

# Runway Growth Finance Corp.

Fourth Quarter 2024 Investor Presentation

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March 2025

# Forward-looking Statements

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The performance information contained herein has not been examined by any independent third party, including any independent accounting firm.

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# Our Investment Opportunity



## Representing a Compelling Entry Point for Investors:



### Attractive Yield with Potential Equity Upside

- High dividend yield with potential for capital growth relative to industry peers
- Attractive dividend yield with potential for equity upside with narrowing of Price/NAV discount



### Industry Leading Loss Rates

- Disciplined investment approach has kept our **annualized loss rate at 10 bps**, which has historically been offset by ongoing realized gains on warrant and equity investments
- We are proud of our low loss rates — **77 bps cumulative net loss rate<sup>1</sup> since inception** and maintaining this standing is our primary focus



### Strong & Experienced Team

- Senior executive team has average of 30+ years of experience
- Demonstrated by 28 consecutive quarterly distributions since inception
- Expansive network of contacts within the venture capital industry across equity providers, lenders, advisers, etc.



### Dry Powder for Portfolio Expansion

- Relatively low leverage ratio provides dry powder for growth
- Non-sponsored deals provide unique portfolio expansion opportunity, facing less competition and favorable terms

## Part of a Scaled & Diversified Credit Platform

Our investment adviser's transaction with the BC Partners platform enables us to capture a larger portion of the venture growth ecosystem by providing a full-service credit platform of best-in-class financing solutions with the capability to move across the entire borrower value chain.



### A Combined, Fully-Scaled Credit Platform

<p><b>Fully Scaled Platform<sup>1</sup></b></p>	<p>Combined Platform AUM<sup>3</sup></p> <p><b>~\$10B</b></p> <p>Over 2x the closest standalone venture debt peer</p>	<p>Global Investment Exposure</p> <p><b>8 Offices</b></p> <p>Across US, UK, and Canada</p>	<p>Combined Team of</p> <p><b>165 Professionals<sup>4</sup></b></p> <p>Across BC Partners and Runway Growth Capital LLC</p>
<p><b>Disciplined Venture Debt Manager<sup>2</sup></b></p> <p><small>* Stats pertain to Runway Growth Finance Corp.</small></p>	<p>Funded Capital Since Inception</p> <p><b>\$2.4B</b></p> <p>Across 86 Runway Growth Investments</p>	<p>Weighted Average Runway Borrower LTV</p> <p><b>20.9%</b></p> <p>At Origination</p>	<p>Runway Loss Rates<sup>3</sup></p> <p><b>Gross: 0.94%   Net: 0.77%</b></p> <p>Over 86 Investments (Since Inception)</p>



# Runway Growth Overview

# Runway is Providing Access to Venture Debt with a Fully-Scaled Platform



**Leading Growth Capital Capabilities Underpinned by a Full-Service Credit Platform**



**Disciplined Investment Process with Focus on Deep Credit Analysis**



**Scaled, Diverse Portfolio with Centralized Portfolio Management Team**



**Strong Balance Sheet Optimized for Flexibility and Disciplined Growth**



**Experienced Management Team with Solid Track Record**

## Near-term Growth Levers Post-BC Partners Combination:



### Enhanced financing solutions:

Our investment adviser, Runway Growth Capital LLC ("Runway"), seeks to deliver more comprehensive financing solutions for a wider range of borrowers and execute larger deals with the backing of BC Partners' resources and scale.



### Expanded origination channels:

BC Partners' investment platform allows Runway to expand origination channels, strengthen sourcing capabilities and capture a broader range of investment opportunities designed to enhance stockholder value.



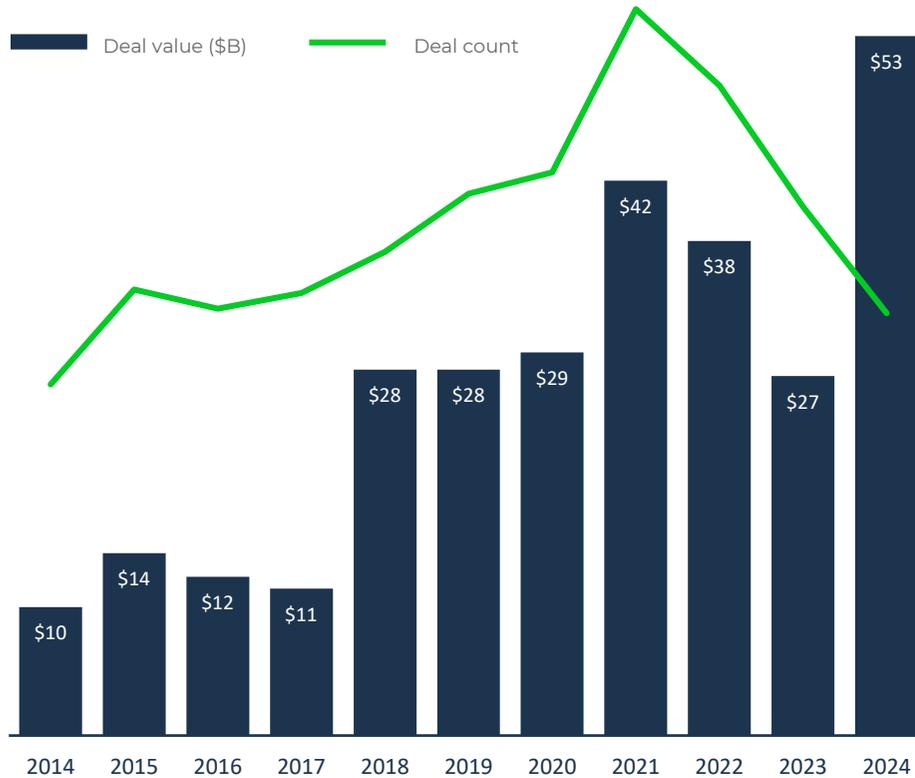
### Augmented access to capital:

The expanded platform deepens Runway Growth's ability to invest across the liquidity spectrum and provides capacity for Runway Growth to deploy additional leverage and participate in larger deals which will grow AUM and generate additional origination activities.

# Venture Debt is Leading Growth in Direct Lending

Venture Debt growth has been explosive in 2024, showing that Runway is positioned in the fastest growth subsector, of the fastest growing asset class in Private Credit.

## Venture Debt Deal Volume Trends<sup>1</sup>



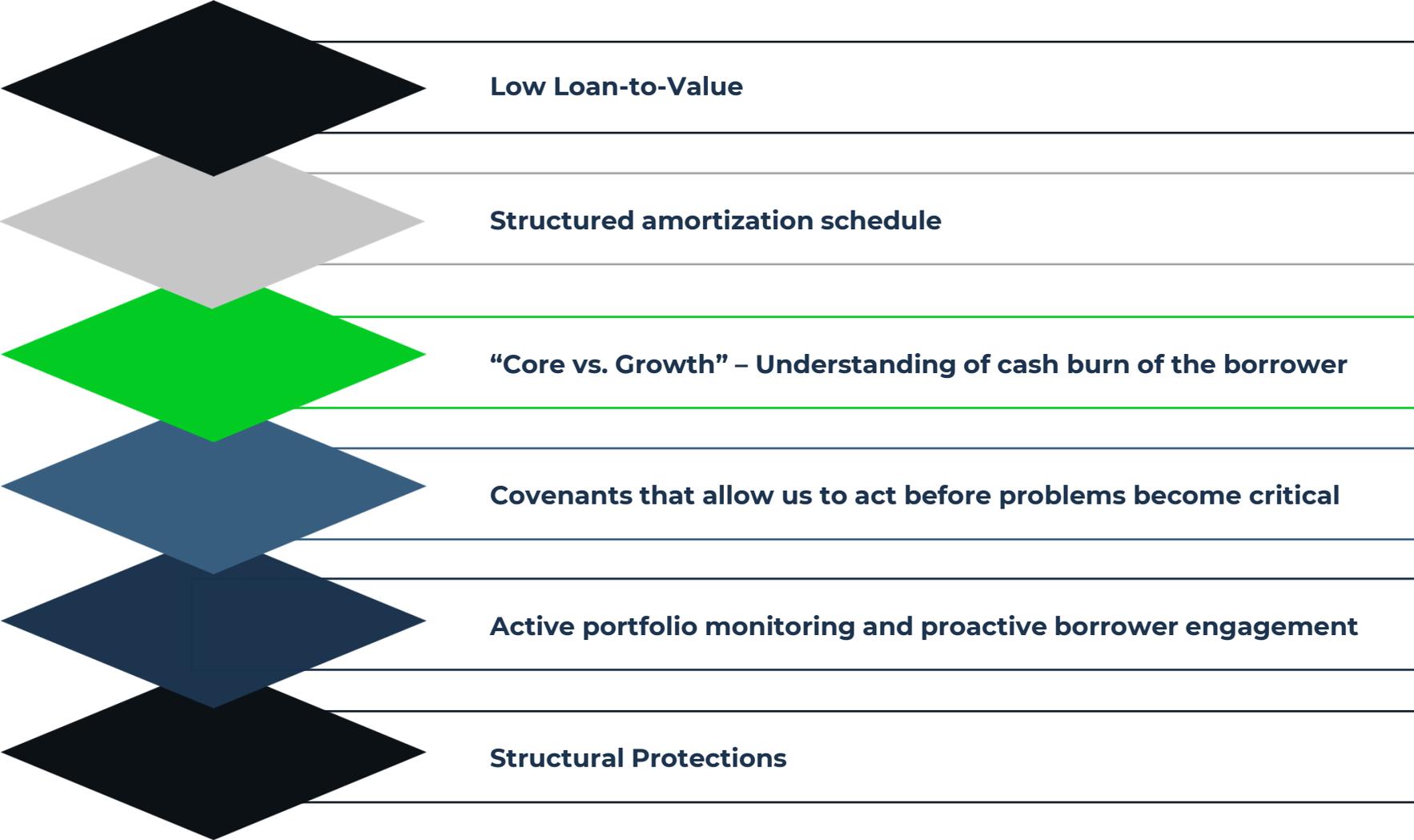
**Venture debt deal value has dramatically increased in the past year, totaling more than \$53 billion compared to \$27 billion in 2023.**

## Runway’s Investment Focus & Process

- ❑ **Low loan-to-value** in the sub 30% area provides a margin of safety for venture debt investors
- ❑ **Predictable cash flow** enable differentiated return profiles with a shorter time duration
- ❑ **First lien focus** given the attractive senior secured position and collateral
- ❑ **Enhanced control** through covenants and milestones included in venture debt agreements
- ❑ **Robust Origination pipeline** of high-growth companies in select sectors weighted toward growth and late-stage
- ❑ **Insulation from volatility** through the venture ecosystem which offers portfolio diversification and hedges against public market activity

# Runway Has an Edge in Pricing Risk and Ascribing Company Value

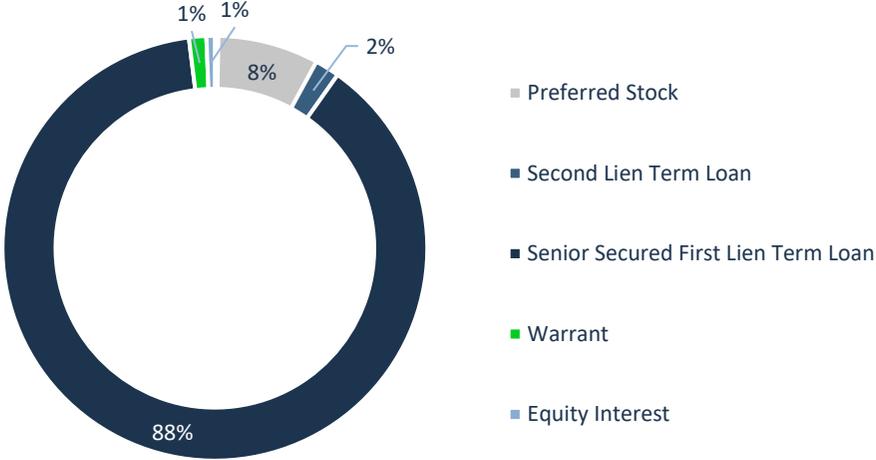
## APPROACH TO UNDERWRITING



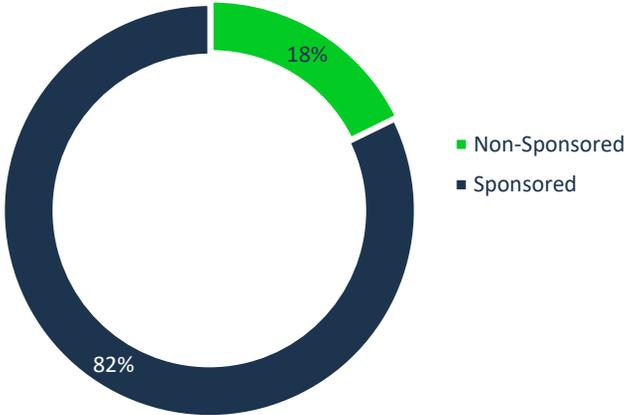
# Portfolio Overview

Portfolio at Fair Value<sup>1</sup>: \$1,077 million

Current Investments by Security Type (by FMV)<sup>2</sup>



Current Investments by Origination Channel (by FMV)



Cumulative since inception<sup>3</sup>

Total Loan Commitments	\$3.0B
Average Loan Commitment	\$38.9M
Number of Investments Made	86
Number of Realized Investments <sup>5</sup>	49
Cumulative Gross/Net Loss Rate	0.94%/0.77%

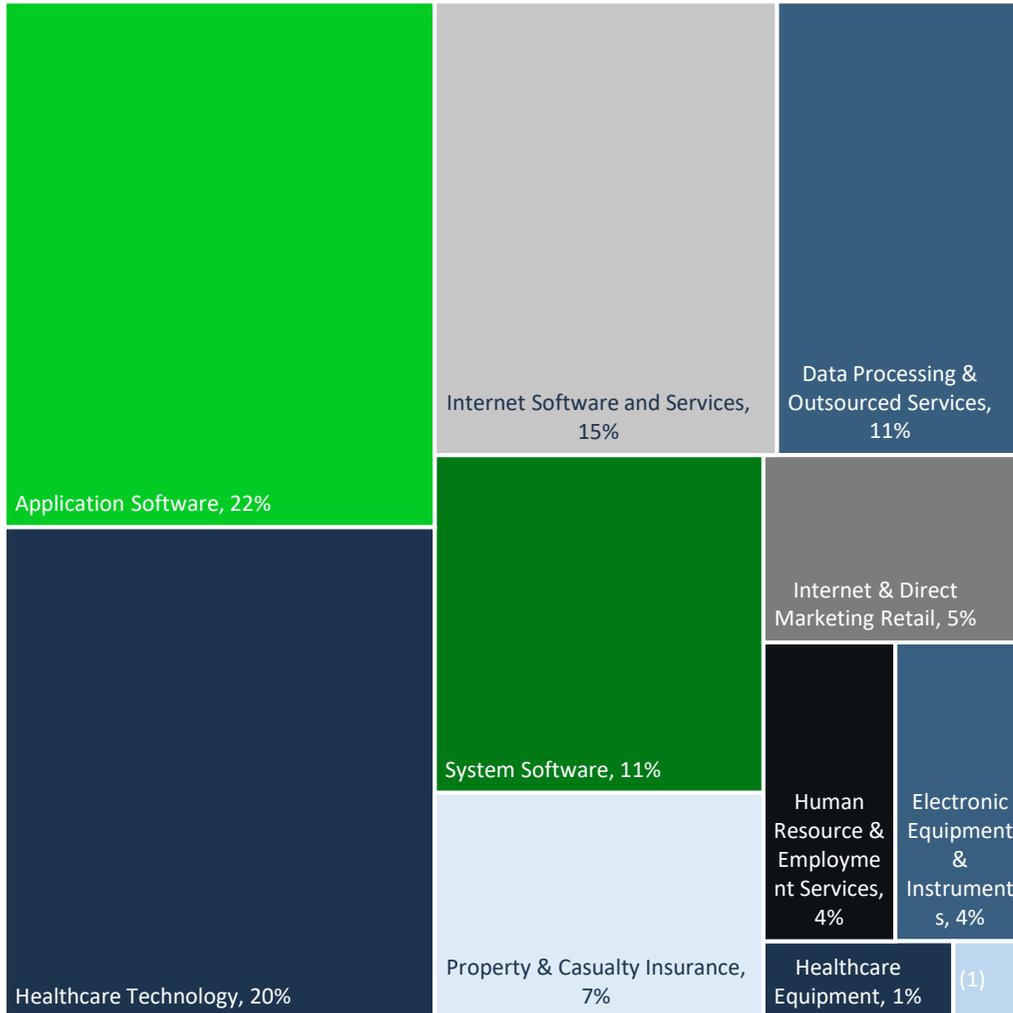
Current portfolio at origination

Average Operating History <sup>4</sup>	15.3 Years
Average Enterprise Value <sup>4</sup>	\$340.3M
Average Revenue <sup>4</sup>	\$84.6M
Average LTV <sup>4</sup>	20.9%
Loan Structure	98% First Lien

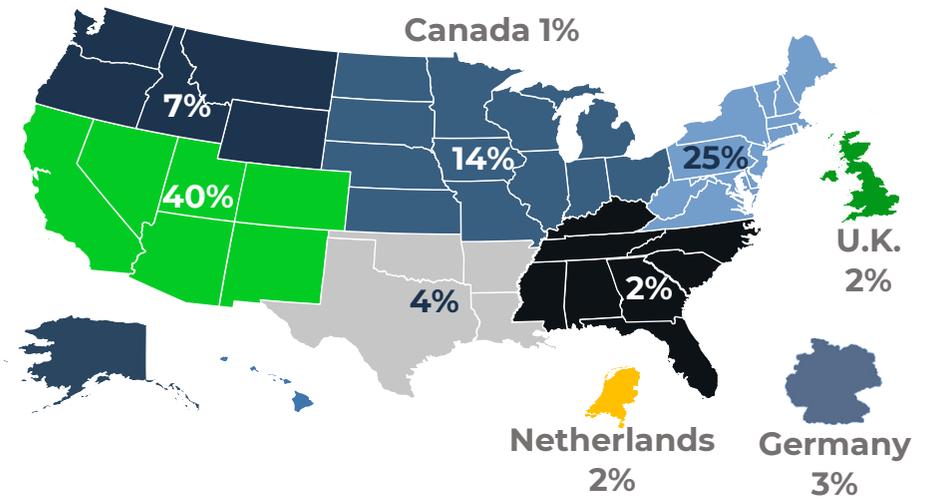
Past performance is not an indication of future results  
 1. Excludes investments in treasury bills  
 2. Common Stock comprises less than 1%  
 3. Cumulative since inception – from December 2016 to December 2024  
 4. Weighted average on funded at origination for current investment portfolio as of December 31, 2024  
 5. Excludes 5 active investments that have refinanced with Runway Growth

# Highly Diversified Portfolio

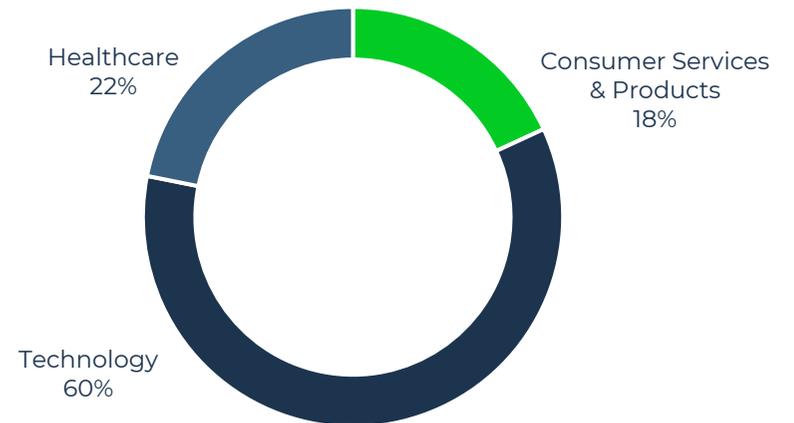
Portfolio at Fair Value by Industry



Portfolio Fair Value by Geography

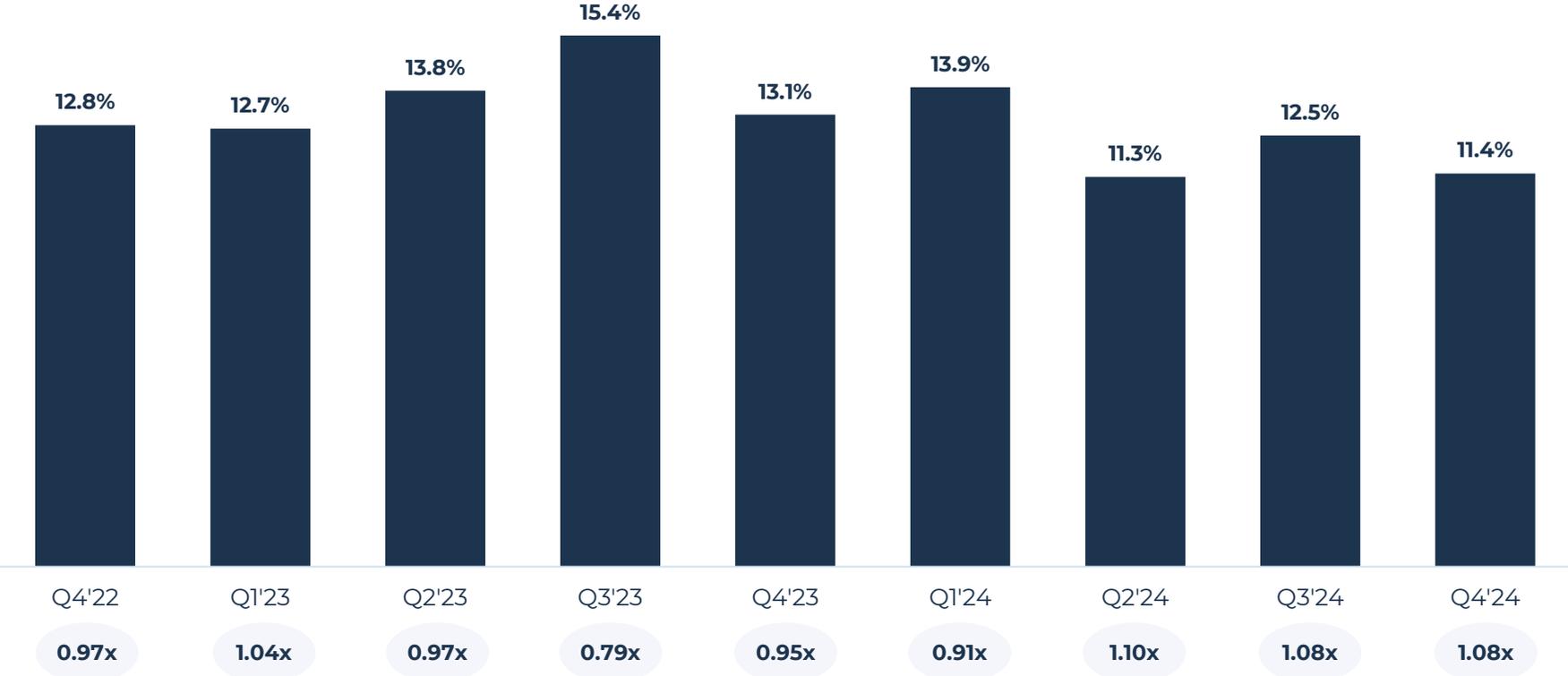


Breakout Across Verticals



# Strong Balance Sheet Provides For Flexibility & Growth

### Historical ROE<sup>1</sup> 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

# Experienced Management Team with Solid Track Record

Our investment adviser’s highly experienced leadership team with strong venture-related backgrounds is equipped to deliver Runway’s vision and execute across multiple economic cycles.

## Runway’s Leadership



**David Spreng**  
Founder, CEO

**Prior Experiences**



**Tom Raterman**  
CFO, COO

**Prior Experiences**



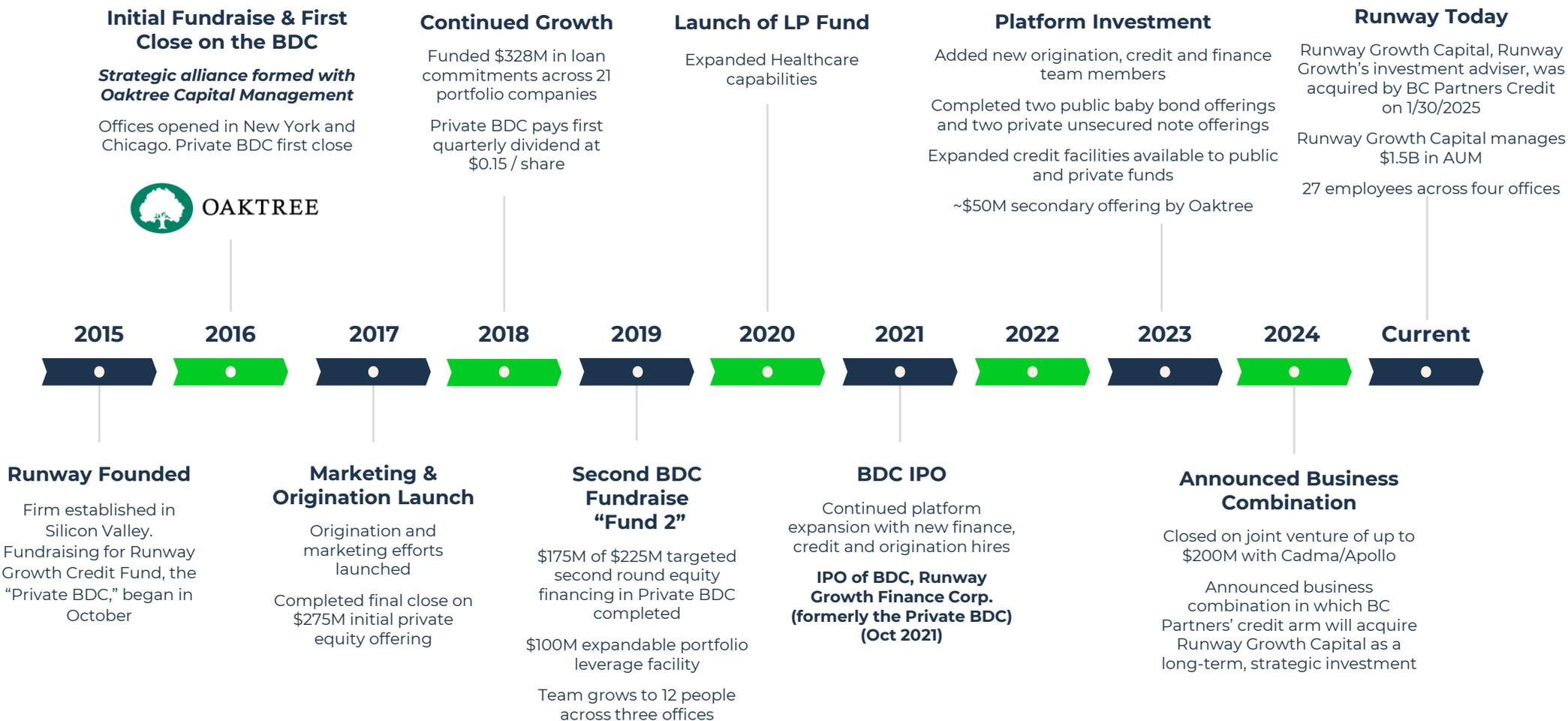
**Greg Greifeld**  
CIO

**Prior Experiences**



# Runway's Story – Company History

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





FOURTH QUARTER 2024

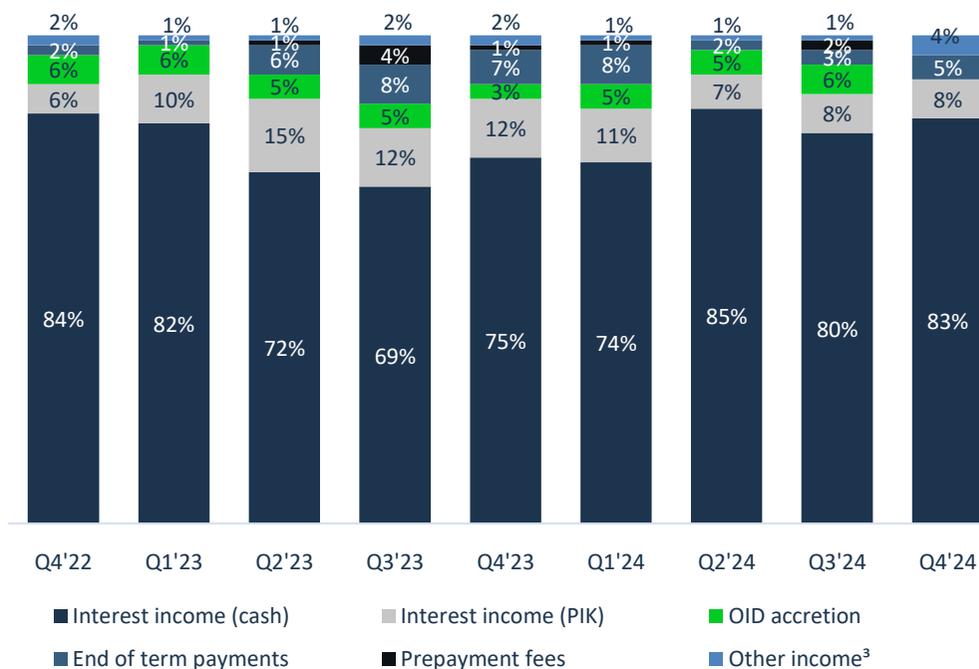
# Portfolio & Financial Highlights

# Key Portfolio Metrics

### Portfolio at FV & Investment Yield



### Sources of Investment Income



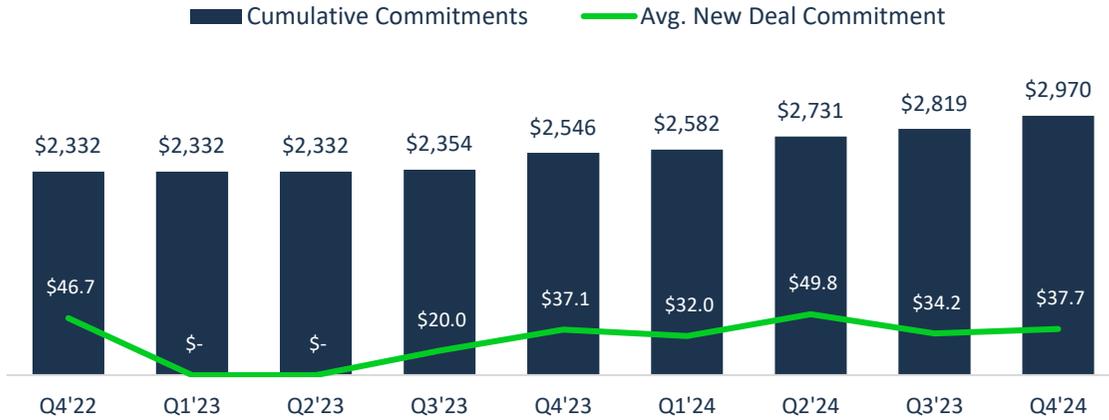
**32 debt and 88 equity investments to 57 portfolio companies as of 12/31/2024**

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)



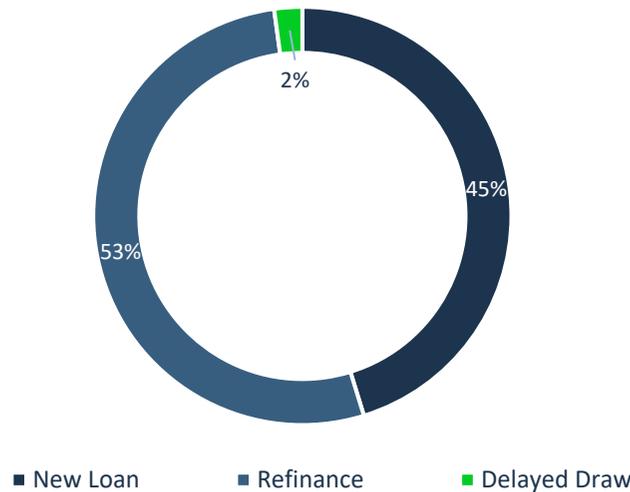
### Inception-to-Date:

- 30% Portfolio Companies Upsized (22 Portfolio Companies, 33 Upsize Transactions)
- 13 Refinances or 16% of Portfolio Companies

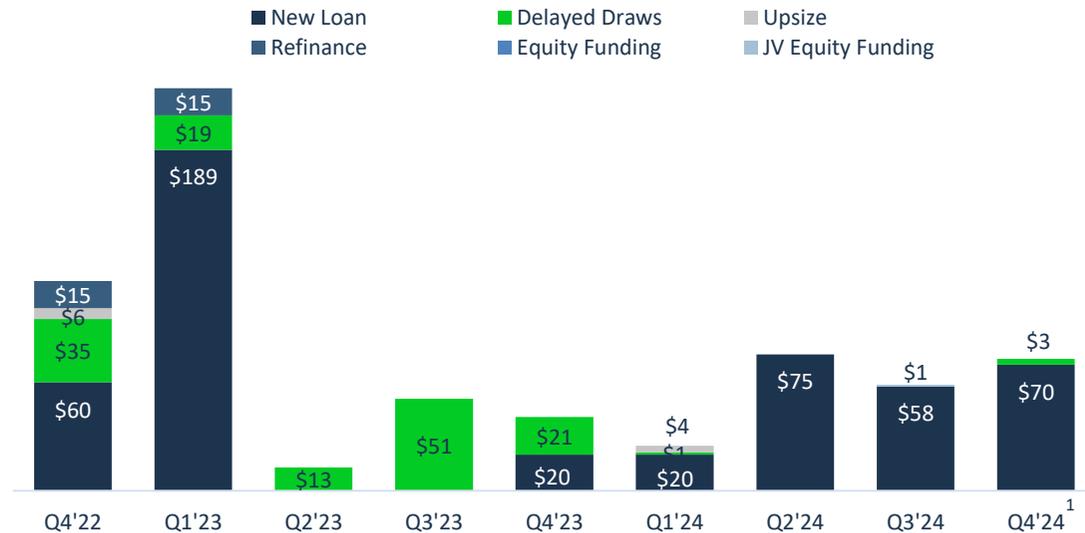
### Trailing 12 Months:

- \$40.6M average new deal commitment
- \$33.8M average funding at origination

## Q4-2024 Gross Fundings by Type (%)

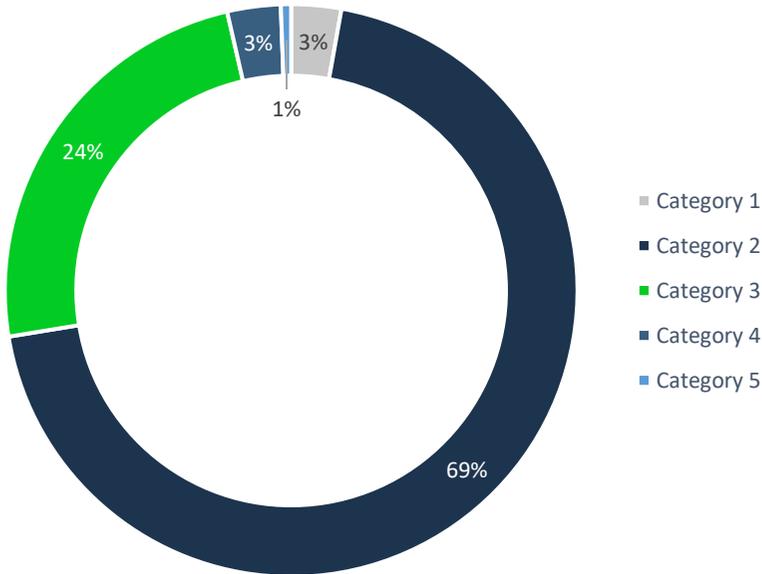


## Net Quarterly Fundings by Type (\$M)



# Portfolio Risk Ratings

### Investments at Fair Value by Risk Rating Category<sup>1</sup>



### Weighted Average Risk Rating<sup>1</sup>

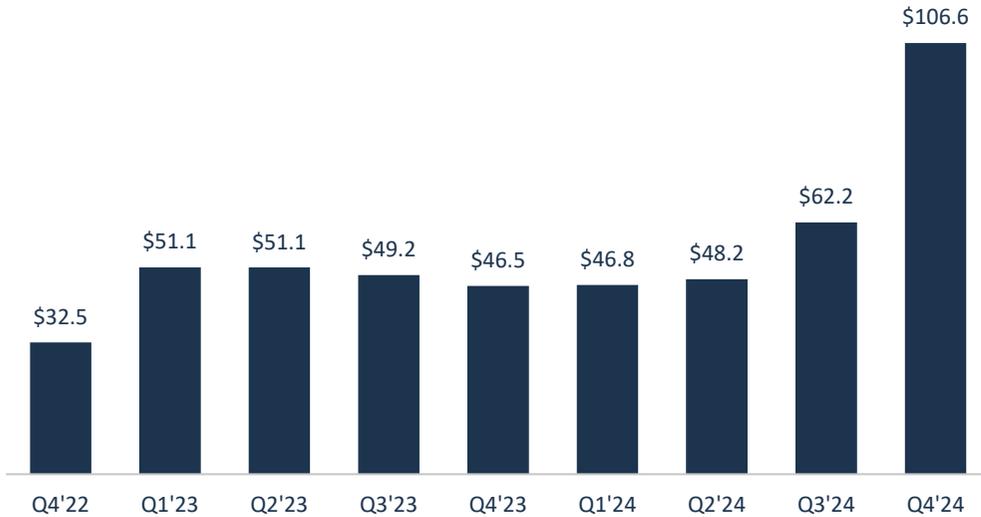


**96% Of The Portfolio Has A Weighted Average Risk Rating Of 3 Or Better**

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

# Warrants & Equity Portfolio

## Warrants and Other Equity (\$M)



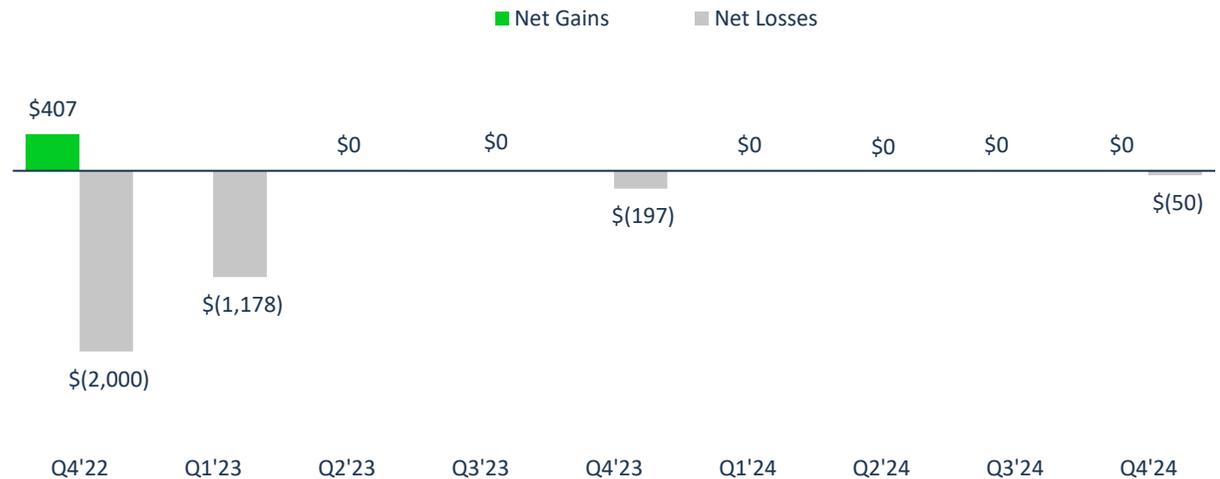
## Warrant and Other Equity Holdings

- **23** Companies with both loan and warrant investments
- **17** Companies with warrant investments only
- **6** Companies with shares of common or preferred stock only or a combination with warrants
- **5** Companies with a loan, warrant, and shares of common or preferred stock
- **2** Companies with 100% equity interest

**88 WARRANTS AND/OR EQUITY INVESTMENTS IN 53 COMPANIES**

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

**Inception-to-date:**  
 Net equity gains of \$17.5M offsetting \$40.5M in debt and equity losses



Past performance is not an indication of future results

## Leverage & Liquidity

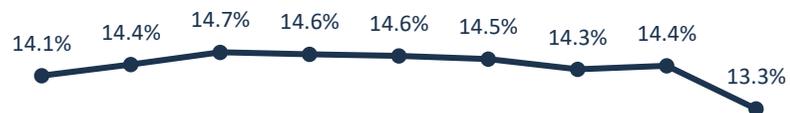
	Liquidity											
	2022				2023				2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Cash & Equivalents	\$3.5	\$6.8	\$5.8	\$5.8	\$3.3	\$37.7	\$15.0	\$3.0	\$6.9	\$8.8	\$3.6	\$5.8
Credit Facility Availability	\$129.0	\$117.7	\$250.0	\$88.0	\$128.0	\$190.0	\$297.0	\$278.0	\$313.0	\$241.0	\$248.0	\$239.0
Net Assets	\$597.5	\$579.4	\$573.7	\$576.1	\$569.8	\$573.9	\$570.5	\$547.1	\$529.5	\$506.4	\$507.4	\$514.9

### Debt Capital Structure<sup>1</sup>

<b>KeyBank Credit Facility</b>	<b>\$311M</b> Revolver outstanding	<b>\$550M</b> Revolving Credit Facility	<b>\$600M</b> Maximum accordion commitment
<b>2026 8.54% Notes</b>	<b>\$25M</b> Aggregate principal	<b>8.54%</b> Interest Rate	<b>April 13, 2026</b> Stated Maturity
<b>2026 4.25% Notes</b>	<b>\$70M</b> Aggregate principal	<b>4.25%</b> Interest Rate	<b>December 10, 2026</b> Stated Maturity
<b>2027 7.50% Notes</b>	<b>\$80.5M</b> Aggregate principal	<b>7.50%</b> Interest Rate	<b>July 21, 2027</b> Stated Maturity
<b>2027 7.00% Notes</b>	<b>\$20M</b> Aggregate principal	<b>7.00%</b> Interest Rate	<b>August 31, 2027</b> Stated Maturity
<b>2027 8.00% Notes</b>	<b>\$51.8M</b> Aggregate principal	<b>8.00%</b> Interest Rate	<b>December 28, 2027</b> Stated Maturity

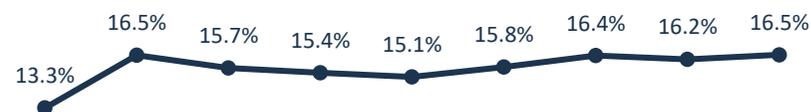
# Portfolio Highlights

## Average Accounting Yield<sup>1</sup>



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

## Annualized Dividend Yield to NAV<sup>2</sup>



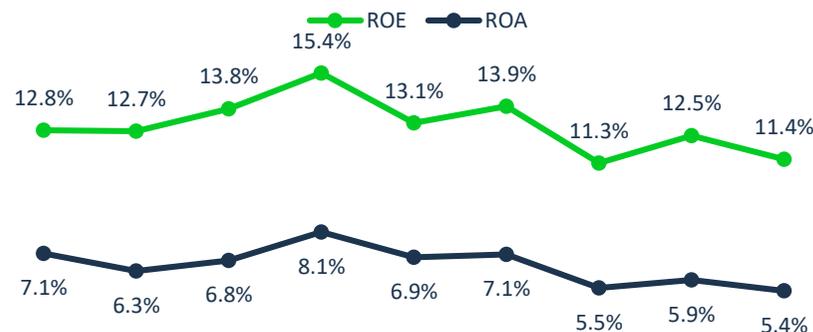
Q4'22 Q1'23 Q2'23 Q3'23 Q4'23 Q1'24 Q2'24 Q3'24 Q4'24

## Weighted Average Interest Expense



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

## Annualized Return on Equity and Assets<sup>3</sup>



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

# Financial Highlights

STATEMENT OF ASSETS & LIABILITIES <sup>1</sup>	As of December 31, 2024	As of December 31, 2023
Total investments at fair value	1,076,840	1,067,009
Cash and cash equivalents	5,751	2,970
<b>Total assets</b>	<b>1,091,355</b>	<b>1,079,153</b>
Debt <sup>2</sup>	552,332	510,078
<b>Total liabilities</b>	<b>576,486</b>	<b>532,082</b>
<b>Total net assets</b>	<b>514,869</b>	<b>547,071</b>
<b>Net asset value per share</b>	<b>13.79</b>	<b>13.50</b>

STATEMENT OF OPERATIONS <sup>1</sup>	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
Total investment income	33,779	39,225
Total operating expenses	19,158	20,908
<b>Net investment income</b>	<b>14,621</b>	<b>18,317</b>
Net realized and unrealized gain (loss)	13,601	(23,102)
<b>Net increase (decrease) in net assets from operations</b>	<b>28,222</b>	<b>(4,785)</b>
<b>Net investment income per share</b>	<b>0.39</b>	<b>0.45</b>

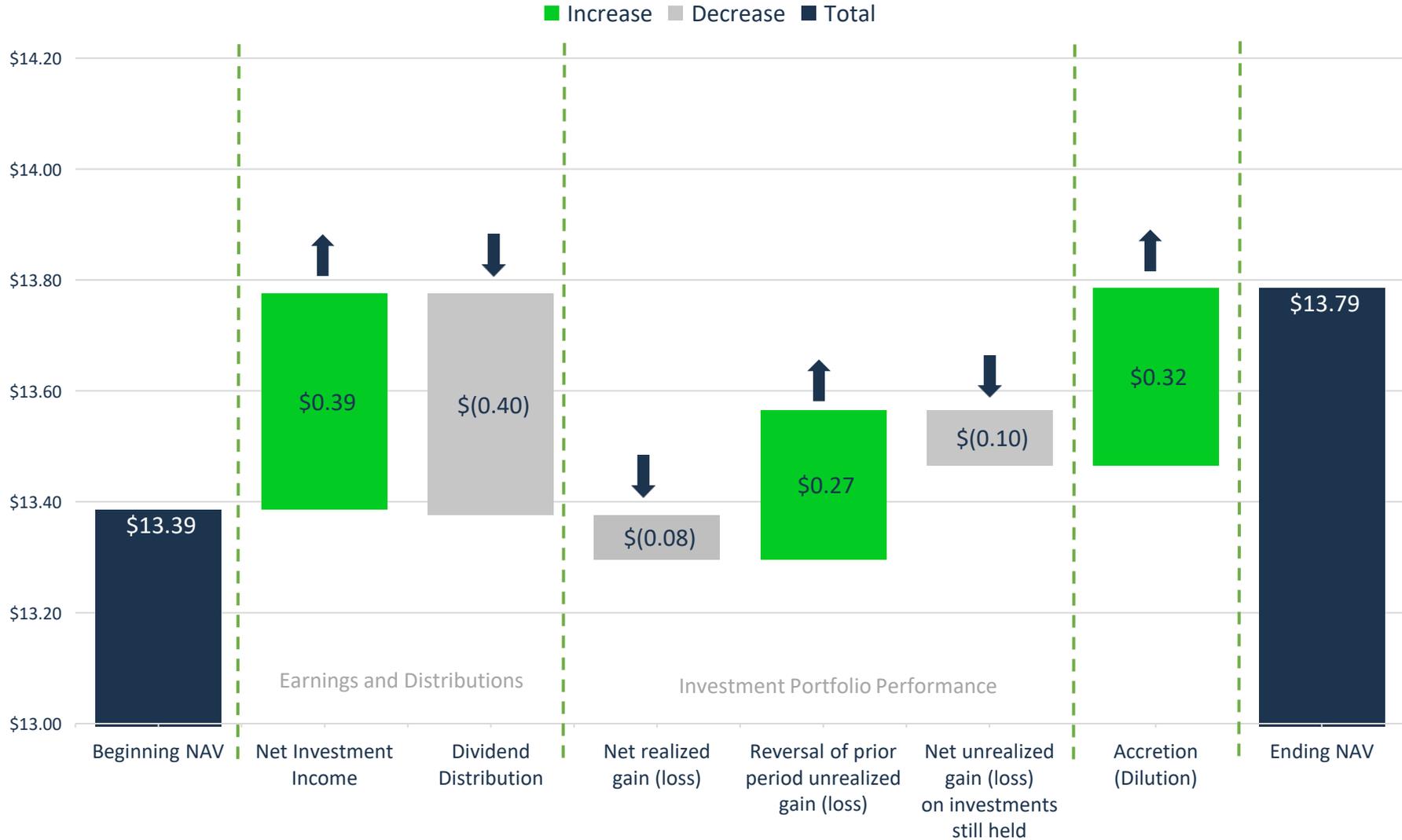
Note: Past performance is not an indication of future results. Shown in thousands except per share data

1. In thousands, except per share data

2. Net of unamortized deferred debt costs

# Q4-2024 NAV/Share Bridge

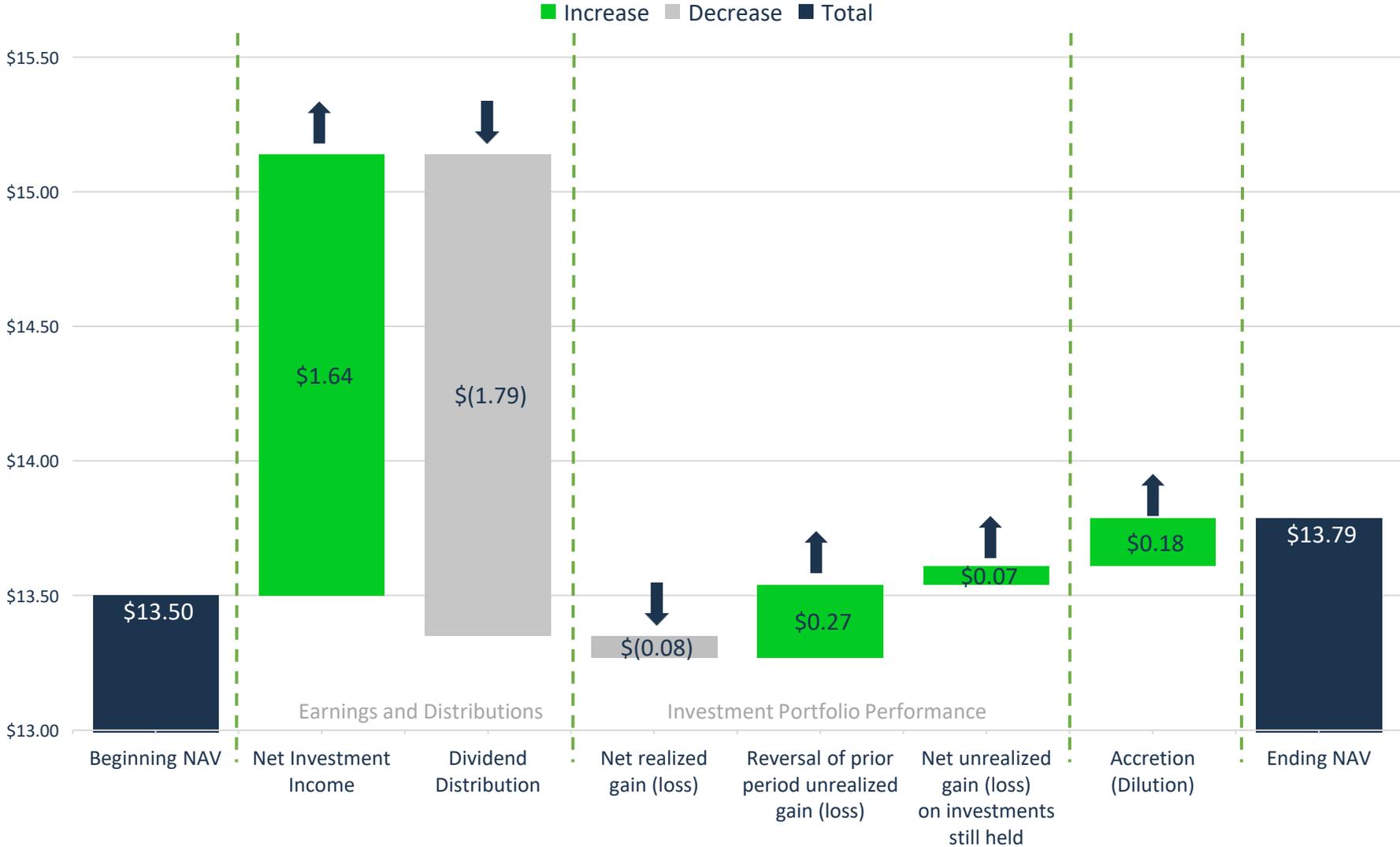
## Reconciliation of Quarterly Nav per Share<sup>1</sup>



**Per Share Impact: \$0.40**

# FY24 NAV/Share Bridge

## Reconciliation of Yearly Nav per Share<sup>1</sup>



**Per Share Impact: \$0.29**



# Supplemental Information

# Regulation and Structure

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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](mailto:investors@runwaygrowth.com)