

October 31, 2024



MOUNT LOGAN
CAPITAL

Mount Logan Capital Inc. Announces Strategic Minority Investment in Leading North American Lending Platform

BC Partners Credit agreed to indirectly acquire a majority stake in Runway Growth Capital LLC, an SEC registered investment adviser, managing approximately \$1.4 billion in private credit assets

Mount Logan purchasing the remaining minority stake in Runway through the issuance of \$5 million common shares of Mount Logan

Runway focuses on providing \$30 to \$150 million senior loans to fast-growing North American companies

Mount Logan and BC Partners' investment benefits existing Runway investors through origination channel expansion, augmented capital availability and expanded investment solution capabilities

Mount Logan benefits from the alignment with a best-in-class manager in the high-growth venture lending space, further diversifying Mount Logan's private credit capabilities and positioning the platform for additional asset growth through this new lending vertical

**NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR
DISSEMINATION IN THE UNITED STATES**

TORONTO, Oct. 31, 2024 (GLOBE NEWSWIRE) -- Mount Logan Capital Inc. (CBOE: MLC) ("Mount Logan," "our," "we," or the "Company") is pleased to announce that it has agreed to purchase a minority stake in Runway Growth Capital LLC ("Runway"), a leading provider of growth loans to both venture and non-venture-backed companies. Runway is the investment adviser to investment funds, including Runway Growth Finance Corp. (Nasdaq: RWAY) ("Runway Growth Finance"), a business development company, and other private funds. All amounts are stated in United States dollars, unless otherwise indicated.

Key Commentary

- Runway, a leading provider of growth loans to both venture and non-venture-backed companies seeking an alternative to raising equity, and BC Partners

Credit, the \$8 billion credit arm of BC Partners, an approximately \$40 billion AUM alternative investment firm, today announced a definitive agreement whereby BC Partners Credit will acquire a majority stake in Runway.

- **Mount Logan is acquiring the remaining minority stake in Runway** in exchange for \$5 million of Mount Logan common shares, alongside BC Partners and its affiliates majority investment. There will be no changes following the close of the transaction to the management team or day-to-day operations of the Company. Mount Logan's \$5 million indirect interest in Runway will be satisfied through the issuance of common shares of Mount Logan to certain selling members of Runway, at a price per share to be determined upon closing of the offering based on the 20-day volume weighted average price of the common shares of Mount Logan prior to the date thereof, subject to the approval of the Cboe Canada.
- **Mount Logan expected to benefit significantly from access to Runway's differentiated private credit investing capabilities**, specifically focused on venture and non-venture backed growth companies. The transaction further bolsters Mount Logan's portfolio of credit products.
- **Mount Logan looks forward to working closely with BC Partners Credit and Runway's management and investment teams to capitalize on the opportunities available in the North American credit markets.**
- **Runway Growth Capital LLC is expected to remain the investment advisor to its managed investment funds**, including Runway Growth Finance Corp. (Nasdaq: RWAY) ("Runway Growth Finance"), a business development company, and other private funds.
- **The closing of the transaction, which is expected to occur in the fourth quarter of 2024, is subject to customary closing conditions**, including approval of the new investment advisory agreement with Runway by Runway Growth Finance's stockholders, the terms of which are expected to remain the same as the existing investment advisory agreement. The Runway Growth Finance Board of Directors unanimously recommended that Runway Growth Finance's stockholders approve the new investment advisory agreement, under which Runway will continue in its capacity as the Company's investment adviser. Senior management of Runway Growth Capital LLC has agreed to vote their shares in favor of the transaction.
- Wildeboer Dellelce LLP is acting as Canadian legal counsel to Mount Logan. Simpson Thacher & Bartlett LLP is acting as legal counsel to BC Partners. Oppenheimer & Co. Inc. is acting as exclusive financial advisor to Runway Growth Capital LLC. Wachtell, Lipton, Rosen & Katz is acting as legal counsel to Runway Growth Capital LLC and Eversheds Sutherland (US) LLP is acting as legal counsel to the independent directors of Runway Growth Finance.

Management Commentary

- **Ted Goldthorpe, Chief Executive Officer and Chairman of Mount Logan**, said, "David and the team at Runway have built one of the most well-respected, pure-play late- and growth-stage lending platforms in venture lending, and we are extremely excited to work with them to build on their strong momentum. We see incredibly compelling opportunities for Runway to create value for investors and borrowers under the Mount Logan and BC Partners Credit umbrellas. We see tremendous benefits for Mount Logan investors from the strategic alignment with the Runway team, expanding our credit investment expertise and ability to increase our products offered to our target markets, and moving Mount Logan another step closer to operating as a fully diversified Private Credit manager."

- **David Spreng, Chief Executive Officer and Founder of Runway**, said, “This transaction will deliver increased value for both investors and borrowers in the near- and long-term as we join the BC Partners platform. We believe strongly in the benefits of combining our expertise with the capabilities of the BC Partners platform and Mount Logan, a growing North American asset management and insurance solutions business. We see strategic long-term value in broadening the investor universe for our venture lending product across institutional, retail and insurance pockets of capital. We are excited about delivering to our investors the increased benefits from greater exposure and access to a larger number of investment opportunities, additional diversification and the potential for improved returns, which will accrue to the benefit of all stakeholders.”

About Mount Logan Capital Inc.

Mount Logan Capital Inc. is an alternative asset management and insurance solutions company that is focused on public and private debt securities in the North American market and the reinsurance of annuity products primarily through its wholly owned subsidiaries, Mount Logan Management LLC and Ability Insurance Company (“Ability”), respectively. The Company also actively sources, evaluates, underwrites, manages, monitors and primarily invests in loans, debt securities, and other credit-oriented instruments that present attractive risk-adjusted returns and present low risk of principal impairment through the credit cycle.

Ability is a Nebraska domiciled insurer and reinsurer of long-term care policies and annuity products acquired by Mount Logan in the fourth quarter of fiscal year 2021. Ability is unique in the insurance industry in that its long-term care portfolio’s morbidity risk has been largely reinsured to third parties, and Ability is also no longer insuring or re-insuring new long-term care risk.

About BC Partners & BC Partners Credit

BC Partners is a leading international investment firm in private equity, private debt, and real estate strategies. BC Partners Credit was launched in February 2017, with a focus on identifying attractive credit opportunities in any market environment, often in complex market segments. The platform leverages the broader firm's deep industry and operating resources to provide flexible financing solutions to middle-market companies across Business Services, Industrials, Healthcare and other select sectors. For further information, visit www.bcpartners.com/credit-strategy.

About Runway Growth Capital LLC

Runway Growth Capital LLC is the investment adviser to investment funds, including Runway Growth Finance Corp. (Nasdaq: RWAY), a business development company, and other private funds, which are lenders of growth capital to companies seeking an alternative to raising equity. Led by industry veteran David Spreng, these funds provide senior term loans of a target of \$30 million to \$150 million to fast-growing companies based in the United States and Canada. For more information on Runway Growth Capital LLC and its platform, please visit our website at www.runwaygrowth.com.

About Runway Growth Finance Corp.

Runway Growth Finance is a growing specialty finance company focused on providing flexible capital solutions to late- and growth-stage companies seeking an alternative to raising equity. Runway Growth Finance is a closed-end investment fund that has elected to

be regulated as a business development company under the Investment Company Act of 1940. Runway Growth Finance is externally managed by Runway Growth Capital LLC, an established registered investment adviser that was formed in 2015 and led by industry veteran David Spreng. For more information, please visit www.runwaygrowth.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements and information within the meaning of applicable securities legislation. Forward-looking statements can be identified by the expressions "seeks", "expects", "believes", "estimates", "will", "target" and similar expressions. The forward-looking statements are not historical facts but reflect the current expectations of the Company regarding future results or events and are based on information currently available to it. Certain material factors and assumptions were applied in providing these forward-looking statements. The forward-looking statements discussed in this release include, but are not limited to, statements relating to the Company's business strategy, model, approach and future activities; portfolio composition, size and performance, asset management activities and related income, capital raising activities, future credit opportunities of the Company, portfolio realizations, the protection of stakeholder value, the expansion of the Company's loan portfolio, including through its investment in Runway, synergies to be achieved by both the Company and Runway through the Company's strategic minority investment, any future growth and expansion of each of both the Company and Runway, any change in earnings potential for the Company as a result of any growth of Runway, the business and future activities and prospects of Runway and the Company and the approval of the Cboe for the issuance of common shares of the Company to the selling members of Runway. All forward-looking statements in this press release are qualified by these cautionary statements. The Company believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, the Company can give no assurance that the actual results or developments will be realized by certain specified dates or at all. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including that the expected synergies of the investment in Runway may not be realized as expected; the risk that each of the Company and Runway may require a significant investment of capital and other resources in order to expand and grow their respective businesses; the Company has a limited operating history with respect to an asset management oriented business model and the matters discussed under "Risk Factors" in the most recently filed annual information form and management discussion and analysis for the Company. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. The Company undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances except as required by securities laws. These forward-looking statements are made as of the date of this press release.

This press release is not, and under no circumstances is it to be construed as, a prospectus or an advertisement and the communication of this release is not, and under no circumstances is it to be construed as, an offer to sell or an offer to purchase any securities in the Company or in any fund or other investment vehicle. This press release is not intended for U.S. persons. The Company's shares are not registered under the U.S. Securities Act of 1933, as amended, and the Company is not registered under the U.S. Investment Company Act of 1940 (the "1940 Act"). U.S. persons are not permitted to purchase the Company's shares absent an applicable exemption from registration under each of these Acts. In addition, the number of investors in the United States, or which are

U.S. persons or purchasing for the account or benefit of U.S. persons, will be limited to such number as is required to comply with an available exemption from the registration requirements of the 1940 Act.

Contacts:

Mount Logan Capital Inc.

365 Bay Street, Suite 800
Toronto, ON M5H 2V1

Nikita Klassen
Chief Financial Officer
Nikita.Klassen@mountlogancapital.ca

Runway

Investors:

Alex Jorgensen
Prosek Partners
rway@prosek.com

Thomas B. Raterman
Chief Financial Officer and Chief Operating Officer
tr@runwaygrowth.com

Media:

Josh Clarkson
Prosek Partners
rway@prosek.com



MOUNT LOGAN
CAPITAL

Source: Mount Logan Capital Inc.