



RUNWAY
GROWTH FINANCE CORP

**Runway Growth Finance Corp.
Fourth Quarter 2021 Investor Presentation**

March 3, 2022

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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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 \$1.45B <small>Across 55 investments</small> <small>As of 12/31/21</small>	Weighted Average Borrower LTV² 15.8% <small>At origination</small>	Annualized Dollar-Weighted Yield³ 14.0% <small>As of 12/31/21</small>	Debt Portfolio with Floating Rates 99.3% <small>As of 12/31/21</small>	Loss Rate^{1,4} Gross / Net 0.98%/0.04% <small>Cumulative since inception</small>	Net Asset Value Per Share \$14.65 <small>As of 12/31/21</small>
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Investment Activity in Q4 2021

- Funded record \$216.1 million of investments in six new and existing portfolio companies
- Received \$91.0 million from principal repayments and \$8.8 million from the sale of unrestricted common stock

Total Investment Income

- \$17.6 million

Net Investment Income

- \$10.9 million
- \$0.28 per share

Net Asset Value

- \$14.65 per share

Net Realized Gains (Losses)

- \$8.2 million realized gains; \$0 credit losses

THE RUNWAY DIFFERENCE



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

- Robust venture capital ecosystem & exit environment enables portfolio growth and sustainable earnings profile
- Customers across the late- and growth-stage life cycle provide risk mitigation across economic and market cycles, generating consistent portfolio yield with industry leading low credit losses
- Optimized risk return portfolio yield



Flexible 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 22+ years of experience
- Entered the public markets in 2021 with an established 5-year track record in the growth lending space
 - Demonstrated by 17 consecutive quarterly distributions since inception

An established, differentiated growth lending platform with a clear path to create value

INVESTMENT HIGHLIGHTS

KEY INVESTMENT HIGHLIGHTS

1

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

2

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

3

Rigorous Disciplined Investment Process and Proprietary Risk Analytics

4

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

5

Attractive Financial Profile Generates Sustainable and Growing Earnings with Risk Mitigation

6

Leveraging Multiple Paths to Return Value to Shareholders



VENTURE CAPITAL CONTINUES TO SEE ELEVATED LEVELS OF ACTIVITY

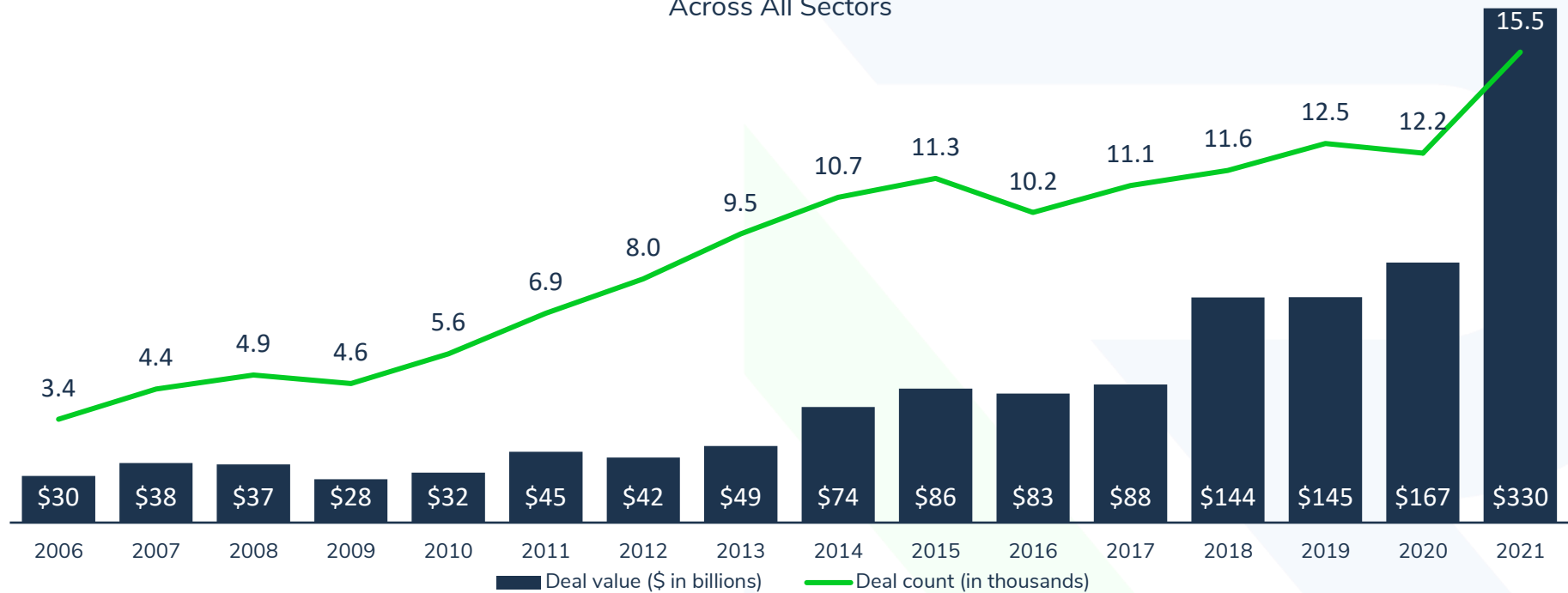
Year over year VC investment nearly doubled from 2020 to 2021²

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

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

\$223B dry powder available to support future investment²

Venture Capital Deal Volume Trends²
Across All Sectors

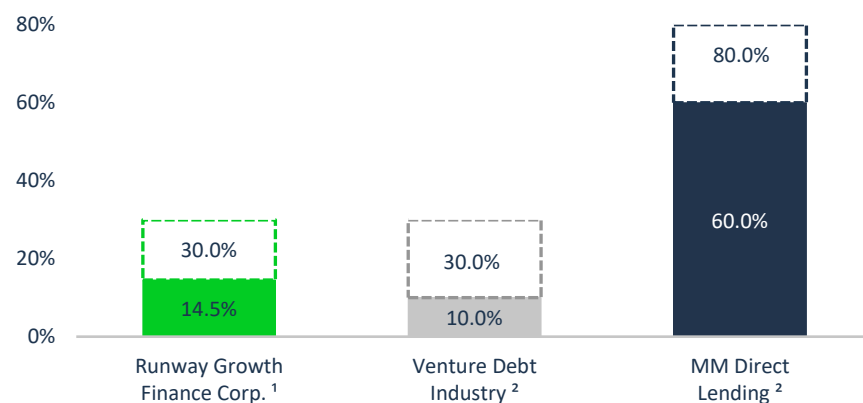


FY 2021 Deal Volume and Count have both exceeded FY 2020 Performance

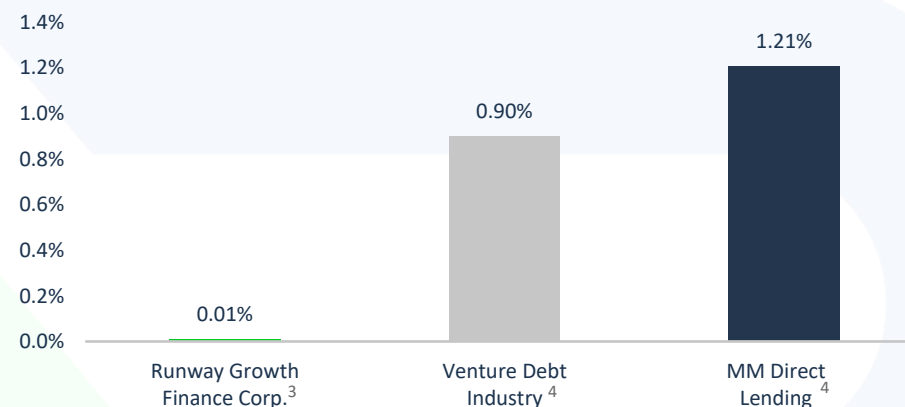
VENTURE LENDING IN PERSPECTIVE— COMPARISON TO MIDDLE MARKET LENDING (as of 12/31/21)



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

STRONG AND EXPERIENCED TEAM

Senior executive team has average of 22+ years of experience

 Years of experience

30+



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

30+



Tom Raterman

CFO, COO

Prior Experiences

- Co-Founder and EVP LKQ Corporation
- Several C-Suite roles at specialty finance companies

12+



Greg Greifeld

Managing Director, Deputy
CIO, Head of Credit

Prior Experiences

- HPS Investment Partners
- J.P. Morgan

15+



Mark Donnelly

Managing Director, Head
of Origination

Prior Experiences

- Riverside Company
- DW Healthcare Partners
- Bain & Company

ORIGINATION MODEL

Sponsored Growth Lending

- Loans to late- and growth-stage companies backed by venture capital 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

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 gives us the confidence to protect our investors' capital

Experience

- Senior Investment professionals have average of 22+ years of experience
- Can speak the same language as the borrowers

Creative 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

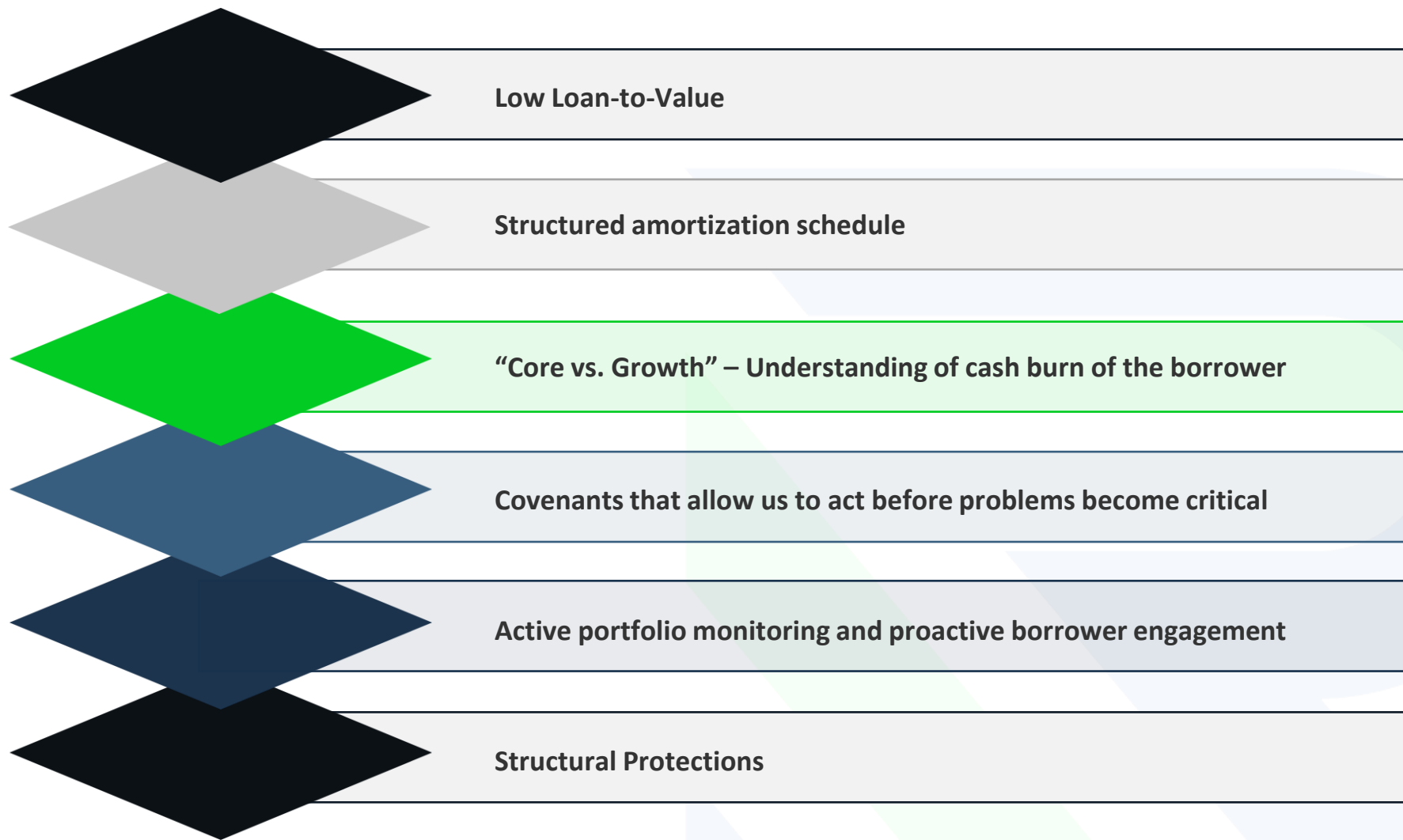
- Bespoke solutions allow us the ability to create new loan structures for our borrowers as they continue to grow
- 21% of commitments are related to upsizes¹ from existing borrowers

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

RUNWAY HAS AN EDGE IN PRICING RISK AND ASCRIBING COMPANY VALUE

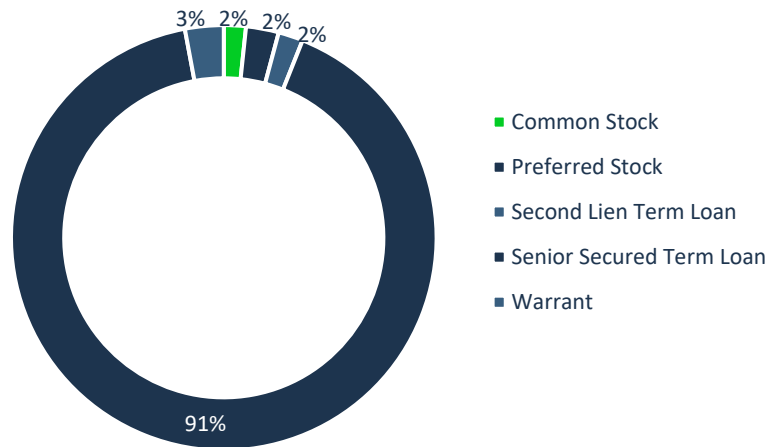
APPROACH TO UNDERWRITING



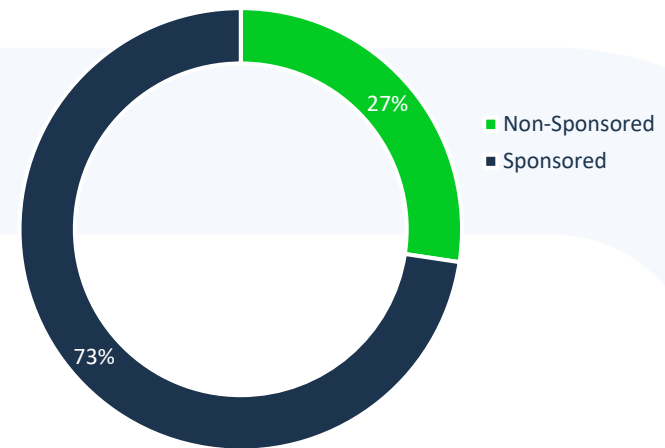
PORTFOLIO OVERVIEW (as of 12/31/21)

Portfolio at Fair Value
\$684.5 million¹

Current Investments by Security Type (by FMV)



Current Investments by Origination Channel (by FMV)



Cumulative since inception

Total Loan Commitments ²	\$1.45B
Average Loan Size	\$25.2M
Number of Investments Made ²	55
Number of Realized Investments ⁶	23
Cumulative Gross/Net Loss Rate	0.98%/0.04%

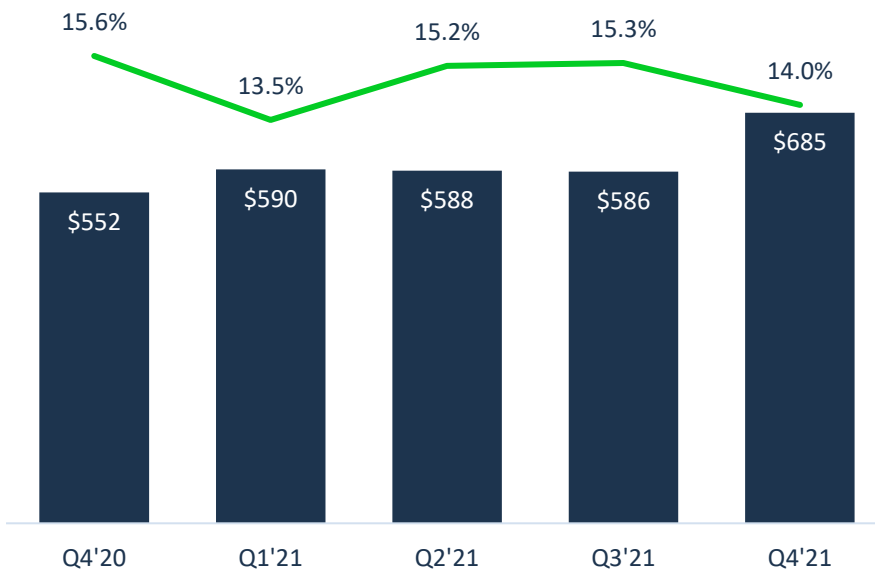
Current portfolio at origination

Average Operating History ⁴	16 Years
Average Enterprise Value ⁴	\$256M
Average Revenue ⁴	\$67M
Average LTV ⁵	15.75%
Loan Structure	98% First Lien

KEY PORTFOLIO METRICS

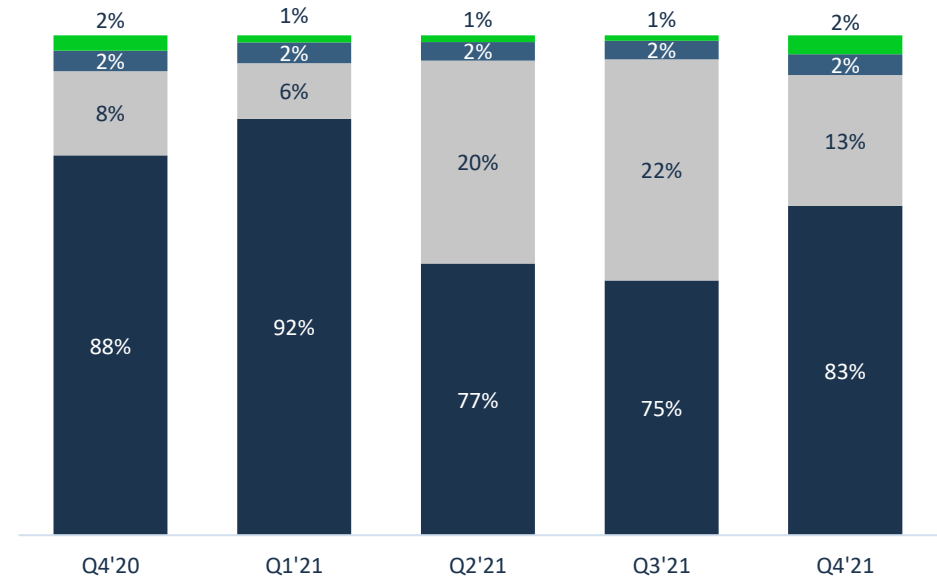
Investment Yield

■ Portfolio at FV (\$M)¹ — W.A. Debt Investment Yield²



Sources of Investment Income (\$M)

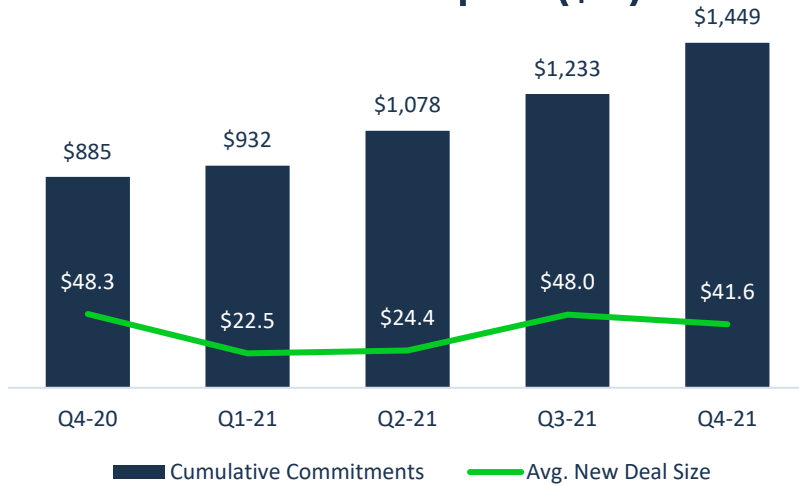
■ Interest Income ■ Prepayment Fees ■ Dividend Income ■ Other³



25 debt and 48 equity investments to 39 portfolio companies as of 12/31/2021

KEY PORTFOLIO METRICS

Committed Capital (\$M)



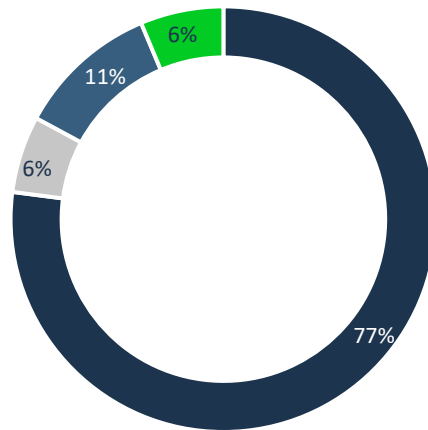
Inception-to-Date:

- 14 Upsizes or 25% of Portfolio Companies
- 6 Refinances or 11% of Portfolio Companies

Year-to-Date:

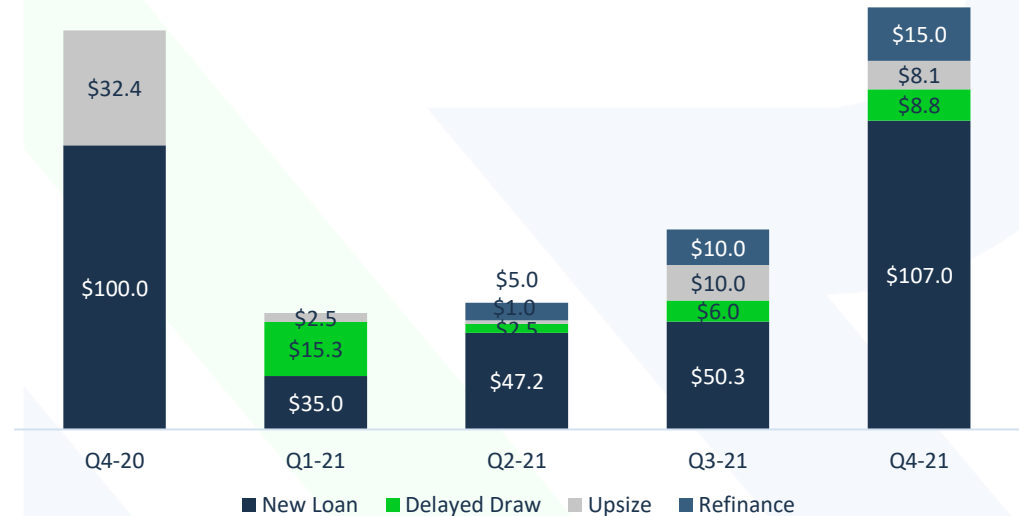
- \$34.0M average new deal commitment
- \$23.1M average funding at origination

Q4-2021 Net Fundings by Type (%)



■ New Loan ■ Upsize ■ Refinance ■ Delayed Draw

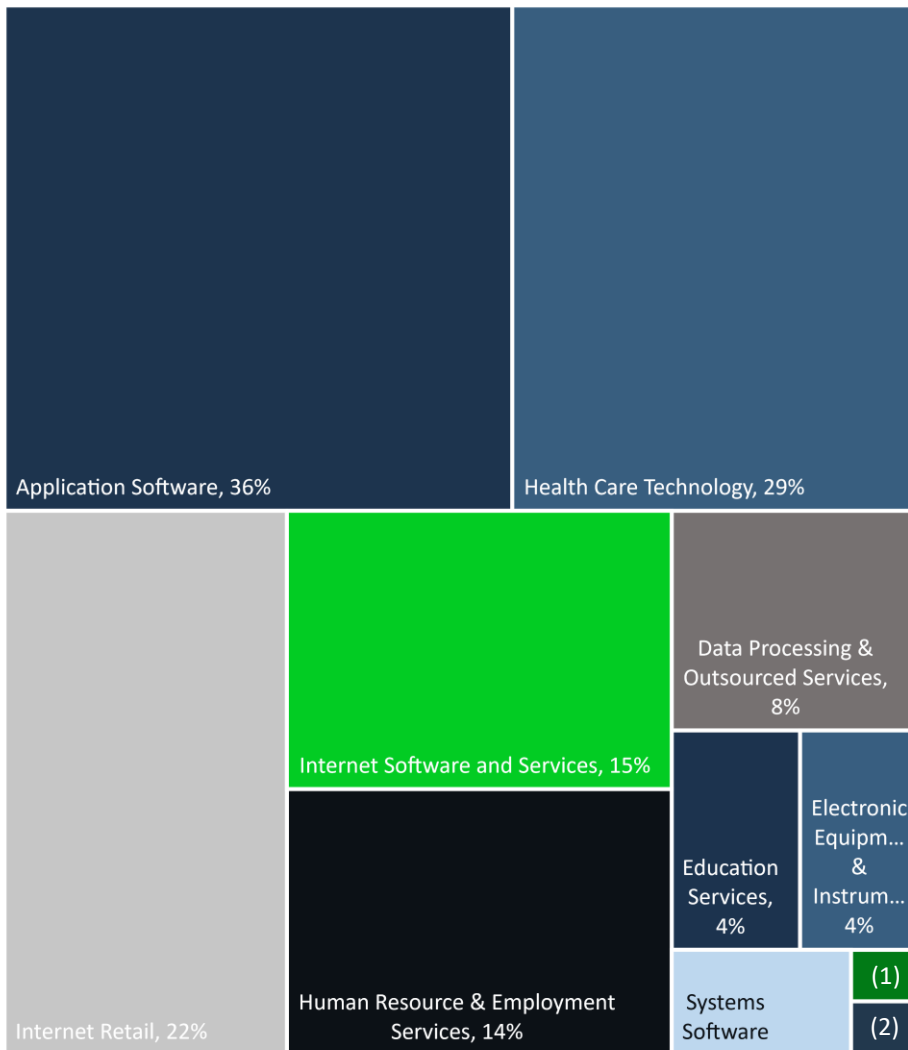
Net Quarterly Fundings by Type (\$M)



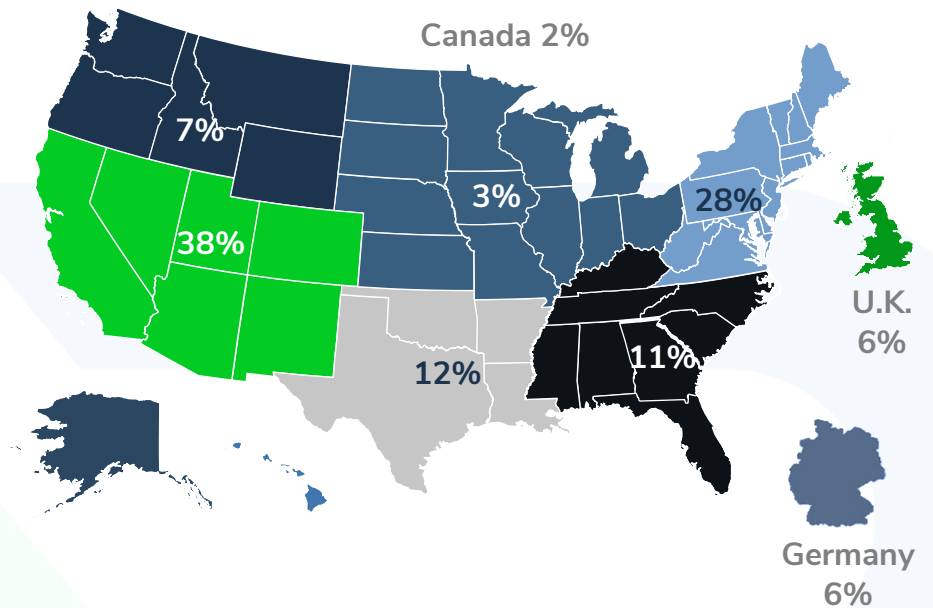
■ New Loan ■ Delayed Draw ■ Upsize ■ Refinance

HIGHLY DIVERSIFIED PORTFOLIO (as of 12/31/21)

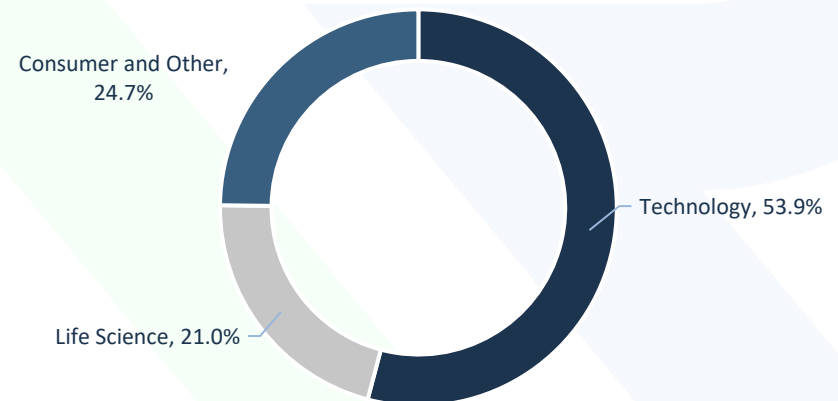
Portfolio at Fair Value by Industry as % of Net Assets



Portfolio Fair Value by Geography as a % of Net Assets

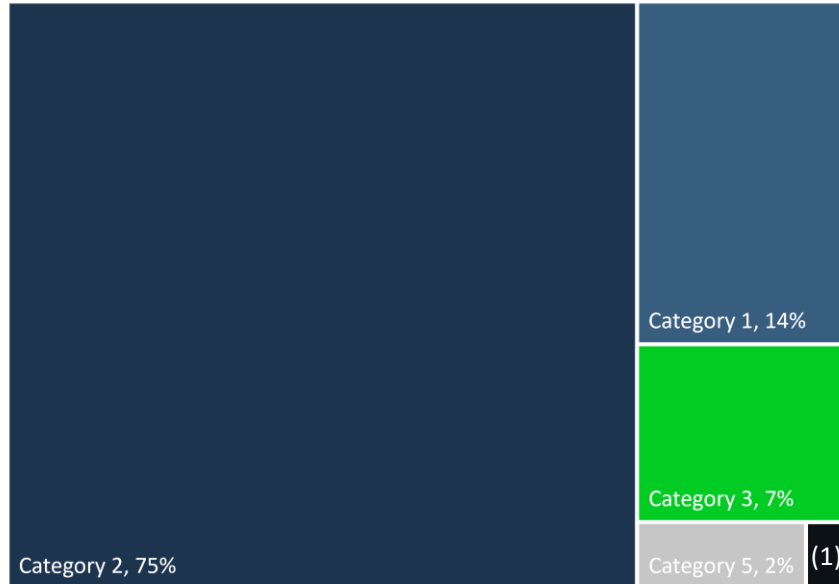


Breakout Across Verticals

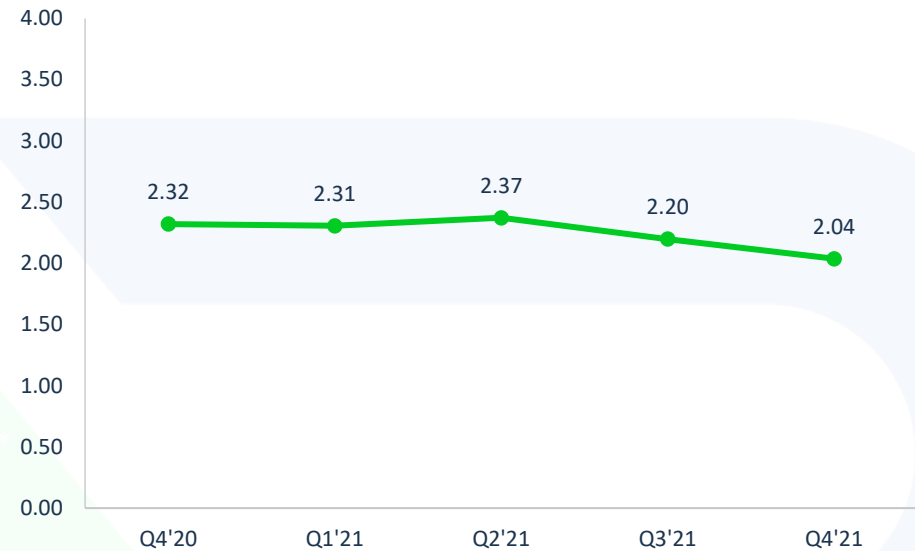


PORTFOLIO RISK RATINGS

Investments at Fair Value by Risk Rating Category



Weighted Average Risk Rating²



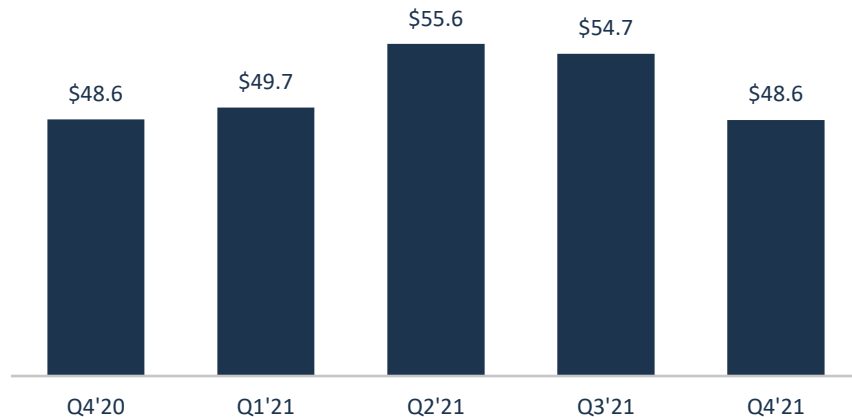
Calculated after thorough review and discussion of each portfolio company financial performance and circumstances

Weighted average internal risk rating decreased during the quarter, primarily attributed to improvements in existing portfolio company performance

Portfolio quality is improving; benefitting from active management and monitoring

WARRANTS & EQUITY PORTFOLIO

Warrants and Other Equity (\$M)



Warrant and Other Equity Holdings

- 20 Companies both loan and warrant investments
- 12 Companies with warrant investments only
- 7 Companies both loan and/or shares of common or preferred stock

**48 WARRANTS AND/OR EQUITY INVESTMENTS
IN 36 COMPANIES**

2021 IPO and M&A Activity

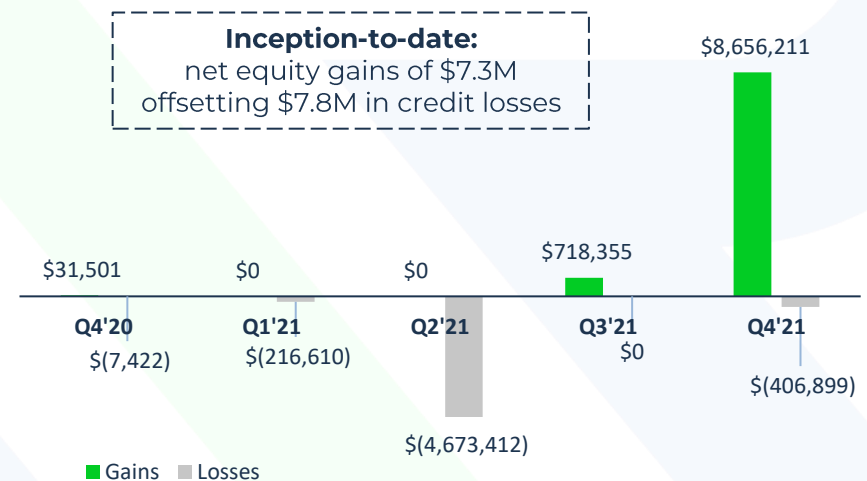
IPO

- Brilliant Earth, a Nasdaq-listed digital-first jewelry company

M&A Transactions

- Porch Group, a Nasdaq-listed software and services company for the home services industry, went public through a SPAC with PropTech Acquisition Corp.
- Ouster, a NYSE-listed lidar solutions company, went public through a SPAC merger with Colonnade Acquisition Corp.
- Fidelis Cybersecurity (private) acquired CloudPassage

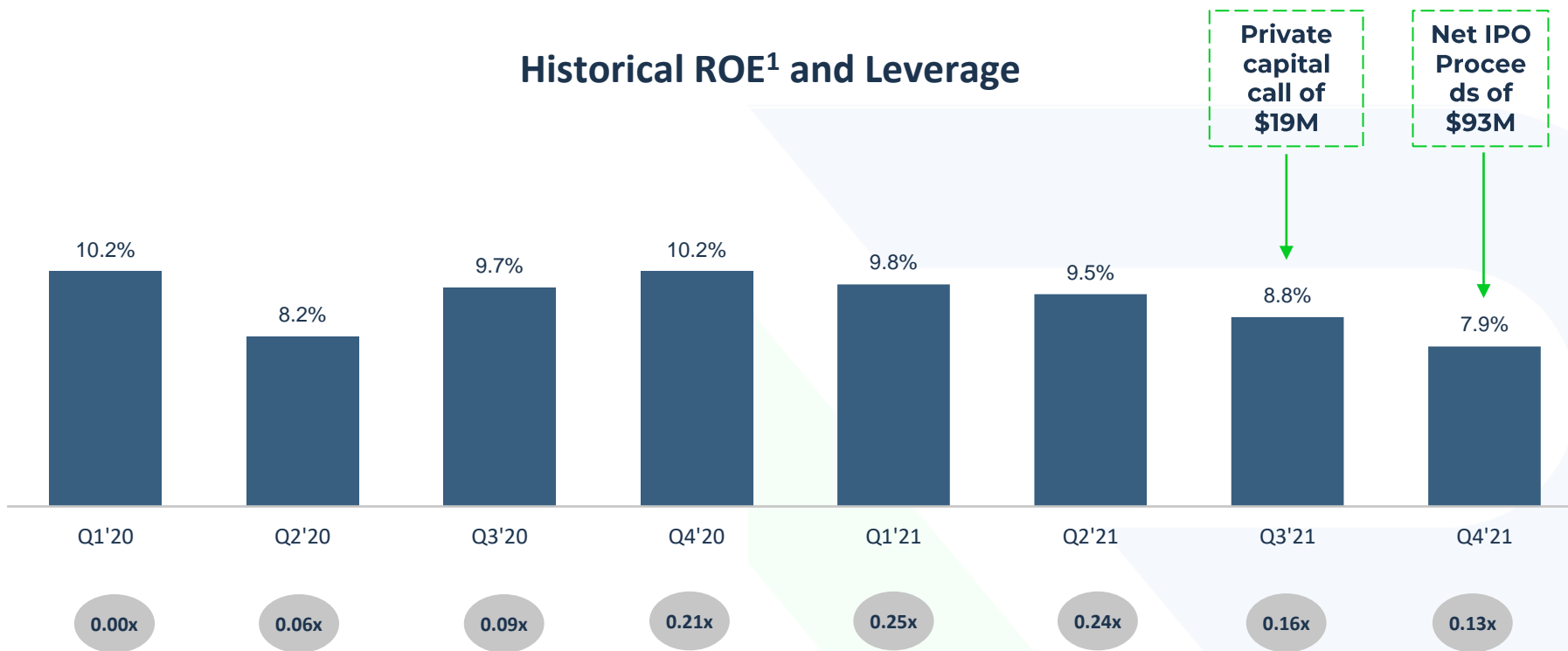
Realized Gains (Losses) on Equity Investments



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



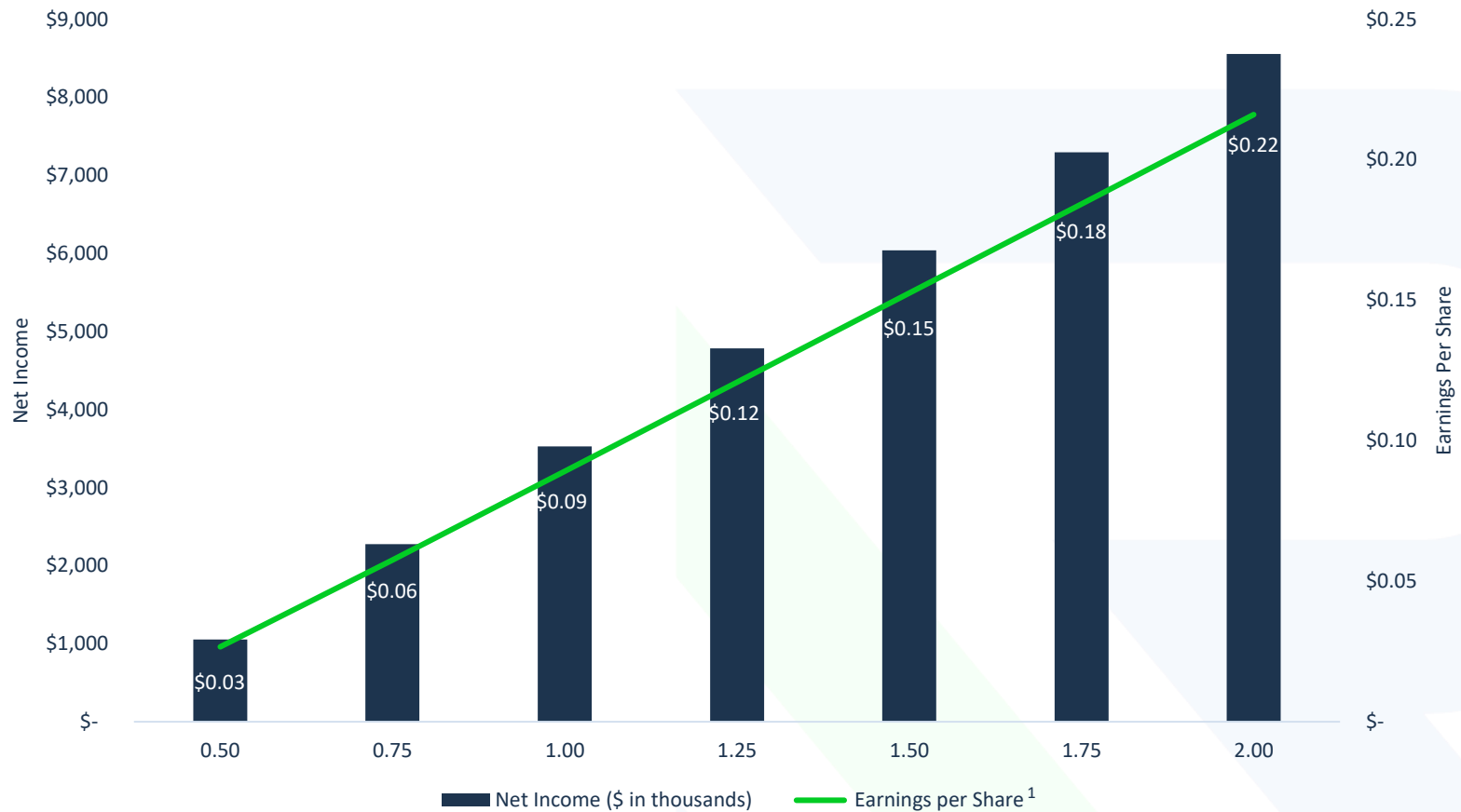
Runway can grow the portfolio by nearly \$600M without exceeding our core leverage target

1. ROE calculated by dividing NII for the quarter by average of EOP and BOP equity balance for the period and annualizing
2. ROE calculated by dividing NII for the quarter by ending 4Q'21 equity balance

INTEREST RATES & ASSET SENSITIVITY

Rising Interest Rate Impacts on Net Income and EPS

Basis Point Movement in LIBOR Rate



KEY FINANCIAL METRICS

Liquidity

Select Balance Sheet Data (\$M)

	2021				2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Cash & Equivalents	\$1.8	\$0.9	\$0.9	\$4.7	\$16.8	\$3.0	\$1.4	\$14.9
Credit Facilities	\$117.0	\$117.0	\$80.0	\$61.0	-	\$25.0	\$37.5	\$99.0
Total Net Assets	\$473.5	\$477.7	\$504.2	\$606.2	\$376.4	\$388.3	\$397.4	\$466.2

Debt Capital Structure (as of 12/31/21)

2026 4.25% Notes

\$20M

Represents initial closing on \$70M aggregate principal

4.25%

Interest Rate

December 10, 2026

Stated Maturity

Credit Facility

\$154M

Revolver availability

\$215M

RCF¹ / Term Loan facility size

\$350M

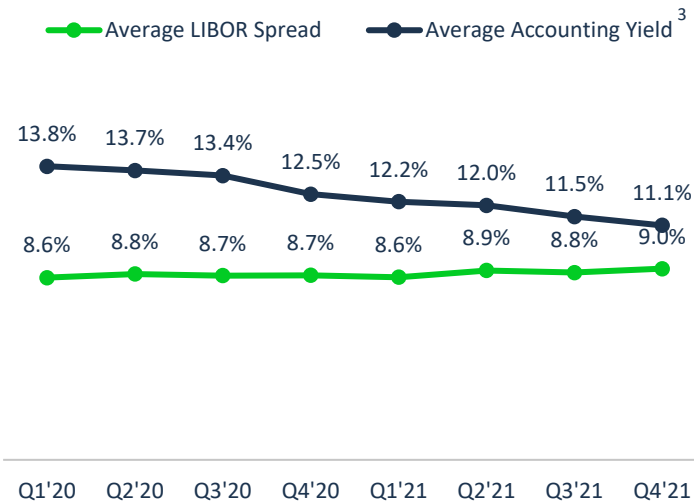
Maximum accordion commitment



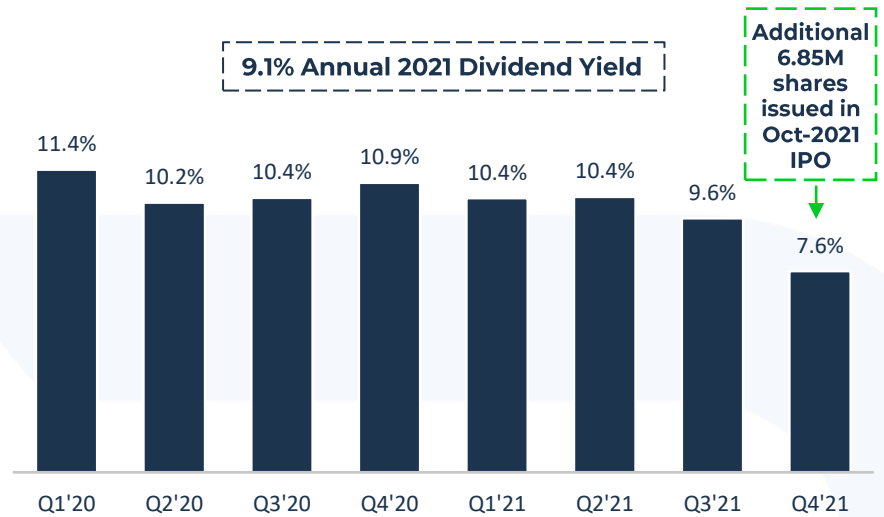
**FOURTH QUARTER 2021
PORTFOLIO & FINANCIAL HIGHLIGHTS**

PORTFOLIO HIGHLIGHTS

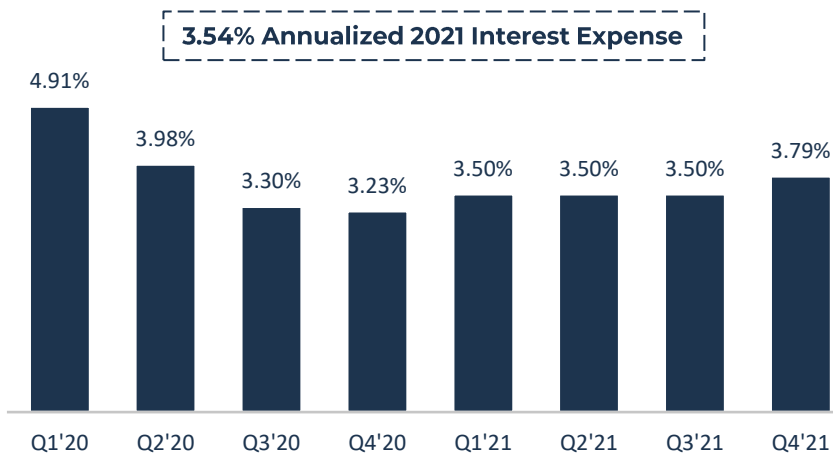
Portfolio Yields



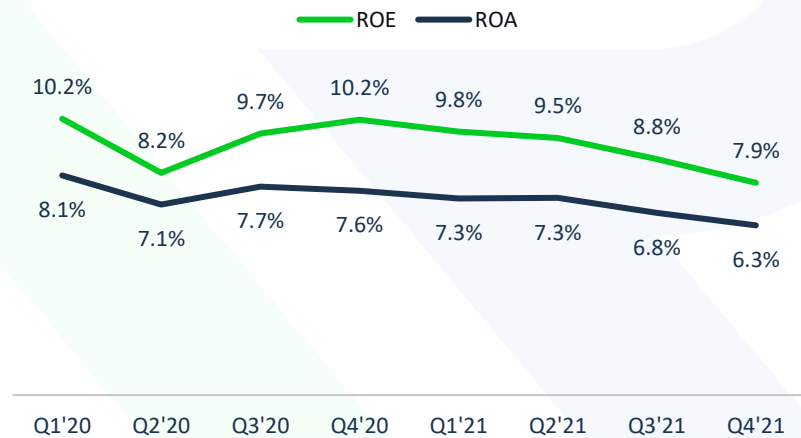
Annualized Dividend Yield¹




Weighted Average Interest Expense




Annualized Return on Equity and Assets²



FINANCIAL HIGHLIGHTS

 STATEMENT OF OPERATIONS	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Twelve Months Ended December 31, 2021	Twelve Months Ended December 31, 2020
Total investment income	17,580,014	16,788,667	71,358,455	57,626,303
Total operating expenses	6,651,659	5,758,954	26,866,767	19,556,586
Net investment income	10,928,355	11,029,713	44,491,688	38,069,717
Net realized and unrealized gain (losses)	8,376,632	9,719,629	1,127,022	8,910,183
Net increase in net assets from operations	19,304,987	20,749,342	45,618,710	46,979,900

 STATEMENT OF ASSETS & LIABILITIES	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Total investments at fair value	729,516,274	646,353,037	617,617,043	615,147,590
Cash and cash equivalents	4,696,693	936,503	892,584	1,780,788
Total assets	738,347,480	651,252,977	621,381,413	619,723,262
Debt	1,000,000	80,000,000	117,000,000	117,000,000
Total liabilities	132,152,989	147,051,992	143,642,316	146,245,838
Total net assets	606,194,491	504,200,985	477,739,097	473,477,424
Net asset value per share	14.65	14.60	14.61	14.77

Reconciliation of Quarterly NAV per Share¹



\$0 Credit Losses in 2021

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

Sarkis Sherbetchyan

- Initiated coverage: 11/15/21

B | RILEY

Casey Alexander

- Initiated coverage: 11/15/21

**COMPASS POINT
RESEARCH & TRADING, LLC**

Brock Vandervliet

- Initiated coverage: 11/15/21

UBS

Bryce Rowe, CFA

- Initiated coverage: 11/19/21

**H HOVDE
GROUP**

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 approximately 2:1 debt/equity
- Investments are required to be carried at fair value
- 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

NASDAQ Exchange Listed Company

- Annual stockholder meeting
- Independent audit committee oversees integrity of financial statements and auditor independence
- Timely disclosure of material events



RUNWAY
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Thank You