

Runway Growth Finance Corp.

Second Quarter 2023 Investor Presentation

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August 2023

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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 6/30/23

Weighted Average
Borrower LTV²

17.6%

At origination

Annualized Dollar-
Weighted Yield³

16.7%

As of 6/30/23

Debt Portfolio with
Floating Rates

100%

As of 6/30/23

Loss Rate^{1,4}

Gross / Net
0.34%/0.12%

Cumulative since inception

Net Asset Value Per Share

\$14.17

As of 6/30/23

Past performance is not an indication of future results

1. Cumulative debt only losses since date of first investor commitment—December 2016 to June 2023 - Calculated as % of \$2.3B of total commitments since inception
2. Weighted average LTV at origination for unrealized current/active investments as of 6/30/23 (based on funded)
3. Dollar-weighted yield for debt investments for annualized three months ended 6/30/23
4. Calculated as % of \$2.3B of total commitments since inception

Overview Of Runway Growth Finance Corp.¹

Second Quarter 2023 Investment Activity

Runway completed four investments in existing portfolio companies, representing \$50.9 million in funded loans

Received \$88.7 million from principal repayments

Total Investment Income

\$41.9 million

Net Investment Income

\$19.7 million or \$0.49 per share

Net Asset Value

\$14.17 per share

Realized Loss

\$0 realized loss and \$0 credit losses

1. As of the quarter ended June 30, 2023

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'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 22 consecutive quarterly 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

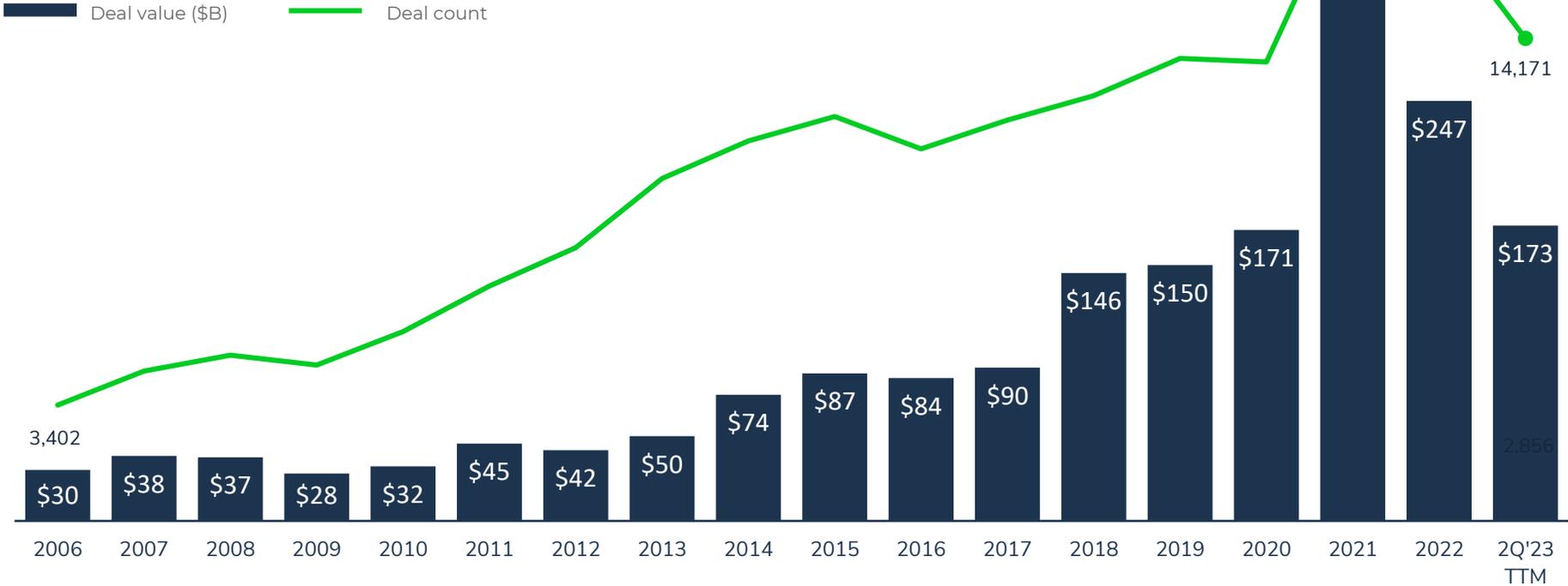


Leveraging Multiple Paths to Return Value to Shareholders

Venture Capital Activity

Venture Capital Deal Volume Trends¹

Across All Sectors



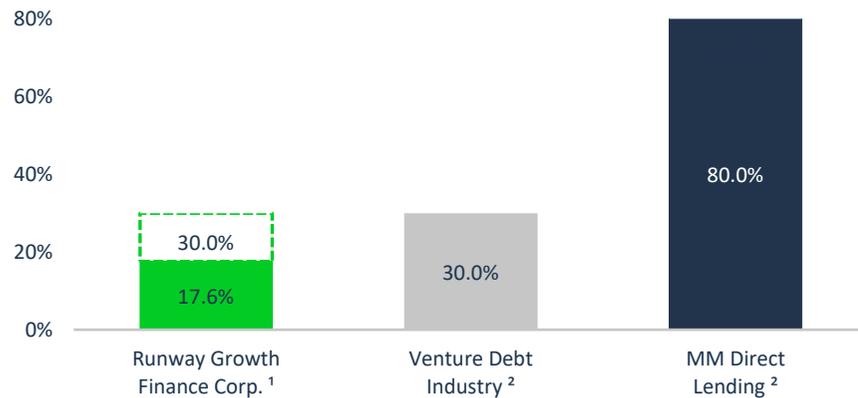
Large Addressable Market of Venture-Backed Companies seeking non-dilutive Growth Capital

¹ Pitchbook-NVCA Venture Monitor data, Q2 2023
 * Trailing twelve months deal value and count for the period ended 6/30/23

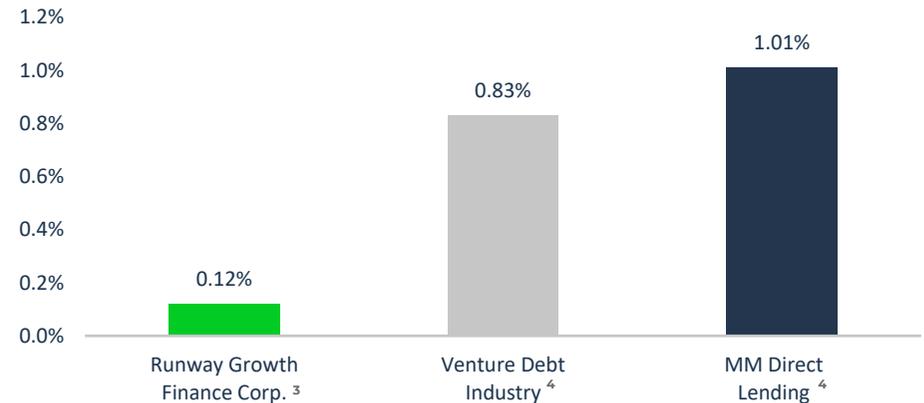
Venture Lending in Perspective: Comparison to Middle Market Lending (as of 6/30/23)



Loan To Value (LTV) Comparison, Current Versus Max Level



Realized Loss Rates (Net)



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 6/30/23
 2. Reuters—*Venture lending BDCs Tap Opportunities In Pandemic*; 15 JUNE 2020
 3. Net (debt + equity) realized loss rate as a percentage of committed loans since inception (DEC 2016)
 4. Cliffwater Q1 2023 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"> • Activity reflects extremely selective evaluation criteria • Accomplished and growing origination team
Conservative Balance Sheet	<ul style="list-style-type: none"> • Thoughtfully utilizing secured and unsecured leverage • Remained in 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 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 net investment income² does not exceed the hurdle rate of 2.0% per quarter • 80% of net investment income² that exceeds the hurdle rate but is less than 2.667% in any calendar quarter (10.668% annualized) (the “catch-up”) • 20.0% of net investment income² that exceeds 2.667% in any calendar quarter (10.668% annualized)

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 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 to create new loan structures for our borrowers as they continue to grow
- 30% of commitments are related to upsizes¹ from existing borrowers



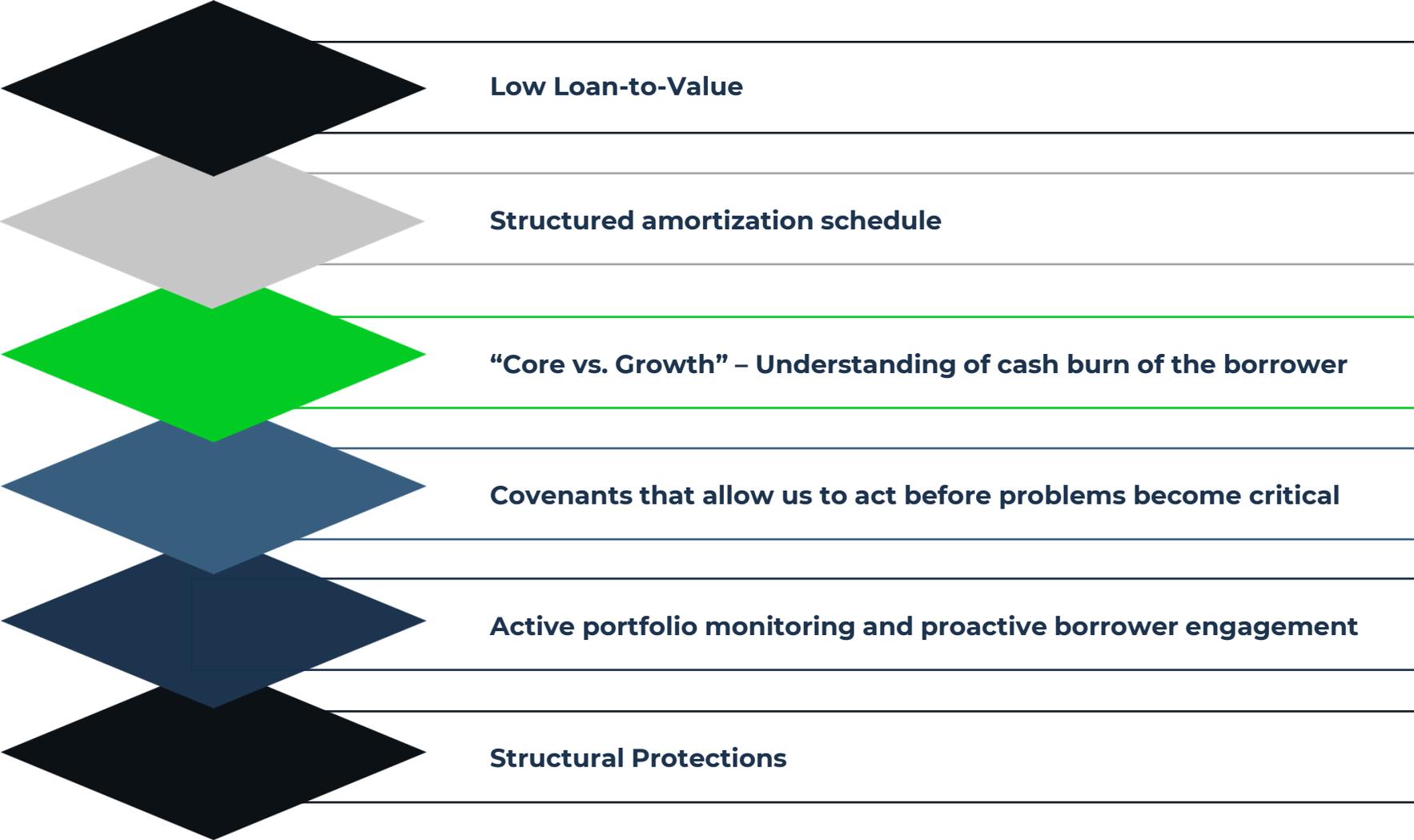
Robust Network

- 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

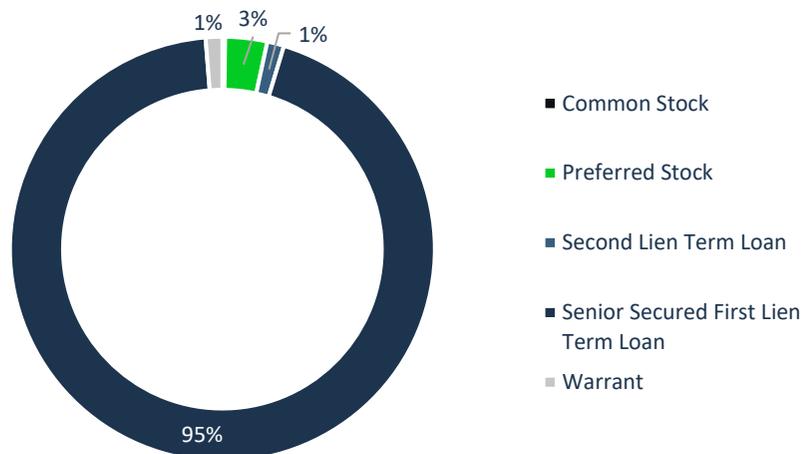
APPROACH TO UNDERWRITING



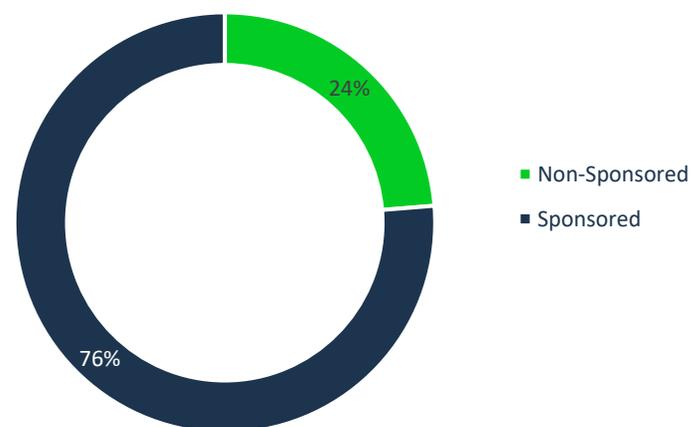
Portfolio Overview

Portfolio at Fair Value¹: **\$1,095 million**

Current Investments by Security Type (by FMV)



Current Investments by Origination Channel (by FMV)



Cumulative since inception²

Total Loan Commitments	\$2.3B
Average Loan Commitment	\$33.3M
Number of Investments Made	71
Number of Realized Investments ⁴	32
Cumulative Gross/Net Loss Rate	0.34%/0.12%

Current portfolio at origination

Average Operating History ³	17 Years
Average Enterprise Value ³	\$247.6M
Average Revenue ³	\$54.2M
Average LTV ³	17.6%
Loan Structure	99% First Lien

Past performance is not an indication of future results

1. Excludes investments in treasury bills

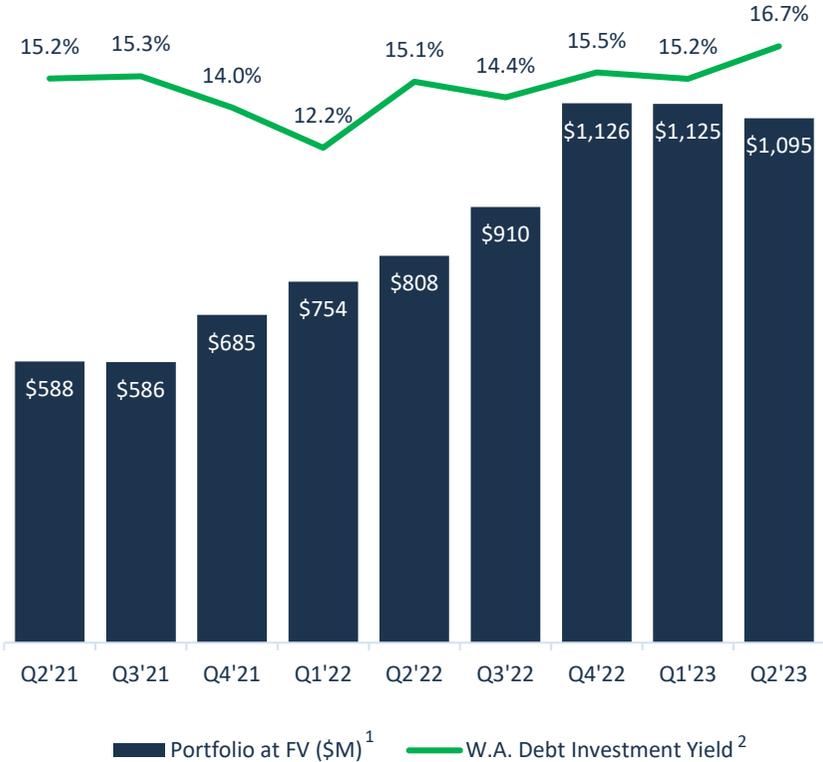
2. Cumulative since inception – from December 2016 to June 2023

3. Weighted average on funded at origination for current investment portfolio as of June 30, 2023

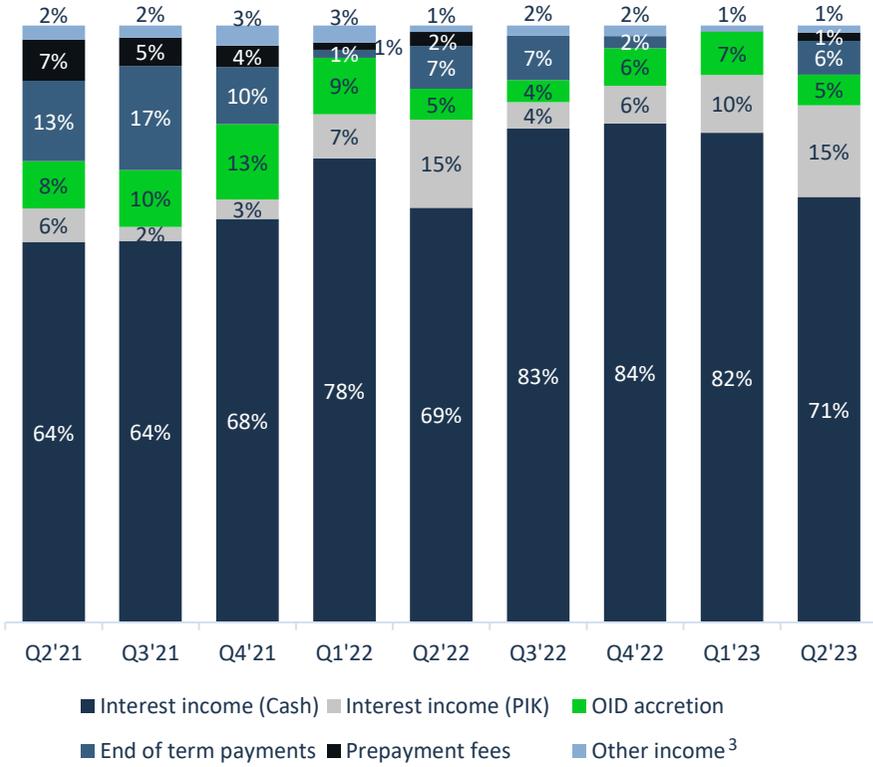
4. Excludes 5 active investments that have refinanced with Runway Growth

Key Portfolio Metrics

Portfolio at FV & Investment Yield



Sources of Investment Income



31 debt and 58 equity investments to 49 portfolio companies as of 6/30/2023

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)



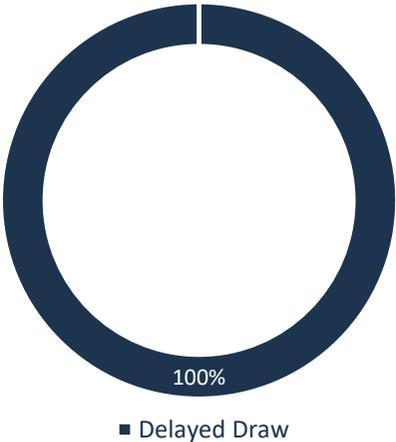
Inception-to-Date:

- 30% Portfolio Companies Upsized (19 Portfolio Companies, 29 Upsize Transactions)
- 8 Refinances or 13% of Portfolio Companies

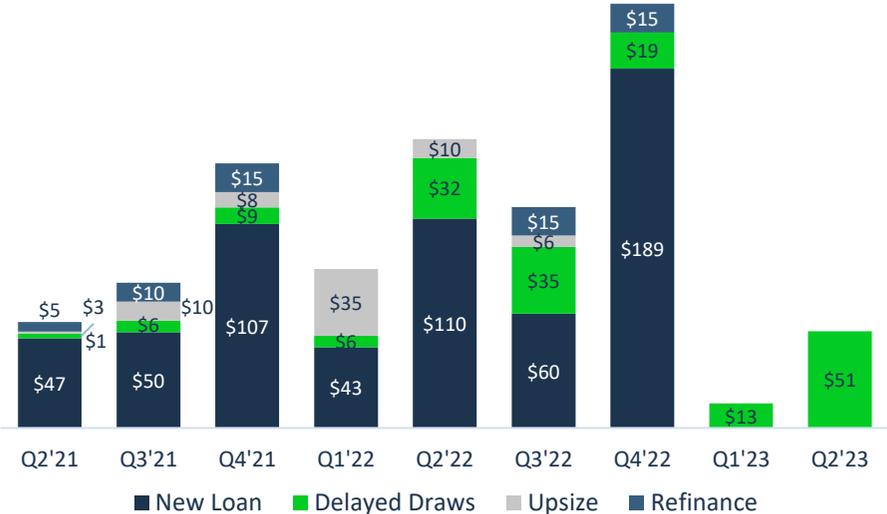
Trailing 12 Months:

- \$51.2M average new deal commitment
- \$33.4M average funding at origination

Q2'23 Gross Fundings by Type (%)

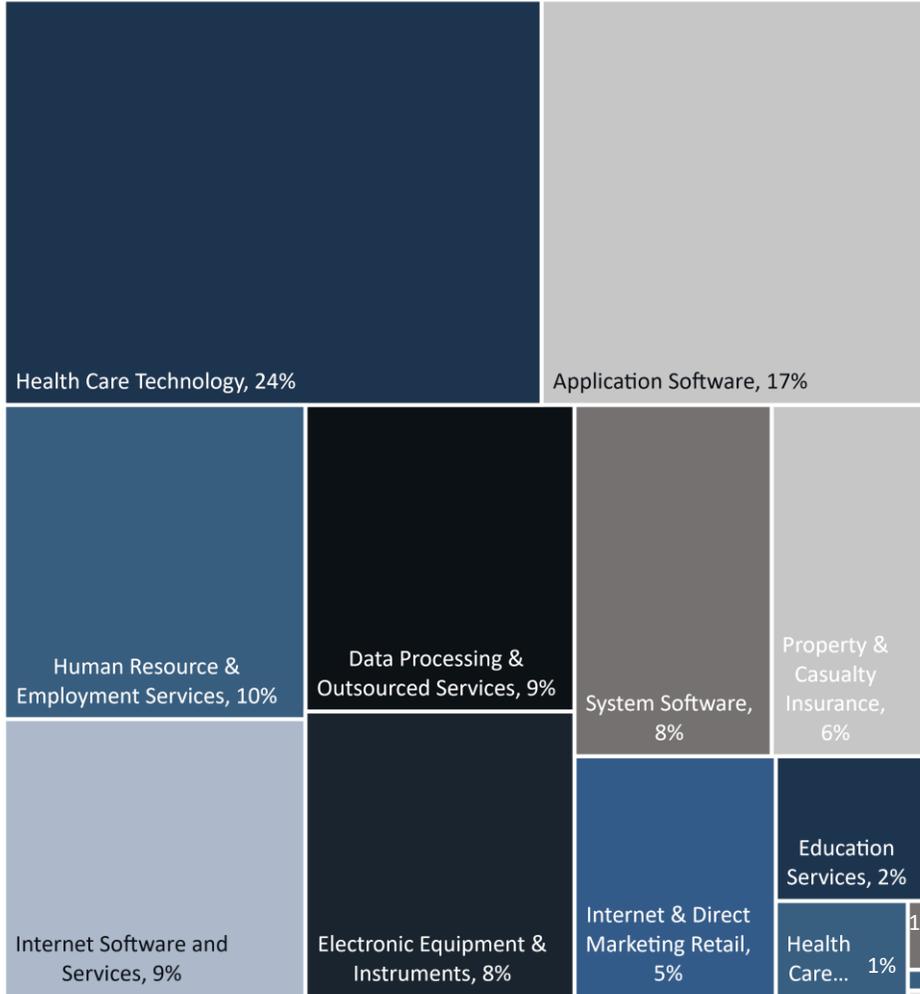


Net Quarterly Fundings by Type (\$M)

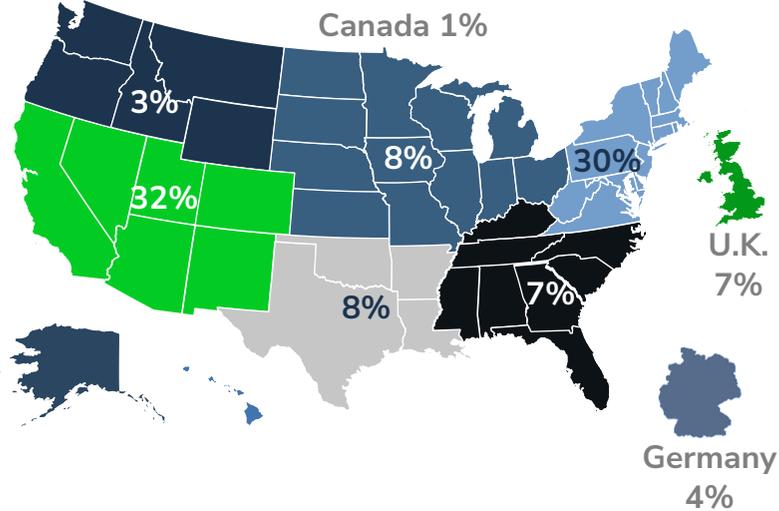


Highly Diversified Portfolio

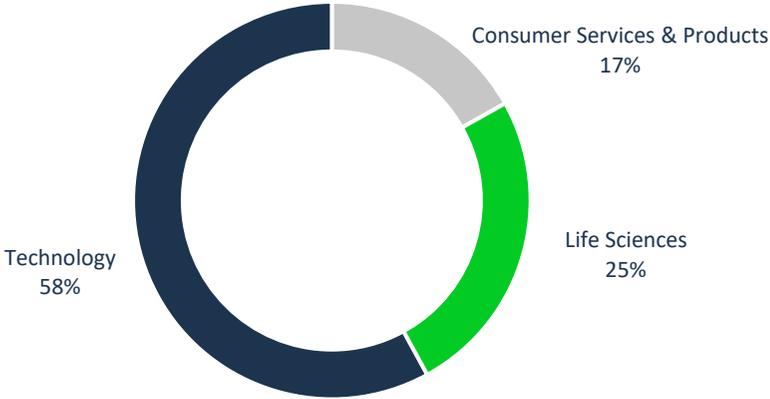
Portfolio at Fair Value by Industry



Portfolio Fair Value by Geography



Breakout Across Verticals

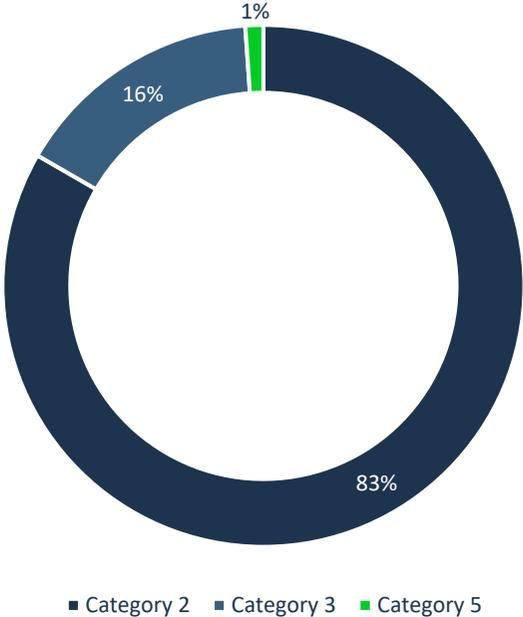


We currently have no exposure to the Web3.0 and crypto spaces
No second lien loans behind recently failed banks, co-lending arrangements or other direct exposure to failed banks

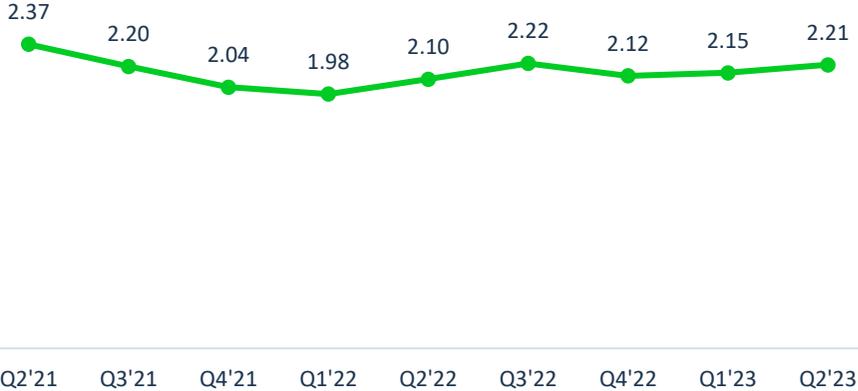
1. Specialized Consumer Services and Technology Hardware, Storage & Peripherals less than 1%

Portfolio Risk Ratings

Investments at Fair Value by Risk Rating Category¹



Weighted Average Risk Rating¹



99% 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. Pivot3 was the only loan with a risk rating of 5

Warrants & Equity Portfolio

Warrants and Other Equity (\$M)



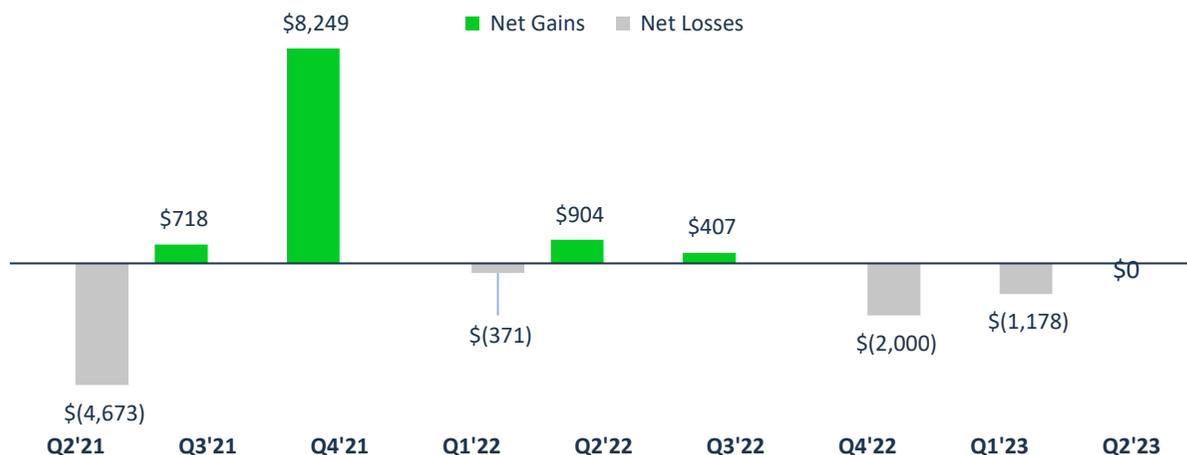
Warrant and Other Equity Holdings

- 23 Companies with both loan and warrant only investments
- 13 Companies with warrant investments only
- 5 Companies with shares of common or preferred stock only or a combination with warrants
- 2 Companies with a loan, warrant, and shares of common stock

58 WARRANTS AND/OR EQUITY INVESTMENTS IN 43 COMPANIES

Net Realized Gains (Losses) on Equity Investments

Inception-to-date:
Net equity gains of \$5.0M 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

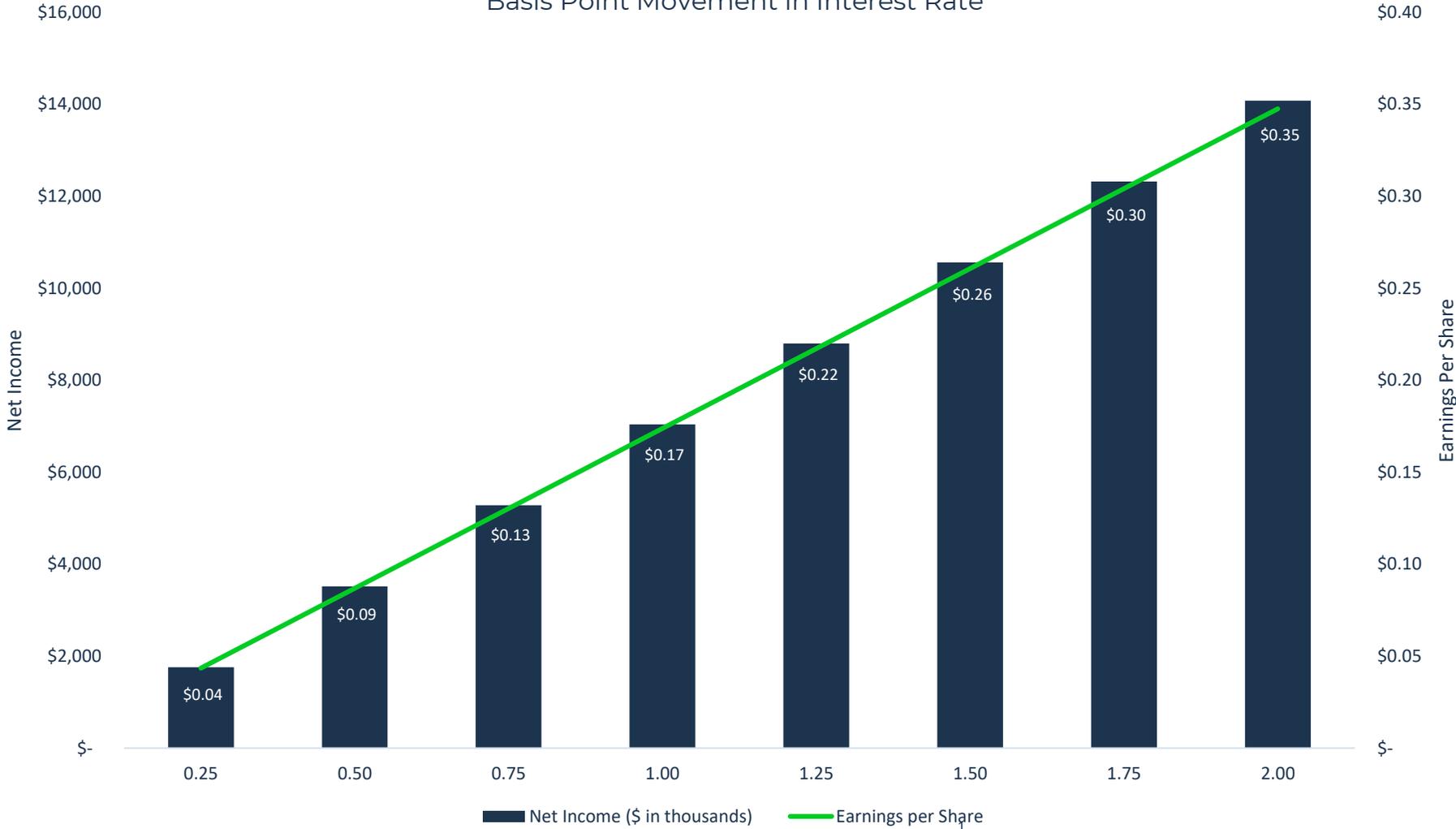


Among industry’s lowest leverage ratio within our D/E target of 0.8-1.1x.

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 Interest Rate



1. EPS calculated on basic weighted shares outstanding of 40,509,269 and a static debt investment portfolio as of June 30, 2023.

Leverage & Liquidity

Liquidity										
	2021				2022				2023	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Cash & Equivalents	\$1.8	\$0.9	\$0.9	\$4.7	\$3.5	\$6.8	\$5.8	\$5.8	\$3.3	\$37.7
Credit Facility Availability	\$98.0	\$98.0	\$135.0	\$154.0	\$129.0	\$117.7	\$250.0	\$88.0	\$128.0	\$190.0
Net Assets	\$473.5	\$477.7	\$504.2	\$606.2	\$597.5	\$579.4	\$573.7	\$576.1	\$569.8	\$573.9

Debt Capital Structure¹

KeyBank Credit Facility	\$190M Revolver availability	\$500M Revolving Credit Facility	\$500M 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

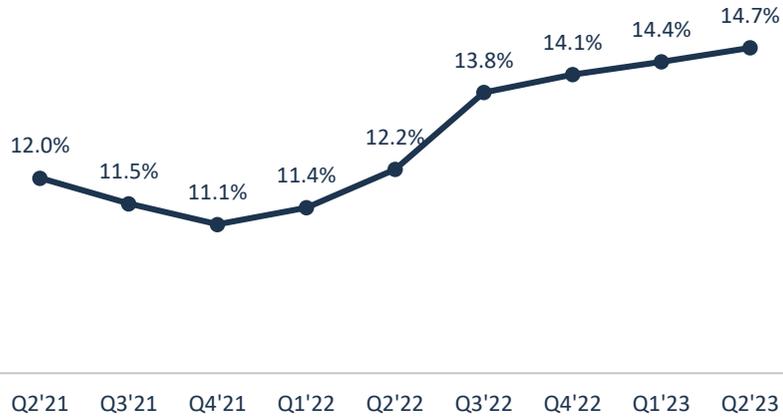


SECOND QUARTER 2023

Portfolio & Financial Highlights

Portfolio Highlights

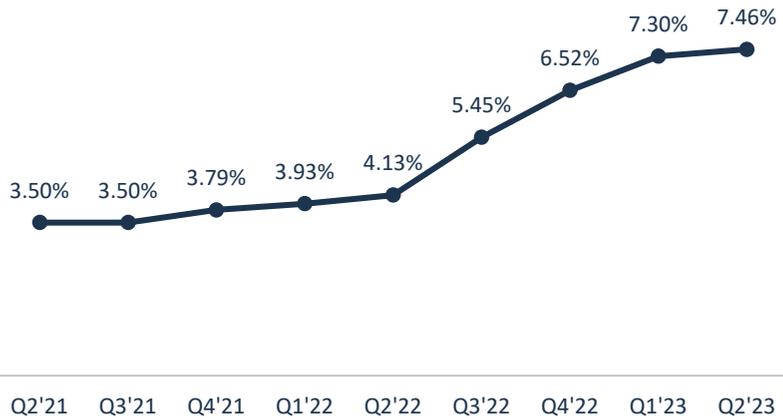
Average Accounting Yield¹



Annualized Dividend Yield²



Weighted Average Interest Expense



Annualized Return on Equity and Assets³



— ROE — ROA

Financial Highlights

STATEMENT OF ASSETS & LIABILITIES ¹	June 30, 2023	December 31, 2022
Total investments at fair value	1,095,321	1,126,309
Cash and cash equivalents	37,740	5,761
Total assets	1,141,641	1,141,766
Debt ²	547,273	548,957
Total liabilities	567,743	565,714
Total net assets	573,898	576,052
Net asset value per share	14.17	14.22

STATEMENT OF OPERATIONS ¹	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Total investment income	41,895	25,025
Total operating expenses	22,219	10,546
Net investment income	19,676	14,479
Net realized and unrealized gain (loss)	2,644	(15,296)
Net increase (decrease) in net assets from operations	22,320	(817)

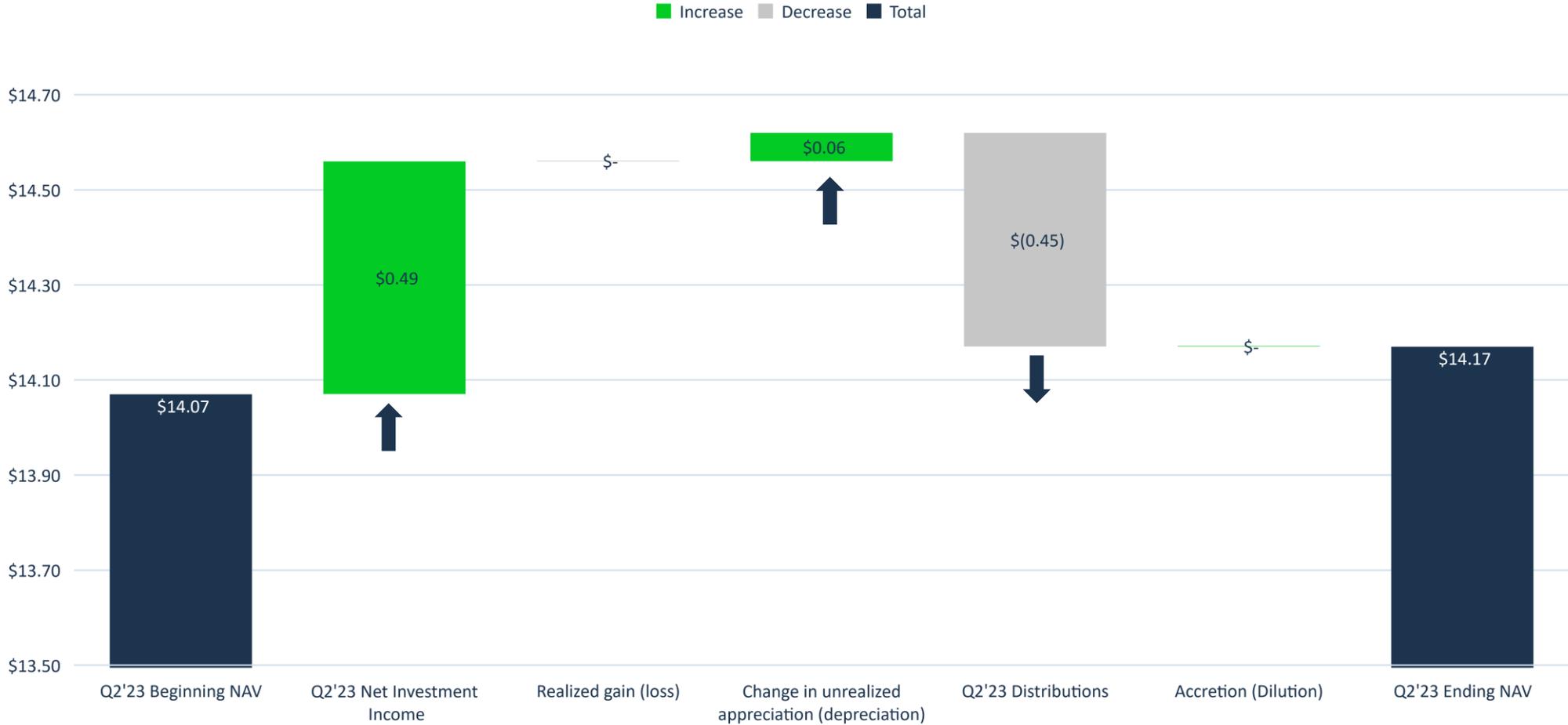
Note: Past performance is not an indication of future results. Shown in thousands except per share data.

1. In thousands, except per share data

2. Net of unamortized deferred debt costs

Q2-2023 NAV/Share Bridge

Reconciliation of Quarterly Nav per Share¹



\$0 Credit Losses QTD in 2023

1. NAV/share calculated using weighted average share outstanding during Q2 2023 of 40,509,269



Analyst Coverage

Robust Industry Analyst Coverage

Finian O'Shea, CFA



Melissa Wedel, CFA



Mitchel Penn, CFA



Casey Alexander



Vilas Abraham



Erik Zwick, CFA



Mickey Schleien, CFA



Bryce Rowe, CFA



John Rowan





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