



Runway Growth Finance Corp.

Fourth Quarter 2022 Investor Presentation

NASDAQ Listed | RWAY | RWAYL | RWAYZ



March 2023

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

\$2.3B

Across 71 investments
As of 12/31/22

Weighted Average
Borrower LTV²

17.4%

At origination

Annualized Dollar-
Weighted Yield³

15.5%

As of 12/31/22

Debt Portfolio with
Floating Rates

100%

As of 12/31/22

Loss Rate^{1,4}

Gross¹ / Net⁴
0.34%/0.07%

Cumulative since inception

Net Asset Value Per Share

\$14.22

As of 12/31/22

Past performance is not an indication of future results

1. Cumulative debt only losses since date of first investor commitment—December 2016 to December 2022 - Calculated as % of \$2.3b of total commitments since inception

2. Weighted average LTV at origination for unrealized current/active investments as of 12/31/22 (based on funded)

3. Dollar-weighted yield for debt investments for annualized three months ended 12/31/22

4. Net debt and equity losses since date of first investor commitment—December 2016 to December 2022 - Calculated as % of \$2.3b of total commitments since inception

Overview Of Runway Growth Finance Corp.¹

Fourth Quarter 2022 Investment Activity

Completed 12 Investments in New and Existing Portfolio Companies
Representing \$327 Million in New Commitments and \$233 Million in Funded
Loans

Received \$16 million from principal repayments

Quarterly Investment Income

\$36.8 million

Quarterly Net Investment Income

\$18.4 million or \$0.45 per share

Net Asset Value

\$14.22 per share

Realized Credit Loss

\$0 credit losses in 2022

1. For the three months ended December 31, 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

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

Senior executive team has experience through multiple economic cycles

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

- Demonstrated by 21 consecutive distributions since inception

An established, differentiated growth lending platform with a clear path to create further value in any macro-economic environment.



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

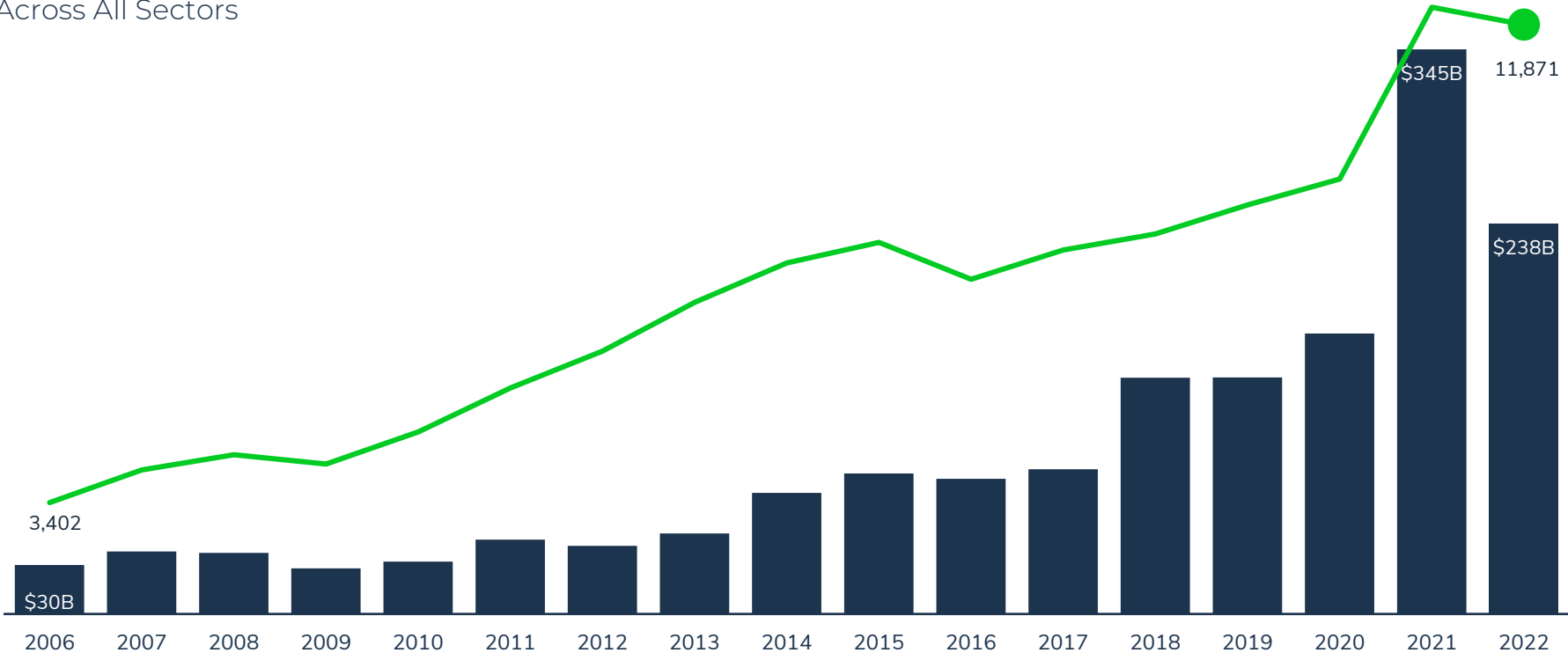


Leveraging Multiple Paths to Return Value to Shareholders

Venture Capital Activity

Venture Capital Deal Volume Trends¹

Across All Sectors



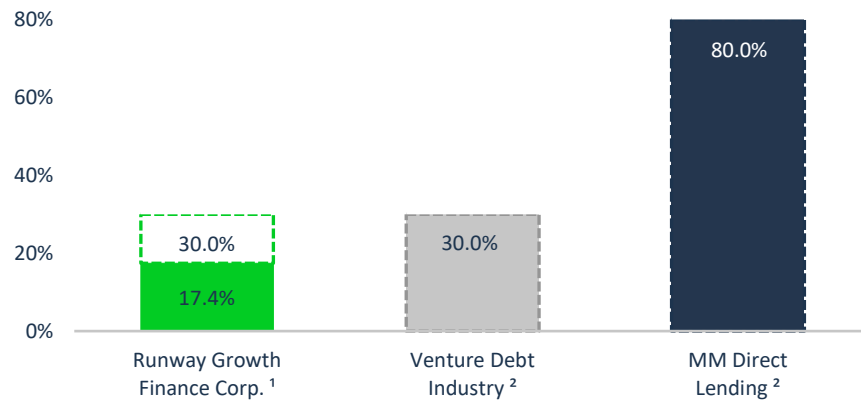
Large Addressable Market of Venture-Backed Companies seeking non-dilutive Growth Capital

1. NVCA Yearbook, 2022

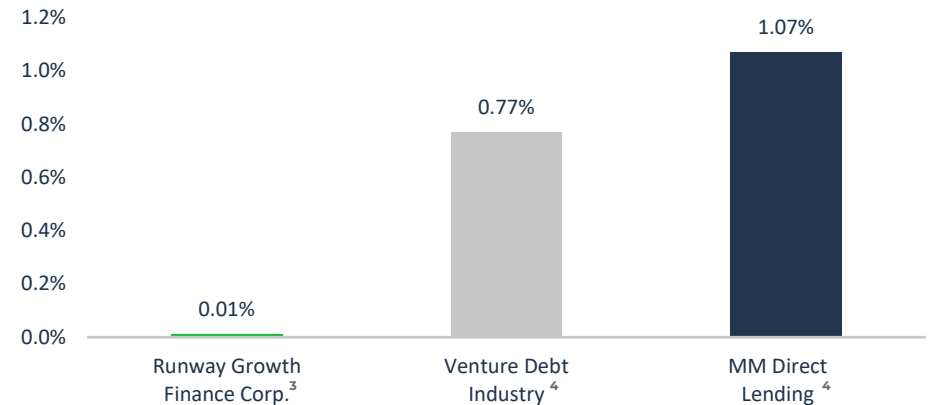
Venture Lending in Perspective: Comparison to Middle Market Lending (as of 12/31/22)



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 for active portfolio as of 12/31/22
 2. Reuters—*Venture lending BDCs Tap Opportunities In Pandemic*; 15 JUNE 2020
 3. Net (debt + equity) annualized realized loss rate as a percentage of committed loans since inception (DEC 2016)
 4. Cliffwater Q3 2022 Report on Middle Market Direct Lending

Strong And Experienced Team

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



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



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 only a revolver which we have the ability to “buy out”)• Low “loan to our value”• Minimal downstream financing risk
Origination Momentum	<ul style="list-style-type: none">• Record fourth quarter for originations in 2022• Accomplished and growing origination team
Conservative Balance Sheet	<ul style="list-style-type: none">• Thoughtfully utilizing secured and unsecured leverage• Low-end of target leverage ratio (0.8x to 1.1x) with capacity in 2023
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 / 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 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 experience thought multiple economic cycles
- 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
- 27% of commitments are related to upsizes¹ from existing borrowers



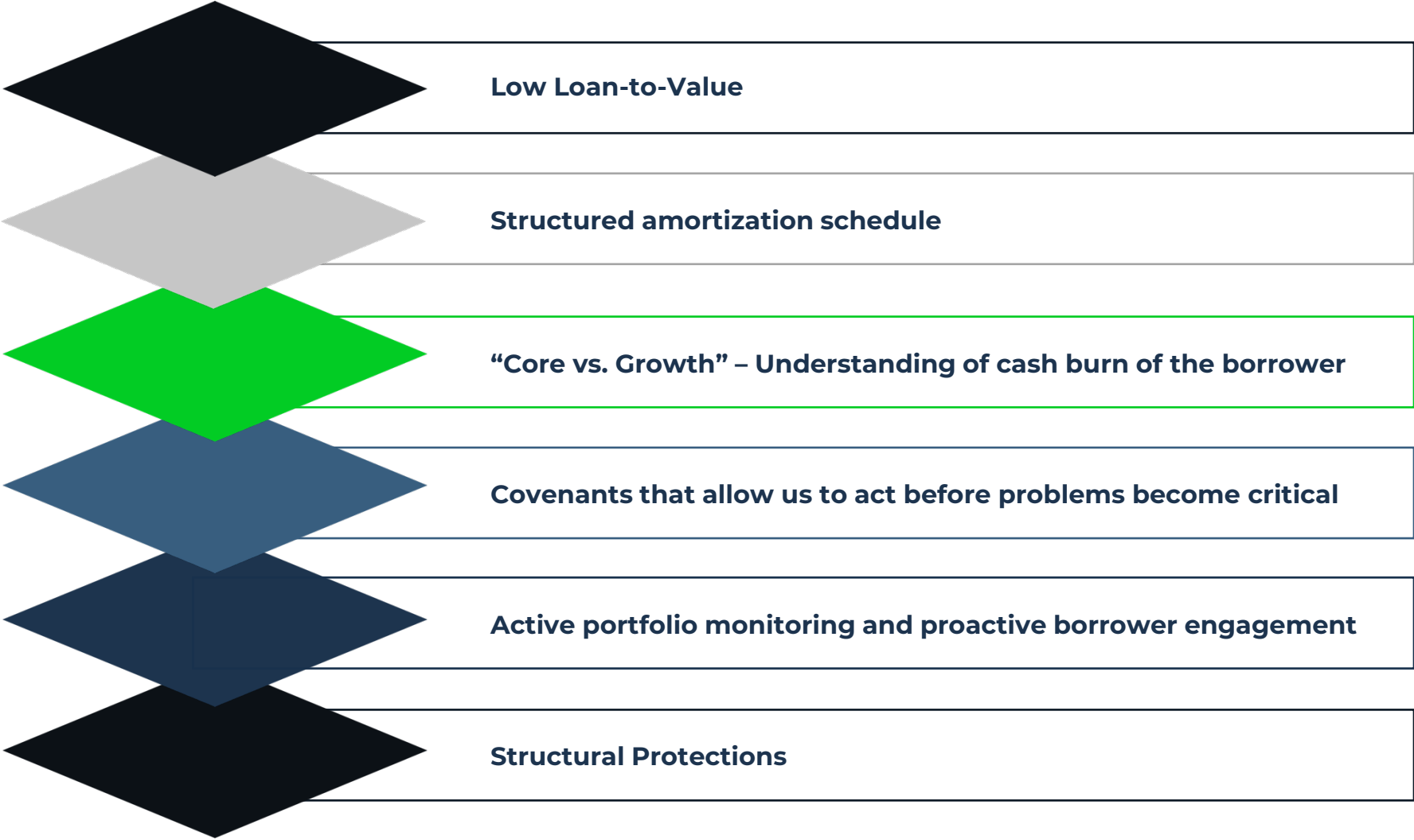
Robust Network

- 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

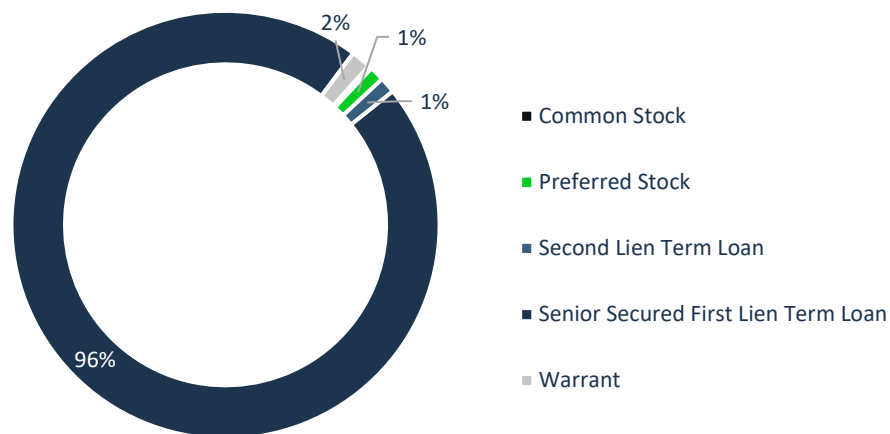
APPROACH TO UNDERWRITING



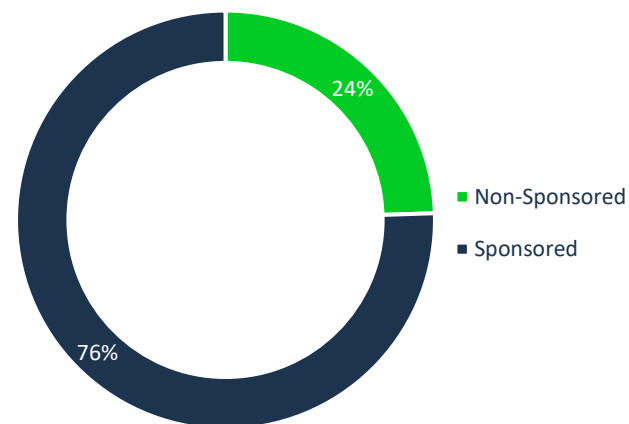
Portfolio Overview

Portfolio at Fair Value: **\$1,126.3 million**

Current Investments by Security Type (by FMV)



Current Investments by Origination Channel (by FMV)



Cumulative since inception¹

Total Loan Commitments	\$2.3B
Average Loan Commitment	\$30.3M
Number of Investments Made	71
Number of Realized Investments ³	28
Cumulative Gross ⁴ /Net Loss Rate ⁵	0.34%/0.07%

Current portfolio at origination

Average Operating History ²	16 Years
Average Enterprise Value ²	\$253.4M
Average Revenue ²	\$51.6M
Average LTV ²	17.4%
Loan Structure	99% First Lien

1. Cumulative since inception – from December 2016 to December 2022

2. Weighted average on funded at origination for current investment portfolio as of December 31, 2022

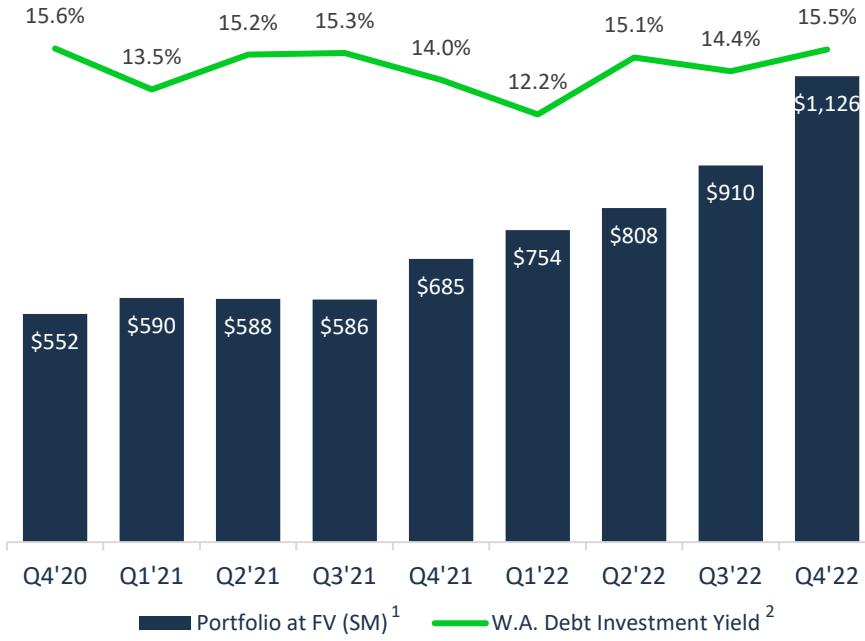
3. Excludes eight total investments that have refinanced with Runway Growth

4. Cumulative debt only losses since date of first investor commitment—December 2016 to December 2022 - Calculated as % of \$2.3b of total commitments

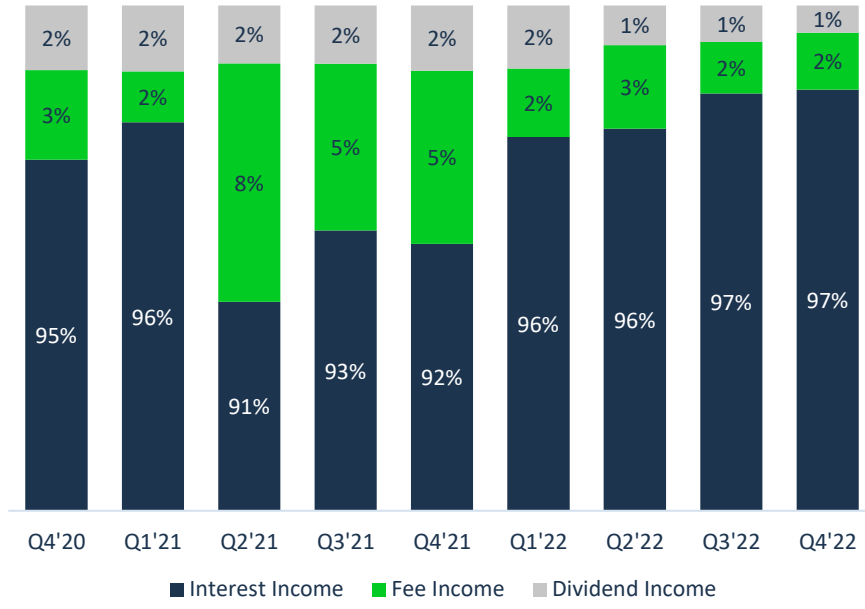
5. Cumulative net debt and equity losses since date of first investor commitment—December 2016 to December 2022 - Calculated as % of \$2.3b of total commitments

Key Portfolio Metrics

Investment Yield



Sources of Investment Income



35 debt and 54 equity investments to 49 portfolio companies as of 12/31/2022

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

Key Portfolio Metrics

Committed Capital (\$M)



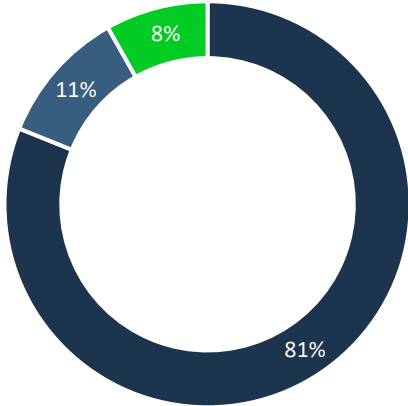
Inception-to-Date:

- 27% Portfolio Companies Upsized (19 Portfolio Companies, 29 Upsize Transactions)
- 8 Refinances or 11% of Portfolio Companies

2022 Year-to-Date:

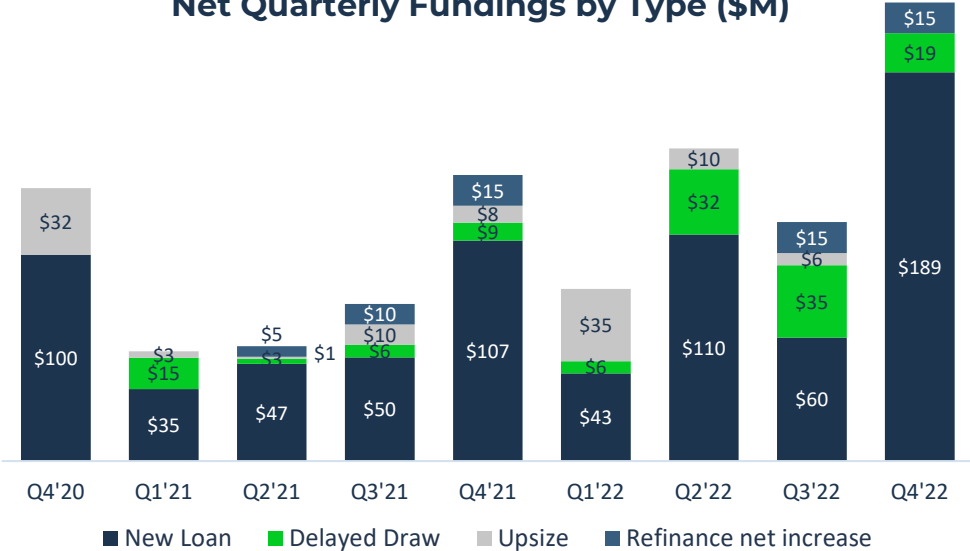
- \$50.1M average new deal commitment
- \$30.3M average funding at origination

Q4'22 Gross Fundings by Type (%)



■ New Loan ■ Refinance ■ Delayed Draw

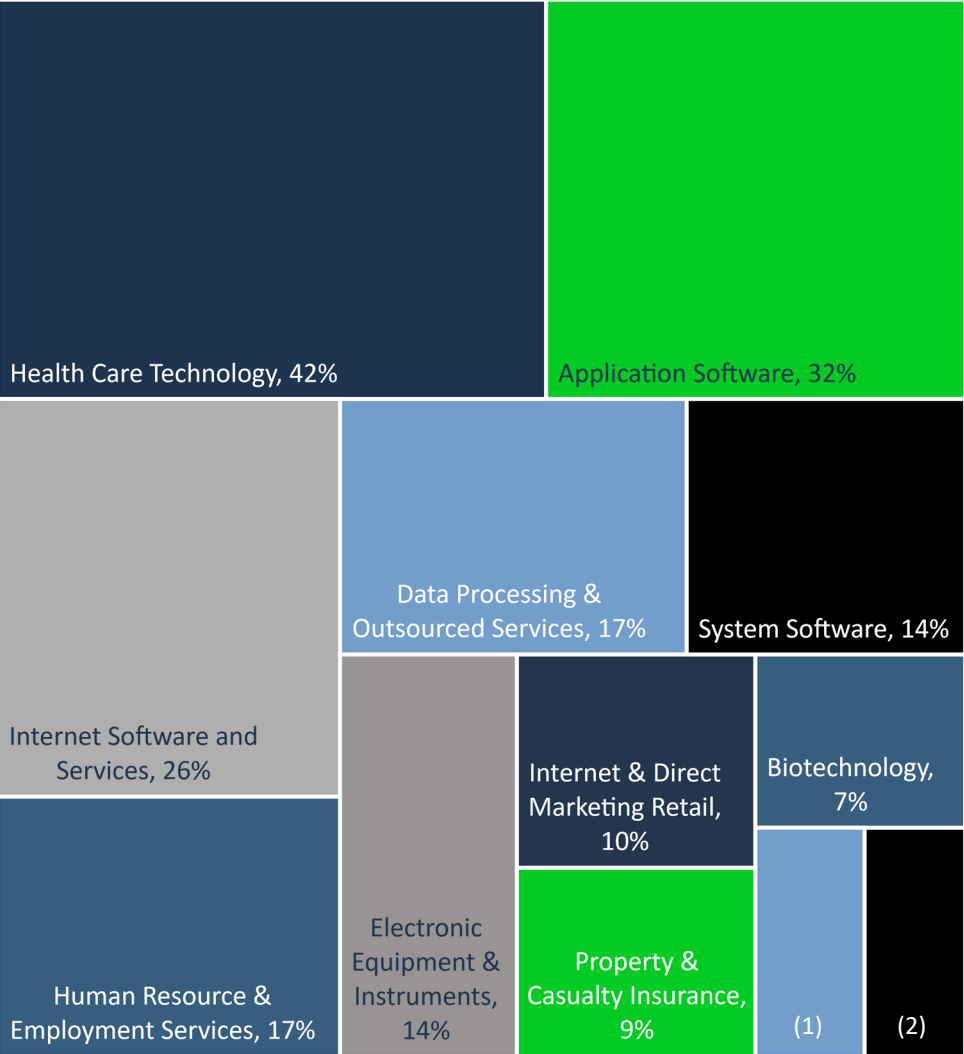
Net Quarterly Fundings by Type (\$M)



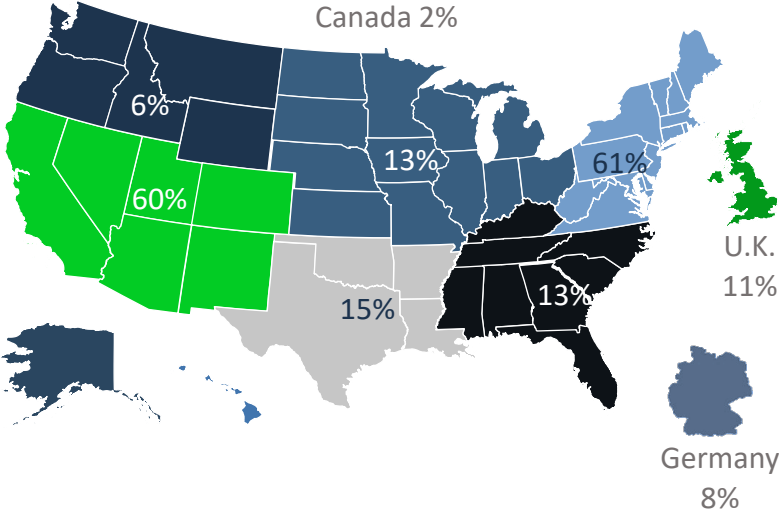
■ New Loan ■ Delayed Draw ■ Upsize ■ Refinance net increase

Highly Diversified Portfolio

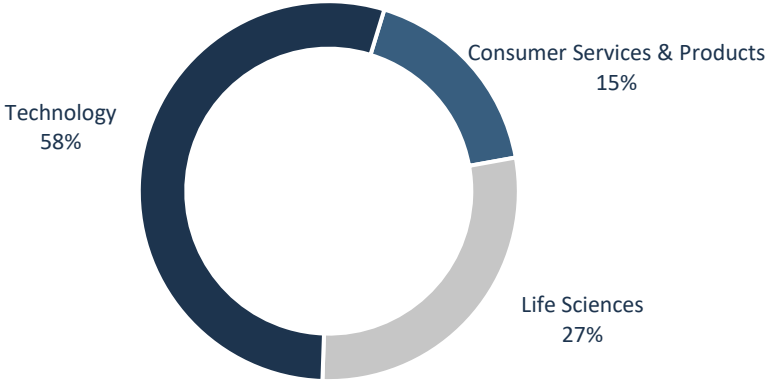
Portfolio at Fair Value by Industry as % of Net Assets



Portfolio Fair Value by Geography as a % of Net Assets



Breakout Across Verticals

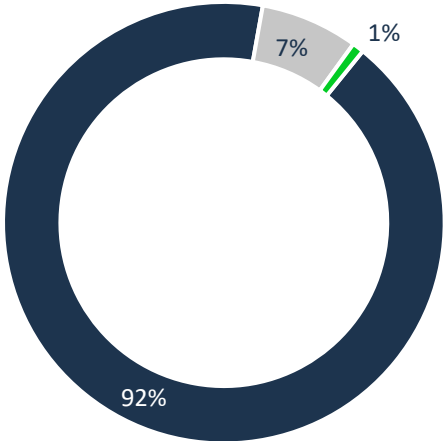


We currently have no exposure to the crypto space

1. Health Care Equipment - 5%
2. Education Services - 4%

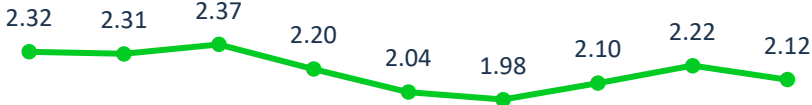
Portfolio Risk Ratings

Investments at Fair Value by Risk Rating Category¹



■ Category 2 ■ Category 3 ■ Category 5

Weighted Average Risk Rating¹



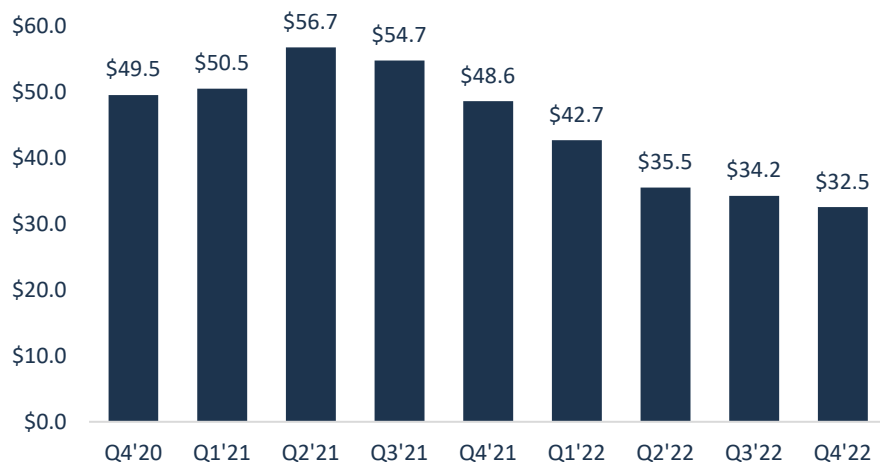
Q4'20 Q1'21 Q2'21 Q3'21 Q4'21 Q1'22 Q2'22 Q3'22 Q4'22

Stable Q3-2022 to Q4-2022 Average Risk Rating

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

Warrants & Equity Portfolio

Warrants and Other Equity (\$M)



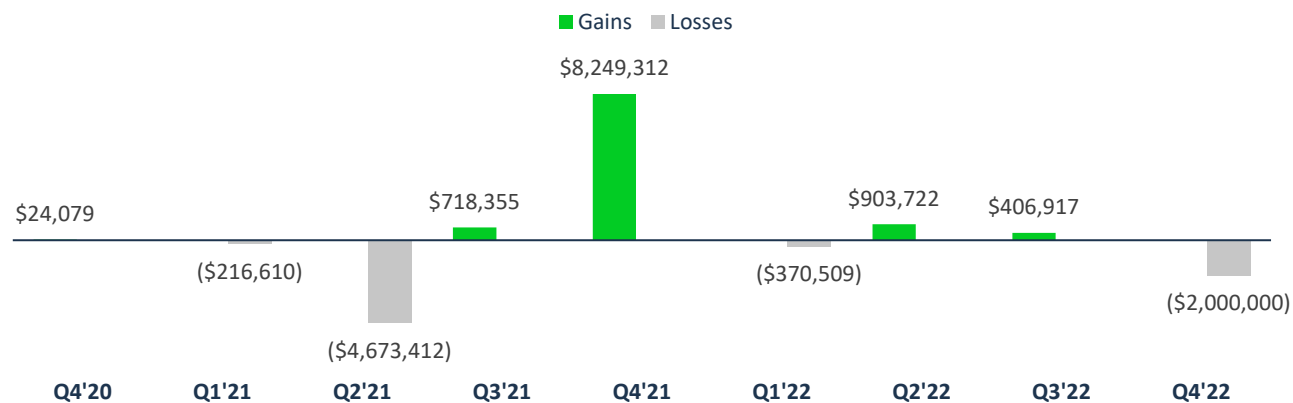
Warrant and Other Equity Holdings

- 28 Companies with both loan and warrant investments
- 9 Companies with warrant investments only
- 5 Companies with shares of common or preferred stock only or a combination with warrants
- 1 Company with a loan, warrant, and shares of common stock

54 WARRANTS AND/OR EQUITY INVESTMENTS IN 43 COMPANIES

Net Realized Gains (Losses) on Equity Investments

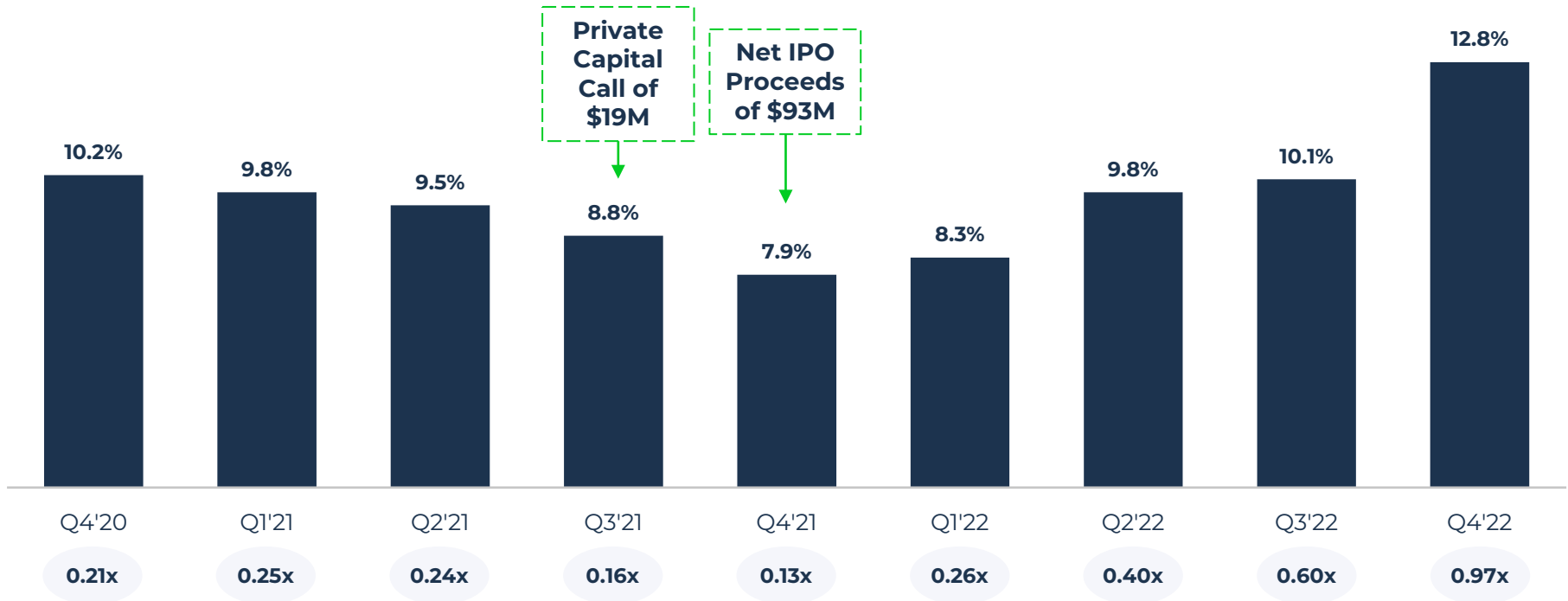
Inception-to-date:
 Net equity gains of \$6.2M offsetting \$7.8M in credit losses



Past performance is not an indication of future results

Strong Balance Sheet Provides For Flexibility & Growth

Historical ROE¹ and Leverage



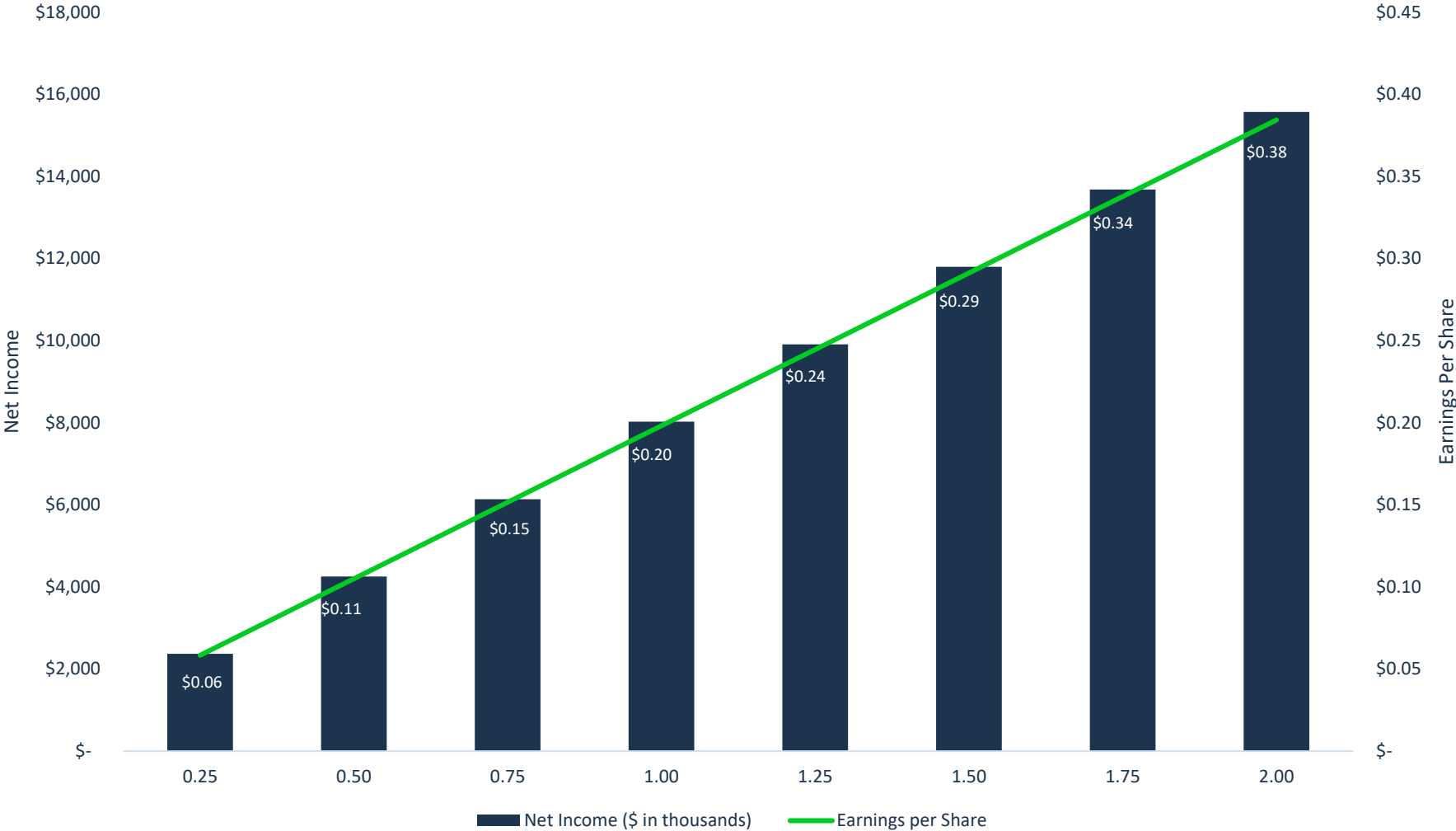
Opportunity to expand portfolio and leverage to high-end of D/E target of 0.8–1.1x.

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 EPS¹
 Basis Point Movement in SOFR Rate



1. EPS calculated on basic weighted shares outstanding of 40,509,269 and a static debt investment portfolio as of December 31, 2022.

Leverage & Liquidity

Liquidity

	2022				2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Cash & Equivalents	\$3.5	\$6.8	\$5.8	\$5.8	\$1.8	\$0.9	\$0.9	\$4.7
Credit Facilities	\$129.0	\$117.0	\$250.0	\$88	\$98.0	\$98.0	\$135.0	\$154.0
Net Assets	\$597.5	\$579.4	\$573.7	\$576.1	\$473.5	\$477.7	\$504.2	\$606.2

Debt Capital Structure²

KeyBank Credit Facility	\$250M Revolver availability	\$425M¹ Revolving Credit Facility Commitment	\$500M Maximum Accordion Commitment
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

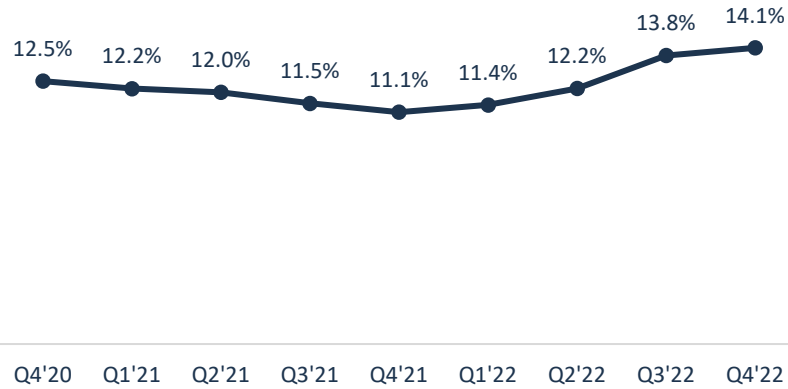


FOURTH QUARTER 2022

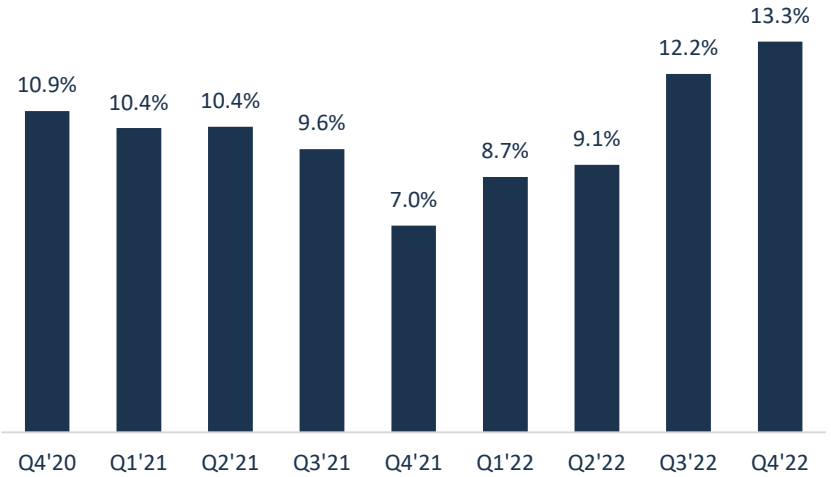
Portfolio & Financial Highlights

Portfolio Highlights

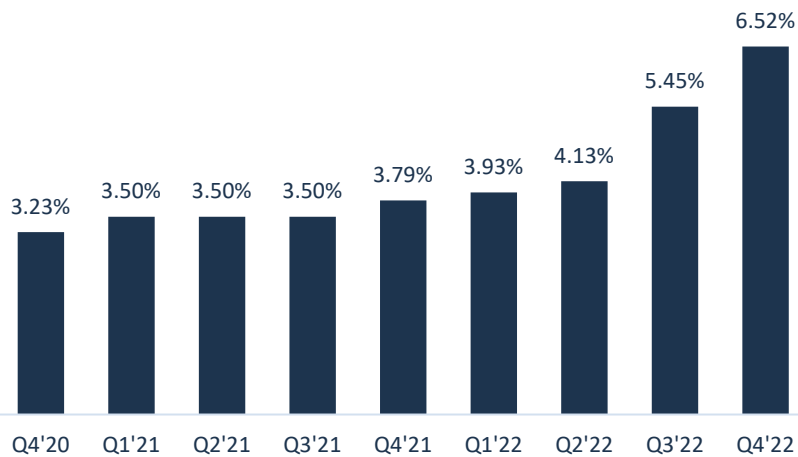
Accounting Yield¹



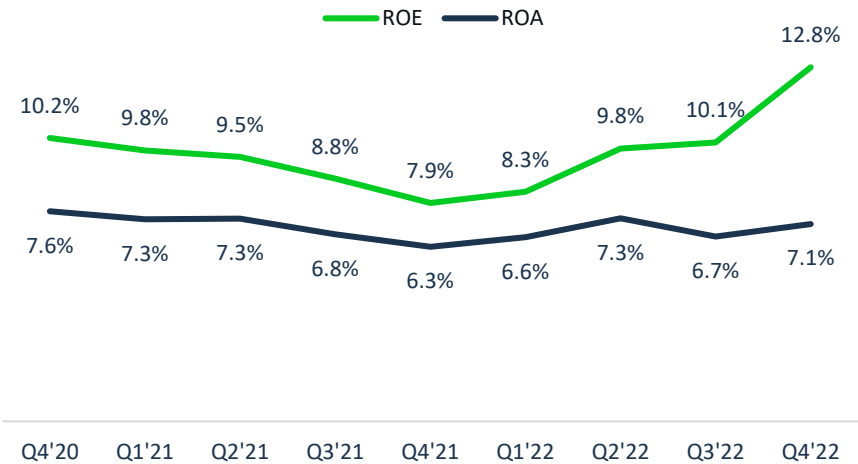
Annualized Dividend Yield²



Weighted Average Interest Expense



Annualized Return on Equity and Assets³



Past performance is not an indication of future results.

RUNWAY GROWTH FINANCE CORP. 1. Accounting yield is the yield resulting from the amortization of principal, interest, and OID, calculated on a constant yield basis
 2. Compounded/annualized; sum of BoP NAV/share + Dividend/share divided by BoP NAV/share © Runway Growth Capital LLC 2023 | 25
 3. ROE and ROA calculated by dividing NII for the quarter by average of EOP and BoP equity and asset balance respectively for the period and annualizing

Financial Highlights

STATEMENT OF OPERATIONS	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021
Total investment income	36,806,455	17,580,014
Total operating expenses	18,445,473	6,651,659
Net investment income	18,360,982	10,928,355
Net realized and unrealized gain	131,995	8,376,632
Net increase in net assets from operations	18,492,977	19,304,987

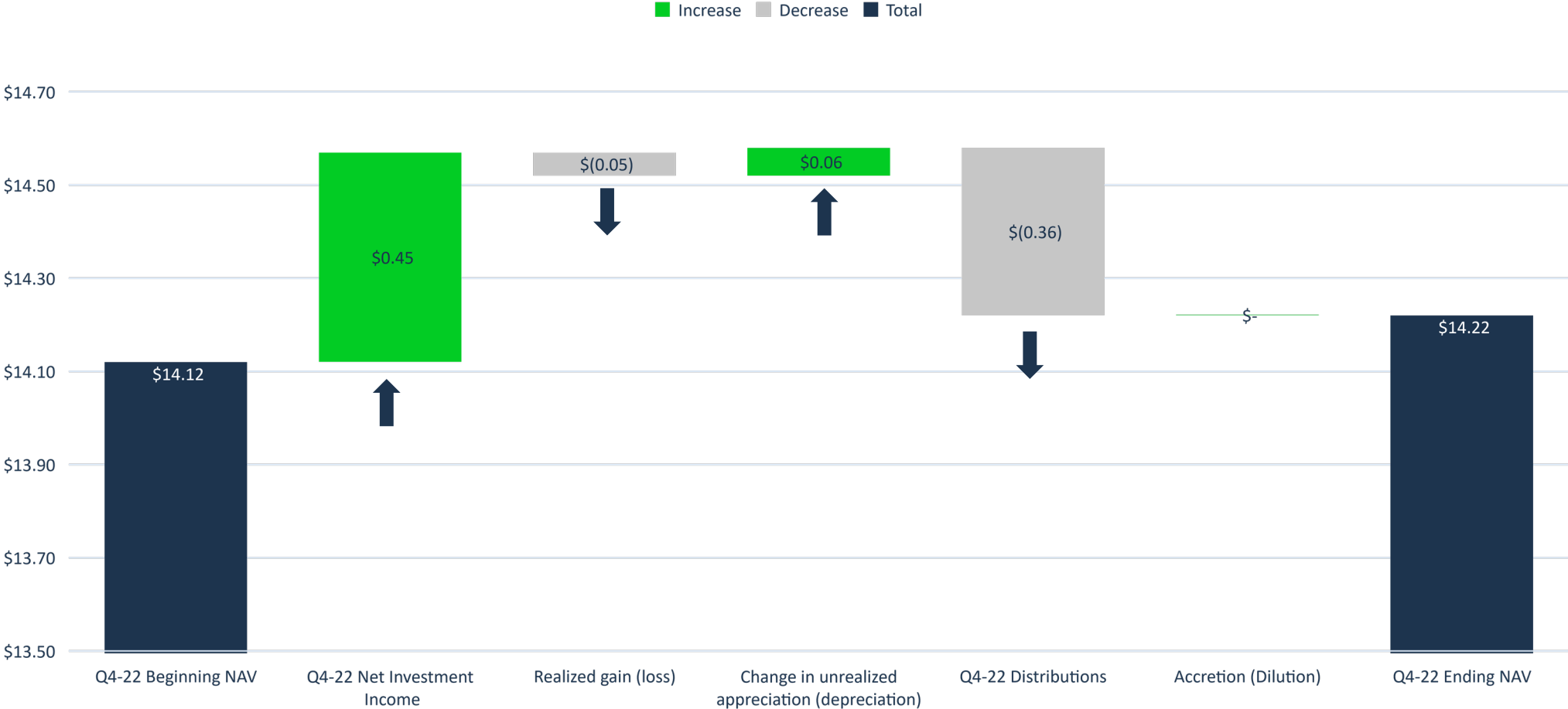
STATEMENT OF ASSETS & LIABILITIES	December 31, 2022	December 31, 2021
Total investments at fair value ¹	1,126,309,133	729,516,274
Cash and cash equivalents	5,761,194	4,696,693
Total assets	1,141,766,345	\$738,347,480
Debt, less unamortized deferred debt costs	548,956,592	79,488,460
Total liabilities	565,714,030	132,152,989
Total net assets	576,052,315	606,194,491
Net asset value per share	14.22	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 \$0 and \$45m at 12/31/22 and 12/31/21 respectively

Q4 NAV/Share Bridge

Reconciliation of Quarterly Nav per Share¹



\$0 Credit Losses in 2022



Analyst Coverage

Robust Industry Analyst Coverage

Finian O'Shea, CFA Initiated coverage: 11/15/21	
Melissa Wedel, CFA Initiated coverage: 11/15/21	
Mitchel Penn, CFA Initiated coverage: 11/15/21	
Casey Alexander Initiated coverage: 11/15/21	
Vilas Abraham Initiated coverage: 11/15/21	
Erik Zwick, CFA Initiated coverage: 11/19/21	
Mickey Schleien, CFA Initiated coverage: 4/22/22	
Bryce Rowe, CFA Resumed coverage: 9/16/22	



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