



Runway Growth Finance Corp.

Second Quarter 2024 Investor Presentation

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August 2024

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

\$2.7B

Across 80 investments
As of 6/30/24

Weighted Average
Borrower LTV²

18.5%

At origination

Annualized Dollar-
Weighted Yield³

15.1%

As of 6/30/24

Debt Portfolio with
Floating Rates

100%

As of 6/30/24

Loss Rate¹

Gross / Net
0.91%/0.73%

Cumulative since inception

Net Asset Value Per Share

\$13.14

As of 6/30/24

Past performance is not an indication of future results

1. Cumulative debt only losses since date of first investor commitment—December 2016 to June 2024 - Calculated as % of \$2.7B of total commitments since inception

2. Weighted average LTV at origination for unrealized current/active investments as of 6/30/24 (based on funded commitments)

3. Dollar-weighted yield for debt investments for annualized three months ended 6/30/24

Overview Of Runway Growth Finance Corp.¹

Second Quarter 2024 Investment Activity

Runway completed two investments in new portfolio companies, representing \$75.5 million in funded loans

Received \$25.3 million in principal prepayments

Portfolio Composition

Aggregate fair value of \$1.1 billion comprised of \$1.0 billion in term loans, 99% of which are senior secured first lien investments

Total Investment Income

\$34.2 million

Net Investment Income

\$14.6 million or \$0.37 per share

Net Asset Value

\$13.14 per share

Realized Gain/Loss

\$0

Unrealized Loss

\$6.3 million

1. As of the quarter ended June 30, 2024

The Runway Difference



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

Decreasing market valuations coupled with a pullback in VC funding will likely 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

Late- and growth-stage companies 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



Sophisticated 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 Growth Capital LLC'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 27 consecutive quarterly distributions since inception

An established, differentiated growth lending platform with a clear path to create value across macro-economic environments.

Runway's Story

Demonstrated track record of growth and ability to attract top tier institutional partners

Initial Fundraise & First Close on the BDC

Strategic alliance formed with Oaktree Capital Management

Offices opened in New York and Chicago. Private BDC first close



Continued Growth

Funded \$328M in loan commitments across 21 portfolio companies

Private BDC pays first quarterly dividend at \$0.15 / share

Launch of LP Fund

Expanded Healthcare capabilities

Platform Investment

Added new origination, credit and finance team members

Completed two public baby bond offerings and two private unsecured note offerings

Expanded credit facilities available to public and private funds

Runway Growth ~\$50M secondary offering by Oaktree

2015

2016

2017

2018

2019

2020

2021

2022

2023

Current

Runway Growth Capital LLC ("Runway") Founded

Firm established in Silicon Valley. Fundraising for Runway Growth Credit Fund, the "Private BDC", began in October

Marketing & Origination Launch

Origination and marketing efforts launched

Completed final close on \$275M initial private equity offering

Second BDC Fundraise "Fund 2"

\$175M of \$225M targeted second round equity financing in Private BDC completed

\$100M expandable portfolio leverage facility

Team grows to 12 people across three offices

BDC IPO

Continued platform expansion with new finance, credit and origination hires

IPO of BDC, Runway Growth Finance Corp. in Oct 2021 (formerly the Private BDC)

Runway Today

Runway manages \$1.5B in AUM

30 employees across four offices

Closed on joint venture of up to \$200M with Cadma/Apollo



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

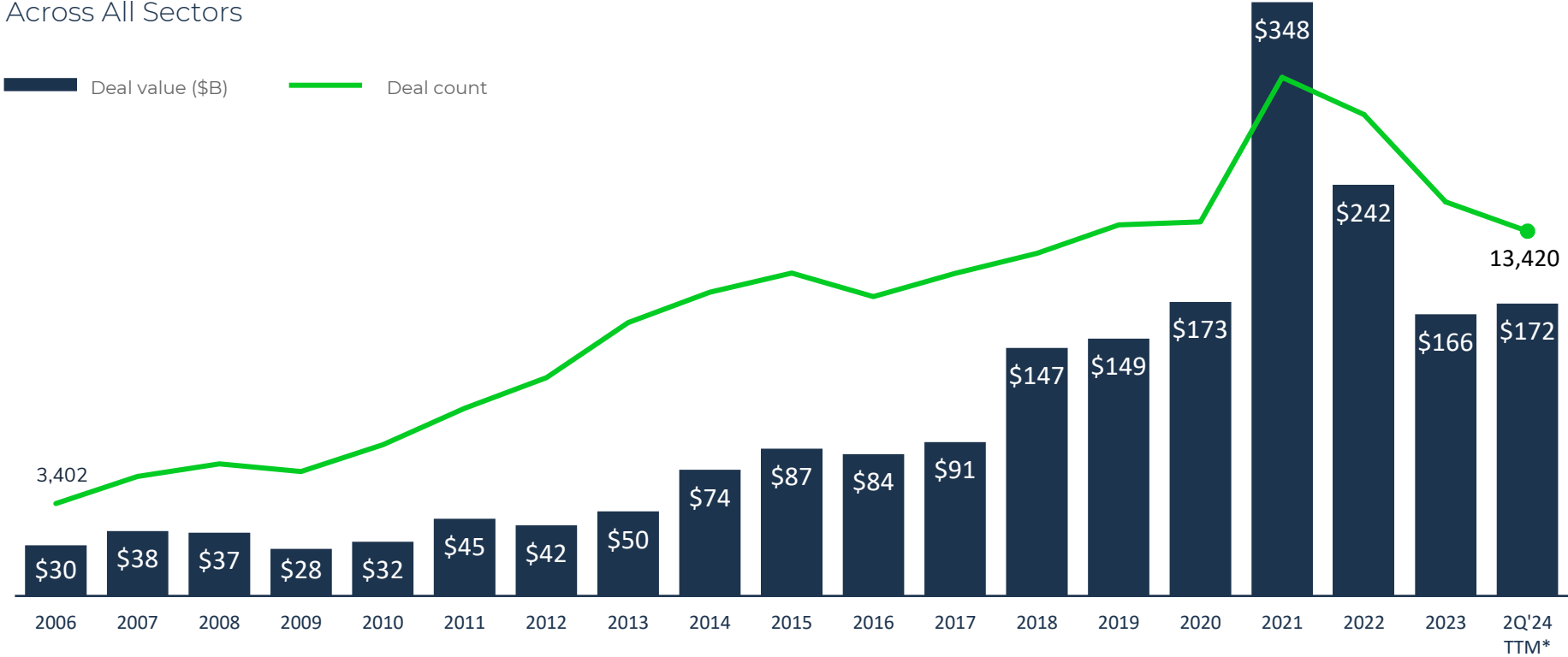


Leveraging Multiple Paths to Return Value to Shareholders

Venture Capital Activity

Venture Capital Deal Volume Trends¹

Across All Sectors



Venture capital has broadly observed a slowdown in recent years given prevailing market dynamics, run-rate demand for venture debt funding remains ~\$30 billion

¹ Pitchbook-NVCA Venture Monitor data, Q2 2024
* As of June 30, 2024

Strong And Experienced Team

Investment manager's senior executive team has experience across multiple economic cycles



David Spreng
CEO, CIO, Founder

Prior Experiences

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



Tom Raterman
CFO, COO

Prior Experiences

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



Greg Greifeld
Managing Director, Deputy CIO,
Head of Credit

Prior Experiences

- HPS Investment Partners
- J.P. Morgan

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 • 99% of underlying investments are first lien senior secured loans (1% is “second-lien” behind a bank facility which we have the ability to “buy out”) • Low “loan to our value” • Minimal downstream financing risk
Origination Approach	<ul style="list-style-type: none"> • Activity reflects extremely selective evaluation criteria • Accomplished origination team
Conservative Balance Sheet	<ul style="list-style-type: none"> • Thoughtfully utilizing secured and unsecured leverage • Target leverage ratio (0.8x to 1.25x)
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 opportunistic when circumstances necessitate
Investor Friendly Fee Structure	<ul style="list-style-type: none"> • Tiered management fee structure that decreases as assets continue to grow <ul style="list-style-type: none"> • Gross Assets¹: <ul style="list-style-type: none"> • Less than \$500.0M – 1.75% <i>annualized</i> • \$500.0M – 1.0B – 1.60% <i>annualized</i> • Greater than \$1.0B – 1.50% <i>annualized</i> • Income incentive fee subject to favorable hurdle rate and less than 100% catch up (determined quarterly on pre-incentive fee net income) – <ul style="list-style-type: none"> • No incentive fee if the Company’s pre-incentive fee net investment income does not exceed the hurdle rate of 2.0% per quarter • 80% of pre-incentive fee net investment income that exceeds the hurdle rate but is less than 2.667% in any calendar quarter (the “catch-up”) • 20.0% of pre-incentive fee net investment income that exceeds 2.667% in any calendar quarter

Focused On Late and Growth Stage Companies

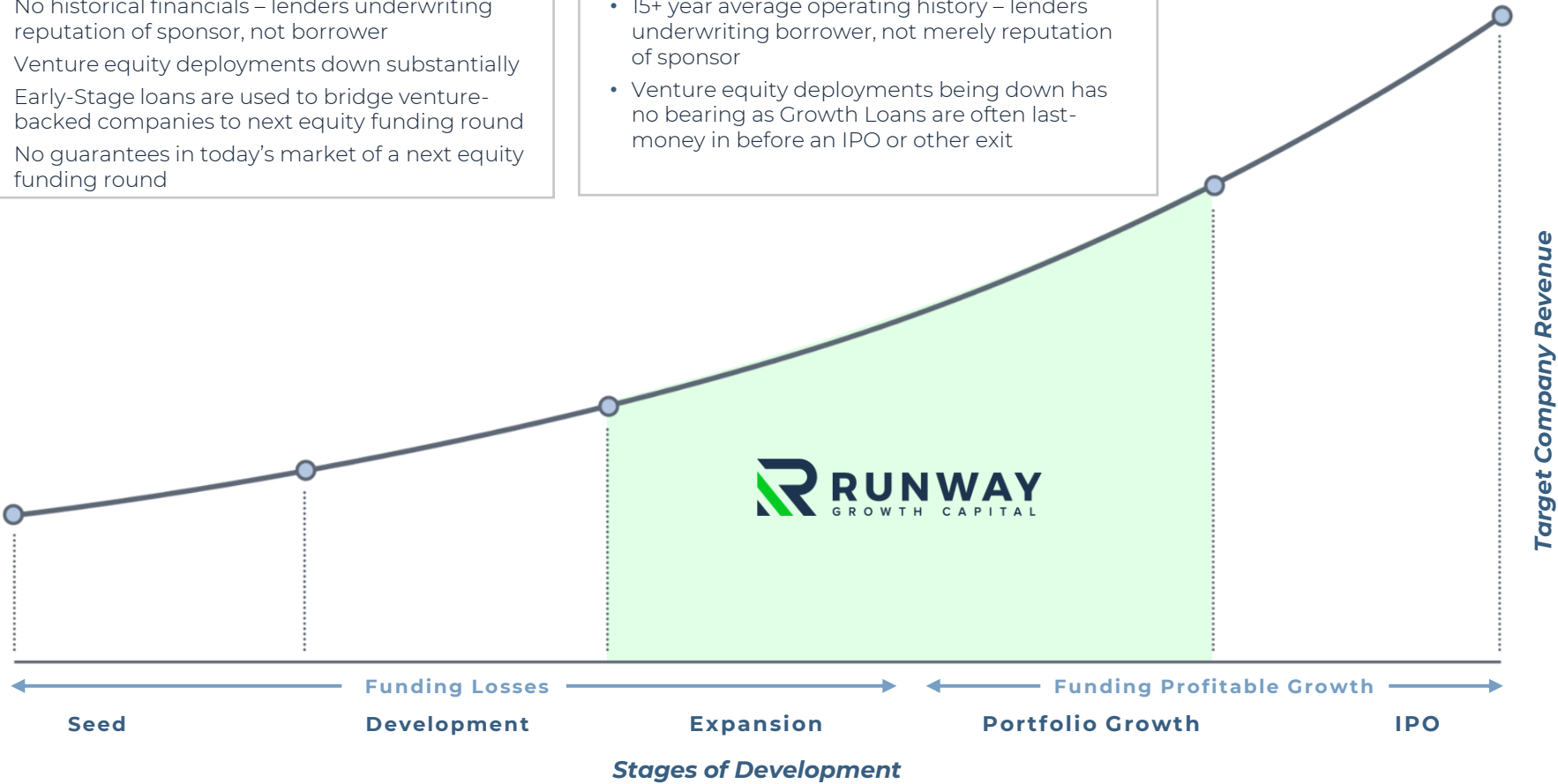
Illustrative Venture/Growth Lending Funding Continuum

Early-Stage Venture Debt

- No historical financials – lenders underwriting reputation of sponsor, not borrower
- Venture equity deployments down substantially
- Early-Stage loans are used to bridge venture-backed companies to next equity funding round
- No guarantees in today's market of a next equity funding round

Late-Stage Venture and Growth Debt

- 15+ year average operating history – lenders underwriting borrower, not merely reputation of sponsor
- Venture equity deployments being down has no bearing as Growth Loans are often last-money in before an IPO or other exit



Runway's core focus is on sponsor-backed late and growth stage venture companies that have a demonstrated track record of performance and are on their way to IPO or other liquidity event alternatives

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 on 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 deep-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.

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, give us the confidence to protect our investors' capital



Experience

- Senior investment professionals have average of 21+ 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 to create new loan structures for our borrowers as they continue to grow
- Since inception, 30% of portfolio companies have upsized and 14% have refinanced with an upsized.

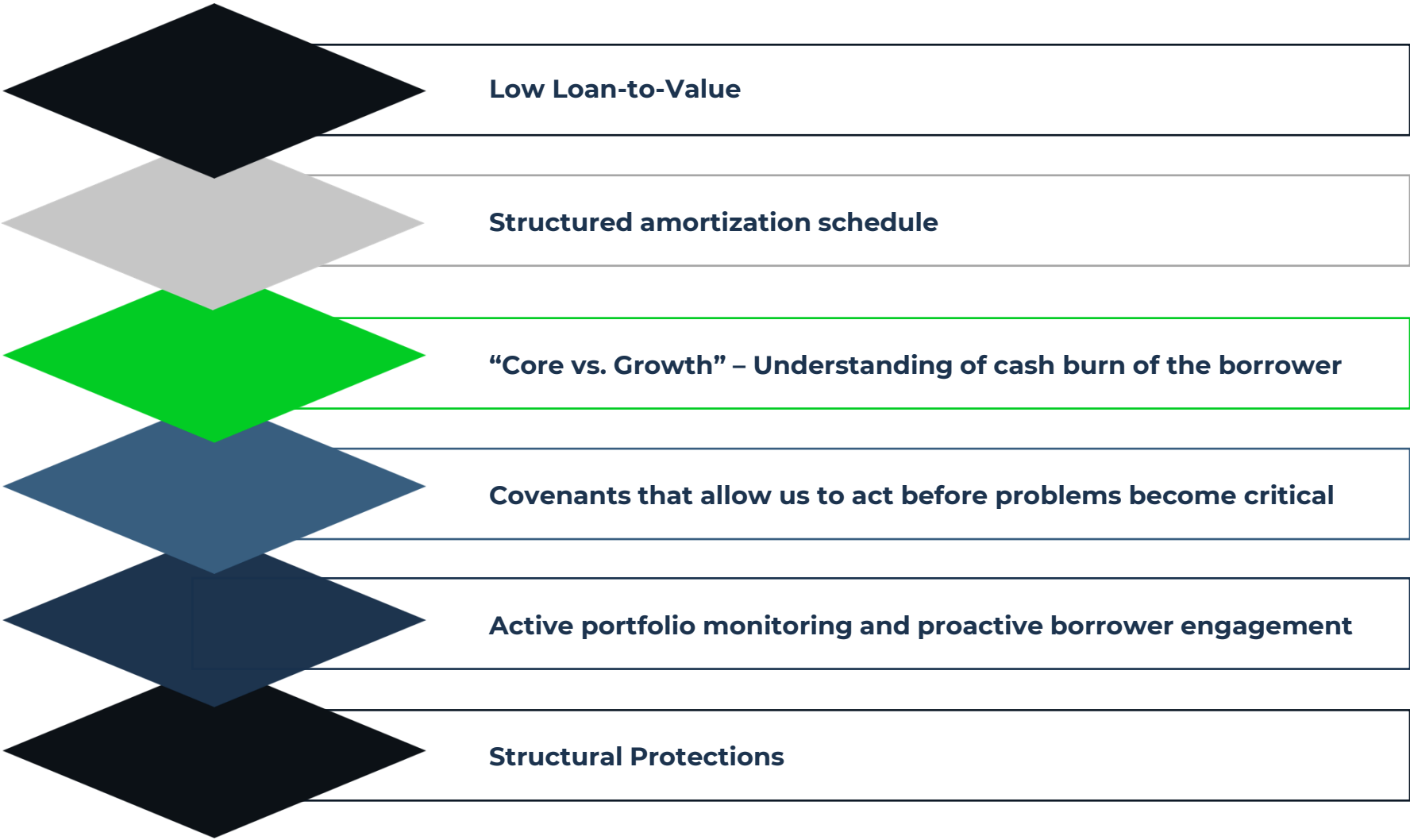


Robust Network

- 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

Runway Has an Edge in Pricing Risk and Ascribing Company Value

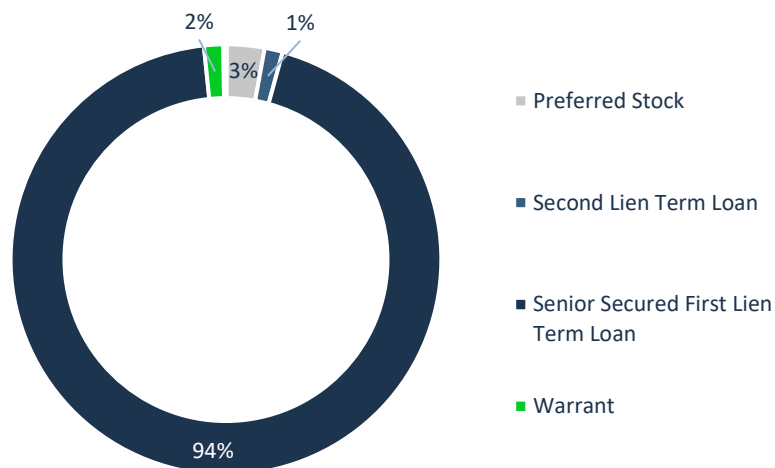
APPROACH TO UNDERWRITING



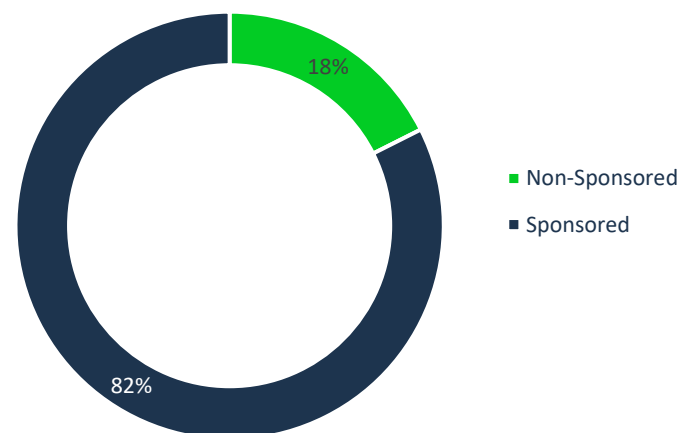
Portfolio Overview

Portfolio at Fair Value¹: **\$1,063 million**

Current Investments by Security Type (by FMV)²



Current Investments by Origination Channel (by FMV)



Cumulative since inception³

Total Loan Commitments	\$2.7B
Average Loan Commitment	\$39.1M
Number of Investments Made	80
Number of Realized Investments ⁴	45
Cumulative Gross/Net Loss Rate	0.91%/0.73%

Current portfolio at origination

Average Operating History ⁵	16.7 Years
Average Enterprise Value ⁵	\$259.5M
Average Revenue ⁵	\$60.8M
Average LTV ⁵	18.5%
Loan Structure	99% First Lien

Past performance is not an indication of future results

1. Excludes investments in U.S. Treasury Bills

2. Common Stock, Convertible Note and Equity Interest each comprise 0.1%

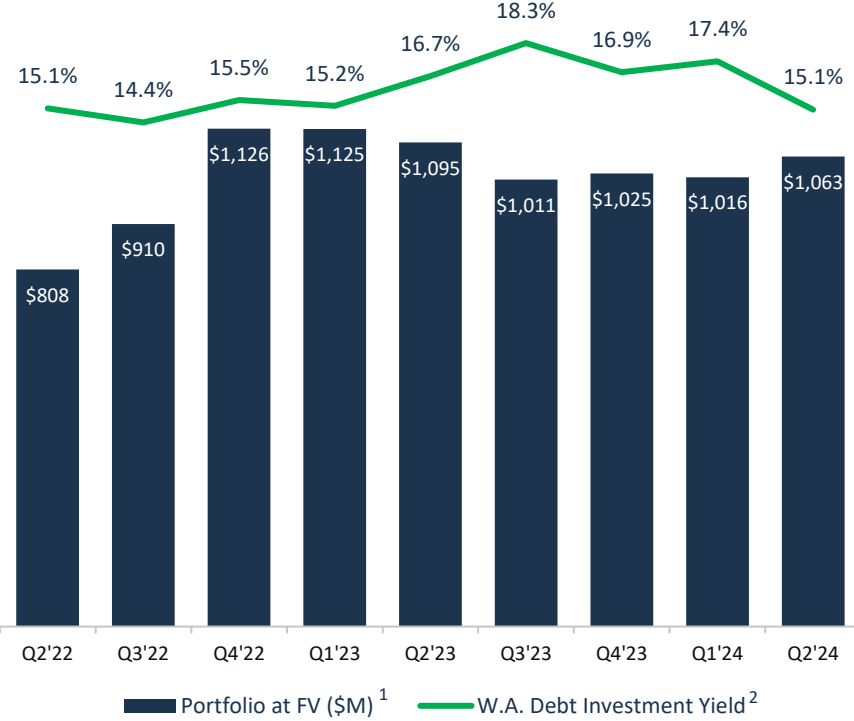
3. Cumulative since inception – from December 2016 through June 2024

4. Excludes 4 active investments that have refinanced with Runway Growth

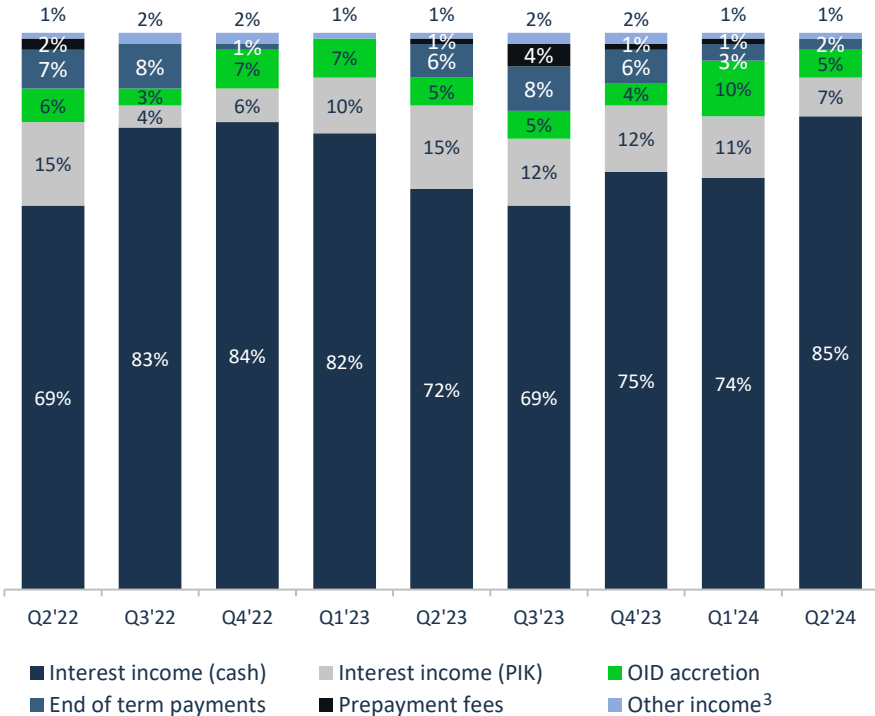
5. Weighted average on funded at origination for current investment portfolio as of June 30, 2024

Key Portfolio Metrics

Portfolio at FV & Investment Yield



Sources of Investment Income

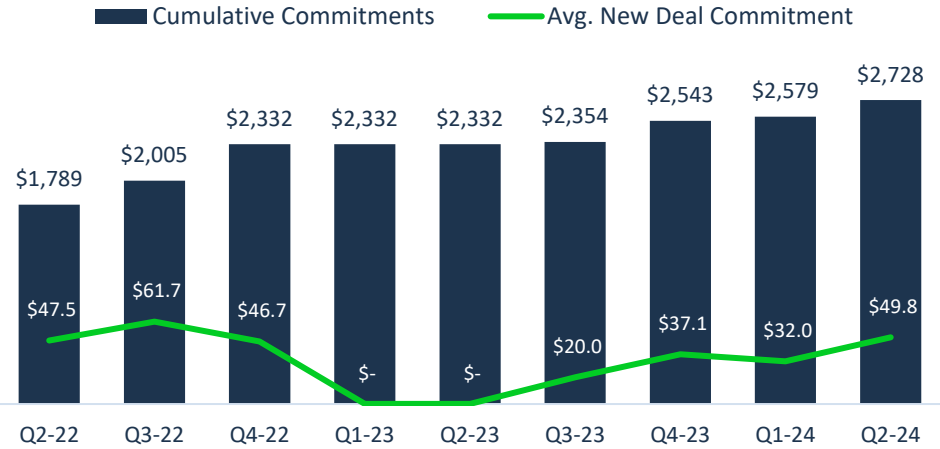


31 debt and 83 equity investments to 55 portfolio companies as of 6/30/2024

Past performance is not an indication of future results
 1. Excludes investments in U.S. 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, dividend income, interest income on money market funds, and other sources of income

Key Portfolio Metrics

Committed Capital (\$M)



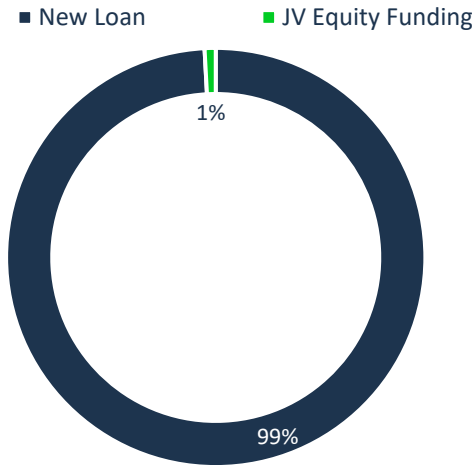
Inception-to-Date:

- 30% Portfolio Companies Upsized (21 Portfolio Companies, 32 Upsize Transactions)
- 10 Refinances or 14% of Portfolio Companies

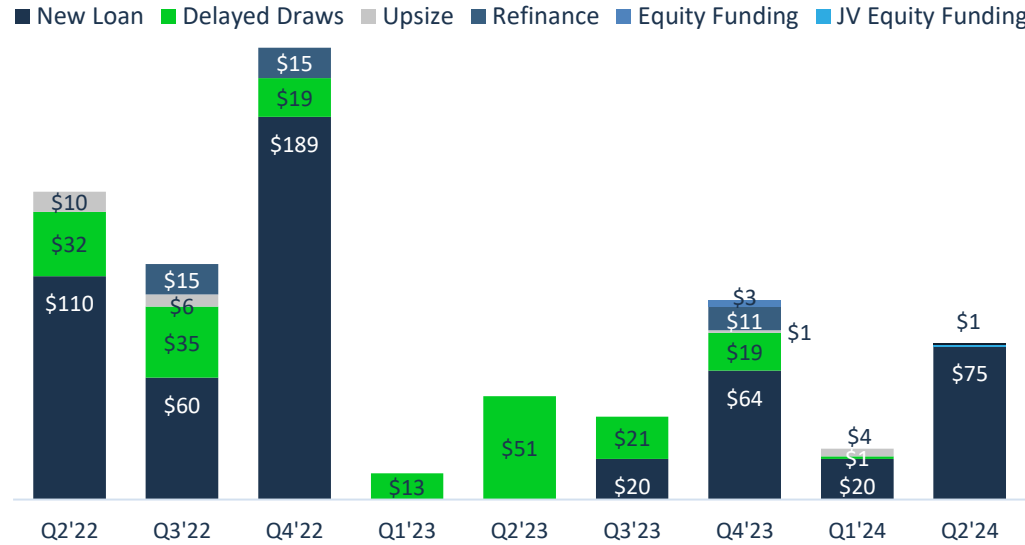
Trailing 12 Months:

- \$39.1M average new deal commitment
- \$27.4M average funding at origination

Q2-2024 Gross Fundings by Type (%)



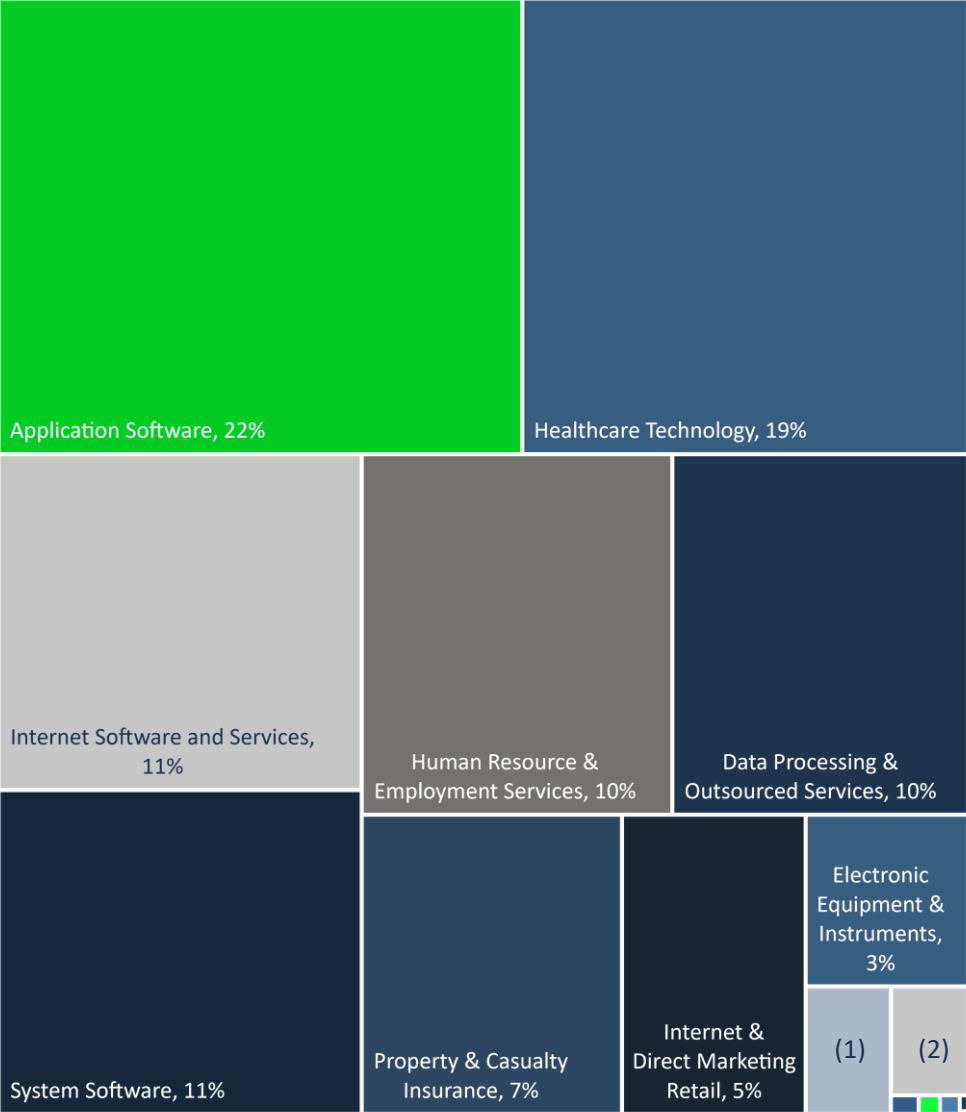
Net Quarterly Fundings by Type¹ (\$M)



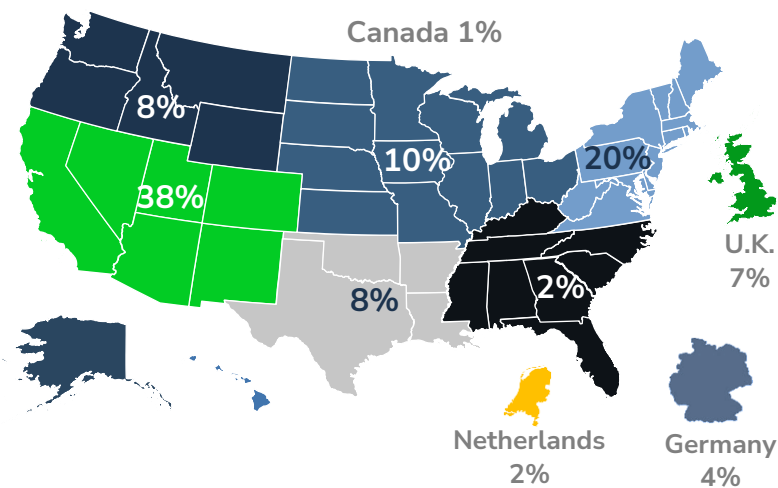
1. Reflects quarterly fundings by type, net of refinances

Highly Diversified Portfolio

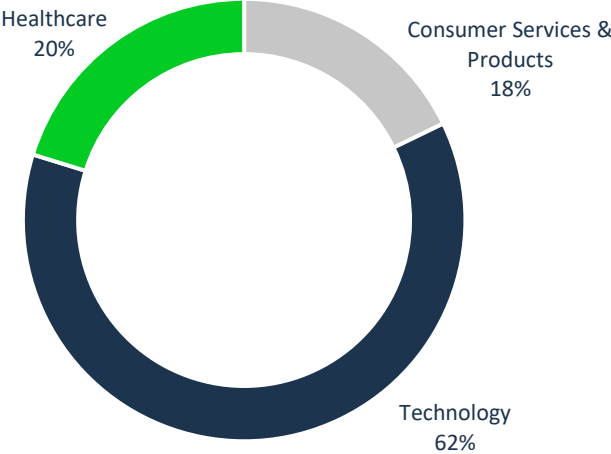
Portfolio at Fair Value by Industry



Portfolio Fair Value by Geography

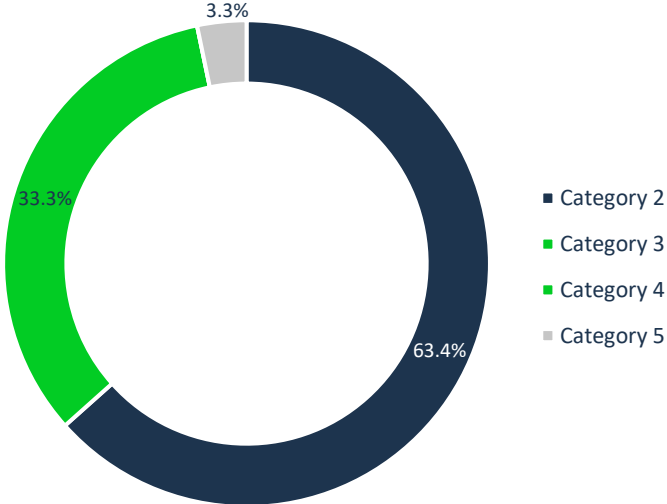


Breakout Across Verticals

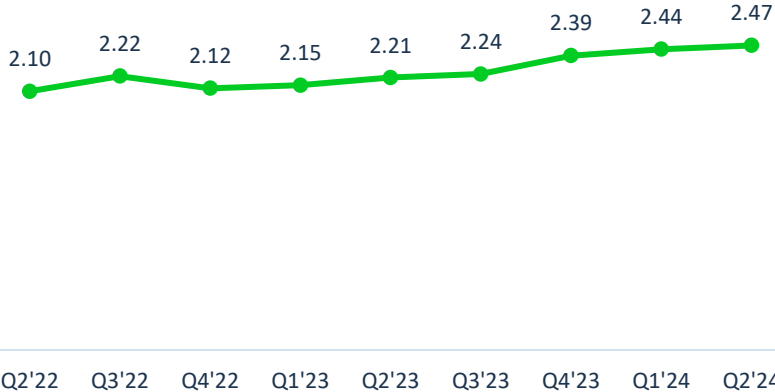


Portfolio Risk Ratings

Investments at Fair Value by Risk Rating Category¹



Weighted Average Risk Rating¹

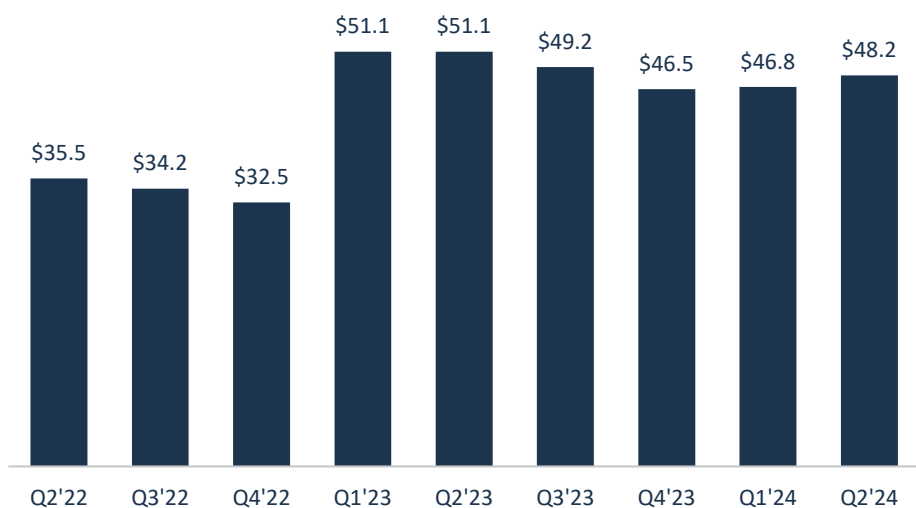


97% Of The Portfolio Has A Weighted Average Risk Rating Of 3 Or Better

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

Warrants & Equity Portfolio

Warrants and Other Equity (\$M)



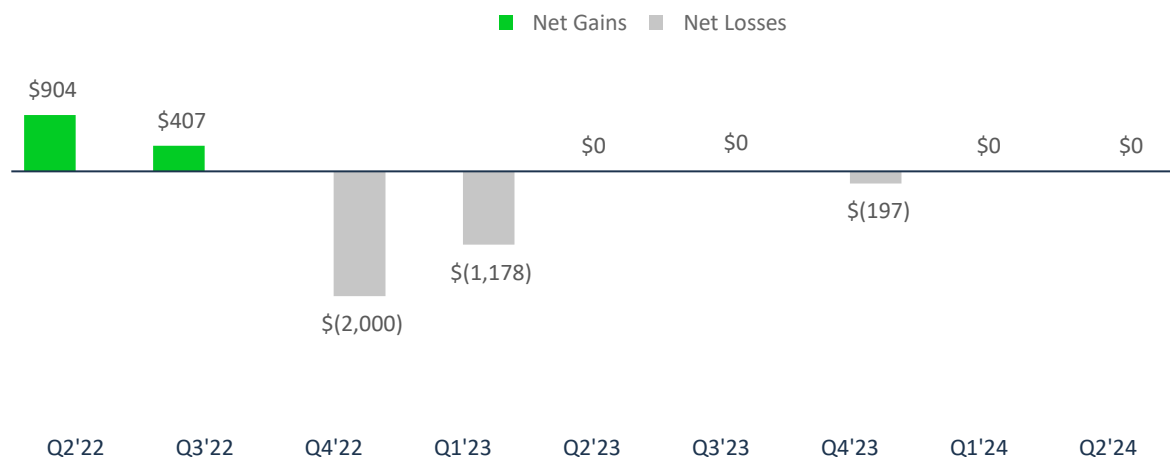
Warrant and Other Equity Holdings

- **25** Companies with both loan and warrant investments
- **16** Companies with warrant investments only
- **6** Companies with shares of common or preferred stock only or a combination with warrants
- **3** Companies with a loan, warrant, and shares of common or preferred stock
- **2** Companies with equity interest

83 WARRANTS AND/OR EQUITY INVESTMENTS IN 52 COMPANIES

Net Realized Gains (Losses) on Equity Investments (\$K)

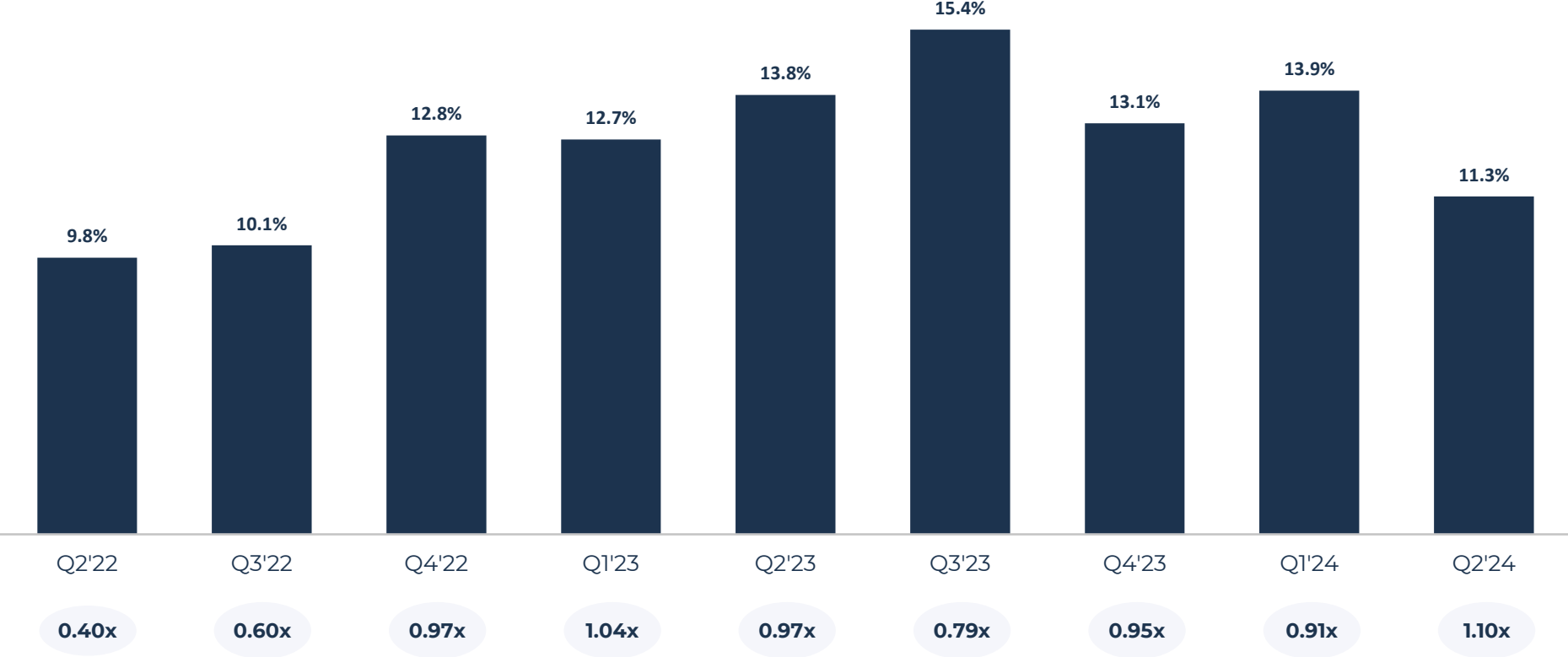
Inception-to-date:
 Net equity gains of \$4.8M offsetting \$24.8M in credit losses



Past performance is not an indication of future results

Strong Balance Sheet Provides For Flexibility & Growth

Historical ROE¹ and Leverage



Relatively low leverage ratio provides dry powder for growth

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

Leverage & Liquidity

Liquidity										
	2022				2023				2024	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Cash & Equivalents	\$3.5	\$6.8	\$5.8	\$5.8	\$3.3	\$37.7	\$15.0	\$3.0	\$6.9	\$8.8
Credit Facility Availability	\$129.0	\$117.7	\$250.0	\$88.0	\$128.0	\$190.0	\$297.0	\$278.0	\$313.0	\$241.0
Net Assets	\$597.5	\$579.4	\$573.7	\$576.1	\$569.8	\$573.9	\$570.5	\$547.1	\$529.5	\$506.4

Debt Capital Structure¹

KeyBank Credit Facility	\$309M Revolver availability	\$550M Revolving Credit Facility	\$600M Maximum accordion commitment
2026 8.54% Notes	\$25M Aggregate principal	8.54% Interest Rate	April 13, 2026 Stated Maturity
2026 4.25% Notes	\$70M Aggregate principal	4.25% Interest Rate	December 10, 2026 Stated Maturity
2027 7.50% Notes	\$80.5M Aggregate principal	7.50% Interest Rate	July 21, 2027 Stated Maturity
2027 7.00% Notes	\$20M Aggregate principal	7.00% Interest Rate	August 31, 2027 Stated Maturity
2027 8.00% Notes	\$51.8M Aggregate principal	8.00% Interest Rate	December 28, 2027 Stated Maturity

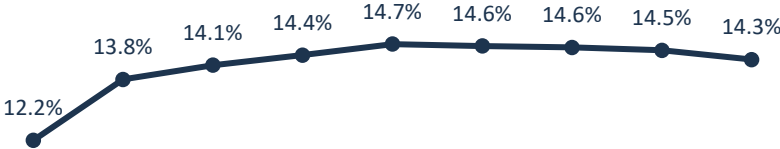


SECOND QUARTER 2024

Portfolio & Financial Highlights

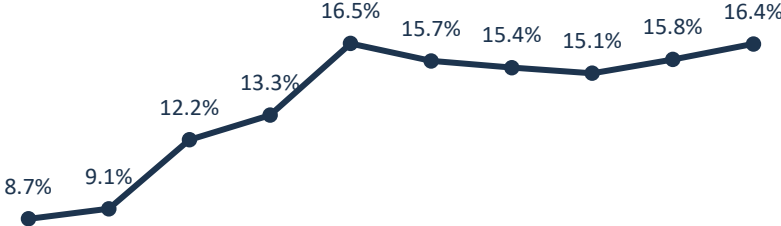
Portfolio Highlights

Average Accounting Yield¹



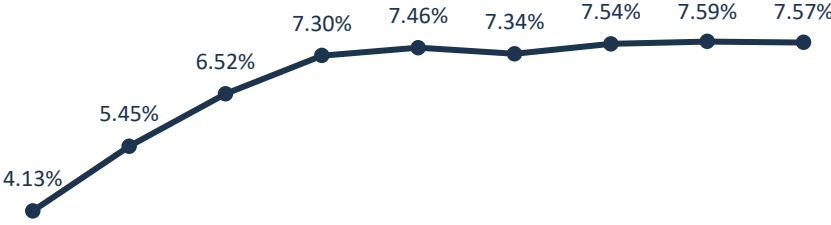
Q2'22 Q3'22 Q4'22 Q1'23 Q2'23 Q3'23 Q4'23 Q1'24 Q2'24

Annualized Dividend Yield²



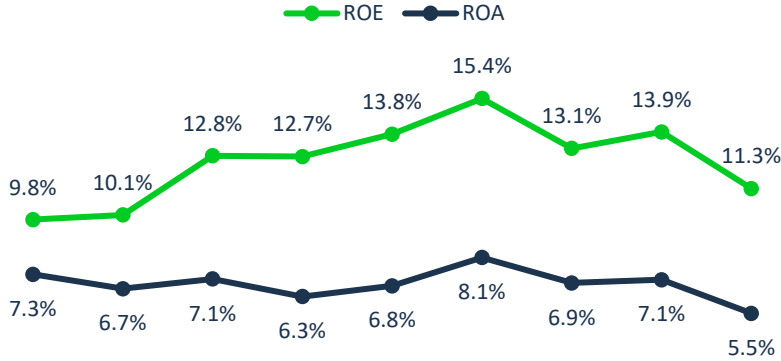
Q1'22 Q2'22 Q3'22 Q4'22 Q1'23 Q2'23 Q3'23 Q4'23 Q1'24 Q2'24

Weighted Average Interest Expense



Q2'22 Q3'22 Q4'22 Q1'23 Q2'23 Q3'23 Q4'23 Q1'24 Q2'24

Annualized Return on Equity and Assets³



Q2'22 Q3'22 Q4'22 Q1'23 Q2'23 Q3'23 Q4'23 Q1'24 Q2'24

Financial Highlights

STATEMENT OF ASSETS & LIABILITIES ¹	As of June 30, 2024	As of December 31, 2023
Total investments at fair value	1,063,324	1,067,009
Cash and cash equivalents	8,810	2,970
Total assets	1,078,236	1,079,153
Debt ²	548,688	510,078
Total liabilities	571,852	532,082
Total net assets	506,384	547,071
Net asset value per share	13.14	13.50

STATEMENT OF OPERATIONS ¹	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023
Total investment income	34,193	41,895
Total operating expenses	19,602	22,219
Net investment income	14,591	19,676
Net realized and unrealized gain (loss)	(6,300)	2,644
Net increase (decrease) in net assets from operations	8,291	22,320
Net investment income per share	0.37	0.49

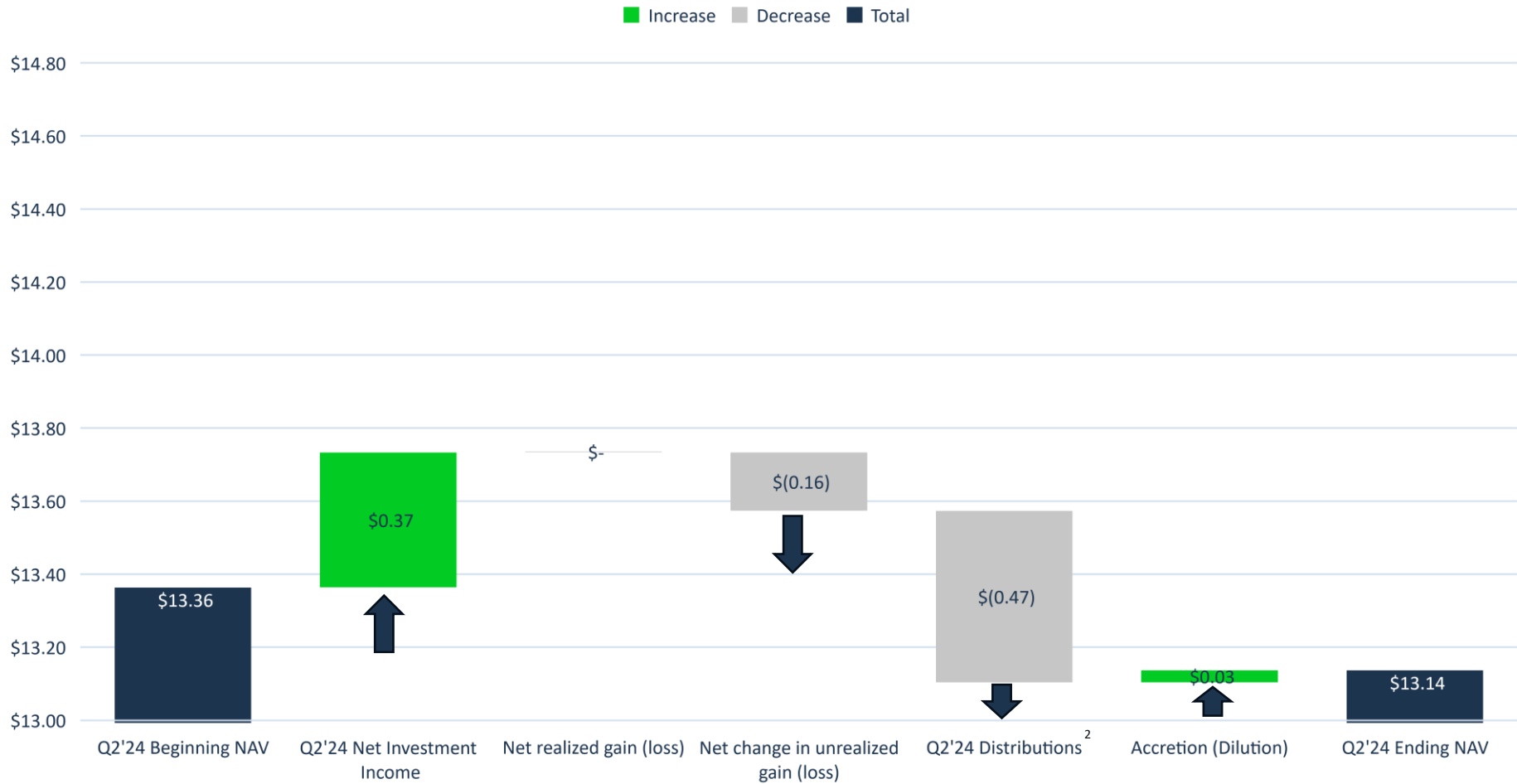
Note: Past performance is not an indication of future results. Shown in thousands except per share data.

1. In thousands, except per share data

2. Net of unamortized deferred debt costs

Q2-2024 NAV/Share Bridge

Reconciliation of Quarterly Nav per Share¹



1. NAV/share calculated using weighted average share outstanding during Q2 2024 of 39,180,767
 2. Distributions are based on taxable income rather than GAAP income (i.e. NII) and include spillover from prior year undistributed NII. The \$0.47 dividend is comprised of a \$0.40 regular dividend and a \$0.07 special dividend (prior year spillover).



Analyst Coverage

Robust Industry Analyst Coverage

Finian O'Shea, CFA



Melissa Wedel, CFA



Mitchel Penn, CFA



Casey Alexander



Doug Harter



John Rowan



Mickey Schleien, CFA



Bryce Rowe, CFA



Derek Hewett





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