



Runway Growth Finance Corp.
First Quarter 2022 Investor Presentation

May 5, 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 \$1.6B <small>Across 57 investments</small> <small>As of 3/31/22</small>	Weighted Average Borrower LTV² 16.3% <small>At origination</small>	Annualized Dollar-Weighted Yield³ 12.2% <small>As of 3/31/22</small>	Debt Portfolio with Floating Rates 100% <small>As of 3/31/22</small>	Loss Rate^{1,4} Gross / Net 0.93%/0.06% <small>Cumulative since inception</small>	Net Asset Value Per Share \$14.45 <small>As of 3/31/22</small>
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First Quarter 2022 Investment Activity

- Completed seven investments in new and existing portfolio companies representing \$135 million in new investments and \$83.5 million in funded loans
- Received \$8.4 million from principal repayments, inclusive of interest, fees and proceeds from the exercise and sale of warrants

Total Investment Income

- \$19.3 million

Net Investment Income

- \$12.5 million or \$0.30 per share

Net Asset Value

- \$14.45 per share

Net Realized Losses

- \$0.4 million realized losses and \$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



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 30+ years of experience
- Entered the public markets in 2021 with an established 5-year track record in the growth lending space
 - Demonstrated by 18 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

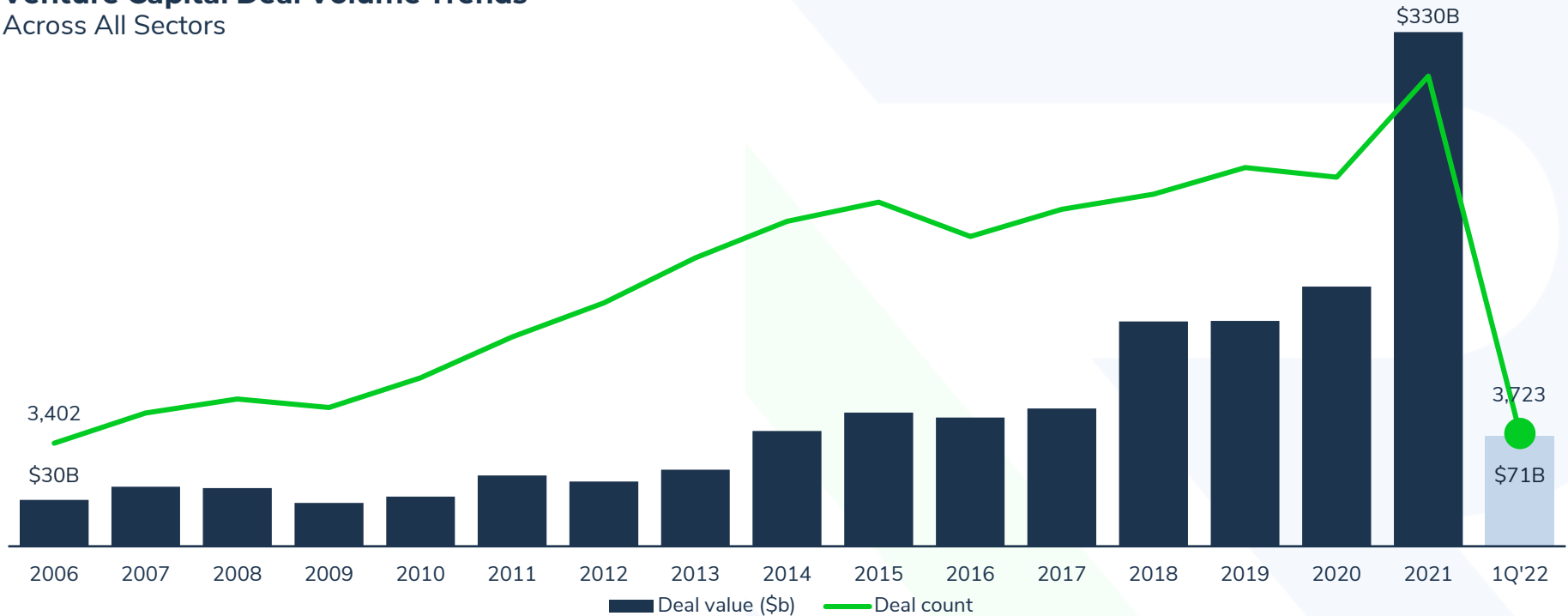
VC funds closed on over \$70B in Q1 2022²

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

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

\$230B dry powder available to support future investment²

Venture Capital Deal Volume Trends² Across All Sectors

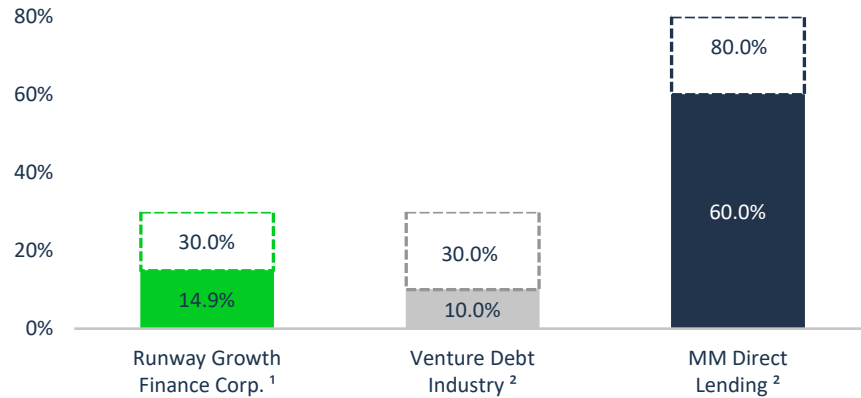


FY 2021 Deal Volume and Count have both exceeded FY 2020 Performance

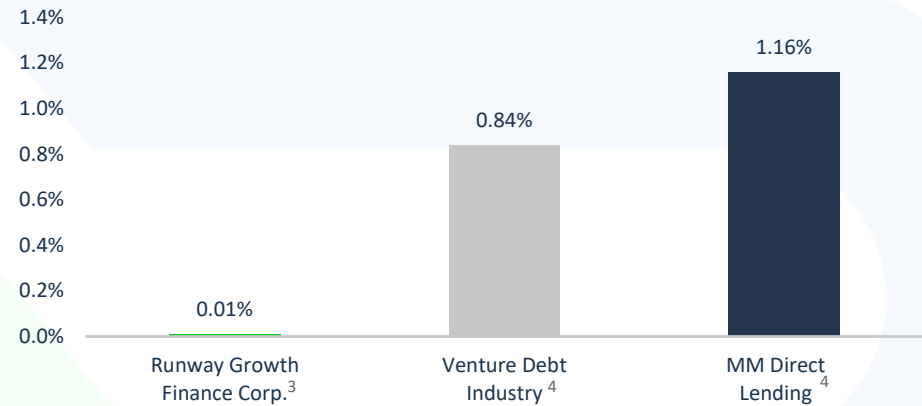
VENTURE LENDING IN PERSPECTIVE— COMPARISON TO MIDDLE MARKET LENDING (as of 3/31/22)



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

STRONG AND EXPERIENCED TEAM

Senior executive team has average of 30+ years of experience

Years of experience

38 years



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

40 years

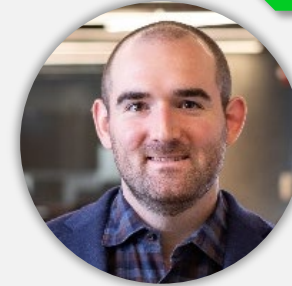


Tom Raterman
CFO, COO

Prior Experiences

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

12 years



Greg Greifeld
Managing Director, Deputy
CIO, Head of Credit

Prior Experiences

- HPS Investment Partners
- J.P. Morgan

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 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.

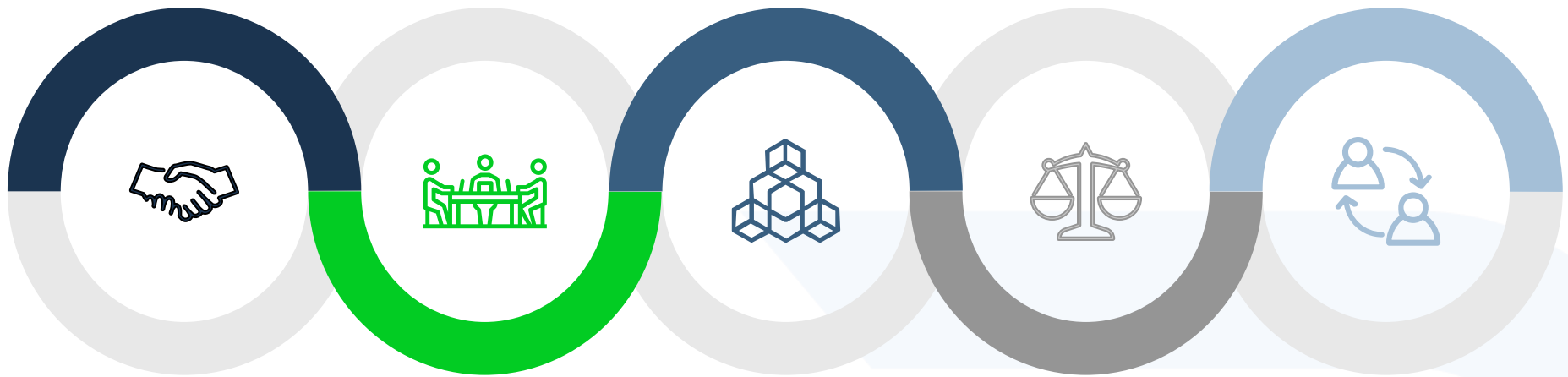
Venture Banks

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 30+ 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

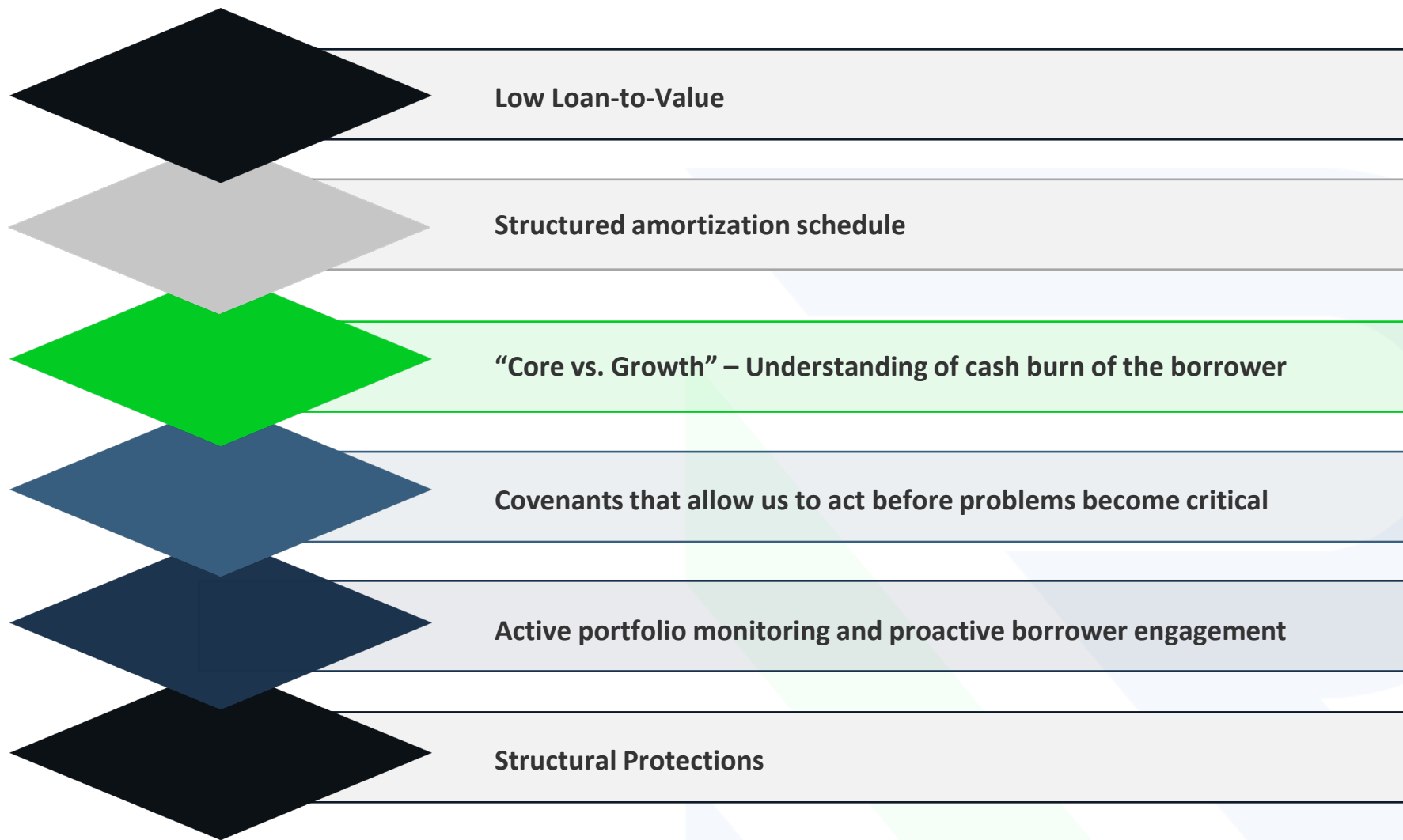
- Bespoke solutions allow us the ability to create new loan structures for our borrowers as they continue to grow
- 28% of commitments are related to upsizes¹ from existing borrowers

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

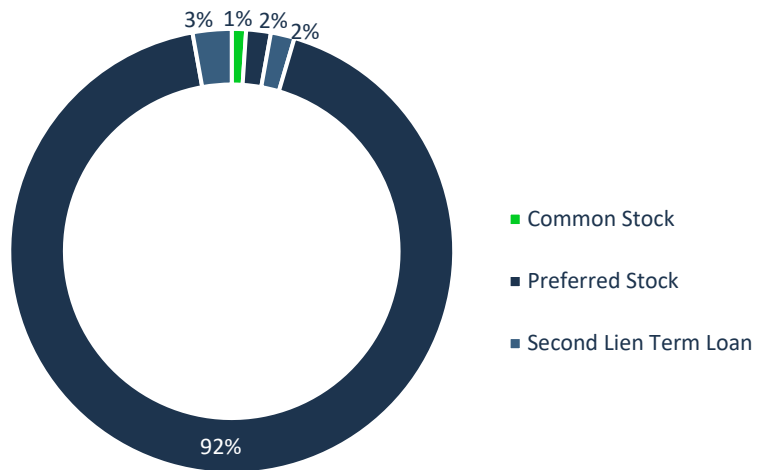
APPROACH TO UNDERWRITING



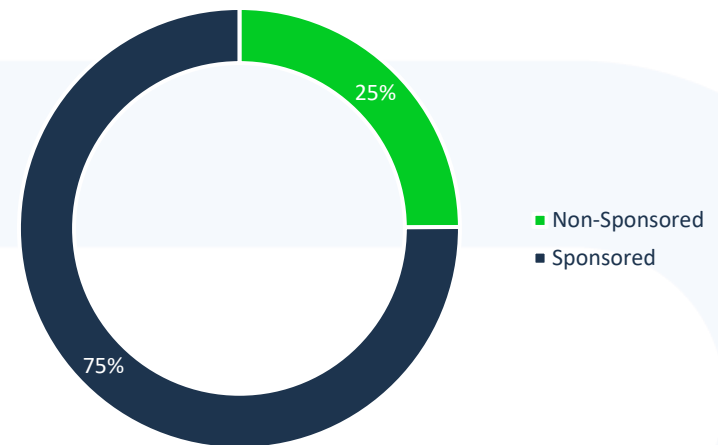
PORTFOLIO OVERVIEW

**Portfolio at Fair Value
\$754.3 million**

Current Investments by Security Type (by FMV)



Current Investments by Origination Channel (by FMV)



Cumulative since inception¹

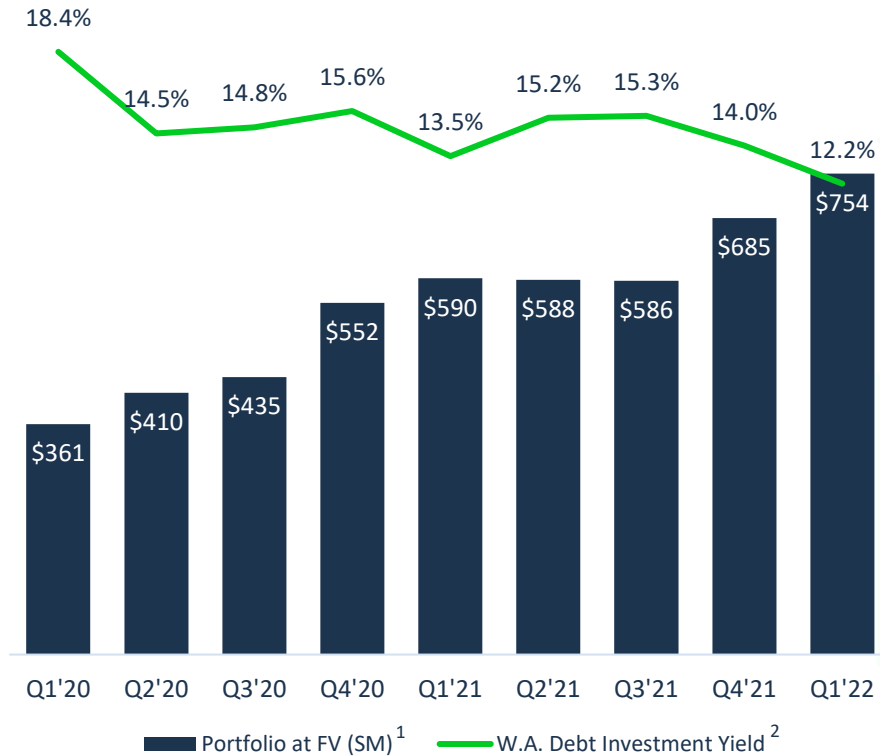
Total Loan Commitments	\$1.6B
Average Loan Size	\$25.5M
Number of Investments Made	57
Number of Realized Investments ³	24
Cumulative Gross/Net Loss Rate	0.93%/0.06%

Current portfolio at origination

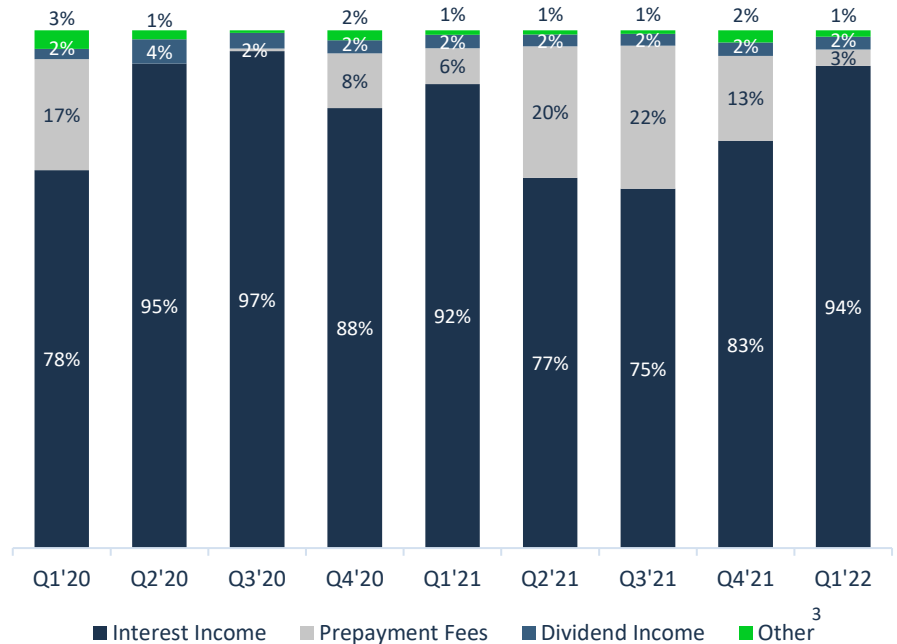
Average Operating History ²	16 Years
Average Enterprise Value ²	\$260.5M
Average Revenue ²	\$70.0M
Average LTV ²	16.3%
Loan Structure	98% First Lien

KEY PORTFOLIO METRICS

Investment Yield



Sources of Investment Income



26 debt and 49 equity investments to 40 portfolio companies as of 3/31/2022

KEY PORTFOLIO METRICS

Committed Capital (\$M)



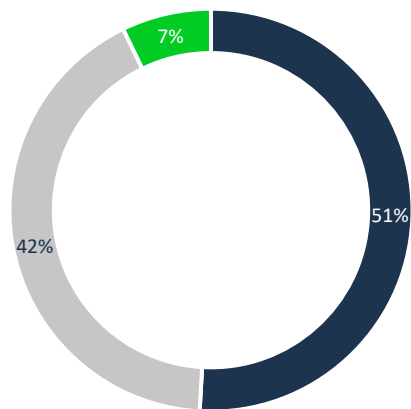
Inception-to-Date:

- 28% Portfolio Companies Upsized (16 Portfolio Companies, 25 Upsize Transactions)
- 6 Refinances or 11% of Portfolio Companies

Year-to-Date:

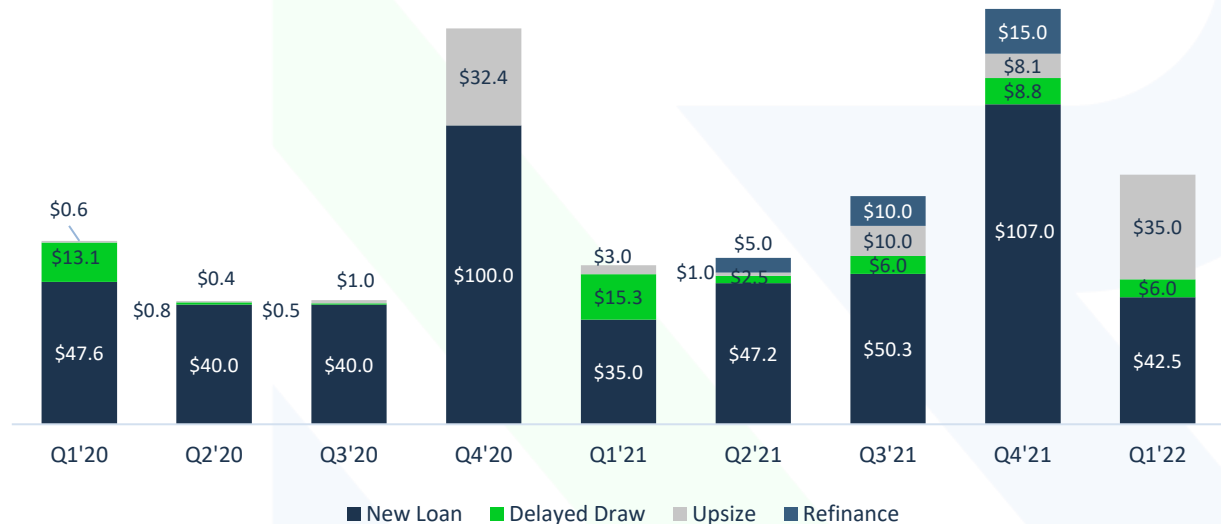
- \$50.0M average new deal commitment
- \$21.25M average funding at origination

Q1'22 Gross Fundings by Type (%)



■ New Loan ■ Upsize ■ Delayed Draw

Net Quarterly Fundings by Type (\$M)



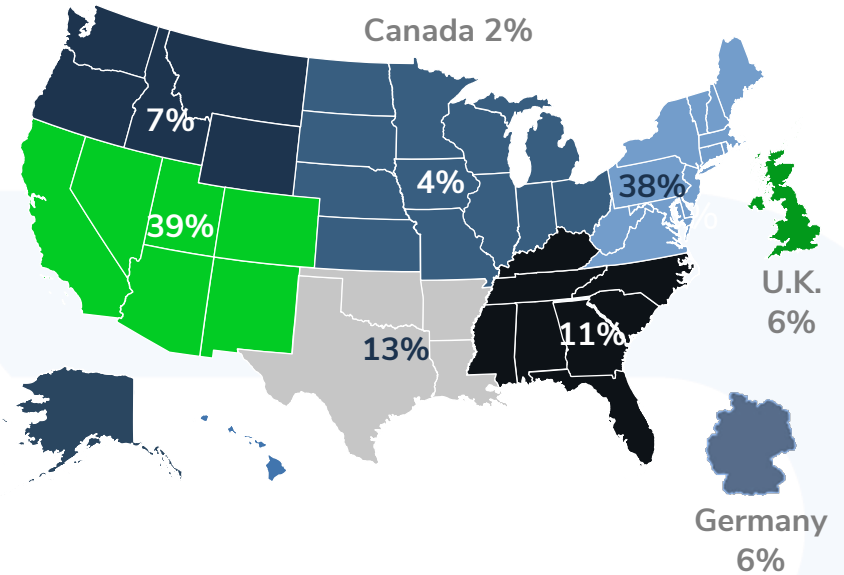
■ New Loan ■ Delayed Draw ■ Upsize ■ Refinance

HIGHLY DIVERSIFIED PORTFOLIO

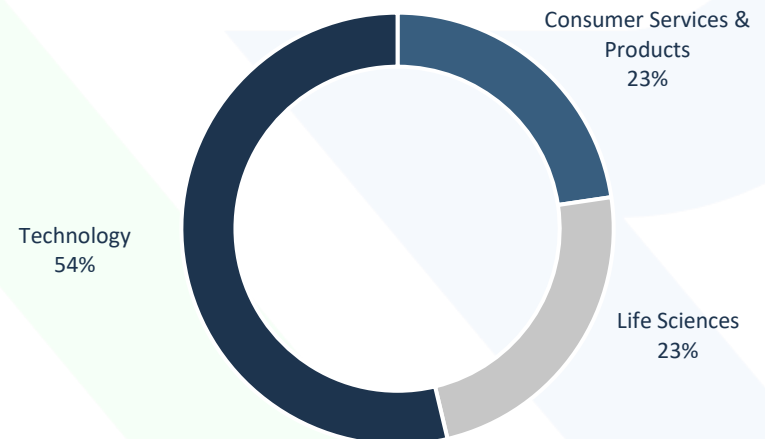
Portfolio at Fair Value by Industry as % of Net Assets



Portfolio Fair Value by Geography as a % of Net Assets

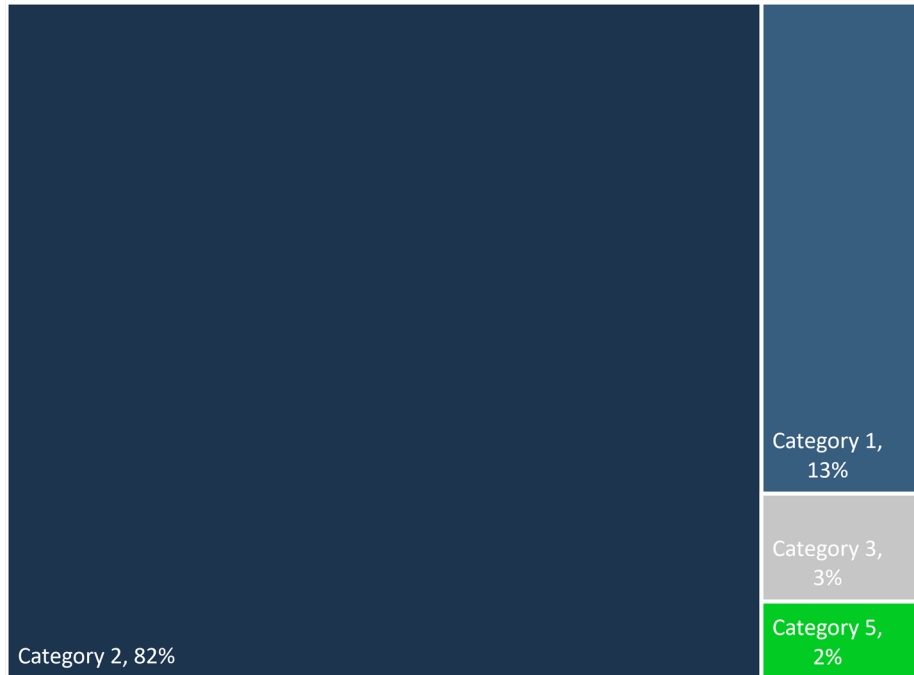


Breakout Across Verticals

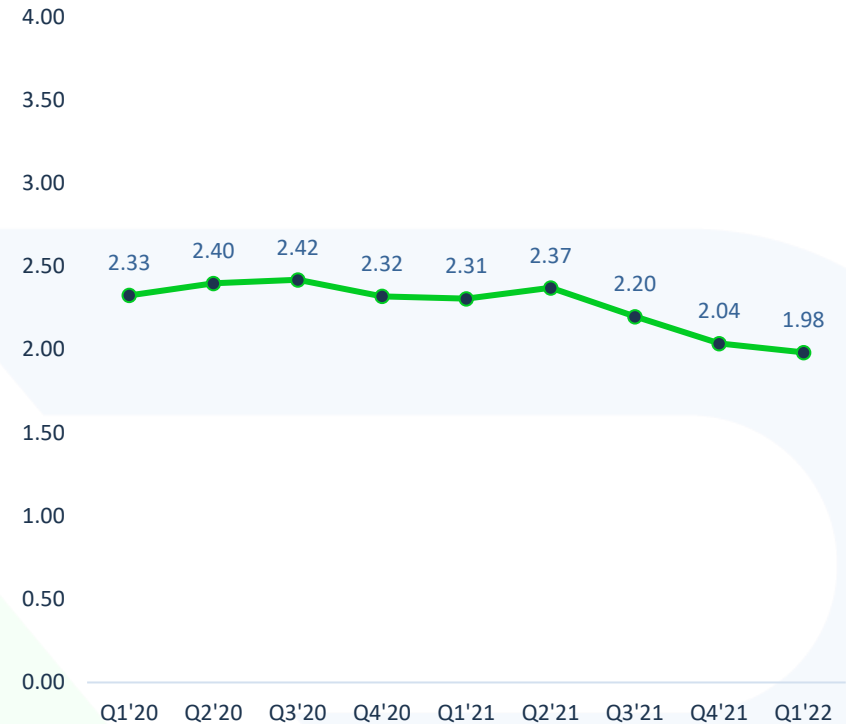


PORTFOLIO RISK RATINGS

Investments at Fair Value by Risk Rating Category¹



Weighted Average Risk¹



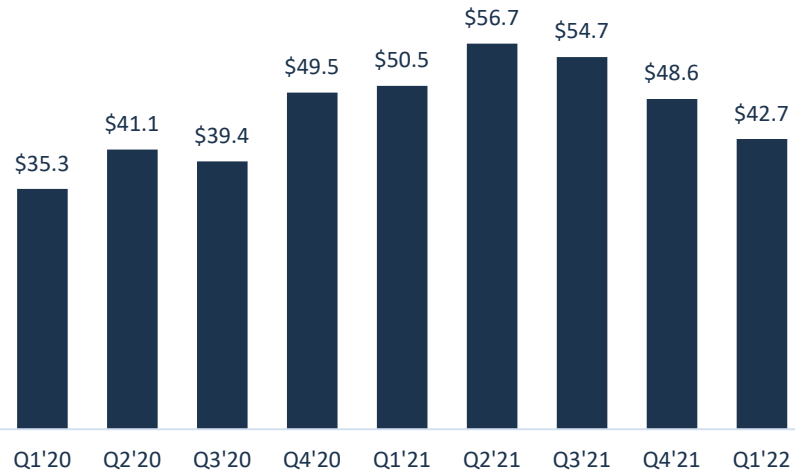
Calculated after thorough review and discussion of each portfolio company financial performance and circumstances

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)



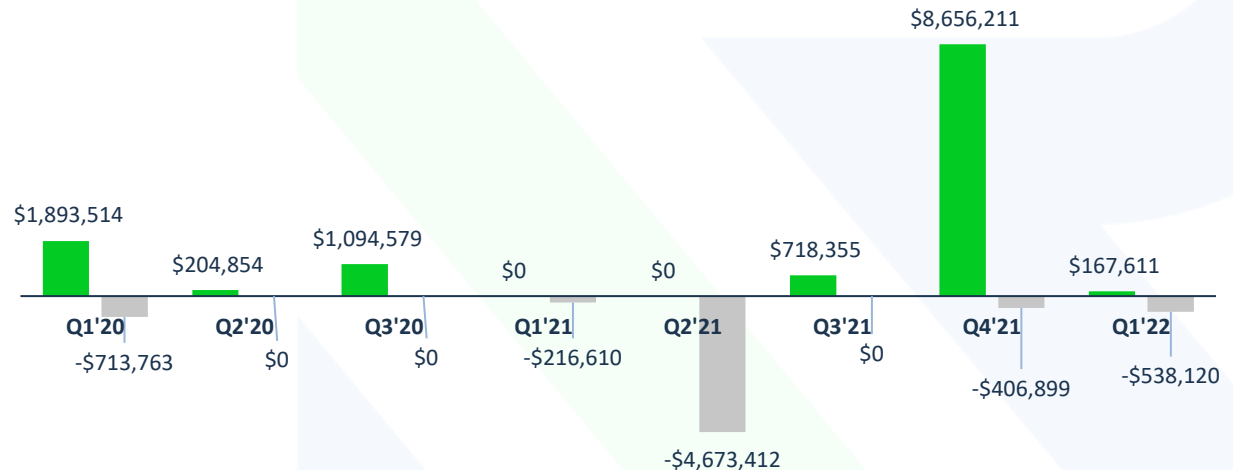
Warrant and Other Equity Holdings

- 19 Companies with both loan and warrant investments
- 9 Companies with warrant investments only
- 3 Companies with both loan and shares of common, preferred stock or a combination of warrants
- 6 Companies with shares of common or preferred stock only or a combination with warrants

**49 WARRANTS AND/OR EQUITY INVESTMENTS
IN 37 COMPANIES**

Realized Gains (Losses) on Equity Investments

■ Gains ■ Losses

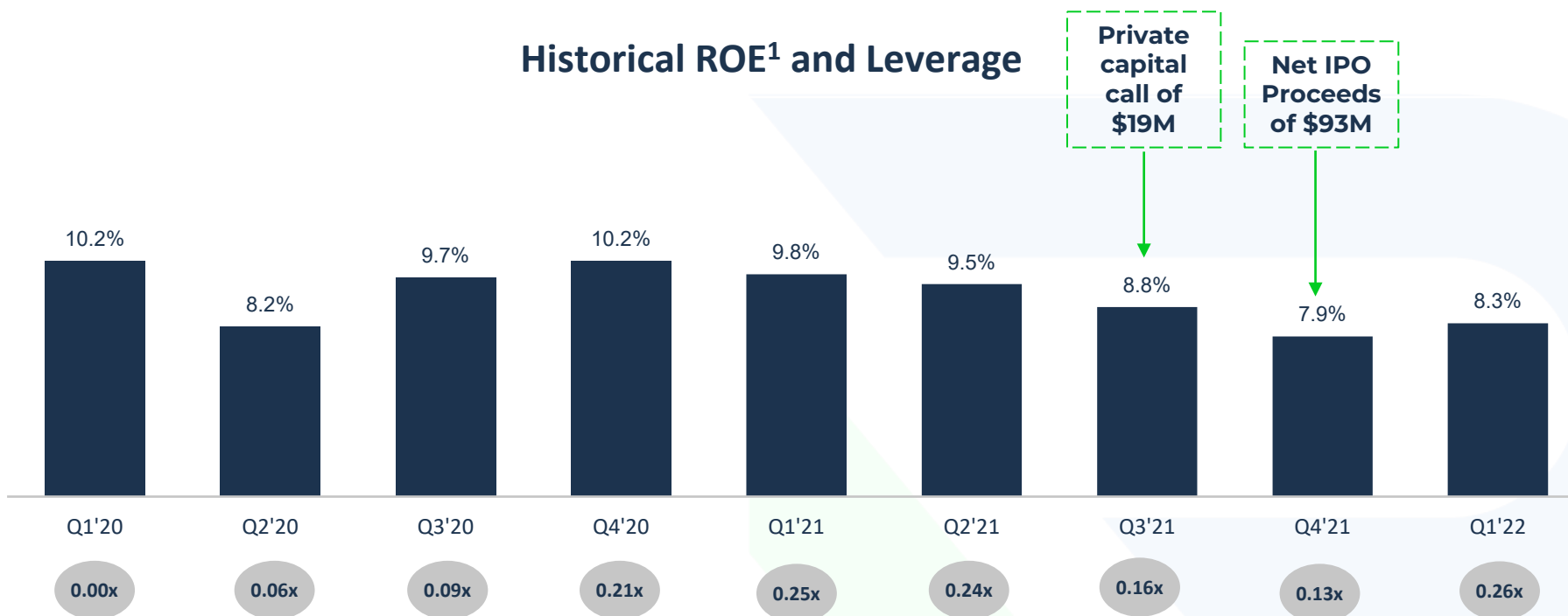


Inception-to-date:
Net equity gains of \$6.9M
offsetting \$7.8M in
credit losses

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

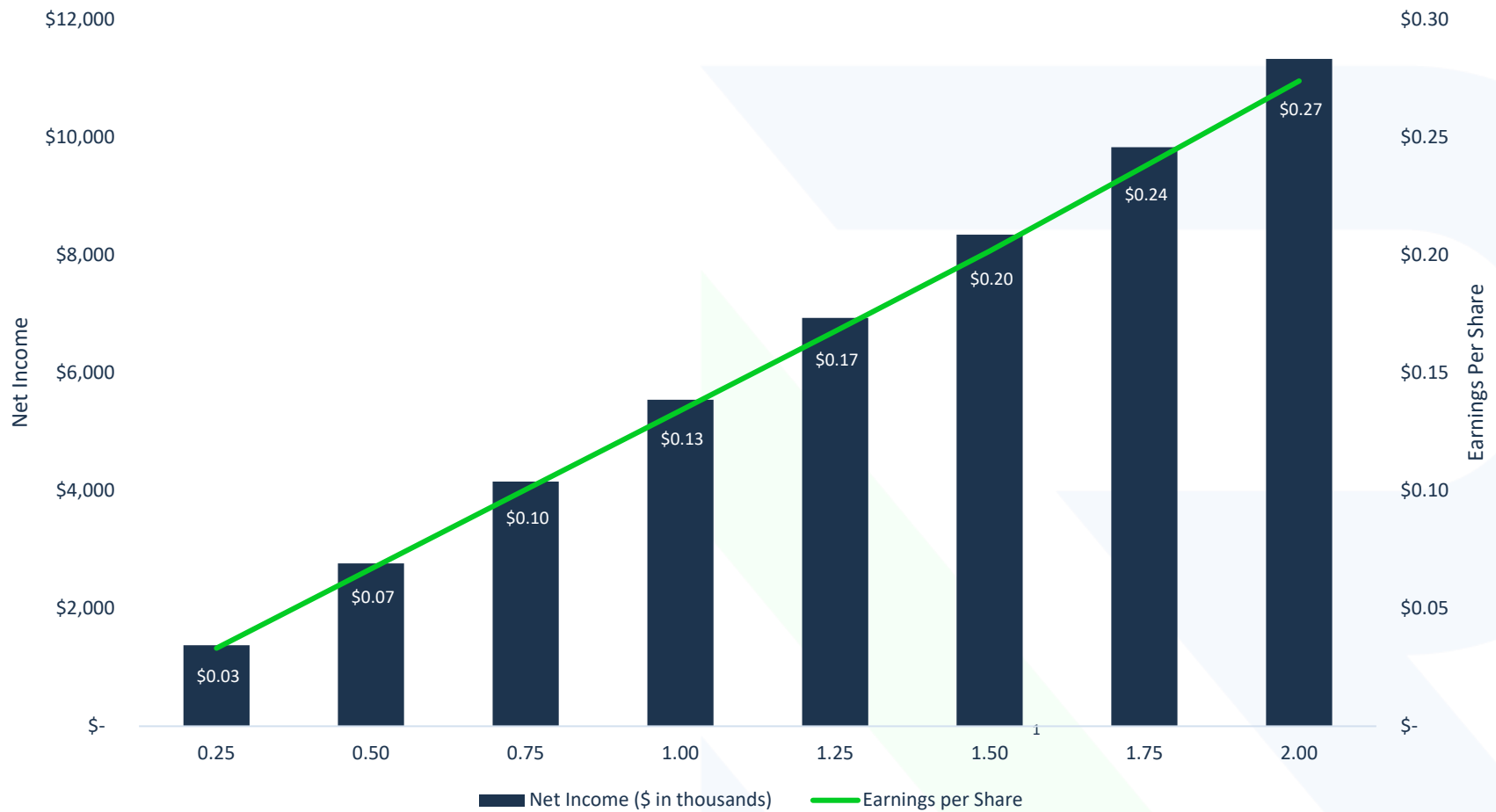


Runway can grow the portfolio by ~ \$500M without exceeding our core leverage target

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)

	2022				2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Cash & Equivalents	\$3.5	-	-	-	\$1.8	\$0.9	\$0.9	\$4.7
Credit Facilities	\$86.0	-	-	-	\$117.0	\$117.0	\$80.0	\$61.0
Total Net Assets	\$597.5	-	-	-	\$473.5	\$477.7	\$504.2	\$606.2

Debt Capital Structure

2026 4.25% Notes

\$70M
Aggregate principal

4.25%
Interest Rate

December 10, 2026
Stated Maturity

KeyBank Credit Facility

\$154M
Revolver availability

\$215M²
RCF¹ / Term Loan facility size

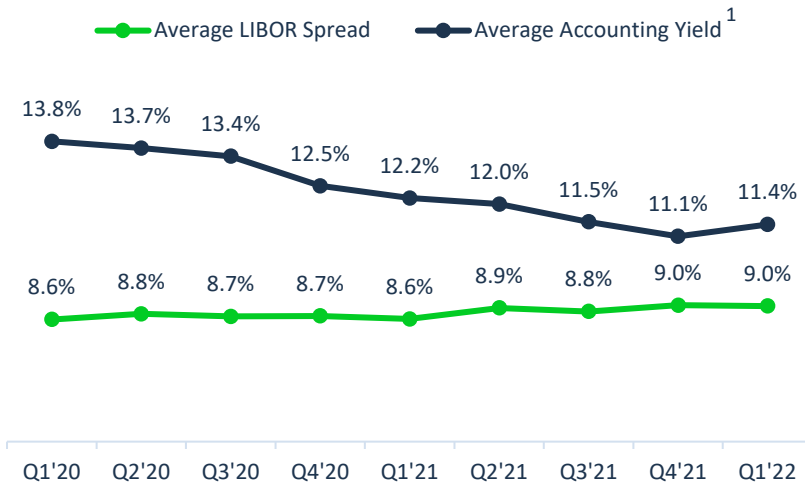
\$350M²
Maximum accordion commitment

FIRST QUARTER 2022

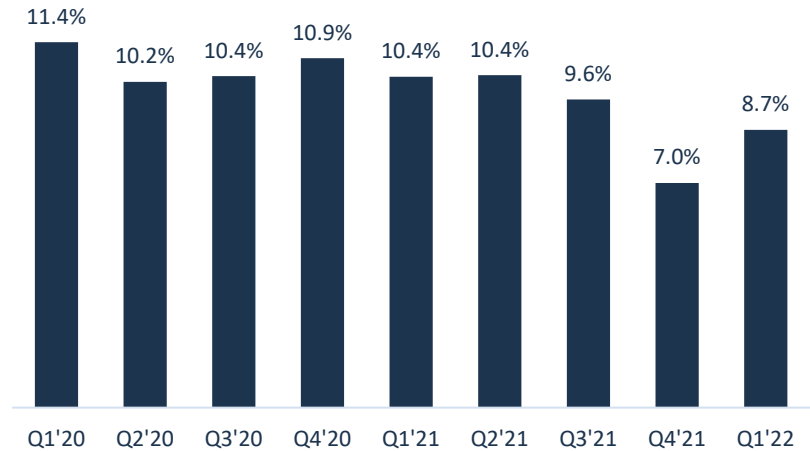
PORTFOLIO & FINANCIAL HIGHLIGHTS

PORTFOLIO HIGHLIGHTS

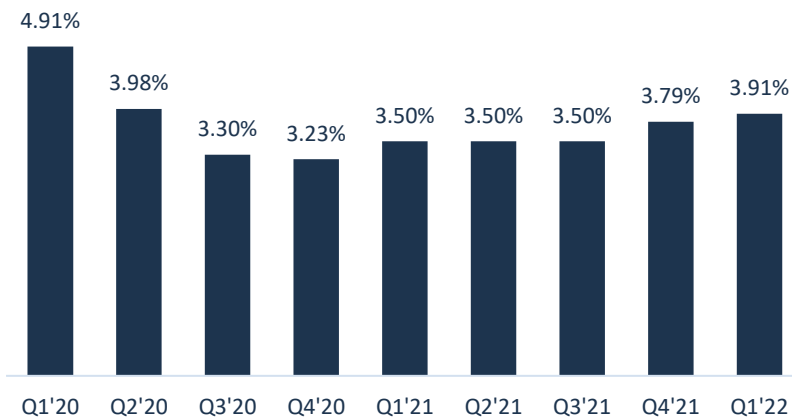
Portfolio Yields



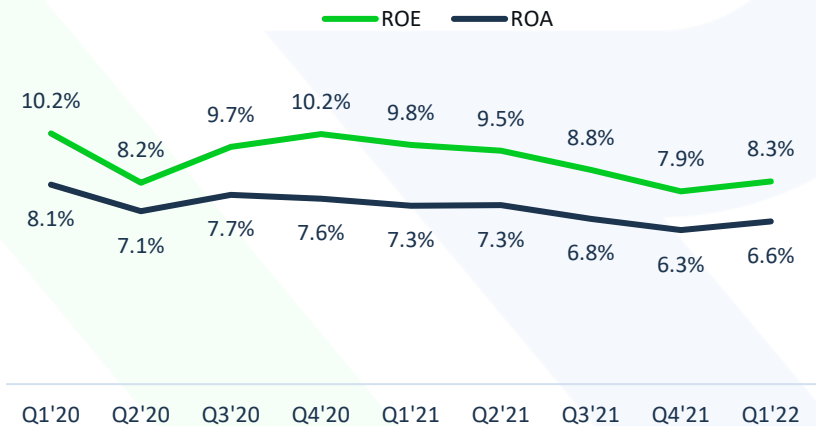
Annualized Dividend Yield²



Weighted Average Interest Expense





Annualized Return on Equity and Assets³



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
 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

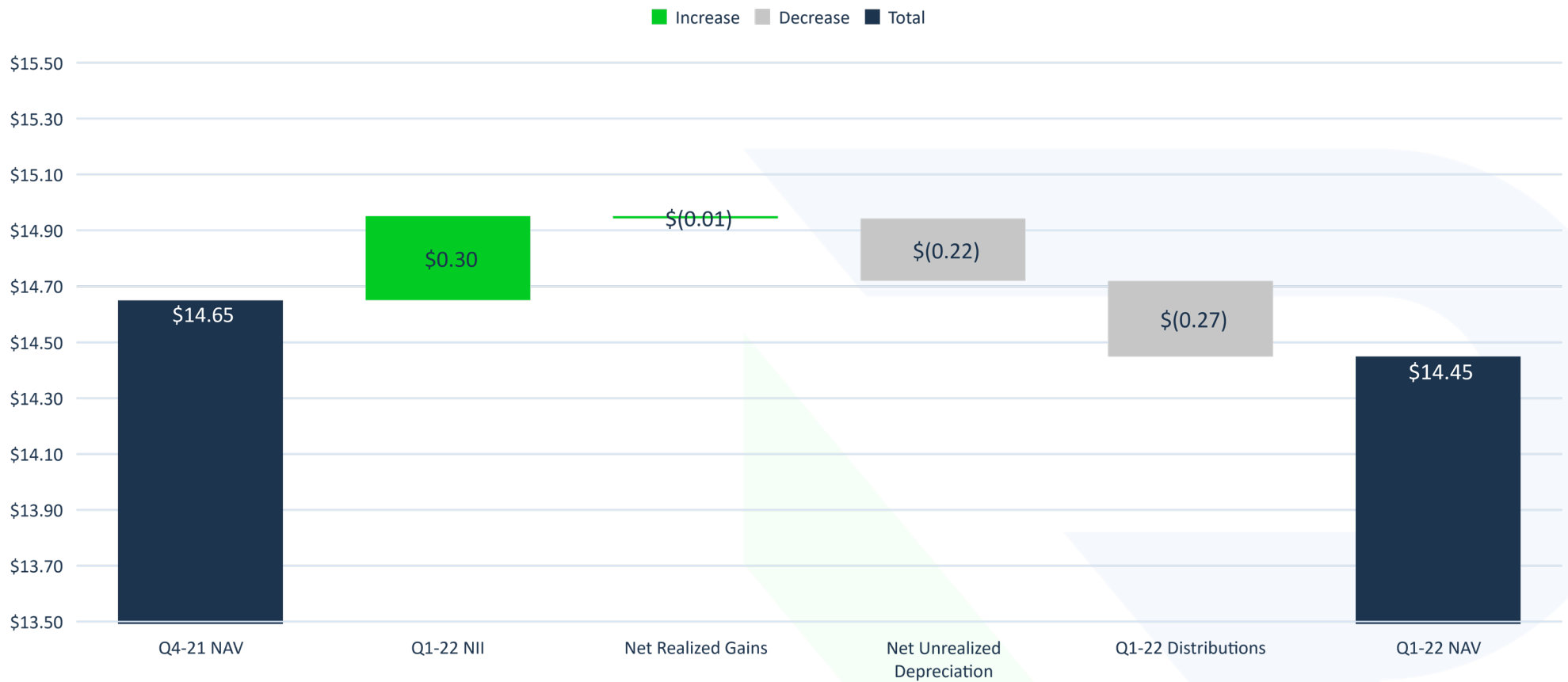
FINANCIAL HIGHLIGHTS

 STATEMENT OF OPERATIONS	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Total investment income	19,258,898	16,422,773
Total operating expenses	6,799,005	4,941,041
Net investment income	12,459,893	11,481,732
Net realized and unrealized gain (losses)	(9,606,802)	(2,110,404)
Net increase in net assets from operations	2,853,091	9,371,328

 STATEMENT OF ASSETS & LIABILITIES	March 31, 2022	December 31, 2021
Total investments at fair value ¹	754,289,370	729,516,274
Cash and cash equivalents	3,510,311	4,696,693
Total assets	762,097,644	738,347,480
Debt	154,121,342	79,488,460
Total liabilities	164,631,952	132,152,989
Total net assets	597,465,692	606,194,491
Net asset value per share	14.45	14.65

NAV/SHARE BRIDGE

Reconciliation of Quarterly Nav per Share¹



\$0 Credit Losses in Q1-2022

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**

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

 **HOVDE
GROUP**

Mickey Schleien, CFA

- Initiated coverage: 4/22/22

 **LADENBURG
THALMANN**
ESTABLISHED 1876

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



Runway Growth Finance Corp.

Contact us with any questions or comments

investors@runwaygrowth.com