



Runway Growth Finance Corp.

Fourth Quarter 2023 Investor Presentation

NASDAQ Listed | [RWAY](#) | [RWAYL](#) | [RWAYZ](#)



March 2024

Forward-looking Statements

This presentation dated March 2024 is being provided by Runway Growth Finance Corp. ("Runway Growth" or the "Company") for discussion purposes only and is neither an offer to sell, nor a solicitation of an offer to purchase, an interest in the Company. It is solely intended to describe the general business, investment objectives and investment strategy of the Company and should be considered in conjunction with the Company's Securities and Exchange Commission ("SEC") filings. The foregoing information is confidential and proprietary to the Company and Runway Growth Capital LLC.

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

There is no guarantee that any of the estimates, targets or projections illustrated in this presentation will be achieved. The case studies, and any other references herein to any of the Company's past or present investments or its past or present performance, have been provided for illustrative purposes only. It should not be assumed that these investments were or will be profitable or that any future investments by the Company will be profitable or will equal the performance of these investments.

This presentation contains "forward looking statements" that are subject to risks and uncertainties. Forward-looking statements can be identified by terminology such as "anticipate," "believe," "could," "could increase the likelihood," "estimate," "expect," "intend," "is planned," "may," "should," "will," "will enable," "would be expected," "look forward," "may provide," "would" or similar terms, variations of such terms or the negative of those terms. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those in such statements. As a result of such risks, uncertainties and factors, actual results may differ materially from those expressed or implied in the Company's forward-looking statements and reflect numerous assumptions, which may or may not materialize as projected. The Company makes no express or implied representation of warranty with respect to such projections, and expressly disclaims any and all liability for representations, expressed or implied, contained in, or omissions from, this presentation.

All of the information in this presentation is presented as of the date of this presentation (except as otherwise specified), is subject to change without notice, and may have changed (possibly materially) between the date of this presentation and the date this presentation was received. No member of the Company or Runway Growth Capital LLC has any obligation to update the information in this presentation to account for changes subsequent to any date as of which such information is given.

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

\$2.5B

Across 77 investments
As of 12/31/23

Weighted Average
Borrower LTV²

18.8%

At origination

Annualized Dollar-
Weighted Yield³

16.9%

As of 12/31/23

Debt Portfolio with
Floating Rates

100%

As of 12/31/23

Loss Rate¹

Gross / Net
0.98%/0.79%

Cumulative since inception

Net Asset Value Per Share

\$13.50

As of 12/31/23

Past performance is not an indication of future results

1. Cumulative debt only losses since date of first investor commitment—December 2016 to December 2023 - Calculated as % of \$2.5B of total commitments since inception

2. Weighted average LTV at origination for unrealized current/active investments as of 12/31/23 (based on funded)

3. Dollar-weighted yield for debt investments for annualized three months ended 12/31/23

Overview Of Runway Growth Finance Corp.¹

Fourth Quarter 2023 Investment Activity

Runway completed eight investments in new and existing portfolio companies, representing \$154.6 million in funded loans

Received \$63.4 million from principal repayments

Portfolio Composition

Aggregate fair value of \$1,025 million comprised of \$978 million in term loans, 99% of which are senior secured first lien investments

Total Investment Income

\$39.2 million

Net Investment Income

\$18.3 million or \$0.45 per share

Net Asset Value

\$13.50 per share

Realized Loss

\$17.2 million realized loss

1. As of the quarter ended December 31, 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 Growth Capital LLC'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

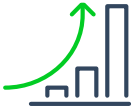
- Demonstrated by 25 consecutive quarterly distributions since inception

An established, differentiated growth lending platform with a clear path to create value across macro-economic environments.



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

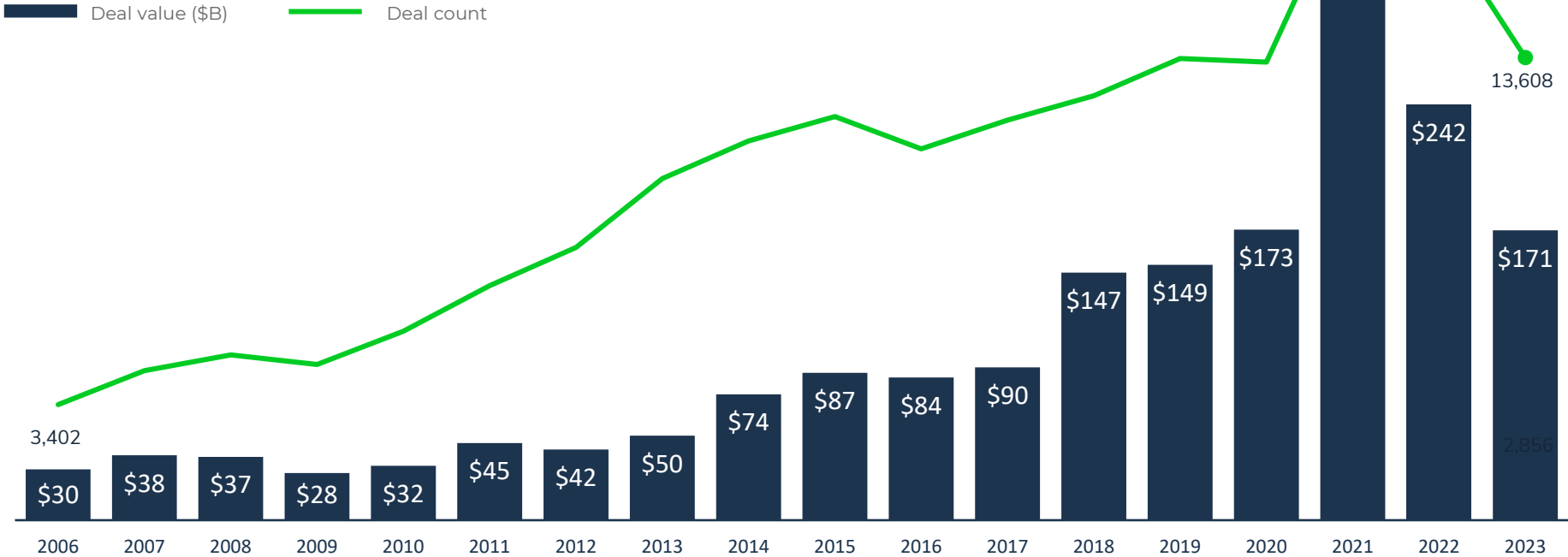


Leveraging Multiple Paths to Return Value to Shareholders

Venture Capital Activity

Venture Capital Deal Volume Trends¹

Across All Sectors



Venture capital has broadly observed a slowdown in recent years given prevailing market dynamics, run-rate demand for venture debt funding remains ~\$30 billion, representing less than 20% of total venture activity

1. Pitchbook-NVCA Venture Monitor data, Q4 2023
 * Twelve-month deal value and count for the period ended 12/31/23

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 a bank facility 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 origination team
Conservative Balance Sheet	<ul style="list-style-type: none"> • Thoughtfully utilizing secured and unsecured leverage • Target leverage ratio (0.8x to 1.25x)
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 pre-incentive fee net investment income does not exceed the hurdle rate of 2.0% per quarter • 80% of pre-incentive fee net investment income that exceeds the hurdle rate but is less than 2.667% in any calendar quarter (the “catch-up”) • 20.0% of pre-incentive fee net investment income that exceeds 2.667% in any calendar quarter

Focused On Late and Growth Stage Companies

Illustrative Venture/Growth Lending Funding Continuum

Early-Stage Venture Debt

- No historical financials – lenders underwriting reputation of sponsor, not borrower
- Venture equity deployments down substantially
- Early-Stage loans are used to bridge venture-backed companies to next equity funding round
- No guarantees in today's market of a next equity funding round

Late-Stage Venture and Growth Debt

- 15+ year average operating history – lenders underwriting borrower, not merely reputation of sponsor
- Venture equity deployments being down has no bearing as Growth Loans are often last-money in before an IPO or other exit



Runway's core focus is on sponsor-backed late and growth stage venture companies that have a demonstrated track record of performance and are on their way to IPO or other liquidity event alternatives

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 21+ 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
- Since inception, 30% of portfolio companies have upsized and 15% have refinanced with an upsize.



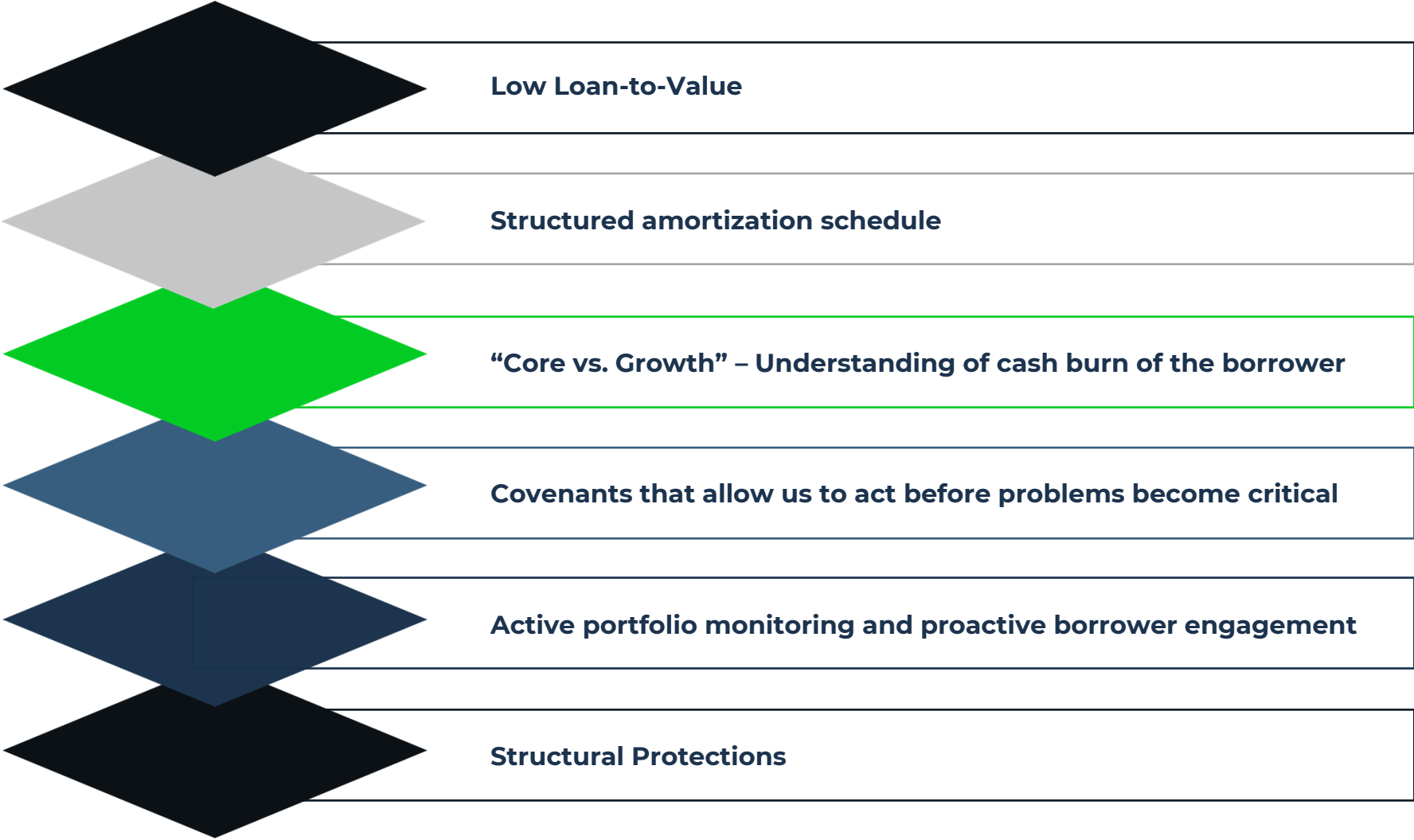
Robust Network

- 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

* On July 31, 2023, we announced that David Spreng, Runway Growth's Chairman, Founder, and Chief Executive Officer, is taking a temporary leave of absence from the Company to undergo treatment for a medical condition. Thomas Raterman, CFO and COO of Runway Growth, has been appointed to acting President during David Spreng's leave, in addition to his current responsibilities. Greg Greifeld, Deputy CIO and Head of Credit of Runway Growth Capital, LLC, Runway Growth's investment adviser, has been appointed to acting CEO of Runway Growth, in addition to his current responsibilities.

Runway Has an Edge in Pricing Risk and Ascribing Company Value

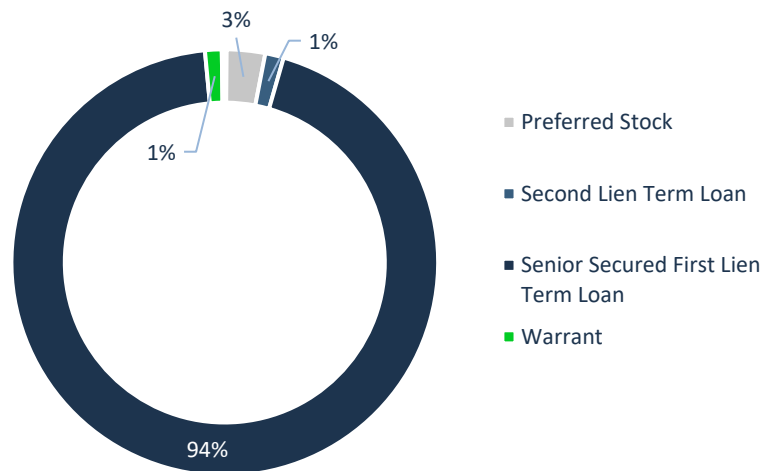
APPROACH TO UNDERWRITING



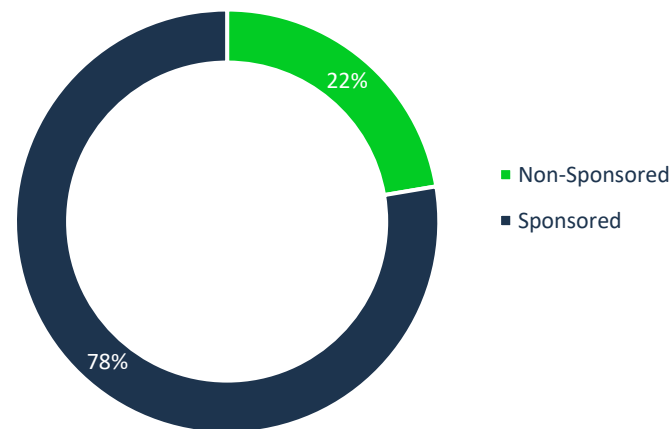
Portfolio Overview

Portfolio at Fair Value¹: **\$1,025 million**

Current Investments by Security Type (by FMV)²



Current Investments by Origination Channel (by FMV)



Cumulative since inception³

Total Loan Commitments	\$2.5B
Average Loan Commitment	\$34.3M
Number of Investments Made	77
Number of Realized Investments ⁴	44
Cumulative Gross/Net Loss Rate	0.98%/0.79%

Current portfolio at origination

Average Operating History ⁵	16.4 Years
Average Enterprise Value ⁵	\$251.9M
Average Revenue ⁵	\$58.7M
Average LTV ⁵	18.8%
Loan Structure	99% First Lien

Past performance is not an indication of future results

1. Excludes investments in U.S. treasury bills

2. Common Stock, Convertible Note and Membership Interest comprise 1%

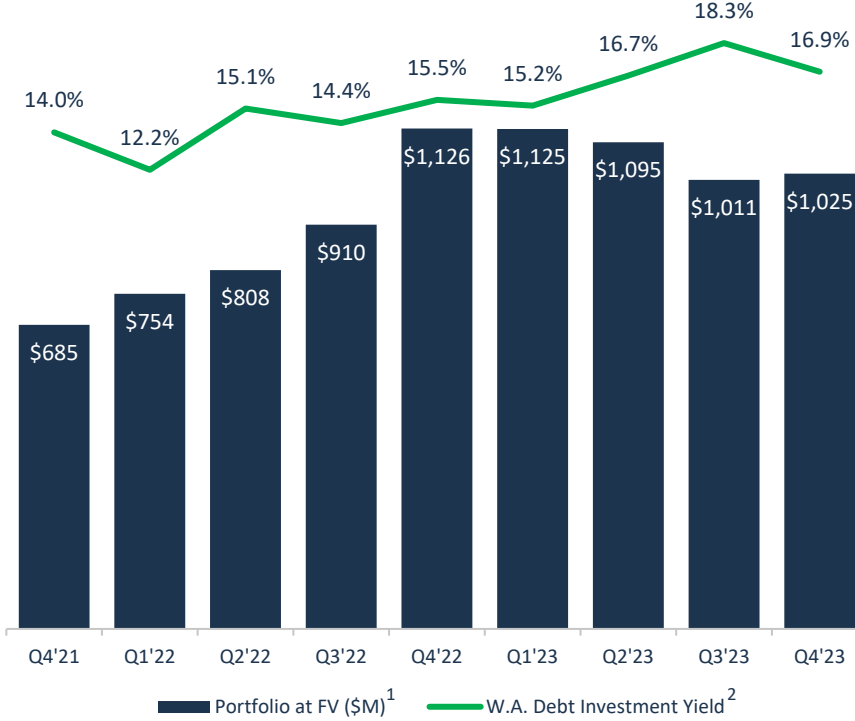
3. Cumulative since inception – from December 2016 through December 2023

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

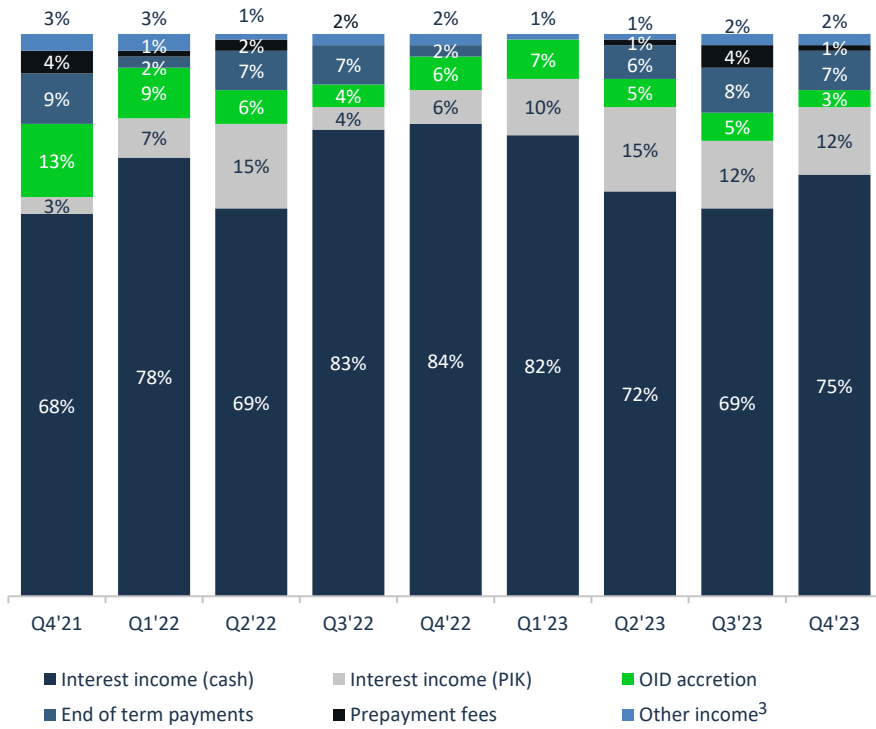
5. Weighted average on funded at origination for current investment portfolio as of December 31, 2023

Key Portfolio Metrics

Portfolio at FV & Investment Yield



Sources of Investment Income

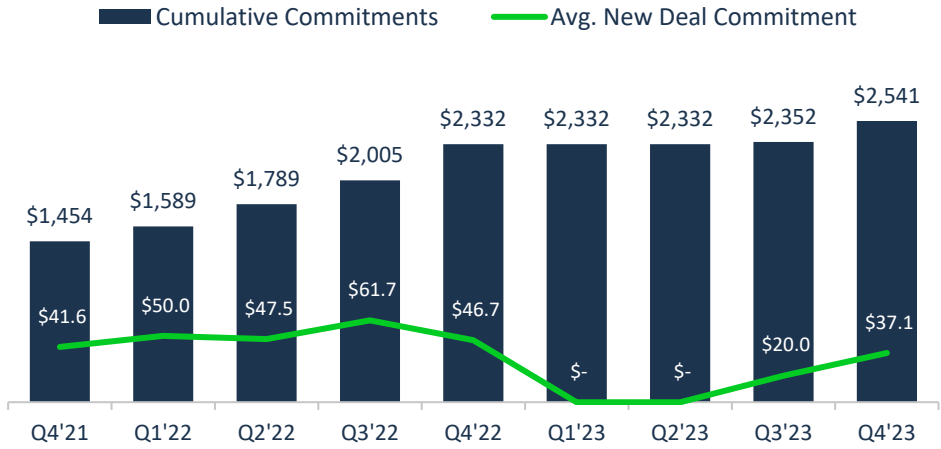


29 debt and 79 equity investments to 52 portfolio companies as of 12/31/2023

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)



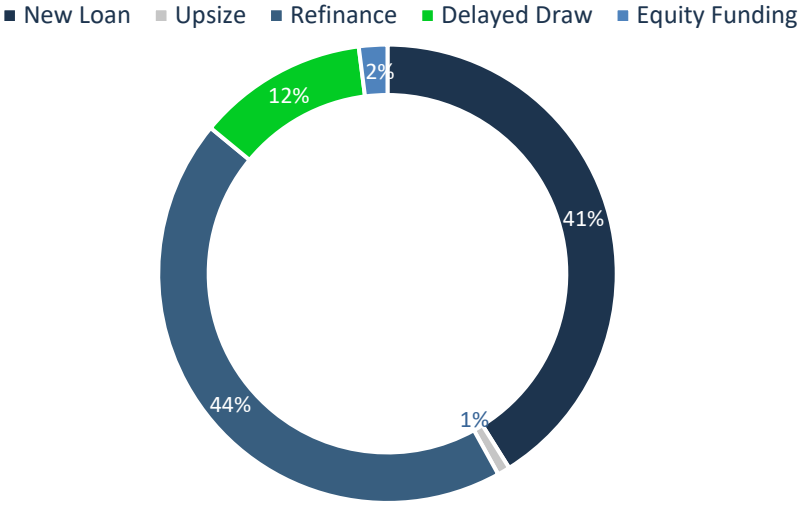
Inception-to-Date:

- 30% Portfolio Companies Upsized (20 Portfolio Companies, 30 Upsize Transactions)
- 10 Refinances or 15% of Portfolio Companies

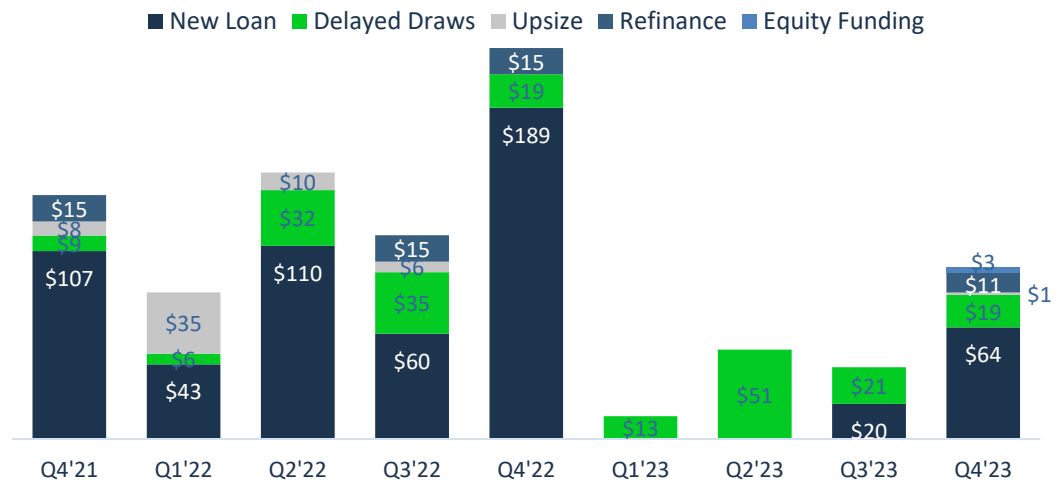
Full Year 2023:

- \$34.3M average new deal commitment
- \$25.3M average funding at origination

Q4-2023 Gross Fundings by Type (%)

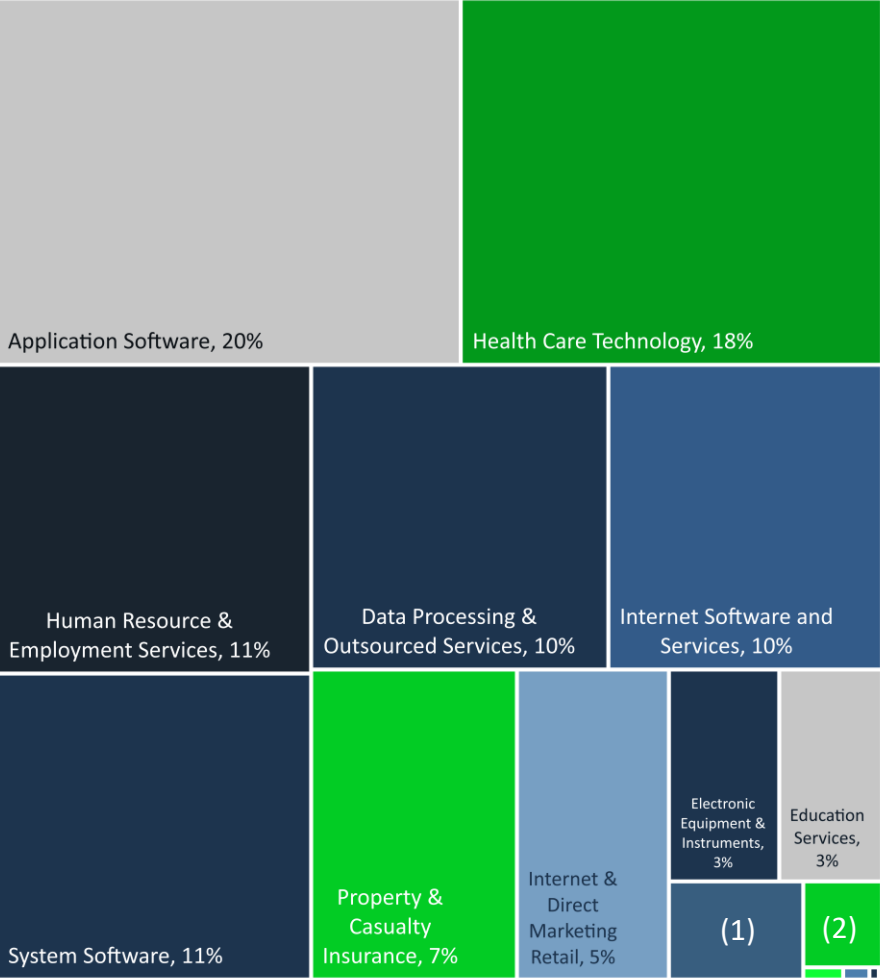


Net Quarterly Fundings by Type (\$M)

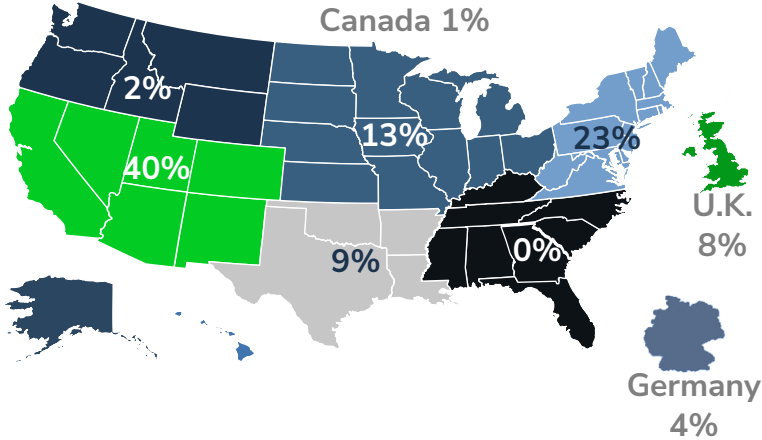


Highly Diversified Portfolio

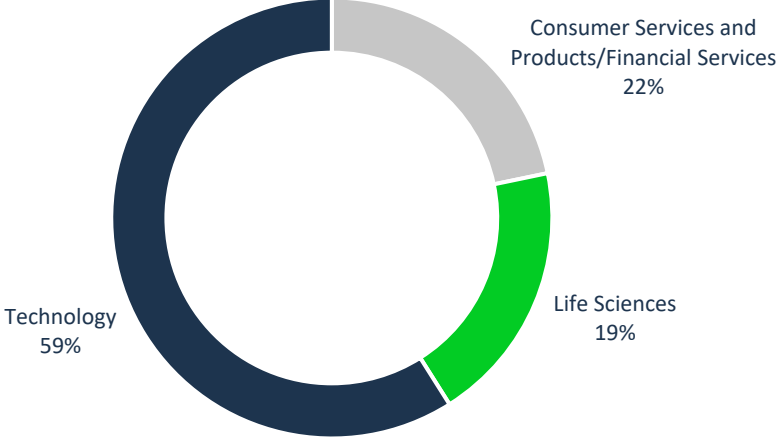
Portfolio at Fair Value by Industry



Portfolio Fair Value by Geography



Breakout Across Verticals

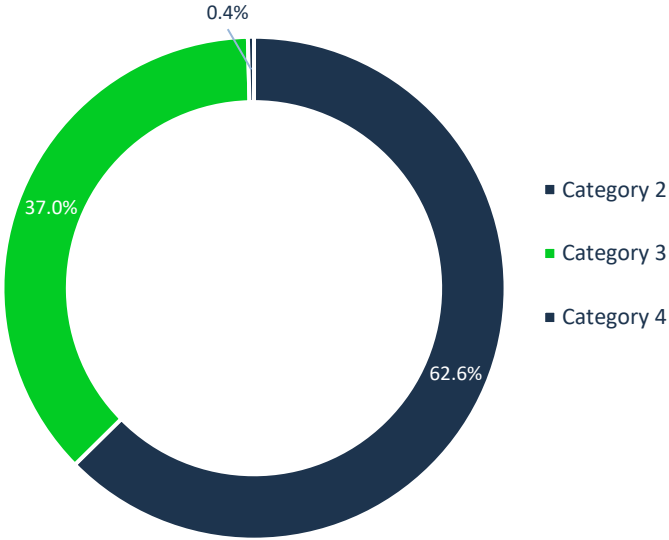


We currently have no exposure to the Web3.0 and crypto spaces
 No second lien loans behind recently failed banks, co-lending arrangements with or other direct exposure to failed banks

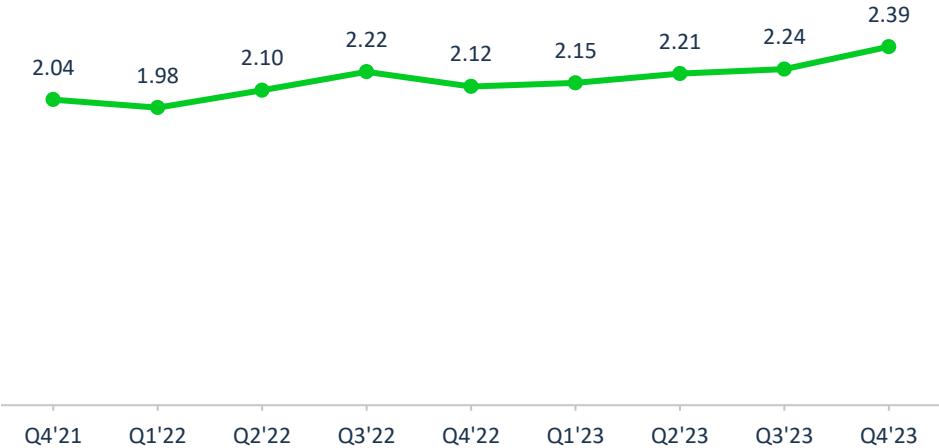
1. Health Care Equipment – 2%
 2. Asset Management & Custody Banks – 1%

Portfolio Risk Ratings

Investments at Fair Value by Risk Rating Category¹



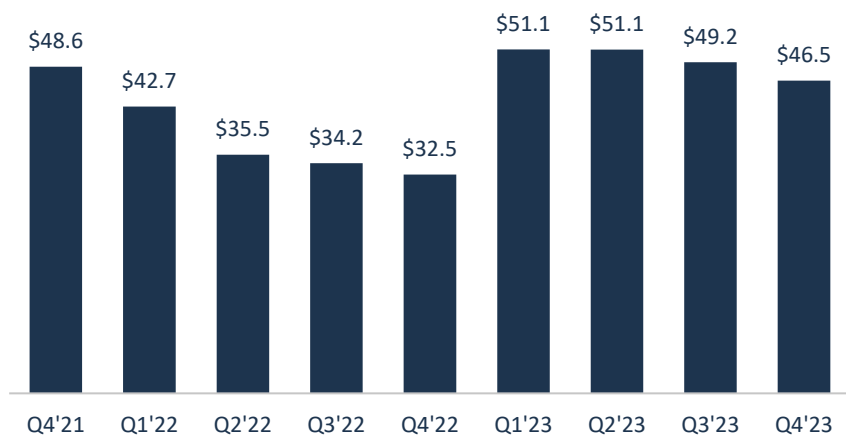
Weighted Average Risk Rating¹



99.6% Of The Portfolio Has A Weighted Average Risk Rating Of 3 Or Better

Warrants & Equity Portfolio

Warrants and Other Equity (\$M)



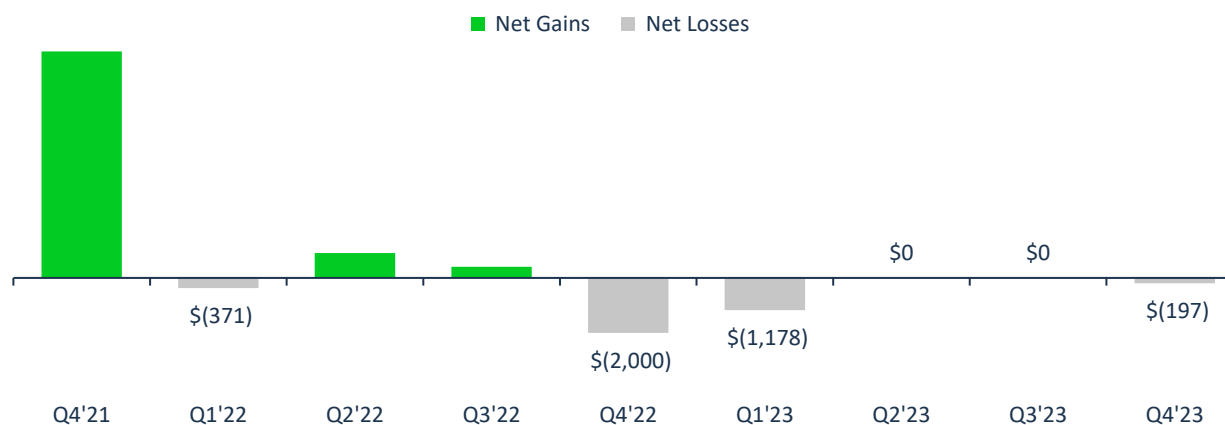
Warrant and Other Equity Holdings

- **22** Companies with both loan and warrant investments
- **16** Companies with warrant investments only
- **6** Companies with shares of common or preferred stock only or a combination with warrants
- **3** Companies with a loan, warrant, and shares of common or preferred stock
- **1** Company with 100% membership interest

79 WARRANTS AND/OR EQUITY INVESTMENTS IN 48 COMPANIES

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

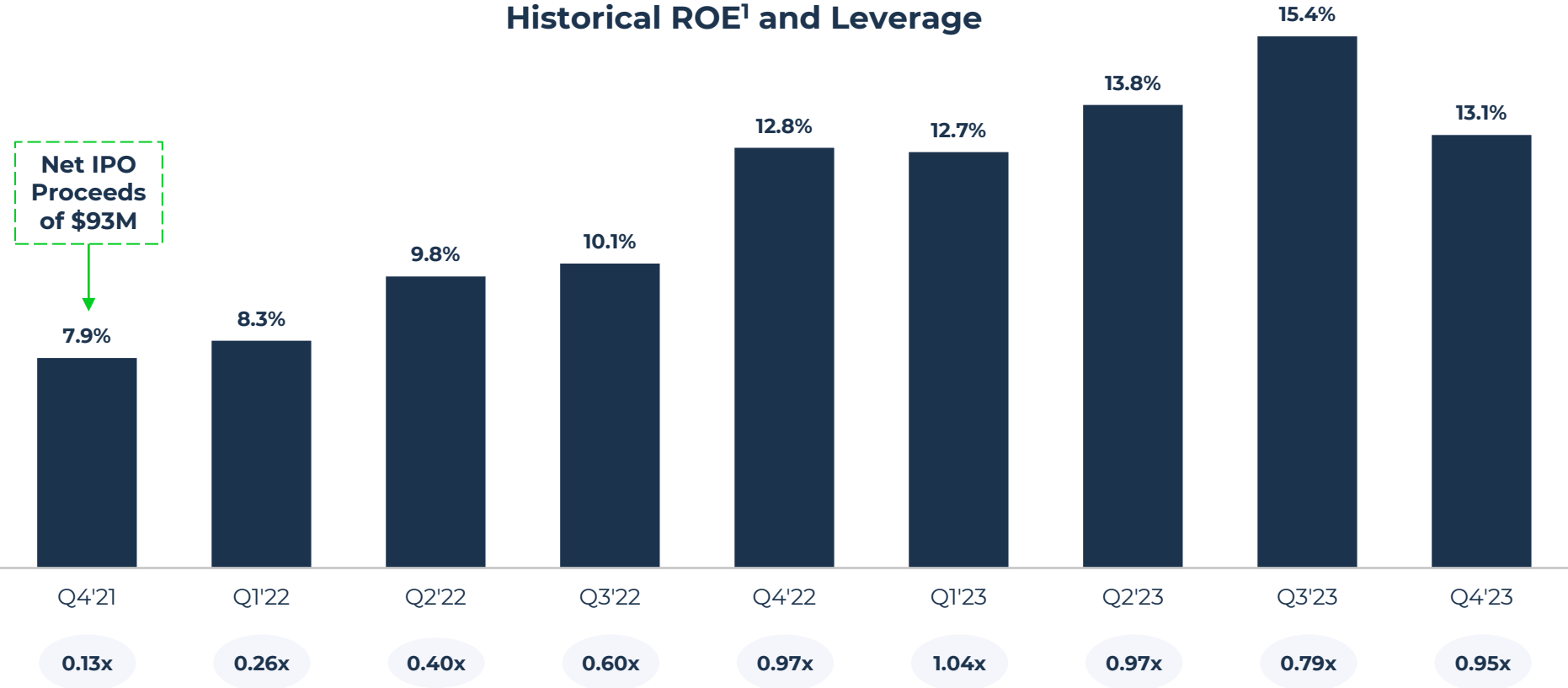
Inception-to-date:
Net equity gains of \$4.8M offsetting \$24.8M in credit losses



Past performance is not an indication of future results

Strong Balance Sheet Provides For Flexibility & Growth

Historical ROE¹ and Leverage

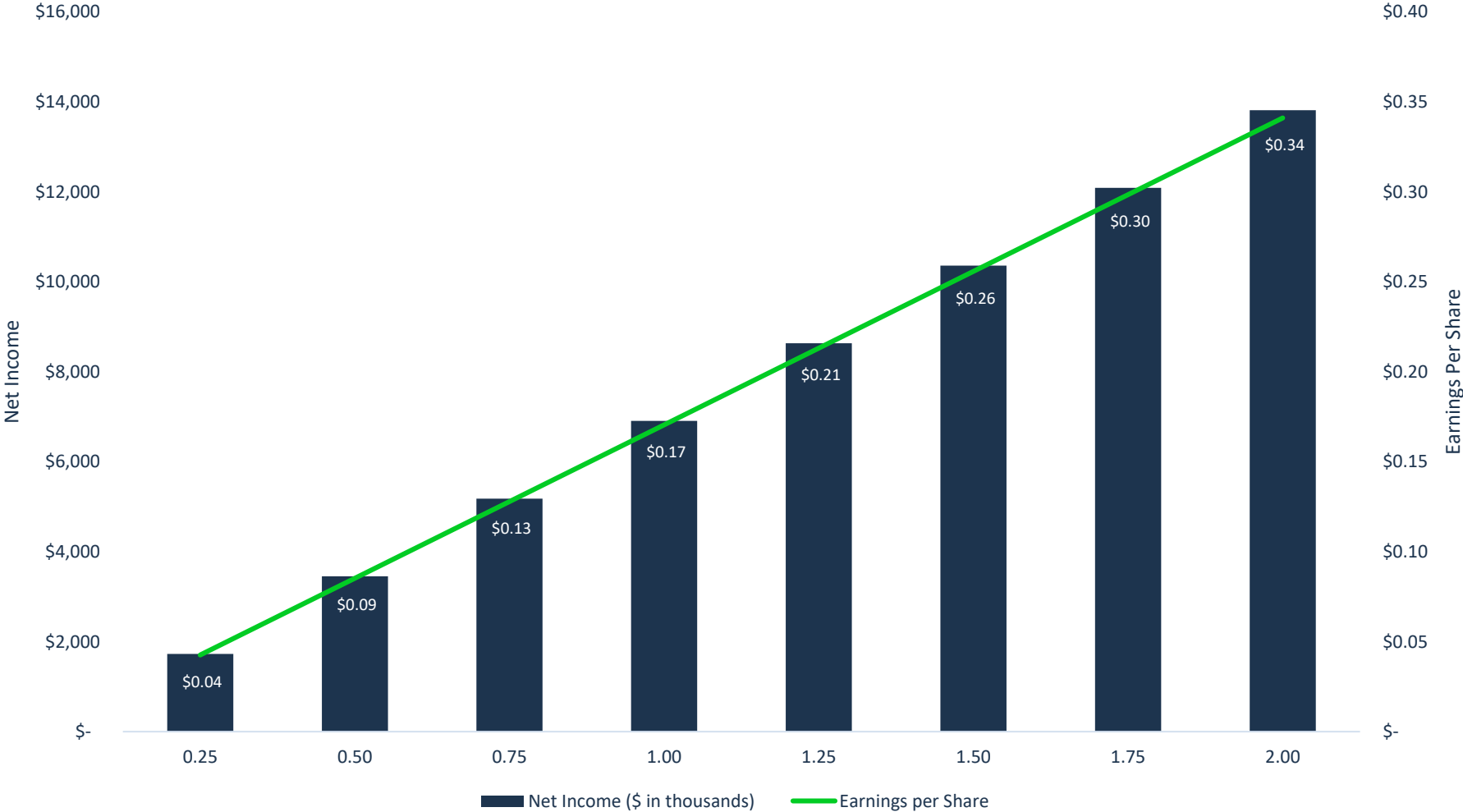


Among industry’s lowest leverage ratio with a D/E target of 0.8-1.25x.

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 December 31, 2023.

Leverage & Liquidity

Liquidity												
	2021				2022				2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Cash & Equivalents	\$1.8	\$0.9	\$0.9	\$4.7	\$3.5	\$6.8	\$5.8	\$5.8	\$3.3	\$37.7	\$15.0	\$3.0
Credit Facility Availability	\$98.0	\$98.0	\$135.0	\$154.0	\$129.0	\$117.7	\$250.0	\$88.0	\$128.0	\$190.0	\$297.0	\$278.0
Net Assets	\$473.5	\$477.7	\$504.2	\$606.2	\$597.5	\$579.4	\$573.7	\$576.1	\$569.8	\$573.9	\$570.5	\$547.1

Debt Capital Structure¹

KeyBank Credit Facility	\$278M Revolver availability	\$550M Revolving Credit Facility	\$600M 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

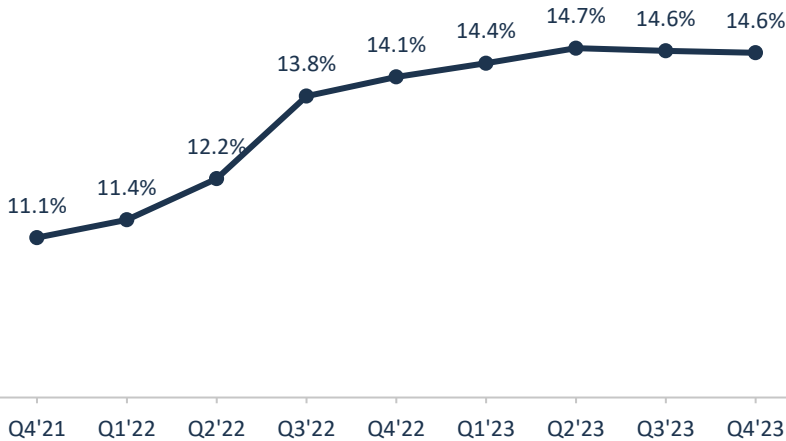


FOURTH QUARTER 2023

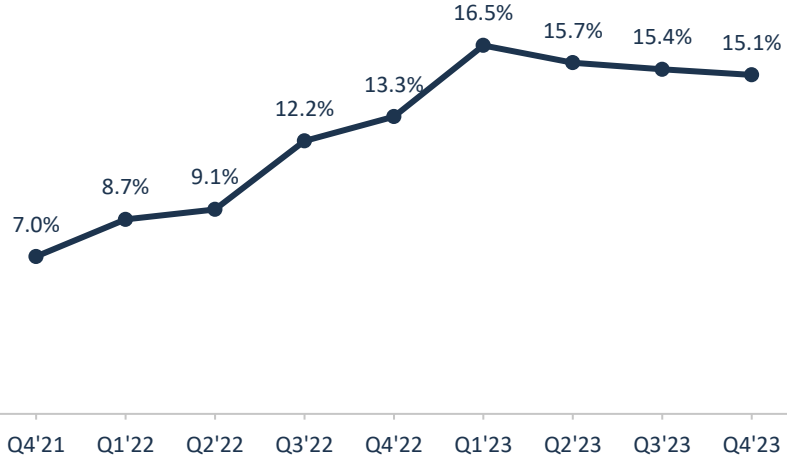
Portfolio & Financial Highlights

Portfolio Highlights

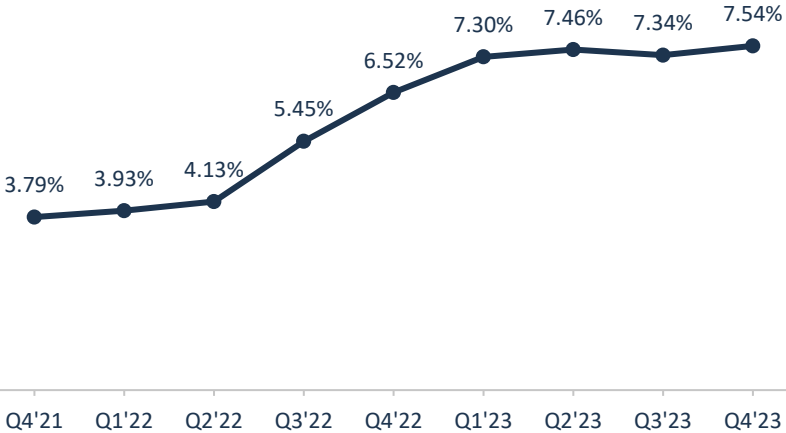
Average Accounting Yield¹



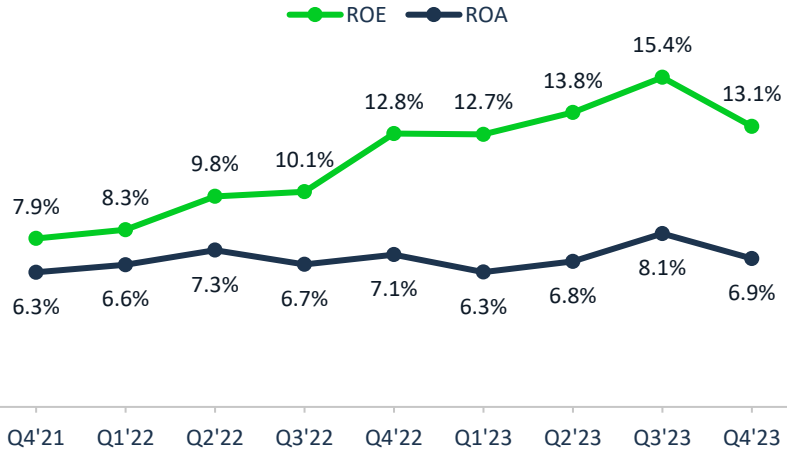
Annualized Dividend Yield²



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 market close price per share + Dividend/share divided by BoP market close price per 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 ASSETS & LIABILITIES ¹	December 31, 2023	December 31, 2022
Total investments at fair value	1,067,009	1,126,309
Cash and cash equivalents	2,970	5,761
Total assets	1,079,153	1,141,766
Debt ²	510,078	548,957
Total liabilities	532,082	565,714
Total net assets	547,071	576,052
Net asset value per share	13.50	14.22

STATEMENT OF OPERATIONS ¹	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022
Total investment income	39,225	36,458
Total operating expenses	20,908	18,098
Net investment income	18,317	18,360
Net realized and unrealized gain (loss)	(23,102)	132
Net increase (decrease) in net assets from operations	(4,785)	18,492

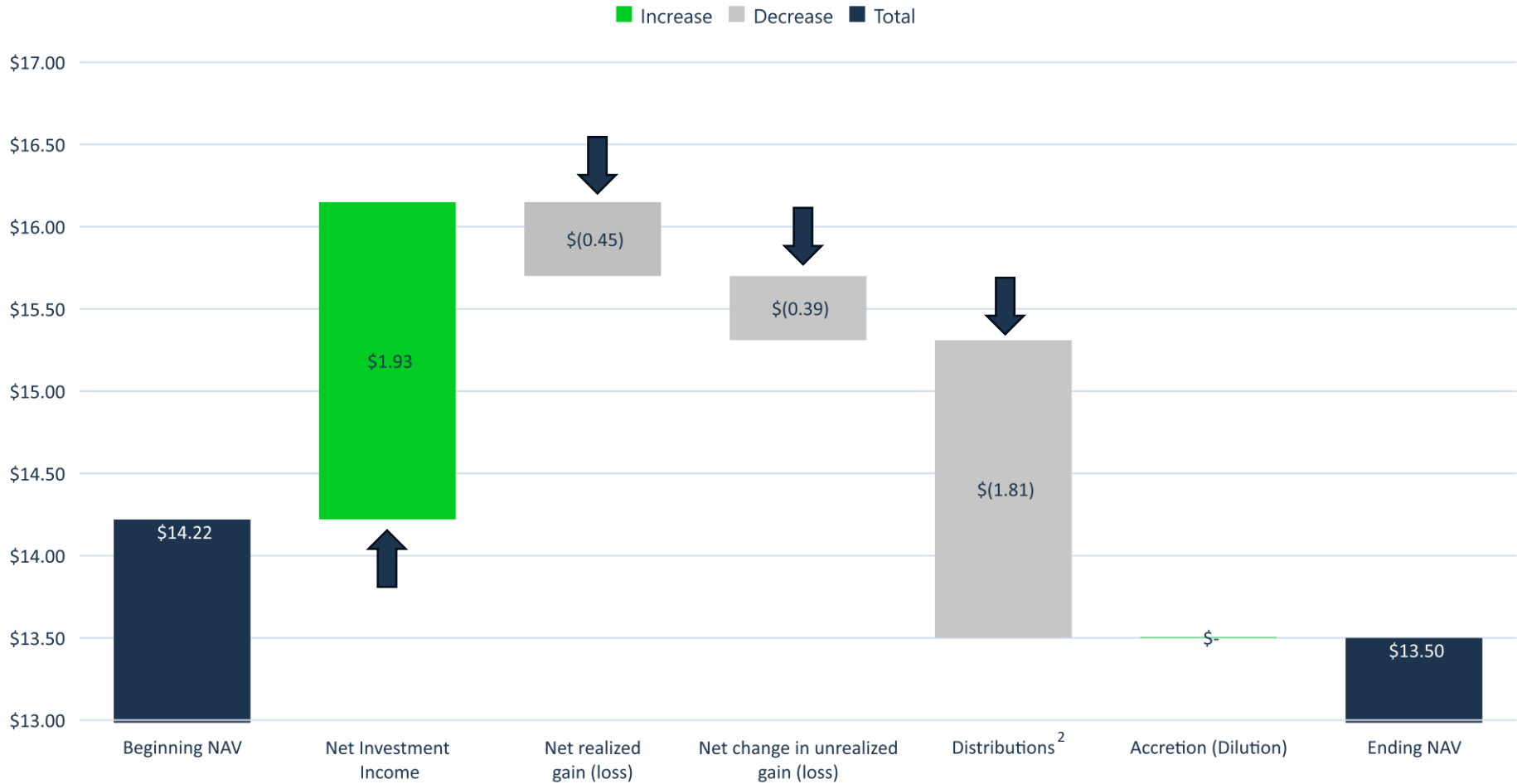
Note: Past performance is not an indication of future results. Shown in thousands except per share data.

1. In thousands, except per share data

2. Net of unamortized deferred debt costs

Q4-2023 NAV/Share Bridge

Reconciliation of Yearly Nav per Share¹



1. NAV/share calculated using weighted average share outstanding during Q4 2023 of 40,509,269
 2. Distributions are based on taxable income rather than GAAP income (i.e. NII) and include spillover from prior year undistributed NII. The \$0.46 dividend is comprised of a \$0.40 regular dividend and a \$0.06 special dividend (prior year spillover).



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)
<ul style="list-style-type: none">• 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)
<ul style="list-style-type: none">• 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