



Runway Growth Finance Corp.

Second Quarter 2022 Investor
Presentation

NASDAQ Listed | RWAY | RWAYL



August 4, 2022

Forward-looking Statements

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Overview Of Runway Growth Finance Corp.

Our investment objective is to maximize total return to stockholders by providing financing solutions to late and growth-stage companies that are more flexible than traditional credit and less dilutive than equity.

Committed Capital
Since Inception¹

\$1.8B

Across 61 investments
As of 6/30/22

Weighted Average
Borrower LTV²

16.1%

At origination

Annualized Dollar-
Weighted Yield³

15.1%

As of 6/30/22

Debt Portfolio with
Floating Rates

100%

As of 6/30/22

Loss Rate^{1,4}

Gross / Net
0.83%/0.00%

Cumulative since inception

Net Asset Value Per Share

\$14.14

As of 6/30/22

Past performance is not an indication of future results

1. Cumulative since date of first investor commitment—December 2016 to June 2022 2. Weighted average LTV at origination for unrealized current/active investments as of 6/30/22 (based on funded); 3. Dollar-weighted yield for debt investments for annualized three months ended 6/30/22; 4. Calculated as % of \$1.8B of total commitments since inception

Overview Of Runway Growth Finance Corp. ¹

Second Quarter 2022 Investment Activity

Completed nine investments in new and existing portfolio companies representing \$200 million in new investments and \$151.7 million in funded loans

Received \$86.8 million from principal repayments, inclusive of interest, fees and proceeds from the exercise and sale of warrants

Total Investment Income

\$25.2 million

Net Investment Income

\$14.5 million or \$0.35 per share

Net Asset Value

\$14.14 per share

Net Realized Gains

\$0.9 million realized gain and \$0 credit losses in 2022

1. As of the quarter ended June 30, 2022

The Runway Difference



Public, pure-play late- and growth-stage lending platform

Decreasing market valuations coupled with a pullback in VC funding will keep private companies from going public and/or seeking to be acquired through a sale via M&A—leading to an increased demand for private capital to fuel continued growth

Customers across the late- and growth-stage life cycles provide risk mitigation across economic and market cycles, generating consistent portfolio yield with industry leading low credit losses



Disciplined approach to underwriting sponsored and non-sponsored deals

Strategic focus on late- and growth-stage companies with strong equity sponsorship or insider ownership

Non-sponsored deals provide unique portfolio expansion opportunity, facing less competition and favorable terms



Creative financing solutions meet the borrowers' needs as they scale

Proprietary loan solutions prioritize optionality, flexibility and customization for borrowers:

- EAGLE™ loan facility offers borrowers adjustable terms that can reflect improved credit
- ROSE™ loan facility blends longer-term and short-term financing to optimize pricing for borrowers



Seasoned management team with distinguished track record

David Spreng, Runway's Chairman, CEO, CIO, & Founder, named to Forbes Magazine's Midas List four times

Senior executive team has average of 30+ years of experience

Entered the public markets in 2021 with an established 5-year track record in the growth lending space

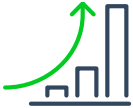
- Demonstrated by 19 consecutive quarterly distributions since inception

An established, differentiated growth lending platform with a clear path to create further value against macro-economic headwinds.



Investment Highlights

Key Investment Highlights



Large and Growing Market for Debt Financing to Late and Growth Stage Companies



Diversified Portfolio across Sponsored/Non-sponsored, VC/PE-backed, Industries & Geographies



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



Attractive Financial Profile Generates Sustainable and Growing Earnings with Risk Mitigation



Rigorous Disciplined Investment Process and Proprietary Risk Analytics



Leveraging Multiple Paths to Return Value to Shareholders

Venture Capital Continues to See Elevated Levels of Activity

VC funds closed on over **\$144B** in Q2 2022²

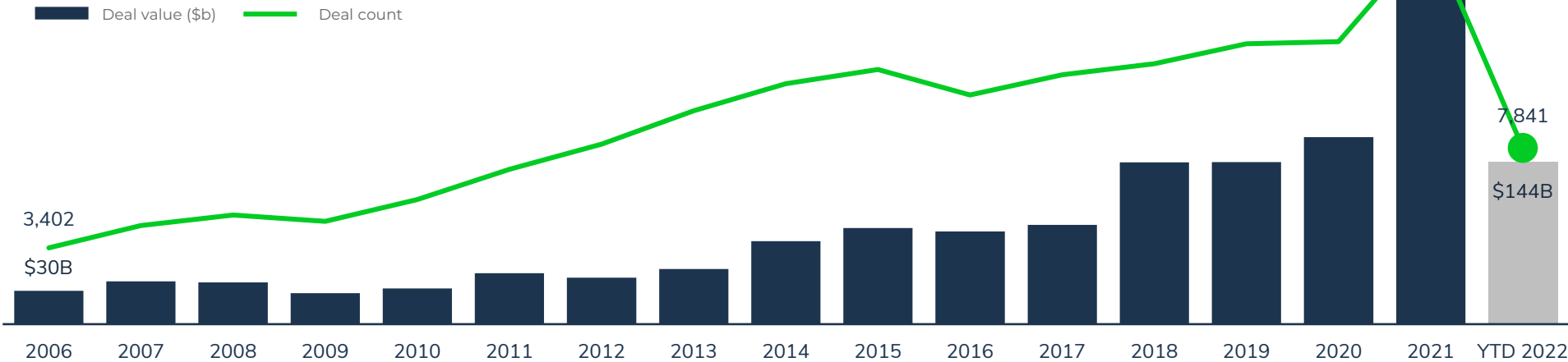
~3,700 venture funds, managing \$548B in AUM¹

2021 was the fourth consecutive year with deployments **>\$100B** (Venture Equity)²

\$290B dry powder available to support future investment²

Venture Capital Deal Volume Trends²

Across All Sectors



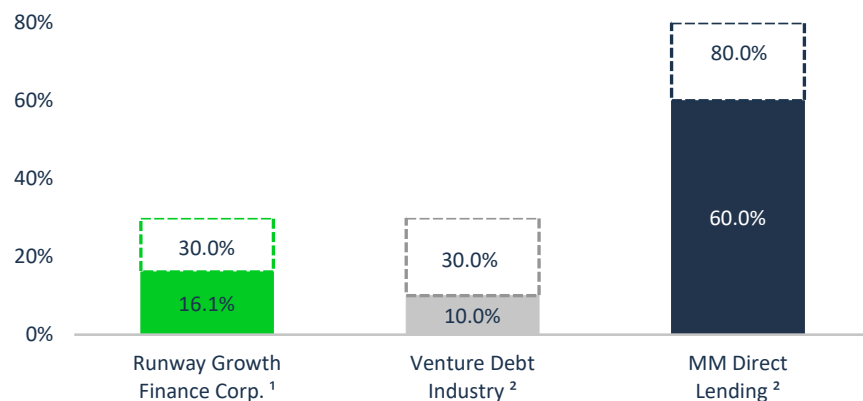
YTD 2022 Deal Volume and Count have both exceeded 1H'20 Performance

1. NVCA Yearbook, 2021
 2. Pitchbook-NVCA Venture Monitor data, Q2 2022; 2Q'22 data represents 6 months of data

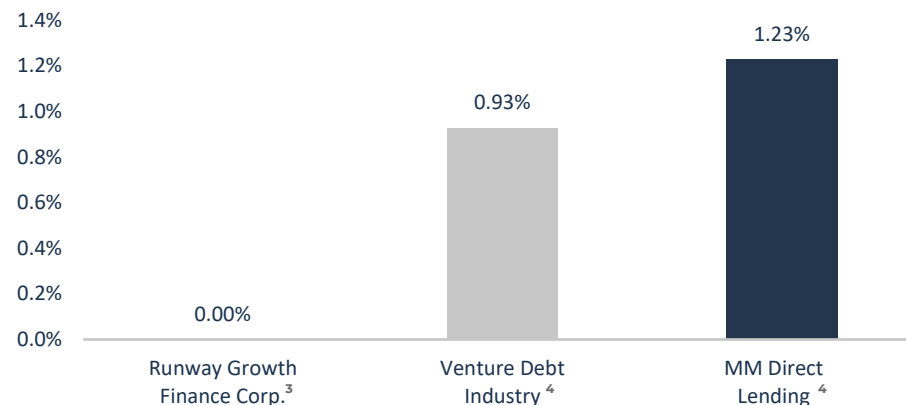
Venture Lending in Perspective— Comparison to Middle Market Lending (as of 6/30/22)



Loan To Value (LTV) Comparison, current versus max level



Realized Loss Rates (Net, Annualized)



Low loan to value ratios provide insulation against economic impairment when valuation multiples decline

1. Average LTV at Origination based on funded (Since Inception, 2016)
 2. Reuters—*Venture lending BDCs Tap Opportunities In Pandemic*; 15 JUNE 2020
 3. Net realized loss rate as a percentage of funded loans, annualized
 4. Cliffwater Q1 2022 Report on Middle Market Direct Lending

Strong And Experienced Team

Senior executive team has average of 30+ years of experience

39 years



David Spreng
Chairman, CEO, CIO, Founder

Prior Experiences

- Co-Founder of Decathlon Capital Partners and Crescendo Ventures
- Served on the board of 11 public companies

41 years




Tom Raterman
CFO, COO

Prior Experiences

- Co-Founder and EVP LKQ Corporation
- Several C-Suite roles at financial service and other operating companies

13 years



Greg Greifeld
Managing Director, Deputy CIO, Head of Credit

Prior Experiences

- HPS Investment Partners
- J.P. Morgan

← Years of experience

Our Credit-first, Weatherproof Approach

Runway Is Built For All Economic Environments With Differentiated Experience To Judiciously Deploy Capital

| | |
|-----------------------------------|--|
| Underwriting Rigor | <ul style="list-style-type: none">• Credit-first philosophy• Loan portfolio is 100% floating rate assets• 98% of underlying investments are first lien senior secured loans (2% is “second-lien” behind only a revolver which we have the ability to “buy out”)• Focus on fundamentals, leadership and sources of repayment• Senior management team with vast experience throughout many economic cycles |
| Origination Momentum | <ul style="list-style-type: none">• Record first quarter for originations in 2022• Best-in-class and growing origination team |
| Conservative Balance Sheet | <ul style="list-style-type: none">• We are committed to thoughtfully utilizing secured and unsecured leverage, to reach our target leverage ratio over the course of 2022-2023. Target leverage ratio is 0.8x to 1.1x |
| Long-term Partnerships | <ul style="list-style-type: none">• Experience navigating challenging situations• Continued partnerships with companies well into their life as a public company |
| Portfolio Risk Mitigation | <ul style="list-style-type: none">• Active portfolio monitoring and borrower engagement• Ability to support portfolio companies when it makes sense and be aggressive when circumstances necessitate |

Origination Model

Sponsored Growth Lending

- Loans to late- and growth-stage companies backed by venture capital and private equity firms
- Loans typically have higher yields relative to larger, mature companies and usually include equity upside potential
- Provides access to many high-quality companies backed by top tier venture capital & private equity investors
- Ability to participate in equity upside through acquisition of warrants

Non-Sponsored Growth Lending

- Loans to late- and growth-stage, private companies that are funded directly by entrepreneurs and founders, or no longer require institutional equity
- Financing available to these companies is typically based of the underlying value assets and/or the entrepreneur's resources
- Frequently the only senior lender to these companies
- Underwriting approach focuses on business fundamentals, commitment of the entrepreneur and sources of repayment
- Higher underwriting bar in absence of dep-pocketed sponsor

Sample of Origination Channels

VC & PE Funds

Our origination team has deep experience in both venture capital and venture debt and maintains strong industry relationships.

Direct-Lead Generation

We have been successful generating leads for companies without private equity sponsorship through email outreach, conferences, events, and market research.

Venture Banks

We maintain relationships with all major venture banks who routinely refer deals that exceed their credit capacity.

Advisors & Brokers

We have relationships with the major venture debt advisory firms, investment banks, lawyers and other advisors.

Can We Continue To Originate In This Environment?



RWAY ORIGINATIONS SHOULD BENEFIT FROM POTENTIAL MACRO HEADWINDS

Why Do Borrowers Choose Runway?



Steady Hand

- We work with companies to navigate choppy waters, while others may take punitive measures at the earliest signs of trouble
- Our underwriting, deep credit analysis, and understanding of borrower enterprise value gives us the confidence to protect our investors' capital



Experience

- Senior investment professionals have average of 30+ years of experience
- Can speak the same language as the borrowers



Disciplined and Sophisticated Loan Structures

- While competitive on price, we are rarely the cheapest option
- Diligent and creative with loan structures, balancing flexibility and risk mitigation



Ability to Scale

- Bespoke solutions allow us the ability to create new loan structures for our borrowers as they continue to grow
- 28% of commitments are related to upsizes¹ from existing borrowers



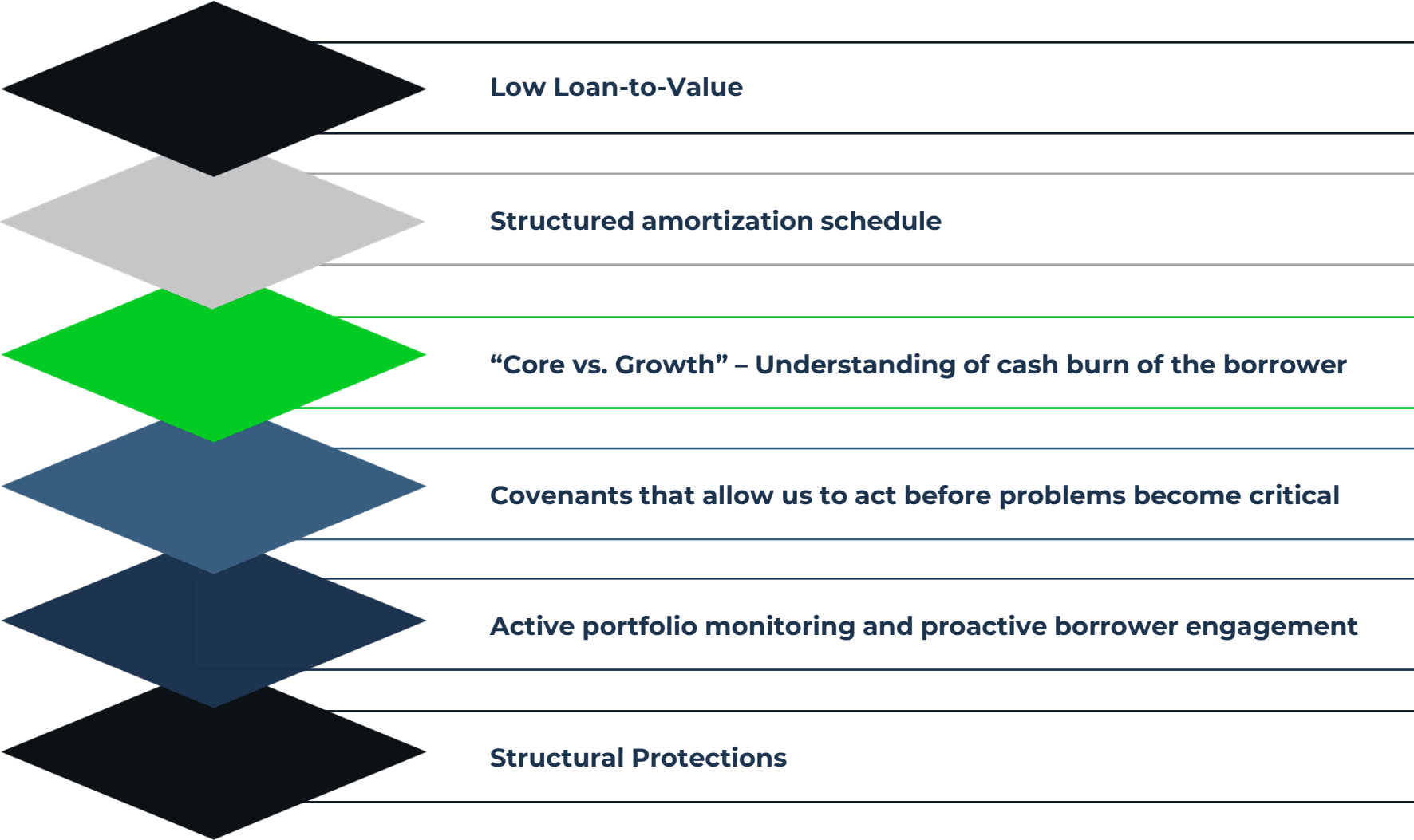
Robust Network

- Expansive network of contacts within the venture capital industry across equity providers, lenders, advisers, etc.
- Useful advantage for many of our borrowers
- Gives us credibility among other venture equity providers

1. Includes upsizes to existing portfolio companies and refinances

Runway Has An Edge In Pricing Risk And Ascribing Company Value

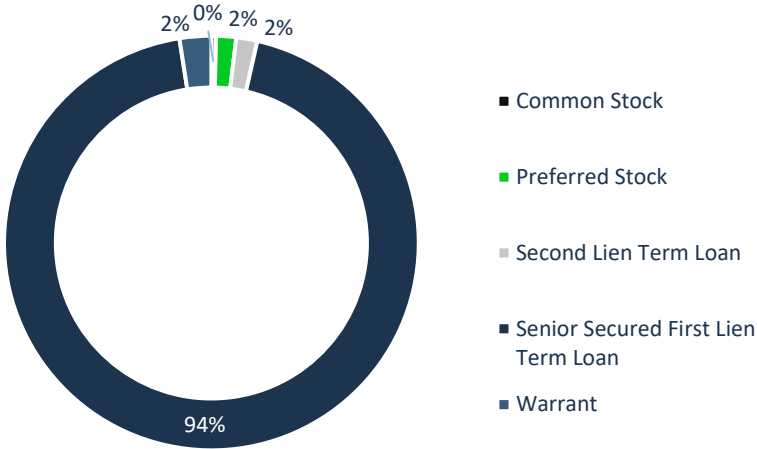
APPROACH TO UNDERWRITING



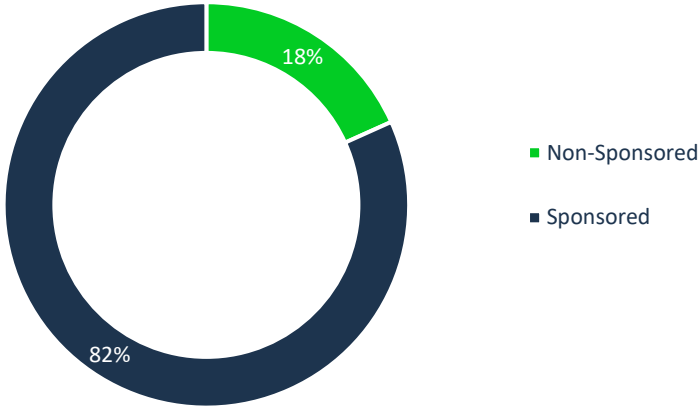
Portfolio Overview

Portfolio at Fair Value: **\$807.7 million**

Current Investments by Security Type (by FMV)



Current Investments by Origination Channel (by FMV)



Cumulative since inception¹

| | |
|---|-------------|
| Total Loan Commitments | \$1.8B |
| Average Loan Size | \$22.7M |
| Number of Investments Made | 61 |
| Number of Realized Investments ³ | 27 |
| Cumulative Gross/Net Loss Rate | 0.83%/0.00% |

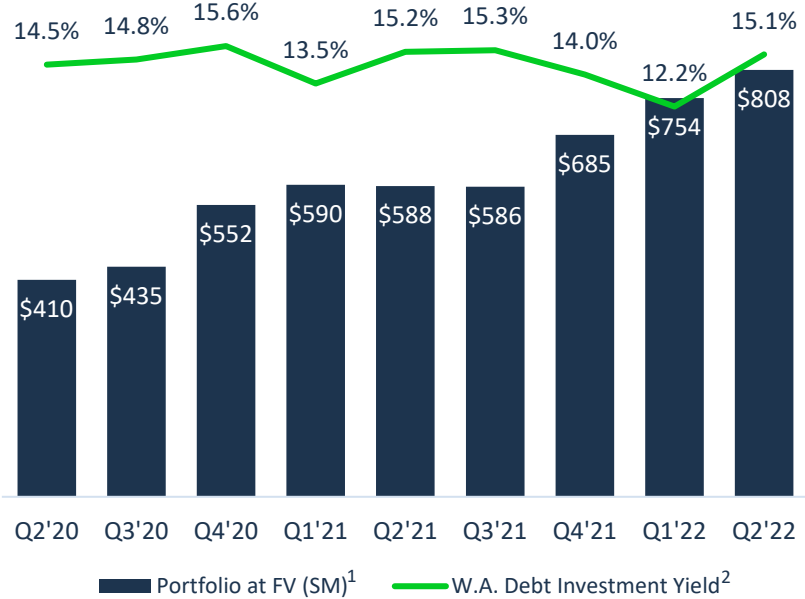
Current portfolio at origination

| | |
|--|----------------|
| Average Operating History ² | 16 Years |
| Average Enterprise Value ² | \$243.7M |
| Average Revenue ² | \$53.7M |
| Average LTV ² | 16.1% |
| Loan Structure | 98% First Lien |

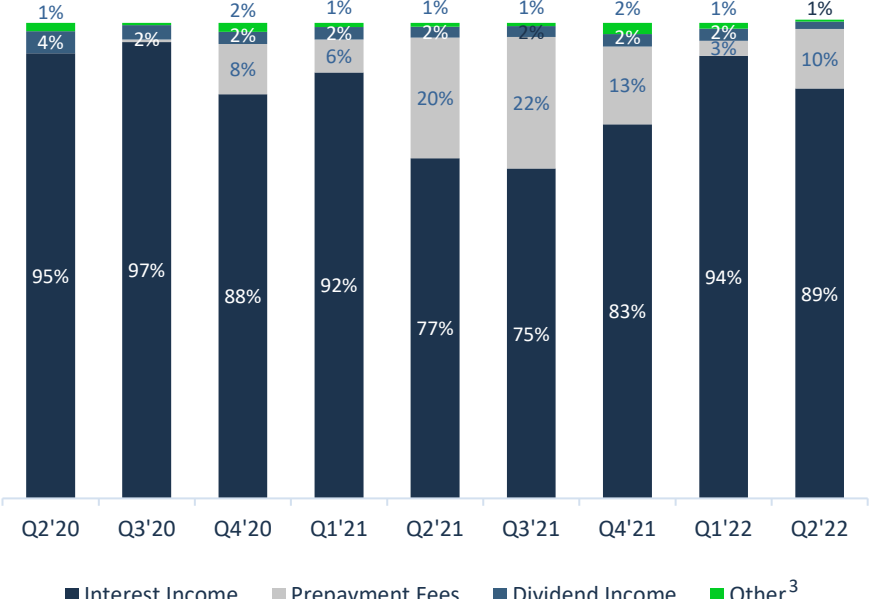
1. Cumulative since inception – from December 2016 to June 2022
 2. Weighted average on funded at origination for current investment portfolio as of June 30, 2022
 3. Excludes six investments that have refinanced with Runway Growth

Key Portfolio Metrics

Investment Yield



Sources of Investment Income

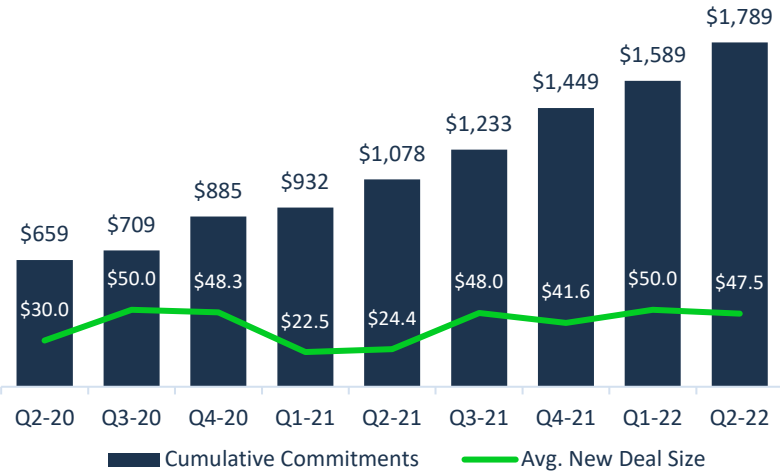


27 debt and 40 equity investments to 43 portfolio companies as of 6/30/2022

Past performance is not an indication of future results
 1. Excludes investments in treasury bills
 2. Calculated by taking total debt-related income during the quarter divided by the average fair value of debt investments outstanding during the period, annualized; Includes prepayments
 3. "Other" consists of U.S. Treasury Bills, Non-investment Sources and Other Income

Key Portfolio Metrics

Committed Capital (\$M)



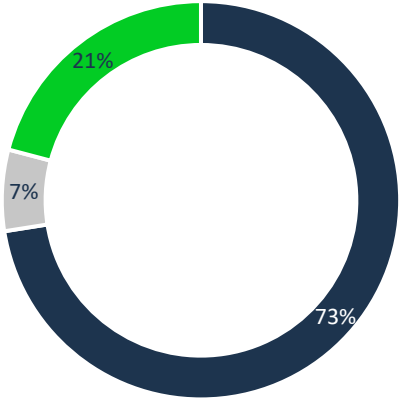
Inception-to-Date:

- 28% Portfolio Companies Upsized (17 Portfolio Companies, 26 Upsize Transactions)
- 6 Refinances or 10% of Portfolio Companies

Year-to-Date:

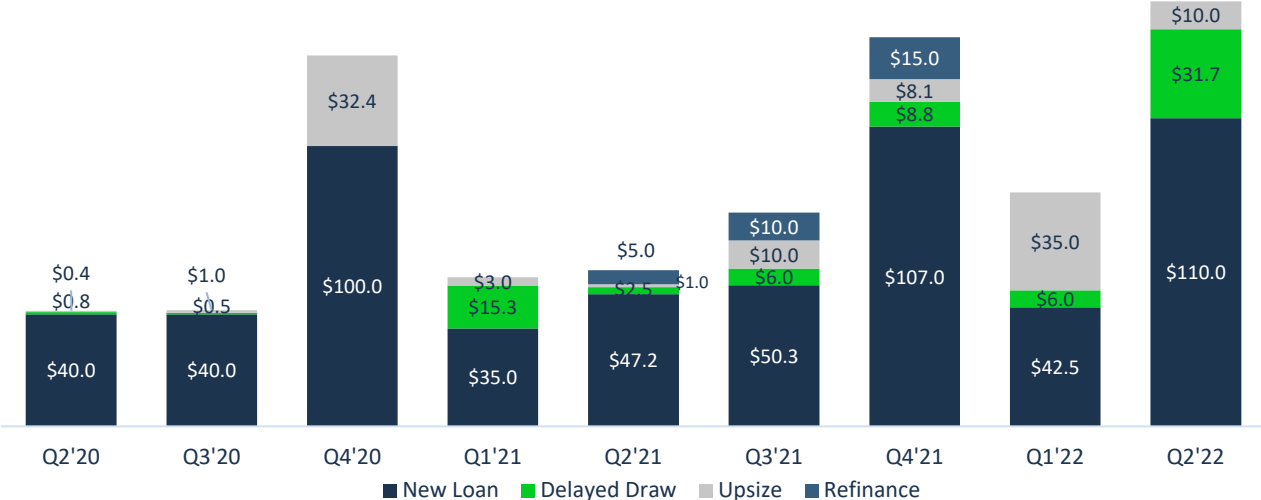
- \$48.3M average new deal commitment
- \$25.4M average funding at origination

Q2-22 Gross Fundings by Type (%)



■ New Loan ■ Upsize ■ Delayed Draw

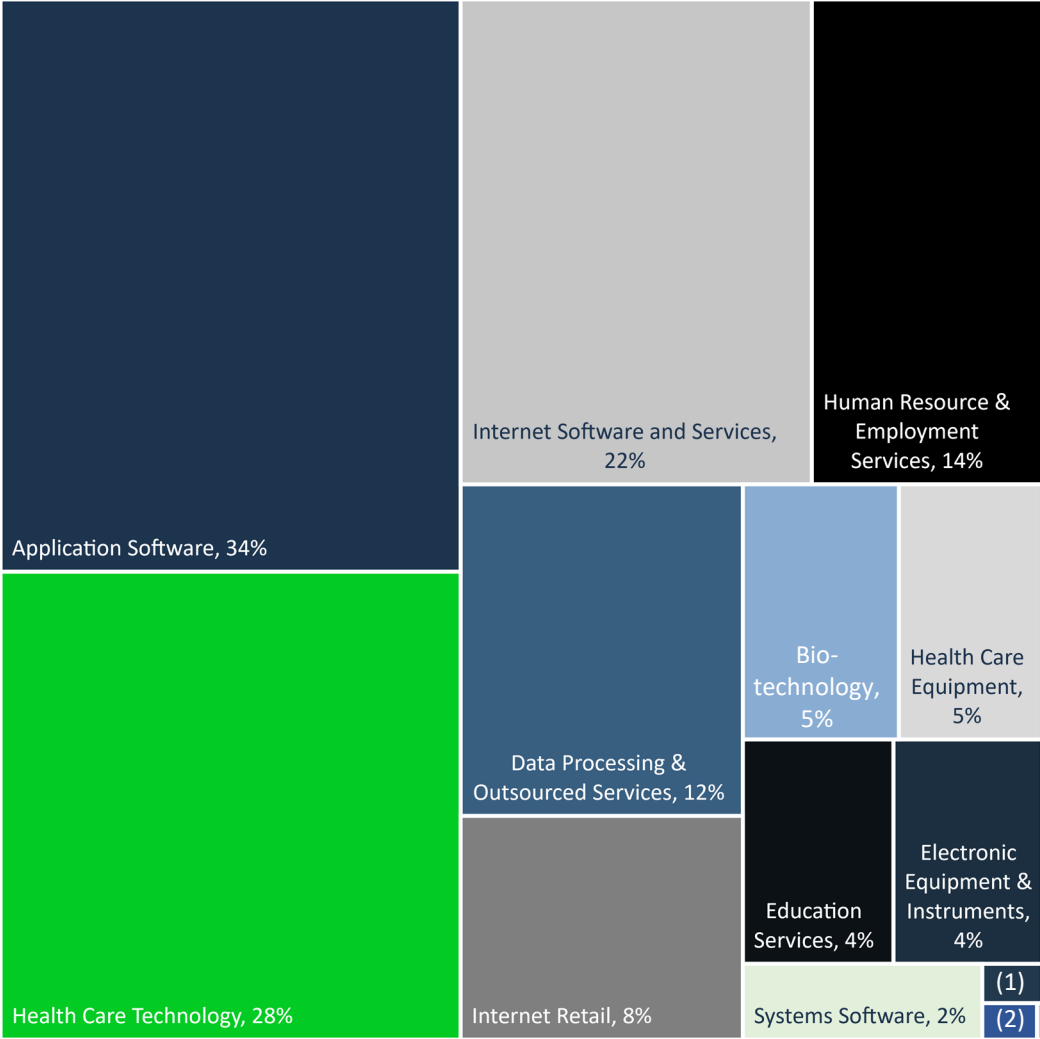
Net Quarterly Fundings by Type (\$M)



■ New Loan ■ Delayed Draw ■ Upsize ■ Refinance

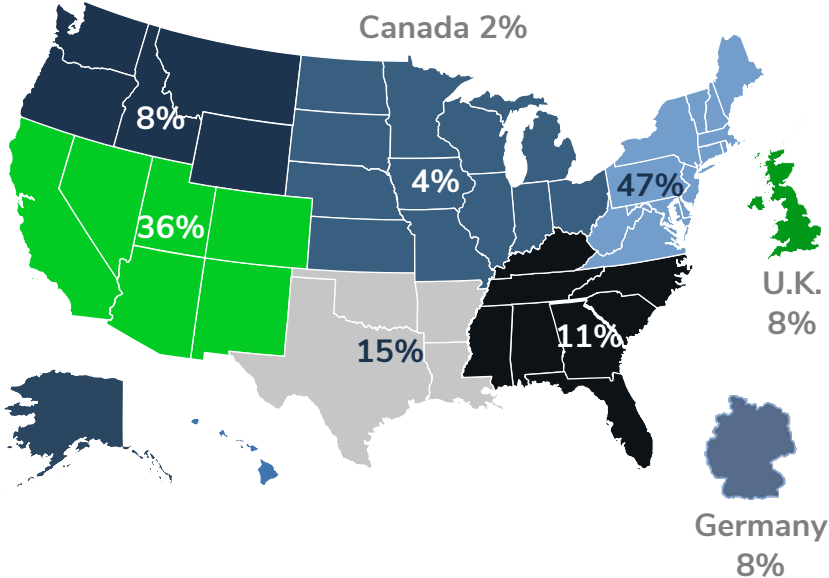
Highly Diversified Portfolio

Portfolio at Fair Value by Industry as % of Net Assets

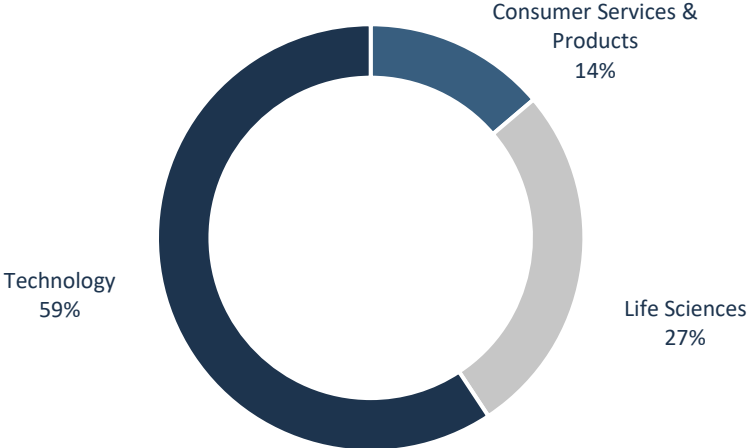


1. Specialized Customer Services - 0.3%
 2. Technology, Hardware, Storage & Peripherals - 0.3%

Portfolio Fair Value by Geography as a % of Net Assets

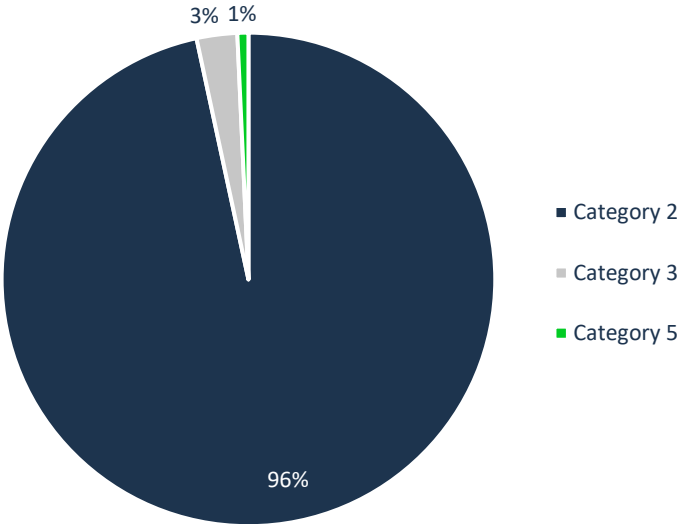


Breakout Across Verticals

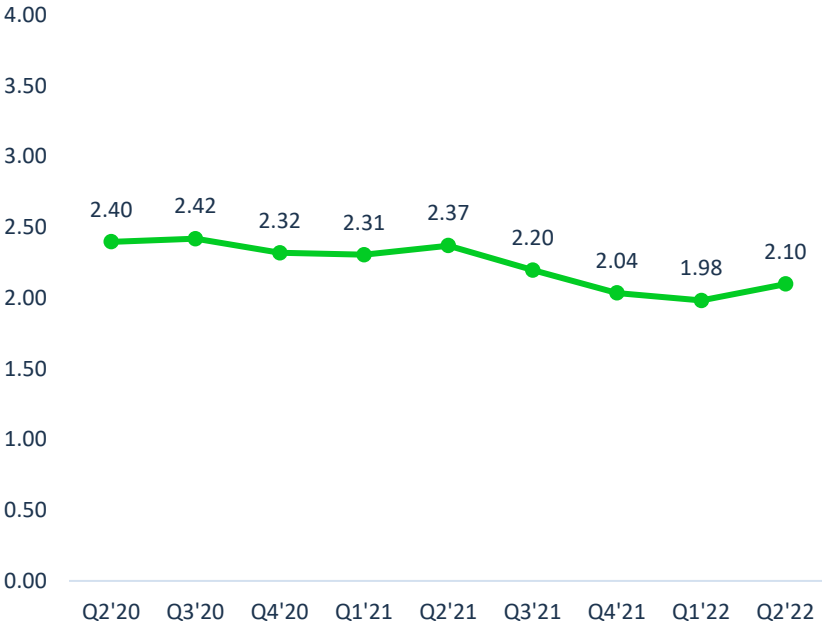


Portfolio Risk Ratings

Investments at Fair Value by Risk Rating Category¹



Weighted Average Risk Rating¹



Calculated after thorough review and discussion of each portfolio company financial performance and circumstances

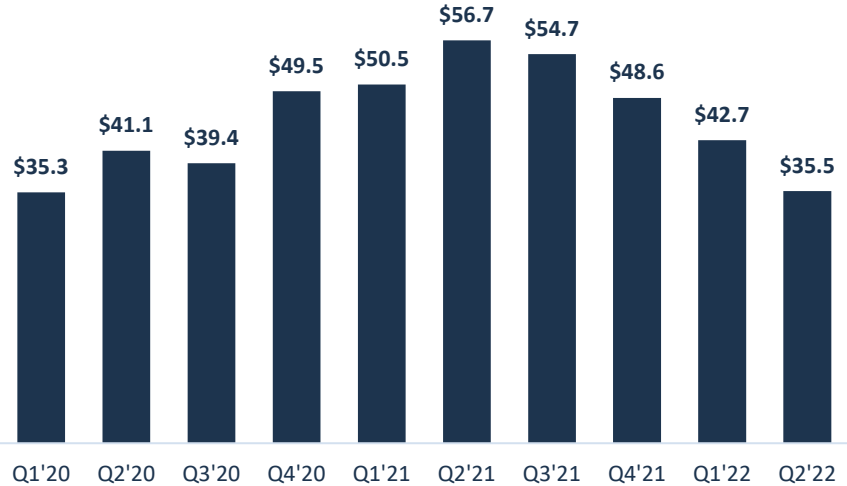
Stable Q1-2022 to Q2-2022 Loan-to-Value

Weighted average internal risk rating increased during the quarter, primarily attributed to the exit of Brilliant Earth, LLC (Category 1 investment).

1. 1-5 rating scale with a lower number reflecting a higher credit quality rating.

Warrants & Equity Portfolio

Warrants and Other Equity (\$M)



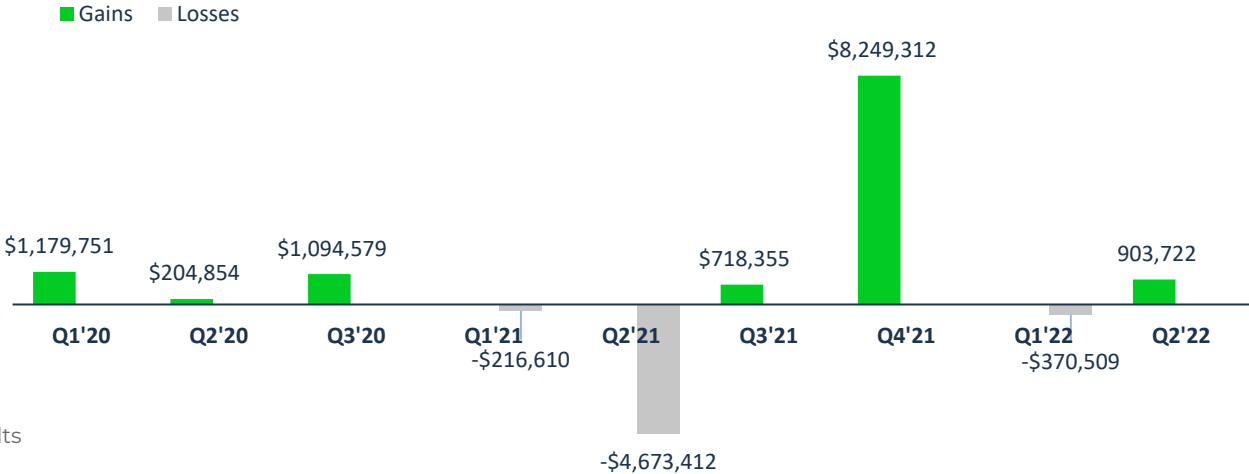
Warrant and Other Equity Holdings

- 23 Companies with both loan and warrant investments
- 10 Companies with warrant investments only
- 1 Companies with both loan and preferred stock
- 6 Companies with shares of common or preferred stock only or a combination with warrants

49 WARRANTS AND/OR EQUITY INVESTMENTS IN 40 COMPANIES

Net Realized Gains (Losses) on Equity Investments

Inception-to-date:
 Net equity gains of \$7.8M offsetting \$7.8M in credit losses

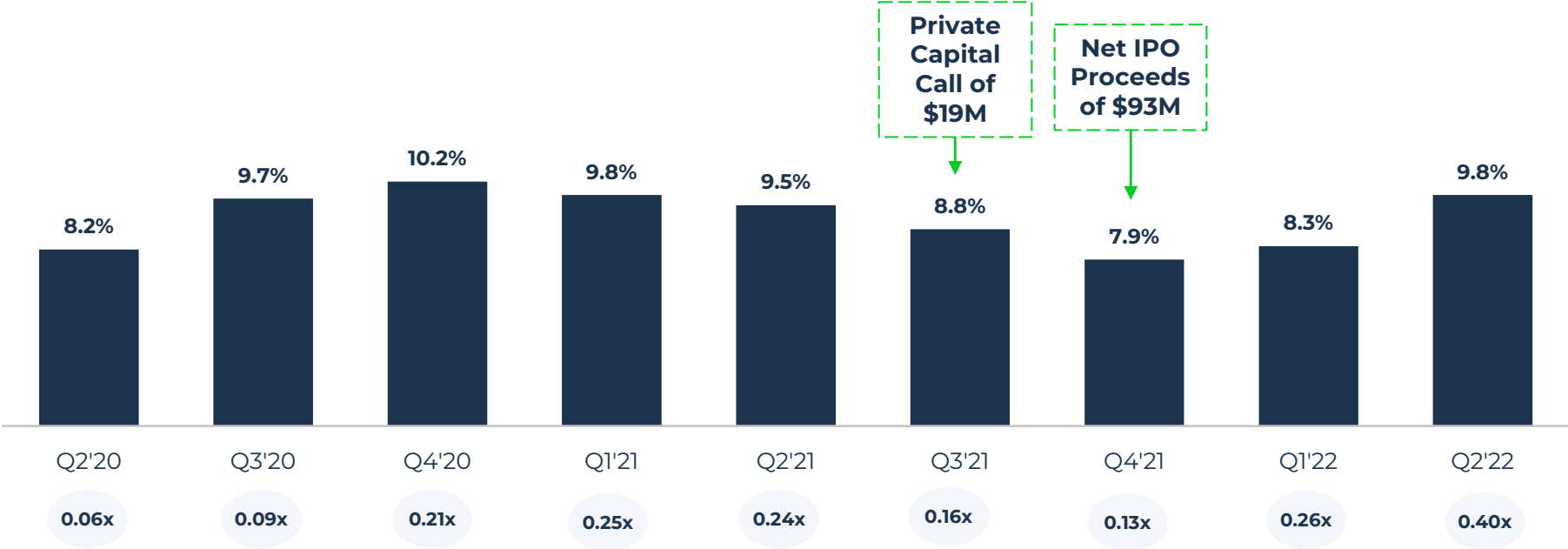


Past performance is not an indication of future results

Strong Balance Sheet Provides For Flexibility & Growth

Opportunity to expand investment portfolio and leverage; near term D/E target of 0.8–1.1x.

Historical ROE¹ and Leverage

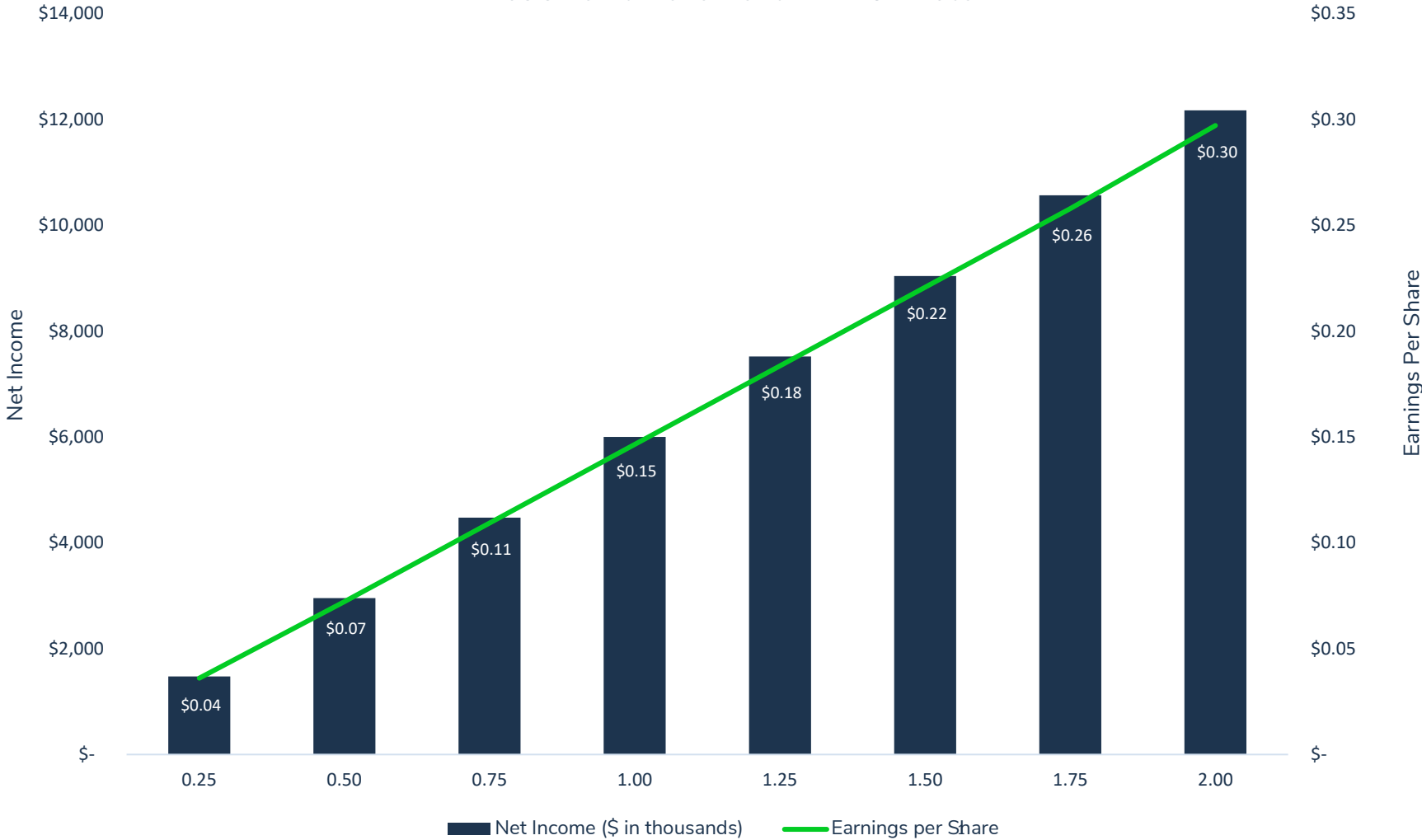


Runway can grow the portfolio by ~ \$400M without exceeding our core leverage target.

Past performance is not an indication of future results
 1. ROE calculated by dividing NII for the quarter by average of EOP and BOP equity balance for the period and annualizing

Interest Rates & Asset Sensitivity

Rising Interest Rate Impacts on Net Income and EPS
Basis Point Movement in LIBOR Rate



1. EPS calculated on basic weighted shares outstanding of 41,215,664 and a static debt investment portfolio as of June 30, 2022.

Leverage & Liquidity

Liquidity

| | 2022 | | | | 2021 | | | |
|-------------------------------|----------------|----------------|----|----|----------------|----------------|----------------|----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Cash & Equivalents | \$3.5 | \$6.8 | - | - | \$1.8 | \$0.9 | \$0.9 | \$4.7 |
| Credit Facilities | \$129.0 | \$117.0 | - | - | \$98.0 | \$98.0 | \$135.0 | \$154.0 |
| Net Assets | \$597.5 | \$579.4 | - | - | \$473.5 | \$477.7 | \$504.2 | \$606.2 |

Debt Capital Structure

| | | | |
|-------------------------------------|--|--|---|
| KeyBank Credit Facility | \$192.9M Revolver availability | \$280M Revolving Credit Facility | \$500M Maximum accordion commitment |
| 2026 4.25% Notes | \$70M Aggregate principal | 4.25% Interest Rate | December 10, 2026 Stated Maturity |
| 2027 7.50% Notes¹ | \$80.5M Aggregate principal | 7.50% Interest Rate | July 21, 2027 Stated Maturity |

1. On 7/21/22 priced an underwritten public offering of \$80.5 million aggregate principal amount of notes due 2027.

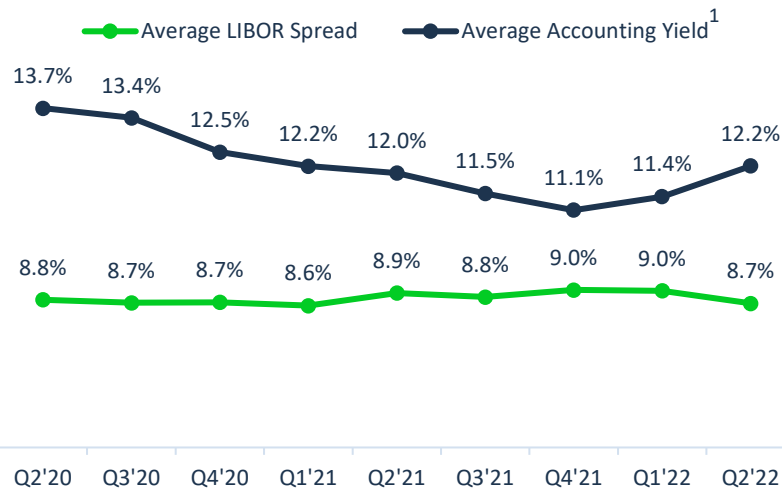


FIRST QUARTER 2022

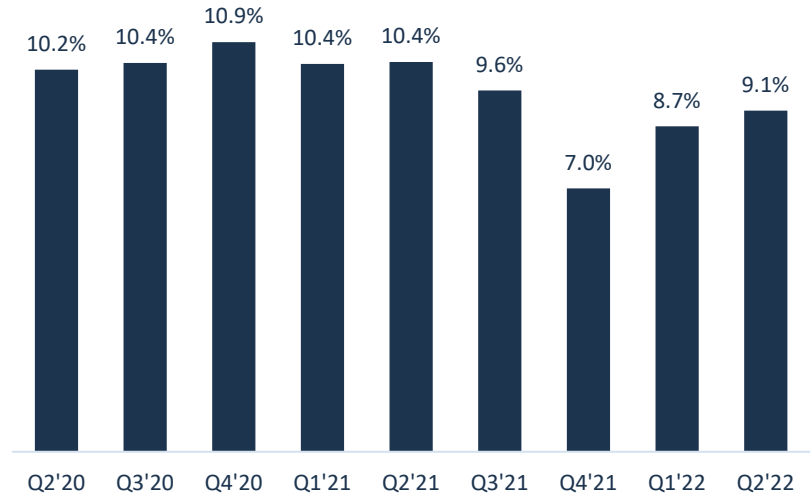
Portfolio & Financial Highlights

Portfolio Highlights

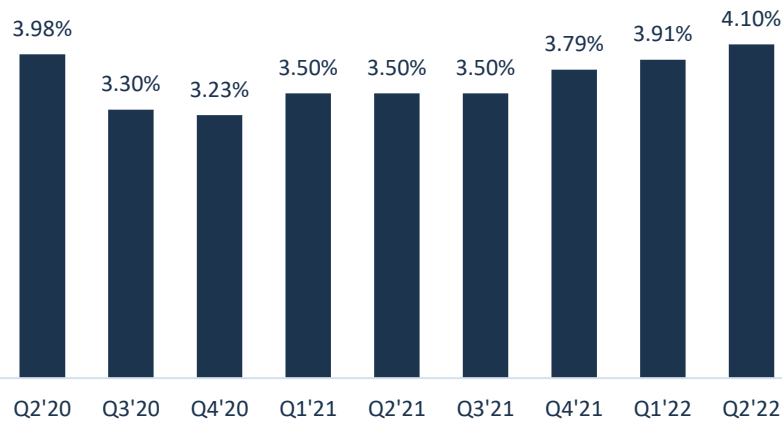
Portfolio Yields



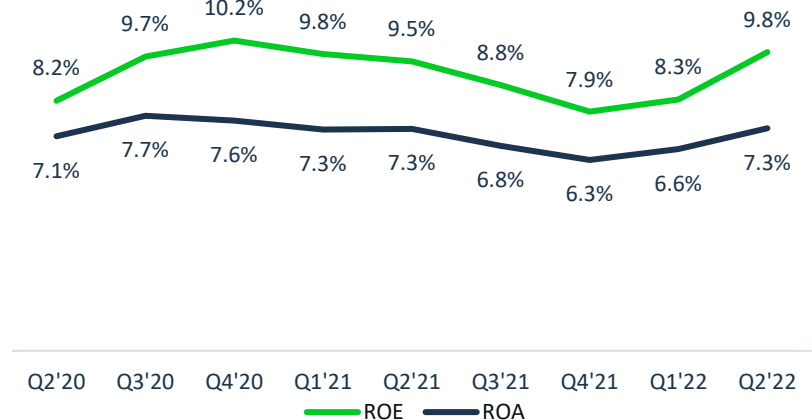
Annualized Dividend Yield²



Weighted Average Interest Expense



Annualized Return on Equity and Assets³



Financial Highlights

| STATEMENT OF OPERATIONS | Three Months Ended June 30, 2022 | Three Months Ended June 30, 2021 |
|--|-------------------------------------|-------------------------------------|
| Total investment income | 25,158,090 | 18,745,602 |
| Total operating expenses | 10,679,508 | 7,405,125 |
| Net investment income | 14,478,582 | 11,340,477 |
| Net realized and unrealized gain (losses) | (15,295,916) | (4,629,134) |
| Net increase in net assets from operations | (817,334) | 6,711,343 |

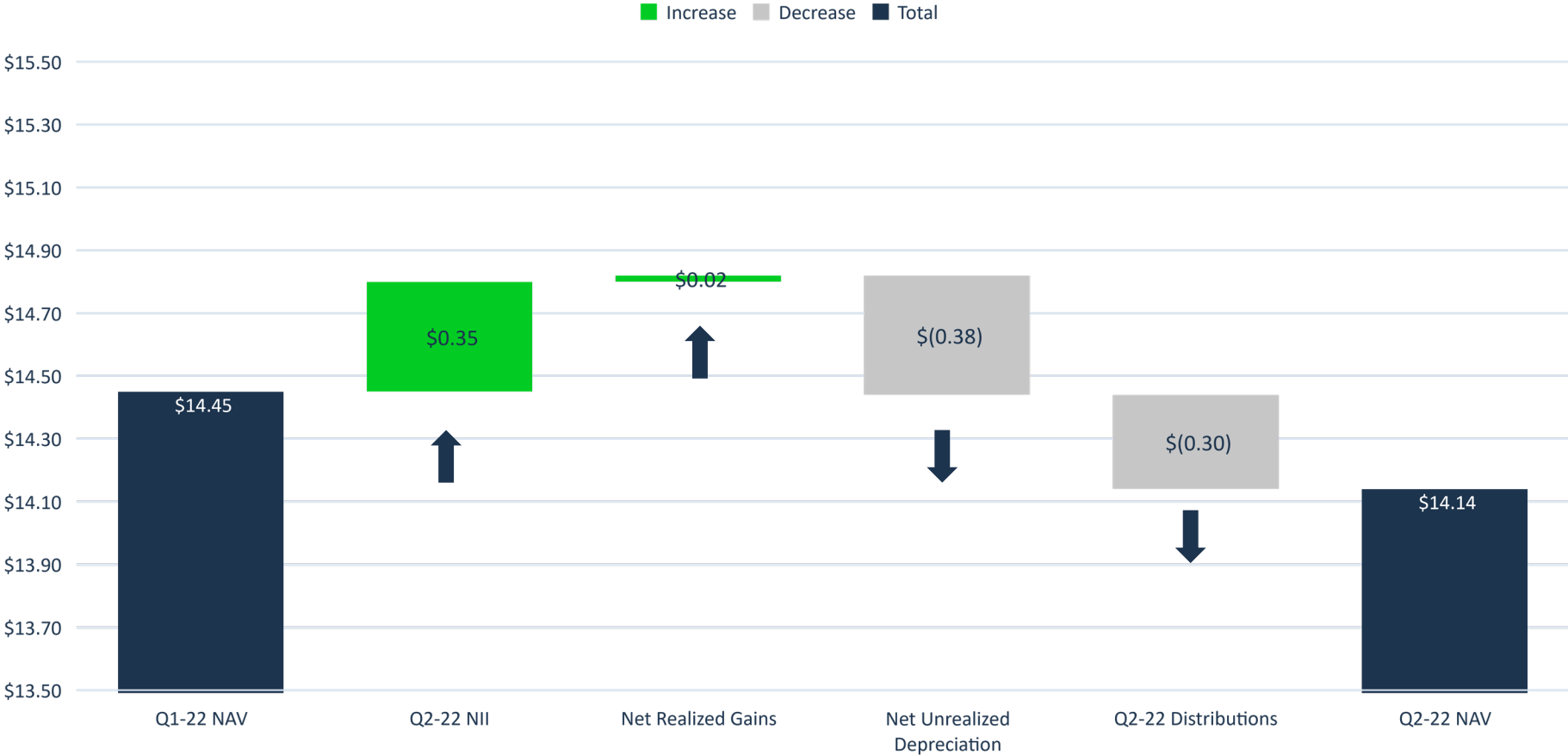
| STATEMENT OF ASSETS & LIABILITIES | June 30, 2022 | December 31, 2021 |
|--|--------------------|--------------------|
| Total investments at fair value ¹ | 807,728,604 | 729,516,274 |
| Cash and cash equivalents | 6,809,818 | 4,696,693 |
| Total assets | 818,440,416 | 738,347,480 |
| Debt | 228,605,990 | 79,488,460 |
| Total liabilities | 239,028,412 | 132,152,989 |
| Total net assets | 579,412,004 | 606,194,491 |
| Net asset value per share | 14.14 | 14.65 |

Past performance is not an indication of future results

1. Total investments at fair value balance are comprised of Treasury Bills as of 12/31/21 of \$45M and 6/30/22 of \$0.

NAV/SHARE BRIDGE

Reconciliation of Quarterly Nav per Share¹



\$0 Credit Losses in 2022

Past performance is not an indication of future results
 1. NAV/share calculated using weighted average share outstanding during Q2 2022 of 41,215,664



Analyst Coverage

Robust Industry Analyst Coverage

| | |
|--|--|
| Finian O'Shea, CFA Initiated coverage: 11/15/21 | WELLS FARGO |
| Melissa Wedel, CFA Initiated coverage: 11/15/21 | J.P.Morgan |
| Mitchel Penn, CFA Initiated coverage: 11/15/21 | OPPENHEIMER |
| Casey Alexander Initiated coverage: 11/15/21 | COMPASS POINT RESEARCH & TRADING, LLC |
| Vilas Abraham Initiated coverage: 11/15/21 | UBS |
| Erik Zwick, CFA Initiated coverage: 11/19/21 | H HOVDE GROUP |
| Mickey Schleien, CFA Initiated coverage: 4/22/22 | LADENBURG THALMANN ESTABLISHED 1876 |



Supplemental Information

Regulation and Structure

Runway Growth is an externally managed, non-diversified closed-end management investment company that has elected to be regulated as a BDC and treated as a RIC for tax purposes.

Business Development Company (BDC)

- Regulated by the SEC under the Investment Company Act of 1940 (the “1940 Act”)
- Externally managed by Runway Growth Capital
- Leverage limited to 2:1 debt/equity
- Investments are required to be carried at fair value
- Required to offer managerial assistance to portfolio companies

Regulated Investment Company (RIC)

- Must distribute at least 90% of income to shareholders as dividend distributions, subject to approval by Runway Growth’s Board of Directors
- Mandates asset diversification
- Eliminates corporate taxation
- Allows for retention of capital gains and/or spillover taxable income



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

investors@runwaygrowth.com