP	12/20/2018	12/15/2022	\$ 19,256,951	\$ 20,484,765	\$ 16,700,353	(4)(8)
Dtex Systems, Inc.	LIBOR+9.50%, 10.00% floor, 1.75% ETP	6/1/2021	6/1/2025	10,000,000	10,012,213	10,012,213	(8)
FiscalNote, Inc.	PRIME+5.00%, 9.00% floor, 1.00% PIK, 4.25% ETP	10/19/2020	7/15/2027	39,052,016	38,428,011	38,428,011	(8)
	PRIME+5.00%, 9.00% floor, 1.00% PIK, 4.25% ETP	9/30/2021	7/15/2027	8,678,226	8,616,156	8,616,156	(8)
	PRIME+5.00%, 9.00% floor, 1.00% PIK, 4.25% ETP	3/28/2022	7/15/2027	17,356,451	17,045,884	17,045,884	(8)
VTX Intermediate Holdings, Inc. (dba VertexOne)	LIBOR+9.00%, 9.50% floor, 4.50% ETP	12/28/2021	12/28/2026	75,000,000	74,835,248	74,835,248	
	LIBOR+9.00%, 9.50% floor, 4.50% ETP	5/31/2022	12/28/2026	10,000,000	9,938,946	9,938,946	
Total Application Software - 30.61%*					<u>179,361,223</u>	<u>175,576,811</u>	
Biotechnology							
Mustang Bio, Inc.	LIBOR+8.75%, 9.25% floor, 3.50% ETP	3/4/2022	4/15/2027	30,000,000	29,611,337	29,611,337	
TRACON Pharmaceuticals, Inc.	PRIME+5.00%, 8.50% floor, 4.25% ETP	9/2/2022	9/1/2026	10,000,000	9,741,900	9,741,900	(8)
Total Biotechnology - 6.86%*					<u>39,353,237</u>	<u>39,353,237</u>	
Data Processing & Outsourced Services							
Interactions Corporation	SOFR+9.26%, 9.76% floor, 3.4375% ETP	6/24/2022	6/15/2027	40,000,000	39,394,754	39,394,754	(8)
ShareThis, Inc.	LIBOR+9.25%, 11.60% floor, 3.00% ETP	12/3/2018	7/15/2023	19,250,000	19,647,865	19,647,865	(8)
	LIBOR+9.25%, 11.60% floor, 3.00% ETP	1/7/2019	7/15/2023	750,000	764,840	764,840	(8)
	LIBOR+9.25%, 11.60% floor, 3.00% ETP	7/24/2019	7/15/2023	1,000,000	1,018,316	1,018,316	(8)
	LIBOR+8.25%, 10.60% floor, 3.00% ETP	8/18/2020	7/15/2023	1,000,000	1,023,896	1,023,896	(8)
Total Data Processing & Outsourced Services - 10.78%*					<u>61,849,671</u>	<u>61,849,671</u>	
Education Services							
Turning Tech Intermediate, Inc. (dba Echo 360, Inc.)	LIBOR+8.50%, 9.00% floor, 3.00% ETP	6/22/2021	12/14/2025	20,000,000	20,223,593	20,223,593	
	LIBOR+8.50%, 9.00% floor, 3.00% ETP	3/28/2022	12/14/2025	5,000,000	5,026,299	5,026,299	
Total Education Services - 4.40%*					<u>25,249,892</u>	<u>25,249,892</u>	
Electronic Equipment & Instruments							
Intellisite Holdings, Inc. (dba Epic IO Technologies, Inc.)	LIBOR+9.75%, 10.25% floor, 2.00% ETP	12/17/2021	12/17/2025	19,000,000	18,719,472	18,719,472	
	LIBOR+9.75%, 10.25% floor, 2.00% ETP	2/28/2022	12/17/2025	3,000,000	2,981,209	2,981,209	
	LIBOR+9.75%, 10.25% floor, 2.00% ETP	3/29/2022	12/17/2025	5,000,000	4,955,097	4,955,097	
	LIBOR+9.75%, 10.25% floor, 2.00% ETP	7/19/2022	12/17/2025	3,000,000	2,966,733	2,966,733	
Total Electronic Equipment & Instruments - 5.16%*					<u>29,622,511</u>	<u>29,622,511</u>	

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
**Schedule of Investments (Unaudited) – (continued)
September 30, 2022**

Portfolio Companies	Investment Description ^{(1),(5),(9)}	Acquisition Date	Maturity Date	Principal/ Shares	Cost	Fair Value ^{(2),(6)}	Footnotes
Non-Control/Non-Affiliate Investments							
Senior Secured Term Loans							
Health Care Equipment							
Moximed, Inc.	PRIME+5.25%, 8.75% floor, 3.50% ETP	6/24/2022	7/1/2027	15,000,000	\$ 14,718,356	\$ 14,718,356	(8)
Revelle Aesthetics, Inc.	PRIME+5.50%, 8.75% floor, 4.00% ETP	3/30/2022	4/1/2027	12,500,000	12,321,562	12,321,562	(8)
Total Health Care Equipment - 4.71%*					<u>27,039,918</u>	<u>27,039,918</u>	
Health Care Technology							
Allurion Technologies, Inc.	PRIME+6.44%, 9.50% floor, 3.00% ETP	12/30/2021	12/30/2026	5,000,000	4,901,805	4,901,805	(8)
	PRIME+6.44%, 9.50% floor, 3.00% ETP	12/30/2021	12/30/2026	20,000,000	20,114,747	20,114,747	(8)
	PRIME+6.44%, 9.50% floor, 3.00% ETP	6/14/2022	12/30/2026	15,000,000	14,807,607	14,807,607	(8)
EBR Systems, Inc.	PRIME+4.90%, 8.90% floor, 4.50% ETP	6/30/2022	6/15/2027	20,000,000	19,569,632	19,569,632	(8)
Gynesonics, Inc.	LIBOR+8.75%, 9.25% floor, 3.50% ETP	12/1/2020	12/1/2025	30,000,000	30,049,362	30,049,362	(8)
	LIBOR+8.75%, 9.25% floor, 3.50% ETP	8/30/2022	12/1/2025	20,000,000	19,813,991	19,813,991	(8)
Mingle Healthcare Solutions, Inc.	LIBOR+9.50%, 11.75% floor, .25% PIK, 10.00% ETP	8/15/2018	10/15/2022	3,966,022	4,562,385	4,392,284	(4)(8)
Route 92 Medical, Inc.	LIBOR+8.48%, 8.98% floor, 3.95% ETP	8/17/2021	7/1/2026	13,000,000	12,800,379	12,800,379	(8)
SetPoint Medical Corporation	LIBOR+8.75%, 9.25% floor, 4.00% ETP	6/29/2021	12/1/2025	10,000,000	10,049,049	10,049,049	(8)
VERO Biotech LLC	LIBOR+9.05%, 9.55% floor, 3.00% ETP	12/29/2020	12/1/2024	25,000,000	25,011,885	25,011,885	(8)
	LIBOR+9.05%, 9.55% floor, 3.00% ETP	3/30/2021	12/1/2024	15,000,000	15,134,535	15,134,535	(8)
Total Health Care Technology - 30.79%*					<u>176,815,377</u>	<u>176,645,276</u>	
Human Resource & Employment Services							
CloudPay, Inc.	PRIME+6.25%, 10.25% floor, 2.00% ETP	9/26/2022	8/17/2027	60,000,000	59,595,001	59,595,001	(3)(8)(12)
Snagajob.com, Inc.	LIBOR+8.50%, 9.00% floor, 2.75% ETP	9/29/2021	9/1/2025	37,315,385	37,174,678	36,656,835	(8)
Total Human Resource & Employment Services - 16.78%*					<u>96,769,679</u>	<u>96,251,836</u>	
Internet Retail							
Marley Spoon AG	LIBOR+8.50%, 1.25% PIK, 9.00% floor	6/30/2021	6/15/2025	26,695,503	26,441,594	26,458,111	(3)(4)(8)(11)
	LIBOR+8.50%, 1.25% PIK, 9.00% floor	12/29/2021	6/15/2025	8,173,418	8,122,307	8,122,307	(3)(4)(8)(11)
	LIBOR+8.50%, 1.25% PIK, 9.00% floor	6/14/2022	6/15/2025	11,737,822	11,737,822	11,737,822	(3)(4)(8)(11)
Total Internet Retail - 8.07%*					<u>46,301,723</u>	<u>46,318,240</u>	

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
**Schedule of Investments (Unaudited) – (continued)
September 30, 2022**

Portfolio Companies	Investment Description ^{(1),(5),(9)}	Acquisition Date	Maturity Date	Principal/ Shares	Cost	Fair Value ^{(2),(6)}	Footnotes
Non-Control/Non-Affiliate Investments							
Senior Secured Term Loans							
Internet Software and Services							
Bombora, Inc.	LIBOR+5.00%, 5.50% floor, 3.75% PIK, 2.00% ETP	3/31/2021	3/31/2025	21,139,987	\$ 21,080,143	\$ 21,080,143	(4)(8)
Fidelis Cybersecurity, Inc.	LIBOR+11.00%, 12.0% floor, 2.39% ETP	5/13/2021	5/13/2024	13,641,254	13,739,507	13,656,077	
	LIBOR+11.00%, 12.0% floor, 2.00% ETP	3/25/2022	5/13/2024	10,000,000	9,983,715	9,923,092	
	10.00% ETP	8/16/2022	10/14/2022	6,000,000	6,461,893	6,461,893	
INRIX, Inc.	LIBOR+9.00%, 9.50% floor, 2.50% ETP	11/15/2021	11/15/2025	40,000,000	40,201,015	40,201,015	(8)
	LIBOR+9.00%, 9.50% floor, 2.50% ETP	5/3/2022	11/15/2025	5,000,000	5,021,001	5,021,001	(8)
Synack, Inc.	PRIME+4.25%, 8.25% floor	6/30/2022	6/30/2027	35,000,000	34,853,233	34,853,233	(8)
Total Internet Software and Services - 22.87%*					<u>131,340,507</u>	<u>131,196,454</u>	
Property & Casualty Insurance							
Kin Insurance, Inc.	PRIME+6.25%, 12.50% floor, 3.00% ETP	9/26/2022	9/15/2026	50,000,000	48,957,102	48,957,102	(8)
Total Property & Casualty Insurance - 8.53%*					<u>48,957,102</u>	<u>48,957,102</u>	
Total Senior Secured Term Loans - 149.58%*					<u>862,660,840</u>	<u>858,060,948</u>	
Second Lien Term Loans							
System Software							
Dejero Labs Inc.	LIBOR+5.00%, 5.50% floor, 5.00% PIK, 3.00% ETP	12/22/2021	12/22/2025	13,490,100	13,450,968	13,403,245	(3)(4)(10)
Total System Software - 2.34%*					<u>13,450,968</u>	<u>13,403,245</u>	
Total Second Lien Term Loans - 2.34%*					<u>13,450,968</u>	<u>13,403,245</u>	
Preferred Stocks							
Application Software							
Aria Systems, Inc.	Series G	7/10/2018	—	289,419	250,000	384,685	(7)
Total Application Software - 0.07%*					<u>250,000</u>	<u>384,685</u>	
Health Care Technology							
CareCloud, Inc.	11% Series A Cumulative Redeemable Perpetual	1/8/2020	—	462,064	12,131,866	12,327,868	(15)(17)
Total Health Care Technology - 2.15%*					<u>12,131,866</u>	<u>12,327,868</u>	
Total Preferred Stocks - 2.22%*					<u>12,381,866</u>	<u>12,712,553</u>	

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
Schedule of Investments (Unaudited) – (continued)
September 30, 2022

Portfolio Companies	Investment Description ^{(1),(5),(9)}	Acquisition Date	Maturity Date	Principal/ Shares	Cost	Fair Value ^{(2),(6)}	Footnotes
Non-Control/Non-Affiliate Investments							
Common Stocks							
Application Software							
FiscalNote, Inc.		10/19/2020	—	230,881	\$ 438,014	\$ 1,413,356	(7)(19)
Total Application Software - 0.24%*					438,014	1,413,356	
Technology Hardware, Storage & Peripherals							
Quantum Corporation		8/13/2021	—	459,720	2,606,612	496,498	(3)(7)(15)(17)
zSpace, Inc.		12/31/2020	—	6,078,499	1,119,096	—	(7)
Total Technology Hardware, Storage & Peripherals - 0.09%*					3,725,708	496,498	
Total Common Stocks - 0.33%*					4,163,722	1,909,854	
Warrants							
Advertising							
STN Video Inc.	Class B Non-Voting Stock	6/30/2017	6/30/2027	191,500	246,461	—	(3)(7)
Total Advertising - 0.00%*					246,461	—	
Application Software							
3DNA Corp. (dba NationBuilder)	Series C-1 Preferred Stock	12/28/2018	12/28/2028	273,164	104,138	—	(7)
Aria Systems, Inc.	Series G Preferred Stock	6/29/2018	6/29/2028	2,387,705	1,047,581	3,173,647	(7)
Circadence Corporation	Series A-6 Preferred Stock	12/20/2018	12/20/2028	1,538,462	3,630,000	499,430	(7)
	Series A-6 Preferred Stock	10/31/2019	10/31/2029	384,615	845,540	124,857	(7)
Dtex Systems, Inc.	Series C-Prime Preferred Stock	6/1/2018	6/1/2025	500,000	59,000	238,650	(7)
	Series C-Prime Preferred Stock	7/11/2019	7/11/2026	833,333	114,719	397,749	(7)
FiscalNote, Inc.	Earnout	7/29/2022	7/29/2027	—	127,319	66,950	(7)(13)
Porch Group, Inc.	Earnout	12/23/2020	12/23/2023	—	—	—	(7)(13)(15)
Total Application Software - 0.78%*					5,928,297	4,501,283	
Biotechnology							
Mustang Bio, Inc.	Common Stock	3/4/2022	3/4/2032	748,036	315,000	106,258	(7)
TRACON Pharmaceuticals, Inc.	Common Stock	9/2/2022	9/2/2032	150,753	225,911	183,715	(7)
Total Biotechnology - 0.05%*					540,911	289,973	
Computer & Electronics Retail							
Massdrop, Inc.	Series B Preferred Stock	7/22/2019	7/22/2029	848,093	183,188	147,087	(7)
Total Computer & Electronics Retail - 0.03%*					183,188	147,087	

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
Schedule of Investments (Unaudited) – (continued)
September 30, 2022

Portfolio Companies	Investment Description ^{(1),(5),(9)}	Acquisition Date	Maturity Date	Principal/ Shares	Cost	Fair Value ^{(2),(6)}	Footnotes
Non-Control/Non-Affiliate Investments							
Warrants							
Data Processing & Outsourced Services							
Interactions Corporation	Common Stock	6/24/2022	6/24/2032	189,408	\$ 218,773	\$ 227,756	(7)
ShareThis, Inc.	Series D-3 Preferred Stock	12/3/2018	12/3/2028	647,615	2,162,000	2,333,333	(7)
Total Data Processing & Outsourced Services - 0.45%*					2,380,773	2,561,089	
Electronic Equipment & Instruments							
Epic IO Technologies, Inc.	Success fee	12/17/2021	12/17/2024	—	380,449	391,794	(7)(13)
Total Electronic Equipment & Instruments - 0.07%*					380,449	391,794	
Health Care Equipment							
Moximed, Inc.	Series C Preferred Stock	6/24/2022	6/24/2032	214,285	175,233	113,853	(7)
Revelle Aesthetics, Inc.	Series A-2 Preferred Stock	3/30/2022	3/30/3032	115,591	126,314	108,874	(7)
Total Health Care Equipment - 0.04%*					301,547	222,727	
Health Care Technology							
Allurion Technologies, Inc.	Series C Preferred Stock	3/30/2021	3/30/2031	132,979	282,462	690,497	(7)
	Series D-1 Preferred Stock	6/14/2022	3/30/2031	44,220	140,821	151,241	(7)
CareCloud, Inc.	Common Stock	1/8/2020	1/8/2023	1,000,000	837,000	5,000	(7)
EBR Systems, Inc.	Success fee	6/30/2022	6/30/2032	—	292,297	305,928	(7)(13)
Gynesonics, Inc.	Series G Convertible Preferred Stock	11/19/2021	11/19/2031	27,978,115	340,524	530,955	(7)
Mingle Healthcare Solutions, Inc.	Series AA Preferred Stock	8/15/2018	8/15/2028	1,625,000	492,375	—	(7)
Route 92 Medical, Inc.	Success fee	8/17/2021	8/17/2031	—	248,118	292,685	(7)(13)
SetPoint Medical Corporation	Series B Preferred Stock	6/29/2021	6/29/2031	400,000	14,060	—	(7)
VERO Biotech LLC	Success fee	12/29/2020	12/29/2025	—	376,500	385,942	(7)(13)
Total Health Care Technology - 0.41%*					3,024,157	2,362,248	
Human Resource & Employment Services							
CloudPay, Inc.	Series B Preferred Stock	6/30/2020	6/30/2030	11,273	217,500	937,002	(3)(7)(12)
	Series D Preferred Stock	8/17/2021	8/17/2031	6,129	160,394	252,060	(3)(7)(12)
Snagajob.com, Inc.	Series B-1 Preferred Stock	9/29/2021	9/29/2031	763,269	342,716	273,454	(7)
Total Human Resource & Employment Services - 0.25%*					720,610	1,462,516	

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
**Schedule of Investments (Unaudited) – (continued)
September 30, 2022**

Portfolio Companies	Investment Description ^{(1),(5),(9)}	Acquisition Date	Maturity Date	Principal/ Shares	Cost	Fair Value ^{(2),(6)}	Footnotes
Non-Control/Non-Affiliate Investments							
Warrants							
Internet Software and Services							
Bombora, Inc.	Common Stock	3/31/2021	3/31/2031	121,581	\$ 174,500	\$ 257,088	(7)
Fidelis Cybersecurity, Inc.	Common Stock	3/25/2022	3/25/2032	—	79,464	85,568	(7)(16)
INRIX, Inc.	Common Stock	7/26/2019	7/26/2029	150,804	522,083	2,435,755	(7)
Longtail Ad Solutions, Inc. (dba JW Player)	Common Stock	12/12/2019	12/12/2029	387,596	46,552	328,682	(7)
Synack, Inc.	Common Stock	6/30/2022	6/30/2032	100,645	127,448	128,205	(7)
Total Internet Software and Services - 0.56%*					<u>950,047</u>	<u>3,235,298</u>	
Property & Casualty Insurance							
Kin Insurance, Inc.	Series D-3 Preferred Stock	9/26/2022	9/26/2032	41,576	301,714	301,714	(7)
Total Property & Casualty Insurance - 0.05%*					<u>301,714</u>	<u>301,714</u>	
Specialized Consumer Services							
AllClear ID, Inc.	Common Stock	9/1/2017	9/1/2027	870,514	1,749,733	—	(7)
Credit Sesame, Inc.	Common Stock	1/7/2020	1/7/2030	191,601	424,800	983,862	(7)
Total Specialized Consumer Services - 0.17%*					<u>2,174,533</u>	<u>983,862</u>	
System Software							
Dejero Labs Inc.	Common Stock	5/31/2019	5/31/2029	333,621	192,499	190,639	(3)(7)(10)
Scale Computing, Inc.	Common Stock	3/29/2019	3/29/2029	9,665,667	345,816	—	(7)
Total System Software - 0.03%*					<u>538,315</u>	<u>190,639</u>	
System Software							
RealWear, Inc.	Series A Preferred Stock	10/5/2018	10/5/2028	112,451	135,841	340,975	(7)
	Series A Preferred Stock	12/28/2018	12/28/2028	22,491	25,248	68,197	(7)
	Series A Preferred Stock	6/27/2019	6/27/2029	123,894	380,850	375,672	(7)
Total System Software - 0.14%*					<u>541,939</u>	<u>784,844</u>	
Total Warrants - 3.04%*					<u>18,212,941</u>	<u>17,435,074</u>	
Total Non-Control/Non-Affiliate Investments (157.50%)					<u>910,870,337</u>	<u>903,521,674</u>	

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
**Schedule of Investments (Unaudited) – (continued)
September 30, 2022**

Portfolio Companies	Investment Description^{(1),(5),(9)}	Acquisition Date	Maturity Date	Principal/ Shares	Cost	Fair Value^{(2),(6)}	Footnotes
Affiliate Investments							(18)
Common Stocks							
Application Software							
Coginiti Corp		3/9/2020	—	1,040,160	\$ 4,551,235	\$ 1,228,197	(7)
Total Application Software - 0.21%*					4,551,235	1,228,197	
Total Common Stocks - 0.21%*					4,551,235	1,228,197	
Warrants							
Application Software							
Coginiti Corp	Common Stock	3/9/2020	3/9/2030	811,770	—	952,033	(7)
Total Application Software - 0.17%*					—	952,033	
Total Warrants - 0.17%*					—	952,033	
Total Affiliate Investments (0.38%)					4,551,235	2,180,230	
Control Investments							(14)
Senior Secured Term Loans							
Data Processing & Outsourced Services							
Pivot3 Holdings, Inc.	LIBOR+8.50% PIK, 11.00% floor, 4.00% ETP	5/13/2019	11/15/2022	18,598,265	19,172,353	4,467,041	(4)(7)
Total Data Processing & Outsourced Services - 0.78%*					19,172,353	4,467,041	
Total Senior Secured Term Loans - 0.78%*					19,172,353	4,467,041	
Preferred Stocks							
Data Processing & Outsourced Services							
Pivot3 Holdings, Inc.	Series 1	1/27/2021	—	2,675,585	2,000,000	—	(7)
Total Data Processing & Outsourced Services - 0.00%*					2,000,000	—	
Total Preferred Stocks - 0.00%*					2,000,000	—	
Total Control Investments (0.78%)					21,172,353	4,467,041	
Total Investments (158.66%)					<u>\$ 936,593,925</u>	<u>\$ 910,168,945</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"), the U.S. Prime Rate, or the 3-Month Secured Overnight Financing Rate ("SOFR"). At September 30, 2022, the 3-Month LIBOR was 3.76%, the U.S. Prime Rate was 6.25% and the 3-Month SOFR was 3.59%.

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.

**Schedule of Investments (Unaudited) – (continued)
September 30, 2022**

- (2) The Company's investments are generally acquired in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act") and, therefore, except as otherwise noted, are subject to limitation on resale, may be deemed to be "restricted securities" under the Securities Act, and were valued at fair value as determined in good faith by the Company's Board of Directors.
 - (3) Investment is not a qualifying asset as defined under Section 55(a) of the Investment Company Act of 1940, as amended (the "1940 Act"). Non-qualifying assets at fair value represent 14.66% of total assets as of September 30, 2022. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets. If at any time qualifying assets do not represent at least 70% of the Company's total assets, the Company will be precluded from acquiring any additional non-qualifying assets until such time as it complies with the requirements of Section 55(a) of the 1940 Act.
 - (4) Represents a PIK security. PIK interest is accrued and will be paid at maturity.
 - (5) Disclosures of end-of-term-payments ("ETP") are one-time payments stated as a percentage of original principal amount.
 - (6) Investments are held at Fair Value net of the Fair Value of Unfunded Commitments. See Note 3 for additional detail.
 - (7) Investments are non-income producing.
 - (8) The investment is an eligible loan investment in the collateral under the Credit Facility (as defined in Note 10).
 - (9) All investments are domiciled in the United States, unless otherwise noted.
 - (10) Investment is domiciled in Canada.
 - (11) Investment is domiciled in Germany.
 - (12) Investment is domiciled in the United Kingdom.
 - (13) Investment is either a cash success fee payable or earnout of shares based on the consummation of certain trigger events.
 - (14) Control investment, as defined under the 1940 Act, in which the Company owns more than 25% of the investment's voting securities or has greater than 50% representation on its board.
 - (15) Investment is publicly traded and listed on NASDAQ.
 - (16) The warrant count is based upon a percentage of ownership of Fidelis Cybersecurity, Inc.
 - (17) Investment is not a "restricted security" under the Securities Act.
 - (18) Affiliate investment as defined under the 1940 Act in which the Company owns between 5% and 25% (inclusive) of the investment's voting securities and does not have rights to maintain greater than 50% representation on the board.
 - (19) Investment is publicly traded and listed on NYSE.
- * Value as a percentage of net assets.

See notes to financial statements.

1RUNWAY GROWTH FINANCE CORP.
Schedule of Investments (Unaudited) – (continued)
September 30, 2022

The Company classifies its investment portfolio in accordance with the requirements of the 1940 Act. Control investments are investments in which the Company owns more than 25% of the voting securities or maintains greater than 50% representation on the board. Affiliate investments are investments in which the Company owns between 5% and 25% (inclusive) of the voting securities and does not have rights to maintain greater than 50% representation on the board. Transactions related to the Company's affiliate and control investments during the nine months ended September 30, 2022 are as follows:

		For the Nine Months Ended September 30, 2022 (Unaudited)						
Portfolio Company ⁽⁴⁾	Investment Description	Amount of Investment Income Earned 2022	Fair Value as of December 31, 2021	Gross Additions ⁽¹⁾	Gross Reductions ⁽²⁾	Net Realized Gains (Losses)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of September 30, 2022 ⁽³⁾
Affiliate Investments								
Senior Secured Term Loans								
Coginiti Corp	LIBOR+9.50% PIK, 10.81% floor, due 12/15/2022	\$ 109,256	\$ —	\$ 930,259	\$ (930,259)	\$ —	\$ —	\$ —
Total Senior Secured Term Loans		109,256	—	930,259	(930,259)	—	—	—
Common Stocks								
Coginiti Corp	Common Stock	—	—	4,551,235	—	—	(3,323,038)	1,228,197
Total Common Stocks		—	—	4,551,235	—	—	(3,323,038)	1,228,197
Warrants								
Coginiti Corp	Warrant for Common Stock, exercise price \$0.01/share, expires 3/9/2030	—	—	1,009,216	—	—	(57,183)	952,033
Total Warrants		—	—	1,009,216	—	—	(57,183)	952,033
Total Affiliate Investments		\$ 109,256	\$ —	\$ 6,490,710	\$ (930,259)	\$ —	\$ (3,380,221)	\$ 2,180,230
Control Investments								
Senior Secured Term Loans								
Mojix, Inc.	LIBOR+12.00% , 12.00% cash cap, 5% ETP, due 1/15/2025	\$ 2,286,577	\$ 7,567,610	\$ 1,987,300	\$ (8,489,294)	\$ —	\$ (1,065,616)	\$ —
	LIBOR+12.00% , 12.00% cash cap, 5% ETP, due 1/15/2025	743,714	2,522,537	647,467	(2,817,578)	—	(352,426)	—
	LIBOR+12.00% , 12.00% cash cap, 5% ETP, due 1/15/2025	183,962	629,997	159,925	(703,708)	—	(86,214)	—
	LIBOR+12.00% , 12.00% cash cap, 5% ETP, due 1/15/2025	184,550	629,118	160,546	(702,761)	—	(86,903)	—
	LIBOR+12.00% , 12.00% cash cap, 5% ETP, due 1/15/2025	374,422	1,252,833	326,620	(1,399,701)	—	(179,752)	—
	LIBOR+12.00% , 12.00% cash cap, 5% ETP, due 1/15/2025	291,292	1,008,093	265,657	(1,089,800)	—	(183,950)	—
Pivot3 Holdings, Inc.	LIBOR+8.50% PIK, 11.00% floor, due 11/15/2022	—	14,649,788	—	—	—	(10,182,747)	4,467,041
Total Senior Secured Term Loans		4,064,517	28,259,976	3,547,515	(15,202,842)	—	(12,137,608)	4,467,041
Preferred Stocks								
Mojix, Inc.	Series A-1 Preferred Stock	32,354	870,395	—	(800,000)	—	(70,395)	—
Pivot3 Holdings, Inc.	Series 1 Preferred Stock	—	—	—	—	—	—	—
Total Preferred Stocks		32,354	870,395	—	(800,000)	—	(70,395)	—
Warrants								
Mojix, Inc.	Warrant for Common Stock, exercise price \$1.286/share, expires 12/13/2030	—	—	—	(119,255)	(65)	119,320	—
	Warrant for Common Stock, exercise price \$2.1286/share, expires 12/13/2030	—	—	—	(298,325)	—	298,325	—
	Warrant for Common Stock, exercise price \$5.57338/share, expires 12/13/2030	—	—	—	(828,522)	—	828,522	—
Total Warrants		—	—	—	(1,246,102)	(65)	1,246,167	—
Total Control Investments		\$ 4,096,871	\$ 29,130,371	\$ 3,547,515	\$ (17,248,944)	\$ (65)	\$ (10,961,836)	\$ 4,467,041

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
Schedule of Investments (Unaudited) – (continued)
September 30, 2022

-
- (1) Gross additions includes increases in the basis of investments resulting from new portfolio investments, PIK interest, accretion of original issue discount (“OID”), the exchange of one or more existing investments for one or more new investments and the movement of an existing portfolio company into this category from a different category.
- (2) Gross reductions include decreases in the basis of investments resulting from principal collections related to investment repayments or sales, the exchange of one or more existing investments for one or more new investments and the movement of an existing portfolio company out of this category into a different category.
- (3) All investments in the portfolio companies, which as of September 30, 2022 represented 1.16% 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.

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
Schedule of Investments (Unaudited) – (continued)
September 30, 2022

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 September 30, 2022:

Geographic Region	Investments at Fair Value	
	Investments at Fair Value	Percentage of Net Assets
Northeastern United States	\$ 276,632,059	48.22 %
Western United States	234,568,515	40.89
South Central United States	84,774,194	14.78
Midwestern United States	74,508,708	12.99
Southeastern United States	70,546,667	12.30
United Kingdom	60,784,063	10.60
Northwestern United States	48,442,615	8.44
Germany	46,318,240	8.07
Canada	13,593,884	2.37
Total	\$ 910,168,945	158.66 %

Industry	September 30, 2022	
	Investments at Fair Value	Percentage of Net Assets
Health Care Technology	\$ 191,335,392	33.35 %
Application Software	184,056,365	32.08
Internet Software and Services	134,431,752	23.43
Human Resource & Employment Services	97,714,352	17.03
Data Processing & Outsourced Services	68,877,801	12.01
Property & Casualty Insurance	49,258,816	8.59
Internet Retail	46,318,240	8.07
Biotechnology	39,643,210	6.91
Electronic Equipment & Instruments	30,014,305	5.23
Health Care Equipment	27,262,645	4.75
Education Services	25,249,892	4.40
System Software	13,593,884	2.37
Technology Hardware, Storage & Peripherals	1,281,342	0.22
Specialized Consumer Services	983,862	0.17
Computer & Electronics Retail	147,087	0.03
Total	\$ 910,168,945	158.66 %

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
**Schedule of Investments
December 31, 2021**

Portfolio Companies	Investment Description ^{(1),(5),(9)}	Acquisition Date	Maturity Date	Principal/ Shares	Cost	Fair Value ^{(2),(6)}	Footnotes
Non-Control/Non-Affiliate Investments							
Senior Secured Term Loans							
Application Software							
Aginity, Inc.	LIBOR+9.50% PIK, 10.81% floor	3/24/2020	12/15/2022	\$ 899,054	\$ 899,054	\$ 899,054	(4)
	Fixed 6.50% PIK	3/9/2020	3/9/2027	4,472,419	4,472,419	2,348,809	(4)
Circadence Corporation	LIBOR+9.50% PIK, 12.00% floor, 7.50% ETP	12/20/2018	12/15/2022	17,574,000	18,111,074	15,884,482	(4)(8)
Dtex Systems, Inc.	LIBOR+9.50%, 10.00% floor, 1.75% ETP	6/1/2021	6/1/2025	10,000,000	9,942,422	9,942,422	(8)
FiscalNote, Inc.	LIBOR+9.25%, 9.75% floor, 5.00% ETP	10/19/2020	8/21/2023	45,000,000	45,490,925	45,490,925	(8)
	LIBOR+9.25%, 9.75% floor, 5.00% ETP	9/30/2021	8/21/2023	10,000,000	9,990,162	9,990,162	(8)
VTX Intermediate Holdings, Inc. (dba VertexOne)	LIBOR+9.00%, 9.50% floor, 4.50% ETP	12/28/2021	12/28/2026	75,000,000	74,257,185	74,257,185	
Total Application Software - 26.20%*					<u>163,163,241</u>	<u>158,813,039</u>	
Data Processing & Outsourced Services							
ShareThis, Inc.	LIBOR+9.25%, 11.60% floor, 3.00% ETP	12/3/2018	7/15/2023	19,250,000	19,348,875	19,348,874	(8)
	LIBOR+9.25%, 11.60% floor, 3.00% ETP	1/7/2019	7/15/2023	750,000	751,979	751,979	(8)
	LIBOR+9.25%, 11.60% floor, 3.00% ETP	7/24/2019	7/15/2023	1,000,000	998,484	998,484	(8)
	LIBOR+8.25%, 10.60% floor, 3.00% ETP	8/18/2020	7/15/2023	1,000,000	1,014,040	1,014,040	(8)
Total Data Processing & Outsourced Services - 3.65%*					<u>22,113,378</u>	<u>22,113,377</u>	
Education Services							
Turning Tech Intermediate, Inc.	LIBOR+10.50%, 11.00% floor, 3.00% ETP	6/22/2021	12/14/2024	20,000,000	20,098,640	20,098,640	
Total Education Services - 3.32%*					<u>20,098,640</u>	<u>20,098,640</u>	
Electronic Equipment & Instruments							
Intellisite Holdings, Inc. (dba Epic IO Technologies, Inc.)	LIBOR+9.75%, 10.25% floor, 2.00% ETP	12/17/2021	12/17/2025	19,000,000	18,521,523	18,521,523	(8)
Total Electronic Equipment & Instruments - 3.06%*					<u>18,521,523</u>	<u>18,521,523</u>	
Health Care Technology							
Allurion Technologies, Inc.	LIBOR+9.00%, 9.50% floor, 3.00% ETP	12/30/2021	12/30/2025	5,000,000	4,847,557	4,847,557	
	LIBOR+9.00%, 9.50% floor, 3.00% ETP	12/30/2021	12/30/2025	20,000,000	20,000,743	20,000,743	
CrossRoads Extremity Systems, LLC	LIBOR+8.15%, 1.50% PIK, 8.65% floor, 3.50% ETP	6/29/2021	7/1/2025	7,552,967	7,381,304	7,701,001	(4)
Gynesonics, Inc.	LIBOR+8.75%, 9.25% floor, 3.50% ETP	12/1/2020	12/1/2025	30,000,000	29,799,392	29,799,392	
Mingle Healthcare Solutions, Inc.	LIBOR+9.50%, 11.75% floor, 0.25% PIK, 10.00% ETP	8/15/2018	8/15/2022	3,958,483	4,473,959	4,371,891	(4)(8)
Route 92 Medical, Inc.	LIBOR+8.48%, 8.98% floor, 3.95% ETP	8/17/2021	7/1/2026	13,000,000	12,675,523	12,675,523	
SetPoint Medical Corporation	LIBOR+8.75%, 9.25% floor, 4.00% ETP	6/29/2021	12/1/2025	10,000,000	9,946,271	9,946,271	
VERO Biotech LLC	LIBOR+9.05%, 9.55% floor, 3.00% ETP	12/29/2020	12/1/2024	25,000,000	24,681,082	24,681,082	(8)
	LIBOR+9.05%, 9.55% floor, 3.00% ETP	3/30/2021	12/1/2024	15,000,000	14,990,171	14,990,171	(8)
Total Health Care Technology - 21.28%*					<u>128,796,002</u>	<u>129,013,631</u>	

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
**Schedule of Investments – (continued)
December 31, 2021**

Portfolio Companies	Investment Description^{(1),(5),(9)}	Acquisition Date	Maturity Date	Principal/ Shares	Cost	Fair Value^{(2),(6)}	Footnotes
Non-Control/Non-Affiliate Investments							
Senior Secured Term Loans							
Human Resource & Employment Services							
CloudPay, Inc.	LIBOR+8.75%, 9.25% floor, 2.00% ETP	8/17/2021	8/17/2025	\$ 35,000,000	\$ 34,863,473	\$ 34,863,473	(3)(13)
Snagajob.com, Inc.	LIBOR+8.50%, 9.00% floor, 2.75% ETP	9/29/2021	9/1/2025	37,315,385	36,847,618	36,847,618	
Total Human Resource & Employment Services - 11.83%*					71,711,091	71,711,091	
Internet Retail							
Brilliant Earth, LLC	LIBOR+7.75%, 8.25% floor, 4.50% ETP	9/30/2019	10/15/2023	35,000,000	35,861,035	35,848,514	(8)
	LIBOR+7.75%, 8.25% floor, 0.75% ETP	12/17/2020	10/15/2023	30,000,000	29,970,285	30,727,298	(8)
Marley Spoon AG	LIBOR+8.50%, 1.25% PIK, 9.00% floor	6/30/2021	6/15/2025	26,442,863	26,061,371	26,061,370	(3)(4)(12)
	LIBOR+8.50%, 1.25% PIK, 9.00% floor	12/29/2021	6/15/2025	8,100,000	8,019,228	8,019,228	(3)(4)(12)
Total Internet Retail - 16.60%*					99,911,919	100,656,410	
Internet Software and Services							
Bombora, Inc.	LIBOR+5.00%, 5.50% floor, 3.75% PIK, 2.00% ETP	3/31/2021	3/31/2025	20,546,075	20,326,021	20,326,021	(4)(8)
Fidelis Cybersecurity, Inc.	LIBOR+11.00%, 12.0% floor, 2.39% ETP	5/13/2021	5/13/2024	13,641,254	13,623,763	13,623,763	(8)
INRIX, Inc.	LIBOR+9.00%, 9.50% floor, 2.50% ETP	11/15/2021	11/15/2025	40,000,000	39,916,175	39,916,175	(8)
Total Internet Software and Services - 12.19%*					73,865,959	73,865,959	
Total Senior Secured Term Loans - 98.12%*					598,181,753	594,793,670	
Second Lien Term Loans							
System Software							
Dejero Labs Inc.	LIBOR+5.00%, 5.50 floor, 5.00% PIK, 3.00% ETP	12/22/2021	12/22/2025	13,000,000	12,872,588	12,872,588	(3)(4)(11)
Total System Software - 2.12%*					12,872,588	12,872,588	
Total Second Lien Term Loans - 2.12%*					12,872,588	12,872,588	
Preferred Stocks							
Application Software							
Aria Systems, Inc.	Series G	7/10/2018		289,419	250,000	462,025	(7)
Total Application Software - 0.08%*					250,000	462,025	
Health Care Technology							
CareCloud, Inc.	11% Series A Cumulative Redeemable Perpetual	1/8/2020		544,178	14,287,836	15,704,705	(16)(19)
Total Health Care Technology - 2.59%*					14,287,836	15,704,705	
Total Preferred Stocks - 2.67%*					14,537,836	16,166,730	

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
**Schedule of Investments – (continued)
December 31, 2021**

Portfolio Companies	Investment Description^{(1),(5),(9)}	Acquisition Date	Maturity Date	Principal/ Shares	Cost	Fair Value^{(2),(6)}	Footnotes
Non-Control/Non-Affiliate Investments							
Common Stocks							
Application Software							
Porch Group, Inc.		12/21/2021		1,429	\$ —	\$ 22,278	(7)(16)(19)
Total Application Software - 0.00%*					—	22,278	
Internet Retail							
Brilliant Earth Group, Inc.	Class P Units	9/22/2021		526,845	984,036	8,903,933	(7)(18)
Total Internet Retail - 1.47%*					984,036	8,903,933	
Technology Hardware, Storage & Peripherals							
Quantum Corporation		8/13/2021		459,720	2,606,612	2,537,654	(3)(7)(16)(19)
zSpace, Inc.		12/31/2020		6,078,499	1,119,096	—	(7)
Total Technology Hardware, Storage & Peripherals - 0.42%*					3,725,708	2,537,654	
Total Common Stocks - 1.89%*					4,709,744	11,463,865	
Warrants							
Advertising							
STN Video Inc.	Class B Non-Voting Stock	6/30/2017	6/30/2027	191,500	246,461	—	(3)(7)
Total Advertising - 0.00%*					246,461	—	
Application Software							
3DNA Corp. (dba NationBuilder)	Series C-1 Preferred Stock	12/28/2018	12/28/2028	273,164	104,138	—	(7)
Aginity, Inc.	Common Stock	3/9/2020	3/9/2030	811,770	—	1,009,216	
Aria Systems, Inc.	Series G Preferred Stock	6/29/2018	6/29/2028	2,387,705	1,047,581	3,811,702	(7)
Circadence Corporation	Series A-6 Preferred Stock	12/20/2018	12/20/2028	1,538,462	3,630,000	808,617	(7)
	Series A-6 Preferred Stock	10/31/2019	10/31/2029	384,615	845,540	202,154	(7)
Dtex Systems, Inc.	Series C-Prime Preferred Stock	6/1/2018	6/1/2025	500,000	59,000	306,799	(7)
	Series C-Prime Preferred Stock	7/11/2019	7/11/2026	833,333	114,719	511,332	(7)
FiscalNote, Inc.	Common Stock	10/19/2020	10/19/2030	194,673	438,014	2,232,569	(7)
Porch Group, Inc.	Earnout	12/23/2020	12/23/2023	—	—	—	(7)(13)(15)
Total Application Software - 1.47%*					6,238,992	8,882,389	
Computer & Electronics Retail							
Massdrop, Inc.	Series B Preferred Stock	7/22/2019	7/22/2029	848,093	183,188	185,467	(7)
Total Computer & Electronics Retail - 0.03%*					183,188	185,467	

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
**Schedule of Investments – (continued)
December 31, 2021**

Portfolio Companies	Investment Description ^{(1),(5),(9)}	Acquisition Date	Maturity Date	Principal/ Shares	Cost	Fair Value ^{(2),(6)}	Footnotes
Non-Control/Non-Affiliate Investments							
Warrants							
Data Processing & Outsourced Services							
ShareThis, Inc.	Series D-3 Preferred Stock	12/3/2018	12/3/2028	647,615	\$ 2,162,000	\$ 2,162,000	(7)
Total Data Processing & Outsourced Services - 0.36%*					2,162,000	2,162,000	
Electronic Equipment & Instruments							
Intellisite Holdings, Inc. (dba Epic IO Technologies, Inc.)	Success fee	12/17/2021	12/17/2024	—	235,314	234,314	(7)(14)
Total Electronic Equipment & Instruments - 0.04%*					235,314	234,314	
Education Services							
Aspen Group Inc.	Common Stock	7/25/2017	7/25/2022	224,174	583,301	2,000	(7)
Total Education Services - 0.00%*					583,301	2,000	
Health Care Technology							
Allurion Technologies, Inc.	Series C Preferred Stock	3/30/2021	3/30/2031	132,978	282,462	638,313	(7)
CareCloud, Inc.	Common Stock	1/8/2020	1/8/2022	1,000,000	435,000	—	(7)
	Common Stock	1/8/2020	1/8/2023	1,000,000	837,000	295,000	(7)
CrossRoads Extremity Systems, LLC	Series C Preferred Stock	6/29/2021	6/29/2031	69,261	94,888	209,843	(7)
Gynesonics, Inc.	Series G Convertible Preferred Stock	11/19/2021	11/19/2031	16,786,869	128,142	128,142	(7)
Mingle Healthcare Solutions, Inc.	Series AA Preferred Stock	8/15/2018	8/15/2028	1,625,000	492,375	—	(7)
Route 92 Medical, Inc.	Success fee	8/17/2021	8/17/2031	—	248,118	261,443	(7)(14)
SetPoint Medical Corporation	Series B Preferred Stock	6/29/2021	6/29/2031	400,000	14,060	20,051	(7)
VERO Biotech LLC	Success fee	12/29/2020	12/29/2025	—	376,500	485,311	(7)(14)
Total Health Care Technology - 0.34%*					2,908,545	2,038,103	
Human Resource & Employment Services							
CloudPay, Inc.	Series B Preferred Stock	6/30/2020	6/30/2030	11,273	217,500	807,139	(3)(7)(13)
	Series D Preferred Stock	8/17/2021	8/17/2031	1,751	31,035	16,686	(3)(7)(13)
Snagajob.com, Inc.	Series B-1 Preferred Stock	9/29/2021	9/29/2031	763,269	342,716	334,353	(7)
Total Human Resource & Employment Services - 0.19%*					591,251	1,158,178	

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
**Schedule of Investments – (continued)
December 31, 2021**

Portfolio Companies	Investment Description^{(1),(5),(9)}	Acquisition Date	Maturity Date	Principal/ Shares	Cost	Fair Value^{(2),(6)}	Footnotes
Non-Control/Non-Affiliate Investments							
Warrants							
Internet Software and Services							
Bombora, Inc.	Common Stock	3/31/2021	3/31/2031	121,581	\$ 174,500	\$ 292,372	(7)
Fidelis Cybersecurity, Inc.	Common Stock	5/13/2021	5/13/2031	—	—	—	(7)(16)
INRIX, Inc.	Common Stock	7/26/2019	7/26/2029	150,804	522,083	1,721,243	(7)
Longtail Ad Solutions, Inc. (dba JW Player)	Common Stock	12/12/2019	12/12/2029	387,596	46,552	359,302	(7)
Total Internet Software and Services - 0.39%*					743,135	2,372,917	
Specialized Consumer Services							
AllClear ID, Inc.	Common Stock	9/1/2017	9/1/2027	870,514	1,749,733	898,370	(7)
Credit Sesame, Inc.	Common Stock	1/7/2020	1/7/2030	191,601	424,800	1,578,981	(7)
Total Specialized Consumer Services - 0.41%*					2,174,533	2,477,351	
System Software							
Dejero Labs Inc.	Common Stock	5/31/2019	5/31/2029	333,621	192,499	574,831	(3)(7)(11)
Scale Computing, Inc.	Common Stock	3/29/2019	3/29/2029	9,665,667	345,816	—	(7)
Total System Software - 0.09%*					538,315	574,831	
Technology Hardware, Storage & Peripherals							
RealWear, Inc.	Series A Preferred Stock	10/5/2018	10/5/2028	112,451	135,841	—	(7)
	Series A Preferred Stock	12/28/2018	12/28/2028	22,491	25,248	—	(7)
	Series A Preferred Stock	6/27/2019	6/27/2029	123,894	380,850	—	(7)
Total Technology Hardware, Storage & Peripherals - 0.00%*					541,939	—	
Total Warrants - 3.31%*					17,146,974	20,087,550	
Total Non-Control/Non-Affiliate Investments - 108.11%*					647,448,895	655,384,403	
Control Investments							
Senior Secured Term Loans							
Application Software							
Mojix, Inc.	LIBOR+12.00% , 12.00% cash cap, 5% ETP	5/16/2017	1/15/2022	\$ 6,519,240	6,502,036	7,567,610	(4)(7)(8)
	LIBOR+12.00% , 12.00% cash cap, 5% ETP	8/3/2017	1/15/2022	2,173,080	2,170,069	2,522,537	(4)(7)(8)
	LIBOR+12.00% , 12.00% cash cap, 5% ETP	7/6/2018	1/15/2022	542,721	543,783	629,997	(4)(7)(8)
	LIBOR+12.00% , 12.00% cash cap, 5% ETP	9/5/2018	1/15/2022	541,964	542,215	629,118	(4)(7)(8)
	LIBOR+12.00% , 12.00% cash cap, 5% ETP	1/28/2019	1/15/2022	1,079,293	1,073,081	1,252,833	(4)(7)(8)
	LIBOR+12.00% , 12.00% cash cap, 5% ETP	12/18/2019	1/31/2022	824,143	824,143	1,008,093	(4)(7)(8)
Total Application Software - 2.25%*					11,655,327	13,610,188	

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
**Schedule of Investments – (continued)
December 31, 2021**

Portfolio Companies	Investment Description ^{(1),(5),(9)}	Acquisition Date	Maturity Date	Principal/Shares	Cost	Fair Value ^{(2),(6)}	Footnotes
Control Investments							
Senior Secured Term Loans							
Data Processing & Outsourced Services							
Pivot3 Holdings, Inc.	LIBOR+8.50% PIK, 11.00% floor, 4.00% ETP	5/13/2019	11/15/2022	\$ 18,598,265	\$ 19,172,352	\$ 14,649,788	(4)(7)
Total Data Processing & Outsourced Services - 2.42%*					19,172,352	14,649,788	
Total Senior Secured Term Loans - 4.66%*					30,827,679	28,259,976	
Preferred Stocks							
Application Software							
Mojix, Inc.	Series A-1	12/14/2020		67,114,092	800,000	870,395	(7)
Total Application Software - 0.14%*					800,000	870,395	
Data Processing & Outsourced Services							
Pivot3 Holdings, Inc.	Series 1	1/27/2021		2,675,585	2,000,000	—	(7)
Total Data Processing & Outsourced Services - 0.00%*					2,000,000	—	
Total Preferred Stocks - 0.14%*					2,800,000	870,395	
Warrants							
Application Software							
Mojix, Inc.	Common Stock	12/14/2020	12/13/2030	2,349	119,320	—	(7)
	Common Stock	12/14/2020	12/13/2030	5,873	298,325	—	(7)
	Common Stock	12/14/2020	12/13/2030	394,733	828,522	—	(7)
Total Application Software - 0.00%*					1,246,167	—	
Total Control Investments - 4.81%*					33,627,679	29,130,371	
U.S. Treasury							
	U.S. Treasury Bill, 0.033%	12/30/2021	1/11/2022	\$ 45,000,000	45,001,250	45,001,500	(9)
Total U.S. Treasury - 7.42%*					45,001,250	45,001,500	
Total Total Investments - 120.34%*					\$ 727,323,991	\$ 729,516,274	

(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, 2021, the 3-Month LIBOR was 0.21% and the U.S. Prime Rate was 3.25%.

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

(3) Investment is not a qualifying asset as defined under Section 55(a) of the Investment Company Act of 1940, as amended (the “1940 Act”). Non-qualifying assets at fair value represent 12.35% of total assets as of December 31, 2021. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets. If at any time qualifying assets do not represent at least 70% of the Company’s total assets, the Company will be precluded from acquiring any additional non-qualifying assets until such time as it complies with the requirements of Section 55(a) of the 1940 Act.

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

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

(6) Investments are held at Fair Value net of the Fair Value of Unfunded Commitments. See Note 3 for additional detail.

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.

**Schedule of Investments – (continued)
December 31, 2021**

- (7) Investments are non-income producing.
 - (8) The Credit Facility (as defined in Note 10) is secured by a perfected first priority security interest in each of the Company's senior secured term loan investments, except for Pivot3 Holdings, Inc., Marley Spoon AG, Mojix, Inc., and The Kairn Corporation senior secured term loans.
 - (9) Treasury bill with \$45,000,000 par value purchased pursuant to a 0.25% reverse repurchase agreement with Goldman Sachs, dated December 31, 2021, due January 6, 2022, with a repurchase price of \$44,774,963 collateralized by a 0.033% U.S. Treasury Bill due January 11, 2022 with a par value of \$45,000,000 and fair value of \$45,001,560.
 - (10) All investments are domiciled in the United States, unless otherwise noted.
 - (11) Investment is domiciled in Canada.
 - (12) Investment is domiciled in Germany.
 - (13) Investment is domiciled in the United Kingdom.
 - (14) Investment is either a cash success fee payable or earnout of shares based on the consummation of certain trigger events.
 - (15) Control investment, as defined under the 1940 Act, in which the Company owns more than 25% of the investment's voting securities or has greater than 50% representation on its board.
 - (16) Investment is publicly traded and listed on NASDAQ.
 - (17) The warrant count is based upon a percentage of ownership of Fidelis Cybersecurity, Inc.
 - (18) As a result of Brilliant Earth Group Inc.'s (the Public Company) IPO through an Up-C structure, the Company received a share of Class B common stock in Brilliant Earth Group, Inc. for every Class P unit it held in Brilliant Earth, LLC. On a one-to-one basis, both the Class B common stock and Class P unit can be surrendered for Class A common stock in the Public Company.
 - (19) Investment is not a "restricted security" under the Securities Act.
- * Value as a percentage of net assets.

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.
**Schedule of Investments – (continued)
December 31, 2021**

The Company classifies its investment portfolio in accordance with the requirements of the 1940 Act. Control investments are investments in which the Company owns more than 25% of the voting securities or maintains greater than 50% representation on the board. Affiliate investments are investments in which the Company owns between 5% and 25% (inclusive) of the voting securities and does not have rights to maintain greater than 50% representation on the board. The Company's affiliate and control investments as of December 31, 2021, along with the transactions during the year ended December 31, 2021 are as follows:

Portfolio Company ⁽⁴⁾	Investment Description	Fair Value as of December 31, 2020	For the Year Ended December 31, 2021				Fair Value as of December 31, 2021 ⁽³⁾
			Gross Additions ⁽¹⁾	Gross Reductions ⁽²⁾	Net Realized Gains (Losses)	Net Change in Unrealized Appreciation (Depreciation)	
Control Investments							
Senior Secured Term Loans							
Mojix, Inc.	LIBOR+12.00% PIK, 12.00% floor, 5% ETP, due 1/15/2022 ⁽⁴⁾	\$ 4,913,150	\$ —	\$ —	\$ —	\$ 2,654,460	\$ 7,567,610
	LIBOR+12.00% PIK, 12.00% floor, 5% ETP, due 1/15/2022 ⁽⁴⁾	1,637,717	—	—	—	884,820	2,522,537
	LIBOR+12.00% PIK, 12.00% floor, 5% ETP, due 1/15/2022 ⁽⁴⁾	409,016	—	—	—	220,981	629,997
	LIBOR+12.00% PIK, 12.00% floor, 5% ETP, due 1/15/2022 ⁽⁴⁾	408,445	—	—	—	220,673	629,118
	LIBOR+12.00% PIK, 12.00% floor, 5% ETP, due 1/15/2022 ⁽⁴⁾	813,382	—	—	—	439,451	1,252,833
	LIBOR+12.00% PIK, 12.00% floor, 5% ETP, due 1/31/2022 ⁽⁴⁾	779,370	—	(210,000)	—	438,723	1,008,093
	LIBOR+12.00% PIK, 12.00% floor, 5% ETP, due 4/30/2021 ⁽⁴⁾	—	500,000	(500,000)	—	—	—
Pivot3 Holdings, Inc.	LIBOR+8.50% PIK, 11.00% floor, 4.00% ETP, due 11/15/2022	—	12,015,832	(3,994,885)	—	6,628,841	14,649,788
	LIBOR+8.50% PIK, 11.00% floor, due 11/15/2022	—	569,181	(1,080,984)	—	511,803	—
	LIBOR+8.50% PIK, 11.00% floor, 4.00% ETP, due 11/15/2022	—	1,330,538	(2,531,040)	—	1,200,502	—
Total Senior Secured Term Loans		8,961,080	14,415,551	(8,316,909)	—	13,200,254	28,259,976
Preferred Stocks							
Mojix, Inc.	Series A-1 Preferred Stock	884,774	—	—	—	(14,379)	870,395
Pivot3 Holdings, Inc.	Series 1 Preferred Stock	—	—	—	—	—	—
Total Preferred Stocks		884,774	—	—	—	(14,379)	870,395
Warrants							
Mojix, Inc.	Warrant for Common Stock, exercise price \$1.286/share, expires 12/13/2030	—	—	—	—	—	—
	Warrant for Common Stock, exercise price \$2.1286/share, expires 12/13/2030	—	—	—	—	—	—
	Warrant for Common Stock, exercise price \$5.57338/share, expires 12/13/2030	—	—	—	—	—	—
Total Warrants		—	—	—	—	—	—
Total Control investments		\$ 9,845,854	\$ 14,415,551	\$ (8,316,909)	\$ —	\$ 13,185,875	\$ 29,130,371

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

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.

**Schedule of Investments – (continued)
December 31, 2021**

- (2) Gross reductions include decreases in the basis of investments resulting from principal collections related to investment repayments or sales, the exchange of one or more existing Investments for one or more new investments and the movement of an existing portfolio company out of this category into a different category.
- (3) All investments in the portfolio company, which as of December 31, 2021 represented 4.81% 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.
- (4) For the year ended December 31, 2021, the Company earned no investment income from control investments, except for \$117,340 from Pivot3 Holdings, Inc.

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.

Schedule of Investments – (continued)
December 31, 2021

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, 2021:

Geographic Region	December 31, 2021	
	Investments at Fair Value	Percentage of Net Assets
Western United States	\$ 226,578,920	37.38 %
Northeastern United States	170,983,403	28.21
South Central United States	75,155,555	12.40
Southeastern United States	66,823,245	11.02
Northwestern United States	41,659,696	6.87
United Kingdom	35,687,298	5.89
Germany	34,080,598	5.62
Midwestern United States	20,098,640	3.31
Canada	13,447,419	2.22
Total	\$ 684,514,774	112.92 %

Industry	December 31, 2021	
	Investments at Fair Value	Percentage of Net Assets
Application Software	\$ 182,660,314	30.13 %
Healthcare Technology	146,756,439	24.21
Internet Retail	109,560,343	18.07
Internet Software & Services	76,238,876	12.58
Human Resource & Employment Services	72,869,269	12.02
Data Processing & Outsourced Services	38,925,165	6.42
Education Services	20,100,640	3.32
Electronic Equipment & Instruments	18,755,837	3.09
System Software	13,447,419	2.22
Technology Hardware, Storage & Peripherals	2,537,654	0.42
Specialized Consumer Services	2,477,351	0.41
Computer & Electronics Retail	185,467	0.03
Total	\$ 684,514,774	112.92 %

See notes to financial statements.

RUNWAY GROWTH FINANCE CORP.**Notes to Financial Statements****Note 1 – Organization**

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

The Company was formed primarily to lend to, and selectively invest in, high growth-potential companies in technology, life sciences, healthcare information and services, business services, select consumer services and products in other high-growth industries in the United States. The Company’s investment objective is to maximize its total return to its stockholders primarily through current income on its loan portfolio, and secondarily through capital 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. On December 1, 2017, the Company completed its initial private offering (“Initial Private Offering”), in which the Company issued 18,241,157 shares of its common stock to stockholders for a total purchase price of \$275.0 million in reliance on exemptions from the registration requirements of the Securities Act, and other applicable securities laws.

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

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

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

Since inception, the Company has issued an additional 6,647,847 shares as part of the dividend reinvestment plan. For more information, see “Note 6 – Net Assets.”

Note 2 – Summary of Significant Accounting Policies***Basis of Presentation***

The accompanying 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,

2022, including the impact of the coronavirus (“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, as modified by the annual report on Form 10-K/A for the year ended December 31, 2021, filed with the SEC on March 2, 2022 and March 14, 2022, respectively.

Certain items in the September 30, 2021 financial statements have been reclassified to conform to the September 30, 2022 presentation with no net effect on the net increase in net assets resulting from operations.

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 Debt Costs

The Company records costs related to the issuance of debt obligations as deferred debt costs. These costs are deferred and amortized using the straight-line method over the stated maturity life of the obligations. Deferred debt costs associated with the Company’s Credit Facility and unsecured notes are netted with the outstanding principal balance on the Company’s Statement of Assets and Liabilities, unless there are no outstanding borrowings, in which case the deferred debt costs are presented as an asset. For more information, see “Note 10 –Borrowings.”

Reverse Repurchase Agreement

The Company has, and may in the future, enter into reverse repurchase agreements, under the terms of a Master Repurchase Agreement (the “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 reverse 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 reverse 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 reverse repurchase agreement of one-day duration and 102 percent of the repurchase price in the case of all other reverse 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.

The Company had no outstanding reverse repurchase agreements at September 30, 2022. Pursuant to a reverse repurchase agreement with Goldman Sachs which expired on January 6, 2022, the Company purchased a U.S. Treasury Bill, due January 11, 2022. The value of the related collateral that the Company received for this agreement was \$45.0 million at December 31, 2021. At December 31, 2021, the repurchase liability was \$44,774,963, 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 applicable 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 (“OID”), principally representing the estimated fair value of detachable equity, warrants or contractual success fees obtained in conjunction with the Company’s debt investments, loan origination fees, end of term payments, and market discount or premium are capitalized and accreted or amortized into interest income over the life of the respective security using the effective interest method. Loan origination fees received in connection with the closing of investments are reported as unearned income, which is included as amortized cost of the investment; the unearned income from such fees is accreted into interest income over the contractual life of the loan based on the effective interest method. Upon prepayment of a loan or debt security, any unamortized loan origination fees, end-of-term payments, and unamortized market discounts are recorded as interest income and any prepayment penalties are recorded as fee income.

The Company currently holds, and expects to hold in the future, some investments in its portfolio that contain payment-in-kind (“PIK”) interest provisions. PIK interest is computed at the contractual rate specified in each loan agreement and is added to the principal balance of the loan, rather than being paid to the Company in cash, and is recorded as interest income. Thus, the actual collection of PIK interest may be deferred until the time of debt principal repayment. PIK interest, which is a non-cash source of income, is included in the Company’s taxable income and therefore affects the amount of income the Company is required to distribute to stockholders to maintain its qualification as a RIC for U.S. federal income tax purposes, even though the Company has not yet collected the cash. For the three and nine months ended September 30, 2022, approximately 4.4% and 8.8%, respectively, of the Company’s total investment income was attributable to non-cash PIK interest. For the three and nine months ended September 30, 2021, approximately 2.4% and 4.5%, respectively, of the Company’s total investment income was attributable to non-cash PIK interest.

Non-Accrual of Investments

Debt investments are placed on non-accrual status when principal, interest, and other obligations become materially past due or when there is reasonable doubt that principal, interest, and other obligations will be collected in full. At the point of non-accrual, the Company will generally cease recognizing interest income on the debt investment until all principal and interest due have been paid or the Company believes the borrower has demonstrated the ability to repay its current and future contractual obligations. Additionally, any OID associated with the debt investment is no longer accreted to interest income as of the date the loan is placed on non-accrual status. Any payments received on non-accrual loans are first applied to principal prior to recovery of any foregone interest or end of term payment fees. Non-accrual loans are restored to accrual status when past due principal or interest are paid, and, in management’s judgment are likely to remain current. The Company may make exceptions to this policy if the investment has sufficient collateral value and is in the process of collection such that the Company will be made whole on the investment, inclusive of interest and end of term payment fees.

As of September 30, 2022, and December 31, 2021, the Company has not written off any accrued and uncollected PIK interest. As of September 30, 2022, the Company had one loan to Pivot3 Holdings, Inc., representing an aggregate principal funded of \$19,172,353 at a fair value of \$4,467,041, on non-accrual status, which represents 0.5% of the Company’s total investment portfolio. The non-accrual loan as of September 30, 2022 had total interest of \$3,132,309 that would have been accrued into income. Had the loan not been on non-accrual status, \$2,880,626 would be payable, and \$251,683 would be OID. As of December 31, 2021, the Company had six loans to Mojix, Inc. and one loan to Pivot3 Holdings, Inc., representing an aggregate principal funded of \$30,278,707 at a fair market value of \$28,259,976, on non-accrual status, which represents 3.9% of the Company’s total investment portfolio. The non-accrual loans as of December 31, 2021 had total interest of \$4,760,387 that would have been accrued into income. Had the loans not been on non-accrual status, \$4,064,620 would be payable, and \$695,767 would be OID.

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 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 of such investments 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 the Company's Board of Directors regarding such valuations; and

- The Company's Board of Directors reviews the recommended preliminary valuations and determines the fair value of each investment in the Company's portfolio, in good faith, based on the input of RGC, the independent valuation firm and the Audit Committee.

The Company's investments are primarily loans made to and equity and warrants of high growth-potential companies focused in technology, life sciences, healthcare information and services, business services, select consumer services and products 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.

Rule 2a-5 under the 1940 Act was adopted by the SEC in December 2020 and establishes a framework for determining fair value in good faith for purposes of the 1940 Act. The Company complied with the mandatory provisions of Rule 2a-5 by the September 2022 compliance date.

Investment Valuation Techniques

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

Debt Investments: To determine the fair value of the Company's debt investments, the Company compares the cost basis of the debt investment, which includes 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 that are similar in nature to the Company's investments, in order to determine a comparable range of effective market interest rates for its investments. The range of interest rate spreads utilized is based on borrowers with similar credit profiles. All remaining expected cash flows of the investment are discounted using this range of interest rates to determine a range of fair values for the debt investment.

This valuation process includes, among other things, evaluating the underlying investment performance, the portfolio company's current financial condition and ability to raise additional capital, as well as macro-economic events that may impact valuations. These events include, but are not limited to, current market yields and interest rate spreads of similar securities as of the measurement date. Significant increases 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.

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.

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. Fair value of the Company's Credit Facility is estimated by discounting remaining payments using applicable market rates or market quotes for similar instruments at the measurement date, if applicable. As of both September 30, 2022 and December 31, 2021, the Company believes that the carrying value of its Credit Facility approximates fair value. The 2026 Notes are carried at cost and with their longer maturity dates, fair value is estimated by discounting remaining payments using current market rates for similar instruments and considering such factors as the legal maturity date and the ability of market participants to prepay the notes. As of September 30, 2022, the Company believes that the carrying value of the 2026 Notes and 2027 Notes approximates fair value.

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 the investor has 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 or maintains greater than 50% of the board representation. 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 between 5% and 25% (inclusive) of the voting securities and does not have rights to maintain greater than 50% of the board representation.

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 beginning with its taxable year ended December 31, 2016, and has qualified and intends to continue to qualify 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.

The Company accounts for income taxes in conformity with ASC Topic 740, Income Taxes ("ASC 740"). ASC 740 provides guidelines for how uncertain tax positions should be recognized, measured, presented and disclosed in the Financial Statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions deemed to meet a "more-likely-than-not" threshold would be recorded as a tax benefit or expense in the current period. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statements of Operations. There were no material uncertain income tax positions at September 30, 2022 or December 31, 2021. Although we file federal and state tax returns, our major tax jurisdiction is federal. The previous three tax year-ends and the interim tax period since then remain subject to examination by the Internal Revenue Service.

If the Company does not timely distribute (or is not deemed to have distributed) each calendar year the sum of (1) at least 98% of its net ordinary income (not taking into account any capital gains or losses) for each calendar year, (2) at least 98.2% of the amount by which the Company's capital gains exceed its capital losses (adjusted for certain ordinary losses) for a one-year period generally ending on October 31 in that calendar year (unless the Company makes an election to use its taxable year) and (3) any net ordinary income and net capital gain recognized in preceding years on which the Company paid no U.S. federal income tax (the "Minimum Distribution Amount"), the Company will generally be required to pay a nondeductible 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 and nine months ended September 30, 2022 and 2021, 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 and nine months ended September 30, 2022, the Company declared and paid dividends in the amount of \$13,450,710 and \$37,005,717, respectively, of which \$12,783,588 and \$26,708,902, respectively, was distributed in cash and the remainder distributed in shares to stockholders, purchased in the open market pursuant to the Company's dividend reinvestment plan. For the three and nine months ended September 30, 2021, the Company declared dividends in the amount of \$11,114,754 and \$34,597,684, respectively, of which \$2,713,539 and \$7,602,878, respectively, was distributable in cash and the remainder distributable in shares to organization and offering costs 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 the Company's organization, all of which are expensed as incurred. Offering costs include, among other things, legal fees and other costs pertaining to the preparation of the Company's public and private offering materials as well as travel-related expenses related to the Company's public and private offerings. Pursuant to the investment advisory agreement in place between the Company and RGC at the time of the Initial Private Offering, 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.

Offering costs related to the Second Private Offering were accumulated and charged to additional paid in capital at the time of closing beginning in 2019. These offering costs related to the Second Private Offering were subject to a cap of \$600,000, excluding placement agent fees which had no cap, of which the Company would bear the cost. At the completion of the Second Private Offering, the Company had accumulated and recorded \$651,991 of offering costs and \$186,198 in placement agent fees related to the Second Private Offering. Under the terms of the Second Private Offering, offering costs in excess of \$600,000, excluding placement agent fees, were reimbursed by RGC.

Offering costs related to the IPO were accumulated and charged to additional paid in capital at the time of closing in October 2021. We had accumulated and recorded \$6,970,599 of offering costs related to the Company's IPO. The offering costs were fully born by the Company and include underwriting fees, legal fees, and other costs pertaining to the preparation of the Company's offering materials as well as travel-related expenses.

Recent Accounting Pronouncements

In March 2020, the FASB issued ASU No. 2020-04, "Reference Rate Reform (Topic 848)," which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts, hedging relationships, and other transactions that reference London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. In January 2021, the FASB issued ASU No. 2021-01, "Reference Rate Reform (Topic 848)," which expanded the scope of Topic 848 to include derivative instruments impacted by discounting transition. ASU 2020-04 and ASU 2021-01 are effective for all entities through December 31, 2024. ASU No. 2021-01 provides increased clarity as the Company continues to evaluate the transition of reference rates and is currently evaluating the impact of adopting ASU No. 2020-04 and 2021-01 on the financial statements. The Company did not utilize the optional expedients and exceptions provided in this guidance during the three and nine months ended September 30, 2022 and 2021.

In June 2022, the FASB issued Accounting Standards Update No. 2022-03, Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions ("ASU 2022-03"). ASU 2022-03 clarifies the guidance when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of the security. The amendments in ASU 2022-03 are effective for public companies for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. The Company is currently assessing the impact of ASU 2022-03 on its consolidated financial statements.

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 September 30, 2022, the Company had \$329,284,615 in unfunded loan commitments to provide debt financing to its portfolio companies. Unfunded commitments may be subject to portfolio companies achieving certain performance milestones to access unfunded availability. The balance of unfunded commitments to extend financing as of September 30, 2022 was as follows:

Portfolio Company	Investment Type	September 30, 2022
Allurion Technologies, Inc.	Senior Secured Term Loan	\$ 15,000,000
CloudPay, Inc.	Senior Secured Term Loan	15,000,000
Dtex Systems, Inc.	Senior Secured Term Loan	10,000,000
EBR Systems, Inc.	Senior Secured Term Loan	30,000,000
INRIX, Inc.	Senior Secured Term Loan	5,000,000
Intellisite Holdings, Inc. (dba Epic IO Technologies, Inc.)	Senior Secured Term Loan	10,000,000
Interactions Corporation	Senior Secured Term Loan	10,000,000
Kin Insurance, Inc.	Senior Secured Term Loan	25,000,000
Moximed, Inc.	Senior Secured Term Loan	15,000,000
Mustang Bio, Inc.	Senior Secured Term Loan	45,000,000
Revelle Aesthetics, Inc.	Senior Secured Term Loan	12,500,000
Route 92 Medical, Inc.	Senior Secured Term Loan	42,000,000
SetPoint Medical Corporation	Senior Secured Term Loan	25,000,000
ShareThis, Inc.	Senior Secured Term Loan	3,000,000
Snagajob.com, Inc.	Senior Secured Term Loan	6,784,615
Synack, Inc.	Senior Secured Term Loan	25,000,000
TRACON Pharmaceuticals, Inc.	Senior Secured Term Loan	25,000,000
VERO Biotech LLC	Senior Secured Term Loan	10,000,000
Total unused commitments to extend financing		\$ 329,284,615

At December 31, 2021, the Company had \$186,984,615 in unfunded loan commitments to provide debt financing to its portfolio companies. Unfunded commitments may be subject to portfolio companies achieving certain performance milestones to access unfunded availability. The balance of unfunded commitments to extend financing as of December 31, 2021 was as follows:

Portfolio Company	Investment Type	December 31, 2021
Allurion Technologies, Inc.	Senior Secured Term Loan	\$ 15,000,000
CloudPay, Inc.	Senior Secured Term Loan	10,000,000
CrossRoads Extremity Systems, LLC	Senior Secured Term Loan	7,500,000
Dtex Systems, Inc.	Senior Secured Term Loan	15,000,000
Gynesonics, Inc.	Senior Secured Term Loan	20,000,000
INRIX, Inc.	Senior Secured Term Loan	10,000,000
Intellisite Holdings, Inc. (dba Epic IO Technologies, Inc.)	Senior Secured Term Loan	11,000,000
Marley Spoon AG	Senior Secured Term Loan	11,700,000
Route 92 Medical, Inc.	Senior Secured Term Loan	42,000,000
SetPoint Medical Corporation	Senior Secured Term Loan	25,000,000
ShareThis, Inc.	Senior Secured Term Loan	3,000,000
Snagajob.com, Inc.	Senior Secured Term Loan	6,784,615
VERO Biotech LLC	Senior Secured Term Loan	10,000,000
Total unused commitments to extend financing		\$ 186,984,615

The Company's management believes that its available cash balances and availability under the Credit Facility provides sufficient funds to cover its unfunded commitments as of September 30, 2022. The Company has evaluated the expected net future cash flows related to unfunded commitments and determined the fair value to be zero as of September 30, 2022 and December 31, 2021.

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 any such legal proceedings cannot be predicted with certainty, the Company does not expect that any such proceedings will have a material effect upon its business, financial condition or results of operations.

Other Commitments and Contingencies

On February 24, 2022, the Board of Directors approved a repurchase program (the "Repurchase Program") under which the Company may repurchase up to \$25 million of its outstanding common stock. Under the Repurchase Program, purchases may be made

at management’s discretion from time to time in open-market transactions, in accordance with all applicable securities laws and regulations. Unless extended by the Board of Directors, the repurchase program will terminate 12 months from the date it was approved. As of September 30, 2022, 744,756 shares of our common stock were repurchased under the Repurchase Program for an aggregate repurchase price of \$9,301,933.

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. The Company’s 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 and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net increase in net assets resulting from operations	\$ 11,721,773	\$ 10,231,052	\$ 13,757,530	\$ 26,313,723
Weighted average shares outstanding for the period				
Basic	40,774,154	33,160,481	41,119,467	32,360,107
Diluted	40,774,154	33,160,481	41,119,467	32,360,107
Per Share Data⁽¹⁾:				
Basic and diluted income (loss) per common share				
Basic	\$ 0.29	\$ 0.31	\$ 0.33	\$ 0.81
Diluted	\$ 0.29	\$ 0.31	\$ 0.33	\$ 0.81

(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.

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

Prior to October 25, 2021, the Company entered into subscription agreements (the “Subscription Agreements”) with investors providing for the private placement of the Company’s common shares. Under the terms of the Subscription Agreements, investors were required to fund drawdowns to purchase the Company’s common shares up to the amount of their respective capital commitment on an as-needed basis each time the Company delivered a drawdown notice to its investors.

In connection with the Initial Private Offering, the Company issued 18,241,157 shares of our common stock to stockholders for a total purchase price of \$275,000,000. Between June 14, 2019 and September 29, 2021, the Company accepted \$181,673,500 in capital commitments under its Second Private Offering. The Company had issued 9,617,379 shares of common stock for aggregate proceeds of \$144,260,683 under the Second Private Offering. Concurrent with the IPO, all undrawn commitments under the Second Private Offering were cancelled.

On March 31, 2020 and March 24, 2021, the Company had issued in aggregate 22,564 shares as an additional direct investment by Runway Growth Holdings LLC, an affiliate of RGC, at \$15.00 per share for total proceeds of \$338,453 in a private offering pursuant to an exemption from registration under Regulation D of the Securities Act.

During the three months ended September 30, 2022, the Company repurchased 331,264 shares for an aggregate purchase price of \$4,022,696 in connection with its Repurchase Program and no shares were issued in connection with the reinvestment of dividends. The following table summarizes capital activity during the three months ended September 30, 2022:

	Common Stock		Treasury Stock		Additional Paid-in Capital	Distributable (Losses) Earnings	Total Net Assets
	Shares	Amount	Shares	Amount			
Balance, beginning of period	41,380,614	\$ 413,806	(413,492)	\$ (5,279,237)	\$ 606,063,671	\$ (21,786,236)	\$ 579,412,004
Issuance of common stock	—	—	—	—	—	—	—
Reinvestment of dividends	—	—	—	—	—	—	—
Acquisition of treasury shares	—	—	(331,264)	(4,022,696)	—	—	(4,022,696)
Offering costs	—	—	—	—	—	—	—
Net investment income	—	—	—	—	—	14,496,949	14,496,949
Net realized gain (loss) on investments	—	—	—	—	—	406,917	406,917
Net change in unrealized appreciation (depreciation) on investments	—	—	—	—	—	(3,182,093)	(3,182,093)
Dividends declared	—	—	—	—	—	(13,450,710)	(13,450,710)
Tax reconciliation of stockholders' equity in accordance with US GAAP	—	—	—	—	—	—	—
Balance, end of period	<u>41,380,614</u>	<u>\$ 413,806</u>	<u>(744,756)</u>	<u>\$ (9,301,933)</u>	<u>\$ 606,063,671</u>	<u>\$ (23,515,173)</u>	<u>\$ 573,660,371</u>

During the nine months ended September 30, 2022, the Company repurchased 744,756 shares for an aggregate purchase price of \$9,301,933 in connection with its Repurchase Program and no shares were issued in connection with the reinvestment of dividends. The following table summarizes capital activity during the nine months ended September 30, 2022:

	Common Stock		Treasury Stock		Additional Paid-in Capital	Distributable (Losses) Earnings	Total Net Assets
	Shares	Amount	Shares	Amount			
Balance, beginning of period	41,380,614	\$ 413,806	—	\$ —	\$ 606,047,671	\$ (266,986)	\$ 606,194,491
Issuance of common stock	—	—	—	—	—	—	—
Reinvestment of dividends	—	—	—	—	—	—	—
Acquisition of treasury shares	—	—	(744,756)	(9,301,933)	—	—	(9,301,933)
Offering costs	—	—	—	—	16,000	—	16,000
Net investment income	—	—	—	—	—	41,435,416	41,435,416
Net realized gain (loss) on investments	—	—	—	—	—	939,377	939,377
Net change in unrealized appreciation (depreciation) on investments	—	—	—	—	—	(28,617,263)	(28,617,263)
Dividends declared	—	—	—	—	—	(37,005,717)	(37,005,717)
Tax reconciliation of stockholders' equity in accordance with US GAAP	—	—	—	—	—	—	—
Balance, end of period	<u>41,380,614</u>	<u>\$ 413,806</u>	<u>(744,756)</u>	<u>\$ (9,301,933)</u>	<u>\$ 606,063,671</u>	<u>\$ (23,515,173)</u>	<u>\$ 573,660,371</u>

During the three months ended September 30, 2021, the Company issued 575,032 shares for \$8,401,215 in connection with the reinvestment of dividends. The following table summarizes capital activity during the three months ended September 30, 2021:

	Common Stock		Additional Paid-in Capital	Distributable (Losses) Earnings	Total Net Assets
	Shares	Amount			
Balance, beginning of period	32,690,454	\$ 326,904	\$ 485,755,211	\$ (8,343,018)	\$ 477,739,097
Issuance of common stock	1,265,128	12,651	18,964,266	—	18,976,917
Reinvestment of dividends	575,032	5,751	8,395,464	—	8,401,215
Offering costs	—	—	(32,542)	—	(32,542)
Net investment income	—	—	—	10,741,124	10,741,124
Net realized gain (loss) on investments	—	—	—	718,310	718,310
Net change in unrealized appreciation (depreciation) on investments	—	—	—	(1,228,382)	(1,228,382)
Dividends declared	—	—	—	(11,114,754)	(11,114,754)
Tax reconciliation of stockholders' equity in accordance with U.S. GAAP	—	—	—	—	—
Balance, end of period	<u>34,530,614</u>	<u>\$ 345,306</u>	<u>\$ 513,082,399</u>	<u>\$ (9,226,720)</u>	<u>\$ 504,200,985</u>

During the nine months ended September 30, 2021, the Company issued 1,830,974 shares for \$26,994,806 in connection with the reinvestment of dividends. The following table summarizes capital activity during the nine months ended September 30, 2021:

	Common Stock		Additional	Distributable	Total
	Shares	Amount	Paid-in Capital	(Losses) Earnings	Net Assets
Balance, beginning of period	31,414,051	\$ 314,140	\$ 466,872,304	\$ (942,759)	\$ 466,243,685
Issuance of common stock	1,285,589	12,856	19,270,972	—	19,283,828
Reinvestment of dividends	1,830,974	18,310	26,976,496	—	26,994,806
Offering costs	—	—	(37,373)	—	(37,373)
Net investment income	—	—	—	33,563,330	33,563,330
Net realized gain (loss) on investments	—	—	—	(4,076,766)	(4,076,766)
Net change in unrealized appreciation (depreciation) on investments	—	—	—	(3,172,841)	(3,172,841)
Dividends declared	—	—	—	(34,597,684)	(34,597,684)
Tax reconciliation of stockholders' equity in accordance with U.S. GAAP	—	—	—	—	—
Balance, end of period	<u>34,530,614</u>	<u>\$ 345,306</u>	<u>\$ 513,082,399</u>	<u>\$ (9,226,720)</u>	<u>\$ 504,200,985</u>

The shares of common stock issued, the price per share and the proceeds raised, from inception through September 30, 2022, 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 ⁽¹⁾	70,563	14.82	1,045,570
August 31, 2018 ⁽¹⁾	117,582	14.92	1,754,244
September 27, 2018	1,997,337	15.02	30,000,000
November 15, 2018 ⁽¹⁾	202,779	15.07	3,055,498
January 14, 2019	4,344,964	15.19	66,000,000
March 26, 2019 ⁽¹⁾	326,431	15.14	4,942,168
May 21, 2019 ⁽¹⁾	374,783	15.13	5,670,467
May 24, 2019	3,232,189	15.16	49,000,000
July 16, 2019 ⁽¹⁾	464,986	15.13	7,035,236
August 26, 2019 ⁽¹⁾	480,121	14.76	7,088,143
October 15, 2019	1,666,667	15.00	25,000,000
November 12, 2019 ⁽¹⁾	43,979	14.76	649,123
December 20, 2019	3,333,333	15.00	50,000,000
December 23, 2019 ⁽¹⁾	487,166	14.52	7,073,650
March 20, 2020 ⁽¹⁾	575,132	14.58	8,385,423
March 31, 2020	21,021	15.00	315,308
May 20, 2020 ⁽¹⁾	529,020	14.25	7,538,541
August 6, 2020 ⁽¹⁾	550,639	14.41	7,934,712
October 15, 2020	3,333,333	15.00	50,000,000
November 12, 2020 ⁽¹⁾	593,692	14.46	8,584,772
March 19, 2021 ⁽¹⁾	618,815	14.84	9,183,220
March 24, 2021	20,461	15.00	306,911
May 13, 2021 ⁽¹⁾	637,127	14.77	9,410,371
August 12, 2021 ⁽¹⁾	575,032	14.61	8,401,215
September 29, 2021	1,265,128	15.00	18,976,917
October 25, 2021	6,850,000	14.60	100,010,000
Total	<u>41,380,614</u>		<u>\$ 617,386,489</u>

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

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 (together with a subsequent amendment thereto, the "Prior Agreement"). On August 3, 2017, the Board of Directors approved certain amendments to the Prior Agreement (the "First Amended and Restated Advisory

Agreement”) and recommended that the Company’s stockholders approve the First Amended and Restated Advisory Agreement. The First Amended and Restated Advisory Agreement became effective on September 12, 2017 upon approval by the stockholders at a special meeting of stockholders of the Company. On April 7, 2021, the Board of Directors approved certain additional amendments to the advisory agreement (the “Advisory Agreement”) at a virtual meeting and recommended that the Company’s stockholders approve the Advisory Agreement. In reliance upon certain exemptive relief granted by the SEC in connection with the global COVID-19 pandemic, the Board of Directors undertook to ratify the Advisory Agreement at its next in-person meeting which was held in July 2021. The Advisory Agreement became effective on May 27, 2021 upon approval by the stockholders at a special meeting of stockholders of the Company. The Advisory Agreement amended the Prior Agreement to include certain revisions to the management and incentive fee calculation mechanisms and clarify language relating to liquidity events. Under the terms of the Advisory Agreement, RGC:

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

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

Base Management Fee

The base management fee is payable on the first day of each calendar quarter.

For purposes of the Advisory Agreement, a “Spin-Off transaction” includes either a transaction whereby (a) the Company offers its stockholders the option to elect to either (i) retain their ownership of shares of the Company’s common stock, or (ii) exchange their shares of the Company’s common stock for shares of common stock in a newly formed entity (the “Public Fund”) that will elect to be regulated as a BDC under the 1940 Act and treated as a RIC under Subchapter M of the Code (the “Public Fund Spin Off”); or (b) the Company completes a listing of the Company’s securities on any securities exchange (an “Exchange Listing”). The base management fee will be an amount equal to 0.40% (1.60% 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 equal or greater than \$500,000,000 but less than \$1,000,000,000. For purposes of the 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 PIK 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 less than \$500,000,000 the base management fee will be an amount equal to 0.4375% (1.75% annualized) of the Company’s average daily Gross Assets during the most recently completed calendar quarter. 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 \$3,065,581 and \$8,487,820, respectively, for the three and nine months ended September 30, 2022, and \$2,301,656 and \$6,647,207, respectively, for the three and nine months ended September 30, 2021.

Incentive Fee

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

Under the investment-income component (the “Income Incentive Fee”), the Company pays RGC each quarter an incentive fee with respect to the Company’s Pre-Incentive Fee net investment income. 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 amended and restated administration agreement with the Administrator (the “Administration Agreement”), and any dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee net investment income includes, in the case of investments with a deferred interest feature (such as OID, 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 pays 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).

Prior to the consummation of the IPO, in the event that (a) the sum of the Company’s cumulative net realized losses since the date of the Company’s election to be regulated as a BDC exceeded 2.0% of the total non-control/non-affiliate investments made by the Company since the date of the Company’s election to be regulated as a BDC through the end of the quarter and (b) the Pre-Incentive Fee 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 was less than 10.0%, no Income Incentive Fee would be payable for such quarter until the first subsequent quarter in which either (x) the sum of the Company’s cumulative net realized losses since the date of the Company’s election to be regulated as a BDC was equal to or less than 2.0% of the total non-control/non-affiliate investments made by the Company since the date of the Company’s election to be regulated as a BDC through the end of such subsequent quarter or (y) the Adjusted Pre-Incentive Fee 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 would any Income Incentive Fee be payable 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. 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 \$3,625,686 and \$8,590,821, respectively, for the three and nine months ended September 30, 2022; \$3,208,431 and \$7,293,008, respectively, of the incentive fees for the three and nine months ended September 30, 2022 were earned, payable in cash, and \$417,255 and \$1,297,812, respectively, of the incentive fees for the three and nine months ended September 30, 2022 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 for the three and nine months ended September 30, 2021 of \$2,686,475 and \$6,498,482, respectively; \$2,171,245 and \$5,140,115, respectively, of the incentive fees for the three and nine months ended September 30, 2021 were earned, payable in cash, and \$515,230 and \$1,358,367, respectively, of the incentive fees for the three and nine months ended September 30, 2021 were accrued and deferred (i.e., PIK interest and certain discount accretion) and are not

payable pending receipt of cash by the Company. Both currently payable in cash, \$2,972,186 and \$2,493,508, and deferred incentive fees, \$4,216,780 and \$3,516,742, are included in accrued incentive fees on the Statements of Assets and Liabilities as of September 30, 2022 and December 31, 2021, respectively.

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 Advisory Agreement. As of each of September 30, 2022 and December 31, 2021, there was no capital gains incentive fee accrued, earned or payable to RGC under the Advisory Agreement.

Spin-Off Incentive Fee

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

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

No Income Incentive Fee or Capital Gains Fee is payable in connection with the Public Fund Spin-Off unless, on the date of the completion of the Public Fund Spin-Off, the sum of the Company's (i) Pre-Incentive Fee 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 the Public Fund Spin-Off, is greater than 8.0% of the cumulative net investments made by the Company since the Company's election to be regulated as a BDC.

Administration Agreement

The Company reimburses the Administrator for the allocable portion of overhead 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.

The Company reimbursed the Administrator \$258,195 and \$820,586, respectively, during the three and nine months ended September 30, 2022. As of September 30, 2022, the Company had accrued a net payable to the Administrator of \$261,180. Of the total amount reimbursed and accrued during the three and nine months ended September 30, 2022, \$212,533 and \$707,609, respectively, was related to overhead allocation expense. The Company reimbursed the Administrator \$261,630 and \$741,012 during the three and nine months ended September 30, 2021. As of September 30, 2021, the Company accrued a net payable to the Administrator of \$227,038. Of the total amount reimbursed and accrued during the three and nine months ended September 30, 2021, \$206,167 and \$643,606, respectively, was related to overhead allocation expense. As of December 31, 2021, the Company had accrued a net payable to the Administrator of \$221,243. Administration fees, which include fees payable by the Administrator to third-party service providers who provide additional administration services for the Company, were \$161,245 and \$497,896, respectively, for the three and nine months ended September 30, 2022. Administration fees, which include fees payable by the Administrator to third-party service providers who

provide additional administration services for the Company, were \$179,500 and \$420,360, respectively, for the three and nine months ended September 30, 2021.

License Agreement

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

Oaktree Strategic Relationship

In connection with the strategic relationship, OCM purchased an aggregate of 14,571,334 shares of our common stock for an aggregate purchase price of \$219.3 million in our Initial Private Offering and our Second Private Offering. As of September 30, 2022, OCM owns 21,129,668 shares of our common stock or approximately 52% of our outstanding shares. OCM has granted a proxy to us pursuant to which the shares held by OCM will be voted in the same proportion as our other stockholders vote their shares.

In connection with OCM’s 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 for so long as OCM holds shares of the Company’s common stock in an amount equal to, in the aggregate, at least one-third (33%) of OCM’s initial \$125 million capital commitment. Brian Laibow, Co-Head of North America & Managing Director Opportunities Funds, serves on the Company’s Board of Directors as OCM’s director nominee and is considered an interested director. OCM also holds a minority interest in RGC and has the right to appoint a member of RGC’s board of managers and a member of RGC’s investment committee. Brian Laibow is OCM’s appointee to RGC’s board of managers and investment committee. OCM also purchased additional equity in RGC in connection with its commitment to the Company.

Note 8 – Fair Value Measurements

The Company’s assets and liabilities 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 valuation policies.

The following tables present information about the Company’s assets and liabilities measured at fair value as of September 30, 2022 and December 31, 2021, respectively:

	As of September 30, 2022 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Portfolio Investments				
Common Stock	\$ 496,498	\$ 1,413,356	\$ 1,228,197	\$ 3,138,051
Senior Secured Term Loans	—	—	862,527,989	862,527,989
Second Lien Term Loans	—	—	13,403,245	13,403,245
Preferred Stock	12,327,868	—	384,685	12,712,553
Warrants	—	66,950	18,320,157	18,387,107
Total Portfolio Investments	12,824,366	1,480,306	895,864,273	910,168,945
Total Investments	\$ 12,824,366	\$ 1,480,306	\$ 895,864,273	\$ 910,168,945

	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Portfolio Investments				
Common Stock	\$ 2,559,932	\$ 8,903,933	\$ —	\$ 11,463,865
Senior Secured Term Loans	—	—	623,053,646	623,053,646
Second Lien Term Loans	—	—	12,872,588	12,872,588
Preferred Stock	15,704,705	—	1,332,420	17,037,125
Warrants	—	—	20,087,550	20,087,550
Total Portfolio Investments	18,264,637	8,903,933	657,346,204	684,514,774
U.S. Treasury Bill	45,001,500	—	—	45,001,500
Total Investments	\$ 63,266,137	\$ 8,903,933	\$ 657,346,204	\$ 729,516,274

The Company recognizes transfers into and out of the levels indicated above at the end of each reporting period. During the period ended September 30, 2022, the Company had common stock investments with restrictions lifted, resulting in an asset transfer out

of Level 2 and into Level 1 at the fair value of \$5,421,235. During the year ended December 31, 2021, the Company had warrant investments converted to common stock investments, resulting in an asset transfer out of Level 3 and into Level 2 at the fair value of \$15,305,039.

The following table presents a rollforward of Level 3 assets measured at fair value as of September 30, 2022:

	Preferred Stock	Common Stock	Senior Secured Term Loans	Second Lien Term Loans	Warrants	Total
Fair value at December 31, 2021	\$ 1,332,420	\$ —	\$ 623,053,646	\$ 12,872,588	\$ 20,087,550	\$ 657,346,204
Amortization of fixed income premiums or accretion of discounts	—	—	4,488,454	88,280	—	4,576,734
Purchases of investments ⁽¹⁾	—	4,551,235	391,506,142	490,100	2,489,851	399,037,328
Sales or repayments of investments ⁽¹⁾	(800,000)	—	(143,170,836)	—	(1,508,601)	(145,479,437)
Transfers out of Level 3	—	—	—	—	(2,238,726)	(2,238,726)
Realized gain (loss)	—	—	—	—	(850,754)	(850,754)
Change in unrealized appreciation (depreciation)	(147,735)	(3,323,038)	(13,349,417)	(47,723)	340,837	(16,527,076)
Fair value at September 30, 2022	<u>\$ 384,685</u>	<u>\$ 1,228,197</u>	<u>\$ 862,527,989</u>	<u>\$ 13,403,245</u>	<u>\$ 18,320,157</u>	<u>\$ 895,864,273</u>
Change in unrealized appreciation (depreciation) on Level 3 investments still held as of September 30, 2022	<u>(77,340)</u>	<u>(3,323,038)</u>	<u>(12,453,978)</u>	<u>(47,723)</u>	<u>(1,812,833)</u>	<u>(17,714,912)</u>

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

The following table presents a rollforward of Level 3 assets measured at fair value as of September 30, 2021:

	Preferred Stock	Senior Secured Term Loans	Second Lien Term Loans	Warrants	Total
Fair value at December 31, 2020	\$ 1,336,268	\$ 501,964,657	\$ —	\$ 33,008,672	\$ 536,309,597
Amortization of fixed income premiums or accretion of discounts	—	5,541,082	—	—	5,541,082
Purchases of investments ⁽¹⁾	2,000,000	233,311,709	—	475,074	235,786,783
Sales or repayments of investments ⁽¹⁾	—	(202,045,467)	—	(86,834)	(202,132,301)
Transfers out of Level 3	—	—	—	(15,305,039)	(15,305,039)
Realized gain (loss)	—	—	—	(418,037)	(418,037)
Change in unrealized appreciation (depreciation)	(2,258,653)	(7,166,257)	—	3,076,220	(6,348,690)
Fair value at September 30, 2021	<u>\$ 1,077,615</u>	<u>\$ 531,605,724</u>	<u>\$ —</u>	<u>\$ 20,750,056</u>	<u>\$ 553,433,395</u>
Change in unrealized appreciation (depreciation) on Level 3 investments still held as of September 30, 2021	<u>(258,653)</u>	<u>(7,090,189)</u>	<u>\$ —</u>	<u>(12,249,072)</u>	<u>(19,597,914)</u>

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

The following table provides quantitative information regarding Level 3 fair value measurements as of September 30, 2022:

Description	Fair Value	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
Common Stock	\$ 1,228,197	Recent private market and merger and acquisition transaction prices	N/A	N/A
Preferred Stock	384,685	Recent private market and merger and acquisition transaction prices	N/A	N/A
Senior Secured Term Loans ⁽¹⁾	841,360,595	Discounted Cash Flow analysis	Discount rate	11.5% - 25.0% (14.4%)
		Market approach	Origination yield	10.4% - 19.3% (12.7%)
	21,167,394	PWERM	Discount rate	35.0% - 40.0% (38.9%)
Second Lien Term Loans	13,403,245	Discounted Cash Flow analysis	Discount rate	15.7% - 15.7% (15.7%)
Warrants ⁽²⁾	11,436,828	Option pricing model	Risk-free interest rate	2.4% - 4.3% (3.5%)
			Average industry volatility	25.0% - 98.7% (45.0%)
			Estimated time to exit	0.3 - 5.0 (2.1 years)
	6,883,329	PWERM	Revenue multiples	1.45x - 176.14x (6.16x)
			Discount rate	20.0% - 40.0% (32.4%)
			Revenue multiples	2.73x - 204.18x (12.59x)
Total Level 3 Investments	\$ 895,864,273			

The following table provides quantitative information regarding Level 3 fair value measurements as of December 31, 2021:

Description	Fair Value	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
Preferred Stock	\$ 1,332,420	Recent private market and merger and acquisition transaction prices	N/A	N/A
Senior Secured Term Loans ⁽¹⁾	594,793,670	Discounted Cash Flow analysis	Discount rate	6.2% - 71.2% (12.9%)
		Market approach	Origination yield	5.1% - 100.1% (11.8%)
	28,259,976	PWERM	Discount rate	16.3% - 25.0% (20.8%)
Second Lien Term Loans ⁽¹⁾	12,872,588	Discounted Cash Flow analysis	Discount rate	12.2% - 12.2% (12.2%)
Warrants ⁽²⁾	13,132,780	Option pricing model	Risk-free interest rate	0.1% - 1.2% (0.5%)
			Average industry volatility	20.0% - 75.0% (39.6%)
			Estimated time to exit	0.5 - 5.7 (2.0 yrs)
	6,954,770	PWERM	Revenue multiples	0.00x - 13.46x (6.16x)
			Discount rate	30.0% - 46.0% (36.0%)
			Revenue multiples	2.94x - 123.71x (9.53x)
Total Level 3 Investments	\$ 657,346,204			

⁽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 OPM, which include industry volatility, risk free interest rate and estimated time to exit. The Equity Allocation model and the Black Scholes model were the main OPMs used during the period ended September 30, 2022 and the year ended December 31, 2021. Probability Weighted Expected Return Models ("PWERM") and other techniques were used as determined appropriate. Significant increases (decreases) in the inputs in isolation would result in a significantly higher (lower) fair value measurement, depending on the materiality of the investment. However, a significantly higher or lower fair value measurement of any of the Company's portfolio investments may occur regardless of whether there is a significant increase 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. The Company's volume of warrant investment activity is closely correlated to its primary senior secured loans to portfolio companies. For the three and nine months ended September 30, 2022, the Company had a net realized gain/(loss) of \$(583,365) and \$(850,754), respectively, and a net change in unrealized appreciation/(depreciation) of \$181,741 and \$340,837, respectively, from its investments in warrants. For the three and nine months ended September 30, 2021, the Company had a net realized gain/(loss) of \$72,371 and \$(418,037), respectively, and a net change in unrealized depreciation of \$2,463,752 and \$3,076,220, respectively, from its investments in warrants. Realized gain/(loss) from warrants is included in Realized gain/(loss) on non-control/non-affiliate investments, including U.S. Treasury Bills on the Statement of Operations. Net change in unrealized appreciation/(depreciation) from investments in warrants is included in Net Change in unrealized appreciation (depreciation) on non-control/non-affiliate investments, including U.S. Treasury Bills.

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 – Borrowings

The following table shows the Company's borrowings as of September 30, 2022 and December 31, 2021:

	September 30, 2022				December 31, 2021			
	Total Commitment	Principal	Deferred Debt Cost ⁽¹⁾	Carrying Value	Total Commitment	Principal	Deferred Debt Cost ⁽¹⁾	Carrying Value
Credit Facility	\$ 425,000,000	\$ 175,000,000	\$ (4,990,643)	\$ 170,009,357	\$ 350,000,000	\$ 61,000,000	\$ (1,135,511)	\$ 59,864,489
2026 Notes	70,000,000	70,000,000	(869,686)	69,130,314	20,000,000	20,000,000	(376,029)	19,623,971
July 2027 Notes	80,500,000	80,500,000	(2,495,400)	78,004,600	—	—	—	—
August 2027 Notes	20,000,000	20,000,000	(599,505)	19,400,495	—	—	—	—
Total	\$ 595,500,000	\$ 345,500,000	\$ (8,955,234)	\$ 336,544,766	\$ 370,000,000	\$ 81,000,000	\$ (1,511,540)	\$ 79,488,460

⁽¹⁾ Net of accumulated amortization.

For the three and nine months ended September 30, 2022, the components of interest expense, amortization of deferred debt costs, and the unused fees on the Credit Facility (as defined below) on the Company's borrowings were as follows:

	Three Months Ended September 30, 2022					Nine Months Ended September 30, 2022				
	Interest Expense	Amortization of Deferred Debt Costs	Unused Facility and Other Fees	Total Interest Expense and Fees	Weighted Average Cost of Debt	Interest Expense	Amortization of Deferred Debt Costs	Unused Facility and Other Fees	Total Interest Expense and Fees	Weighted Average Cost of Debt
Credit Facility	\$ 1,667,420	\$ 269,283	\$ 376,684	\$ 2,313,387	7.37 %	\$ 2,901,815	\$ 570,655	\$ 1,427,894	\$ 4,900,364	7.73 %
2026 Notes	743,750	50,062	—	793,812	4.54 %	1,990,417	130,014	—	2,120,431	4.60 %
July 2027 Notes	1,056,563	87,600	—	1,144,163	8.12 %	1,056,563	87,600	—	1,144,163	8.12 %
August 2027 Notes	120,556	10,495	—	131,051	7.61 %	120,556	10,495	—	131,051	7.61 %
Total	\$ 3,588,289	\$ 417,440	\$ 376,684	\$ 4,382,413		\$ 6,069,351	\$ 798,764	\$ 1,427,894	\$ 8,296,009	

For the three and nine months ended September 30, 2021, the components of interest expense, amortization of deferred debt costs, and the unused fees on the Credit Facility (as defined below) on the Company's borrowings were as follows:

	Three Months Ended September 30, 2021					Nine Months Ended September 30, 2021				
	Interest Expense	Amortization of Deferred Debt Costs	Unused Facility and Other Fees	Total Interest Expense and Fees	Weighted Average Cost of Debt	Interest Expense	Amortization of Deferred Debt Costs	Unused Facility and Other Fees	Total Interest Expense and Fees	Weighted Average Cost of Debt
Credit Facility	\$ 811,028	\$ 117,343	\$ 158,861	\$ 1,087,232	4.70 %	\$ 2,295,514	\$ 349,378	\$ 487,277	\$ 3,132,169	4.81 %
2026 Notes	—	—	—	—	— %	—	—	—	—	— %
July 2027 Notes	—	—	—	—	— %	—	—	—	—	— %
August 2027 Notes	—	—	—	—	— %	—	—	—	—	— %
Total	\$ 811,028	\$ 117,343	\$ 158,861	\$ 1,087,232		\$ 2,295,514	\$ 349,378	\$ 487,277	\$ 3,132,169	

Credit Facility

On May 31, 2019, the Company entered into a Credit Agreement with KeyBank National Association, acting as administrative agent and syndication agent and the other lenders party thereto, which initially provided the Company with a \$100.0 million commitment, subject to borrowing base requirements (as amended and restated from time to time, the "Credit Facility"). As of

September 30, 2022, the Company had \$425.0 million in total commitments available under the Credit Facility, which includes an accordion feature that allows the Company to increase the total commitments the Credit Facility up to \$500.0 million. The availability period under the Credit Facility expires on April 20, 2025 and is followed by a one-year amortization period. The stated maturity date under the Credit Facility is April 20, 2026, unless extended.

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

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

For the three and nine months ended September 30, 2022, the weighted average outstanding debt balance was \$126.0 million and \$85.1 million, respectively, and the weighted average effective interest rate was 5.18% and 4.61%, respectively. For the three and nine months ended September 30, 2021, the weighted average outstanding debt balance was \$90.7 million and \$86.5 million, respectively, and the weighted average effective interest rate was 3.50% and 3.50%, respectively.

2026 Notes

On December 10, 2021, the Company completed a private debt offering of \$70 million in aggregate principal amount of 4.25% interest-bearing unsecured Series 2021A Senior Notes due 2026 (the “2026 Notes”) to institutional accredited investors (as defined in Regulation D under the Securities Act of 1933, as amended (the “Securities Act”). The 2026 Notes were issued in two closings, the initial issuance of \$20 million 2026 Notes closed on December 10, 2021 and the second and final issuance of \$50 million 2026 Notes closed on February 10, 2022.

The 2026 Notes bear an interest rate of 4.25% per year and are due on December 10, 2026, unless redeemed, purchased or prepaid prior to such date by the Company or its affiliates in accordance with their terms. Interest on the 2026 Notes will be due semiannually in arrears on June 10 and December 10 of each year, commencing on June 10, 2022. The interest rate is subject to a 1.00% increase in the event that, subject to certain exceptions, the 2026 Notes cease to have an investment grade rating or receive an investment grade rating below the Investment Grade (as defined in the note purchase agreement). The 2026 Notes are general unsecured obligations of the Company that rank *pari passu* with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

Aggregate offering costs in connection with the 2026 Notes issuance, including the underwriter’s discount and commissions, were \$0.9 million, which were capitalized and deferred. As of September 30, 2022 and December 31, 2021, unamortized deferred financing costs related to the 2026 Notes were \$0.9 million and \$0.4 million, respectively.

July 2027 Notes

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

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

Aggregate offering costs in connection with the July 2027 Notes issuance, including the underwriter’s discount and commissions, were \$2.6 million, which were capitalized and deferred. As of September 30, 2022 and December 31, 2021, unamortized deferred financing costs related to the July 2027 Notes were \$2.5 million million and \$0.0 million, respectively.

On August 31, 2022, the Company completed a private debt offering of \$20 million in aggregate principal amount of 7.00% interest-bearing unsecured Series 2022A Senior Notes due 2027 (the “August 2027 Notes”) to HCM Master Fund Limited.

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

Aggregate offering costs in connection with the August 2027 Notes issuance, including the underwriter’s discount and commissions, were \$0.6 million, which were capitalized and deferred. As of September 30, 2022 and December 31, 2021, unamortized deferred financing costs related to the August 2027 Notes were \$0.6 million and \$0.0 million, respectively.

Note 11 – Financial Highlights

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Per Share Data:				
Net asset value at beginning of period	\$ 14.14	\$ 14.61	\$ 14.65	\$ 14.84
Net investment income ⁽¹⁾⁽³⁾	0.36	0.32	1.01	1.04
Realized gain (loss) ⁽¹⁾	0.01	0.02	0.02	(0.13)
Change in unrealized appreciation (depreciation) ⁽¹⁾	(0.08)	(0.04)	(0.70)	(0.10)
Dividends ⁽¹⁾	(0.33)	(0.34)	(0.90)	(1.07)
Accretion (dilution) ⁽¹⁾⁽⁴⁾	0.02	0.03	0.04	0.02
Net asset value at end of period	\$ 14.12	\$ 14.60	\$ 14.12	\$ 14.60
Total return based on net asset value ⁽²⁾	(0.14) %	(0.07) %	(3.62) %	(1.62) %
Weighted average shares outstanding for the period, basic	40,774,154	33,160,481	41,119,467	32,360,107
Ratio/Supplemental Data:				
Net assets at end of period	\$ 573,660,371	\$ 504,200,985	\$ 573,660,371	\$ 504,200,985
Average net assets ⁽⁵⁾	\$ 577,692,553	\$ 482,599,112	\$ 594,469,333	\$ 479,314,523
Ratio of net operating expenses to average net assets ⁽⁶⁾⁽⁷⁾	6.95 %	4.82 %	6.33 %	5.18 %
Ratio of net increase (decrease) in net assets resulting from operations to average net assets ⁽⁷⁾	9.91 %	10.06 %	3.58 %	7.80 %
Portfolio turnover rate ⁽⁸⁾	6.64 %	18.60 %	19.59 %	35.90 %

- Financial highlights are based on weighted-average shares outstanding.
- 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.
- Return from investment operations was 2.55% and 2.19% for the three months ended September 30, 2022 and 2021, respectively. Return from investment operations was 6.89% and 7.01% for the nine months ended September 30, 2022 and 2021, respectively. Return from investment operations represents returns on net investment income (loss) from operations.
- Return from accretion was 0.14% and 0.21% for the three months ended September 30, 2022 and 2021, respectively. Return from accretion was 0.27% and 0.13% for the nine months ended September 30, 2022 and 2021, respectively.
- The annualized ratio of net investment income to average net assets was 11.82% and 10.48% for the three months ended September 30, 2022 and 2021, respectively. The annualized ratio of net investment income to average net assets was 9.81% and 9.82% for the nine months ended September 30, 2022 and 2021, respectively.
- The annualized ratio of net operating expenses excluding incentive fees, to average net assets was 6.32% and 4.26% for the three months ended September 30, 2022 and 2021, respectively. The annualized ratio of net operating expenses excluding incentive fees, to average net assets was 4.88% and 3.83% for the nine months ended September 30, 2022 and 2021, respectively.
- Incentive fees are not annualized.
- The portfolio turnover rate for the three and nine months ended September 30, 2022 and 2021 equals the lesser of investment portfolio purchases or sales during the period, divided by the average investment portfolio value during the period. As such, portfolio turnover rate is not annualized.

Note 12 – Tax Information

Federal income tax regulations differ from accounting principles generally accepted in the United States and distributions in accordance with tax regulations may differ from net investment income and realized gains recognized for financial reporting purposes. Differences may be permanent or temporary in nature. Permanent differences are reclassified among capital accounts in the financial statements to reflect their appropriate tax character. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future.

The following table sets forth the tax cost basis and the estimated aggregate gross unrealized appreciation and depreciation from investments for federal income tax purposes as of and for the period ended September 30, 2022 and the year ended December 31, 2021:

	September 30, 2022 (Unaudited)	December 31, 2021
Tax cost on investments	\$ 937,408,951	\$ 726,968,588
Unrealized appreciation	\$ 8,820,050	\$ 23,598,138
Unrealized depreciation	(36,060,057)	(21,050,452)
Net unrealized appreciation/(depreciation) from investments	\$ (27,240,007)	\$ 2,547,686

Note 13 - Subsequent Events

The Company evaluated events subsequent to September 30, 2022 through November 3, 2022.

On October 4, 2022, the Company's investment in Fidelis Cybersecurity, Inc was partially repaid resulting in \$6,000,000 being repaid and a final payment fee of \$600,000 for total proceeds of \$6,600,000.

On October 12, 2022, the Company funded an investment of \$20,000,000 to Nalu Medical, Inc.

On October 20, 2022, the Company funded an investment of \$44,000,000 to Brivo Systems, LLC.

On October 27, 2022, the Company declared a dividend of \$0.36 per share payable on November 22, 2022 to shareholders of record as of November 8, 2022.

On October 27, 2022, the Company funded an investment of \$5,000,000 to Allurion Technologies, Inc.

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 market volatility resulting from the Russian invasion of Ukraine;
- 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;
- the impact of interest and inflation rates on our business prospects and the prospects of our portfolio companies;
- 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 maintain our qualification as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (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;
- 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, as modified by the annual report on Form 10-K/A for the year ended December 31, 2021, filed with the SEC on March 2, 2022 and March 14, 2022, respectively, 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, as modified by the annual report on Form 10-K/A for the year ended December 31, 2021, filed with the SEC on March 2, 2022 and March 14, 2022, respectively.

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. On August 18, 2021, we changed our name to “Runway Growth Finance Corp.” from “Runway Growth Credit Fund Inc.” We have elected to be regulated as a BDC under the 1940 Act. In addition, we have elected to be treated, have qualified, and intend to continue 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 will remain an emerging growth company until the last day of our fiscal year following the fifth anniversary of our IPO on October 25, 2021, or until the earliest of (i) the last day of the first fiscal year in which we have total annual gross revenue of \$1,070,000,000 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.

In October 2015, in connection with our formation, we issued and sold 1,667 shares of 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 sale of shares of common stock was approved by the unanimous consent of the sole director at the time. On December 1, 2017, we completed

our Initial Private Offering, in which we issued 18,241,157 shares of our common stock to stockholders for a total purchase price of \$275,000,000 in reliance on exemptions from the registration requirements of the Securities Act, and other applicable securities laws.

As of September 30, 2022, we had completed multiple closings under our second private offering (the “Second Private Offering”) and had accepted aggregate capital commitments of \$181,673,500. As of September 30, 2022, in connection with the Second Private Offering we have issued 9,617,379 shares of our common stock for a total purchase price of \$144,260,683. Concurrent with the IPO, all undrawn commitments under the Second Private Offering were cancelled.

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

As of September 30, 2022, we have issued 22,564 shares as an additional direct investment by Runway Growth Holdings LLC, an affiliate of RGC, at a per-share price of \$15.00 for a total purchase price of \$338,453. As of September 30, 2022, we have issued an additional 6,647,847 shares as part of our dividend reinvestment plan. Refer to "Note 6- Net Assets" for further detail.

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

On August 30, 2022, we received an amendment to our existing Order to permit us to, subject to the satisfaction of certain conditions, co-invest in our existing portfolio companies with certain affiliates that are private funds even if such other funds had not previously invested in such existing portfolio company. Without this order, such affiliated funds that are private funds would not be able to participate in such co-investments with us unless the affiliated funds had previously acquired securities of the portfolio company in a co-investment transaction with us.

As of September 30, 2022, approximately 69% of our debt investments had variable rates based on LIBOR. We are actively considering and discussing the preferred alternative benchmark and prioritizing the inclusion of LIBOR fallback language in our documentation. The Alternative Reference Rates Committee (“ARCC”) has recommended using the SOFR rate as an alternative benchmark for U.S. based debt securities.

Portfolio Composition and Investment Activity

Portfolio Composition

At September 30, 2022, we had investments in 43 portfolio companies, representing 24 companies in which we held loan and warrant investments, two companies in which we held loan investments and shares of common, preferred stock, or a combination with warrants, three companies in which we held a loan investment only, nine companies in which we held warrant investments only, and five companies in which we held shares of common or preferred stock only, or a combination with warrants. At December 31, 2021, we had investments in 39 portfolio companies, representing 20 companies where we held loan and warrant investments, 12 companies

where we held warrant interests only, and we held one U.S. Treasury Bill. The following table shows the fair value of our investments, by asset class, as of September 30, 2022 and December 31, 2021:

Investments	September 30, 2022 (Unaudited)			December 31, 2021		
	Cost	Fair Value	% of Total Portfolio	Cost	Fair Value	% of Total Portfolio
Portfolio Investments						
Common Stocks	\$ 8,714,957	\$ 3,138,051	0.3 %	\$ 4,709,744	\$ 11,463,865	1.6 %
Senior Secured Term Loans	881,833,193	862,527,989	94.8	629,009,432	623,053,646	85.4
Second Lien Term Loans	13,450,968	13,403,245	1.5	12,872,588	12,872,588	1.8
Preferred Stocks	14,381,866	12,712,553	1.4	17,337,836	17,037,125	2.3
Warrants	18,212,941	18,387,107	2.0	18,393,141	20,087,550	2.7
Total Portfolio Investments	936,593,925	910,168,945	100.0	682,322,741	684,514,774	93.8
U.S. Treasury Bill	—	—	—	45,001,250	45,001,500	6.2
Total Investments	\$ 936,593,925	\$ 910,168,945	100.0 %	\$ 727,323,991	\$ 729,516,274	100.0 %

For the three and nine months ended September 30, 2022, our debt investment portfolio had a dollar-weighted annualized yield of 14.43% and 13.49%, respectively. For the three and nine months ended September 30, 2021, our debt investment portfolio had a dollar-weighted annualized yield of 15.34% and 14.17%, respectively. We calculate the yield on dollar-weighted debt investments for any period measured as (1) total related investment income during the period divided by (2) the daily average of the fair value of debt investments outstanding during the period. As of September 30, 2022, our debt investments had a dollar-weighted average outstanding term of 54 months at origination and a dollar-weighted average remaining term of 42 months, or approximately 3.5 years. As of September 30, 2022, substantially all of our debt investments had an original committed principal amount of between \$6 million and \$85 million, repayment terms of between 36 months and 61 months and pay cash interest at annual interest rates of between 8.53% and 14.53%.

The following table shows our dollar-weighted annualized yield by investment type for the three and nine months ended September 30, 2022 and 2021:

Investment type:	Fair Value ⁽¹⁾				Cost ⁽²⁾			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021	2022	2021	2022	2021
Debt investments	14.43 %	15.34 %	13.49 %	14.17 %	14.10 %	14.87 %	13.30 %	13.93 %
Equity interest	3.64 %	2.41 %	3.36 %	2.60 %	3.16 %	3.60 %	3.38 %	3.40 %
All investments	13.95 %	13.96 %	12.94 %	13.06 %	13.55 %	14.06 %	12.77 %	13.15 %

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

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

Investment Activity

The value of our investment portfolio will change over time due to changes in the fair value of our underlying investments, as well as changes in the composition of our portfolio resulting from purchases of new and follow-on investments as well as repayments and sales of existing investments. During the nine months ended September 30, 2022, the Company funded \$210.4 million in eight new portfolio companies and \$182.4 million in ten existing portfolio companies, net of upfront loan origination fees. The Company also received \$143.2 million in loan repayments from six portfolio companies and \$7.2 million in proceeds from the termination of warrants, sale of preferred stock, and sale of common stock. During the nine months ended September 30, 2021, the Company funded \$140.1 million in nine new portfolio companies and \$97.0 million in ten existing portfolio companies. The Company also received \$76.1 million in loan repayments from eight portfolio companies and \$2.9 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 nine months ended September 30, 2022 and 2021:

	Nine Months Ended September 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Beginning Investment Portfolio	\$ 729,516,274	\$ 621,826,650
Purchases of Investments ⁽¹⁾	399,164,647	239,458,881
Purchases of U.S. Treasury Bills	—	115,000,509
Amortization of Fixed Income Premiums or Accretion of Discounts	4,575,984	5,539,659
Sales or Repayments of Investments	(143,144,652)	(197,534,296)
Scheduled Principal Payments of Investments	(7,265,675)	(5,671,437)
Sales and Maturities of U.S. Treasury Bills	(44,999,747)	(124,999,118)
Realized Gain (Loss) on Investments	939,377	(4,094,970)
Net Change in Unrealized Appreciation (Depreciation) on Investments	(28,617,263)	(3,172,841)
Ending Investment Portfolio	<u>\$ 910,168,945</u>	<u>\$ 646,353,037</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 ratings of our debt investments at fair value as of September 30, 2022 and December 31, 2021:

Investment Rating	As of September 30, 2022 (Unaudited)			As of December 31, 2021		
	Fair Value	% of Total Portfolio	Number of Portfolio Companies	Fair Value	% of Total Portfolio	Number of Portfolio Companies
1	\$ —	— %	—	\$ 91,424,112	12.5 %	2
2	730,875,660	80.3	22	479,114,147	65.7	17
3	140,588,533	15.4	6	47,490,324	6.5	4
4	—	—	—	3,247,863	0.4	1
5	4,467,041	0.5	1	14,649,788	2.0	1
	<u>\$ 875,931,234</u>	<u>96.2 %</u>	<u>29</u>	<u>\$ 635,926,234</u>	<u>87.2 %</u>	<u>25</u>

The global COVID-19 pandemic, to date, has had limited impact on the investment ratings of our debt investments, taken as a whole. However, the ongoing impact of the global COVID-19 pandemic is uncertain and we can make no assurances that the pandemic or changes in the macroeconomic environment will not have a negative impact on our investment portfolio in the future. In addition, none of our portfolio companies are engaged in cryptocurrency speculation or cryptocurrency mining.

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 September 30, 2022, we had one loan to Pivot3 Holdings, Inc., at a fair value of \$4,467,041 on non-accrual status, which represents 0.78% of the Company's net assets. As of December 31, 2021, we had six loans to Mojix, Inc. and one loan to Pivot3 Holdings, Inc., representing an aggregate principal funded of \$30,278,707 at a fair value of \$28,259,976, on non-accrual status, which represented 4.66% of our net assets.

Results of Operations

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

Comparison of the Three Months Ended September 30, 2022 and 2021

	Three Months Ended September 30,			
	2022		2021	
	Total	Per Share ⁽¹⁾	Total	Per Share ⁽¹⁾
Investment income				
Interest and dividend income	\$ 26,882,500	\$ 0.66	\$ 17,627,628	\$ 0.53
Other income	446,204	0.01	982,438	0.03
Total investment income	27,328,704	0.67	18,610,066	0.56
Operating expenses				
Management fees	3,065,581	0.08	2,301,656	0.07
Incentive fees	3,625,686	0.09	2,686,475	0.08
Interest expense	3,588,289	0.09	812,852	0.02
Professional fees	720,115	0.02	612,854	0.02
Overhead allocation expense	258,191	0.01	249,141	0.01
Insurance expense	268,806	0.01	23,087	—
Administration fee	161,245	—	179,500	0.01
Debt financing fees	794,124	0.02	738,087	0.02
Directors' fees	90,727	—	67,750	—
Tax expense	-	—	—	—
Other expenses	258,991	0.01	197,540	0.01
Total operating expenses	12,831,755	0.31	7,868,942	0.24
Net investment income	14,496,949	0.36	10,741,124	0.32
Realized gain (loss) on investments	406,917	0.01	718,310	0.02
Net change in unrealized appreciation (depreciation) on investments	(3,182,093)	(0.08)	(1,228,382)	(0.04)
Net increase (decrease) in net assets resulting from operations	\$ 11,721,773	\$ 0.29	\$ 10,231,052	\$ 0.31

(1) The basic per share figures noted above are based on weighted averages of 40,774,154 and 33,160,481 shares outstanding for the three months ended September 30, 2022 and 2021, respectively.

Investment Income

Our investment objective is to maximize total return to our stockholders primarily through current income on our loan portfolio, and secondarily through capital 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 strategy 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 \$85.0 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, primarily based on a floating rate index, and subject to certain floors determined by market rates at the time the investment is made. In some cases, some of our investments may provide for deferred interest payments or PIK interest. The principal amount of the debt securities and any accrued but unpaid interest 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 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.

Non-recurring income included in investment income are unamortized original issue discounts recorded as interest income. Other non-recurring income consisting of early prepayment fees, amendment fees, legal fees, and reimbursable income are recorded as fee income when earned. Any other fee income for services rendered, if any, are recorded as other income when earned.

Investment income for the three months ended September 30, 2022 and 2021 was \$27,328,704 and \$18,610,066, respectively, and includes non-recurring income of \$709,345 and \$3,403,585, respectively. The increase in investment income for the three months ended September 30, 2022 compared to the three months ended September 30, 2021 was primarily due to interest income and driven by our deployment of capital, increased invested balance, and increased market interest rates.

Operating Expenses

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

- our pro-rata portion of fees and expenses related an initial public offering of the Public Fund in connection with a Spin-Off transaction;
- fees and expenses related to public and private offerings, sales and repurchases of our securities;
- calculating our net asset value (including the cost and expenses of any independent valuation firm);
- fees and expenses payable to third parties, including agents, consultants or other advisers, in connection with monitoring financial and legal affairs for us and in providing administrative services, monitoring our investments and performing due diligence on our prospective portfolio companies or otherwise relating to, or associated with, evaluating and making investments;
- interest payable on debt incurred to finance our investments;
- sales and purchases of our common stock and other securities;
- investment advisory and management fees;
- administration fees payable under the Administration Agreement;
- transfer agent and custodial fees;
- federal and state registration fees;

- all costs of registration and listing our securities on any securities exchange;
- U.S. federal, state and local taxes;
- independent directors' fees and expenses;
- costs of preparing and filing reports or other documents required by the SEC, the Financial Industry Regulatory Authority or other regulators;
- costs of any reports, proxy statements or other notices to stockholders, including printing costs;
- our allocable portion of any fidelity bond, directors' and officers' errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and
- all other expenses incurred by us, our Administrator or RGC in connection with administering our business, including payments under the Administration Agreement based on our allocable portion of our Administrator's overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our Chief Compliance Officer and Chief Financial Officer and their respective staffs.

Operating expenses for the three months ended September 30, 2022 and 2021 were \$12,831,755 and \$7,868,942, respectively. Operating expenses increased for the three months ended September 30, 2022 from the three months ended September 30, 2021 primarily due to an increase in incentive fees, management fees, debt financing fees, and interest expense. Operating expenses per share for the three months ended September 30, 2022 and 2021 were \$0.31 per share and \$0.24 per share, respectively.

Incentive Fees

Incentive fees for the three months ended September 30, 2022 and 2021 were \$3,625,686 and \$2,686,475, respectively. Incentive fees increased for the three months ended September 30, 2022 from the three months ended September 30, 2021 primarily due to an increase in net investment income. \$3,208,431 of the incentive fees for the three months ended September 30, 2022 were earned, payable in cash, and included under Accrued incentive fees on the Statement of Assets and Liabilities as of September 30, 2022. \$417,255 of the incentive fees for the three months ended September 30, 2022 were deferred and accrued, and included in Accrued incentive fees on the Statement of Assets and Liabilities as of September 30, 2022. \$2,171,245 of the incentive fees for the three months ended September 30, 2021 were earned, payable in cash, and included under Accrued incentive fees on the Statement of Assets and Liabilities as of September 30, 2021. \$515,230 of the incentive fees for the three months ended September 30, 2021 were deferred and accrued, and included under Accrued incentive fees on the Statement of Assets and Liabilities as of September 30, 2021. 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 September 30, 2022 and 2021 were \$0.09 and \$0.08 per share, respectively.

Net Investment Income

Net investment income for the three months ended September 30, 2022 and 2021 was \$14,496,949 and \$10,741,124, respectively. Net investment income increased for the three months ended September 30, 2022 from the three months ended September 30, 2021, primarily due to an increase in net investment income arising increased interest rates. Net investment income per share for the three months ended September 30, 2022 and 2021 was \$0.36 per share and \$0.32 per share, respectively.

Net Realized Gain (Loss) on Investments

The net realized gain on investments of \$406,917 for the three months ended September 30, 2022 was primarily due to the gain on a portion of our investment in the common stock of Brilliant Earth Group, Inc and partially offset by a loss of our investment in the warrants in Aspen Group Inc. The net realized gain on investments of \$718,310 for the three months ended September 30, 2021 was primarily due to the gain on a portion of our investment in the common stock of Porch Group, Inc. and Ouster, Inc. and warrants of Brilliant Earth LLC.

Net Change in Unrealized Appreciation (Depreciation) on Investments

Net change in unrealized depreciation on investments of \$3,182,093 for the three months ended September 30, 2022 was primarily due to decreases in the fair value of our senior secured loan to Pivot3 Holdings, Inc. The net change in unrealized depreciation on investments of \$1,228,382 for the three months ended September 30, 2021 was primarily due to decreases in the fair value of our investment in the common stock of Ouster, Inc. and warrants in CareCloud, Inc. and Circadence Coporation and partially offset by an increase in the fair value of our senior secured loan in Mojix, Inc.

Net Increase (Decrease) in Net Assets Resulting from Operations

We had a net increase in net assets resulting from operations of \$11,721,773 for the three months ended September 30, 2022, as compared to a net increase in net assets resulting from operations of \$10,231,052 for the three months ended September 30, 2021. The net increase in net assets resulting from operations for the three months ended September 30, 2022 from the three months ended September 30, 2021 was primarily due to decreases in unrealized depreciation in our portfolio and an increase in operating expenses for the three months ended September 30, 2022.

Comparison of the nine months ended September 30, 2022 and 2021

	Nine Months Ended September 30,			
	2022		2021	
	Total	Per Share ⁽¹⁾	Total	Per Share ⁽¹⁾
Investment income				
Interest and dividend income	\$ 70,216,822	\$ 1.71	\$ 51,114,763	\$ 1.58
Other income	1,528,871	0.04	2,663,677	0.08
Total investment income	<u>71,745,693</u>	<u>1.74</u>	<u>53,778,440</u>	<u>1.66</u>
Operating expenses				
Management fees	8,487,820	0.21	6,647,207	0.21
Incentive fees	8,590,821	0.21	6,498,482	0.20
Interest expense	6,070,906	0.15	2,302,582	0.07
Professional fees	1,968,036	0.05	1,433,360	0.04
Overhead allocation expense	713,457	0.02	655,260	0.02
Insurance expense	806,042	0.02	69,638	—
Administration fee	497,896	0.01	420,360	0.01
Debt financing fees	2,226,658	0.05	1,447,288	0.04
Directors' fees	261,727	0.01	201,750	0.01
Tax expense	1,073	—	41	—
Other expenses	685,841	0.02	539,142	0.02
Total operating expenses	<u>30,310,277</u>	<u>0.74</u>	<u>20,215,110</u>	<u>0.62</u>
Net investment income	<u>41,435,416</u>	<u>1.01</u>	<u>33,563,330</u>	<u>1.04</u>
Realized gain (loss) on investments	939,377	0.02	(4,076,766)	(0.13)
Net change in unrealized appreciation (depreciation) on investments	(28,617,263)	(0.70)	(3,172,841)	(0.10)
Net increase (decrease) in net assets resulting from operations	<u>\$ 13,757,530</u>	<u>\$ 0.33</u>	<u>\$ 26,313,723</u>	<u>\$ 0.81</u>

(1) The basic per share figures noted above are based on weighted averages of 41,119,467 and 32,360,107 shares outstanding for the nine months ended September 30, 2022 and 2021, respectively.

Investment Income

Investment income for the nine months ended September 30, 2022 and 2021 was \$71,745,693 and \$53,778,440, respectively, and includes non-recurring income of \$3,357,795 and \$6,972,631, respectively. The increase in investment income for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 was primarily due to interest income and driven by our deployment of capital, increased invested balance, prepayments, end-of-term payments, and increased market interest rates.

Operating Expenses

Operating expenses for the nine months ended September 30, 2022 and 2021 were \$30,310,277 and \$20,215,110 respectively. Operating expenses increased for the nine months ended September 30, 2022 from the nine months ended September 30, 2021 primarily due to an increase in incentive fees, management fees, debt financing fees, and interest expense. Operating expenses per share for the nine months ended September 30, 2022 and 2021 were \$0.74 per share and \$0.62 per share, respectively.

Incentive Fees

Incentive fees for the nine months ended September 30, 2022 and 2021 were \$8,590,821 and \$6,498,482, respectively. Incentive fees increased for the nine months ended September 30, 2022 from the nine months ended September 30, 2021 primarily due to an increase in net investment income arising from increased market interest rates and from the income acceleration from the loan repayment in Mojix, Inc. \$7,293,008 of the incentive fees for the nine months ended September 30, 2022 were earned, payable in cash, and included under Accrued incentive fees on the Statement of Assets and Liabilities as of September 30, 2022. \$1,297,812 of the incentive fees for the nine months ended September 30, 2022 were deferred and accrued, and included in Accrued incentive fees on the Statement of Assets and Liabilities as of September 30, 2022. \$5,140,115 of the incentive fees for the nine months ended September 30, 2021 were earned, payable in cash, and included under Accrued incentive fees on the Statement of Assets and Liabilities as of September 30, 2021. \$1,358,367 of the incentive fees for the nine months ended September 30, 2021 were deferred and accrued, and included under Accrued incentive fees on the Statement of Assets and Liabilities as of September 30, 2021. 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 nine months ended September 30, 2022 and 2021 were \$0.21 and \$0.20 per share, respectively.

Net Investment Income

Net investment income for the nine months ended September 30, 2022 and 2021 was \$41,435,416 and \$33,563,330, respectively. Net investment income increased for the nine months ended September 30, 2022 from the nine months ended September 30, 2021, primarily due to an increase in interest income resulting from an increase in the size of the investment portfolio and increased market interest rates and from the income acceleration from the loan repayment in Mojix, Inc. Net investment income per share for the nine months ended September 30, 2022 and 2021 was \$1.01 per share and \$1.04 per share, respectively.

Net Realized Gain (Loss) on Investments

The net realized gain on investments of \$939,377 for the nine months ended September 30, 2022 was primarily due to the gain on a portion of our investment in the common stock of Brilliant Earth Group, Inc. partially offset by the loss on our investments in the preferred stock and warrants in CareCloud, Inc and Aspen Group Inc. The net realized loss on investments of \$4,076,766 for the nine months ended September 30, 2021 was primarily due to the loss on a portion of our investment in the preferred stock of CareCloud, Inc.

Net Change in Unrealized Appreciation (Depreciation) on Investments

Net change in unrealized depreciation on investments of \$28,617,263 for the nine months ended September 30, 2022 was primarily due to decreases in the fair value of our senior secured loan to Pivot3 Holdings, Inc., common stock of Brilliant Earth Group, Inc., and common stock of Coginiti Corp. The net change in unrealized depreciation on investments of \$3,172,841 for the nine months ended September 30, 2021 was primarily due to decreases in the fair value of our senior secured loans to Pivot3 Holdings, Inc. and our investment in the preferred stock of Pivot3 Holdings, Inc. This was partially offset by an increase in the fair value of our investment in the common stock of Ouster, Inc. and Brilliant Earth LLC.

Net Increase (Decrease) in Net Assets Resulting from Operations

We had a net increase in net assets resulting from operations of \$13,757,530 for the nine months ended September 30, 2022, as compared to a net increase in net assets resulting from operations of \$26,313,723 for the nine months ended September 30, 2021. The net decrease in net assets resulting from operations for the nine months ended September 30, 2022 from the nine months ended September 30, 2021 was primarily due to an increase in unrealized depreciation in our portfolio and an increase in operating expenses for the nine months ended September 30, 2022.

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 Facility (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, which may be secured or unsecured, through registered offerings or private placements. Our primary use of funds is to make investments in eligible portfolio companies, pay our operating expenses and make distributions to holders of our common stock.

During the nine months ended September 30, 2022, cash and cash equivalents increased to \$5,774,074 from \$4,696,693 as of December 31, 2021. This increase was primarily the result of the purchase of investments in portfolio companies and was partially offset by the repayment of investments, proceeds from our 2027 Notes, and net borrowings under the Credit Facility.

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, 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, pursuant to the dividend reinvestment plan or the IPO as follows:

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 ⁽¹⁾	70,563	14.82	1,045,570
August 31, 2018 ⁽¹⁾	117,582	14.92	1,754,244
September 27, 2018	1,997,337	15.02	30,000,000
November 15, 2018 ⁽¹⁾	202,779	15.07	3,055,498
January 14, 2019	4,344,964	15.19	66,000,000
March 26, 2019 ⁽¹⁾	326,431	15.14	4,942,168
May 21, 2019 ⁽¹⁾	374,783	15.13	5,670,467
May 24, 2019	3,232,189	15.16	49,000,000
July 16, 2019 ⁽¹⁾	464,986	15.13	7,035,236
August 26, 2019 ⁽¹⁾	480,121	14.76	7,088,143
October 15, 2019	1,666,667	15.00	25,000,000
November 12, 2019 ⁽¹⁾	43,979	14.76	649,123
December 20, 2019	3,333,333	15.00	50,000,000
December 23, 2019 ⁽¹⁾	487,166	14.52	7,073,650
March 20, 2020 ⁽¹⁾	575,132	14.58	8,385,423
March 31, 2020	21,021	15.00	315,308
May 20, 2020 ⁽¹⁾	529,020	14.25	7,538,541
August 6, 2020 ⁽¹⁾	550,639	14.41	7,934,712
October 15, 2020	3,333,333	15.00	50,000,000
November 12, 2020 ⁽¹⁾	593,692	14.46	8,584,772
March 19, 2021 ⁽¹⁾	618,815	14.84	9,183,220
March 24, 2021	20,461	15.00	306,911
May 13, 2021 ⁽¹⁾	637,127	14.77	9,410,371
August 12, 2021 ⁽¹⁾	575,032	14.61	8,401,215
September 29, 2021	1,265,128	15.00	18,976,917
October 25, 2021	6,850,000	14.60	100,010,000
Total	41,380,614		\$ 617,386,489

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

Stock Repurchase Plans

On February 24, 2022, the Board of Directors approved the Repurchase Program under which the Company may repurchase up to \$25 million of its outstanding common stock. Under the Repurchase Program, purchases may be made at management's discretion from time to time in open-market transactions, in accordance with all applicable securities laws and regulations. Unless extended by the Board of Directors, the repurchase program will terminate 12-months from the date it was approved.

The following table provides information regarding our repurchases of our common stock pursuant to the Repurchase Program for the nine months ended September 30, 2022.

	Total Number of Shares Repurchased	Average Price Paid Per Share	Approximate Dollar Value of Shares That Have Been Purchased Under the Plan	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plan
Quarter ended March 31, 2022	31,782	\$ 12.88	\$ 409,223	\$ 24,590,777
Quarter ended June 30, 2022	381,710	12.76	4,870,014	19,720,763
Quarter ended September 30, 2022	331,264	12.14	4,022,696	15,698,067

Contractual Obligations

At September 30, 2022, the Company had \$329,284,615 in unfunded loan commitments, many of which are subject to portfolio company performance milestones, to provide debt financing to 18 portfolio companies. The Company’s management believes that its available cash balances and availability under the Credit Facility, provides sufficient funds to cover its unfunded commitments as of September 30, 2022. See “Note 10 – Borrowings” to our financial statements in Part I, Item 1 of this Form 10-Q for more information on the Company's borrowings.

Portfolio Company	Investment Type	September 30, 2022
Allurion Technologies, Inc.	Senior Secured Term Loan	\$ 15,000,000
CloudPay, Inc.	Senior Secured Term Loan	15,000,000
Dtex Systems, Inc.	Senior Secured Term Loan	10,000,000
EBR Systems, Inc.	Senior Secured Term Loan	30,000,000
INRIX, Inc.	Senior Secured Term Loan	5,000,000
Intellisite Holdings, Inc. (dba Epic IO Technologies, Inc.)	Senior Secured Term Loan	10,000,000
Interactions Corporation	Senior Secured Term Loan	10,000,000
Kin Insurance, Inc.	Senior Secured Term Loan	25,000,000
Moximed, Inc.	Senior Secured Term Loan	15,000,000
Mustang Bio, Inc.	Senior Secured Term Loan	45,000,000
Revelle Aesthetics, Inc.	Senior Secured Term Loan	12,500,000
Route 92 Medical, Inc.	Senior Secured Term Loan	42,000,000
SetPoint Medical Corporation	Senior Secured Term Loan	25,000,000
ShareThis, Inc.	Senior Secured Term Loan	3,000,000
Snagajob.com, Inc.	Senior Secured Term Loan	6,784,615
Synack, Inc.	Senior Secured Term Loan	25,000,000
TRACON Pharmaceuticals, Inc.	Senior Secured Term Loan	25,000,000
VERO Biotech LLC	Senior Secured Term Loan	10,000,000
Total unused commitments to extend financing		\$ 329,284,615

	Payments Due by Period				
	Total	Less than 1 Year	1-3 years	3-5 years	More than 5 Years
Credit Facility	\$ 175,000,000	\$ —	\$ —	\$ 175,000,000	\$ —
2026 Notes	70,000,000	—	—	70,000,000	—
2027 Notes	100,500,000	—	—	100,500,000	—
Total	\$ 345,500,000	\$ —	\$ —	\$ 345,500,000	\$ —

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.

If newly issued shares are used to implement the dividend reinvestment plan, the number of shares to be issued to a shareholder will be determined by dividing the total dollar amount of the cash dividend or distribution payable to a shareholder by the market price per share of our common stock at the close of regular trading on the Nasdaq Global Select Market on the payment date of a distribution, or if no sale is reported for such day, the average of the reported bid and ask prices. However, if the market price per share on the payment date of a cash dividend or distribution exceeds the most recently computed net asset value per share, we will issue shares at the greater of (i) the most recently computed net asset value per share and (ii) 95% of the current market price per share (or such lesser discount to the current market price per share that still exceeded the most recently computed net asset value per share).

If shares are purchased in the open market to implement the dividend reinvestment plan, the number of shares to be issued to a shareholder shall be determined by dividing the dollar amount of the cash dividend payable to such shareholder by the weighted average price per share for all shares purchased by the plan administrator in the open market in connection with the dividend.

The number of shares to be issued to a participant in the dividend reinvestment plan are rounded downward to the nearest whole number to avoid the issuance of fractional shares, and any fractional share otherwise issuable to a participant but for this provision is instead be paid to such participant in cash contemporaneously with the issuance of such shares in connection with such cash dividend.

During the three and nine months ended September 30, 2022, we declared and paid dividends in the amount of \$13,450,710 and \$37,005,717, respectively, of which \$12,783,588 and \$26,708,902, respectively, was distributed in cash and the remainder distributed in shares to stockholders pursuant to the Company's dividend reinvestment plan. During the year ended December 31, 2021, we declared and paid dividends in the amount of \$44,942,937, of which \$17,948,126 was distributed in cash and the remainder distributed in shares to stockholders pursuant to our dividend reinvestment plan.

The timing and amount of our distributions, if any, will be determined by our Board of Directors and will be declared out of assets legally available for distribution. The following table shows the dividends per share declared since our formation through September 30, 2022.

Date Declared	Record Date	Payment Date	Amount per Share
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 5, 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
May 7, 2020	May 8, 2020	May 21, 2020	\$ 0.35
August 5, 2020	August 6, 2020	August 20, 2020	\$ 0.36
October 1, 2020	October 1, 2020	November 12, 2020	\$ 0.38
March 4, 2021	March 5, 2021	March 19, 2021	\$ 0.37
April 29, 2021	April 30, 2021	May 13, 2021	\$ 0.37
July 19, 2021	July 20, 2021	August 12, 2021	\$ 0.34
October 28, 2021	November 8, 2021	November 22, 2021	\$ 0.25
February 24, 2022	March 8, 2022	March 2, 2022	\$ 0.27
April 28, 2022	May 10, 2022	May 24, 2022	\$ 0.30
July 28, 2022	August 9, 2022	August 23, 2022	\$ 0.33

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 portfolio investments at fair value in accordance with ASC Topic 820, *Fair Value Measurements* ("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 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 of such portfolio investments 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 high growth-potential companies focused in technology, life sciences, healthcare information and services, business services, select consumer services and products 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.

Rule 2a-5 under the 1940 Act was adopted by the SEC in December 2020 and establishes a framework for determining fair value in good faith for purposes of the 1940 Act. The Company complied with the mandatory provision of Rule 2a-5 by the September 2022 compliance date.

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 that 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; 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 September 30, 2022 and December 31, 2021 were as follows:

	As of September 30, 2022 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Portfolio Investments				
Common Stock	\$ 496,498	\$ 1,413,356	\$ 1,228,197	\$ 3,138,051
Senior Secured Term Loans	—	—	862,527,989	862,527,989
Second Lien Term Loans	—	—	13,403,245	13,403,245
Preferred Stock	12,327,868	—	384,685	12,712,553
Warrants	—	66,950	18,320,157	18,387,107
Total Portfolio Investments	12,824,366	1,480,306	895,864,273	910,168,945
Total Investments	\$ 12,824,366	\$ 1,480,306	\$ 895,864,273	\$ 910,168,945

	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Portfolio Investments				
Common Stock	\$ 2,559,932	\$ 8,903,933	\$ —	\$ 11,463,865
Senior Secured Term Loans	—	—	623,053,646	623,053,646
Second Lien Term Loans	—	—	12,872,588	12,872,588
Preferred Stock	15,704,705	—	1,332,420	17,037,125
Warrants	—	—	20,087,550	20,087,550
Total Portfolio Investments	18,264,637	8,903,933	657,346,204	684,514,774
U.S. Treasury Bill	45,001,500	—	—	45,001,500
Total Investments	\$ 63,266,137	\$ 8,903,933	\$ 657,346,204	\$ 729,516,274

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 on the statement of operations.

Dividends are recorded on the applicable 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. OID, 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 Advisory Agreement and the fee structure thereunder.

Income Taxes

We have elected to be treated, have qualified 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

We evaluated events subsequent to September 30, 2022 through November 3, 2022.

On October 4, 2022, our investment in Fidelis Cybersecurity, Inc was partially repaid resulting in \$6,000,000 being repaid and a final payment fee of \$600,000 for total proceeds of \$6,600,000.

On October 12, 2022, we funded an investment of \$20,000,000 to Nalu Medical, Inc.

On October 20, 2022, we funded an investment of \$44,000,000 to Brivo Systems, LLC.

On October 27, 2022, we declared a dividend of \$0.36 per share payable on November 22, 2022 to shareholders of record as of November 8, 2022.

On October 27, 2022, we funded an investment of \$5,000,000 to Allurion Technologies, Inc.

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.

Valuation Risk

Our investments may not have a readily available market price, and we value these investments at fair value as determined in good faith by our Board of Directors in accordance with our valuation policy. There is no single standard for determining fair value in good faith. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments we make. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and it is possible that the difference could be material.

Interest Rate Risk

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 connection with the COVID-19 pandemic, the U.S. Federal Reserve and other central banks have reduced certain interest rates and LIBOR has decreased. 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, SOFR or the U.S. Prime Rate, with many of these investments also having a floor. As of September 30, 2022, 97%, or \$869,649,915 (at cost), of our debt portfolio investments bore interest at variable rates, which are U.S. Prime Rate, SOFR or LIBOR-based and subject to certain floors, and one of our debt portfolio investments bore interest at a fixed rate. Interest rate floors are established based on prevailing rates at the time of the investment. As 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 \$17,460,063 and decrease our investment income by a maximum of \$16,166,067, due to certain floors, on an annual basis. In a low interest rate environment, debt investments with interest rate floors substantially in excess of current prevailing interest rates may be more likely to experience early termination.

Borrowings under the Credit Facility bear interest, at our election at the time of drawdown, at a rate per annum equal to the SOFR rate for the applicable interest period, subject to a SOFR rate floor of 0.15%, plus (1) 3.35% at any time that there are fourteen or fewer obligors that are not affiliates of the Company with respect to the loan; (2) 3.10% at any time that there are fifteen or more obligors that are not affiliates but fewer than thirty obligors that are not affiliates with respect to the loan; and (3) 2.95% at any time that there are thirty or more obligors that are not affiliates with respect to the loan; and (b) when the Company's leverage ratio on the last day of the immediately preceding interest period was greater than 1.0x, 3.35%.

On March 5, 2021, the United Kingdom's Financial Conduct Authority (the "FCA"), which regulates LIBOR, announced that (i) 24 LIBOR settings would cease to exist immediately after December 31, 2021 (all seven euro LIBOR settings; all seven Swiss franc LIBOR settings; the Spot Next, 1-week, 2-month, and 12-month Japanese yen LIBOR settings; the overnight, 1-week, 2-month, and 12-month sterling LIBOR settings; and the 1-week and 2-month US dollar LIBOR settings) and (ii) the overnight and 1, 3, 6 and 12-month US LIBOR settings would cease to exist after June 30, 2023; and (iii) the FCA would consult on whether the remaining LIBOR settings should continue to be published on a synthetic basis for a certain period using the FCA's proposed new powers that the UK government is legislating to grant to them. Additionally, on March 15, 2022, President Biden signed into law the Consolidated Appropriations Act of 2022, which among other things, provides for the use of interest rates based on SOFR in certain contracts currently based on LIBOR and a safe harbor from liability for utilizing SOFR-based interest rates as a replacement for LIBOR.

The elimination 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, 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. In addition, the amendments to the terms of our Credit Facility in connection with the discontinuation of LIBOR may cause the Credit Facility to 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 market disruptions, including the continued impact of the COVID-19 pandemic 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 any such legal proceedings cannot be predicted with certainty, we do not expect that any such 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 known to us during the period ended September 30, 2022 to the risk factors discussed in “Risk Factors” in Part I, Item 1A of our annual report on Form 10-K, as modified by the annual report on Form 10-K/A for the year ended December 31, 2021, filed with the SEC on March 2, 2022 and March 14, 2022, respectively.

The Russian invasion of Ukraine may have a material adverse impact on us and our portfolio companies.

On February 24, 2022, the President of Russia, Vladimir Putin, announced a military invasion of Ukraine. In response, countries worldwide, including the United States, have imposed sanctions against Russia on certain businesses and individuals, including, but not limited to, those in the banking, import and export sectors. This invasion has led, is currently leading, and for an unknown period of time will continue to lead to disruptions in local, regional, national, and global markets and economies affected thereby. These disruptions caused by the invasion have included, and may continue to include, political, social, and economic disruptions and uncertainties that may affect our business operations or the business operations of our portfolio companies.

Inflation may adversely affect our business by impacting the results of operations and the financial condition of our portfolio companies.

Recent market indicators show a rise in inflation, and the Federal Reserve has raised certain benchmark interest rates in an effort to slow inflation. As inflation increases, certain of our portfolio companies may be impacted, which could adversely affect their operating results and impact their ability to pay interest and principal on our loans. In addition, a decrease in our portfolio companies’ operating results may adversely impact the fair value of those investments, which could result in future realized or unrealized losses, reducing our net assets from operations.

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

None.

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 ⁽¹⁾
3.2	Articles of Amendment ⁽²⁾
3.3	Second Amended and Restated Bylaws ⁽²⁾
4.1	Indenture, dated July 28, 2022, by and between Runway Growth Finance Corp. and US Bank Trust Company, National Association as trustee ⁽³⁾
4.2	First Supplemental Indenture, dated July 28, 2022, between Runway Growth Finance Corp. and U.S. Bank Trust Company, National Association, as trustee ⁽³⁾
10.2	Underwriting Agreement, dated July 21, 2022, by and among the Company, Runway Growth Capital LLC and Oppenheimer & Co. Inc., as representative of each of the several underwriter ⁽⁴⁾
10.3	Amended and Restated Dividend Reinvestment Plan ⁽⁵⁾
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*
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* 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 August 19, 2021.

(3) Previously filed as an exhibit to the Registrant’s Current Report on Form 8-K filed with the SEC on July 28, 2022.

(4) Previously filed as an exhibit to the Registrant’s Current Report on Form 8-K filed with the SEC on July 22, 2022.

(5) Previously filed as an exhibit to the Registrant’s Current Report on Form 8-K filed with the SEC on October 27, 2021.

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: November 3, 2022

RUNWAY GROWTH FINANCE CORP.

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

Date: November 3, 2022

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

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

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

1. I have reviewed this quarterly report on Form 10-Q of Runway Growth Finance Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in 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.

Date: November 3, 2022

By: _____ /s/ Thomas B. Raterman
Thomas B. Raterman
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Runway Growth Finance Corp. (the "Company") on Form 10-Q for the period ending September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 3, 2022

By: _____
/s/ R. David Spreng
R. David Spreng
Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Runway Growth Finance Corp. (the "Company") on Form 10-Q for the period ending September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 3, 2022

By: _____ /s/ Thomas B. Raterman
Thomas B. Raterman
Chief Financial Officer
