



PennantPark

Floating Rate Capital Ltd.

03/31/2024

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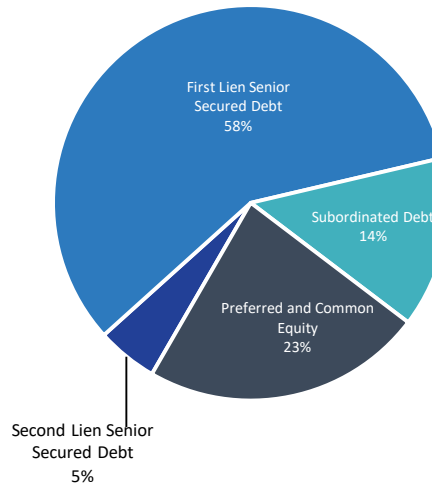
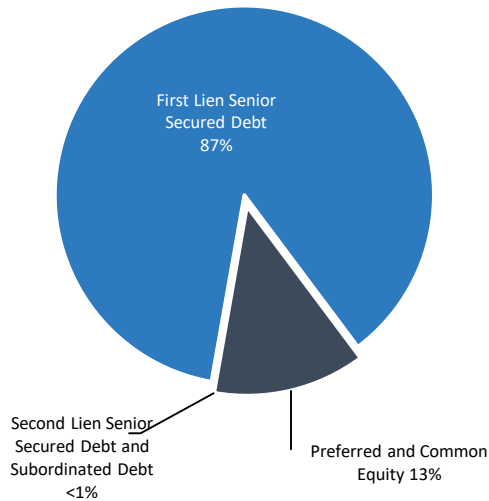
\$7.2 billion total Investable Capital Under Management¹

PennantPark Floating Rate Capital Ltd.

- NYSE: “PFLT”
- IPO Date: April 2011
- 87% Secured Debt
- \$1.5 billion, total investments

PennantPark Investment Corporation

- NYSE: “PNNT”
- IPO Date: April 2007
- 63% Secured Debt
- \$1.2 billion, total investments²



Established Investment Platform

- PennantPark Investment Advisers founded 17 years ago before the Global Financial Crisis (“GFC”)
- Independent middle market credit platform providing strategic capital to growing companies in the core middle market
- Cohesive, experienced team
- Culture of building long-term trust
- Funded \$20.3 billion in 674 companies

PFLT

- Primary focus: first lien senior secured debt
- Steady and stable dividend stream since inception in 2011
- Goal of capital preservation with a lower risk portfolio
- Approximately 100% of debt portfolio is first lien senior secured loans

1. As of March 31, 2024

2. This amount is inclusive of \$59.7 million of U.S. government issued treasury bills held in the portfolio which is not reflected in the chart below

Investment Strategy Overview

Why PennantPark?

Core Middle Market Focus

Senior secured loans made to U.S. companies with earnings of \$10 to \$50 million

Stable and Growing Borrowers

Target profitable companies with leading market positions, strong management teams, and steady cash flows

Stable and Experienced Leadership Team

12 senior investment professionals average 26+ years of industry experience and 12+ years together at PennantPark

Emphasis on Capital Preservation

Conservative underwriting targeting loans with low leverage multiples, substantial sponsor equity, and protective covenants

Upside Participation

Selectively negotiate equity co-investments to benefit from role as a strategic lending partner

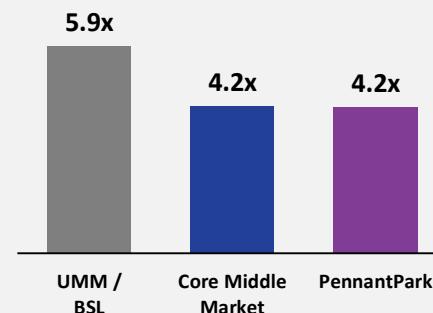
Extensive Sourcing Network

Long-term relationships with hundreds of middle market private equity sponsors; closed deals with over 230 sponsors

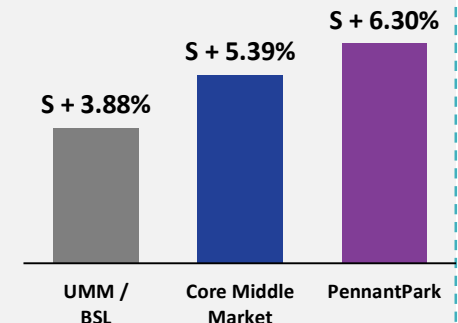
Core Middle Market Potential Advantage:

- ✓ Less competition as other lenders have moved up market
- ✓ More time to conduct thorough diligence
- ✓ Consistent yield premium over upper middle market and broadly-syndicated loans¹
- ✓ Lower average leverage multiples
- ✓ Stronger covenant packages with tighter cushions
- ✓ Monthly financial reporting
- ✓ Improved control of downside outcomes with greater recovery rates

Lower Leverage^{2,3}



Higher Spreads^{2,3}



Note: Past performance is not necessarily indicative of future results. Invested capital is at risk. Estimates regarding future investments are subject to change based upon market conditions and other factors.

1. Please refer to slide entitled "Core Middle Market Potential Advantage" for additional detail.

2. Source: LSEG. Data as of December 2023. Core Middle Market defined as issuers with revenues of \$500M and below, and total loan package of less than or equal to \$500M. Upper Middle Market ("UMM") and Broadly Syndicated Loans ("BSL") are defined as syndicated or direct/clubbed deals that have either revenues or total loan package of \$500M or greater. Please refer to slide entitled "The Core Middle Market Offers a Yield Premium with Lower Risk" for additional detail.

3. Represents the arithmetic average of leverage multiples and spreads for PennantPark's newly direct originated loans in 2023.

Providing Value-Added Capital to Middle Market Borrowers

- ▶ We target profitable, growing, and cash-flowing companies with \$10 - \$50 million of EBITDA
- ▶ In many cases, PennantPark participates in a company's first round of institutional investment
- ▶ Seek to act as a strategic partner to drive growth, and participate in upside through equity co-investments

Target Positive Credit Characteristics:

- Leading market positions and significant competitive advantages
- Established sponsors with track record of supporting portfolio companies
- Proven management team with appropriate incentives
- Low debt multiples and conservative loan-to-value ratios

Avoid Negative Credit Characteristics:

- Asset-intensive operations requiring capital expenditures
- Cyclical end markets or exposure to commodity price volatility
- Volatile or lumpy cash flows, or highly concentrated customer base
- Undifferentiated product or services with low profit margins

▶ Five Key Industries of Expertise:



Healthcare

- High quality providers and low-cost outcomes
- Favorable reimbursement environment
- Solid infrastructure and IT systems
- Sustained organic growth and accretive M&A



Government Services

- Diverse government contract portfolio
- Mission critical services
- Alignment with government funding
- Track record of winning new business and re-compete contracts



Software & Technology

- Tailwinds from digital transformation
- Value-added functions with high switching costs
- Recurring cash flows models
- Accretive acquisition opportunities



Consumer

- Essential goods and services with stable pricing
- Strong brands with leading market positions
- Differentiated value proposition
- Avoidance of fad risk



Business Services

- Integral to customers' business processes
- Demonstrable value added for customers
- Leading technologies with increasing adoption
- Capitalize on increasing outsourcing trends

Note: Past performance is not necessarily indicative of future results. Invested capital is at risk.

Second Quarter 2024 Highlights

Highlights

- NAV per share up 1.8%
- Monthly dividend remained consistent at \$0.1025 per share
- Net investment income (NII) of \$0.31 per share
- Approximately 100% of the debt portfolio is first lien senior secured

Strong Credit Performance of Portfolio

- 4.2x debt to EBITDA
- 2.1x interest coverage ratio
- Only 1 company out of 146 on non-accrual
- 0.4% of portfolio at cost, 0.3% at fair market value
- PIK income remained low at 1.7% of total investment income, one of the lowest among BDCs

Growing PSSL¹

- Targeting \$1 billion of assets from \$870 million
- One investment on non-accrual
- Enhances return on equity and NII at PFLT
- LTM return on invested capital of approximately 14%

Note: Past performance is not necessarily indicative of future results. Invested capital is at risk.

1. PSSL refers to PennantPark Senior Secured Loan Fund LLC, a joint venture between PFLT and Kemper Corporation that invests in first lien middle market loans

Why is PFLT Well Positioned?

Strong Capital Base

- Permanent equity capital of \$721 million
- Diversified funding sources
- Senior loan joint venture, PSSS, has \$1 billion of investment capacity

Attractive and Diversified Financing

- \$436 million revolving credit facility due August 2026 at SOFR + 236 bps
- \$185 million notes due April 2026 at 4.25%
- \$226 million of securitized asset backed debt financing at a weighted average spread to SOFR of 2.11%, final maturity of October 2031
- \$287 million of securitized asset backed debt financing at a weighed average spread to SOFR of 2.79%, final maturity of April 2036

Experienced Team

- Decades of experience in middle market credit through multiple cycles
- Stable, consistent investment team
- Headquarters in Miami with offices in New York, Chicago, Houston, Los Angeles and Amsterdam

Expansive Relationship Network

- Known as a provider of strategic capital to growing companies in the core middle market
- Focus on building long-term trust
- Brand recognition with 230+ private equity sponsors
- Independent capital provider with established institutionalized relationships

Extensive Sourcing Network

Robust Origination Platform

Actively cover

770+

middle market PE sponsors in the U.S.

Closed deals with

230+

PE sponsors; majority repeat transactions¹

Existing lender to

180+

portfolio companies across 90+ PE sponsors

Selective underwriting, only

5.6%

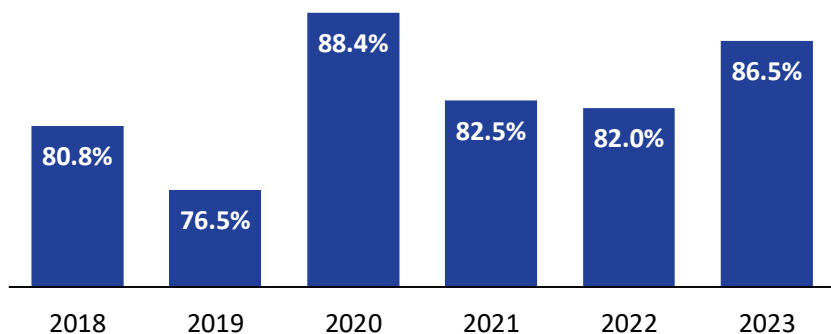
of deals closed from 2018 to 2023

Origination Volume with Repeat PE Sponsors¹

► Since 2018, over 75% of PennantPark's deals have been with repeat PE sponsors

- PE sponsors typically give PennantPark early and last looks because of our reliability, experience, market leadership, and flexible capital solutions offerings

► PennantPark maintains a diversified flow, the top repeat sponsor represents only 4% of investments since inception¹



| Top 5 Sponsors | Active Investments ¹ | Since Inception ¹ |
|----------------|---------------------------------|------------------------------|
| No. 1 | 6% | 4% |
| No. 2 | 5% | 3% |
| No. 3 | 5% | 3% |
| No. 4 | 4% | 3% |
| No. 5 | 3% | 3% |

Note: Past performance is not necessarily indicative of future results. Invested capital is at risk. Data as of 12/31/2023. PE stands for Private Equity.

1. Percentage of total origination volume. Origination volume refers to the dollar value of all financing commitments to middle market companies. Repeat sponsors are private equity firms that had previously completed a financing transaction with PennantPark. Based on invested capital for active investments and investments made since inception.

Core Middle Market Potential Advantage

- ▶ The U.S. middle market includes nearly 200,000 companies, generates \$10 trillion of annual revenue (1/3 of the U.S. economy), and is the world's fifth largest economy on a standalone basis¹
- ▶ The core middle market presents attractive investment opportunities
 - Lower leverage and higher yields
 - Strong covenant packages
 - Greater recovery rates

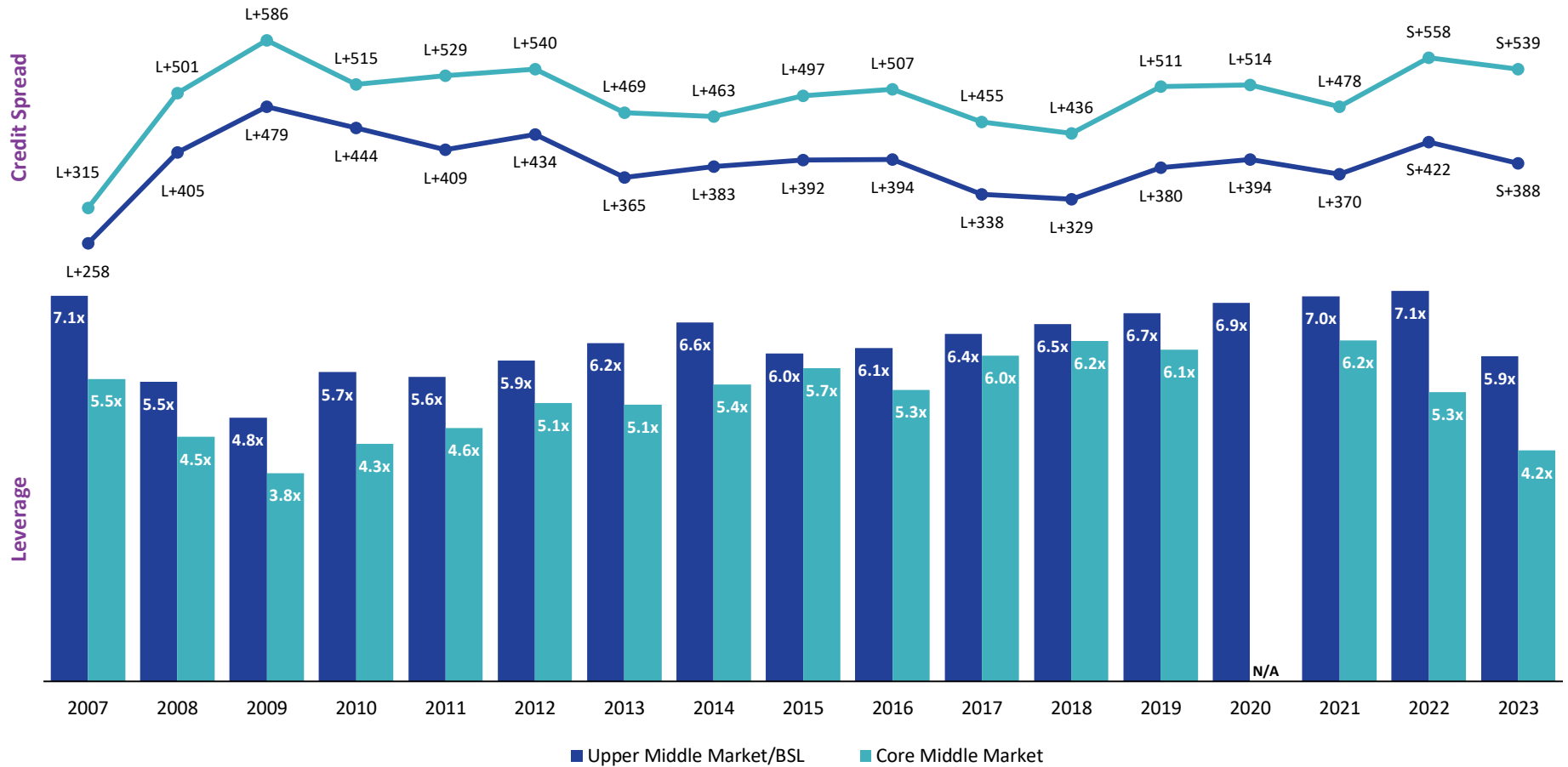
| | Core Middle Market | Upper Middle Market |
|------------------------------|--|---|
| EBITDA | \$10 to \$50 million | \$50 million and greater |
| New Issue Pricing | First Lien: SOFR + 5.50% to 7.00% Second Lien: SOFR + 8.00% to 10.00% | First Lien: SOFR + 4.00% to 6.00% Second Lien: SOFR + 6.50% to 8.00% |
| Leverage | First Lien: 4.0x to 5.5x Second Lien: 5.5x to 6.5x | First Lien: 5.0x to 7.5x Second Lien: 6.0x to 9.0x |
| Covenants | Usually stronger; total net leverage, interest coverage, etc. | Covenant lite or one covenant set at wide levels |
| Equity Contribution | 45% or more | 35% or more |
| Due Diligence Process | In-depth and comprehensive; typically 6 – 8 weeks | More limited information; typically 2 weeks or less |
| Reporting | Usually monthly | Usually quarterly |
| Lender Group Size | 1 to 4 lenders | 5 or more lenders |
| Equity Co-Investments | Common | Less common |

Note: Past performance is not necessarily indicative of future results. Invested capital is at risk. Statements herein concerning financial market trends or other financial market commentary are based on the current market conditions, which will fluctuate. In addition, such statements constitute the Manager's current opinion, which is subject to change in the future without notice. Refer to the Important Notices at the end of this presentation for additional information.

1. National Center For the Middle Market, 4Q 2023 Middle Market Indicator Report.

The Core Middle Market Offers a Yield Premium with Lower Risk

Core Middle Market vs. Upper Middle Market/BSL¹



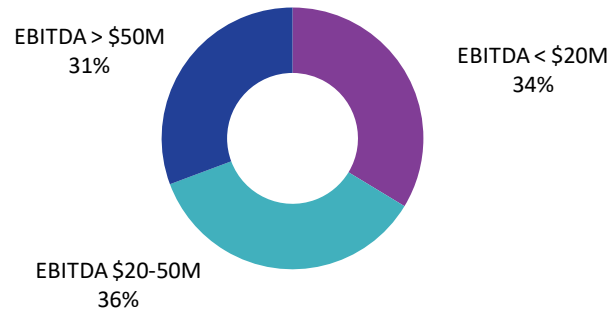
Note: Past performance is not necessarily indicative of future results. Invested capital is at risk. Source: LSEG as of December 2023.

1. Core Middle Market is defined as Issuers with revenues of \$500M and below, and total loan package of less or equal to \$500M. Upper Middle Market and BSL are defined as syndicated or direct/clubbed deals that have either revenues or total loan package of \$500M or greater. Broadly Syndicated Loans are denoted as "BSL". For 2020 LSEG does not have sufficient observations at this time to provide data for MM.

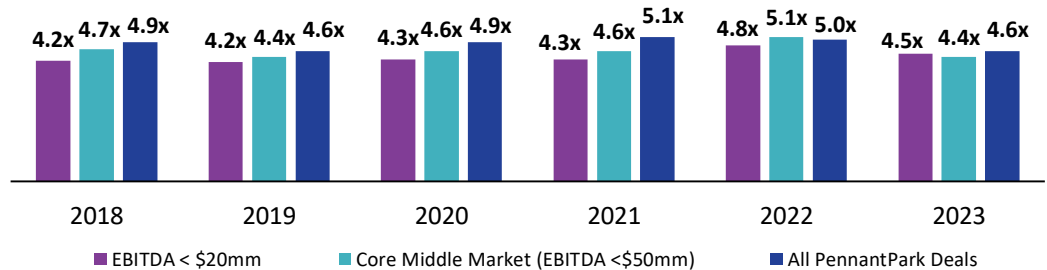
Lower Leverage and Better Returns in the Core Middle Market

- ▶ PennantPark takes a more focused and value-added approach when evaluating core middle market opportunities
- ▶ Since 2015, 70% of invested capital was directed to companies with EBITDA below \$50 million
- ▶ 34% of total invested capital was directed to companies with EBITDA below \$20 million
- ▶ Leverage multiples for smaller borrowers have historically been lower compared to larger borrowers
- ▶ Despite lower leverage, PennantPark has historically achieved higher IRRs on deals with borrower EBITDA below \$20 million at entry when compared to all deals

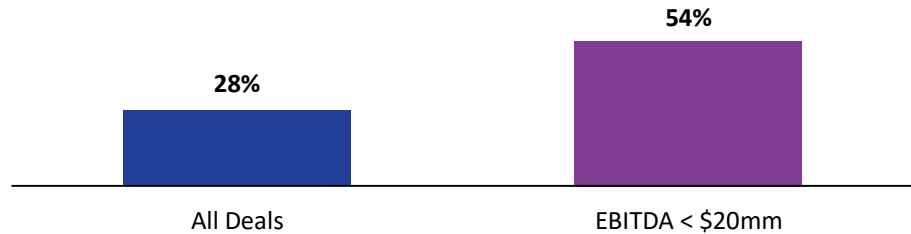
PennantPark Capital Invested as % of Total¹



PennantPark Total Leverage



EBITDA Growth During Hold Period¹

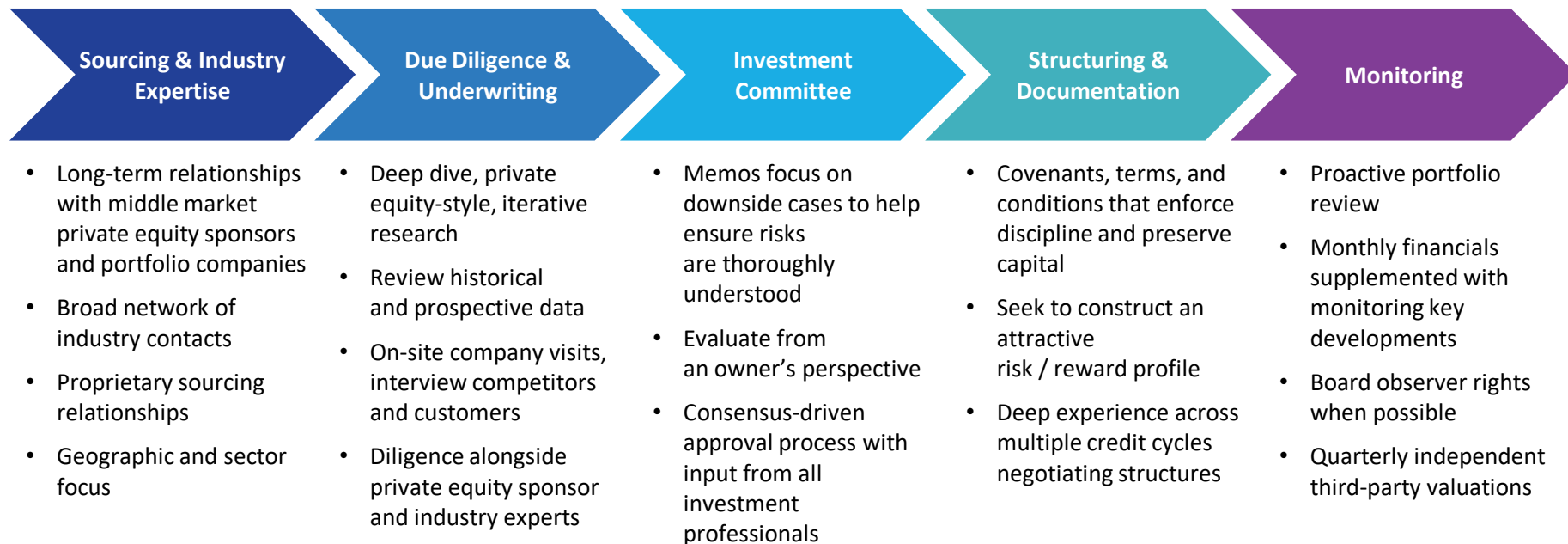


Note: Past performance is not necessarily indicative of future results. Invested capital is at risk. As of 12/31/2023. Statistics presented above are calculated based on PennantPark's portfolio.

1. Capital invested and EBITDA growth during hold period since 2015.

Underwriting Process

- ▶ Led by experienced senior team
- ▶ The same deal team originates, executes, and monitors each investment
- ▶ Every member of the investment team participates in consensus-driven Investment Committee



Note: The execution of the investment process described herein indicates PennantPark's current approach to investing, and this investment approach may be modified in the future by PennantPark in its sole discretion at any time and without further notice to investors in response to changing market conditions, or in any manner it believes is consistent with the overall investment objective of an individual fund/vehicle.

PFLT Portfolio as of 03/31/24

Highly Diversified by Industry

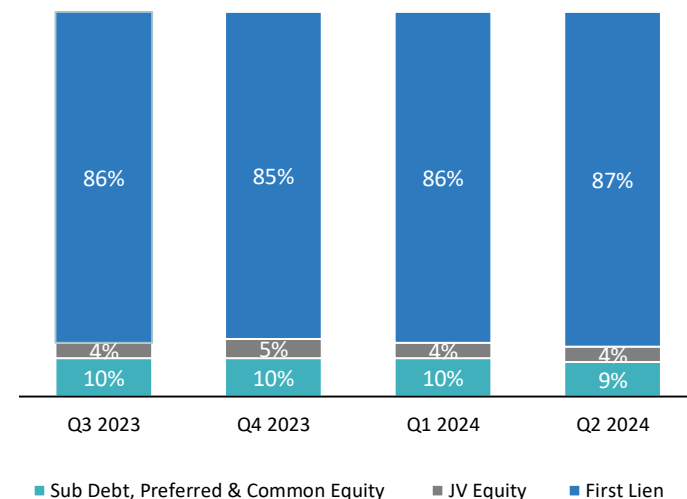
| Industry ¹ | Fair Value (\$ millions) | % of Portfolio |
|---|-----------------------------|-------------------|
| Professional Services | \$116.7 | 9.6% |
| Aerospace and Defense | 105.7 | 8.7% |
| Media | 99.7 | 8.2% |
| Healthcare Providers and Services | 87.6 | 7.2% |
| Construction and Engineering | 87.1 | 7.2% |
| Electronic Equipment, Instruments, and Components | 81.1 | 6.7% |
| Personal Products | 69.5 | 5.7% |
| IT Services | 56.8 | 4.7% |
| Distributors | 53.1 | 4.4% |
| Media: Diversified and Production | 50.4 | 4.2% |
| High Tech Industries | 40.0 | 3.3% |
| Healthcare Technology | 37.3 | 3.1% |
| Commercial Services & Supplies | 26.7 | 2.2% |
| Construction and Building | 22.7 | 1.9% |
| Insurance | 21.0 | 1.7% |
| Capital Equipment | 18.8 | 1.5% |
| Chemicals, Plastics and Rubber | 17.9 | 1.5% |
| Business Services | 17.4 | 1.4% |
| Auto Components | 15.7 | 1.3% |
| Diversified Consumer Services | 15.0 | 1.2% |
| Healthcare Equipment and Supplies | 15.0 | 1.2% |
| Consumer Services | 14.5 | 1.2% |
| Hotels, Restaurants and Leisure | 13.9 | 1.1% |
| Internet Software and Services | 13.3 | 1.1% |
| Automobiles | 13.0 | 1.1% |
| Other | 104.8 | 8.8% |
| Total Portfolio | \$1,214.7 | 100.0% |

1. Excluding investment in PSSL. Total of 44 industries. "Other" includes Air Freight and Logistics / Banking, Finance, Insurance & Real Estate / Commodity Chemicals / Consumer Finance / Consumer Goods: Durable / Containers and Packaging / Diversified Financial Services / Energy Equipment and Services / Food Products / Healthcare and Pharmaceuticals / Leisure Products / Software / Telecommunications / Textiles, Apparel and Luxury Goods / Trading Companies & Distributors / Wholesale / Specialty Retail / Financial Services / Metal and Mining.

Portfolio Overview

- ▶ 146 different companies
- ▶ \$10.1 million: average investment size
- ▶ 87% secured investments

Portfolio Composition by Investment Type



PennantPark Senior Secured Loan Fund (“PSSL”)

- ▶ **An unconsolidated joint venture between PFLT and Kemper**
- ▶ **Invests in middle market, directly originated first lien loans**
- ▶ **\$1 billion of total investment capacity, as of March 31, 2024**
- ▶ **Total commitments of \$388 million in notes and equity from PFLT and Kemper**
- ▶ **Diversified liabilities including a senior secured revolving credit facility and two long term securitizations**
- ▶ **Expands ability to serve sponsor and borrower clients with larger investment hold size**
- ▶ **Seeks to enhance return on equity and NII at PFLT**
- ▶ **PSSL JV has been generating an LTM return of approximately 14%**

PSSL Portfolio as of 03/31/24

Highly Diversified by Industry

| Industry ¹ | Fair Value (\$ millions) | % of Portfolio |
|---|-----------------------------|-------------------|
| Business Services | \$92.5 | 10.6% |
| Aerospace and Defense | 79.2 | 9.1% |
| Healthcare and Pharmaceuticals | 58.5 | 6.7% |
| Personal Products | 52.7 | 6.1% |
| Healthcare Providers and Services | 50.1 | 5.8% |
| Diversified Consumer Services | 48.9 | 5.6% |
| Media | 36.5 | 4.2% |
| Professional Services | 31.4 | 3.6% |
| Distributors | 28.0 | 3.2% |
| Electronic Equipment, Instruments, and Components | 24.7 | 2.8% |
| Consumer Goods: Durable | 24.6 | 2.8% |
| Software | 23.2 | 2.7% |
| Containers and Packaging | 23.1 | 2.7% |
| Commercial Services & Supplies | 22.1 | 2.5% |
| Capital Equipment | 20.5 | 2.4% |
| Automotive | 20.1 | 2.3% |
| Air Freight and Logistics | 19.9 | 2.3% |
| Wholesale | 19.3 | 2.2% |
| IT Services | 17.6 | 2.0% |
| High Tech Industries | 16.9 | 1.9% |
| Consumer Goods: Non-Durable | 16.6 | 1.9% |
| Automobiles | 16.4 | 1.9% |
| Diversified Financial Services | 14.8 | 1.7% |
| Insurance | 12.7 | 1.5% |
| Chemicals, Plastics and Rubber | 11.0 | 1.3% |
| Healthcare, Education & Childcare | 10.2 | 1.2% |
| Media: Advertising, Printing & Publishing | 9.6 | 1.1% |
| Education | 9.5 | 1.1% |
| Other | 59.1 | 6.8% |
| Total | \$869.7 | 100.0% |

Portfolio Overview

- ▶ 106 different companies
- ▶ \$8.2 million: average investment size
- ▶ 99.5%: first lien secured investments

1. Total of 40 industries. "Other" includes Consumer Finance / Consumer Products / Environmental Industries / Healthcare Technology / Hotel, Gaming, and Leisure / Internet Software and Services / Leisure Products / Media: Diversified and Production / Textiles, Apparel and Luxury Goods / Trading Companies & Distributors / Construction and Engineering / Construction and Building

PFLT Selected Financial Highlights

| (\$mm, except per share data) | March Q2 2024 | December Q1 2024 | September Q4 2023 | June Q3 2023 |
|---|------------------|---------------------|----------------------|-----------------|
| Investment portfolio, at fair value | \$1,478 | \$1,271 | \$1,067 | \$1,105 |
| Joint venture investment portfolio, at fair value | \$870 | \$837 | \$786 | \$805 |
| Debt (GAAP) | \$861 | \$671 | \$495 | \$553 |
| GAAP Net Assets | \$721 | \$658 | \$654 | \$608 |
| Adjusted Net Assets ¹ | \$721 | \$658 | \$654 | \$611 |
| Debt to Equity ² | 1.21x | 1.03x | 0.76x | 0.91x |
| Investment purchases | \$338 | \$303 | \$94 | \$80 |
| Investment sales and repayments | \$145 | \$104 | \$141 | \$132 |
| Per Share Data: | | | | |
| GAAP Net Asset Value | \$11.40 | \$11.20 | \$11.13 | \$10.96 |
| Adjusted Net Asset Value | \$11.40 | \$11.20 | \$11.13 | \$11.00 |
| Net Investment Income (NII) | \$0.31 | \$0.33 | \$0.32 | \$0.36 |
| Core NII ³ | \$0.31 | \$0.33 | \$0.32 | \$0.31 |
| Dividends to shareholders | \$0.31 | \$0.31 | \$0.31 | \$0.30 |

1. This is a non-GAAP financial measure. The Company believes that this number provides useful information to investors and management because it reflects the Company's financial performance including the impact of the unrealized amounts on the Credit Facility. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP.

2. Debt to equity is calculated by dividing the total par balance of outstanding debt liabilities by Adjusted Net Assets.

3. Core net investment income ("Core NII") is a non-GAAP financial measure. The Company believes that Core NII provides useful information to investors and management because it reflects the Company's financial performance excluding one-time or non-recurring investment income and expenses. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. For the quarter ended March 31, 2024, there were no one-time events resulting in \$0.31 of Core NII.

Strategy Targeted to Deliver Returns

- ▶ Extensive and diverse sourcing network
- ▶ Focused on companies with strong free cash flow and de-leveraging capabilities
- ▶ Value oriented with a goal of capital preservation
- ▶ Privately negotiated middle market loans provide attractive risk / return
- ▶ Returns driven by interest payments from primarily first lien secured debt

PFLT Selected Investments



Revolver
First Lien Term Loan
Equity

Mountaingate Capital



Revolver
First Lien Term Loan
Equity

Knox Lane Partners



Revolver
First Lien Term Loan
Equity

Odyssey Investment Part.



Revolver
First Lien Term Loan
Equity

Littlejohn & Co



Revolver
First Lien Term Loan

H.I.G. Capital




Revolver
First Lien Term Loan
Equity

Sagewind Capital



Revolver
First Lien Term Loan
Equity

L Squared Capital Partners



First Lien Term Loan
Equity

A&M Capital Opportunities



Revolver
First Lien Term Loan
Equity

Gauge Capital



Revolver
First Lien Term Loan
Equity

Court Square / Fruition Capital




First Lien Term Loan
Equity

Tower Arch Capital



Revolver
First Lien Term Loan
Equity

Mountaingate Capital



Revolver
First Lien Term Loan
Equity

Norwest Equity Partners



Revolver
First Lien Term Loan
Delayed Draw Term Loan

CCMP Growth Advisors



Revolver
First Lien Term Loan

Odyssey Investment Ptnrs



Revolver
First Lien Term Loan
Delayed Draw Term Loan
Common Equity

The Consello Group



Revolver
First Lien Term Loan

Arcline Investment Ptnrs




Revolver
First Lien Term Loan
Equity

LightBay Capital



Revolver
First Lien Term Loan

Arlington Capital Partners



First Lien Term Loan
Equity

Lee Equity Partners