

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)
 QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER: 814-00891

PENNANTPARK FLOATING RATE CAPITAL LTD.

(Exact name of registrant as specified in its charter)

MARYLAND
(State or other jurisdiction of incorporation or organization)

27-3794690
(I.R.S. Employer Identification No.)

1691 Michigan Avenue
Miami Beach, Florida
(Address of principal executive offices)

33139
(Zip Code)

(786) 297-9500
(Registrant's Telephone Number, Including Area Code)

None
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.001 per share	PFLT	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant's common stock, \$0.001 par value per share, outstanding as of February 8, 2023 was 49,681,815.

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PART I—CONSOLIDATED FINANCIAL INFORMATION

We are filing this Quarterly Report on Form 10-Q, or the Report, in compliance with Rule 13a-13 as promulgated by the Securities and Exchange Commission, or the SEC, under the Securities Exchange Act of 1934, as amended, or the Exchange Act. In this Report, except where the context suggests otherwise, the terms “Company,” “we,” “our” or “us” refers to PennantPark Floating Rate Capital Ltd. and its wholly-owned consolidated subsidiaries; “Funding I” refers to PennantPark Floating Rate Funding I, LLC; “Taxable Subsidiary” refers to PFLT Investment Holdings, LLC; “PSSL” refers to PennantPark Senior Secured Loan Fund I LLC, an unconsolidated joint venture; “PTSF” refers to PennantPark-TSO Senior Loan Fund, LP, an unconsolidated limited partnership; “PennantPark Investment Advisers” or “Investment Adviser” refer to PennantPark Investment Advisers, LLC; “PennantPark Investment Administration” or “Administrator” refers to PennantPark Investment Administration, LLC; “2023 Notes” refers to our 4.3% Series A notes due 2023; “2026 Notes” refers to our 4.25% Notes due 2026; “1940 Act” refers to the Investment Company Act of 1940, as amended; “SBCAA” refers to the Small Business Credit Availability Act; “Code” refers to the Internal Revenue Code of 1986, as amended; “RIC” refers to a regulated investment company under the Code; “BDC” refers to a business development company under the 1940 Act; “Prior Credit Facility” refers to our multi-currency senior secured revolving credit facility, as amended and restated with Truist Bank (formerly SunTrust Bank) and other lenders, originally entered into on June 23, 2011 and terminated on August 12, 2021; “Credit Facility” refers to our multi-currency senior secured revolving credit facility, as amended from time to time, with Truist Bank and other lenders, or the “Lenders,” entered into on August 12, 2021; “Securitization Issuer” refers to PennantPark CLO I, Ltd.; “Securitization Issuers” refers to the Securitization Issuer and PennantPark CLO I, LLC; “Debt Securitization” refers to the \$301.4 million term debt securitization completed by the Securitization Issuers; “2031 Asset-Backed Debt” refers to (i) the issuance of the Class A-1 Senior Secured Floating Rate Notes due 2031, the Class A-2 Senior Secured Fixed Rate Notes due 2031, the Class B-1 Senior Secured Floating Rate Notes due 2031, the Class B-2 Senior Secured Fixed Rate Notes due 2031, the Class C-1 Secured Deferrable Floating Rate Notes due 2031, the Class C-2 Notes Secured Deferrable Fixed Rate Notes due 2031, and the Class D Secured Deferrable Floating Notes due 2031 and (ii) the borrowing of the Class A-1 Senior Secured Floating Rate Notes due 2031 by the Securitization Issuers in connection with the Debt Securitization; and “Depositor” refers to PennantPark CLO I Depositor, LLC. References to our portfolio, our investments, our multi-currency, senior secured revolving credit facility, as amended and restated, or the Credit Facility, and our business include investments we make through our subsidiaries.

Item 1. Consolidated Financial Statements

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(in thousands, except share and per share data)

	December 31, 2022	September 30, 2022
	(unaudited)	
Assets		
Investments at fair value		
Non-controlled, non-affiliated investments (cost—\$872,780 and \$882,570, respectively)	\$ 870,741	\$ 893,249
Controlled, affiliated investments (cost—\$308,245 and \$294,787, respectively)	280,396	271,005
Total investments (cost—\$1,181,025 and \$1,177,357, respectively)	1,151,137	1,164,254
Cash and cash equivalents (cost—\$52,944 and \$47,917, respectively)	52,935	47,880
Interest receivable	8,736	7,543
Receivable for investments sold	12,353	3,441
Distributions receivable	577	—
Prepaid expenses and other assets	945	748
Total assets	1,226,683	1,223,866
Liabilities		
Distributions payable	4,316	4,308
Payable for investments purchased	9,990	—
Credit Facility payable, at fair value (cost—\$199,654 and \$168,830, respectively) (See Notes 5 and 10)	197,688	167,563
2023 Notes payable, at fair value (par—\$76,219 and \$97,006, respectively) (See Notes 5 and 10)	73,833	96,812
2026 Notes payable, net (par—\$185,000) (See Notes 5 and 10)	182,471	182,276
2031 Asset-Backed Debt, net (par—\$228,000) (See Notes 5 and 10)	226,286	226,128
Interest payable on debt	6,075	8,163
Base management fee payable (See Note 3)	2,931	3,027
Performance-based incentive fee payable (See Note 3)	3,433	3,164
Deferred tax liability	5,293	4,568
Accrued other expenses	837	765
Total liabilities	713,153	696,774
Commitments and contingencies (See Note 11)		
Net assets		
Common stock, 45,431,815 and 45,345,638 shares issued and outstanding, respectively		
Par value \$0.001 per share and 100,000,000 shares authorized	45	45
Paid-in capital in excess of par value	619,019	618,028
Accumulated deficit	(105,534)	(90,981)
Total net assets	\$ 513,530	\$ 527,092
Total liabilities and net assets	\$ 1,226,683	\$ 1,223,866
Net asset value per share	\$ 11.30	\$ 11.62

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(Unaudited)

	Three Months Ended December 31,	
	2022	2021
Investment income:		
From non-controlled, non-affiliated investments:		
Interest	\$ 20,735	\$ 16,858
Dividend	577	577
Other income	142	2,823
From non-controlled, affiliated investments:		
Interest	—	112
Other income	—	—
From controlled, affiliated investments:		
Interest	6,909	3,165
Dividend	2,975	2,800
Other Income	—	—
Total investment income	31,338	26,335
Expenses:		
Base management fee (See Note 3)	2,931	2,896
Performance-based incentive fee (See Note 3)	3,433	3,180
Interest and expenses on debt (See Note 10)	9,858	6,639
Administrative services expenses (See Note 3)	144	144
Other general and administrative expenses	706	655
Expenses before provision for taxes	17,072	13,514
Provision for taxes on net investment income	534	100
Total expenses	17,606	13,614
Net investment income	13,732	12,721
Realized and unrealized gain (loss) on investments and debt:		
Net realized gain (loss) on:		
Non-controlled, non-affiliated investments	63	3,073
Non-controlled and controlled, affiliated investments	—	65
Net realized gain (loss) on investments	63	3,138
Net change in unrealized appreciation (depreciation) on:		
Non-controlled, non-affiliated investments	(12,693)	4,387
Controlled and non-controlled, affiliated investments	(4,064)	(7,884)
Provision for taxes on unrealized appreciation (depreciation) on investments	(725)	(1,540)
Debt (appreciation) depreciation (See Note 5 and 10)	2,067	3,611
Net change in unrealized appreciation (depreciation) on investments and debt	(15,415)	(1,426)
Net realized and unrealized gain (loss) from investments and debt	(15,352)	1,712
Net increase (decrease) in net assets resulting from operations	\$ (1,620)	\$ 14,433
Net increase (decrease) in net assets resulting from operations per common share (See Note 7)	\$ (0.04)	\$ 0.37
Net investment income per common share	\$ 0.30	\$ 0.33

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
(in thousands, except share issue data)
(Unaudited)

	Three Months Ended December 31,	
	2022	2021
Net increase (decrease) in net assets from operations:		
Net investment income	\$ 13,732	\$ 12,721
Net realized gain on investments	63	3,138
Net change in unrealized depreciation on investments	(16,757)	(3,497)
Net change in provision for taxes on unrealized appreciation (depreciation) on investments	(725)	(1,540)
Net change in unrealized depreciation on debt	2,067	3,611
Net increase (decrease) in net assets resulting from operations	(1,620)	14,433
Distributions to stockholders:		
Distribution of net investment income	(12,932)	(11,106)
Total distributions to stockholders	(12,932)	(11,106)
Capital transactions		
Public offering (See Note 1)	995	3,520
Offering costs	(5)	(53)
Net increase in net assets resulting from capital transactions	990	3,467
Net increase (decrease) in net assets	(13,562)	6,794
Net assets:		
Beginning of period	527,092	490,611
End of period	<u>\$ 513,530</u>	<u>\$ 497,405</u>
Capital share activity:		
Shares issued from public offering	<u>86,177</u>	<u>270,066</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Three months ended December 31,	
	2022	2021
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations	\$ (1,620)	\$ 14,433
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net change in unrealized depreciation on investments	16,757	3,497
Net change in unrealized depreciation on debt	(2,067)	(3,611)
Net realized loss on investments	(63)	(3,138)
Net accretion of discount and amortization of premium	(944)	(1,358)
Purchases of investments	(65,587)	(335,103)
Payment-in-kind interest	(56)	(441)
Proceeds from dispositions of investments	62,998	238,369
Accretion (amortization) of deferred financing costs	352	(320)
(Increase) or Decrease in:		
Interest receivable	(1,193)	(291)
Distribution receivable	(577)	—
Receivable for investments sold	(8,912)	15,536
Prepaid expenses and other assets	(197)	(96)
Increase or (Decrease) in:		
Payable for investments purchased	9,990	(12,487)
Interest payable on debt	(2,088)	(1,440)
Base management fee payable	(96)	189
Performance-based incentive fee payable	269	2,557
Deferred tax liability	725	1,540
Accrued other expenses	72	(222)
Net cash provided by (used in) operating activities	<u>7,763</u>	<u>(82,386)</u>
Cash flows from financing activities:		
Proceeds from public offering	995	3,520
Offering costs	(15)	(53)
Distributions paid to stockholders	(12,924)	(11,078)
Repayment of 2023 notes payable (See Notes 5 and 10)	(20,787)	(20,787)
Proceeds from 2026 notes issuance (See Notes 5 and 10)	—	84,333
Borrowings under Credit Facility (See Notes 5 and 10)	30,000	137,253
Repayments under Credit Facility (See Notes 5 and 10)	—	(100,000)
Net cash provided by (used in) financing activities	<u>(2,731)</u>	<u>93,188</u>
Net increase (decrease) in cash and cash equivalents	5,032	10,802
Effect of exchange rate changes on cash	23	639
Cash and cash equivalents, beginning of period	47,880	49,826
Cash and cash equivalents, end of period	<u>\$ 52,935</u>	<u>\$ 61,267</u>
Supplemental disclosures:		
Interest paid	<u>\$ 11,594</u>	<u>\$ 7,931</u>
Taxes paid	<u>\$ 5</u>	<u>\$ 183</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
DECEMBER 31, 2022
(in thousands, except share data)
(Unaudited)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par / Shares	Cost	Fair Value ⁽²⁾
Investments in Non-Controlled, Non-Affiliated Portfolio Companies—169.6% ^{(3),(4)}							
First Lien Secured Debt—149.6%							
A1 Garage Merger Sub, LLC	12/22/2028	Commercial Services & Supplies	11.12 %	3M L+650	359	\$ 354	\$ 354
A1 Garage Merger Sub, LLC - Unfunded Term Loan	12/21/2024	Commercial Services & Supplies	—	—	1,698	—	—
A1 Garage Merger Sub, LLC LLC (Revolver) ^{(7),(9)}	12/22/2028	Commercial Services & Supplies	—	—	748	—	—
Ad.net Acquisition, LLC	05/06/2026	Media	10.84 %	3M L+600	4,925	4,873	4,888
Ad.net Acquisition, LLC (Revolver) ⁽⁷⁾	05/06/2026	Media	10.84 %	3M L+600	996	996	988
Ad.net Acquisition, LLC (Revolver) ^{(7),(9)}	05/06/2026	Media	—	—	249	—	(2)
Altamira Technologies, LLC	07/24/2025	IT Services	10.24 %	3M L+600	4,725	4,691	4,642
Altamira Technologies, LLC (Revolver) ⁽⁷⁾	07/24/2025	IT Services	10.73 %	3M L+600	575	575	565
Altamira Technologies, LLC (Revolver) ^{(7),(9)}	07/24/2025	IT Services	—	—	1,581	—	(28)
American Insulated Glass, LLC	12/21/2023	Building Products	9.25 % ⁽⁶⁾	3M L+550	7,579	7,545	7,579
American Teleconferencing Services, Ltd. ⁽⁷⁾	06/08/2023	Telecommunications	0.00% ⁽⁶⁾	—	7,986	7,915	90
American Teleconferencing Services, Ltd. (Revolver) ⁽⁷⁾	01/31/2023	Telecommunications	0.00% ⁽⁶⁾	—	1,656	1,642	17
Amsive Holding Corporation (f/k/a Vision Purchaser Corporation)	06/10/2025	Media	10.98 %	3M L+625	14,067	13,928	13,786
Anteriad, LLC (f/k/a MeritDirect, LLC)	05/23/2024	Media	10.23 %	3M L+550	14,372	14,304	14,372
Anteriad, LLC (f/k/a MeritDirect, LLC) (Revolver) ^{(7),(9)}	05/23/2024	Media	—	—	2,869	—	—
Any Hour Services	07/21/2027	Energy Equipment and Services	9.54 %	3M L+525	10,501	10,414	10,212
Any Hour Services (Revolver) ⁽⁷⁾	07/21/2027	Energy Equipment and Services	10.17 %	3M L+585	229	229	223
Any Hour Services (Revolver) ^{(7),(9)}	07/21/2027	Energy Equipment and Services	—	—	918	—	(25)
Apex Service Partners, LLC	07/31/2025	Diversified Consumer Services	9.46 %	1M L+525	6,208	6,169	6,177
Apex Service Partners, LLC Term Loan B	07/31/2025	Diversified Consumer Services	9.67 %	1M L+550	296	296	295
Apex Service Partners, LLC Term Loan C	07/31/2025	Diversified Consumer Services	9.59 %	1M L+525	12,923	12,847	12,859
Apex Service Partners, LLC (Revolver) ⁽⁷⁾	07/31/2025	Diversified Consumer Services	9.99 %	1M L+525	1,153	1,153	1,147
Apex Service Partners, LLC (Revolver) ^{(7),(9)}	07/31/2025	Diversified Consumer Services	—	—	692	—	(3)
API Holding III Corp.	05/11/2026	Electronic Equipment, Instruments, and Components	8.98 %	1M L+425	5,790	5,771	4,574
Applied Technical Services, LLC	12/29/2026	Commercial Services & Supplies	10.47 %	3M L+575	7,325	7,222	7,142
Applied Technical Services, LLC (Unfunded Term Loan)	04/21/2023	Commercial Services & Supplies	—	—	2,100	—	(29)
Applied Technical Services, LLC (Revolver) ⁽⁷⁾	12/29/2026	Commercial Services & Supplies	12.25 %	3M L+475	382	382	372
Applied Technical Services, LLC (Revolver) ^{(7),(9)}	12/29/2026	Commercial Services & Supplies	—	—	891	—	(22)
Arefield Acquisition Corp. (Revolver) ⁽⁹⁾	03/07/2028	Aerospace and Defense	—	—	887	—	(18)
Beta Plus Technologies, Inc.	07/01/2029	Internet Software and Services	8.99 %	1M L+525	5,000	4,904	4,950
Blackhawk Industrial Distribution, Inc.	09/17/2024	Distributors	9.18 %	3M L+500	213	212	209
Blackhawk Industrial Distribution, Inc. ^{(7),(9)}	09/17/2024	Distributors	—	—	3,045	—	(38)
Blackhawk Industrial Distribution, Inc. (Revolver) ⁽⁷⁾	09/17/2024	Distributors	10.06 %	3M L+500	823	823	780
Blackhawk Industrial Distribution, Inc. ⁽⁹⁾	09/17/2024	Distributors	—	—	1,920	—	(100)
Broder Bros., Co.	12/04/2025	Textiles, Apparel and Luxury Goods	10.73 %	3M L+600	3,389	3,389	3,389
By Light Professional IT Services, LLC	05/16/2024	High Tech Industries	10.79 %	3M L+625	27,252	27,077	26,979
By Light Professional IT Services, LLC (Revolver)	05/16/2024	High Tech Industries	10.92 %	3M L+663	3,419	3,419	3,385
By Light Professional IT Services, LLC (Revolver) ⁽⁹⁾	05/16/2024	High Tech Industries	—	—	646	—	(6)
Cadence Aerospace, LLC ⁽⁷⁾	11/14/2023	Aerospace and Defense	12.92 %	3M L+850	3,042	3,035	2,987
(PIK 9.50%)							
Cartessa Aesthetics, LLC	05/13/2028	Distributors	10.58 %	1M L+600	13,176	12,932	13,044
Cartessa Aesthetics, LLC (Revolver) ⁽⁷⁾	05/13/2028	Distributors	10.58 %	1M L+600	511	511	505
Cartessa Aesthetics, LLC (Revolver) ^{(7),(9)}	05/13/2028	Distributors	—	—	927	—	(9)
CF512, Inc.	08/20/2026	Media	10.75 %	3M L+600	8,077	7,976	7,916
CF512, Inc. ^{(7),(9)}	08/20/2026	Media	—	—	191	—	(2)
CF512, Inc. (Revolver) ^{(7),(9)}	08/20/2026	Media	—	—	955	—	(19)
CHA Holdings, Inc.	04/10/2025	Environmental Industries	9.23 %	3M L+450	1,577	1,573	1,577
Challenger Performance Optimization, Inc. (Revolver) ⁽⁷⁾	08/31/2023	Business Services	10.82 %	1M L+675	358	357	345
Challenger Performance Optimization, Inc. (Revolver) ^{(7),(9)}	08/31/2023	Business Services	—	—	356	—	(12)
Compex Legal Services, Inc.	02/09/2026	Professional Services	9.97 %	3M L+525	8,017	7,991	7,993
Compex Legal Services, Inc. (Revolver) ⁽⁷⁾	02/07/2025	Professional Services	9.61 %	3M L+525	703	703	701
Compex Legal Services, Inc. (Revolver) ^{(7),(9)}	02/07/2025	Professional Services	—	—	703	—	(2)
Connatix Buyer, Inc.	07/13/2027	Media	10.14 %	3M L+550	3,897	3,834	3,771
Connatix Buyer, Inc. ^{(7),(9)}	01/13/2023	Media	—	—	2,105	—	(47)
Connatix Buyer, Inc. ^{(7),(9)}	07/13/2027	Media	—	—	1,234	—	(40)
Crane 1 Services, Inc.	08/16/2027	Commercial Services & Supplies	9.75 %	3M L+575	889	883	880
Crane 1 Services, Inc. (Revolver) ⁽⁷⁾	08/16/2027	Commercial Services & Supplies	10.48 %	3M L+575	202	202	200
Crane 1 Services, Inc. (Revolver) ⁽⁷⁾	08/16/2027	Commercial Services & Supplies	—	—	135	—	(1)
Dr. Squatch, LLC	08/31/2027	Personal Products	10.48 %	3M L+600	4,417	4,349	4,351
Dr. Squatch, LLC (Revolver) ⁽⁷⁾	08/31/2027	Personal Products	10.46 %	3M L+600	1,118	1,118	1,101
Dr. Squatch, LLC (Revolver) ^{(7),(9)}	08/31/2027	Personal Products	—	—	2,236	—	(34)
DRS Holdings III, Inc.	11/03/2025	Chemicals, Plastics and Rubber	10.47 %	3M L+575	16,533	16,368	16,004
DRS Holdings III, Inc. (Revolver) ^{(7),(9)}	11/03/2025	Personal Products	—	—	1,426	—	(46)
Duraco Specialty Tapes LLC	06/30/2024	Containers and Packaging	9.89 %	3M L+550	3,239	3,205	3,187
ECL Entertainment, LLC	05/01/2028	Hotels, Restaurants and Leisure	11.88 %	1M L+750	5,190	5,146	5,173
ECM Industries, LLC (Revolver)	12/23/2025	Electronic Equipment, Instruments, and Components	9.50 %	1M L+475	343	343	327
ECM Industries, LLC (Revolver) ⁽⁹⁾	12/23/2025	Electronic Equipment, Instruments, and Components	—	—	572	—	(27)
eCommission Financial Services, Inc. ⁽¹⁰⁾	10/05/2023	Banking, Finance, Insurance & Real Estate	9.17 %	1M L+500	5,528	5,528	5,528
eCommission Financial Services, Inc. (Revolver) ^{(7),(9),(10)}	10/05/2023	Banking, Finance, Insurance & Real Estate	—	—	5,000	—	—
EDS Buyer, LLC	12/22/2028	Electronic Equipment, Instruments, and Components	10.91 %	3M L+625	9,000	8,865	8,865
EDS Buyer, LLC - Unfunded Term Loan	12/22/2028	Electronic Equipment, Instruments, and Components	—	—	6,750	—	—
EDS Buyer, LLC. (Revolver) ^{(7),(9)}	12/22/2028	Electronic Equipment, Instruments, and Components	—	—	2,025	—	—
Efficient Collaborative Retail Marketing Company, LLC	06/15/2024	Media: Diversified and Production	11.13 %	3M L+675	7,131	7,112	6,739
Exigo Intermediate II, LLC ⁽⁹⁾	03/15/2024	Software	—	—	2,758	—	(34)
Exigo Intermediate II, LLC (Revolver)	03/15/2027	Software	10.13 %	3M L+575	138	138	135
Exigo Intermediate II, LLC (Revolver) ⁽⁹⁾	03/15/2027	Software	—	—	552	—	(11)
Findex Group Limited ^{(5),(10),(11)}	05/31/2024	Diversified Financial Services	7.68 %	3M L+450	AUD 10,000	7,431	6,782
Gantech Acquisition Corp.	05/14/2026	IT Services	10.63 %	1M L+625	21,869	21,541	21,213
Gantech Acquisition Corp. (Revolver) ⁽⁷⁾	05/14/2026	IT Services	10.63 %	1M L+625	1,244	1,244	1,207
Gantech Acquisition Corp. (Revolver) ^{(7),(9)}	05/14/2026	IT Services	—	—	2,489	—	(75)
Global Holdings InterCo LLC	03/16/2026	Diversified Financial Services	10.19 %	3M L+600	3,418	3,382	3,264

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Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par / Shares	Cost	Fair Value ⁽²⁾
Graffiti Buyer, Inc.	08/10/2027	Trading Companies & Distributors	10.23 %	3M L+550	209	\$ 207	\$ 202
Graffiti Buyer, Inc. ^{(7),(9)}	08/10/2023	Trading Companies & Distributors	—	—	862	—	(19)
Graffiti Buyer, Inc. (Revolver) ⁽⁷⁾	08/10/2027	Trading Companies & Distributors	10.16 %	3M L+575	348	348	334
Graffiti Buyer, Inc. (Revolver) ^{(7),(9)}	08/10/2027	Trading Companies & Distributors	—	—	516	—	(21)
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	10.23 %	3M L+550	4,438	4,362	4,349
Hancock Roofing and Construction L.L.C. (Revolver) ⁽⁷⁾	12/31/2026	Insurance	9.79 %	3M L+550	160	160	157
Hancock Roofing and Construction L.L.C. (Revolver) ^{(7),(9)}	12/31/2026	Insurance	—	—	590	—	(12)
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	10.17 %	3M L+600	4,950	4,863	4,851
Holdco Sands Intermediate, LLC (Revolver) ⁽⁹⁾	11/23/2027	Aerospace and Defense	—	—	1,791	—	(36)
HW Holdco, LLC	12/10/2024	Media	6.00 %	1M L+500	8,392	8,355	8,287
HW Holdco, LLC ⁽⁹⁾	12/10/2024	Media	—	—	1,686	—	(4)
HW Holdco, LLC (Revolver) ^{(7),(9)}	12/10/2024	Media	—	—	1,452	—	(18)
IDC Infusion Services, Inc.	12/30/2026	Healthcare Equipment and Supplies	11.47 %	3M L+700	5,709	5,609	5,550
IDC Infusion Services, Inc. (Revolver) ⁽⁹⁾	12/30/2026	Healthcare Equipment and Supplies	—	—	4,167	—	(146)
IG Investments Holdings, LLC ⁽⁷⁾	09/22/2028	Professional Services	10.38 %	3M L+600	4,462	4,381	4,395
IG Investments Holdings, LLC (Revolver)	09/22/2027	Professional Services	10.39 %	3M L+600	191	191	188
IG Investments Holdings, LLC (Revolver) ^{(7),(9)}	09/22/2027	Professional Services	—	—	286	—	(4)
Imagine Acquisitionco, LLC	11/15/2027	Software	10.14 %	3M L+550	3,969	3,901	3,849
Imagine Acquisitionco, LLC ⁽⁹⁾	11/15/2027	Software	—	—	1,657	—	(33)
Imagine Acquisitionco, LLC (Revolver) ⁽⁹⁾	11/15/2027	Software	—	—	1,193	—	(36)
Inception Fertility Ventures, LLC	12/07/2023	Healthcare Providers and Services	11.94 %	3M L+715	14,916	14,739	14,618
Infinity Home Services Holdco, Inc. - Unfunded Term Loan	12/28/2023	Commercial Services & Supplies	0.00 %	—	3,230	—	—
Infinity Home Services Holdco, Inc. (Revolver) ⁽⁹⁾	12/28/2028	Commercial Services & Supplies	0.00 %	—	1,292	—	—
Infolinks Media Buyco, LLC	11/01/2026	Media	10.23 %	3M L+575	2,618	2,577	2,618
Infolinks Media Buyco, LLC ⁽⁹⁾	11/01/2023	Media	—	—	969	—	10
Integrative Nutrition, LLC	09/29/2023	Consumer Services	9.48 %	3M L+450	15,583	15,556	15,272
Integrative Nutrition, LLC (Revolver) ^{(7),(9)}	09/29/2023	Consumer Services	—	—	5,000	—	—
Integrity Marketing Acquisition, LLC ⁽⁷⁾	08/27/2025	Insurance	10.81 %	SOFR+550	15,785	15,667	15,548
ITI Holdings, Inc. (Revolver)	03/03/2028	IT Services	10.77 %	3M L+550	229	229	224
ITI Holdings, Inc. (Revolver) ⁽⁹⁾	03/03/2028	IT Services	—	—	436	—	(9)
K2 Pure Solutions NoCal, L.P. (Revolver) ^{(7),(9)}	12/20/2023	Chemicals, Plastics and Rubber	—	—	1,429	—	—
Kinetic Purchaser, LLC	11/10/2027	Personal Products	10.73 %	3M L+600	17,384	17,089	16,949
Kinetic Purchaser, LLC - (Revolver) ⁽⁹⁾	11/10/2026	Personal Products	10.73 %	3M L+600	3,435	3,435	3,349
Lash OpCo, LLC	02/18/2027	Personal Products	11.17 %	1M L+700	10,484	10,308	10,274
Lash OpCo, LLC (Revolver) ⁽⁷⁾	08/16/2026	Personal Products	11.57 %	1M L+700	784	784	768
Lash OpCo, LLC (Revolver) ^{(7),(9)}	08/16/2026	Personal Products	—	—	1,137	—	(23)
LAV Gear Holdings, Inc.	10/31/2024	Capital Equipment	10.23 %	1M L+565	9,543	9,522	9,409
LAV Gear Holdings, Inc. (Revolver) ⁽⁷⁾	10/31/2024	Capital Equipment	10.23 %	1M L+565	1,721	1,721	1,697
			(PIK 5.50%)				
Ledge Lounger, Inc.	11/09/2026	Leisure Products	10.98 %	3M L+625	3,738	3,682	3,663
Ledge Lounger, Inc. (Revolver) ⁽⁷⁾	11/09/2026	Leisure Products	10.98 %	3M L+625	263	263	258
Ledge Lounger, Inc. (Revolver) ⁽⁹⁾	11/09/2026	Leisure Products	—	—	526	—	(11)
Lightspeed Buyer Inc.	02/03/2026	Healthcare Technology	9.88 %	1M L+575	24,295	24,022	23,688
Lightspeed Buyer Inc. (Revolver) ⁽⁷⁾	02/03/2026	Healthcare Technology	9.88 %	1M L+575	1,083	1,083	1,056
Lightspeed Buyer Inc. (Revolver) ^{(7),(9)}	02/03/2026	Healthcare Technology	—	—	1,416	—	(35)
Lucky Bucks, LLC	07/20/2027	Hotels, Restaurants and Leisure	10.43 %	3M L+550	4,275	4,206	2,426
MAG DS Corp.	04/01/2027	Aerospace and Defense	10.23 %	1M L+550	3,704	3,573	3,370
Mars Acquisition Holdings Corp.	05/14/2026	Media	10.23 %	3M L+550	8,794	8,654	8,706
Mars Acquisition Holdings Corp. (Revolver) ^{(7),(9)}	05/14/2026	Media	—	—	2,435	—	(24)
MBS Holdings, Inc. (Revolver) ^{(7),(9)}	04/16/2027	Internet Software and Services	—	—	1,157	—	(12)
MDI Buyer, Inc. - Unfunded Term Loan	07/25/2028	Commodity Chemicals	10.36 %	3M L+600	2,057	2,034	2,012
MDI Buyer, Inc. (Revolver) ⁽⁷⁾	07/25/2028	Commodity Chemicals	10.26 %	3M L+600	237	237	232
MDI Buyer, Inc. (Revolver) ⁽⁹⁾	07/25/2028	Commodity Chemicals	—	—	536	—	(7)
Meadowlark Acquirer, LLC	12/10/2027	Professional Services	9.73 %	3M L+550	1,315	1,302	1,302
Meadowlark Acquirer, LLC - Term Loan I ⁽⁹⁾	12/10/2027	Professional Services	—	—	1,782	—	—
Meadowlark Acquirer, LLC - Term Loan II ⁽⁹⁾	12/10/2027	Professional Services	—	—	9,483	—	—
Meadowlark Acquirer, LLC (Revolver) ⁽⁹⁾	12/10/2027	Professional Services	—	—	1,693	—	(17)
Mission Critical Electronics, Inc.	03/28/2024	Capital Equipment	8.09 %	SOFR+500	3,600	3,570	3,585
Mission Critical Electronics, Inc. ⁽⁹⁾	03/28/2024	Capital Equipment	—	—	707	—	—
Mission Critical Electronics, Inc. (Revolver) ⁽⁷⁾	03/28/2024	Capital Equipment	11.50 %	1M L+400	265	265	264
Mission Critical Electronics, Inc. (Revolver) ^{(7),(9)}	03/28/2024	Capital Equipment	—	—	1,060	—	(4)
Municipal Emergency Services, Inc. ⁽⁷⁾	09/28/2027	Distributors	8.91 %	3M L+500	675	668	648
Municipal Emergency Services, Inc. ^{(7),(9)}	09/28/2027	Distributors	—	—	271	—	(8)
Municipal Emergency Services, Inc. - Unfunded Term Loan A	06/16/2023	Distributors	—	—	632	—	(16)
Municipal Emergency Services, Inc. - Unfunded Term Loan B	12/16/2024	Distributors	—	—	1,264	—	(51)
Municipal Emergency Services, Inc. (Revolver) ⁽⁷⁾	09/28/2027	Distributors	10.29 %	3M L+500	568	568	545
Municipal Emergency Services, Inc. (Revolver) ^{(7),(9)}	09/28/2027	Distributors	—	—	379	—	(15)
NBH Group LLC (Revolver) ^{(7),(9)}	08/19/2026	Healthcare Equipment and Supplies	—	—	1,677	—	—
One Stop Mailing, LLC	05/07/2027	Air Freight and Logistics	10.63 %	3M L+625	8,736	8,596	8,474
ORL Acquisition, Inc. ⁽⁷⁾	09/03/2027	Consumer Finance	9.98 %	3M L+525	7,177	7,057	7,177
ORL Acquisition, Inc. (Revolver) ^{(7),(9)}	09/03/2027	Consumer Finance	—	—	861	—	—
Output Services Group, Inc.	06/27/2026	Business Services	11.30 %	1M L+675	4,880	4,439	3,660
Owl Acquisition, LLC	02/04/2028	Professional Services	8.41 %	3M L+575	3,980	3,868	3,881
Ox Two, LLC	05/18/2026	Construction and Building	10.84 %	1M L+700	25,707	25,396	24,936
Ox Two, LLC (Revolver) ⁽⁷⁾	05/18/2026	Construction and Building	10.84 %	1M L+700	2,710	2,710	2,628
Ox Two, LLC (Revolver) ⁽⁹⁾	05/18/2026	Construction and Building	—	—	677	—	(20)
PL Acquisitionco, LLC	11/09/2027	Textiles, Apparel and Luxury Goods	10.88 %	3M L+650	6,095	6,003	5,942
PL Acquisitionco, LLC - (Revolver) ⁽⁹⁾	11/09/2027	Textiles, Apparel and Luxury Goods	—	—	2,290	—	(57)
PlayPower, Inc.	05/08/2026	Leisure Products	12.00 %	1M L+450	3,430	3,411	2,984

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Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par / Shares	Cost	Fair Value ⁽²⁾
PRA Events, Inc.	08/07/2025	Business Services	15.23 %	1M L+1,050	3,323	\$ 2,903	\$ 3,323
			(PIK 10.50%)				
Pragmatic Institute, LLC - Unfunded Term Loan	07/06/2028	Professional Services	—	—	2,290	—	—
Pragmatic Institute, LLC (Revolver)	07/06/2028	Professional Services	10.33 %	3M L+575	305	305	302
Pragmatic Institute, LLC (Revolver) ⁽⁹⁾	07/06/2028	Professional Services	—	—	1,221	—	(12)
Quantic Electronics, LLC	11/19/2026	Electronic Equipment, Instruments, and Components	10.32 %	1M L+600	6,705	6,619	6,571
Quantic Electronics, LLC - Unfunded Term Loan	11/19/2026	Electronic Equipment, Instruments, and Components	—	—	783	—	(8)
Quantic Electronics, LLC (Revolver) ⁽⁷⁾	11/19/2026	Electronic Equipment, Instruments, and Components	10.84 %	1M L+600	536	536	525
Quantic Electronics, LLC (Revolver) ^{(7),(9)}	11/19/2026	Electronic Equipment, Instruments, and Components	—	—	134	—	(3)
Questex, LLC	09/09/2024	Media: Diversified and Production	8.98 %	3M L+500	7,181	7,135	7,038
Questex, LLC (Revolver) ^{(7),(9)}	09/09/2024	Media: Diversified and Production	—	—	1,197	—	(24)
Rancho Health MSO, Inc. ⁽⁷⁾	12/18/2025	Healthcare Equipment and Supplies	9.42 %	3M L+550	1,037	1,037	1,037
Rancho Health MSO, Inc. (Revolver) ^{(7),(9)}	12/18/2025	Healthcare Equipment and Supplies	—	—	525	—	—
Recteq, LLC	01/29/2026	Leisure Products	10.98 %	3M L+600	1,474	1,454	1,422
Recteq, LLC (Revolver) ^{(7),(9)}	01/29/2026	Leisure Products	—	—	1,296	—	(45)
Research Now Group, Inc. and Dynata, LLC	12/20/2024	Business Services	8.84 %	3M L+550	17,097	16,957	12,670
Riverpoint Medical, LLC	06/20/2025	Healthcare Equipment and Supplies	9.73 %	3M L+575	7,980	7,929	7,773
Riverpoint Medical, LLC (Revolver) ^{(7),(9)}	06/20/2025	Healthcare Equipment and Supplies	—	—	909	—	(24)
Riverside Assessments, LLC	03/10/2025	Professional Services	10.48 %	3M L+625	15,317	15,177	15,049
Sales Benchmark Index LLC	01/03/2025	Professional Services	10.73 %	3M L+600	7,105	7,041	7,069
Sales Benchmark Index LLC (Revolver) ^{(7),(9)}	01/03/2025	Professional Services	—	—	1,293	—	(6)
Sargent & Greenleaf Inc.	12/20/2024	Electronic Equipment, Instruments, and Components	9.89 %	1M L+550	3,449	3,427	3,397
Sargent & Greenleaf Inc. (Revolver)	12/20/2024	Electronic Equipment, Instruments, and Components	10.27 %	1M L+550	1,048	1,048	1,032
Sargent & Greenleaf Inc. (Revolver) ⁽⁹⁾	12/20/2024	Electronic Equipment, Instruments, and Components	—	—	9	—	—
Schlesinger Global, Inc.	07/14/2025	Professional Services	10.92 %	SOFR + 700	14,541	14,456	14,178
Schlesinger Global, Inc. (Revolver)	07/14/2025	Professional Services	10.92 %	1M L+600	1,489	1,489	1,451
Schlesinger Global, Inc. (Revolver) ^{(7),(9)}	07/14/2025	Professional Services	—	—	382	—	(10)
Seaway Buyer, LLC	06/13/2029	Chemicals, Plastics and Rubber	10.73 %	3M L+575	1,935	1,907	1,906
Sigma Defense Systems, LLC	12/18/2025	IT Services	13.23 %	3M L+850	10,898	10,688	10,680
Sigma Defense Systems, LLC (Revolver) ⁽⁷⁾	12/18/2025	IT Services	13.23 %	3M L+850	1,048	1,048	1,027
Sigma Defense Systems, LLC (Revolver) ^{(7),(9)}	12/18/2025	IT Services	—	—	1,572	—	(31)
Signature Systems Holding Company	05/03/2024	Commercial Services & Supplies	11.23 %	1M L+650	10,195	10,148	10,195
Signature Systems Holding Company (Revolver) ⁽⁹⁾	05/03/2024	Commercial Services & Supplies	—	—	1,747	—	—
Smile Brands Inc.	10/14/2025	Healthcare and Pharmaceuticals	8.35 %	1M L+450	2,456	2,456	2,364
Smile Brands Inc. (Revolver)	10/14/2025	Healthcare and Pharmaceuticals	8.89 %	1M L+450	558	558	537
Smile Brands Inc. (Revolver) ^{(7),(9)}	10/14/2025	Healthcare and Pharmaceuticals	—	—	950	—	(36)
Smile Brands Inc. LC (Revolver) ^{(7),(9)}	10/14/2025	Healthcare and Pharmaceuticals	—	—	108	—	(4)
Solutionreach, Inc.	01/17/2024	Healthcare Technology	10.13 %	3M L+575	5,723	5,695	5,568
Solutionreach, Inc. (Revolver) ^{(7),(9)}	01/17/2024	Healthcare Technology	—	—	1,665	—	(45)
Spendmend Holdings LLC	03/01/2028	Healthcare Technology	10.17 %	SOFR + 575	3,208	3,173	3,103
Spendmend Holdings LLC ⁽⁹⁾	03/01/2023	Healthcare Technology	—	—	1,771	—	(45)
Spendmend Holdings LLC (Revolver)	03/01/2028	Healthcare Technology	10.17 %	3M L+575	119	119	115
Spendmend Holdings LLC (Revolver) ⁽⁹⁾	03/01/2028	Healthcare Technology	—	—	772	—	(25)
STV Group Incorporated	12/11/2026	Construction & Engineering	9.67 %	1M L+525	4,752	4,720	4,728
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	08/16/2027	Aerospace and Defense	10.94 %	SOFR+600	18,513	18,205	18,272
System Planning and Analysis, Inc. (Revolver) (f/k/a Management Consulting & Research, LLC)	08/16/2027	Aerospace and Defense	—	—	5,188	—	(67)
Teneo Holdings LLC	07/18/2025	Diversified Financial Services	9.59 %	1M L+525	5,778	5,710	5,547
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	10.70 %	3M L+600	4,909	4,859	4,860
The Bluebird Group LLC	07/27/2026	Professional Services	11.72 %	3M L+700	6,234	6,136	6,115
The Bluebird Group LLC (Revolver) ^{(7),(9)}	07/27/2026	Professional Services	—	—	862	—	(16)
The Infosoft Group, LLC	09/16/2024	Media: Broadcasting and Subscription	10.42 %	3M L+575	15,143	15,036	15,029
The Vertex Companies, LLC ⁽⁷⁾	08/30/2027	Construction & Engineering	9.79 %	1M L+550	2,154	2,118	2,108
The Vertex Companies, LLC ^{(7),(9)}	08/30/2027	Construction & Engineering	—	—	573	—	(6)
The Vertex Companies, LLC (Revolver)	08/30/2027	Construction & Engineering	9.79 %	1M L+550	182	182	178
The Vertex Companies, LLC (Revolver) ^{(7),(9)}	08/30/2027	Construction & Engineering	—	—	729	—	(15)
TPC Canada Parent, Inc. and TPC US Parent, LLC ^{(5),(10)}	11/24/2025	Food Products	9.24 %	3M L+550	4,850	4,824	4,718
TVC Enterprises, LLC	03/26/2026	Commercial Services & Supplies	10.13 %	1M L+600	24,267	23,948	23,660
TVC Enterprises, LLC (Revolver) ^{(7),(9)}	03/26/2026	Commercial Services & Supplies	—	—	661	—	(17)
TWS Acquisition Corporation	06/16/2025	Diversified Consumer Services	11.46 %	1M L+625	5,468	5,403	5,468
TWS Acquisition Corporation (Revolver) ^{(7),(9)}	06/16/2025	Diversified Consumer Services	—	—	2,628	—	—
Tyto Athene, LLC	04/01/2028	IT Services	9.25 %	1M L+550	12,612	12,461	11,427
Tyto Athene, LLC (Revolver) ^{(7),(9)}	04/01/2026	IT Services	—	—	1,040	—	(98)
UBEO, LLC	04/03/2024	Capital Equipment	9.23 %	3M L+450	17,926	17,880	17,657
UBEO, LLC (Revolver) ⁽⁹⁾	04/03/2024	Capital Equipment	—	—	2,933	—	(44)
Unique Indoor Comfort, LLC	05/24/2027	Diversified Consumer Services	9.90 %	3M L + 525	15,578	15,365	15,173
Unique Indoor Comfort, LLC Term Loan ⁽⁷⁾	05/24/2027	Diversified Consumer Services	—	—	4,360	—	(70)
Unique Indoor Comfort, LLC (Revolver) ^{(7),(9)}	05/24/2027	Diversified Consumer Services	—	—	2,000	—	(52)
Walker Edison Furniture Company LLC ⁽⁶⁾	03/31/2027	Wholesale	—	—	12,684	12,440	6,410
Wildcat Buyerco, Inc.	02/27/2026	Electronic Equipment, Instruments, and Components	10.48 %	3M L+575	9,828	9,704	9,508
Wildcat Buyerco, Inc. (Revolver)	02/27/2026	Electronic Equipment, Instruments, and Components	10.09 %	3M L+585	107	107	100
Wildcat Buyerco, Inc. (Revolver) ⁽⁹⁾	02/27/2026	Electronic Equipment, Instruments, and Components	—	—	427	—	(27)
Zips Car Wash, LLC	03/01/2024	Automobiles	11.63 %	3M L+725	13,394	13,276	13,092
Total First Lien Secured Debt						802,187	768,488
Second Lien Secured Debt—0%							
Mailsouth Inc. ⁽⁷⁾	04/23/2025	Media: Advertising, Printing and Publishing	0.00 % ⁽⁶⁾	—	1,040	965	—
QuantiTech LLC	02/04/2027	Aerospace and Defense	14.29 %	3M L+1,000	150	148	147
Total Second Lien Secured Debt						1,113	147

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Preferred Equity—1.7% ⁽⁶⁾							
Ad.net Holdings, Inc. ^{(7),(8)}	—	Media	—	—	6,720	\$ 672	\$ 761
Imagine Topco, LP	—	Software	8.00 %	—	1,236,027	1,236	1,166
Mars Intermediate Holdings II, Inc. ⁽⁷⁾	—	Media	—	—	835	835	977
Anteradi Holdings, LP (f/k/a MeritDirect Holdings, LP) ^{(7),(8)}	—	Media	—	—	2,018	2,018	2,598
NXOF Holdings, Inc. (Tyto Athene, LLC) ⁽⁷⁾	—	IT Services	—	—	733	733	794
ORL Holdco, Inc. ⁽⁷⁾	—	Consumer Finance	—	—	1,327	133	147
Signature CR Intermediate Holdco, Inc. ⁽⁷⁾	—	Commercial Services & Supplies	12.00 %	—	1,323	1,323	1,975
TPC Holding Company, LP ^{(5),(7),(10)}	—	Food Products	—	—	409	409	133
TWD Parent Holdings, LLC (The Vertex Companies, LLC) ⁽⁷⁾	—	Construction & Engineering	—	—	37	37	41
UniTek Global Services, Inc. - Super Senior Preferred Equity ⁽⁷⁾	—	Telecommunications	20.00 %	—	343,861	344	—
UniTek Global Services, Inc. - Senior Preferred Equity ⁽⁷⁾	—	Telecommunications	19.00 %	—	448,851	449	—
UniTek Global Services, Inc. ⁽⁷⁾	—	Telecommunications	13.50 %	—	1,047,317	670	—
Total Preferred Equity						8,859	8,592
Common Equity/Warrants—18.2% ⁽⁶⁾							
A1 Garage Equity, LLC ⁽⁸⁾	—	Commercial Services & Supplies	—	—	647,943	648	648
Ad.net Holdings, Inc. ^{(7),(8)}	—	Media	—	—	7,467	75	92
Affinion Group Holdings, Inc. (Warrants) ⁽⁷⁾	04/10/2024	Consumer Goods: Durable	—	—	8,893	245	—
AG Investco LP ^{(7),(8)}	—	Software	—	—	805,164	805	1,187
AG Investco LP ^{(7),(8),(9)}	—	Software	—	—	194,836	—	—
Altamira Intermediate Company II, Inc. ⁽⁷⁾	—	IT Services	—	—	1,437,500	1,437	1,327
Anteradi Holdings, LP (f/k/a MeritDirect Holdings, LP) ^{(7),(8)}	—	Media	—	—	2,018	—	392
Athletico Holdings, LLC ⁽⁸⁾	—	Healthcare Providers and Services	—	—	4,678	5,000	3,783
Burgess Point Holdings, LP	—	Auto Components	—	—	100	100	103
By Light Investco LP ^{(7),(8)}	—	High Tech Industries	—	—	22,090	177	17,283
By Light Investco LP ^{(7),(8),(9)}	—	High Tech Industries	—	—	3,223	—	—
Cartessa Aesthetics, LLC ⁽⁸⁾	—	Distributors	—	—	1,437,500	1,437	1,596
CI (Allied) Investment Holdings, LLC (PRA Events, Inc.) ^{(7),(8)}	—	Business Services	—	—	120,962	1,243	1,836
Connatix Parent, LLC ⁽⁷⁾	—	Media	—	—	38,278	421	391
Crane I Acquisition Parent Holdings, L.P. ⁽⁷⁾	—	Commercial Services & Supplies	—	—	130	120	166
Delta InvestCo LP (Sigma Defense Systems, LLC) ^{(7),(8)}	—	IT Services	—	—	615,484	602	1,213
Delta InvestCo LP (Sigma Defense Systems, LLC) ^{(7),(8),(9)}	—	IT Services	—	—	389,386	—	—
ECM Investors, LLC ^{(7),(8)}	—	Electronic Equipment, Instruments, and Components	—	—	295,982	65	740
eCommission Holding Corporation ^{(7),(10)}	—	Banking, Finance, Insurance & Real Estate	—	—	20	251	372
EDS Topco, LP	—	Electronic Equipment, Instruments, and Components	—	—	1,125,000	1,125	1,125
Exigo, LLC ⁽⁸⁾	—	Software	—	—	541,667	542	577
Express Wash Topco, LLC	—	Automobiles	—	—	20,000	100	93
FedHC InvestCo LP ^{(7),(8)}	—	Aerospace and Defense	—	—	21,083	697	2,107
FedHC InvestCo LP ^{(7),(8),(9)}	—	Aerospace and Defense	—	—	9,488	—	(1)
Gauge InfosoftCoInvest, LLC (The Infosoft Group, LLC) ⁽⁷⁾	—	Media: Broadcasting and Subscription	—	—	500	144	2,412
Gauge Lash Coinvest LLC ⁽⁷⁾	—	Personal Products	—	—	1,485,953	227	7,553
Gauge Schlesinger Coinvest LLC ⁽⁷⁾	—	Professional Services	—	—	465	476	503
Gauge TVC Coinvest, LLC (TVC Enterprises, LLC) ⁽⁷⁾	—	Professional Services	—	—	391,144	—	1,680
GCOM InvestCo LP ^{(7),(8)}	—	IT Services	—	—	19,184	3,342	4,919
Go Dawgs Capital III, LP (American Insulated Glass, LLC) ^{(7),(8)}	—	Building Products	—	—	324,675	325	529
Hancock Claims Consultants Investors, LLC ^{(7),(8)}	—	Insurance	—	—	450,000	450	378
HV Watterson Holdings, LLC	—	Professional Services	—	—	100,000	100	51
Icon Partners V C, L.P.	—	Internet Software and Services	—	—	1,851,852	1,852	1,649
Icon Partners V C, L.P. ^{(7),(9)}	—	Internet Software and Services	—	—	648,148	—	(71)
IIN Group Holdings, LLC (Integrative Nutrition, LLC) ^{(7),(8)}	—	Consumer Services	—	—	1,000	1,000	50
Imagine Topco, LP (Common)	—	Software	—	—	1,236,027	—	—
IHS Parent Holdings, L.P.	—	Commercial Services & Supplies	—	—	1,218,045	1,218	1,218
Ironclad Holdco, LLC (Applied Technical Services, LLC) ^{(7),(8)}	—	Commercial Services & Supplies	—	—	5,811	573	790
ITC Infusion Co-invest, LP ⁽⁸⁾	—	Healthcare Equipment and Supplies	—	—	116,032	1,160	1,160
ITC Rumba, LLC (Cano Health, LLC) ^{(7),(8)}	—	Healthcare and Pharmaceuticals	—	—	46,763	117	837
JWC-WE Holdings, L.P. (Walker Edison Furniture Company LLC) ^{(7),(8)}	—	Wholesale	—	—	1,948	568	—
Kinetic Purchaser, LLC	—	Personal Products	—	—	1,734,775	1,735	2,260
KL Stockton Co-Invest LP (Any Hour Services) ^{(7),(8)}	—	Energy Equipment and Services	—	—	382,353	382	918
Kentucky Racing Holdco, LLC (Warrants) ^{(7),(8)}	—	Hotels, Restaurants and Leisure	—	—	87,345	—	909
Lightspeed Investment Holdco LLC ⁽⁷⁾	—	Healthcare Technology	—	—	585,587	586	1,068
Mars Intermediate Holdings II, Inc. ⁽⁷⁾	—	Media	—	—	835	—	281
MDI Aggregator, LP	—	Commodity Chemicals	—	—	10,761	1,077	1,116
Meadowlark Title, LLC ⁽⁸⁾	—	Professional Services	—	—	819,231	806	737
MSpark, LLC	—	Media: Advertising, Printing and Publishing	—	—	3,988	1,287	—
Municipal Emergency Services, Inc. ⁽⁷⁾	—	Distributors	—	—	1,973,370	2,005	1,531
NEPRT Parent Holdings, LLC (Recteq, LLC) ^{(7),(8)}	—	Leisure Products	—	—	1,494	1,448	206
North Haven Saints Equity Holdings, LP ⁽⁸⁾	—	Healthcare Technology	—	—	223,602	224	219
NXOF Holdings, Inc. (Tyto Athene, LLC) ⁽⁷⁾	—	IT Services	—	—	14,960	15	—
OceanSound Discovery Equity, LP (Holdco Sands Intermediate, LLC) ^{(7),(8)}	—	Aerospace and Defense	—	—	173,638	1,697	3,054
OHCP V BC COI, L.P.	—	Distributors	—	—	743,750	744	635
OHCP V BC COI, L.P. ⁽⁹⁾	—	Distributors	—	—	506,250	—	(74)
ORL Holdco, Inc. ^{(7),(8)}	—	Consumer Finance	—	—	1,474	15	184
PennantPark-TSO Senior Loan Fund, LP ⁽⁷⁾	—	Financial Services	—	—	11,167,847	11,168	9,028
Pink Lily Holdco, LLC (PL Acquisitions, LLC) ⁽⁸⁾	—	Textiles, Apparel and Luxury Goods	—	—	1,735	1,735	903

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PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS—(Continued)
DECEMBER 31, 2022
(in thousands, except share data)
(Unaudited)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par / Shares	Cost	Fair Value ⁽²⁾
Pragmatic Institute, LLC	—	Professional Services	—	—	610,583	\$ 611	\$ 570
Quad (U.S.) Co-Invest, L.P.	—	Professional Services	—	—	250,000	250	254
QuantiTech InvestCo LP ^{(7),(8)}	—	Aerospace and Defense	—	—	712	68	345
QuantiTech InvestCo LP ^{(7),(8),(9)}	—	Aerospace and Defense	—	—	955	—	—
QuantiTech InvestCo II LP ^{(7),(8)}	—	Aerospace and Defense	—	—	40	24	24
RFMG Parent, LP (Rancho Health MSO, Inc.) ⁽⁷⁾	—	Healthcare Equipment and Supplies	—	—	1,050,000	1,050	1,050
SBI Holdings Investments LLC (Sales Benchmark Index LLC) ^{(7),(8)}	—	Professional Services	—	—	64,634	646	631
Seaway Topco, LP ⁽⁸⁾	—	Chemicals, Plastics and Rubber	—	—	296	296	298
Signature CR Intermediate Holdco, Inc. ⁽⁷⁾	—	Commercial Services & Supplies	—	—	70	70	377
SP L2 Holdings, LLC (Ledge Lounger, Inc.)	—	Leisure Products	—	—	360,103	360	253
SSC Dominion Holdings, LLC	—	Capital Equipment	—	—	500	500	680
Class A (US Dominion, Inc.) ⁽⁷⁾	—	—	—	—	—	—	—
SSC Dominion Holdings, LLC	—	Capital Equipment	—	—	500	—	1,312
Class B (US Dominion, Inc.) ⁽⁷⁾	—	—	—	—	—	—	—
StellPen Holdings, LLC (CF512, Inc.) ⁽⁷⁾	—	Media	—	—	161,538	162	170
TAC LifePort Holdings, LLC ^{(7),(8)}	—	Aerospace and Defense	—	—	488,372	488	689
Tower Arch Infolinks Media, LP (Infolinks Media Buyco, LLC) ⁽⁸⁾	—	Media	—	—	217,991	209	433
Tower Arch Infolinks Media, LP (Infolinks Media Buyco, LLC) ^{(8),(9)}	—	Media	—	—	147,616	—	—
TPC Holding Company, LP ^{(5),(7),(8),(10)}	—	Food Products	—	—	21,527	21	—
TWD Parent Holdings, LLC (The Vertex Companies, LLC) ⁽⁷⁾	—	Construction & Engineering	—	—	749	1	3
UniTek Global Services, Inc. ⁽⁷⁾	—	Telecommunications	—	—	213,739	—	—
UniTek Global Services, Inc. (Warrants) ⁽⁷⁾	—	Telecommunications	—	—	23,889	—	—
UniVista Insurance ^{(7),(8)}	—	Insurance	—	—	400	378	406
WCP IvyRehab QP CF Feeder, LP ⁽⁸⁾	—	Healthcare Providers and Services	—	—	3,762,257	3,696	3,620
WCP IvyRehab QP CF Feeder, LP ^{(8),(9)}	—	Healthcare Providers and Services	—	—	237,743	—	(6)
Wildcat Parent, LP (Wildcat Buyerco, Inc.) ⁽⁷⁾	—	Electronic Equipment, Instruments, and Components	—	—	2,240	224	742
Total Common Equity/Warrants						60,620	93,514
Total Investments in Non-Controlled, Non-Affiliated Portfolio Companies						872,779	870,741
Investments in Controlled, Affiliated Portfolio Companies—54.6% ^{(3),(4)}							
First Lien Secured Debt—44.7%							
Marketplace Events, LLC - Super Priority First Lien Term Loan ⁽⁷⁾	09/30/2025	Media: Diversified and Production	9.90 % (PIK 5.25%)	3M L+525	3,582	3,582	3,582
Marketplace Events, LLC - Super Priority First Lien ^{(7),(9)}	09/30/2025	Media: Diversified and Production	—	—	3,261	—	—
Marketplace Events, LLC	09/30/2026	Media: Diversified and Production	9.90 %	3M L+525	26,771	19,851	26,771
PennantPark Senior Secured Loan Fund I LLC ^{(7),(9),(10)}	05/06/2024	Financial Services	12.24 %	3M L+800	199,369	199,369	199,369
Total First Lien Secured Debt						222,802	229,722
Equity Interests—9.9%							
New MPE Holdings, LLC (Marketplace Events, LLC) ^{(7),(8)}	—	Media: Diversified and Production	—	—	349	—	2,379
PennantPark Senior Secured Loan Fund I LLC ^{(7),(9),(10)}	—	Financial Services	—	—	85,444	85,444	48,295
Total Equity Interests						85,444	50,674
Total Investments in Controlled, Affiliated Portfolio Companies						308,246	280,396
Total Investments—224.2%						1,181,025	1,151,137
Cash and Cash Equivalents—10.3%							
BlackRock Federal FD Institutional 30						44,200	44,200
BNY Mellon Cash						8,744	8,735
Total Cash and Cash Equivalents						52,944	52,935
Total Investments and Cash Equivalents—234.5%						\$ 1,233,969	\$ 1,204,072
Liabilities in Excess of Other Assets—(134.5)%							(690,542)
Net Assets—100.0%							\$ 513,530

- (1) Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable London Interbank Offered Rate, or LIBOR or "L", Secured Overnight Financing Rate or "SOFR", or Prime rate, or "P." The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 60-day, 90-day or 180-day LIBOR rate (1M L, 2M L, 3M L, or 6M L, respectively), at the borrower's option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes payment-in-kind, or PIK, interest and other fee rates, if any.
- (2) Valued based on our accounting policy (See Note 2). The value of all securities was determined using significant unobservable inputs (See Note 5).
- (3) The provisions of the 1940 Act classify investments based on the level of control that we maintain in a particular portfolio company. As defined in the 1940 Act, a company is generally presumed to be "non-controlled" when we own 25% or less of the portfolio company's voting securities and "controlled" when we own more than 25% of the portfolio company's voting securities.
- (4) The provisions of the 1940 Act classify investments further based on the level of ownership that we maintain in a particular portfolio company. As defined in the 1940 Act, a company is generally deemed as "non-affiliated" when we own less than 5% of a portfolio company's voting securities and "affiliated" when we own 5% or more of a portfolio company's voting securities.
- (5) Non-U.S. company or principal place of business outside the United States.
- (6) Non-income producing securities.
- (7) The securities, or a portion thereof, are not 1) pledged as collateral under the Credit Facility and held through Funding I; or 2) securing the 2031 Asset-Backed Debt (See Note 10) and held through PennantPark CLO I, Ltd.
- (8) Investment is held through our Taxable Subsidiary (See Note 1).
- (9) Represents the purchase of a security with delayed settlement or a revolving line of credit that is currently an unfunded investment. This security does not earn a basis point spread above an index while it is unfunded.
- (10) The investment is treated as a non-qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of our total assets. As of December 31, 2022, qualifying assets represent 80% of our total assets and non-qualifying assets represent 20% of our total assets.
- (11) Par amount is denominated in Australian Dollars (AUD) as denoted.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2022
(in thousands, except share data)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par / Shares	Cost	Fair Value ⁽²⁾
Investments in Non-Controlled, Non-Affiliated Portfolio Companies—169.5% ^{(3),(4)}							
First Lien Secured Debt—149.7%							
Ad.net Acquisition, LLC	05/06/2026	Media	9.67 %	3M L+600	4,938	\$ 4,882	\$ 4,900
Ad.net Acquisition, LLC (Revolver) ^{(7),(9)}	05/06/2026	Media	—	—	1,244	—	(9)
Altamira Technologies, LLC	07/24/2025	IT Services	10.81 %	3M L+800	4,794	4,756	4,626
Altamira Technologies, LLC (Revolver) ⁽⁷⁾	07/24/2025	IT Services	11.67 %	3M L+800	575	575	555
Altamira Technologies, LLC (Revolver) ^{(7),(9)}	07/24/2025	IT Services	—	—	1,581	—	(55)
American Insulated Glass, LLC	12/21/2023	Building Products	7.79 % ⁽⁶⁾	3M L+550	7,601	7,559	7,601
American Teleconferencing Services, Ltd. ⁽⁷⁾	06/08/2023	Telecommunications	0.00% ⁽⁶⁾	—	7,986	7,915	90
American Teleconferencing Services, Ltd. (Revolver) ⁽⁷⁾	12/08/2022	Telecommunications	0.00% ⁽⁶⁾	—	1,656	1,642	17
Amsive Holding Corporation (f/k/a Vision Purchaser Corporation)	06/10/2025	Media	9.85 %	3M L+625	14,104	13,951	13,892
Anteriad, LLC (f/k/a MeritDirect, LLC)	05/23/2024	Media	9.17 %	3M L+550	14,568	14,486	14,568
Anteriad, LLC (f/k/a MeritDirect, LLC) (Revolver) ^{(7),(9)}	05/23/2024	Media	—	—	2,869	—	—
Any Hour Services	07/21/2027	Energy Equipment and Services	7.43 %	3M L+525	10,536	10,432	10,326
Any Hour Services (Revolver) ^{(7),(9)}	07/21/2027	Energy Equipment and Services	—	—	1,147	—	(23)
Apex Service Partners, LLC	07/31/2025	Diversified Consumer Services	6.72 %	1M L+525	6,208	6,166	6,177
Apex Service Partners, LLC Term Loan B	07/31/2025	Diversified Consumer Services	9.67 %	1M L+550	296	296	295
Apex Service Partners, LLC Term Loan C	07/31/2025	Diversified Consumer Services	7.75 %	1M L+525	12,906	12,814	12,841
Apex Service Partners, LLC (Revolver) ^{(7),(9)}	07/31/2025	Diversified Consumer Services	—	—	1,845	—	(9)
API Holding III Corp.	05/11/2026	Electronic Equipment, Instruments, and Components	7.92 %	1M L+425	5,805	5,785	5,050
Applied Technical Services, LLC	12/29/2026	Commercial Services & Supplies	9.42 %	3M L+575	7,147	7,040	6,968
Applied Technical Services, LLC (Unfunded Term Loan)	04/21/2023	Commercial Services & Supplies	—	—	2,298	—	(32)
Applied Technical Services, LLC (Revolver) ⁽⁷⁾	12/29/2026	Commercial Services & Supplies	10.25 %	3M L+475	255	255	248
Applied Technical Services, LLC (Revolver) ^{(7),(9)}	12/29/2026	Commercial Services & Supplies	—	—	1,018	—	(25)
Arctfield Acquisition Corp. (Revolver) ⁽⁹⁾	03/07/2028	Aerospace and Defense	—	—	887	—	(18)
Beta Plus Technologies, Inc.	07/01/2029	Internet Software and Services	7.76 %	1M L+525	5,000	4,901	4,900
Blackhawk Industrial Distribution, Inc.	09/17/2024	Distributors	8.33 %	3M L+500	25	25	25
Blackhawk Industrial Distribution, Inc. ^{(7),(9)}	09/17/2024	Distributors	—	—	3,232	—	(40)
Blackhawk Industrial Distribution, Inc. (Revolver) ⁽⁷⁾	09/17/2024	Distributors	8.87 %	3M L+500	549	549	533
Blackhawk Industrial Distribution, Inc. ⁽⁹⁾	09/17/2024	Distributors	—	—	2,195	—	(62)
Broder Bros., Co.	12/02/2022	Textiles, Apparel and Luxury Goods	7.39 %	3M L+600	3,405	3,405	3,405
By Light Professional IT Services, LLC	05/16/2024	High Tech Industries	9.26 %	3M L+625	27,533	27,331	27,257
By Light Professional IT Services, LLC (Revolver)	05/16/2024	High Tech Industries	9.75 %	3M L+663	877	877	868
By Light Professional IT Services, LLC (Revolver) ⁽⁹⁾	05/16/2024	High Tech Industries	—	—	3,189	—	(32)
Cadence Aerospace, LLC ⁽⁷⁾	11/14/2023	Aerospace and Defense	11.31 %	3M L+850	3,033	3,024	3,003
			(PIK 9.50%)				
Cartessa Aesthetics, LLC	05/13/2028	Distributors	9.55 %	1M L+600	16,459	16,143	16,212
Cartessa Aesthetics, LLC (Revolver) ⁽⁷⁾	05/13/2028	Distributors	9.55 %	1M L+600	511	511	503
Cartessa Aesthetics, LLC (Revolver) ^{(7),(9)}	05/13/2028	Distributors	—	—	927	—	(14)
CF512, Inc.	08/20/2026	Media	9.28 %	3M L+600	8,098	7,988	7,976
CF512, Inc. ^{(7),(9)}	08/20/2026	Media	—	—	191	—	(1)
CF512, Inc. (Revolver) ^{(7),(9)}	08/20/2026	Media	—	—	955	—	(14)
CHA Holdings, Inc.	04/10/2025	Environmental Industries	8.17 %	3M L+450	1,581	1,577	1,581
Challenger Performance Optimization, Inc. (Revolver) ^{(7),(9)}	08/31/2023	Business Services	9.27 %	1M L+675	357	357	346
Challenger Performance Optimization, Inc. (Revolver) ^{(7),(9)}	08/31/2023	Business Services	—	—	356	—	(11)
Compex Legal Services, Inc.	02/09/2026	Professional Services	8.83 %	3M L+525	8,038	8,010	8,038
Compex Legal Services, Inc. (Revolver) ⁽⁷⁾	02/07/2025	Professional Services	8.92 %	3M L+525	773	773	773
Compex Legal Services, Inc. (Revolver) ^{(7),(9)}	02/07/2025	Professional Services	—	—	633	—	—
Connatix Buyer, Inc.	07/13/2027	Media	8.42 %	3M L+550	3,907	3,841	3,810
Connatix Buyer, Inc. ^{(7),(9)}	01/13/2023	Media	—	—	2,105	—	(32)
Connatix Buyer, Inc. ^{(7),(9)}	07/13/2027	Media	—	—	1,234	—	(30)
Crane 1 Services, Inc.	08/16/2027	Commercial Services & Supplies	9.39 %	3M L+575	891	885	882
Crane 1 Services, Inc. (Revolver) ⁽⁷⁾	08/16/2027	Commercial Services & Supplies	8.87 %	3M L+575	224	224	222
Crane 1 Services, Inc. (Revolver) ⁽⁷⁾	08/16/2027	Commercial Services & Supplies	—	—	112	—	(1)
Douglas Products and Packaging Company LLC	10/19/2022	Chemicals, Plastics and Rubber	8.87 %	3M L+575	6,477	6,476	6,477
Douglas Products and Packaging Company LLC (Revolver)	10/19/2022	Chemicals, Plastics and Rubber	11.00 %	P+475	2,627	2,627	2,627
Douglas Products and Packaging Company LLC (Revolver) ⁽⁹⁾	10/19/2022	Chemicals, Plastics and Rubber	—	—	3,425	—	—
Douglas Sewer Intermediate, LLC	10/19/2022	Chemicals, Plastics and Rubber	8.87 %	3M L+575	3,920	3,920	3,920
Dr. Squatch, LLC	08/31/2027	Personal Products	9.42 %	3M L+600	4,428	4,356	4,362
Dr. Squatch, LLC (Revolver) ⁽⁷⁾	08/31/2027	Personal Products	8.95 %	3M L+600	1,118	1,118	1,101
Dr. Squatch, LLC (Revolver) ^{(7),(9)}	08/31/2027	Personal Products	—	—	2,236	—	(34)
DRS Holdings III, Inc.	11/03/2025	Personal Products	8.87 %	3M L+575	17,111	16,993	16,564
DRS Holdings III, Inc. (Revolver) ^{(7),(9)}	11/03/2025	Personal Products	—	—	1,426	—	(46)
Duraco Specialty Tapes LLC	06/30/2024	Containers and Packaging	8.62 %	3M L+550	3,247	3,208	3,169
ECL Entertainment, LLC	05/01/2028	Hotels, Restaurants and Leisure	10.62 %	1M L+750	5,203	5,158	5,125
ECM Industries, LLC (Revolver)	12/23/2025	Electronic Equipment, Instruments, and Components	8.00 %	1M L+475	514	514	490
ECM Industries, LLC (Revolver) ⁽⁹⁾	12/23/2025	Electronic Equipment, Instruments, and Components	—	—	400	—	(19)
eCommission Financial Services, Inc. ⁽¹⁰⁾	10/05/2023	Banking, Finance, Insurance & Real Estate	7.63 %	1M L+500	5,837	5,837	5,837
eCommission Financial Services, Inc. (Revolver) ^{(7),(10)}	10/05/2023	Banking, Finance, Insurance & Real Estate	7.63 %	1M L+500	2,500	2,500	2,500
eCommission Financial Services, Inc. (Revolver) ^{(7),(9),(10)}	10/05/2023	Banking, Finance, Insurance & Real Estate	—	—	2,500	—	—
Efficient Collaborative Retail Marketing Company, LLC	06/15/2024	Media: Diversified and Production	10.42 %	3M L+675	7,150	7,123	6,936
Exigo Intermediate II, LLC ⁽⁹⁾	03/15/2024	Software	—	—	2,758	—	(41)
Exigo Intermediate II, LLC (Revolver)	03/15/2027	Software	8.87 %	3M L+575	138	138	135
Exigo Intermediate II, LLC (Revolver) ⁽⁹⁾	03/15/2027	Software	—	—	552	—	(12)
Findex Group Limited ⁽⁵⁾⁽¹⁰⁾⁽¹¹⁾	05/31/2024	Diversified Financial Services	7.17 %	3M L+450	AUD 10,000	7,399	6,430
Gantech Acquisition Corp.	05/14/2026	IT Services	9.37 %	1M L+625	21,982	21,632	21,322
Gantech Acquisition Corp. (Revolver) ⁽⁷⁾	05/14/2026	IT Services	9.37 %	1M L+625	249	249	241
Gantech Acquisition Corp. (Revolver) ^{(7),(9)}	05/14/2026	IT Services	—	—	3,484	—	(105)
Global Holdings InterCo LLC	03/16/2026	Diversified Financial Services	8.74 %	3M L+600	3,427	3,388	3,273

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PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS—(Continued)
SEPTEMBER 30, 2022
(in thousands, except share data)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par / Shares	Cost	Fair Value ⁽²⁾
Graffiti Buyer, Inc. ^{(7),(9)}	08/10/2023	Trading Companies & Distributors	—	—	1,071	\$ —	\$ (24)
Graffiti Buyer, Inc. (Revolver) ⁽⁷⁾	08/10/2027	Trading Companies & Distributors	8.92 %	3M L+575	418	418	401
Graffiti Buyer, Inc. (Revolver) ^{(7),(9)}	08/10/2027	Trading Companies & Distributors	—	—	447	—	(18)
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	8.67 %	3M L+500	4,441	4,378	4,374
Hancock Roofing and Construction L.L.C. ^{(7),(9)}	12/31/2022	Insurance	—	—	400	—	(6)
Hancock Roofing and Construction L.L.C. (Revolver) ⁽⁷⁾	12/31/2026	Insurance	7.82 %	3M L+500	270	270	266
Hancock Roofing and Construction L.L.C. (Revolver) ^{(7),(9)}	12/31/2026	Insurance	—	—	480	—	(7)
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	10.17 %	3M L+600	4,963	4,872	4,863
Holdco Sands Intermediate, LLC (Revolver) ⁽⁹⁾	11/23/2027	Aerospace and Defense	—	—	1,791	—	(36)
HW Holdco, LLC	12/10/2024	Media	6.00 %	1M L+500	8,457	8,416	8,352
HW Holdco, LLC ⁽⁹⁾	12/10/2024	Media	—	—	1,686	—	(4)
HW Holdco, LLC (Revolver) ^{(7),(9)}	12/10/2024	Media	—	—	1,452	—	(18)
IDC Infusion Services, Inc.	12/30/2026	Healthcare Equipment and Supplies	10.44 %	3M L+700	5,723	5,616	5,506
IDC Infusion Services, Inc. (Revolver) ⁽⁹⁾	12/30/2026	Healthcare Equipment and Supplies	—	—	4,167	—	(188)
IG Investments Holdings, LLC ⁽⁷⁾	09/22/2028	Professional Services	9.45 %	3M L+600	4,473	4,390	4,429
IG Investments Holdings, LLC (Revolver) ^{(7),(9)}	09/22/2027	Professional Services	—	—	477	—	(5)
Imagine Acquisitionco, LLC	11/15/2027	Software	8.42 %	3M L+550	3,979	3,909	3,879
Imagine Acquisitionco, LLC ⁽⁹⁾	11/15/2027	Software	—	—	1,657	—	(25)
Imagine Acquisitionco, LLC (Revolver) ⁽⁹⁾	11/15/2027	Software	—	—	1,193	—	(30)
Inception Fertility Ventures, LLC	12/07/2023	Healthcare Providers and Services	10.13 %	3M L+715	14,954	14,711	14,804
Infolinks Media Buyco, LLC	11/01/2026	Media	9.42 %	3M L+575	2,625	2,581	2,625
Infolinks Media Buyco, LLC ⁽⁹⁾	11/01/2023	Media	—	—	969	—	10
Integrative Nutrition, LLC	09/29/2023	Consumer Services	8.42 %	3M L+450	15,636	15,600	15,323
Integrative Nutrition, LLC (Revolver) ^{(7),(9)}	09/29/2023	Consumer Services	—	—	5,000	—	—
Integrity Marketing Acquisition, LLC ⁽⁷⁾	08/27/2025	Insurance	7.58 %	SOFR+550	15,825	15,697	15,667
ITI Holdings, Inc. (Revolver)	03/03/2028	IT Services	8.25 %	3M L+550	133	133	130
ITI Holdings, Inc. (Revolver) ⁽⁹⁾	03/03/2028	IT Services	—	—	532	—	(11)
K2 Pure Solutions NoCal, L.P. (Revolver) ^{(7),(9)}	12/20/2023	Chemicals, Plastics and Rubber	—	—	1,429	—	—
Kinetic Purchaser, LLC	11/10/2027	Personal Products	9.67 %	3M L+600	17,428	17,120	17,079
Kinetic Purchaser, LLC - (Revolver) ⁽⁹⁾	11/10/2026	Personal Products	9.67 %	3M L+600	3,435	3,435	3,366
Lash OpCo, LLC	02/18/2027	Personal Products	11.17 %	1M L+700	10,511	10,323	10,300
Lash OpCo, LLC (Revolver) ⁽⁷⁾	08/16/2026	Personal Products	9.38 %	1M L+700	599	599	587
Lash OpCo, LLC (Revolver) ^{(7),(9)}	08/16/2026	Personal Products	—	—	1,321	—	(26)
LAV Gear Holdings, Inc.	10/31/2024	Capital Equipment	9.95 %	1M L+750	9,565	9,542	9,345
LAV Gear Holdings, Inc. (Revolver) ⁽⁷⁾	10/31/2024	Capital Equipment	9.95 %	1M L+750	1,721	1,721	1,681
Ledge Lounger, Inc.	11/09/2026	Leisure Products	9.92 %	3M L+625	3,747	3,683	3,691
Ledge Lounger, Inc. (Revolver) ⁽⁹⁾	11/09/2026	Leisure Products	—	—	789	—	(12)
Lightspeed Buyer Inc.	02/03/2026	Healthcare Technology	8.87 %	1M L+575	24,357	24,065	23,566
Lightspeed Buyer Inc. (Revolver) ⁽⁷⁾	02/03/2026	Healthcare Technology	8.87 %	1M L+575	1,083	1,083	1,048
Lightspeed Buyer Inc. (Revolver) ^{(7),(9)}	02/03/2026	Healthcare Technology	—	—	1,416	—	(46)
Lucky Bucks, LLC	07/20/2027	Hotels, Restaurants and Leisure	8.31 %	3M L+550	4,331	4,258	3,183
MAG DS Corp.	04/01/2027	Aerospace and Defense	9.17 %	1M L+550	3,714	3,576	3,379
Mars Acquisition Holdings Corp.	05/14/2026	Media	8.62 %	3M L+550	6,052	5,958	6,022
Mars Acquisition Holdings Corp. (Revolver) ^{(7),(9)}	05/14/2026	Media	—	—	1,624	—	(8)
MBS Holdings, Inc. (Revolver) ^{(7),(9)}	04/16/2027	Internet Software and Services	—	—	1,157	—	(12)
MDI Buyer, Inc. - Unfunded Term Loan	07/25/2028	Commodity Chemicals	—	—	1,804	—	(18)
MDI Buyer, Inc. (Revolver) ⁽⁹⁾	07/25/2028	Commodity Chemicals	—	—	773	—	(8)
Meadowlark Acquirer, LLC	12/10/2027	Professional Services	9.17 %	3M L+550	1,319	1,306	1,305
Meadowlark Acquirer, LLC - Term Loan I ⁽⁹⁾	12/10/2027	Professional Services	—	—	1,782	—	—
Meadowlark Acquirer, LLC - Term Loan II ⁽⁹⁾	12/10/2027	Professional Services	—	—	9,483	—	—
Meadowlark Acquirer, LLC (Revolver) ⁽⁹⁾	12/10/2027	Professional Services	—	—	1,693	—	(17)
Mission Critical Electronics, Inc.	03/28/2024	Capital Equipment	8.03 %	SOFR +500	3,430	3,395	3,389
Mission Critical Electronics, Inc. ⁽⁹⁾	03/28/2024	Capital Equipment	—	—	883	—	(7)
Mission Critical Electronics, Inc. (Revolver) ⁽⁷⁾	03/28/2024	Capital Equipment	6.67 %	1M L+500	557	557	550
Mission Critical Electronics, Inc. (Revolver) ^{(7),(9)}	03/28/2024	Capital Equipment	—	—	769	—	(9)
Municipal Emergency Services, Inc. ⁽⁷⁾	09/28/2027	Distributors	8.67 %	3M L+500	354	351	334
Municipal Emergency Services, Inc. ^{(7),(9)}	09/28/2027	Distributors	—	—	592	—	(29)
Municipal Emergency Services, Inc. (Revolver) ⁽⁷⁾	09/28/2027	Distributors	8.67 %	3M L+500	142	142	134
Municipal Emergency Services, Inc. (Revolver) ^{(7),(9)}	09/28/2027	Distributors	—	—	805	—	(47)
NBH Group LLC (Revolver) ^{(7),(9)}	08/19/2026	Healthcare Equipment and Supplies	—	—	1,677	—	—
OIS Management Services, LLC	07/09/2026	Healthcare Equipment and Supplies	9.45 %	SOFR + 575	1,975	1,951	1,975
OIS Management Services, LLC (Revolver) ^{(7),(9)}	07/09/2026	Healthcare Equipment and Supplies	—	—	444	—	—
One Stop Mailing, LLC	05/07/2027	Air Freight and Logistics	9.37 %	3M L+625	8,759	8,612	8,496
ORL Acquisition, Inc. ⁽⁷⁾	09/03/2027	Consumer Finance	8.92 %	3M L+525	7,195	7,069	7,195
ORL Acquisition, Inc. (Revolver) ^{(7),(9)}	09/03/2027	Consumer Finance	—	—	861	—	—
Output Services Group, Inc.	03/27/2024	Business Services	9.80 %	1M L+675	4,874	4,592	3,704
Owl Acquisition, LLC	02/04/2028	Professional Services	8.41 %	3M L+575	3,990	3,874	3,890
Ox Two, LLC	05/18/2026	Construction and Building	9.81 %	1M L+700	25,772	25,440	25,257
Ox Two, LLC (Revolver) ⁽⁷⁾	05/18/2026	Construction and Building	9.81 %	1M L+700	2,484	2,484	2,434
Ox Two, LLC (Revolver) ⁽⁹⁾	05/18/2026	Construction and Building	—	—	903	—	(18)
PL Acquisitionco, LLC	11/09/2027	Textiles, Apparel and Luxury Goods	9.62 %	3M L+650	6,110	6,015	5,958
PL Acquisitionco, LLC - (Revolver) ⁽⁹⁾	11/09/2027	Textiles, Apparel and Luxury Goods	—	—	2,290	—	(57)
Plant Health Intermediate, Inc.	10/19/2022	Chemicals, Plastics and Rubber	8.87 %	3M L+575	637	637	637
PlayPower, Inc.	05/08/2026	Leisure Products	9.17 %	1M L+550	3,440	3,419	3,078

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PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS—(Continued)
SEPTEMBER 30, 2022
(in thousands, except share data)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par / Shares	Cost	Fair Value ⁽²⁾
PRA Events, Inc.	08/07/2025	Business Services	14.17 % (PIK 10.50%)	1M L+1,050	3,323	\$ 2,903	\$ 3,323
Pragmatic Institute, LLC - Unfunded Term Loan	07/06/2028	Professional Services	—	—	2,290	—	—
Pragmatic Institute, LLC (Revolver)	07/06/2028	Professional Services	9.30 %	3M L+575	305	305	302
Pragmatic Institute, LLC (Revolver) ⁽⁹⁾	07/06/2028	Professional Services	—	—	1,221	—	(12)
Quantic Electronics, LLC	11/19/2026	Electronic Equipment, Instruments, and Components	9.92 %	1M L+600	4,706	4,632	4,612
Quantic Electronics, LLC (Revolver) ⁽⁷⁾	11/19/2026	Electronic Equipment, Instruments, and Components	9.51 %	1M L+600	268	268	263
Quantic Electronics, LLC (Revolver) ^{(7),(9)}	11/19/2026	Electronic Equipment, Instruments, and Components	—	—	402	—	(8)
Questex, LLC	09/09/2024	Media: Diversified and Production	7.45 %	3M L+500	7,200	7,146	7,056
Questex, LLC (Revolver) ^{(7),(9)}	09/09/2024	Media: Diversified and Production	—	—	1,197	—	(24)
Rancho Health MSO, Inc. ⁽⁷⁾	12/18/2025	Healthcare Equipment and Supplies	7.75 %	3M L+550	1,040	1,040	1,040
Rancho Health MSO, Inc. (Revolver) ^{(7),(9)}	12/18/2025	Healthcare Equipment and Supplies	—	—	525	—	—
Recteq, LLC	01/29/2026	Leisure Products	9.92 %	3M L+600	1,478	1,457	1,426
Recteq, LLC (Revolver) ⁽⁷⁾	01/29/2026	Leisure Products	9.92 %	3M L+600	360	360	347
Recteq, LLC (Revolver) ^{(7),(9)}	01/29/2026	Leisure Products	—	—	936	—	(33)
Research Now Group, Inc. and Dynata, LLC	12/20/2024	Business Services	8.84 %	3M L+550	17,142	16,985	15,406
Riverpoint Medical, LLC	06/20/2025	Healthcare Equipment and Supplies	8.65 %	3M L+575	7,980	7,924	7,781
Riverpoint Medical, LLC (Revolver) ^{(7),(9)}	06/20/2025	Healthcare Equipment and Supplies	—	—	909	—	(23)
Riverside Assessments, LLC	03/10/2025	Professional Services	9.95 %	3M L+625	15,356	15,201	15,049
Sales Benchmark Index LLC	01/03/2025	Professional Services	9.67 %	3M L+600	7,105	7,034	7,034
Sales Benchmark Index LLC (Revolver) ^{(7),(9)}	01/03/2025	Professional Services	—	—	1,293	—	(13)
Sargent & Greenleaf Inc.	12/20/2024	Electronic Equipment, Instruments, and Components	8.62 %	1M L+550	3,487	3,462	3,452
Sargent & Greenleaf Inc. (Revolver)	12/20/2024	Electronic Equipment, Instruments, and Components	8.28 %	1M L+550	1,048	1,048	1,037
Sargent & Greenleaf Inc. (Revolver) ⁽⁹⁾	12/20/2024	Electronic Equipment, Instruments, and Components	—	—	9	—	—
Schlesinger Global, Inc.	07/14/2025	Professional Services	—	SOFR + 700	14,560	14,467	14,196
Schlesinger Global, Inc. (Revolver)	07/14/2025	Professional Services	10.14 %	1M L+600	1,487	1,487	1,450
Schlesinger Global, Inc. (Revolver) ^{(7),(9)}	07/14/2025	Professional Services	—	—	385	—	(10)
Seaway Buyer, LLC	06/13/2029	Chemicals, Plastics and Rubber	9.41 %	3M L+575	6,940	6,836	6,836
Sigma Defense Systems, LLC	12/18/2025	IT Services	12.17 %	3M L+850	10,969	10,742	10,750
Sigma Defense Systems, LLC (Revolver) ⁽⁷⁾	12/18/2025	IT Services	12.17 %	3M L+850	996	996	976
Sigma Defense Systems, LLC (Revolver) ^{(7),(9)}	12/18/2025	IT Services	—	—	1,625	—	(32)
Signature Systems Holding Company	05/03/2024	Commercial Services & Supplies	10.17 %	1M L+650	10,358	10,301	10,280
Signature Systems Holding Company (Revolver) ⁽⁹⁾	05/03/2024	Commercial Services & Supplies	—	—	1,747	—	(13)
Smile Brands Inc.	10/14/2025	Healthcare and Pharmaceuticals	7.42 %	1M L+450	2,462	2,462	2,370
Smile Brands Inc. (Revolver) ^{(7),(9)}	10/14/2025	Healthcare and Pharmaceuticals	—	—	1,508	—	(57)
Smile Brands Inc. LC (Revolver) ^{(7),(9)}	10/14/2025	Healthcare and Pharmaceuticals	—	—	108	—	(4)
Solutionreach, Inc.	01/17/2024	Healthcare Technology	8.87 %	3M L+575	5,740	5,705	5,602
Solutionreach, Inc. (Revolver) ^{(7),(9)}	01/17/2024	Healthcare Technology	—	—	1,665	—	(40)
Spear Education, LLC	02/26/2025	Professional Services	9.42 %	3M L+575	14,747	14,642	14,747
Spendmend Holdings LLC	03/01/2028	Healthcare Technology	—	SOFR + 575	3,216	3,179	3,126
Spendmend Holdings LLC ⁽⁹⁾	03/01/2023	Healthcare Technology	—	—	1,771	—	(36)
Spendmend Holdings LLC (Revolver)	03/01/2028	Healthcare Technology	8.63 %	3M L+575	119	119	116
Spendmend Holdings LLC (Revolver) ⁽⁹⁾	03/01/2028	Healthcare Technology	—	—	772	—	(22)
STV Group Incorporated	12/11/2026	Construction & Engineering	8.37 %	1M L+525	4,752	4,718	4,704
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	08/16/2027	Aerospace and Defense	8.73 %	SOFR+600	18,560	18,237	18,263
System Planning and Analysis, Inc. (Revolver) (f/k/a Management Consulting & Research, LLC)	08/16/2027	Aerospace and Defense	—	—	5,188	—	(83)
Teneo Holdings LLC	07/18/2025	Diversified Financial Services	8.38 %	1M L+525	5,793	5,718	5,455
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	9.55 %	3M L+600	4,921	4,868	4,872
The Bluebird Group LLC	07/27/2026	Professional Services	10.67 %	3M L+700	6,265	6,162	6,328
The Bluebird Group LLC (Revolver) ^{(7),(9)}	07/27/2026	Professional Services	—	—	862	—	9
The Infsoft Group, LLC	09/16/2024	Media: Broadcasting and Subscription	8.51 %	3M L+575	15,229	15,120	15,115
The Vertex Companies, LLC ⁽⁷⁾	08/30/2027	Construction & Engineering	8.18 %	1M L+550	2,159	2,122	2,148
The Vertex Companies, LLC ^{(7),(9)}	08/30/2027	Construction & Engineering	—	—	573	—	3
The Vertex Companies, LLC (Revolver)	08/30/2027	Construction & Engineering	8.26 %	1M L+550	182	182	181
The Vertex Companies, LLC (Revolver) ^{(7),(9)}	08/30/2027	Construction & Engineering	—	—	729	—	(4)
TPC Canada Parent, Inc. and TPC US Parent, LLC ^{(5),(10)}	11/24/2025	Food Products	7.78 %	3M L+550	4,863	4,834	4,717
TVC Enterprises, LLC	03/26/2026	Commercial Services & Supplies	8.87 %	1M L+600	24,721	24,378	24,103
TVC Enterprises, LLC (Revolver) ^{(7),(9)}	03/26/2026	Commercial Services & Supplies	—	—	661	—	(17)
TWS Acquisition Corporation	06/16/2025	Diversified Consumer Services	8.76 %	1M L+625	5,468	5,398	5,441
TWS Acquisition Corporation (Revolver) ^{(7),(9)}	06/16/2025	Diversified Consumer Services	—	—	2,628	—	(13)
Tyto Athene, LLC	04/01/2028	IT Services	7.76 %	1M L+550	12,644	12,487	11,746
Tyto Athene, LLC (Revolver) ^{(7),(9)}	04/01/2026	IT Services	—	—	1,040	—	(74)
UBEO, LLC	04/03/2024	Capital Equipment	7.60 %	3M L+450	17,926	17,860	17,657
UBEO, LLC (Revolver)	04/03/2024	Capital Equipment	9.00 %	3M L+275	587	587	578
UBEO, LLC (Revolver) ⁽⁹⁾	04/03/2024	Capital Equipment	—	—	2,347	—	(35)
Unique Indoor Comfort, LLC	05/24/2027	Diversified Consumer Services	—	3M L + 525	9,217	9,126	9,014
Unique Indoor Comfort, LLC Term Loan ⁽⁷⁾	05/24/2027	Diversified Consumer Services	—	—	10,760	—	(129)
Unique Indoor Comfort, LLC (Revolver) ^{(7),(9)}	05/24/2027	Diversified Consumer Services	—	—	2,000	—	(44)
Walker Edison Furniture Company LLC	03/31/2027	Wholesale	12.42 %	1M L+875	12,684	12,434	8,474
Wildcat Buyerco, Inc.	02/27/2026	Electronic Equipment, Instruments, and Components	9.38 %	3M L+575	9,853	9,717	9,532
Wildcat Buyerco, Inc. (Revolver) ⁽⁹⁾	02/27/2026	Electronic Equipment, Instruments, and Components	—	—	534	—	(34)
Zips Car Wash, LLC	03/01/2024	Automobiles	10.30 %	3M L+725	13,428	13,284	13,092
Total First Lien Secured Debt						815,742	789,107
Second Lien Secured Debt—0%							
Mailsouth Inc. ⁽⁷⁾	04/23/2025	Media: Advertising, Printing and Publishing	0.00 % ⁽⁶⁾ (PIK 15.00%)	—	1,001	965	-
QuantiTech LLC	02/04/2027	Aerospace and Defense	12.68 %	3M L+1,000	150	148	147
Total Second Lien Secured Debt						1,113	147

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(in thousands, except share data)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par / Shares	Cost	Fair Value ⁽²⁾
Preferred Equity—1.6% ⁽⁶⁾							
Ad.net Holdings, Inc. ^{(7),(8)}	—	Media	—	—	6,720	\$ 672	\$ 747
Imagine Topco, LP	—	Software	8.00 %	—	1,236,027	1,236	1,170
Mars Intermediate Holdings II, Inc. ⁽⁷⁾	—	Media	—	—	835	835	976
Anteradi Holdings, LP (f/k/a MeritDirect Holdings, LP) ^{(7),(8)}	—	Media	—	—	2,018	2,018	2,537
NXOF Holdings, Inc. (Tyto Athene, LLC) ⁽⁷⁾	—	IT Services	—	—	733	733	1,042
ORL Holdco, Inc. ⁽⁷⁾	—	Consumer Finance	—	—	1,327	133	144
Signature CR Intermediate Holdco, Inc. ⁽⁷⁾	—	Commercial Services & Supplies	12.00 %	—	1,323	1,323	1,674
TPC Holding Company, LP ^{(5),(7),(10)}	—	Food Products	—	—	409	409	116
TWD Parent Holdings, LLC (The Vertex Companies, LLC) ⁽⁷⁾	—	Construction & Engineering	—	—	37	37	40
UniTek Global Services, Inc. - Super Senior Preferred Equity ⁽⁷⁾	—	Telecommunications	20.00 %	—	343,861	344	—
UniTek Global Services, Inc. - Senior Preferred Equity ⁽⁷⁾	—	Telecommunications	19.00 %	—	448,851	449	—
UniTek Global Services, Inc. ⁽⁷⁾	—	Telecommunications	13.50 %	—	1,047,317	670	—
Total Preferred Equity						8,859	8,446
Common Equity/Warrants—18.1% ⁽⁶⁾							
Ad.net Holdings, Inc. ^{(7),(8)}	—	Media	—	—	7,467	75	98
Affinion Group Holdings, Inc. (Warrants) ⁽⁷⁾	04/10/2024	Consumer Goods: Durable	—	—	8,893	245	—
AG Investco LP ^{(7),(8)}	—	Software	—	—	805,164	805	1,127
AG Investco LP ^{(7),(8),(9)}	—	Software	—	—	194,836	—	—
Altamira Intermediate Company II, Inc. ⁽⁷⁾	—	IT Services	—	—	1,437,500	1,438	906
Anteradi Holdings, LP (f/k/a MeritDirect Holdings, LP) ^{(7),(8)}	—	Media	—	—	2,018	—	480
Athletico Holdings, LLC	—	Healthcare Providers and Services	—	—	4,678	5,000	4,758
Burgess Point Holdings, LP	—	Auto Components	—	—	100	100	101
By Light Investco LP ^{(7),(8)}	—	High Tech Industries	—	—	22,090	193	18,085
By Light Investco LP ^{(7),(8),(9)}	—	High Tech Industries	—	—	3,223	—	—
Cartessa Aesthetics, LLC	—	Distributors	—	—	1,437,500	1,438	1,499
CI (Allied) Investment Holdings, LLC (PRA Events, Inc.) ^{(7),(8)}	—	Business Services	—	—	120,962	1,243	1,651
Connatix Parent, LLC ⁽⁷⁾	—	Media	—	—	38,278	421	459
Crane I Acquisition Parent Holdings, L.P. ⁽⁷⁾	—	Commercial Services & Supplies	—	—	130	120	140
Delta InvestCo LP (Sigma Defense Systems, LLC) ^{(7),(8)}	—	IT Services	—	—	615,484	602	1,255
Delta InvestCo LP (Sigma Defense Systems, LLC) ^{(7),(8),(9)}	—	IT Services	—	—	389,386	—	—
ECM Investors, LLC ^{(7),(8)}	—	Electronic Equipment, Instruments, and Components	—	—	295,982	65	633
eCommission Holding Corporation ^{(7),(10)}	—	Banking, Finance, Insurance & Real Estate	—	—	20	251	348
Exigo, LLC	—	Software	—	—	541,667	542	478
Express Wash Topco, LLC	—	Automobiles	—	—	20,000	100	102
FedHC InvestCo LP ^{(7),(8)}	—	Aerospace and Defense	—	—	21,083	711	2,142
FedHC InvestCo LP ^{(7),(8),(9)}	—	Aerospace and Defense	—	—	9,488	—	—
Gauge InfosoftCoInvest, LLC (The Infosoft Group, LLC) ⁽⁷⁾	—	Media: Broadcasting and Subscription	—	—	500	144	2,471
Gauge Lash Coinvest LLC ⁽⁷⁾	—	Personal Products	—	—	1,485,953	227	7,030
Gauge Schlesinger Coinvest LLC ⁽⁷⁾	—	Professional Services	—	—	465	476	496
Gauge TVC Coinvest, LLC (TVC Enterprises, LLC) ⁽⁷⁾	—	Professional Services	—	—	391,144	—	1,558
GCOM InvestCo LP ^{(7),(8)}	—	IT Services	—	—	19,184	3,342	4,626
Go Dawgs Capital III, LP (American Insulated Glass, LLC) ^{(7),(8)}	—	Building Products	—	—	324,675	325	377
Hancock Claims Consultants Investors, LLC ^{(7),(8)}	—	Insurance	—	—	450,000	450	477
HIV Watterson Holdings, LLC	—	Professional Services	—	—	100,000	100	87
Icon Partners V C, L.P.	—	Internet Software and Services	—	—	1,851,852	1,852	1,989
Icon Partners V C, L.P. ^{(7),(9)}	—	Internet Software and Services	—	—	648,148	—	—
IIN Group Holdings, LLC (Integrative Nutrition, LLC) ^{(7),(8)}	—	Consumer Services	—	—	1,000	1,000	54
Imagine Topco, LP (Common)	—	Software	—	—	1,236,027	—	—
Ironclad Holdco, LLC (Applied Technical Services, LLC) ^{(7),(8)}	—	Commercial Services & Supplies	—	—	5,811	573	754
ITC Infusion Co-invest, LP	—	Healthcare Equipment and Supplies	—	—	81,313	813	857
ITC Rumba, LLC (Cano Health, LLC) ^{(7),(8)}	—	Healthcare and Pharmaceuticals	—	—	46,763	117	5,232
JWC-WE Holdings, L.P. (Walker Edison Furniture Company LLC) ^{(7),(8)}	—	Wholesale	—	—	1,948	568	—
Kinetic Purchaser, LLC	—	Personal Products	—	—	1,734,775	1,735	2,458
KL Stockton Co-Invest LP (Any Hour Services) ^{(7),(8)}	—	Energy Equipment and Services	—	—	382,353	382	643
Kentucky Racing Holdco, LLC (Warrants) ^{(7),(8)}	—	Hotels, Restaurants and Leisure	—	—	87,345	—	961
Lightspeed Investment Holdco LLC ⁽⁷⁾	—	Healthcare Technology	—	—	585,587	586	800
Mars Intermediate Holdings II, Inc. ⁽⁷⁾	—	Media	—	—	835	—	255
MDI Aggregator, LP	—	Commodity Chemicals	—	—	668,747	670	669
Meadowlark Title, LLC	—	Professional Services	—	—	819,231	819	901
MSpark, LLC	—	Media: Advertising, Printing and Publishing	—	—	3,988	1,288	—
Municipal Emergency Services, Inc. ⁽⁷⁾	—	Distributors	—	—	1,973,370	2,005	1,505
NEPRT Parent Holdings, LLC (Recteq, LLC) ^{(7),(8)}	—	Leisure Products	—	—	1,494	1,450	279
North Haven Saints Equity Holdings, LP	—	Healthcare Technology	—	—	223,602	224	237
NXOF Holdings, Inc. (Tyto Athene, LLC) ⁽⁷⁾	—	IT Services	—	—	14,960	15	310
OceanSound Discovery Equity, LP (Holdco Sands Intermediate, LLC) ^{(7),(8)}	—	Aerospace and Defense	—	—	173,638	1,729	2,917
OHCP V BC COI, L.P.	—	Distributors	—	—	743,750	744	636
OHCP V BC COI, L.P. ^{(8),(9)}	—	Distributors	—	—	506,250	—	(73)
Oral Surgery (ITC) Holdings, LLC ^{(7),(8)}	—	Healthcare Equipment and Supplies	—	—	3,872	83	231
ORL Holdco, Inc. ⁽⁷⁾	—	Consumer Finance	—	—	1,474	15	261
PennantPark-TSO Senior Loan Fund, LP ⁽⁷⁾	—	Financial Services	—	—	11,167,847	11,168	9,892
Pink Lily Holdco, LLC (PL Acquisitions, LLC)	—	Textiles, Apparel and Luxury Goods	—	—	1,735	1,735	914

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS—(Continued)
SEPTEMBER 30, 2022
(in thousands, except share data)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par / Shares	Cost	Fair Value ⁽²⁾
Pragmatic Institute, LLC (—	Professional Services	—	—	610,583	\$ 611	\$ 611
QuantiTech InvestCo LP ^{(7),(8)}	—	Aerospace and Defense	—	—	712	68	352
QuantiTech InvestCo LP ^{(7),(8),(9)}	—	Aerospace and Defense	—	—	955	—	—
QuantiTech InvestCo II LP ^{(7),(8)}	—	Aerospace and Defense	—	—	40	25	24
RFMG Parent, LP (Rancho Health MSO, Inc.) ⁽⁷⁾	—	Healthcare Equipment and Supplies	—	—	1,050,000	1,050	1,091
SBI Holdings Investments LLC (Sales Benchmark Index LLC) ^{(7),(8)}	—	Professional Services	—	—	64,634	646	634
Seaway Topco, LP	—	Chemicals, Plastics and Rubber	—	—	296	296	296
Signature CR Intermediate Holdco, Inc. ⁽⁷⁾	—	Commercial Services & Supplies	—	—	70	70	—
SP L2 Holdings, LLC (Ledge Lounger, Inc.)	—	Leisure Products	—	—	360,103	360	373
SSC Dominion Holdings, LLC	—	Capital Equipment	—	—	500	500	680
Class A (US Dominion, Inc.) ⁽⁷⁾	—						
SSC Dominion Holdings, LLC	—	Capital Equipment	—	—	500	—	1,463
Class B (US Dominion, Inc.) ⁽⁷⁾	—						
StellPen Holdings, LLC (CF512, Inc.) ⁽⁷⁾	—	Media	—	—	161,538	162	160
TAC LifePort Holdings, LLC ^{(7),(8)}	—	Aerospace and Defense	—	—	488,372	488	621
Tower Arch Infolinks Media, LP (Infolinks Media Buyco, LLC)	—	Media	—	—	216,925	209	366
Tower Arch Infolinks Media, LP (Infolinks Media Buyco, LLC) ^{(8),(9)}	—	Media	—	—	148,681	—	—
TPC Holding Company, LP ^{(5),(7),(10)}	—	Food Products	—	—	21,527	22	—
TWD Parent Holdings, LLC (The Vertex Companies, LLC) ⁽⁷⁾	—	Construction & Engineering	—	—	749	1	—
UniTek Global Services, Inc. ⁽⁷⁾	—	Telecommunications	—	—	213,739	—	—
UniTek Global Services, Inc. (Warrants) ⁽⁷⁾	—	Telecommunications	—	—	23,889	—	—
UniVista Insurance ^{(7),(8)}	—	Insurance	—	—	400	378	454
WCP IvyRehab QP CF Feeder, LP	—	Healthcare Providers and Services	—	—	3,762,257	3,762	3,762
WCP IvyRehab QP CF Feeder, LP ⁽⁹⁾	—	Healthcare Providers and Services	—	—	237,743	—	—
Wildcat Parent, LP (Wildcat Buyerco, Inc.) ^{(7),(8)}	—	Electronic Equipment, Instruments, and Components	—	—	2,240	224	596
Total Common Equity/Warrants						56,856	95,549
Total Investments in Non-Controlled, Non-Affiliated Portfolio Companies						882,570	893,249
Investments in Controlled, Affiliated Portfolio Companies—51.4% ^{(3),(4)}							
First Lien Secured Debt—41.8%							
Marketplace Events, LLC - Super Priority First Lien Term Loan ⁽⁷⁾	09/30/2025	Media: Diversified and Production	8.19 %	3M L+525	3,582	3,582	3,582
			(PIK 5.25%)				
Marketplace Events, LLC - Super Priority First Lien ^{(7),(9)}	09/30/2025	Media: Diversified and Production	—	—	3,261	—	—
Marketplace Events, LLC	09/30/2026	Media: Diversified and Production	8.19 %	3M L+525	26,771	19,518	26,771
PennantPark Senior Secured Loan Fund I LLC ^{(7),(9),(10)}	05/06/2024	Financial Services	10.71 %	3M L+800	190,181	190,181	190,182
Total First Lien Secured Debt						213,281	220,535
Equity Interests—9.6%							
New MPE Holdings, LLC (Marketplace Events, LLC) ^{(7),(8)}	—	Media: Diversified and Production	—	—	349	—	1,036
PennantPark Senior Secured Loan Fund I LLC ^{(7),(9),(10)}	—	Financial Services	—	—	81,506	81,506	49,434
Total Equity Interests						81,506	50,470
Total Investments in Controlled, Affiliated Portfolio Companies						294,787	271,005
Total Investments—220.9%						1,177,357	1,164,254
Cash and Cash Equivalents—9.1%							
BlackRock Federal FD Institutional 30						38,209	38,209
BNY Mellon Cash						9,707	9,671
Total Cash and Cash Equivalents						47,916	47,880
Total Investments and Cash Equivalents—230.0%						\$ 1,225,273	\$ 1,212,134
Liabilities in Excess of Other Assets—(130.0)%							(685,042)
Net Assets—100.0%							\$ 527,092

- (1) Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable London Interbank Offered Rate, or LIBOR or "L", Secured Overnight Financing Rate or "SOFR", or Prime rate, or "P." The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 60-day, 90-day or 180-day LIBOR rate (1M L, 2M L, 3M L, or 6M L, respectively), at the borrower's option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes payment-in-kind, or PIK, interest and other fee rates, if any.
- (2) Valued based on our accounting policy (See Note 2). The value of all securities was determined using significant unobservable inputs (See Note 5).
- (3) The provisions of the 1940 Act classify investments based on the level of control that we maintain in a particular portfolio company. As defined in the 1940 Act, a company is generally presumed to be "non-controlled" when we own 25% or less of the portfolio company's voting securities and "controlled" when we own more than 25% of the portfolio company's voting securities.
- (4) The provisions of the 1940 Act classify investments further based on the level of ownership that we maintain in a particular portfolio company. As defined in the 1940 Act, a company is generally deemed as "non-affiliated" when we own less than 5% of a portfolio company's voting securities and "affiliated" when we own 5% or more of a portfolio company's voting securities.
- (5) Non-U.S. company or principal place of business outside the United States.
- (6) Non-income producing securities.
- (7) The securities, or a portion thereof, are not 1) pledged as collateral under the Credit Facility and held through Funding I; or 2) securing the 2031 Asset-Backed Debt (See Note 10) and held through PennantPark CLO I, Ltd.
- (8) Investment is held through our Taxable Subsidiary (See Note 1).
- (9) Represents the purchase of a security with delayed settlement or a revolving line of credit that is currently an unfunded investment. This security does not earn a basis point spread above an index while it is unfunded.
- (10) The investment is treated as a non-qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of our total assets. As of September 30, 2022, qualifying assets represent 81% of our total assets and non-qualifying assets represent 19% of our total assets.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022
(Unaudited)

1. ORGANIZATION

PennantPark Floating Rate Capital Ltd. was organized as a Maryland corporation in October 2010. We are a closed-end, externally managed, non-diversified investment company that has elected to be treated as a BDC under the 1940 Act. On April 14, 2022, listing and trading of the Company's common stock commenced on the New York Stock Exchange after the Company voluntarily withdrew the principal listing of its common stock from the Nasdaq Stock Market LLC effective at market close on April 13, 2022.

Our investment objectives are to generate both current income and capital appreciation while seeking to preserve capital. We seek to achieve our investment objective by investing primarily in floating rate loans, and other investments made to U.S. middle-market private companies whose debt is rated below investment grade. Floating rate loans pay interest at variable rates, which are determined periodically, on the basis of a floating base lending rate such as LIBOR, with or without a floor, plus a fixed spread. Under normal market conditions, we generally expect that at least 80% of the value of our managed assets will be invested in floating rate loans and other investments bearing a variable rate of interest, which may include, from time to time, variable rate derivative instruments. We generally expect that first lien secured debt will represent at least 65% of our overall portfolio. We generally expect to invest up to 35% of our overall portfolio opportunistically in other types of investments, including second lien secured debt, subordinated debt, and, to a lesser extent, equity investments.

We have entered into an investment management agreement, or the Investment Management Agreement, with the Investment Adviser, an external adviser that manages our day-to-day operations. We have also entered into an administration agreement, or the Administration Agreement, with the Administrator, which provides the administrative services necessary for us to operate.

Funding I, our wholly-owned subsidiary and a special purpose entity, was organized in Delaware as a limited liability company in May 2011. We formed Funding I in order to establish the Credit Facility. The Investment Adviser serves as the collateral manager to Funding I and has irrevocably directed that any management fee owed with respect to such services is to be paid to us so long as the Investment Adviser remains the collateral manager. This arrangement does not increase our consolidated management fee. The Credit Facility allows Funding I to borrow up to \$366 million (increased from \$300 million in September 2022) at SOFR (or an alternative risk-free floating interest rate index) plus 225 basis points during the revolving period. The Credit Facility is secured by all of the assets held by Funding I. See Note 10.

We have formed and expect to continue to form certain taxable subsidiaries, including the Taxable Subsidiary, which are subject to tax as corporations. These taxable subsidiaries allow us to hold equity securities of certain portfolio companies treated as pass-through entities for U.S. federal income tax purposes while facilitating our ability to qualify as a RIC under the Code.

In May 2017, we and a subsidiary of Kemper Corporation (NYSE: KMPR), Trinity Universal Insurance Company, or Kemper, formed PSSL, an unconsolidated joint venture. PSSL invests primarily in middle-market and other corporate debt securities consistent with our strategy. PSSL was formed as a Delaware limited liability company. See Note 4.

In November 2017, we issued \$138.6 million of our 2023 Notes. The principal on the 2023 Notes will be payable in four annual installments as follows: 15% of the original principal amount on December 15, 2020, 15% of the original principal amount on December 15, 2021, 15% of the original principal amount on December 15, 2022 and 55% on December 15, 2023. The 2023 Notes are general, unsecured obligations and rank equal in right of payment with all of our existing and future senior unsecured indebtedness. The 2023 Notes are listed on the TASE. In connection with this offering, we have dual listed our common stock on the TASE.

In September 2019, the Securitization Issuers completed the Debt Securitization. The 2031 Asset-Backed Debt is secured by a diversified portfolio of the Securitization Issuer consisting primarily of middle market loans and participation interests in middle market loans. The 2031 Asset-Backed Debt is scheduled to mature on October 15, 2031. On the closing date of the Debt Securitization, in consideration of our transfer to the Securitization Issuer of the initial closing date loan portfolio, which included loans distributed to us by certain of our wholly-owned subsidiaries, the Securitization Issuer transferred to us 100% of the Preferred Shares of the Securitization Issuer, 100% of the Class D Secured Deferrable Floating Rate Notes issued by the Securitization Issuer, and a portion of the net cash proceeds received from the sale of the 2031 Asset-Backed Debt. See Note 10.

In April 2021, we formed PennantPark-TSO Senior Loan Fund LP ("PTSF"), an unconsolidated limited partnership, organized as a Delaware limited liability partnership. We sold \$81.4 million in investments to a wholly-owned subsidiary of PTSF in exchange for cash in the amount of \$69.5 million and an \$11.9 million equity interest in PTSF representing 23.08% of the total outstanding Class A Units of PTSF. We recognized \$0.4 million of realized gain upon the formation of PTSF. As of December 31, 2022, our capital commitment of \$15.3 million is fully funded and we hold 23.08% of the total outstanding Class A Units of PTSF and a 4.99% voting interest in the general partner which manages PTSF.

On August 20, 2021, we entered into equity distribution agreements (together, the "Equity Distribution Agreements") with each of JMP Securities LLC and Raymond James & Associates, Inc., as the sales agents, in connection with the sale of shares of our common stock, par value \$0.001 per share (the "Common Stock"), with an aggregate offering price of up to \$75 million under an at-the-market offering (the "ATM Program"). On May 5, 2022, we amended the Equity Distribution Agreements to update references from NASDAQ to NYSE and reflect that the agents are now represented by Kirkland & Ellis LLP. The Equity Distribution Agreements, as amended, provide that we may offer and sell shares of our Common Stock from time to time through a Sales Agent in amounts and at times to be determined by us. Actual sales will depend on a variety of factors to be determined by us from time to time, including, market conditions and the trading price of our Common Stock.

During the three months ended December 31, 2022, we issued 86,177 shares of our Common Stock under the ATM Program at a weighted-average price of \$11.54 per share, raising \$1.0 million of gross proceeds. Net proceeds were \$1.0 million after commissions to the Sales Agents on shares sold. We incurred zero of legal and other offering costs associated with the administration of the ATM Program. As of December 31, 2022, we had \$40.3 million available under the ATM Program.

Since inception of the ATM Program through December 31, 2022, we have issued 2,659,741 shares of our Common Stock under the ATM Program at a weighted-average price of \$13.06, raising \$34.7 million of gross proceeds. Net proceeds were \$34.2 million after commissions to the Sales Agents on shares sold. We incurred \$0.5 million of legal and other offering costs associated with establishing the ATM Program.

We are operated by a person who has claimed an exclusion from the definition of the term “commodity pool operator” under the Commodity Exchange Act of 1936, as amended, or the Commodity Exchange Act, and therefore, is not subject to registration or regulation as a commodity pool operator under the Commodity Exchange Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The preparation of our Consolidated Financial Statements, in conformity with U.S. generally accepted accounting principles, or GAAP, requires management to make estimates and assumptions that affect the reported amount of our assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of income and expenses during the reported periods. In the opinion of management, all adjustments, which are of a normal recurring nature, considered necessary for the fair presentation of financial statements have been included. Changes in the economic and regulatory environment, financial markets, the credit worthiness of our portfolio companies, and any other parameters used in determining these estimates and assumptions could cause actual results to differ from these estimates and assumptions. We may reclassify certain prior period amounts to conform to the current period presentation. We have eliminated all intercompany balances and transactions. References to the Financial Accounting Standards Board’s, or FASB’s, Accounting Standards Codification, as amended, or ASC, serve as a single source of accounting literature. Subsequent events are evaluated and disclosed as appropriate for events occurring through the date the Consolidated Financial Statements are issued.

Our Consolidated Financial Statements are prepared in accordance with GAAP, consistent with ASC Topic 946, Financial Services – Investment Companies, and pursuant to the requirements for reporting on Form 10-K/Q and Articles 6, 10 and 12 of Regulation S-X, as appropriate. In accordance with Article 6-09 of Regulation S-X, we have provided a Consolidated Statement of Changes in Net Assets in lieu of a Consolidated Statement of Changes in Stockholders’ Equity.

Our significant accounting policies consistently applied are as follows:

(a) Investment Valuations

We expect that there may not be readily available market values for many of the investments, which are or will be in our portfolio, and we value such investments at fair value as determined in good faith by or under the direction of our board of directors using a documented valuation policy and a consistently applied valuation process, as described in this Report. With respect to investments for which there is no readily available market value, the factors that the board of directors may take into account in pricing our investments at fair value include, as relevant, the nature and realizable value of any collateral, the portfolio company’s ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business, comparison to publicly traded securities and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we consider the pricing indicated by the external event to corroborate or revise our valuation. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the price used in an actual transaction may be different than our valuation and the difference may be material. See Note 5.

Our portfolio generally consists of illiquid securities, including debt and equity investments. With respect to investments for which market quotations are not readily available, or for which market quotations are deemed not reflective of the fair value, our board of directors undertakes a multi-step valuation process each quarter, as described below:

- (1) Our quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals of our Investment Adviser responsible for the portfolio investment;
- (2) Preliminary valuation conclusions are then documented and discussed with the management of the Investment Adviser;
- (3) Our board of directors also engages independent valuation firms to conduct independent appraisals of our investments for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment. The independent valuation firms review management’s preliminary valuations in light of their own independent assessment and also in light of any market quotations obtained from an independent pricing service, broker, dealer or market maker;
- (4) The audit committee of our board of directors reviews the preliminary valuations of our Investment Adviser and those of the independent valuation firms on a quarterly basis, periodically assesses the valuation methodologies of the independent valuation firms, and responds to and supplements the valuation recommendations of the independent valuation firms to reflect any comments; and
- (5) Our board of directors discusses these valuations and determines the fair value of each investment in our portfolio in good faith, based on the input of our Investment Adviser, the respective independent valuation firms and the audit committee.

Our board of directors generally uses market quotations to assess the value of our investments for which market quotations are readily available. We obtain these market values from independent pricing services or at bid prices obtained from at least two brokers or dealers, if available, or otherwise from a principal market maker or a primary market dealer. The Investment Adviser assesses the source and reliability of bids from brokers or dealers. If the board of directors has a bona fide reason to believe any such market quote does not reflect the fair value of an investment, it may independently value such investments by using the valuation procedure that it uses with respect to assets for which market quotations are not readily available.

(b) Security Transactions, Revenue Recognition, and Realized/Unrealized Gains or Losses

Security transactions are recorded on a trade-date basis. We measure realized gains or losses by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, using the specific identification method, without regard to unrealized appreciation or depreciation previously recognized, but considering prepayment penalties. Net change in unrealized appreciation or depreciation reflects the change in the fair values of our portfolio investments, the Credit Facility and the 2023 Notes during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

We record interest income on an accrual basis to the extent that we expect to collect such amounts. For loans and debt investments with contractual PIK interest, which represents interest accrued and added to the loan balance that generally becomes due at maturity, we will generally not accrue PIK interest when the portfolio company valuation indicates that such PIK interest is not collectable. We do not accrue as a receivable interest on loans and debt investments if we have reason to doubt our ability to collect such interest. Loan origination fees, original issue discount, or OID, market discount or premium and deferred financing costs on liabilities, which we do not fair value, are capitalized and then accreted or amortized using the effective interest method as interest income or, in the case of deferred financing costs, as interest expense. We record prepayment penalties earned on loans and debt investments as income. Dividend income, if any, is recognized on an accrual basis on the ex-dividend date to the extent that we expect to collect such amounts. From time to time, the Company receives certain fees from portfolio companies, which are non-recurring in nature. Such fees include loan

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
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prepayment penalties, structuring fees and amendment fees, and are recorded as other investment income when earned. Litigation settlements are accounted for in accordance with the gain contingency provisions of ASC Subtopic 450-30, Gain Contingencies, or ASC 450-30.

Loans are placed on non-accrual status when principal or interest payments are past due 30 days or more and/or if there is reasonable doubt that principal or interest will be collected. Accrued interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment. Non-accrual loans are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current. As of December 31, 2022, we had three portfolio companies on non-accrual, representing 1.9% and 0.6% of our overall portfolio on a cost and fair value basis, respectively. As of September 30, 2022, we had two portfolio companies on non-accrual, representing 0.9% and zero of our overall portfolio on a cost and fair value basis, respectively.

(c) Income Taxes

We have complied with the requirements of Subchapter M of the Code and have qualified to be treated as a RIC for federal income tax purposes. In this regard, we account for income taxes using the asset and liability method prescribed by ASC Topic 740, Income Taxes, or ASC 740. Under this method, income taxes are provided for amounts currently payable and for amounts deferred as tax assets and liabilities based on differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. Based upon our qualification and election to be treated as a RIC for U.S. federal income tax purposes, we typically do not incur material U.S. federal income taxes. However, we may choose to retain a portion of our calendar year income, which may result in the imposition of a federal excise tax, or we may incur taxes through our taxable subsidiaries, including the Taxable Subsidiary. For both the three months ended December 31, 2022 and 2021, we recorded a provision for taxes on net investment income of \$0.5 million and \$0.1 million, respectively, pertaining to federal excise tax.

We recognize the effect of a tax position in our Consolidated Financial Statements in accordance with ASC 740 when it is more likely than not, based on the technical merits, that the position will be sustained upon examination by the applicable tax authority. Tax positions not considered to satisfy the "more-likely-than-not" threshold would be recorded as a tax expense or benefit. Penalties or interest, if applicable, that may be assessed relating to income taxes would be classified as other operating expenses in the financial statements. There were no tax accruals relating to uncertain tax positions and no amounts accrued for any related interest or penalties with respect to the periods presented herein. The Company's determinations regarding ASC 740 may be subject to review and adjustment at a later date based upon factors including, but not limited to, an ongoing analysis of tax laws, regulations and interpretations thereof. Although the Company files both federal and state income tax returns, the Company's major tax jurisdiction is federal.

The Taxable Subsidiary (PFLT Investment Holdings, LLC, a second tier wholly-owned subsidiary of the Company), is subject to U.S. federal, state and local corporate income taxes. The income tax expense and related tax liabilities of the Taxable Subsidiary are reflected in the Company's consolidated financial statements.

For the three months ended December 31, 2022 and 2021, the Company recognized a provision for taxes of \$0.7 million and \$1.5 million, respectively, on unrealized appreciation on investments by the Taxable Subsidiary. The provision for taxes on unrealized appreciation on investments is the result of netting (i) the expected tax liability on gains from sales of investments and (ii) the expected tax benefit from the use of losses in the current year. As of December 31, 2022 and September 30, 2022, \$5.3 million and \$4.6 million, respectively, was accrued as a deferred tax liability on the Consolidated Statements of Assets and Liabilities relating to unrealized gain on investments held by the Taxable Subsidiary. During the three months ended December 31, 2022 and 2021, the Company paid zero, respectively, in taxes on realized gains on the sale of investments held by the Taxable Subsidiary, resulting in zero prepaid tax asset as of December 31, 2022 included under prepaid expenses and other assets in the Consolidated Statement of Assets and Liabilities.

We operate in a manner to maintain our election to be subject to tax as a RIC and to eliminate corporate-level U.S. federal income tax (other than the 4% excise tax) by distributing sufficient investment company taxable income and capital gain net income (if any). As a result, we will have an effective tax rate equal to 0% before the excise tax and income taxes incurred by the Taxable Subsidiary. As such, a reconciliation of the differences between our reported income tax expense and its tax expense at the federal statutory rate of 21% is not meaningful.

Because federal income tax regulations differ from GAAP, distributions in accordance with tax regulations may differ from net investment income and net realized gains recognized for financial reporting purposes. Differences between tax regulations and GAAP may be permanent or temporary. Permanent differences are reclassified among capital accounts in the consolidated financial statements of assets and liabilities to reflect their tax character. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future.

(d) Distributions and Capital Transactions

Distributions to common stockholders are recorded on the ex-dividend date. The amount to be paid, if any, as a distribution is determined by the board of directors each quarter and is generally based upon the earnings estimated by management. Net realized capital gains, if any, may be distributed at least annually. The tax attributes for distributions will generally include ordinary income and capital gains but may also include certain tax-qualified dividends and/or a return of capital.

Capital transactions through offerings of our common stock are recorded when issued and offering costs are charged as a reduction of capital upon issuance of our common stock.

(e) Foreign Currency Translation

Our books and records are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:

1. Fair value of investment securities, other assets and liabilities – at the exchange rates prevailing at the end of the applicable period; and
2. Purchases and sales of investment securities, income and expenses – at the exchange rates prevailing on the respective dates of such transactions.

Although net assets and fair values are presented based on the applicable foreign exchange rates described above, we do not isolate that portion of the results of operations due to changes in foreign exchange rates on investments, other assets and debt from the fluctuations arising from changes in fair value of investments and liabilities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments and liabilities.

Foreign security and currency translations may involve certain considerations and risks not typically associated with investing in U.S. companies and U.S. government securities. These risks include, but are not limited to, currency fluctuations and revaluations and future adverse political, social and economic developments, which could cause investments in foreign markets to be less liquid and prices to be more volatile than those of comparable U.S. companies or U.S. government securities.

(f) Consolidation

As permitted under Regulation S-X and as explained by ASC paragraph 946-810-45-3, PennantPark Floating Rate Capital Ltd. will generally not consolidate its investment in a company other than an investment company wholly-owned subsidiary or a controlled operating company whose business consists of providing services to us. Accordingly, we have consolidated the results of our taxable subsidiaries, including the Taxable Subsidiary, Funding I and the Securitization Issuer in our Consolidated Financial Statements. We do not consolidate our non-controlling interest in PSSL or PTSF. See further description of our investment in PSSL in Note 4.

(g) Asset Transfers and Servicing

Asset transfers that do not meet ASC Topic 860, Transfers and Servicing, requirements for sale accounting treatment are reflected in the Consolidated Statements of Assets and Liabilities and the Consolidated Schedules of Investments as investments. The creditors of Funding I have received a security interest in all of its assets and such assets are not intended to be available to the creditors of PennantPark Floating Rate Capital Ltd. or any of its affiliates.

(h) Recent Accounting Pronouncements

In March 2020, the FASB issued Accounting Standards Update, or ASU, No. 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The guidance provides optional expedients and exceptions for applying GAAP to contract modifications, hedging relationships and other transactions, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued because of the reference rate reform. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. The Company utilized the optional expedients and exceptions provided by ASU 2020-04 during the year ended September 30, 2022, the effect of which was not material to the consolidated financial statements and the notes thereto.

In March 2022, the FASB issued ASU No. 2022-02, "Financial Instruments - Credit Losses (Topic 326)", which is intended to address issues identified during the post-implementation review of ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments". The amendment, among other things, eliminates the accounting guidance for troubled debt restructurings by creditors in Subtopic 310-40, "Receivables - Troubled Debt Restructurings by Creditors", while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. The new guidance is effective for interim and annual periods beginning after December 15, 2022. The Company is currently evaluating the impact the adoption of this new accounting standard will have on its consolidated financial statements, but the impact of the adoption is not expected to be material.

In June 2022, the FASB issued ASU 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, or ASU 2022-03, which changed the fair value measurement disclosure requirements of ASC Topic 820, Fair Value Measurements and Disclosures, or ASC 820. The amendments clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. The new guidance is effective for fiscal years beginning after December 15, 2023, including interim periods therein. Early application is permitted. The Company is currently evaluating the impact the adoption of this new accounting standard will have on its consolidated financial statements, but the impact of the adoption is not expected to be material.

3. AGREEMENTS AND RELATED PARTY TRANSACTIONS

(a) Investment Management Agreement

The Investment Management Agreement with the Investment Adviser was reapproved by our board of directors, including a majority of our directors who are not interested persons of us or the Investment Adviser, in February 2023. Under the Investment Management Agreement, the Investment Adviser, subject to the overall supervision of our board of directors, manages the day-to-day operations of and provides investment advisory services to us. The Investment Adviser serves as the collateral manager to Funding I and has irrevocably directed that any management fee owed with respect to such services is to be paid to the Company so long as the Investment Adviser remains the collateral manager. This arrangement does not increase our consolidated management fee. For providing these services, the Investment Adviser receives a fee from us consisting of two components—a base management fee and an incentive fee.

Base Management Fee

The base management fee is calculated at an annual rate of 1.00% of our "average adjusted gross assets," which equals our gross assets (net of U.S. Treasury Bills, temporary draws under any credit facility, cash and cash equivalents, repurchase agreements or other balance sheet transactions undertaken at the end of a fiscal quarter for purposes of preserving investment flexibility for the next quarter and unfunded commitments, if any) and is payable quarterly in arrears. The base management fee is calculated based on the average adjusted gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the current calendar quarter. For example, if we sold shares on the 45th day of a quarter and did not use the proceeds from the sale to repay outstanding indebtedness, our gross assets for such quarter would give effect to the net proceeds of the issuance for only 45 days of the quarter during which the additional shares were outstanding. For the three months ended December 31, 2022 and 2021 the Investment Adviser earned a base management fee of \$2.9 million and \$2.9 million respectively, from us.

Incentive Fee

The incentive fee has two parts, as follows:

One part is calculated and payable quarterly in arrears based on our Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter. For this purpose, Pre-Incentive Fee Net Investment Income means interest income, dividend income and any other income, including any other fees (other than fees for providing managerial assistance), such as amendment, commitment, origination, prepayment penalties, structuring, diligence and consulting fees or other fees received from portfolio companies, accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, any expenses payable under the Administration Agreement and any interest expense or amendment fees under any credit facility and distribution paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature (such as OID, debt instruments with

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PIK interest and zero-coupon securities), accrued income not yet received in cash. Pre-Incentive Fee Net Investment Income does not include any realized capital gains, computed net of all realized capital losses or unrealized capital appreciation or depreciation. Pre-Incentive Fee Net Investment Income, expressed as a percentage of the value of our net assets at the end of the immediately preceding calendar quarter, is compared to the hurdle rate of 1.75% per quarter (7.00% annualized). We pay the Investment Adviser an incentive fee with respect to our Pre-Incentive Fee Net Investment Income in each calendar quarter as follows: (1) no incentive fee in any calendar quarter in which our Pre-Incentive Fee Net Investment Income does not exceed the hurdle rate of 1.75%, (2) 50% of our Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the hurdle rate but is less than 2.9167% in any calendar quarter (11.67% annualized) (we refer to this portion of our Pre-Incentive Fee Net Investment Income (which exceeds the hurdle but is less than 2.9167%) as the "catch-up," which is meant to provide our Investment Adviser with 20% of our Pre-Incentive Fee Net Investment Income, as if a hurdle did not apply, if this net investment income exceeds 2.9167% in any calendar quarter), and (3) 20% of the amount of our Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.9167% in any calendar quarter. These calculations are pro-rated for any share issuances or repurchases during the relevant quarter, if applicable. For the three months ended December 31, 2022 and 2021, the Investment Adviser earned \$3.4 million and \$3.2 million, respectively, in incentive fees on net investment income from us.

The second part of the incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Management Agreement, as of the termination date) and equals 20% of our realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. For the three months ended December 31, 2022 and 2021, the Investment Adviser did not accrue an incentive fee on capital gains, as calculated under the Investment Management Agreement (as described above).

Under GAAP, we are required to accrue a capital gains incentive fee based upon net realized capital gains and net unrealized capital appreciation and depreciation on investments held at the end of each period. In calculating the capital gains incentive fee accrual, we considered the cumulative aggregate unrealized capital appreciation in the calculation, as a capital gains incentive fee would be payable if such unrealized capital appreciation were realized, even though such unrealized capital appreciation is not permitted to be considered in calculating the fee actually payable under the Investment Management Agreement. This accrual is calculated using the aggregate cumulative realized capital gains and losses and cumulative unrealized capital appreciation or depreciation. If such amount is positive at the end of a period, then we record a capital gains incentive fee equal to 20% of such amount, less the aggregate amount of actual capital gains related to incentive fees paid in all prior years. If such amount is negative, then there is no accrual for such year. There can be no assurance that such unrealized capital appreciation will be realized in the future. The incentive fee accrued for, but not payable, under GAAP on our unrealized and realized capital gains for the three months ended December 31, 2022 and 2021, was zero, respectively.

(b) Administration Agreement

The Administration Agreement with the Administrator was reapproved by our board of directors, including a majority of the directors who are not interested persons of us, in February 2023. Under the Administration Agreement, the Administrator provides administrative services and office facilities to us. For providing these services, facilities and personnel, we have agreed to reimburse the Administrator for its allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the Administration Agreement, including rent and our allocable portion of the costs of compensation and related expenses of our Chief Compliance Officer, Chief Financial Officer, Corporate Counsel and their respective staffs. The amount billed by the Administrator may include credits related to its administrative agreement with PSSL. The Administrator also offers, on our behalf, significant managerial assistance to portfolio companies to which we are required to offer such assistance. Reimbursement for certain of these costs is included in administrative services expenses in the Consolidated Statements of Operations. For the three months ended December 31, 2022 and 2021, we reimbursed the Administrator approximately \$0.3 million and \$0.1 million, respectively, including expenses the Administrator incurred for services described above.

On July 1, 2022, the Administration Agreement with the Administrator was amended to clarify that the Administrator may be reimbursed by the Company for certain (i) tax and general legal advice and/or services provided to the Company by in-house professionals of the Administrator related to ongoing operations of the Company; and (ii) transactional legal advice and/or services provided to the Company or portfolio companies by in-house professionals of the Administrator or its affiliates on matters related to potential or actual investments and transactions, including tax structuring and/or due diligence.

(c) Other Related Party Transactions

There were no transactions subject to Rule 17a-7 under the 1940 Act during each of the three months ended December 31, 2022 and 2021.

For the three months ended December 31, 2022 and 2021, we sold \$18.8 million and \$122.7 in investments to PSSL at fair value, respectively, and recognized zero and \$(0.3) million of net realized losses, respectively, for the same period.

For the three months ended December 31, 2022 and 2021, we sold no investments to PTSF.

4. INVESTMENTS

Purchases of investments, including PIK interest, for the three months ended December 31, 2022 and 2021 totaled \$65.6 million and \$335.1 million, respectively. Sales and repayments of investments for the three months ended December 31, 2022 and 2021 totaled \$63.0 million and \$238.4 million, respectively.

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Investments and cash and cash equivalents consisted of the following:

(\$ in thousands) Investment Classification	December 31, 2022		September 30, 2022	
	Cost	Fair Value	Cost	Fair Value
First lien	\$ 825,620	\$ 798,840	\$ 838,842	\$ 819,461
First lien in PSSL	199,369	199,369	190,181	190,181
Second lien	1,113	147	1,113	147
Equity	69,479	104,486	65,715	105,031
Equity interests in PSSL	85,444	48,295	81,506	49,434
Total investments	1,181,025	1,151,137	1,177,357	1,164,254
Cash and cash equivalents	52,944	52,935	47,917	47,880
Total investments and cash and cash equivalents	\$ 1,233,969	\$ 1,204,072	\$ 1,225,274	\$ 1,212,134

The table below describes investments by industry classification and enumerates the percentage, by fair value, of the total portfolio assets (excluding cash and cash equivalents) in such industries:

Industry Classification	December 31, 2022 ⁽¹⁾	September 30, 2022 ⁽¹⁾
Media	8 %	7 %
IT Services	7	6
Professional Services	7	9
Commercial Services & Supplies	5	5
Diversified Consumer Services	5	4
High Tech Industries	5	5
Media: Diversified and Production	5	5
Personal Products	5	7
Aerospace and Defense	4	4
Capital Equipment	4	4
Electronic Equipment, Instruments, and Components	4	3
Healthcare Technology	4	4
Construction and Building	3	3
Business Services	2	3
Chemicals, Plastics and Rubber	2	2
Consumer Services	2	2
Distributors	2	2
Diversified Financial Services	2	2
Healthcare Equipment and Supplies	2	2
Healthcare Providers and Services	2	3
Insurance	2	2
Media: Broadcasting and Subscription	2	2
Air Freight and Logistics	1	1
Automobiles	1	1
Banking, Finance, Insurance & Real Estate	1	1
Building Products	1	1
Construction & Engineering	1	—
Energy Equipment and Services	1	1
Financial Services	1	1
Food Products	1	1
Hotels, Restaurants and Leisure	1	1
Leisure Products	1	1
Textiles, Apparel and Luxury Goods	1	1
Wholesale	1	1
All Other	4	3
Total	100 %	100 %

⁽¹⁾ Excludes investments in PSSL.

PennantPark Senior Secured Loan Fund I LLC

In May 2017, we and Kemper formed PSSL, an unconsolidated joint venture. PSSL invests primarily in middle-market and other corporate debt securities consistent with our strategy. PSSL was formed as a Delaware limited liability company. As of December 31, 2022 and September 30, 2022, PSSL had total assets of \$797.4 million and \$796.8 million, respectively, and its investment portfolio consisted of debt investments in 100 and 95 portfolio companies, respectively. As of December 31, 2022, at fair value, the largest investment in a single portfolio company in PSSL was \$18.1 million and the five largest investments totaled \$84.3 million. As of September 30, 2022, at fair value, the largest investment in a single portfolio company in PSSL was \$19.3 million and the five largest investments totaled \$86.9 million. PSSL invests in portfolio companies in the same industries in which we may directly invest.

We and Kemper provide capital to PSSL in the form of first lien secured debt and equity interests. As of December 31, 2022 and September 30, 2022, we and Kemper owned 87.5% and 12.5%, respectively, of each of the outstanding first lien secured debt and equity interests. As of the same dates, our investment in PSSL consisted of first lien secured debt of \$199.4 million (additional \$10.7 million unfunded) and \$190.2 million (additional \$19.9 million unfunded), respectively, and equity interests of \$85.4 million (additional \$4.6 million unfunded) and \$81.5 million (additional \$8.5 million unfunded), respectively.

We and Kemper each appointed two members to PSSL's four-person board of directors and investment committee. All material decisions with respect to PSSL, including those involving its investment portfolio, require unanimous approval of a quorum of the board of directors or investment committee.

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Quorum is defined as (i) the presence of two members of the board of directors or investment committee, provided that at least one individual is present that was elected, designated or appointed by each member; (ii) the presence of three members of the board of directors or investment committee, provided that the individual that was elected, designated or appointed by the member with only one individual present shall be entitled to cast two votes on each matter; and (iii) the presence of four members of the board of directors or investment committee shall constitute a quorum, provided that two individuals are present that were elected, designated or appointed by each member.

In May 2022 PSSSL entered into a \$325.0 million (increased from \$225.0 million in May 2022) senior secured revolving credit facility which bears interest at daily simple SOFR plus 260 basis points (including a spread adjustment) with Ally Bank through its wholly-owned subsidiary, PennantPark Senior Secured Loan Facility LLC II, or PSSSL Subsidiary II, subject to leverage and borrowing base restrictions.

In January 2021, PSSSL completed a \$300.7 million debt securitization in the form of a collateralized loan obligation, or the "2032 Asset-Backed Debt". The 2032 Asset-Backed Debt is secured by a diversified portfolio of PennantPark CLO II, Ltd., a wholly-owned and consolidated subsidiary of PSSSL, consisting primarily of middle market loans and participation interests in middle market loans. The 2032 Asset-Backed Debt is scheduled to mature in January 2032. On the closing date of the transaction, in consideration of PSSSL's transfer to PennantPark CLO II, Ltd. of the initial closing date loan portfolio, which included loans distributed to PSSSL by certain of its wholly owned subsidiaries and us, PennantPark CLO II, Ltd. transferred to PSSSL 100% of the Preferred Shares of PennantPark CLO II, Ltd. and 100% of the Class E Notes issued by PennantPark CLO II, Ltd.

Below is a summary of PSSSL's portfolio at fair value:

(\$ in thousands)	December 31, 2022	September 30, 2022
Total investments	\$ 750,692	\$ 754,722
Weighted average cost yield on income producing investments	10.9%	9.6%
Number of portfolio companies in PSSSL	100	95
Largest portfolio company investment	\$ 18,057	\$ 19,250
Total of five largest portfolio company investments	\$ 84,291	\$ 86,872

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Below is a listing of PSSL's individual investments as of December 31, 2022 (Par and \$ in thousands):

Issuer Name	Maturity		Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par	Cost	Fair Value ⁽²⁾
First Lien Secured Debt - 1,354.1%							
A1 Garage Merger Sub, LLC	12/22/2028	Commercial Services & Supplies	11.12 %	3M L+650	2,955	\$ 2,896	\$ 2,895
Ad.net Acquisition, LLC	5/6/2026	Media	10.84 %	3M L+600	8,865	8,772	8,799
Alpine Acquisition Corp II	11/30/2026	Containers and Packaging	9.88 %	SOFR+600	12,950	12,576	12,432
Altamira Technologies, LLC	7/24/2025	Business Services	10.24 %	3M L+600	5,150	5,047	5,060
American Insulated Glass, LLC	12/21/2023	Building Products	8.25 %	3M L+450	4,869	4,843	4,869
Anteradi, LLC (f/k/a MeritDirect, LLC)	5/23/2024	Media: Advertising, Printing & Publishing	10.23 %	3M L+550	5,213	5,149	5,213
Any Hour Services	7/21/2027	Professional Services	10.17 %	3M L+525	3,510	3,441	3,413
Apex Service Partners, LLC	7/31/2025	Diversified Consumer Services	9.46 %	1M L+525	1,010	1,010	1,005
Apex Service Partners, LLC Term Loan B	7/31/2025	Diversified Consumer Services	9.67 %	3M L+550	2,197	2,197	2,186
Apex Service Partners, LLC Term Loan C	7/31/2025	Diversified Consumer Services	9.58 %	3M L+525	11,069	11,010	11,014
Applied Technical Services, LLC	12/29/2026	Commercial Services & Supplies	10.48 %	3M L+575	8,400	8,301	8,190
Arcfield Acquisition Corp.	3/7/2028	Aerospace and Defense	10.02 %	SOFR + 575	4,665	4,580	4,571
Beta Plus Technologies, Inc.	7/1/2029	Business Services	8.87 %	SOFR + 525	4,988	4,893	4,938
Blackhawk Industrial Distribution, Inc.	9/17/2024	Distributors	9.73 %	SOFR + 500	15,250	15,083	14,914
Broder Bros., Co.	12/2/2022	Consumer Products	10.73 %	3M L+600	2,395	2,395	2,395
Burgess Point Purchaser Corporation	9/26/2029	Automotive	9.41 %	3M L+525	450	419	406
By Light Professional IT Services, LLC	5/16/2024	High Tech Industries	10.40 %	1M L+625	14,671	14,627	14,524
Cadence Aerospace, LLC	11/14/2023	Aerospace and Defense	12.92 %	3M L+850	12,448	12,426	12,224
			(PIK 12.92%)				-
Cartessa Aesthetics, LLC	5/13/2028	Distributors	10.58 %	SOFR + 600	9,709	9,528	9,612
CF512, Inc.	8/20/2026	Media	10.76 %	3M L+600	4,938	4,858	4,839
CHA Holdings, Inc.	4/10/2025	Construction and Engineering	9.23 %	3M L+450	5,542	5,479	5,542
Challenger Performance Optimization, Inc.	8/31/2023	Business Services	10.82 %	1M L+575	9,230	9,212	8,907
			(PIK 1.00%)				-
Connatix Buyer, Inc.	7/13/2027	Media	10.14 %	3M L+550	3,897	3,835	3,771
Crane 1 Services, Inc.	8/16/2027	Commercial Services & Supplies	10.48 %	3M L+575	2,105	2,079	2,084
Dr. Squatch, LLC	8/31/2027	Personal Products	10.48 %	3M L+600	14,825	14,587	14,603
DRI Holding Inc.	12/21/2028	Media	9.63 %	1M L+525	2,647	2,415	2,267
DRS Holdings III, Inc.	11/3/2025	Consumer Goods: Durable	10.47 %	1M L+575	14,666	14,595	14,196
Duraco Specialty Tapes LLC	6/30/2024	Containers and Packaging	9.89 %	1M L+550	10,252	10,143	10,088
ECL Entertainment, LLC	5/1/2028	Hotels, Restaurants and Leisure	11.88 %	3M L+750	2,614	2,592	2,605
ECM Industries, LLC	12/23/2025	Electronic Equipment, Instruments, and Components	9.48 %	3M L+475	4,961	4,961	4,725
Electro Rent Corporation	1/17/2024	Electronic Equipment, Instruments, and Components	10.27 %	3M L+550	2,743	2,621	2,633
Exigo Intermediate II, LLC	3/15/2027	Software	10.13 %	1M L+575	12,903	12,724	12,644
Fairbanks Morse Defense	6/17/2028	Aerospace and Defense	9.48 %	3M L+475	10,273	10,214	9,742
Gantech Acquisition Corp.	5/14/2026	IT Services	10.63 %	1M L+625	14,563	14,365	14,126
Global Holdings InterCo LLC	3/16/2026	Diversified Financial Services	10.19 %	3M L+600	3,894	3,879	3,719
Graffiti Buyer, Inc.	8/10/2027	Trading Companies & Distributors	10.23 %	3M L+575	2,363	2,319	2,268
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	10.23 %	1M L+550	2,392	2,349	2,344
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	10.17 %	3M L+600	4,950	4,865	4,851
HW Holdco, LLC	12/10/2024	Media	9.34 %	6M L+500	3,029	2,988	2,991
Icon Partners III, LP	5/11/2028	Automobiles	8.82 %	3M L+450	2,322	2,003	1,558
IDC Infusion Services, Inc.	12/30/2026	Healthcare Equipment and Supplies	11.23 %	SOFR+650	9,925	9,847	9,578
Imagine Acquisitionco, LLC	11/15/2027	Software	10.14 %	1M L+550	5,350	5,256	5,190
Inception Fertility Ventures, LLC	12/7/2023	Healthcare Providers and Services	8.55 %	SOFR+700	1,658	16,333	16,247
Infinity Home Services Holdco, Inc.	12/28/2028	Commercial Services & Supplies	11.40 %	SOFR+685	6,136	6,016	6,014
Integrative Nutrition, LLC	9/29/2023	Diversified Consumer Services	9.48 %	3M L+450	11,150	11,135	10,927
Integrity Marketing Acquisition, LLC	8/27/2025	Insurance	10.81 %	1M L+575	5,951	5,877	5,862
ITI Holdings, Inc.	3/3/2028	IT Services	10.08 %	SOFR + 550	3,970	3,909	3,891
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	12.38 %	1M L+800	18,057	17,945	18,057
Kinetic Purchaser, LLC	11/10/2027	Personal Products	10.73 %	3M L+600	16,788	16,425	16,368
Lash OpCo, LLC	2/18/2027	Personal Products	11.17 %	3M L+700	14,319	14,052	14,032
LAV Gear Holdings, Inc.	10/31/2024	Capital Equipment	10.23 %	3M L+550	12,796	10,518	10,374
			(PIK 2.00%)				-
Lightspeed Buyer Inc.	2/3/2026	Healthcare Providers and Services	9.84 %	3M L+575	10,571	10,416	10,307
Lucky Bucks, LLC	7/20/2027	Hotel, Gaming and Leisure	10.43 %	3M L+550	4,275	4,206	2,426
Magenta Buyer, LLC	7/31/2028	Software	9.17 %	1M L+500	3,029	2,846	2,578
Marketplace Events, LLC - Super Priority First Lien Term Loan	9/30/2025	Media: Diversified and Production	9.90 %	1M L+525	647	647	647
Marketplace Events, LLC - Super Priority First Lien Unfunded Term Loan	9/30/2025	Media: Diversified and Production			589	-	-
Marketplace Events, LLC	9/30/2026	Media: Diversified and Production	9.90 %	1M L+525	4,837	3,587	4,837
Mars Acquisition Holdings Corp.	5/14/2026	Media	10.23 %	1M L+550	11,676	11,531	11,560
MBS Holdings, Inc.	4/16/2027	Internet Software and Services	10.13 %	3M L+575	7,388	7,282	7,314
MDI Buyer, Inc.	7/25/2028	Chemicals, Plastics and Rubber	10.54 %	3M L+600	6,429	6,305	6,291
Meadowlark Acquirer, LLC	12/10/2027	Professional Services	9.73 %	3M L+550	2,390	2,349	2,366
Mission Critical Electronics, Inc.	3/28/2024	Capital Equipment	9.73 %	SOFR+500	5,814	5,804	5,791
Municipal Emergency Services, Inc.	9/28/2027	Distributors	8.67 %	3M L+500	3,456	3,399	3,318
NBH Group LLC	8/19/2026	Healthcare, Education & Childcare	9.05 %	1M L+525	10,793	10,624	10,793
New Milani Group LLC	6/6/2024	Consumer Goods: Non-Durable	9.17 %	3M L+650	14,325	14,288	14,110
One Stop Mailing, LLC	5/7/2027	Air Freight and Logistics	10.63 %	1M L+625	14,561	14,326	14,124
Output Services Group, Inc.	3/27/2024	Business Services	11.30 %	3M L+675	7,691	7,681	5,768
Owl Acquisition, LLC	2/4/2028	Professional Services	8.41 %	3M L+575	3,980	3,910	3,881
Ox Two, LLC	5/18/2026	Construction and Building	10.84 %	3M L+700	4,913	4,858	4,765
PH Beauty Holdings III, Inc.	9/29/2025	Wholesale	9.73 %	1M L+500	9,568	9,243	7,654
PL Acquisitionco, LLC	11/9/2027	Textiles, Apparel and Luxury Goods	10.88 %	1M L+650	8,217	8,095	8,012
PlayPower, Inc.	5/8/2026	Consumer Goods: Durable	12.00 %	3M L+450	2,572	2,497	2,238
Pragmatic Institute, LLC	7/6/2028	Education	10.33 %	SOFR+575	11,222	11,068	11,110
Quantic Electronics, LLC	11/19/2026	Aerospace and Defense	10.96 %	1M L+600	2,829	2,782	2,772
Quantic Electronics, LLC - Unfunded Term Loan	11/19/2026	Aerospace and Defense		1M L+600	1,104	-	(11)
Reception Purchaser, LLC	2/28/2028	Air Freight and Logistics	10.42 %	SOFR+600	4,963	4,894	4,764
Recteq, LLC	1/29/2026	Leisure Products	10.98 %	3M L+600	4,913	4,848	4,741
Research Now Group, LLC and Dynata, LLC	12/20/2024	Diversified Consumer Services	8.84 %	3M L+550	12,531	12,342	9,286

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Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par / Shares	Cost	Fair Value ⁽²⁾
Sales Benchmark Index LLC	1/3/2025	Professional Services	10.73 %	3M L+600	5,013	\$ 4,965	\$ 4,988
Sargent & Greenleaf Inc.	12/20/2024	Wholesale	9.89 %	3M L+550	5,183	5,150	5,105
Schlesinger Global, Inc.	7/14/2025	Business Services	10.92 % (PIK 0.50%)	SOFR+700	11,832	11,816	11,536
Seaway Buyer, LLC	6/13/2029	Chemicals, Plastics and Rubber	10.73 %	SOFR+605	4,988	4,916	4,913
Sigma Defense Systems, LLC	12/18/2025	Aerospace and Defense	12.17 %	1M L+850	14,621	14,338	14,329
Smile Brands Inc.	10/14/2025	Healthcare and Pharmaceuticals	7.05 %	3M L+450	11,887	11,796	11,441
Solutionreach, Inc.	1/17/2024	Healthcare and Pharmaceuticals	8.87 %	1M L+575	5,630	5,613	5,478
Spendmnd Holdings LLC	3/1/2028	Healthcare Technology	8.63 %	SOFR+575	2,949	2,910	2,851
STV Group Incorporated	12/11/2026	Construction and Building	8.37 %	3M L+525	9,075	9,015	9,030
Summit Behavioral Healthcare, LLC	11/24/2028	Healthcare and Pharmaceuticals	9.45 %	3M L+475	1,800	1,698	1,692
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	8/16/2027	Aerospace and Defense	10.94 %	SOFR+600	14,850	14,603	14,657
Team Services Group, LLC	11/24/2028	Healthcare and Pharmaceuticals	9.95 %	3M L+500	349	334	330
Teneo Holdings LLC	7/18/2025	Business Services	9.67 %	3M L+525	3,127	3,086	3,001
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	10.70 %	3M L+600	5,645	5,590	5,589
The Bluebird Group LLC	7/27/2026	Professional Services	11.98 %	1M L+700	1,698	1,672	1,666
The Infosoft Group, LLC	9/16/2024	Media: Broadcasting and Subscription	9.84 %	3M L+575	12,883	12,879	12,786
The Vertex Companies, LLC	8/30/2027	Construction and Engineering	9.88 %	1M L+550	5,564	5,469	5,447
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/2025	Consumer Goods: Non-Durable	9.61 %	3M L+550	8,722	8,592	8,484
TVC Enterprises, LLC	3/26/2026	Diversified Consumer Services	10.13 %	3M L+600	14,678	14,611	14,311
TWS Acquisition Corporation	6/16/2025	Diversified Consumer Services	11.46 %	3M L+625	5,468	5,452	5,468
Tyto Athene, LLC (New Issue)	4/1/2028	IT Services	9.25 %	3M L+550	15,511	15,387	14,053
UBEO, LLC	4/3/2024	Capital Equipment	9.23 %	3M L+450	17,345	17,273	17,085
Unique Indoor Comfort, LLC	5/24/2027	Home and Office Furnishings, Housewares	9.98 %	SOFR+525	4,963	4,872	4,833
Walker Edison Furniture Company LLC	3/31/2027	Wholesale	0.00 % (PIK 3.0%)		12,684	12,438	6,410
Wildcat Buyerco, Inc.	2/27/2026	Electronic Equipment, Instruments, and Components	10.48 %	SOFR+575	8,524	8,487	8,240
Zips Car Wash, LLC	3/1/2024	Automobiles	11.53 %	3M L+725	16,915	16,717	16,534
Total First Lien Secured Debt						<u>769,096</u>	<u>747,402</u>
Second Lien Secured Debt - 5.0%							
Inventus Power, Inc.	9/29/2024	Consumer Goods: Durable	13.23 %	3M L+850	3,000	2,968	2,970
Total Second Lien Secured Debt						<u>2,968</u>	<u>2,970</u>
Equity Securities - 0.4%							
New MPE Holdings, LLC	—	Media: Diversified and Production	—	—	—	—	320
Total Equity Securities							<u>320</u>
Total Investments - 1,360.1%						<u>772,064</u>	<u>750,692</u>
Cash and Cash Equivalents - 75.5%							
BlackRock Federal FD Institutional 30						41,692	41,692
Total Cash and Cash Equivalents						<u>41,692</u>	<u>41,692</u>
Total Investments and Cash Equivalents —1,329.0%						<u>\$ 813,756</u>	<u>\$ 792,384</u>
Liabilities in Excess of Other Assets — (1,229.0)%							<u>(737,189)</u>
Members' Equity—100.0%							<u>\$ 55,195</u>

- (1) Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable LIBOR or "L", Secured Overnight Financing Rate or "SOFR", or Prime rate or "P". The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 60-day, 90-day or 180-day LIBOR rate (1M L, 2M L, 3M L, or 6M L, respectively), at the borrower's option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes PIK interest and other fee rates, if any.
- (2) Valued based on PSSS's accounting policy.
- (3) Non-U.S. company or principal place of business outside the United States.
- (4) Non-income producing security.
- (5) Represents the purchase of a security with delayed settlement or a revolving line of credit that is currently an unfunded investment. This security does not earn a basis point spread above an index while it is unfunded.

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Below is a listing of PSSL's individual investments as of September 30, 2022 (Par and \$ in thousands)

Issuer Name	Maturity		Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par	Cost	Fair Value ⁽²⁾
First Lien Secured Debt - 1,330.4%							
Ad.net Acquisition, LLC	5/6/2026	Media	9.67 %	3M L+600	8,888	\$ 8,788	\$ 8,821
Alpine Acquisition Corp II	11/30/2026	Containers and Packaging	8.22 %	SOFR+600	9,975	9,790	9,576
Altamira Technologies, LLC	7/24/2025	Business Services	10.81 %	3M L+800	5,225	5,113	5,042
American Insulated Glass, LLC	12/21/2023	Building Products	7.79 %	3M L+550	4,883	4,851	4,883
Anteriad, LLC (f/k/a MeritDirect, LLC)	5/23/2024	Media: Advertising, Printing & Publishing	9.67 %	3M L+550	5,284	5,208	5,284
Any Hour Services	7/21/2027	Professional Services	8.33 %	3M L+525	3,510	3,441	3,440
Apex Service Partners, LLC	7/31/2025	Diversified Consumer Services	6.72 %	1M L+525	1,010	1,010	1,005
Apex Service Partners, LLC Term Loan B	7/31/2025	Diversified Consumer Services	9.67 %	3M L+625	2,202	2,202	2,191
Apex Service Partners, LLC Term Loan C	7/31/2025	Diversified Consumer Services	7.86 %	3M L+525	11,115	11,050	11,059
Applied Technical Services, LLC	12/29/2026	Commercial Services & Supplies	8.76 %	3M L+575	8,421	8,317	8,211
Arefield Acquisition Corp.	3/7/2028	Aerospace and Defense	8.99 %	SOFR + 575	4,677	4,588	4,583
Beta Plus Technologies, Inc.	7/1/2029	Business Services	7.76 %	SOFR + 525	5,000	4,903	4,900
Blackhawk Industrial Distribution, Inc.	9/17/2024	Distributors	8.62 %	SOFR + 500	15,293	15,102	14,956
Broder Bros., Co.	12/2/2022	Consumer Products	7.39 %	3M L+600	2,417	2,417	2,417
By Light Professional IT Services, LLC	5/16/2024	High Tech Industries	9.20 %	1M L+662	14,822	14,771	14,674
Cadence Aerospace, LLC	11/14/2023	Aerospace and Defense	11.31 %	3M L+325	12,412	12,385	12,288
(PIK 11.31%)							
Cartessa Aesthetics, LLC	5/13/2028	Distributors	9.55 %	SOFR + 600	6,484	6,359	6,386
CF512, Inc.	8/20/2026	Media	9.08 %	3M L+600	4,950	4,866	4,876
CHA Holdings, Inc.	4/10/2025	Construction and Engineering	8.17 %	3M L+450	5,557	5,487	5,557
Challenger Performance Optimization, Inc.	8/31/2023	Business Services	9.27 %	1M L+575	9,271	9,247	8,993
(PIK 1.00%)							
Connatix Buyer, Inc.	7/13/2027	Media	8.42 %	3M L+550	3,907	3,842	3,810
Crane 1 Services, Inc.	8/16/2027	Commercial Services & Supplies	9.39 %	3M L+575	2,110	2,084	2,089
Douglas Products and Packaging Company LLC	10/19/2022	Chemicals, Plastics and Rubber	8.87 %	3M L+575	8,655	8,653	8,655
Douglas Sewer Intermediate, LLC	10/19/2022	Chemicals, Plastics and Rubber	8.87 %	3M L+575	7,248	7,246	7,248
Dr. Squatch, LLC	8/31/2027	Personal Products	9.42 %	3M L+575	14,862	14,610	14,639
DRI Holding Inc.	12/21/2028	Media	8.37 %	1M L+525	1,832	1,680	1,643
DRS Holdings III, Inc.	11/3/2025	Consumer Goods: Durable	8.87 %	1M L+575	15,179	15,103	14,693
Duraco Specialty Tapes LLC	6/30/2024	Containers and Packaging	8.62 %	1M L+550	10,278	10,151	10,031
ECL Entertainment, LLC	5/1/2028	Hotels, Restaurants and Leisure	10.62 %	3M L+750	2,621	2,598	2,581
ECM Industries, LLC	12/23/2025	Electronic Equipment, Instruments, and Components	7.82 %	3M L+475	4,974	4,974	4,738
Exigo Intermediate II, LLC	3/15/2027	Software	8.87 %	1M L+575	12,935	12,759	12,644
Fairbanks Morse Defense	6/17/2028	Aerospace and Defense	8.39 %	3M L+475	10,300	10,238	9,528
Gantech Acquisition Corp.	5/14/2026	IT Services	9.37 %	1M L+625	14,638	14,427	14,199
Global Holdings InterCo LLC	3/16/2026	Diversified Financial Services	8.74 %	3M L+600	3,904	3,888	3,728
Graffiti Buyer, Inc.	8/10/2027	Trading Companies & Distributors	9.17 %	3M L+550	2,369	2,320	2,274
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	8.67 %	1M L+500	2,392	2,347	2,356
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	10.17 %	3M L+600	4,963	4,874	4,863
HW Holdco, LLC	12/10/2024	Media	6.00 %	6M L+575	3,052	3,006	3,014
Icon Partners III, LP	5/11/2028	Automobiles	7.55 %	3M L+450	2,327	1,997	1,701
IDC Infusion Services, Inc.	12/30/2026	Healthcare Equipment and Supplies	10.20 %	SOFR+700	9,950	9,833	9,502
Imagine Acquisitionco, LLC	11/15/2027	Software	8.42 %	1M L+550	5,364	5,261	5,230
Inception Fertility Ventures, LLC	12/7/2023	Healthcare Providers and Services	8.55 %	SOFR+700	16,620	16,309	16,454
Integrative Nutrition, LLC	9/29/2023	Diversified Consumer Services	8.42 %	3M L+475	11,187	11,168	10,963
Integrity Marketing Acquisition, LLC	8/27/2025	Insurance	7.58 %	1M L+550	5,966	5,885	5,906
ITI Holdings, Inc.	3/3/2028	IT Services	8.67 %	SOFR + 550	3,980	3,917	3,900
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	11.12 %	1M L+800	19,250	19,103	19,250
Kinetic Purchaser, LLC	11/10/2027	Personal Products	9.67 %	3M L+600	16,830	16,451	16,494
Lash OpCo, LLC	2/18/2027	Personal Products	11.17 %	3M L+700	14,355	14,074	14,068
LAV Gear Holdings, Inc.	10/31/2024	Capital Equipment	9.70 %	3M L+550	10,578	10,539	10,335
(PIK 2.00%)							
Lightspeed Buyer Inc.	2/3/2026	Healthcare Providers and Services	9.04 %	3M L+575	10,598	10,428	10,254
Lucky Bucks, LLC	7/20/2027	Hotel, Gaming and Leisure	8.31 %	3M L+550	4,331	4,258	3,183
Magenta Buyer, LLC	7/31/2028	Software	7.87 %	1M L+475	2,695	2,539	2,425
Marketplace Events, LLC - Super Priority First Lien Term Loan	9/30/2025	Media: Diversified and Production	8.19 %	1M L+525	647	647	647
Marketplace Events, LLC - Super Priority First Lien Unfunded Term Loan	9/30/2025	Media: Diversified and Production			589	-	-
Marketplace Events, LLC	9/30/2026	Media: Diversified and Production	8.19 %	1M L+525	4,837	3,527	4,837
Mars Acquisition Holdings Corp.	5/14/2026	Media	8.62 %	1M L+550	9,900	9,782	9,851
MBS Holdings, Inc.	4/16/2027	Internet Software and Services	8.56 %	3M L+575	7,406	7,296	7,332
MDI Buyer, Inc.	7/25/2028	Chemicals, Plastics and Rubber	8.98 %	3M L+500	5,000	4,902	4,900
Meadowlark Acquirer, LLC	12/10/2027	Professional Services	9.17 %	3M L+650	2,396	2,353	2,372
Mission Critical Electronics, Inc.	3/28/2024	Capital Equipment	8.70 %	SOFR+500	5,829	5,817	5,759
Municipal Emergency Services, Inc.	9/28/2027	Distributors	8.67 %	3M L+500	3,465	3,405	3,264
NBH Group LLC	8/19/2026	Healthcare, Education & Childcare	7.80 %	1M L+550	10,820	10,641	10,820
New Milani Group LLC	6/6/2024	Consumer Goods: Non-Durable	7.75 %	3M L+500	14,363	14,319	14,111
OIS Management Services, LLC	7/9/2026	Healthcare Equipment and Supplies	8.40 %	SOFR+475	5,060	4,991	5,060
One Stop Mailing, LLC	5/7/2027	Air Freight and Logistics	9.37 %	1M L+625	14,598	14,353	14,160
Output Services Group, Inc.	3/27/2024	Business Services	9.80 %	3M L+425	7,682	7,676	5,838
Owl Acquisition, LLC	2/4/2028	Professional Services	8.41 %	3M L+575	3,990	3,918	3,890
Ox Two, LLC	5/18/2026	Construction and Building	9.81 %	3M L+600	4,925	4,866	4,827
PH Beauty Holdings III, Inc.	9/29/2025	Wholesale	8.07 %	1M L+500	9,593	9,234	7,674
PL Acquisitionco, LLC	11/9/2027	Textiles, Apparel and Luxury Goods	9.62 %	1M L+650	8,238	8,111	8,032
Plant Health Intermediate, Inc.	10/19/2022	Chemicals, Plastics and Rubber	8.87 %	3M L+575	1,562	1,561	1,562
PlayPower, Inc.	5/8/2026	Consumer Goods: Durable	9.17 %	3M L+550	2,580	2,500	2,309
Pragmatic Institute, LLC	7/6/2028	Education	9.30 %	SOFR+575	11,250	11,056	11,138
Quantic Electronics, LLC	11/19/2026	Aerospace and Defense	8.41 %	1M L+625	4,845	4,755	4,729
Quantic Electronics, LLC - Unfunded Term Loan	11/19/2026	Aerospace and Defense		1M L+625	1,888	-	-
Reception Purchaser, LLC	2/28/2028	Air Freight and Logistics	9.13 %	SOFR+600	4,975	4,904	4,751
Recteq, LLC	1/29/2026	Leisure Products	9.92 %	3M L+600	4,925	4,856	4,753
Research Now Group, LLC and Dynata, LLC	12/20/2024	Diversified Consumer Services	8.84 %	3M L+550	12,564	12,354	11,291

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
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Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par / Shares	Cost	Fair Value ⁽²⁾
Sales Benchmark Index LLC	1/3/2025	Professional Services	9.67 %	3M L+600	5,013	\$ 4,960	\$ 4,963
Sargent & Greenleaf Inc.	12/20/2024	Wholesale	8.62 %	3M L+550	5,240	5,202	5,187
Schlesinger Global, Inc.	7/14/2025	Business Services	10.27 %	SOFR+50 0	11,847	11,829	11,551
			(PIK 0.50%)				
Sigma Defense Systems, LLC	12/18/2025	Aerospace and Defense	12.17 %	1M L+850	14,716	14,411	14,421
Smile Brands Inc.	10/14/2025	Healthcare and Pharmaceuticals	7.05 %	3M L+450	11,917	11,807	11,470
Solutionreach, Inc.	1/17/2024	Healthcare and Pharmaceuticals	8.87 %	1M L+575	5,647	5,625	5,511
Spendmend Holdings LLC	3/1/2028	Healthcare Technology	8.63 %	SOFR+57 5	2,956	2,916	2,873
STV Group Incorporated	12/11/2026	Construction and Building	8.37 %	3M L+525	9,075	9,011	8,985
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	8/16/2027	Aerospace and Defense	8.73 %	SOFR+60 0	14,888	14,623	14,649
Teneo Holdings LLC	7/18/2025	Business Services	8.38 %	3M L+625	2,786	2,757	2,623
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	9.55 %	3M L+500	5,659	5,600	5,603
The Bluebird Group LLC	7/27/2026	Professional Services	10.67 %	1M L+700	1,707	1,679	1,724
The Infosoft Group, LLC	9/16/2024	Media: Broadcasting and Subscription	8.47 %	3M L+525	12,957	12,952	12,859
The Vertex Companies, LLC	8/30/2027	Construction and Engineering	8.62 %	1M L+550	5,578	5,479	5,550
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/2025	Consumer Goods: Non-Durable	8.30 %	3M L+475	8,744	8,604	8,482
TVC Enterprises, LLC	3/26/2026	Diversified Consumer Services	8.87 %	3M L+550	14,952	14,871	14,578
TWS Acquisition Corporation	6/16/2025	Diversified Consumer Services	8.76 %	3M L+625	5,468	5,450	5,441
Tyto Athene, LLC (New Issue)	4/1/2028	IT Services	7.76 %	3M L+550	15,550	15,421	14,446
UBEO, LLC	4/3/2024	Capital Equipment	8.17 %	3M L+450	17,390	17,305	17,129
				SOFR+52 5			
Unique Indoor Comfort, LLC	5/24/2027	Home and Office Furnishings, Housewares	8.95 %	3M L+575	4,975	4,880	4,866
Walker Edison Furniture Company LLC	3/31/2027	Wholesale	12.42 %	3M L+575	12,684	12,438	8,473
			(PIK 3.0%)				
				SOFR+55 0			
Wildcat Buyerco, Inc.	2/27/2026	Electronic Equipment, Instruments, and Components	9.45 %	3M L+725	8,546	8,506	8,261
Zips Car Wash, LLC	3/1/2024	Automobiles	10.35 %	3M L+725	16,957	16,711	16,533
Total First Lien Secured Debt						<u>767,316</u>	<u>751,627</u>
Second Lien Secured Debt - 5.0%							
Inventus Power, Inc.	9/29/2024	Consumer Goods: Durable	12.17 %	3M L+850	3,000	2,963	2,955
Total Second Lien Secured Debt						<u>2,963</u>	<u>2,955</u>
Equity Securities - 0.4%							
New MPE Holdings, LLC	—	Media: Diversified and Production	—	—	—	—	139
Total Equity Securities							<u>139</u>
Total Investments - 1,335.9%						<u>770,280</u>	<u>754,722</u>
Cash and Cash Equivalents - 59.7%							
BlackRock Federal FD Institutional 30						33,725	33,705
Total Cash and Cash Equivalents						<u>33,725</u>	<u>33,705</u>
Total Investments and Cash Equivalents—1,329.0%						<u>\$ 804,005</u>	<u>\$ 788,427</u>
Liabilities in Excess of Other Assets — (1,229.0)%							<u>(731,931)</u>
Members' Equity—100.0%							<u>\$ 56,496</u>

- (1) Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable LIBOR or "L", Secured Overnight Financing Rate or "SOFR", or Prime rate or "P". The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 60-day, 90-day or 180-day LIBOR rate (1M L, 2M L, 3M L, or 6M L, respectively), at the borrower's option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes PIK interest and other fee rates, if any.
- (2) Valued based on PSSL's accounting policy.
- (3) Non-U.S. company or principal place of business outside the United States.
- (4) Non-income producing security.
- (5) Represents the purchase of a security with delayed settlement or a revolving line of credit that is currently an unfunded investment. This security does not earn a basis point spread above an index while it is unfunded.

Below are the consolidated statements of assets and liabilities for PSSL (\$ in thousands):

	December 31, 2022 (Unaudited)	September 30, 2022
Assets		
Investments at fair value (cost—\$772,064 and \$770,280, respectively)	\$ 750,692	\$ 754,722
Cash and cash equivalents (cost—\$41,692 and \$33,725, respectively)	41,692	33,705
Interest receivable	3,637	3,025
Receivable for investment sold	—	3,637
Prepaid expenses and other assets	1,365	1,722
Total assets	<u>797,386</u>	<u>796,811</u>
Liabilities		
Credit facility payable	244,800	259,500
2032 Asset-backed debt, net (par—\$246,000)	243,517	243,365
Notes payable to members	227,850	217,350
Payable for investments purchased	14,973	10,414
Interest payable on notes to members	5,581	4,719
Interest payable on Credit Facility and asset backed debt	4,831	3,817
Accrued expenses	639	1,150
Total liabilities	<u>742,191</u>	<u>740,315</u>
Commitments and contingencies ⁽¹⁾		
Members' equity	<u>55,195</u>	<u>56,496</u>
Total liabilities and members' equity	<u>\$ 797,386</u>	<u>\$ 796,811</u>

(1) As of December 31, 2022 and September 30, 2022, PSSL had unfunded commitments to fund investments of \$3.9 million and \$2.5 million, respectively.

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Below are the consolidated statements of operations for PSSSL (\$ in thousands):

	Three months ended December 31,	
	2022	2021
Investment income:		
Interest	\$ 19,617	\$ 10,951
Other income	110	871
Total investment income	19,727	11,822
Expenses:		
Interest and expense on credit facility and asset-backed debt	8,641	3,174
Interest expense on notes to members	6,810	3,554
Administrative services expenses	508	300
General and administrative expenses	300	289
Total expenses	16,259	7,317
Net investment income	3,468	4,505
Realized and unrealized gain (loss) on investments and credit facility foreign currency translation:		
Net realized gain (loss) on:		
Investments	(60)	(348)
Credit facility foreign currency translation	(10)	
Net change in unrealized appreciation (depreciation) on:		
Investments	(5,800)	(3,204)
Credit facility foreign currency translation	—	—
Net change in unrealized appreciation (depreciation) on investments and credit facility foreign currency translations	(5,800)	(3,204)
Net realized and unrealized gain (loss) from investments and credit facility foreign currency translations	(5,870)	(3,552)
Net increase (decrease) in members' equity resulting from operations	\$ (2,402)	\$ 953

(*) No management or incentive fees are payable by PSSSL. If any fees were to be charged, they would be separately disclosed in the Statement of Operations.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value, as defined under ASC 820, is the price that we would receive upon selling an investment or pay to transfer a liability in an orderly transaction to a market participant in the principal or most advantageous market for the investment or liability. ASC 820 emphasizes that valuation techniques maximize the use of observable market inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of us. Unobservable inputs reflect the assumptions market participants would use in pricing an asset or liability based on the best information available to us on the reporting period date.

ASC 820 classifies the inputs used to measure these fair values into the following hierarchies:

- Level 1: Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities, accessible by us at the measurement date.
- Level 2: Inputs that are quoted prices for similar assets or liabilities in active markets, or that are quoted prices for identical or similar assets or liabilities in markets that are not active and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term, if applicable, of the financial instrument.
- Level 3: Inputs that are unobservable for an asset or liability because they are based on our own assumptions about how market participants would price the asset or liability.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Generally, most of our investments, our 2031 Asset-Backed Debt and our Credit Facility are classified as Level 3. Our 2026 Notes are classified as Level 2 as they are financial instruments with readily observable market inputs. Our 2023 Notes are classified as Level 1, as they were valued using the closing price from the primary exchange. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the price used in an actual transaction may be different than our valuation and those differences may be material.

The inputs into the determination of fair value may require significant management judgment or estimation. Even if observable market data is available, such information may be the result of consensus pricing information, disorderly transactions or broker quotes which include a disclaimer that the broker would not be held to such a price in an actual transaction. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimer would result in classification as Level 3 information, assuming no additional corroborating evidence were available. Corroborating evidence that would result in classifying these non-binding broker/dealer bids as a Level 2 asset includes observable orderly market-based transactions for the same or similar assets or other relevant observable market-based inputs that may be used in pricing an asset.

Our investments are generally structured as floating rate loans, mainly first lien secured debt, but also may include second lien secured debt, subordinated debt and equity investments. The transaction price, excluding transaction costs, is typically the best estimate of fair value at inception. Ongoing reviews by our Investment Adviser and independent valuation firms are based on an assessment of each underlying investment, incorporating valuations that consider the evaluation of financing and sale transactions with third parties, expected cash flows and market-based information including comparable transactions, performance multiples and yields, among other factors. These non-public investments valued using unobservable inputs are included in Level 3 of the fair value hierarchy.

A review of fair value hierarchy classifications is conducted on a quarterly basis. Changes in our ability to observe valuation inputs may result in a reclassification for certain financial assets or liabilities.

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In addition to using the above inputs to value cash equivalents, investments, our 2023 Notes, our 2026 Notes, our 2031 Asset-Backed Debt and our Credit Facility, we employ the valuation policy approved by our board of directors that is consistent with ASC 820. Consistent with our valuation policy, we evaluate the source of inputs, including any markets in which our investments are trading, in determining fair value. See Note 2.

As outlined in the table below, some of our Level 3 investments using a market approach valuation technique are valued using the average of the bids from brokers or dealers. The bids include a disclaimer, may not have corroborating evidence, may be the result of a disorderly transaction and may be the result of consensus pricing. The Investment Adviser assesses the source and reliability of bids from brokers or dealers. If the board of directors has a bona fide reason to believe any such bids do not reflect the fair value of an investment, it may independently value such investment by using the valuation procedure that it uses with respect to assets for which market quotations are not readily available. In accordance with ASC 820, we do not categorize any investments for which fair value is measured using the net asset value per share as a practical expedient within the fair value hierarchy.

The remainder of our investment portfolio and our long-term Credit Facility are valued using a market comparable or an enterprise market value technique. With respect to investments for which there is no readily available market value, the factors that the board of directors may take into account in pricing our investments at fair value include, as relevant, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flow, the markets in which the portfolio company does business, comparison to publicly traded securities, discounted for lack of marketability and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, the pricing indicated by the external event, excluding transaction costs, is used to corroborate the valuation. When using earnings multiples to value a portfolio company, the multiple used requires the use of judgment and estimates in determining how a market participant would price such an asset. These non-public investments using unobservable inputs are included in Level 3 of the fair value hierarchy. Generally, the sensitivity of unobservable inputs or combination of inputs such as industry comparable companies, market outlook, consistency, discount rates and reliability of earnings and prospects for growth, or lack thereof, affects the multiple used in pricing an investment. As a result, any change in any one of those factors may have a significant impact on the valuation of an investment. Generally, an increase in a market yield will result in a decrease in the valuation of a debt investment, while a decrease in a market yield will have the opposite effect. Generally, an increase in an earnings before interest, taxes, depreciation and amortization, or EBITDA, multiple will result in an increase in the valuation of an investment, while a decrease in an EBITDA multiple will have the opposite effect.

Our Level 3 valuation techniques, unobservable inputs and ranges were categorized as follows for ASC 820 purposes (\$ in thousands):

Asset Category	Fair value at December 31, 2022	Valuation Technique	Unobservable Input	Range of Input (Weighted Average) ⁽¹⁾
First lien	\$ 62,678	Market Comparable	Broker/Dealer bids or quotes	N/A
First lien	929,120	Market Comparable	Market yield	8.5% - 22.8% (11.4%)
First lien	6,410	Enterprise Market Value	Projected EBITDA multiple	8.0x
Second lien	147	Market Comparable	Market yield	0.144
Second lien	—	Enterprise Market Value	EBITDA multiple	6.3x
Equity	94,621	Enterprise Market Value	EBITDA multiple	3.1x - 21.3x (12.5x)
Equity	837	Enterprise Market Value	DLOM ⁽²⁾	14.9x
Total Level 3 investments	\$ 1,093,813			
Debt Category				
Long-Term Credit Facility	\$ 197,688	Market Comparable	Market Yield	2.5%

⁽¹⁾ The weighted averages disclosed in the table above were weighted by their relative fair value.

⁽²⁾ DLOM is defined as discount for lack of marketability.

Asset Category	Fair value at September 30, 2022	Valuation Technique	Unobservable Input	Range of Input (Weighted Average) ⁽¹⁾
First lien	\$ 70,363	Market Comparable	Broker/Dealer bids or quotes	N/A
First lien	930,806	Market Comparable	Market Yield	8.2% - 21% (10.9%)
First lien	8,473	Enterprise Market Value	EBITDA multiple	14.0
Second lien	147	Market Comparable	Market Yield	0.147
Second lien	—	Enterprise Market Value	EBITDA multiple	6.0x
Equity	89,906	Enterprise Market Value	EBITDA multiple	3.3x - 21.4x (12.5x)
Equity	5,232	Enterprise Market Value	DLOM ⁽²⁾	11.8%
Total Level 3 investments	\$ 1,104,927			
Debt Category				
Long-Term Credit Facility	\$ 167,563	Market Comparable	Market Yield	2.5%

⁽¹⁾ The weighted averages disclosed in the table above were weighted by their relative fair value.

⁽²⁾ DLOM is defined as discount for lack of marketability.

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Our investments, cash and cash equivalents, Credit Facility or Prior Credit Facility, as applicable, 2023 Notes, 2026 Notes and 2031 Asset-Backed Debt were categorized as follows in the fair value hierarchy for ASC 820 purposes (\$ in thousands):

Description	Fair Value at December 31, 2022				Measured at Net Asset Value ⁽¹⁾
	Fair Value	Level 1	Level 2	Level 3	
First lien	\$ 998,209	\$ —	\$ —	\$ 998,209	\$ —
Second lien	147	—	—	147	—
Equity	152,781	—	—	95,458	57,323
Total investments	1,151,137	—	—	1,093,814	57,323
Cash and cash equivalents	52,935	52,935	—	—	—
Total investments and cash and cash equivalents	\$ 1,204,072	\$ 52,935	\$ —	\$ 1,093,814	\$ 57,323
Credit Facility payable	\$ 197,688	\$ —	\$ —	\$ 197,688	\$ —
2023 Notes payable	73,833	73,833	—	—	—
2026 Notes payable ⁽²⁾	182,471	—	182,471	—	—
2031 Asset-Backed Debt ⁽²⁾	226,286	—	—	226,286	—
Total debt	\$ 680,278	\$ 73,833	\$ 182,471	\$ 423,974	\$ —

- ⁽¹⁾ In accordance with ASC Subtopic 820-10, Fair Value Measurements and Disclosures, or ASC 820-10, our equity investment in PSSL and PTSF are measured using the net asset value per share (or its equivalent) as a practical expedient for fair value, and thus have not been classified in the fair value hierarchy.
- ⁽²⁾ We elected not to apply the fair value option allowed by ASC 825-10 to the 2026 Notes and the 2031 Asset-Backed Debt and thus the balance reported in the Consolidated Statement of Assets and Liabilities represents the carrying value, which approximates the fair value.

Description	Fair Value at September 30, 2022				Measured at Net Asset Value ⁽¹⁾
	Fair Value	Level 1	Level 2	Level 3	
First lien	\$ 1,009,642	\$ —	\$ —	\$ 1,009,642	\$ —
Second lien	147	—	—	147	—
Equity	154,465	—	—	95,138	59,327
Total investments	1,164,254	—	—	1,104,927	59,327
Cash and cash equivalents	47,880	47,880	—	—	—
Total investments and cash and cash equivalents	\$ 1,212,134	\$ 47,880	\$ —	\$ 1,104,927	\$ 59,327
Credit Facility payable	\$ 167,563	\$ —	\$ —	\$ 167,563	\$ —
2023 Notes payable	96,812	96,812	—	—	—
2026 Notes payable ⁽²⁾	182,276	—	182,276	—	—
2031 Asset-Backed Debt ⁽²⁾	226,128	—	—	226,128	—
Total debt	\$ 672,779	\$ 96,812	\$ 182,276	\$ 393,691	\$ —

- ⁽¹⁾ In accordance with ASC Subtopic 820-10, Fair Value Measurements and Disclosures, or ASC 820-10, our equity investment in PSSL and PTSF is measured using the net asset value per share (or its equivalent) as a practical expedient for fair value, and thus has not been classified in the fair value hierarchy.
- ⁽²⁾ We elected not to apply the fair value option allowed by ASC 825-10 to the 2026 Notes and the 2031 Asset-Backed Debt and thus the balance reported in the Consolidated Statement of Assets and Liabilities represents the carrying value, which approximates the fair value.

The tables below show a reconciliation of the beginning and ending balances for fair valued investments measured using significant unobservable inputs (Level 3) (\$ in thousands):

Description	Three months ended December 31, 2022		
	First Lien	Second lien, subordinated debt and equity investments	Totals
Beginning Balance	\$ 1,009,642	\$ 95,285	\$ 1,104,927
Net realized losses	50	13	63
Net change in unrealized depreciation	(7,399)	(3,446)	(10,845)
Purchases, PIK interest, net discount accretion and non-cash exchanges	58,636	4,031	62,667
Sales, repayments and non-cash exchanges	(62,720)	(278)	(62,998)
Transfers in and/or out of Level 3	—	—	—
Ending Balance	\$ 998,209	\$ 95,605	\$ 1,093,814
Net change in unrealized depreciation reported within the net change in unrealized depreciation on investments in our Consolidated Statements of Operations attributable to our Level 3 assets still held at the reporting date.	\$ (4,830)	\$ (3,368)	\$ (8,198)

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Description	Three months ended December 31, 2021		
	First Lien	Second lien, subordinated debt and equity investments	Totals
Beginning Balance	\$ 934,418	\$ 86,771	\$ 1,021,189
Net realized losses	(87)	2,865	2,778
Net change in unrealized depreciation	(211)	(940)	(1,151)
Purchases, PIK interest, net discount accretion and non-cash exchanges	318,967	12,684	331,651
Sales, repayments and non-cash exchanges	(228,249)	(5,965)	(234,214)
Transfers in and/or out of Level 3	—	—	—
Ending Balance	<u>\$ 1,024,838</u>	<u>\$ 95,415</u>	<u>\$ 1,120,253</u>
Net change in unrealized depreciation reported within the net change in unrealized depreciation on investments in our Consolidated Statements of Operations attributable to our Level 3 assets still held at the reporting date.	<u>\$ 679</u>	<u>\$ (832)</u>	<u>\$ (153)</u>

The table below shows a reconciliation of the beginning and ending balances for liabilities recognized at fair value and measured using significant unobservable inputs (Level 3)(\$ in thousands):

Long-Term Credit Facility	Three months ended December 31,	
	2022	2021
Beginning Balance (cost – \$ 168,830 and \$219,400, respectively)	\$ 167,563	\$ 218,852
Net change in unrealized (depreciation) appreciation included in earnings	125	549
Borrowings	30,000	137,253
Repayments	—	(100,000)
Transfers in and/or out of Level 3	—	—
Ending Balance (cost – \$199,654 and \$256,6540, respectively)	<u>\$ 197,688</u>	<u>\$ 256,654</u>

As of December 31, 2022, we had outstanding non-U.S. dollar borrowings on our Credit Facility. Net change in fair value from currency translation on outstanding borrowings is listed below (\$ in thousands):

Foreign Currency	Amount Borrowed	Borrowing Cost	Current Value	Reset Date	Change in Fair Value
Australian Dollar	\$ 10,000	\$ 7,254	6,731	2/1/2023	(523)

As of September 30, 2022 we had outstanding non-U.S. dollar borrowings on our Credit Facility. Net change in fair value from currency translation on outstanding borrowings is listed below (\$ in thousands):

Foreign Currency	Amount Borrowed	Borrowing Cost	Current Value	Reset Date	Change in Fair Value
Australian Dollar	\$ 10,000	\$ 7,254	6,430	10/1/22	(824)

Generally, the carrying value of our consolidated financial liabilities approximates fair value. We have adopted the principles under ASC Subtopic 825-10, Financial Instruments, or ASC 825-10, which provides companies with an option to report selected financial assets and liabilities at fair value, and made an irrevocable election to apply ASC 825-10 to the Credit Facility and the 2023 Notes. We elected to use the fair value option for the Credit Facility and the 2023 Notes to align the measurement attributes of both our assets and liabilities while mitigating volatility in earnings from using different measurement attributes. Due to that election and in accordance with GAAP, we did not incur any expenses relating to amendment costs on the Credit Facility during both the three months ended December 31, 2022 and 2021. ASC 825-10 establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities and to more easily understand the effect on earnings of a company's choice to use fair value. ASC 825-10 also requires entities to display the fair value of the selected assets and liabilities on the face of the Consolidated Statements of Assets and Liabilities and changes in fair value of the Credit Facility and the 2023 Notes are reported in our Consolidated Statements of Operations. We elected not to apply ASC 825-10 to any other financial assets or liabilities, including our 2026 Notes and the 2031 Asset-Backed Debt.

For the three months ended December 31, 2022 and 2021, the Credit Facility and the 2023 Notes had a net change in unrealized depreciation of \$2.1 million and \$3.6 million, respectively. As of December 31, 2022 and September 30, 2022, the net unrealized depreciation on the Credit Facility and the 2023 Notes totaled \$4.4 million and \$1.5 million, respectively. We use a nationally recognized independent valuation service to measure the fair value of the Credit Facility in a manner consistent with the valuation process that our board of directors uses to value our investments. Our 2023 Notes trade on the TASE and we use the closing price on the exchange to determine the fair value.

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6. TRANSACTIONS WITH AFFILIATED COMPANIES

An affiliated portfolio company is a company in which we have ownership of 5% or more of its voting securities. A portfolio company is generally presumed to be a non-controlled affiliate when we own at least 5% but less than 25% of its voting securities and a controlled affiliate generally when we own more than 25% of its voting securities. Transactions related to our funded investments with both controlled and non-controlled affiliates for the three months ended December 31, 2022 were as follows (\$ in thousands):

Name of Investment	Fair Value at September 30, 2022	Gross Additions	Sale of/ Distribution from Affiliates	Net Change in Unrealized Appreciation (Depreciation)	Fair Value at December 31, 2022	Interest Income	Dividend/ Other Income	Net Realized Gains (Losses)
Controlled Affiliates								
Marketplace Events, LLC	\$31,390	\$330	\$—	\$1,012	\$32,732	\$950	\$—	\$—
PennantPark Senior Secured Loan Fund I LLC *	239,615	13,125	—	(5,076)	247,664	5,959	2,975	—
Total Controlled Affiliates	\$271,005	\$13,455	\$—	\$(4,064)	\$280,396	\$6,909	\$2,975	\$—

* We and Kemper are the members of PSSL, a joint venture formed as a Delaware limited liability company that is not consolidated by us for financial reporting purposes. The members of PSSL make investments in PSSL in the form of first lien secured debt and equity interests, and all portfolio and other material decisions regarding PSSL must be submitted to PSSL's board of directors or investment committee, both of which are comprised of two members appointed by each of us and Kemper. Because management of PSSL is shared equally between us and Kemper, we do not believe we control PSSL for purposes of the 1940 Act or otherwise.

7. CHANGE IN NET ASSETS FROM OPERATIONS PER COMMON SHARE

The following information sets forth the computation of basic and diluted per share net increase (decrease) in net assets resulting from operations (\$ in thousands, except per share data):

	Three Months Ended December 31,	
	2022	2021
Numerator for net increase in net assets resulting from operations	\$ (1,620)	\$ 14,433
Denominator for basic and diluted weighted average shares	45,368,844	38,961,201
Basic and diluted net increase in net assets per share resulting from operations	\$ (0.04)	\$ 0.37

8. CASH AND CASH EQUIVALENTS

Cash equivalents represent cash in money market funds pending investment in longer-term portfolio holdings. Our portfolio may consist of temporary investments in U.S. Treasury Bills (of varying maturities), repurchase agreements, money market funds or repurchase agreement-like treasury securities. These temporary investments with original maturities of 90 days or less are deemed cash equivalents and are included in the Consolidated Schedule of Investments. At the end of each fiscal quarter, we may take proactive steps to preserve investment flexibility for the next quarter by investing in cash equivalents, which is dependent upon the composition of our total assets at quarter-end. We may accomplish this in several ways, including purchasing U.S. Treasury Bills and closing out positions on a net cash basis after quarter-end, temporarily drawing down on the Credit Facility, or utilizing repurchase agreements or other balance sheet transactions as are deemed appropriate for this purpose. These amounts are excluded from average adjusted gross assets for purposes of computing the Investment Adviser's management fee. U.S. Treasury Bills with maturities greater than 60 days from the time of purchase are valued consistent with our valuation policy. As of December 31, 2022 and September 30, 2022, cash and cash equivalents consisted of money market funds in the amounts of \$52.9 million and \$47.9 million at fair value, respectively.

9. FINANCIAL HIGHLIGHTS

Below are the financial highlights (\$ in thousands, except per share data):

	Three Months Ended December 31,	
	2022	2021
Per Share Data:		
Net asset value, beginning of period	\$ 11.62	\$ 12.62
Net investment income ⁽¹⁾	0.30	0.33
Net change in realized and unrealized (loss) gain ⁽¹⁾	(0.34)	0.04
Net decrease in net assets resulting from operations ⁽¹⁾	(0.04)	0.37
Distributions to stockholders ^{(1),(2)}	(0.29)	(0.29)
Issuance of common stock	0.01	—
Net asset value, end of period	\$ 11.30	\$ 12.70
Per share market value, end of period	\$ 10.98	\$ 12.77
Total return ⁽³⁾	17.29 %	2.03 %
Shares outstanding at end of period	45,431,815	39,150,794
Ratios** / Supplemental Data:		
Ratio of operating expenses to average net assets ⁽⁴⁾	5.91 %	5.63 %
Ratio of debt related expenses to average net assets ⁽⁵⁾	7.53 %	5.36 %
Ratio of total expenses to average net assets ⁽⁵⁾	13.44 %	10.99 %
Ratio of net investment income to average net assets ⁽⁵⁾	10.48 %	10.27 %
Net assets at end of period	\$ 513,530	\$ 497,405
Weighted average debt outstanding	\$ 688,165	\$ 739,241
Weighted average debt per share ⁽¹⁾	\$ 15.17	\$ 18.97
Asset coverage per unit ⁽⁶⁾	\$ 1,734	\$ 1,649
Portfolio turnover rate*	4.04 %	19.94 %

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* Not annualized for periods less than one year.

** Annualized for periods less than one year.

(1) Based on the weighted average shares outstanding for the respective periods.

(2) The tax status of distributions is calculated in accordance with income tax regulations, which may differ from amounts determined under GAAP, and reported on Form 1099-DIV each calendar year.

(3) Based on the change in market price per share during the periods and assumes distributions, if any, are reinvested.

(4) Excludes debt-related costs.

(5) Includes interest and expenses on debt (annualized) as well as Credit Facility amendment and debt issuance costs, if any, (not annualized).

(6) The asset coverage ratio for a class of senior securities representing indebtedness is calculated on our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by the senior securities representing indebtedness at par (changed from fair value). This asset coverage ratio is multiplied by \$1,000 to determine the asset coverage per unit.

10. DEBT

The annualized weighted average cost of debt for the three months ended December 31, 2022 and 2021, inclusive of the fee on the undrawn commitment on the Credit Facility or the Prior Credit Facility, as applicable, amendment costs and debt issuance costs, was 5.8% and 3.6%, respectively. As of December 31, 2022, in accordance with the 1940 Act, with certain limited exceptions, we are only allowed to borrow amounts such that we are in compliance with a 150% asset coverage ratio requirement after such borrowing.

On April 5, 2018, our board of directors approved the application of the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act, as amended by the Consolidated Appropriations Act of 2018 (which includes the Small Business Credit Availability Act, or SBCAA). As a result, the asset coverage requirement applicable to us for senior securities was reduced from 200% (i.e., \$1 of debt outstanding for each \$1 of equity) to 150% (i.e., \$2 of debt outstanding for each \$1 of equity), effective as of April 5, 2019, subject to compliance with certain disclosure requirements. As of December 31, 2022 and September 30, 2022, our asset coverage ratio, as computed in accordance with the 1940 Act, was 173% and 178%, respectively.

Credit Facility

Funding I's multi-currency Credit Facility with affiliates of Truist Bank (formerly SunTrust Bank), or the Lenders, was \$366.0 million as of December 31, 2022, subject to satisfaction of certain conditions and the regulatory restrictions that the 1940 Act imposes on us as a BDC, has an interest rate spread above SOFR (or an alternative risk-free floating interest rate index) of 225 basis points, a maturity date of August 2026 and a revolving period that ends in August 2024. As of December 31, 2022 and September 30, 2022, Funding I had \$199.7 million and \$168.8 million of outstanding borrowings under the Credit Facility, respectively. The Credit Facility had a weighted average interest rate of 6.5% and 4.7%, exclusive of the fee on undrawn commitments as of December 31, 2022 and September 30, 2022, respectively. As of December 31, 2022 and September 30, 2022, we had \$166.3 million and \$197.2 million of unused borrowing capacity under the Credit Facility, respectively, subject to leverage and borrowing base restrictions.

During the revolving period, the Credit Facility bears interest at SOFR (or an alternative risk-free floating interest rate index) plus 225 basis points and, after the revolving period, the rate will reset to Base Rate (or an alternative risk-free floating interest rate index) plus 250 basis points for the remaining two years, maturing in August 2026. The Credit Facility is secured by all of the assets of Funding I. Both we and Funding I have made customary representations and warranties and are required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities.

The Credit Facility contains covenants, including, but not limited to, restrictions of loan size, industry requirements, average life of loans, geographic and individual portfolio concentrations, minimum portfolio yield and loan payment frequency. Additionally, the Credit Facility requires the maintenance of a minimum equity investment in Funding I and income ratio as well as restrictions on certain payments and issuance of debt. The Credit Facility compliance reporting is prepared on a basis of accounting other than GAAP. As of December 31, 2022, we were in compliance with the covenants relating to the Credit Facility.

We own 100% of the equity interest in Funding I and treat the indebtedness of Funding I as our leverage. Our Investment Adviser serves as collateral manager to Funding I under the Credit Facility.

Our interest in Funding I (other than the management fee) is subordinate in priority of payment to every other obligation of Funding I and is subject to certain payment restrictions set forth in the Credit Facility. We may receive cash distributions on our equity interests in Funding I only after it has made all required payments of (1) cash interest and, if applicable, principal to the Lenders, (2) administrative expenses and (3) claims of other unsecured creditors of Funding I. The Investment Adviser has irrevocably directed that any management fee owed with respect to such services is to be paid to the Company so long as the Investment Adviser remains the collateral manager.

2023 Notes

In November 2017, we issued \$138.6 million of our 2023 Notes of which \$76.2 million and \$97.0 million were outstanding as at December 31, 2022 and September 30, 2022, respectively. The 2023 Notes were issued pursuant to a deed of trust between the Company and Mishmeret Trust Company, Ltd., as trustee.

The 2023 Notes pay interest at a rate of 4.3% per year. As a result of the downgrade of the 2023 Notes from "iA+" to "iA-" in March 2020, the interest rate of the 2023 Notes was increased to 4.3% from 3.8%. Interest on the 2023 Notes is payable semi-annually in arrears on June 15 and December 15 of each year, commencing June 15, 2018. The principal on the 2023 Notes will be payable in four annual installments as follows: 15% of the original principal amount on December 15, 2020, 15% of the original principal amount on December 15, 2021, 15% of the original principal amount on December 15, 2022 and 55% of the original principal amount on December 15, 2023.

The 2023 Notes are general, unsecured obligations, rank equal in right of payment with all of PennantPark Floating Rate Capital Ltd.'s existing and future senior unsecured indebtedness and are generally redeemable at our option. The deed of trust governing the 2023 Notes includes certain customary covenants, including minimum equity requirements, and events of default. Please refer to the deed of trust filed as Exhibit (d)(8) to our post-effective amendment filed on December 13, 2017 for more information. The 2023 Notes are rated iA- by S&P Global Ratings Maalot Ltd. and are listed on the TASE. In connection with this offering, we have dual listed our common stock on the TASE.

The 2023 Notes have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration under the Securities Act or in transactions exempt from, or not subject to, such registration requirements.

2026 Notes

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
December 31, 2022
(Unaudited)

In March 2021 and in October 2021, we issued \$100.0 million and \$85.0 million, respectively, in aggregate principal amount of \$185.0 million of our 2026 Notes at a public offering price per note of 99.4% and 101.5%, respectively. Interest on the 2026 Notes is paid semi-annually on April 1 and October 1 of each year, at a rate of 4.25% per year, commencing October 1, 2021. The 2026 Notes mature on April 1, 2026 and may be redeemed in whole or in part at our option subject to a make-whole premium if redeemed more than three months prior to maturity. The 2026 Notes are our general, unsecured obligations and rank equal in right of payment with all of our existing and future senior unsecured indebtedness. The 2026 Notes are effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and structurally subordinated to all of our existing and future indebtedness and other obligations of any of our subsidiaries, financing vehicles, or similar facilities. We do not intend to list the 2026 Notes on any securities exchange or automated dealer quotation system.

2031 Asset-Backed Debt

In September 2019, the Company completed the \$301.4 million term debt securitization. Term debt securitizations, also known as CLOs, are a form of secured financing incurred by the Company, which is consolidated by the Company and subject to the Company's asset coverage requirements. The 2031 Asset-Backed Debt was issued by the Securitization Issuer. The 2031 Asset-Backed Debt is secured by the middle market loans, participation interests in middle market loans and other assets of the Securitization Issuer. The Debt Securitization was executed through (A) a private placement of: (i) \$78.5 million Class A-1 Senior Secured Floating Rate Loans maturing 2031, which bear interest at the three-month LIBOR plus 1.8%, (ii) \$15.0 million Class A-2 Senior Secured Fixed Rate Notes due 2031, which bear interest at 3.7%, (iii) \$14.0 million Class B-1 Senior Secured Floating Rate Notes due 2031, which bear interest at the three-month LIBOR plus 2.9%, (iv) \$16.0 million Class B-2 Senior Secured Fixed Rate Notes due 2031, which bear interest at 4.3%, (v) \$19.0 million Class C-1 Secured Deferrable Floating Rate Notes due 2031, which bear interest at the three-month LIBOR plus 4.0%, (vi) \$8.0 million Class C-2 Secured Deferrable Fixed Rate Notes due 2031, which bear interest at 5.4%, and (vii) \$18.0 million Class D Secured Deferrable Floating Rate Loans due 2031, which bear interest at the three-month LIBOR plus 4.8% and (B) the borrowing of \$77.5 million Class A-1 Senior Secured Floating Rate Notes due 2031, which bear interest at the three-month LIBOR plus 1.8%, under a credit agreement by and among the Securitization Issuers, as borrowers, various financial institutions, as lenders, and U.S. Bank National Association, as collateral agent and as loan agent. The annualized interest on the 2031 Asset-Backed Debt will be paid, to the extent of funds available. The reinvestment period of the Debt Securitization ends on October 15, 2023 and the 2031 Asset-Backed Debt is scheduled to mature on October 15, 2031.

On the closing date of the Debt Securitization, in consideration of our transfer to the Securitization Issuer of the initial closing date loan portfolio, which included loans distributed to us by certain of our wholly-owned subsidiaries, the Securitization Issuer transferred to us 100% of the Preferred Shares of the Securitization Issuer, 100% of the Class D Secured Deferrable Floating Rate Notes issued by the Securitization Issuer, and a portion of the net cash proceeds received from the sale of the 2031 Asset-Backed Debt. The Preferred Shares of the Securitization Issuer do not bear interest and had a stated value of approximately \$55.4 million at the closing of the Debt Securitization.

The 2031 Asset-Backed Debt is included in the Consolidated Statement of Assets and Liabilities as debt of the Company and the Class D Secured Deferrable Floating Rate Notes and the Preferred Shares of the Securitization Issuer were eliminated in consolidation. As of both December 31, 2022 and September 30, 2022, the Company had \$228.0 million of 2031 Asset-Backed Debt outstanding with a weighted average interest rate of 5.9% and 4.6%, respectively. As of December 31, 2022 and September 30, 2022, the unamortized fees on the 2031 Asset-Backed Debt were \$1.7 million and \$1.9 million, respectively.

Our Investment Adviser serves as collateral manager to the Securitization Issuer pursuant to the Collateral Management Agreement. For so long as our Investment Adviser serves as collateral manager, it will elect to irrevocably waive any collateral management fee to which it may be entitled under the Collateral Management Agreement.

II. COMMITMENTS AND CONTINGENCIES

From time to time, we may be a party to legal proceedings, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our financial condition or results of operations. Unfunded debt and equity investments, if any, are disclosed in the Consolidated Schedules of Investments. As of December 31, 2022 and September 30, 2022, we had \$151.4 million and \$150.6 million, respectively, in commitments to fund investments. Additionally, as described in Note 4, the Company had unfunded commitments of \$15.3 and \$28.4 million to PSSL as of December 31, 2022 and September 30, 2022, respectively, that may be contributed primarily for the purpose of funding new investments approved by the PSSL board of directors or investment committee.

12. SUBSEQUENT EVENTS

In connection with our January 23, 2023 public offering, we issued approximately 4.3 million shares of common stock resulting in net proceeds exclusive of offering expenses to the Company of approximately \$47.6 million, or \$11.20 per share.

The Adviser, has agreed to pay the underwriters a supplemental payment of \$0.10 per share, which reflects the difference between the public offering price of \$11.10 and the net proceeds of \$11.20 per share received by the Company in this offering. In addition, the Adviser has agreed to bear the sales load payable to the underwriters. The Company is not obligated to repay either the supplemental payment or the sales load paid by the Adviser.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of PennantPark Floating Rate Capital Ltd. and its Subsidiaries

Results of Review of Interim Financial Statements

We have reviewed the accompanying consolidated statement of assets and liabilities of PennantPark Floating Rate Capital Ltd. and its Subsidiaries (collectively referred to as the Company), including the consolidated schedule of investments, as of December 31, 2022, the related consolidated statements of operations and changes in net assets for the three-month periods ended December 31, 2022 and 2021, and cash flows for the three-month periods ended December 31, 2022 and 2021, and the related notes to

the consolidated financial statements (collectively, the interim financial statements). Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of assets and liabilities of the Company, including the consolidated schedule of investments, as of September 30, 2022, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended (not presented herein); and in our report dated November 17, 2022, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated statement of assets and liabilities, including the consolidated schedule of investments, as of September 30, 2022, is fairly stated, in all material respects, in relation to the consolidated statement of assets and liabilities, including the consolidated schedule of investments, from which it has been derived.

Basis for Review Results

These interim financial statements are the responsibility of the Company's management. We conducted our reviews in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

/s/ RSM US LLP

New York, New York
February 8, 2023

Awareness Letter of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of PennantPark Floating Rate Capital Ltd. and its Subsidiaries

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited interim financial information of PennantPark Floating Rate Capital Ltd. for the periods ended December 31, 2022 and 2021, as indicated in our report dated February 8, 2023; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended December 31, 2022, is incorporated by reference in Registration Statement No.333-268813 on Form N-2.

We are also aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ RSM US LLP

New York, New York
February 8, 2023

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

This Report, including Management's Discussion and Analysis of Financial Condition and Results of Operations, contains statements that constitute forward-looking statements, which relate to us and our consolidated subsidiaries regarding future events or our future performance or future financial condition. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about our Company, our industry, our beliefs and our assumptions. The forward-looking statements contained in this Report involve risks and uncertainties, including statements as to:

- our future operating results;
- our business prospects and the prospects of our prospective portfolio companies, including as a result of the pandemic caused by COVID-19 or any future worsening thereof;
- changes in political, economic or industry conditions, the interest rate environment or conditions affecting the financial and capital markets that could result in changes to the value of our assets, including changes from the impact of the COVID-19 pandemic or any future worsening thereof;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the impact of a protracted decline in the liquidity of credit markets on our business;
- the impact of investments that we expect to make;
- the impact of fluctuations in interest rates and foreign exchange rates on our business and our portfolio companies;
- our contractual arrangements and relationships with third parties;
- the valuation of our investments in portfolio companies, particularly those having no liquid trading market;
- the ability of our prospective portfolio companies to achieve their objectives;
- our expected financings and investments and ability to fund capital commitments to PSSSL;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our prospective portfolio companies;
- the impact of price and volume fluctuations in the stock market;
- increasing levels of inflation, and its impact on us and our portfolio companies;
- the ability of our Investment Adviser to locate suitable investments for us and to monitor and administer our investments;
- the impact of future legislation and regulation on our business and our portfolio companies; and
- the impact of the ongoing invasion of Ukraine by Russia, United Kingdom's withdrawal from the European Union (commonly known as "Brexit") and other world economic and political issues.

We use words such as "anticipates," "believes," "expects," "intends," "seeks," "plans," "estimates" and similar expressions to identify forward-looking statements. You should not place undue influence on the forward-looking statements as our actual results could differ materially from those projected in the forward-looking statements for any reason, including the factors in "Risk Factors" and elsewhere in this Report.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions also could be inaccurate. Important assumptions include our ability to originate new loans and investments, certain margins and levels of profitability and the availability of additional capital. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this Report should not be regarded as a representation by us that our plans and objectives will be achieved.

We have based the forward-looking statements included in this Report on information available to us on the date of this Report, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements in this Report, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including reports on Form 10-Q/K and current reports on Form 8-K.

You should understand that under Section 27A(b)(2)(B) of the Securities Act and Section 21E(b)(2)(B) of the Exchange Act, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 do not apply to forward-looking statements made in periodic reports we file under the Exchange Act.

The following analysis of our financial condition and results of operations should be read in conjunction with our Consolidated Financial Statements and the related notes thereto contained elsewhere in this Report.

Overview

PennantPark Floating Rate Capital Ltd. is a BDC whose objectives are to generate both current income and capital appreciation while seeking to preserve capital by investing primarily in floating rate loans and other investments made to U.S. middle-market companies.

We believe that floating rate loans to U.S. middle-market companies offer attractive risk-reward to investors due to a limited amount of capital available for such companies. We use the term "middle-market" to refer to companies with annual revenues between \$50 million and \$1 billion. Our investments are typically rated below

investment grade. Securities rated below investment grade are often referred to as “leveraged loans,” “high yield” securities or “junk bonds” and are often higher risk compared to debt instruments that are rated above investment grade and have speculative characteristics. However, when compared to junk bonds and other non-investment grade debt, senior secured floating rate loans typically have more robust capital-preserving qualities, such as historically lower default rates than junk bonds, represent the senior source of capital in a borrower’s capital structure and often have certain of the borrower’s assets pledged as collateral. Our debt investments may generally range in maturity from three to ten years and are made to U.S. and, to a limited extent, non-U.S. corporations, partnerships and other business entities which operate in various industries and geographical regions.

Under normal market conditions, we generally expect that at least 80% of the value of our managed assets will be invested in floating rate loans and other investments bearing a variable-rate of interest. We generally expect that first lien secured debt will represent at least 65% of our overall portfolio. We also generally expect to invest up to 35% of our overall portfolio opportunistically in other types of investments, including second lien secured debt and subordinated debt and, to a lesser extent, equity investments. We seek to create a diversified portfolio by generally targeting an investment size between \$5 million and \$30 million, on average, although we expect that this investment size will vary proportionately with the size of our capital base.

Our investment activity depends on many factors, including the amount of debt and equity capital available to middle-market companies, the level of merger and acquisition activity for such companies, the general economic environment and the competitive environment for the types of investments we make. We have used, and expect to continue to use, our debt capital, proceeds from the rotation of our portfolio and proceeds from public and private offerings of securities to finance our investment objectives.

Organization and Structure of PennantPark Floating Rate Capital Ltd.

PennantPark Floating Rate Capital Ltd., a Maryland corporation organized in October 2010, is a closed-end, externally managed, non-diversified investment company that has elected to be treated as a BDC under the 1940 Act. In addition, for federal income tax purposes we elected to be treated, and intend to qualify annually, as a RIC under the Code.

Our investment activities are managed by the Investment Adviser. Under our Investment Management Agreement, we have agreed to pay our Investment Adviser an annual base management fee based on our average adjusted gross assets as well as an incentive fee based on our investment performance. We have also entered into an Administration Agreement with the Administrator. Under our Administration Agreement, we have agreed to reimburse the Administrator for our allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under our Administration Agreement, including rent and our allocable portion of the costs of compensation and related expenses of our Chief Compliance Officer, Chief Financial Officer, Corporate Counsel and their respective staffs. Our board of directors, a majority of whom are independent of us, provides overall supervision of our activities, and the Investment Adviser supervises our day-to-day activities.

At-the-Market Offering

On August 20, 2021, the Company entered into an equity distribution agreements (together, as amended from time to time, the “Equity Distribution Agreements”) with each of JMP Securities LLC and Raymond James & Associates, Inc., as the sales agents (each, a “Sales Agent”, and together, the “Sales Agents”), in connection with the sale of shares of our Common Stock with an aggregate offering price of up to \$75 million under an at-the-market offering. On May 5, 2022, we amended the Equity Distribution Agreements to update references from NASDAQ to NYSE and reflect that the agents are now represented by Kirkland & Ellis LLP. The Equity Distribution Agreements, as amended, provide that we may offer and sell shares of our Common Stock from time to time through a Sales Agent in amounts and at times to be determined by us. Actual sales will depend on a variety of factors to be determined by us from time to time, including, market conditions and the trading price of our Common Stock.

Revenues

We generate revenue in the form of interest income on the debt securities we hold and capital gains and dividends, if any, on investment securities that we may acquire in portfolio companies. Our debt investments, whether in the form of first lien secured debt, second lien secured debt or subordinated debt, typically have a term of three to ten years and bear interest at a floating or fixed rate. Interest on debt securities is generally payable quarterly or semiannually. In some cases, our investments provide for deferred interest payments or PIK interest. The principal amount of the debt securities and any accrued but unpaid interest generally becomes due at the maturity date. In addition, we may generate revenue in the form of amendment, commitment, origination, structuring or diligence fees, fees for providing significant managerial assistance and possibly consulting fees. Loan origination fees, OID and market discount or premium are capitalized and accreted or amortized using the effective interest method as interest income or, in the case of deferred financing costs, as interest expense. Dividend income, if any, is recognized on an accrual basis on the ex-dividend date to the extent that we expect to collect such amounts. From time to time, the Company receives certain fees from portfolio companies, which are non-recurring in nature. Such fees include loan prepayment penalties, structuring fees and amendment fees, and are recorded as other investment income when earned. Litigation settlements are accounted for in accordance with the gain contingency provisions of ASC Subtopic 450-30, Gain Contingencies, or ASC 450-30.

Expenses

Our primary operating expenses include the payment of a management fee and the payment of an incentive fee to our Investment Adviser, if any, our allocable portion of overhead under our Administration Agreement and other operating costs as detailed below. Our management fee compensates our Investment Adviser for its work in identifying, evaluating, negotiating, consummating and monitoring our investments. Additionally, we pay interest expense on the outstanding debt and unused commitment fees on undrawn amounts under our various debt facilities. We bear all other direct or indirect costs and expenses of our operations and transactions, including:

- the cost of calculating our NAV, including the cost of any third-party valuation services;
- the cost of effecting sales and repurchases of shares of our common stock and other securities;
- fees payable to third parties relating to, or associated with, making investments, including fees and expenses associated with performing due diligence and reviews of prospective investments or complementary businesses;
- expenses incurred by the Investment Adviser in performing due diligence and reviews of investments;
- transfer agent and custodial fees;
- fees and expenses associated with marketing efforts;
- federal and state registration fees and any exchange listing fees;
- federal, state, local and foreign taxes;

- independent directors' fees and expenses;
- brokerage commissions;
- fidelity bond, directors and officers, errors and omissions liability insurance and other insurance premiums;
- direct costs such as printing, mailing, long distance telephone and staff;
- fees and expenses associated with independent audits and outside legal costs;
- costs associated with our reporting and compliance obligations under the 1940 Act and applicable federal and state securities laws; and
- all other expenses incurred by either the Administrator or us in connection with administering our business, including payments under our Administration Agreement that will be based upon our allocable portion of overhead, and other expenses incurred by the Administrator in performing its obligations under our Administration Agreement, including rent and our allocable portion of the costs of compensation and related expenses of our Chief Compliance Officer, Chief Financial Officer, Corporate Counsel and their respective staffs.

Generally, during periods of asset growth, we expect our general and administrative expenses to be relatively stable or to decline as a percentage of total assets and increase during periods of asset declines. Incentive fees, interest expense and costs relating to future offerings of securities would be additive to the expenses described above.

PORTFOLIO AND INVESTMENT ACTIVITY

As of December 31, 2022, our portfolio totaled \$1,151.1 million, and consisted of \$998.2 million of first lien secured debt (including \$199.4 million in PSSL), \$0.1 million of second lien secured debt and \$152.8 million of preferred and common equity (including \$48.3 million in PSSL). Our debt portfolio consisted of 100% variable-rate investments. As of December 31, 2022, we had three portfolio companies on non-accrual, representing 1.9% and 0.6% of our overall portfolio on a cost and fair value basis, respectively. Overall, the portfolio had net unrealized depreciation of \$29.9 million. Our overall portfolio consisted of 126 companies with an average investment size of \$9.1 million, had a weighted average yield on debt investments of 11.3%, and was invested 87% in first lien secured debt (including 17% in PSSL), less than 1% in second lien secured debt and 13% in preferred and common equity (including 4% in PSSL). As of December 31, 2022, 99% of the investments held by PSSL were first lien secured debt.

As of September 30, 2022, our portfolio totaled \$1,164.3 million and consisted of \$1,009.6 million of first lien secured debt (including \$190.2 million in PSSL), \$0.1 million of second lien secured debt and \$154.5 million of preferred and common equity (including \$49.4 million in PSSL). Our debt portfolio consisted of 100% variable-rate investments. As of September 30, 2022, we had two portfolio companies on non-accrual, representing 0.9% and zero percent of our overall portfolio on a cost and fair value basis, respectively. Overall, the portfolio had net unrealized depreciation of \$8.7 million. Our overall portfolio consisted of 125 companies with an average investment size of \$9.3 million, had a weighted average yield on debt investments of 10.0%, and was invested 87% in first lien secured debt (including 16% in PSSL), less than 1% in second lien secured debt and 13% in preferred and common equity (including 4% in PSSL). As of September 30, 2022, 99% of the investments held by PSSL were first lien secured debt.

For the three months ended December 31, 2022, we invested \$65.6 million in four new and 29 existing portfolio companies with a weighted average yield on debt investments of 11.2%. Sales and repayments of investments for the three months ended December 31, 2022 totaled \$63.0 million.

For the three months ended December 31, 2021, we invested \$335.1 million in 16 new and 36 existing portfolio companies with a weighted average yield on debt investments of 7.8%. Sales and repayments of investments for the three months ended December 31, 2021 totaled \$238.4 million.

PennantPark Senior Secured Loan Fund I LLC

As of December 31, 2022, PSSL's portfolio totaled \$750.7 million and consisted of 100 companies with an average investment size of \$7.5 million and had a weighted average yield on debt investments of 10.9%. As of September 30, 2022, PSSL's portfolio totaled \$754.7 million, consisted of 95 companies with an average investment size of \$8.0 million and had a weighted average yield on debt investments of 9.6%.

For the three months ended December 31, 2022, PSSL invested \$29.5 million (including \$18.8 million purchased from the Company) in seven new and eight existing portfolio companies with a weighted average yield on debt investments of 11.1%. Sales and repayments of investments for the three months ended December 31, 2022 totaled \$28.8 million.

For the three months ended December 31, 2021, PSSL invested \$129.6 million (including \$122.7 million purchased from the Company) in 12 new and six existing portfolio companies with a weighted average yield on debt investments of 8.0%. Sales and repayments of investments for the three months ended December 31, 2021 totaled \$50.4 million.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of our Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of our assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of income and expenses during the reported periods. In the opinion of management, all adjustments, which are of a normal recurring nature, considered necessary for the fair presentation of financial statements have been included. Actual results could differ from these estimates due to changes in the economic and regulatory environment, financial markets and any other parameters used in determining such estimates and assumptions. We may reclassify certain prior period amounts to conform to the current period presentation. We have eliminated all intercompany balances and transactions. References to ASC serve as a single source of accounting literature. Subsequent events are evaluated and disclosed as appropriate for events occurring through the date the Consolidated Financial Statements are issued. In addition to the discussion below, we describe our critical accounting policies in the notes to our Consolidated Financial Statements. We discuss our critical accounting estimates in Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2022 Annual Report on Form 10-K. There have been no significant changes in our critical accounting estimates during the three months from those disclosed in our 2022 Annual Report on Form 10-K.

Investment Valuations

We expect that there may not be readily available market values for many of our investments which are or will be in our portfolio, and we value such investments at fair value as determined in good faith by or under the direction of our board of directors using a documented valuation policy and a consistently applied valuation process, as described in this Report. With respect to investments for which there is no readily available market value, the factors that the board of directors may take into account in pricing our investments at fair value include, as relevant, the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings

and discounted cash flow, the markets in which the portfolio company does business, comparison to publicly traded securities and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we consider the pricing indicated by the external event to corroborate or revise our valuation. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the price used in an actual transaction may be different than our valuation and the difference may be material.

Our portfolio generally consists of illiquid securities, including debt and equity investments. With respect to investments for which market quotations are not readily available, or for which market quotations are deemed not reflective of the fair value, our board of directors undertakes a multi-step valuation process each quarter, as described below:

- (1) Our quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals of our Investment Adviser responsible for the portfolio investment;
- (2) Preliminary valuation conclusions are then documented and discussed with the management of our Investment Adviser;
- (3) Our board of directors also engages independent valuation firms to conduct independent appraisals of our investments for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment. The independent valuation firms review management's preliminary valuations in light of their own independent assessment and also in light of any market quotations obtained from an independent pricing service, broker, dealer or market maker;
- (4) The audit committee of our board of directors reviews the preliminary valuations of our Investment Adviser and those of the independent valuation firms on a quarterly basis, periodically assesses the valuation methodologies of the independent valuation firms, and responds to and supplements the valuation recommendations of the independent valuation firms to reflect any comments; and
- (5) Our board of directors discusses these valuations and determines the fair value of each investment in our portfolio in good faith, based on the input of our Investment Adviser, the respective independent valuation firms and the audit committee.

Our board of directors generally uses market quotations to assess the value of our investments for which market quotations are readily available. We obtain these market values from independent pricing services or at the bid prices obtained from at least two brokers or dealers, if available, or otherwise from a principal market maker or a primary market dealer. The Investment Adviser assesses the source and reliability of bids from brokers or dealers. If the board of directors has a bona fide reason to believe any such market quote does not reflect the fair value of an investment, it may independently value such investments by using the valuation procedure that it uses with respect to assets for which market quotations are not readily available.

Fair value, as defined under ASC 820, is the price that we would receive upon selling an investment or pay to transfer a liability in an orderly transaction to a market participant in the principal or most advantageous market for the investment or liability. ASC 820 emphasizes that valuation techniques maximize the use of observable market inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of us. Unobservable inputs reflect the assumptions market participants would use in pricing an asset or liability based on the best information available to us on the reporting period date.

ASC 820 classifies the inputs used to measure these fair values into the following hierarchies:

Level 1: Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities, accessible by us at the measurement date.

Level 2: Inputs that are quoted prices for similar assets or liabilities in active markets, or that are quoted prices for identical or similar assets or liabilities in markets that are not active and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term, if applicable, of the financial instrument.

Level 3: Inputs that are unobservable for an asset or liability because they are based on our own assumptions about how market participants would price the asset or liability.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Generally, most of our investments, our 2031 Asset-Backed Debt and our Credit Facility are classified as Level 3. Our 2026 Notes are classified as Level 2 as they are financial instruments with readily observable market inputs. Our 2023 Notes are classified as Level 1, as they were valued using the closing price from the primary exchange. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the price used in an actual transaction may be different than our valuation and those differences may be material.

On December 3, 2020, the SEC adopted Rule 2a-5 under the 1940 Act, which establishes an updated regulatory framework for determining fair value in good faith for purposes of the 1940 Act. The new rule clarifies how fund boards of directors can satisfy their valuation obligations and requires, among other things, the boards of directors to periodically assess material valuation risks and take steps to manage those risks. The rule also permits boards of directors, subject to board oversight and certain other conditions, to designate the fund's investment adviser to perform fair value determinations. The new rule went into effect on March 8, 2021 and had a compliance date of September 8, 2022. We came into compliance with Rule 2a-5 under the 1940 Act before the compliance date. While our board of directors has not elected to designate the Investment Adviser as the valuation designee at this time, we have adopted certain revisions to our valuation policies and procedures in order to comply with the applicable requirements of Rule 2a-5 under the 1940 Act.

In addition to using the above inputs to value cash equivalents, investments, our 2023 Notes, our 2026 Notes, our 2031 Asset-Backed Debt and our Credit Facility, we employ the valuation policy approved by our board of directors that is consistent with ASC 820. Consistent with our valuation policy, we evaluate the source of inputs, including any markets in which our investments are trading, in determining fair value.

Generally, the carrying value of our consolidated financial liabilities approximates fair value. We have adopted the principles ASC Subtopic 825-10, Financial Instruments, or ASC 825-10, which provides companies with an option to report selected financial assets and liabilities at fair value, and made an irrevocable election to apply ASC 825-10 to the Credit Facility and the 2023 Notes. We elected to use the fair value option for the Credit Facility and the 2023 Notes to align the measurement attributes of both our assets and liabilities while mitigating volatility in earnings from using different measurement attributes. Due to that election and in accordance with GAAP, we did not incur any expenses relating to amendment costs on the Credit Facility and debt issuance costs on the 2023 Notes during the three months ended December 31, 2022 and 2021, respectively. ASC 825-10 establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities and to more easily understand the effect on earnings of a company's choice to use fair value. ASC 825-10 also requires entities to display the fair value of the selected assets and liabilities on the face of the Consolidated Statements of Assets and Liabilities and changes in fair value of

the Credit Facility and the 2023 Notes are reported in our Consolidated Statements of Operations. We elected not to apply ASC 825-10 to any other financial assets or liabilities, including the 2026 Notes and the 2031 Asset-Backed Debt.

For the three months ended December 31, 2022 and 2021, the Credit Facility and the 2023 Notes had a net change in unrealized depreciation (appreciation) of \$2.1 million and \$3.6 million, respectively. As of December 31, 2022 and September 30, 2022, the net unrealized depreciation on the Credit Facility as applicable, and the 2023 Notes totaled \$4.4 million and \$2.3 million, respectively. We use a nationally recognized independent valuation service to measure the fair value of the Credit Facility in a manner consistent with the valuation process that our board of directors uses to value our investments. Our 2023 Notes trade on the TASE and we use the closing price on the exchange to determine the fair value.

Revenue Recognition

We record interest income on an accrual basis to the extent that we expect to collect such amounts. For loans and debt investments with contractual PIK interest, which represents interest accrued and added to the loan balance that generally becomes due at maturity, we will generally not accrue PIK interest when the portfolio company valuation indicates that such PIK interest is not collectable. We do not accrue as a receivable interest on loans and debt investments if we have reason to doubt our ability to collect such interest. Loan origination fees, OID, market discount or premium and deferred financing costs on liabilities, which we do not fair value, are capitalized and then accreted or amortized using the effective interest method as interest income or, in the case of deferred financing costs, as interest expense. We record prepayment penalties on loans and debt investments as income. Dividend income, if any, is recognized on an accrual basis on the ex-dividend date to the extent that we expect to collect such amounts. From time to time, the Company receives certain fees from portfolio companies, which are non-recurring in nature. Such fees include loan prepayment penalties, structuring fees and amendment fees, and are recorded as other investment income when earned.

Net Realized Gains or Losses and Net Change in Unrealized Appreciation or Depreciation

We measure realized gains or losses by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, using the specific identification method, without regard to unrealized appreciation or depreciation previously recognized, but considering unamortized upfront fees and prepayment penalties. Net change in unrealized appreciation or depreciation reflects the change in the fair values of our portfolio investments, our Credit Facility, the 2023 Notes during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

Foreign Currency Translation

Our books and records are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:

1. Fair value of investment securities, other assets and liabilities – at the exchange rates prevailing at the end of the applicable period; and
2. Purchases and sales of investment securities, income and expenses – at the exchange rates prevailing on the respective dates of such transactions.

Although net assets and fair values are presented based on the applicable foreign exchange rates described above, we do not isolate that portion of the results of operations due to changes in foreign exchange rates on investments, other assets and debt from the fluctuations arising from changes in fair value of investments and liabilities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments and liabilities.

Payment -in-kind, or PIK Interest

We have investments in our portfolio which contain a PIK interest provision. PIK interest is added to the principal balance of the investment and is recorded as income. In order for us to maintain our ability to be subject to tax as a RIC, substantially all of this income must be paid out to stockholders in the form of dividends for federal income tax purposes, even though we may not have collected any cash with respect to interest on PIK securities.

Federal Income Taxes

We have elected to be treated and intend to qualify annually to maintain our election to be treated, as a RIC under Subchapter M of the Code. To maintain our RIC tax election, we must, among other requirements, meet certain annual source-of-income and quarterly asset diversification requirements. We also must annually distribute dividends for federal income tax purposes to our stockholders out of the assets legally available for distribution of an amount generally at least equal to 90% of the sum of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, or investment company taxable income, determined without regard to any deduction for dividends paid.

Although not required for us to maintain our RIC tax status, in order to preclude the imposition of a 4% nondeductible federal excise tax imposed on RICs, we must distribute dividends for U.S. federal income tax purposes to our stockholders in respect of each calendar year of an amount at least equal to the sum of (1) 98% of our net ordinary income (subject to certain deferrals and elections) for the calendar year, (2) 98.2% of our capital gain net income (i.e., the excess, if any, of our capital gains over capital losses), adjusted for certain ordinary losses, generally for the one-year period ending on October 31 of the calendar year plus (3) any net ordinary income or capital gain net income for the preceding years that was not distributed during such years on which we did not incur any corporate income tax, or the Excise Tax Avoidance Requirement. In addition, although we may distribute realized net capital gains (i.e., net long-term capital gains in excess of net short-term capital losses), if any, at least annually, out of the assets legally available for such distributions in the manner described above, we have retained and may continue to retain such net capital gains or investment company taxable income, subject to maintaining our ability to be taxed as a RIC, in order to provide us with additional liquidity.

Because federal income tax regulations differ from GAAP, distributions in accordance with tax regulations may differ from net investment income and net realized gain recognized for financial reporting purposes. Differences between tax regulations and GAAP may be permanent or temporary. Permanent differences are reclassified among capital accounts in the Consolidated Financial Statements to reflect their appropriate tax character. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future.

For both the three months ended December 31, 2022 and 2021, we recorded a provision for taxes on net investment income of \$0.5 million and \$0.1 million, respectively, pertaining to federal excise tax.

The Taxable Subsidiary (PFLT Investment Holdings, LLC, a second tier wholly-owned subsidiary of the Company), is subject to U.S. federal, state and local corporate income taxes. The income tax expense and related tax liabilities of the Taxable Subsidiary are reflected in the Company's consolidated financial statements.

For the three months ended December 31, 2022 and 2021, the Company recognized a provision for taxes of \$0.7 million and \$1.5 million, respectively, on unrealized appreciation on investments by the Taxable Subsidiary. The provision for taxes on unrealized appreciation on investments is the result of netting (i) the expected tax liability on gains from sales of investments and (ii) the expected tax benefit from the use of losses in the current year. As of December 31, 2022 and September 30, 2022, \$5.3 million and \$4.6 million, respectively, was accrued as a deferred tax liability on the Consolidated Statements of Assets and Liabilities relating to unrealized gain on investments held

by the Taxable Subsidiary. During the three months ended December 31, 2022 and 2021, the Company paid zero, respectively, in taxes on realized gains on the sale of investments held by the Taxable Subsidiary, resulting in zero prepaid tax asset as of December 31, 2022 included under prepaid expenses and other assets in the Consolidated Statement of Assets and Liabilities.

Because federal income tax regulations differ from GAAP, distributions in accordance with tax regulations may differ from net investment income and net realized gain recognized for financial reporting purposes. Differences between tax regulations and GAAP may be permanent or temporary. Permanent differences are reclassified among capital accounts in the Consolidated Financial Statements to reflect their appropriate tax character. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future.

We operate in a manner to maintain our election to be subject to tax as a RIC and to eliminate corporate-level U.S. federal income tax (other than the 4% excise tax) by distributing sufficient investment company taxable income and capital gain net income (if any). As a result, we will have an effective tax rate equal to 0% before the excise tax and income taxes incurred by the Taxable Subsidiary. As such, a reconciliation of the differences between our reported income tax expense and its tax expense at the federal statutory rate of 21% is not meaningful.

We have formed and expect to continue to form certain taxable subsidiaries, including the Taxable Subsidiary, which are taxed as corporations. These taxable subsidiaries allow us to hold equity securities of certain portfolio companies treated as pass-through entities for U.S. federal income tax purposes while facilitating our ability to qualify as a RIC under the Code.

RESULTS OF OPERATIONS

Set forth below are the results of operations for the three months ended December 31, 2022 and 2021.

Investment Income

For the three months ended December 31, 2022 investment income was \$31.3 million, which was attributable to \$27.6 million from first lien secured debt and \$3.7 million from other investments. For the three months ended December 31, 2021 investment income was \$26.3 million, which was attributable to \$20.1 million from first lien secured debt and \$6.2 million from other investments. The increase in investment income compared to the same period in the prior year was primarily due to the increase in the cost yield of our debt portfolio.

Net Expenses

For the three months ended December 31, 2022, expenses totaled \$17.6 million and were comprised of; \$9.9 million of debt-related interest and expenses, \$2.9 million of base management fee, \$3.4 million of performance-based incentive fee, \$0.8 million of general and administrative expenses and \$0.5 million of taxes. For the three months ended December 31, 2021, expenses totaled \$13.6 million and were comprised of; \$6.6 million of debt-related interest and expenses, \$2.9 million of base management fee, \$3.2 million of performance-based incentive fee, \$0.8 million of administrative expenses and \$0.1 million of taxes. The increase in expenses for the three months ended December 31, 2022 compared to the same period in the prior year was primarily due to increased financing costs.

Net Investment Income

For the three months ended December 31, 2022 and 2021, net investment income totaled \$13.7 million or \$0.30 per share, and \$12.7 million or \$0.33 per share, respectively. The increase in net investment income compared to the same period in the prior year was primarily due to the increase in the cost yield of our debt portfolio.

Net Realized Gains or Losses

For the three months ended December 31, 2022 and 2021, net realized gains (losses) totaled less than \$0.1 million and \$3.1 million, respectively. The change in realized gains was primarily due to changes in the market conditions of our investments and the values at which they were realized.

Unrealized Appreciation or Depreciation on Investments, the Credit Facility and the 2023 Notes

For the three months ended December 31, 2022 and 2021, we reported net change in unrealized depreciation on investments of \$16.8 million and \$3.5 million, respectively. As of December 31, 2022 and September 30, 2022, our net unrealized appreciation (depreciation) on investments totaled \$(29.9) million and \$(13.1) million, respectively. The net change in unrealized depreciation on our investments compared to the same period in the prior year was primarily due to changes in the capital market conditions of our investments and the values at which they were realized.

For the three months ended December 31, 2022, our credit facility with Truist (the "Credit Facility") and the 2023 Notes had a net change in unrealized depreciation of \$2.1 million. For the three months ended December 31, 2021, the Credit Facility and the 2023 Notes had a net change in unrealized depreciation of \$3.6 million. As of December 31, 2022 and September 30, 2022, the net unrealized depreciation on the Credit Facility and the 2023 Notes totaled \$4.4 million and \$2.3 million, respectively. The net change in net unrealized depreciation compared to the same period in the prior year was primarily due to changes in the capital markets.

Net Increase (Decrease) in Net Assets Resulting from Operations

For the three months ended December 31, 2022 and 2021, net (decrease) increase in net assets resulting from operations totaled \$(1.6) million or \$(0.04) per share and \$14.4 million or \$0.37 per share, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity and capital resources are derived primarily from cash flows from operations, including investment sales and repayments, and income earned, proceeds of securities offerings and debt financings. Our primary use of funds from operations includes investments in portfolio companies and payments of fees and other operating expenses we incur. We have used, and expect to continue to use, our debt capital, proceeds from the rotation of our portfolio and proceeds from public and private offerings of securities to finance our investment objectives and operations. As of December 31, 2022, in accordance with the 1940 Act, with certain limited exceptions, we are only allowed to borrow amounts such that we are in compliance with a 150% asset coverage ratio requirement after such borrowing.

On April 5, 2018, our board of directors approved the application of the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act, as amended by the Consolidated Appropriations Act of 2018 (which includes the SBCAA). As a result, the asset coverage requirement applicable to us for senior securities was reduced

from 200% (i.e., \$1 of debt outstanding for each \$1 of equity) to 150% (i.e., \$2 of debt outstanding for each \$1 of equity), effective as of April 5, 2019, subject to compliance with certain disclosure requirements. As of December 31, 2022 and September 30, 2022, our asset coverage ratio, as computed in accordance with the 1940 Act, was 173% and 178%, respectively.

For the three months ended December 31, 2022 and 2021, the annualized weighted average cost of debt, inclusive of the fee on the undrawn commitment on the Credit Facility, amendment costs and debt issuance costs, was 5.7% and 3.6%, respectively. As of December 31, 2022 and September 30, 2022, we had \$166.8 million and \$197.2 million of unused borrowing capacity under the Credit Facility, as applicable, respectively, subject to leverage and borrowing base restrictions.

Funding I's multi-currency Credit Facility with the Lenders was \$366.0 million as of December 31, 2022 subject to satisfaction of certain conditions and regulatory restrictions that the 1940 Act imposes on us as a BDC, has an interest rate spread above SOFR (or an alternative risk-free floating interest rate index) of 225 basis points, a maturity date of August 2026 and a revolving period that ends in August 2024. As of December 31, 2022 and September 30, 2022, PennantPark Floating Rate Funding I, LLC, our wholly-owned subsidiary, borrowed \$199.2 million and \$168.8 million under the Credit Facility, respectively and the weighted average interest rate, exclusive of the fee on undrawn commitments, was of 6.5% and 4.5%, respectively.

During the revolving period, the Credit Facility bears interest at SOFR (or an alternative risk-free floating interest rate index) plus 225 basis points and, after the revolving period, the rate will reset to Base Rate (or an alternative risk-free floating interest rate index) plus 250 basis points for the remaining two years, maturing in August 2026. The Credit Facility is secured by all of the assets of Funding I. Both PennantPark Floating Rate Capital Ltd. and Funding I have made customary representations and warranties and are required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities.

The Credit Facility contains covenants, including but not limited to, restrictions of loan size, currency types and amounts, industry requirements, average life of loans, geographic and individual portfolio concentrations, minimum portfolio yield and loan payment frequency. Additionally, the Credit Facility requires the maintenance of a minimum equity investment in Funding I and income ratio as well as restrictions on certain payments and issuance of debt. The Credit Facility compliance reporting is prepared on a basis of accounting other than GAAP. As of December 31, 2022, we were in compliance with the covenants relating to our Credit Facility.

We own 100% of the equity interest in Funding I and treat the indebtedness of Funding I as our leverage. Our Investment Adviser serves as collateral manager to Funding I under the Credit Facility.

Our interest in Funding I (other than the management fee) is subordinate in priority of payment to every other obligation of Funding I and is subject to certain payment restrictions set forth in the Credit Facility. We may receive cash distributions on our equity interests in Funding I only after it has made (1) all required cash interest and, if applicable, principal payments to the Lenders, (2) required administrative expenses and (3) claims of other unsecured creditors of Funding I. We cannot assure you that there will be sufficient funds available to make any distributions to us or that such distributions will meet our expectations from Funding I. The Investment Adviser has irrevocably directed that the management fee owed with respect to such services is to be paid to the Company so long as the Investment Adviser remains the collateral manager.

In November 2017, we issued \$138.6 million of our 2023 Notes. The 2023 Notes were issued pursuant to a deed of trust between the Company and Mishmeret Trust Company, Ltd., as trustee, of which \$76.2 million and \$97.0 million was outstanding as of December 31, 2022 and September 30, 2022, respectively.

The 2023 Notes pay interest at a rate of 4.3% per year. Interest on the 2023 Notes is payable semi-annually in arrears on June 15 and December 15 of each year, commencing June 15, 2018. The principal on the 2023 Notes will be payable in four annual installments as follows: 15% of the original principal amount on December 15, 2020, 15% of the original principal amount on December 15, 2021, 15% of the original principal amount on December 15, 2022 and 55% of the original principal amount on December 15, 2023.

The 2023 Notes are general, unsecured obligations, rank equal in right of payment with all of our existing and future senior unsecured indebtedness and are generally redeemable at our option. The deed of trust governing the 2023 Notes includes certain customary covenants, including minimum equity requirements, and events of default. Please refer to the deed of trust filed as Exhibit (d)(8) to our post-effective amendment filed on December 13, 2017 for more information. The 2023 Notes are rated iA- by S&P Global Ratings Maalot Ltd. and are listed on the TASE. In connection with this offering, we have dual listed our common stock on the TASE.

The 2023 Notes have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration under the Securities Act or in transactions exempt from, or not subject to, such registration requirements.

In March 2021 and in October 2021, we issued \$100.0 million and \$85.0 million, respectively, in aggregate principal amount of our 2026 Notes at a public offering price per note of 99.4% and 101.5%, respectively. Interest on the 2026 Notes is paid semi-annually on April 1 and October 1 of each year, at a rate of 4.25% per year, commencing October 1, 2021. The 2026 Notes mature on April 1, 2026 and may be redeemed in whole or in part at our option subject to a make-whole premium if redeemed more than three months prior to maturity. The 2026 Notes are our general, unsecured obligations and rank equal in right of payment with all of our existing and future senior unsecured indebtedness. The 2026 Notes are effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, financing vehicles, or similar facilities. We do not intend to list the 2026 Notes on any securities exchange or automated dealer quotation system.

In September 2019, the Securitization Issuers completed the Debt Securitization. The 2031 Asset-Backed Debt is secured by the middle market loans, participation interests in middle market loans and other assets of the Securitization Issuer. The Debt Securitization was executed through (A) a private placement of: (i) \$78.5 million Class A-1 Senior Secured Floating Rate Notes maturing 2031, which bear interest at the three-month LIBOR plus 1.8%, (ii) \$15.0 million Class A-2 Senior Secured Fixed Rate Notes due 2031, which bear interest at 3.7%, (iii) \$14.0 million Class B-1 Senior Secured Floating Rate Notes due 2031, which bear interest at the three-month LIBOR plus 2.9%, (iv) \$16.0 million Class B-2 Senior Secured Fixed Rate Notes due 2031, which bear interest at 4.3%, (v) \$19.0 million Class C-1 Secured Deferrable Floating Rate Notes due 2031, which bear interest at the three-month LIBOR plus 4.0%, (vi) \$8.0 million Class C-2 Secured Deferrable Fixed Rate Notes due 2031, which bear interest at 5.4%, and (vii) \$18.0 million Class D Secured Deferrable Floating Rate Notes due 2031, which bear interest at the three-month LIBOR plus 4.8% and (B) the borrowing of \$77.5 million Class A-1 Senior Secured Floating Rate Loans due 2031, which bear interest at the three-month LIBOR plus 1.8%, under a credit agreement by and among the Securitization Issuers, as borrowers, various financial institutions, as lenders, and U.S. Bank National Association, as collateral agent and as loan agent. The 2031 Asset-Backed Debt is scheduled to mature on October 15, 2031. As of both December 31, 2022 and September 30, 2022, the Company had \$228.0 million of 2031 Asset-Backed Debt outstanding with a weighted average interest rate of 5.9% and 4.6%, respectively.

On the closing date of the Debt Securitization, in consideration of our transfer to the Securitization Issuer of the initial closing date loan portfolio, which included loans distributed to us by our wholly-owned subsidiary, the Securitization Issuer transferred to us 100% of the Preferred Shares of the Securitization Issuer, 100% of the Class D Secured Deferrable Floating Rate Notes issued by the Securitization Issuer, and a portion of the net cash proceeds received from the sale of the 2031 Asset-Backed Debt. The Preferred Shares of the Securitization Issuer do not bear interest and had a stated value of \$55.4 million at the closing of the Debt Securitization.

The 2031 Asset-Backed Debt constitutes secured obligations of the Securitization Issuers, and the indenture governing the 2031 Asset-Backed Debt includes customary covenants and events of default. The 2031 Asset-Backed Debt has not been, and will not be, registered under the Securities Act or any state securities or “blue sky” laws and may not be offered or sold in the United States absent registration with the SEC or an applicable exemption from registration.

Our Investment Adviser serves as collateral manager to the Securitization Issuer pursuant to a collateral management agreement between our Investment Adviser and the Securitization Issuer, or the Collateral Management Agreement. For so long as our Investment Adviser serves as collateral manager, it will elect to irrevocably waive any collateral management fee to which it may be entitled under the Collateral Management Agreement.

On August 20, 2021, we entered into equity distribution agreements (together, as may be amended from time to time, the “Equity Distribution Agreements”) with each of JMP Securities LLC and Raymond James & Associates, Inc., as the sales agents (each, a “Sales Agent,” and together, the “Sales Agents”), in connection with the sale of shares of our Common Stock, par value \$0.001 per share, with an aggregate offering price of up to \$75 million under an at-the-market offering (the “ATM Program”). On May 5, 2022, we amended the Equity Distribution Agreements to update references from NASDAQ to NYSE and reflect that the agents are now represented by Kirkland & Ellis LLP. The Equity Distribution Agreements provide that we may offer and sell shares of our Common Stock from time to time through a Sales Agent in amounts and at times to be determined by us. Actual sales will depend on a variety of factors to be determined by us from time to time, including, market conditions and the trading price of our Common Stock.

During the three months ended December 31, 2022, we issued 86,177 shares of our Common Stock under the ATM Program at a weighted-average price of \$11.54 per share, raising \$1.0 million of gross proceeds. Net proceeds were \$1.0 million after commissions to the Sales Agents on shares sold. We incurred zero of legal and other offering costs associated with the administration of the ATM Program. As of December 31, 2022, we had \$40.3 million available under the ATM Program.

Since inception of the ATM Program through December 31, 2022, we have issued 2,659,741 shares of our Common Stock under the ATM Program at a weighted-average price of \$13.06, raising \$34.7 million of gross proceeds. Net proceeds were \$34.2 million after commissions to the Sales Agents on shares sold. We incurred \$0.5 million of legal and other offering costs associated with establishing the ATM Program.

We may raise equity or debt capital through both registered offerings off our shelf registration statement and private offerings of securities, securitizing a portion of our investments among other considerations or mergers and acquisitions. Furthermore, the Credit Facility availability depends on various covenants and restrictions as discussed in the preceding paragraphs. The primary use of existing funds and any funds raised in the future is expected to be for repayment of indebtedness, investments in portfolio companies, cash distributions to our stockholders or for other general corporate purposes.

We have entered into certain contracts under which we have material future commitments. Under our Investment Management Agreement, which was most recently reapproved by our board of directors, including a majority of our directors who are not interested persons of us or the Investment Adviser, in February 2023, PennantPark Investment Advisers serves as our investment adviser. Payments under our Investment Management Agreement in each reporting period are equal to (1) a management fee equal to a percentage of the value of our average adjusted gross assets and (2) an incentive fee based on our performance.

Under our Administration Agreement, which was most recently reapproved by our board of directors, including a majority of our directors who are not interested persons of us, in February 2023, the Administrator furnishes us with office facilities and administrative services necessary to conduct our day-to-day operations. The Administration Agreement was amended on July 1, 2022. If requested to provide significant managerial assistance to our portfolio companies, we or the Administrator will be paid an additional amount based on the services provided. Payment under our Administration Agreement is based upon our allocable portion of the Administrator’s overhead in performing its obligations under our Administration Agreement, including rent and our allocable portion of the costs of our Chief Compliance Officer, Chief Financial Officer, Corporate Counsel and their respective staffs.

If any of our contractual obligations discussed above are terminated, our costs under new agreements that we enter into may increase. In addition, we will likely incur significant time and expense in locating alternative parties to provide the services we expect to receive under our Investment Management Agreement and our Administration Agreement. Any new investment management agreement would also be subject to approval by our stockholders.

As of December 31, 2022 and September 30, 2022, we had cash equivalents of \$52.9 million and \$47.9 million, respectively, available for investing and general corporate purposes. We believe our liquidity and capital resources are sufficient to take advantage of market opportunities.

For the three months ended December 31, 2022, our operating activities provided cash of \$7.8 million and our financing activities used cash of \$2.7 million. Our operating activities provided cash primarily realized from our investment activities and our financing activities used cash primarily due to borrowings under our Credit Facility and principal repayment of our 2023 Notes.

For the three months ended December 31, 2021, our operating activities used cash of \$82.4 million and our financing activities provided cash of \$93.2 million. Our operating activities used cash primarily for our investment activities and our financing activities provided cash primarily due to the issuance of \$85 million of our 2026 Add-on Notes and borrowings under our Credit Facility.

PennantPark Senior Secured Loan Fund I LLC

In May 2017, we and Kemper formed PSSL, an unconsolidated joint venture. PSSL invests primarily in middle-market and other corporate debt securities consistent with our strategy. PSSL was formed as a Delaware limited liability company. As of December 31, 2022 and September 30, 2022, PSSL had total assets of \$797.4 million and \$796.8 million, respectively, and its investment portfolio consisted of debt investments in 100 and 95 portfolio companies, respectively. As of December 31, 2022, at fair value, the largest investment in a single portfolio company in PSSL was \$18.1 million and the five largest investments totaled \$84.3 million. As of September 30, 2022, at fair value, the largest investment in a single portfolio company in PSSL was \$19.3 million and the five largest investments totaled \$86.9 million. PSSL invests in portfolio companies in the same industries in which we may directly invest.

We and Kemper provide capital to PSSL in the form of first lien secured debt and equity interests. As of December 31, 2022 and September 30, 2022, we and Kemper owned 87.5% and 12.5%, respectively, of each of the outstanding first lien secured debt and equity interests. As of the same dates, our investment in PSSL consisted of first lien secured debt of \$199.4 million (additional \$10.7 million unfunded) and \$190.2 million (additional \$19.9 million unfunded), respectively, and equity interests of \$85.4 million (additional \$4.6 million unfunded) and \$81.5 million (additional \$8.5 million unfunded), respectively.

We and Kemper each appointed two members to PSSL’s four-person board of directors and investment committee. All material decisions with respect to PSSL, including those involving its investment portfolio, require unanimous approval of a quorum of the board of directors or investment committee. Quorum is defined as (i) the presence of two members of the board of directors or investment committee, provided that at least one individual is present that was elected, designated or appointed by each

member; (ii) the presence of three members of the board of directors or investment committee, provided that the individual that was elected, designated or appointed by the member with only one individual present shall be entitled to cast two votes on each matter; and (iii) the presence of four members of the board of directors or investment committee shall constitute a quorum, provided that two individuals are present that were elected, designated or appointed by each member.

In May 2022 PSSL entered into a \$325.0 million (increased from \$225.0 million in May 2022) senior secured revolving credit facility which bears interest at daily simple SOFR plus 260 basis points (including a spread adjustment) with Ally Bank through its wholly-owned subsidiary, PennantPark Senior Secured Loan Facility LLC II, or PSSL Subsidiary II, subject to leverage and borrowing base restrictions.

In January 2021, PSSL completed a \$300.7 million debt securitization in the form of a collateralized loan obligation, or the "2032 Asset-Backed Debt". The 2032 Asset-Backed Debt is secured by a diversified portfolio of PennantPark CLO II, Ltd., a wholly-owned and consolidated subsidiary of PSSL, consisting primarily of middle market loans and participation interests in middle market loans. The 2032 Asset-Backed Debt is scheduled to mature in January 2032. On the closing date of the transaction, in consideration of PSSL's transfer to PennantPark CLO II, Ltd. of the initial closing date loan portfolio, which included loans distributed to PSSL by certain of its wholly owned subsidiaries and us, PennantPark CLO II, Ltd. transferred to PSSL 100% of the Preferred Shares of PennantPark CLO II, Ltd. and 100% of the Class E Notes issued by PennantPark CLO II, Ltd.

Below is a summary of PSSL's portfolio at fair value:

(\$ in thousands)	December 31, 2022	September 30, 2022
Total investments	\$ 750,692	\$ 754,722
Weighted average cost yield on income producing investments	10.9%	9.6%
Number of portfolio companies in PSSL	100	95
Largest portfolio company investment	\$ 18,057	\$ 19,250
Total of five largest portfolio company investments	\$ 84,291	\$ 86,872

Below is a listing of PSSL's individual investments as of December 31, 2022 (\$ in thousands):

Issuer Name	Maturity		Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par	Cost	Fair Value ⁽²⁾
First Lien Secured Debt - 1,354.1%							
A1 Garage Merger Sub, LLC	12/22/2028	Commercial Services & Supplies	11.12 %	3M L+650	2,955	\$ 2,896	\$ 2,895
Ad.net Acquisition, LLC	5/6/2026	Media	10.84 %	3M L+600	8,865	8,772	8,799
Alpine Acquisition Corp II	11/30/2026	Containers and Packaging	9.88 %	SOFR+600	12,950	12,576	12,432
Altamira Technologies, LLC	7/24/2025	Business Services	10.24 %	3M L+600	5,150	5,047	5,060
American Insulated Glass, LLC	12/21/2023	Building Products	8.25 %	3M L+450	4,869	4,843	4,869
Anteradi, LLC (f/k/a MeritDirect, LLC)	5/23/2024	Media: Advertising, Printing & Publishing	10.23 %	3M L+550	5,213	5,149	5,213
Any Hour Services	7/21/2027	Professional Services	10.17 %	3M L+525	3,510	3,441	3,413
Apex Service Partners, LLC	7/31/2025	Diversified Consumer Services	9.46 %	1M L+525	1,010	1,010	1,005
Apex Service Partners, LLC Term Loan B	7/31/2025	Diversified Consumer Services	9.67 %	3M L+550	2,197	2,197	2,186
Apex Service Partners, LLC Term Loan C	7/31/2025	Diversified Consumer Services	9.58 %	3M L+525	11,069	11,010	11,014
Applied Technical Services, LLC	12/29/2026	Commercial Services & Supplies	10.48 %	3M L+575	8,400	8,301	8,190
Arcfield Acquisition Corp.	3/7/2028	Aerospace and Defense	10.02 %	SOFR + 575	4,665	4,580	4,571
Beta Plus Technologies, Inc.	7/1/2029	Business Services	8.87 %	SOFR + 525	4,988	4,893	4,938
Blackhawk Industrial Distribution, Inc.	9/17/2024	Distributors	9.73 %	SOFR + 500	15,250	15,083	14,914
Broder Bros., Co.	12/2/2022	Consumer Products	10.73 %	3M L+600	2,395	2,395	2,395
Burgess Point Purchaser Corporation	9/26/2029	Automotive	9.41 %	3M L+525	450	419	406
By Light Professional IT Services, LLC	5/16/2024	High Tech Industries	10.40 %	1M L+625	14,671	14,627	14,524
Cadence Aerospace, LLC	11/14/2023	Aerospace and Defense	12.92 %	3M L+850	12,448	12,426	12,224
			(PIK 12.92%)				-
Cartessa Aesthetics, LLC	5/13/2028	Distributors	10.58 %	SOFR + 600	9,709	9,528	9,612
CF512, Inc.	8/20/2026	Media	10.76 %	3M L+600	4,938	4,858	4,839
CHA Holdings, Inc.	4/10/2025	Construction and Engineering	9.23 %	3M L+450	5,542	5,479	5,542
Challenger Performance Optimization, Inc.	8/31/2023	Business Services	10.82 %	1M L+575	9,230	9,212	8,907
			(PIK 1.00%)				-
Connatix Buyer, Inc.	7/13/2027	Media	10.14 %	3M L+550	3,897	3,835	3,771
Crane 1 Services, Inc.	8/16/2027	Commercial Services & Supplies	10.48 %	3M L+575	2,105	2,079	2,084
Dr. Squatch, LLC	8/31/2027	Personal Products	10.48 %	3M L+600	14,825	14,587	14,603
DRI Holding Inc.	12/21/2028	Media	9.63 %	1M L+525	2,647	2,415	2,267
DRS Holdings III, Inc.	11/3/2025	Consumer Goods: Durable	10.47 %	1M L+575	14,666	14,595	14,196
Duraco Specialty Tapes LLC	6/30/2024	Containers and Packaging	9.89 %	1M L+550	10,252	10,143	10,088
ECL Entertainment, LLC	5/1/2028	Hotels, Restaurants and Leisure	11.88 %	3M L+750	2,614	2,592	2,605
ECM Industries, LLC	12/23/2025	Electronic Equipment, Instruments, and Components	9.48 %	3M L+475	4,961	4,961	4,725
Electro Rent Corporation	1/17/2024	Electronic Equipment, Instruments, and Components	10.27 %	3M L+550	2,743	2,621	2,633
Exigo Intermediate II, LLC	3/15/2027	Software	10.13 %	1M L+575	12,903	12,724	12,644
Fairbanks Morse Defense	6/17/2028	Aerospace and Defense	9.48 %	3M L+475	10,273	10,214	9,742
Gantech Acquisition Corp.	5/14/2026	IT Services	10.63 %	1M L+625	14,563	14,365	14,126
Global Holdings InterCo LLC	3/16/2026	Diversified Financial Services	10.19 %	3M L+600	3,894	3,879	3,719
Graffiti Buyer, Inc.	8/10/2027	Trading Companies & Distributors	10.23 %	3M L+575	2,363	2,319	2,268
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	10.23 %	1M L+550	2,392	2,349	2,344
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	10.17 %	3M L+600	4,950	4,865	4,851
HW Holdco, LLC	12/10/2024	Media	9.34 %	6M L+500	3,029	2,988	2,991
Icon Partners III, LP	5/11/2028	Automobiles	8.82 %	3M L+450	2,322	2,003	1,558
IDC Infusion Services, Inc.	12/30/2026	Healthcare Equipment and Supplies	11.23 %	SOFR+650	9,925	9,847	9,578
Imagine Acquisitionco, LLC	11/15/2027	Software	10.14 %	1M L+550	5,350	5,256	5,190
Inception Fertility Ventures, LLC	12/7/2023	Healthcare Providers and Services	8.55 %	SOFR+700	1,658	16,333	16,247
Infinity Home Services Holdco, Inc.	12/28/2028	Commercial Services & Supplies	11.40 %	SOFR+685	6,136	6,016	6,014
Integrative Nutrition, LLC	9/29/2023	Diversified Consumer Services	9.48 %	3M L+450	11,150	11,135	10,927
Integrity Marketing Acquisition, LLC	8/27/2025	Insurance	10.81 %	1M L+575	5,951	5,877	5,862
ITI Holdings, Inc.	3/3/2028	IT Services	10.08 %	SOFR + 550	3,970	3,909	3,891
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	12.38 %	1M L+800	18,057	17,945	18,057
Kinetic Purchaser, LLC	11/10/2027	Personal Products	10.73 %	3M L+600	16,788	16,425	16,368
Lash OpCo, LLC	2/18/2027	Personal Products	11.17 %	3M L+700	14,319	14,052	14,032
LAV Gear Holdings, Inc.	10/31/2024	Capital Equipment	10.23 %	3M L+550	12,796	10,518	10,374
			(PIK 2.00%)				-
Lightspeed Buyer Inc.	2/3/2026	Healthcare Providers and Services	9.84 %	3M L+575	10,571	10,416	10,307
Lucky Bucks, LLC	7/20/2027	Hotel, Gaming and Leisure	10.43 %	3M L+550	4,275	4,206	2,426
Magenta Buyer, LLC	7/31/2028	Software	9.17 %	1M L+500	3,029	2,846	2,578
Marketplace Events, LLC - Super Priority First Lien Term Loan	9/30/2025	Media: Diversified and Production	9.90 %	1M L+525	647	647	647
Marketplace Events, LLC - Super Priority First Lien Unfunded Term Loan	9/30/2025	Media: Diversified and Production			589	-	-
Marketplace Events, LLC	9/30/2026	Media: Diversified and Production	9.90 %	1M L+525	4,837	3,587	4,837
Mars Acquisition Holdings Corp.	5/14/2026	Media	10.23 %	1M L+550	11,676	11,531	11,560
MBS Holdings, Inc.	4/16/2027	Internet Software and Services	10.13 %	3M L+575	7,388	7,282	7,314
MDI Buyer, Inc.	7/25/2028	Chemicals, Plastics and Rubber	10.54 %	3M L+600	6,429	6,305	6,291
Meadowlark Acquirer, LLC	12/10/2027	Professional Services	9.73 %	3M L+550	2,390	2,349	2,366
Mission Critical Electronics, Inc.	3/28/2024	Capital Equipment	9.73 %	SOFR+500	5,814	5,804	5,791
Municipal Emergency Services, Inc.	9/28/2027	Distributors	8.67 %	3M L+500	3,456	3,399	3,318
NBH Group LLC	8/19/2026	Healthcare, Education & Childcare	9.05 %	1M L+525	10,793	10,624	10,793
New Milani Group LLC	6/6/2024	Consumer Goods: Non-Durable	9.17 %	3M L+650	14,325	14,288	14,110
One Stop Mailing, LLC	5/7/2027	Air Freight and Logistics	10.63 %	1M L+625	14,561	14,326	14,124
Output Services Group, Inc.	3/27/2024	Business Services	11.30 %	3M L+675	7,691	7,681	5,768
Owl Acquisition, LLC	2/4/2028	Professional Services	8.41 %	3M L+575	3,980	3,910	3,881
Ox Two, LLC	5/18/2026	Construction and Building	10.84 %	3M L+700	4,913	4,858	4,765
PH Beauty Holdings III, Inc.	9/29/2025	Wholesale	9.73 %	1M L+500	9,568	9,243	7,654
PL Acquisitionco, LLC	11/9/2027	Textiles, Apparel and Luxury Goods	10.88 %	1M L+650	8,217	8,095	8,012
PlayPower, Inc.	5/8/2026	Consumer Goods: Durable	12.00 %	3M L+450	2,572	2,497	2,238
Pragmatic Institute, LLC	7/6/2028	Education	10.33 %	SOFR+575	11,222	11,068	11,110
Quantic Electronics, LLC	11/19/2026	Aerospace and Defense	10.96 %	1M L+600	2,829	2,782	2,772
Quantic Electronics, LLC - Unfunded Term Loan	11/19/2026	Aerospace and Defense		1M L+600	1,104	-	(11)
Reception Purchaser, LLC	2/28/2028	Air Freight and Logistics	10.42 %	SOFR+600	4,963	4,894	4,764
Recteq, LLC	1/29/2026	Leisure Products	10.98 %	3M L+600	4,913	4,848	4,741
Research Now Group, LLC and Dynata, LLC	12/20/2024	Diversified Consumer Services	8.84 %	3M L+550	12,531	12,342	9,286

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par / Shares	Cost	Fair Value ⁽²⁾
Sales Benchmark Index LLC	1/3/2025	Professional Services	10.73 %	3M L+600	5,013	\$ 4,965	\$ 4,988
Sargent & Greenleaf Inc.	12/20/2024	Wholesale	9.89 %	3M L+550	5,183	5,150	5,105
Schlesinger Global, Inc.	7/14/2025	Business Services	10.92 %	SOFR+700	11,832	11,816	11,536
Seaway Buyer, LLC	6/13/2029	Chemicals, Plastics and Rubber	10.73 %	SOFR+605	4,988	4,916	4,913
Sigma Defense Systems, LLC	12/18/2025	Aerospace and Defense	12.17 %	1M L+850	14,621	14,338	14,329
Smile Brands Inc.	10/14/2025	Healthcare and Pharmaceuticals	7.05 %	3M L+450	11,887	11,796	11,441
Solutionreach, Inc.	1/17/2024	Healthcare and Pharmaceuticals	8.87 %	1M L+575	5,630	5,613	5,478
Spendmend Holdings LLC	3/1/2028	Healthcare Technology	8.63 %	SOFR+575	2,949	2,910	2,851
STV Group Incorporated	12/11/2026	Construction and Building	8.37 %	3M L+525	9,075	9,015	9,030
Summit Behavioral Healthcare, LLC	11/24/2028	Healthcare and Pharmaceuticals	9.45 %	3M L+475	1,800	1,698	1,692
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	8/16/2027	Aerospace and Defense	10.94 %	SOFR+600	14,850	14,603	14,657
Team Services Group, LLC	11/24/2028	Healthcare and Pharmaceuticals	9.95 %	3M L+500	349	334	330
Teneo Holdings LLC	7/18/2025	Business Services	9.67 %	3M L+525	3,127	3,086	3,001
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	10.70 %	3M L+600	5,645	5,590	5,589
The Bluebird Group LLC	7/27/2026	Professional Services	11.98 %	1M L+700	1,698	1,672	1,666
The Infosoft Group, LLC	9/16/2024	Media: Broadcasting and Subscription	9.84 %	3M L+575	12,883	12,879	12,786
The Vertex Companies, LLC	8/30/2027	Construction and Engineering	9.88 %	1M L+550	5,564	5,469	5,447
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/2025	Consumer Goods: Non-Durable	9.61 %	3M L+550	8,722	8,592	8,484
TVC Enterprises, LLC	3/26/2026	Diversified Consumer Services	10.13 %	3M L+600	14,678	14,611	14,311
TWS Acquisition Corporation	6/16/2025	Diversified Consumer Services	11.46 %	3M L+625	5,468	5,452	5,468
Tyto Athene, LLC (New Issue)	4/1/2028	IT Services	9.25 %	3M L+550	15,511	15,387	14,053
UBEO, LLC	4/3/2024	Capital Equipment	9.23 %	3M L+450	17,345	17,273	17,085
Unique Indoor Comfort, LLC	5/24/2027	Home and Office Furnishings, Housewares	9.98 %	SOFR+525	4,963	4,872	4,833
Walker Edison Furniture Company LLC	3/31/2027	Wholesale	0.00 %	(PIK 3.0%)	12,684	12,438	6,410
Wildcat Buyerco, Inc.	2/27/2026	Electronic Equipment, Instruments, and Components	10.48 %	SOFR+575	8,524	8,487	8,240
Zips Car Wash, LLC	3/1/2024	Automobiles	11.53 %	3M L+725	16,915	16,717	16,534
Total First Lien Secured Debt						769,096	747,402
Second Lien Secured Debt - 5.0%							
Inventus Power, Inc.	9/29/2024	Consumer Goods: Durable	13.23 %	3M L+850	3,000	2,968	2,970
Total Second Lien Secured Debt						2,968	2,970
Equity Securities - 0.4%							
New MPE Holdings, LLC	—	Media: Diversified and Production	—	—	—	—	320
Total Equity Securities							320
Total Investments - 1,360.1%						772,064	750,692
Cash and Cash Equivalents - 75.5%							
BlackRock Federal FD Institutional 30						41,692	41,692
Total Cash and Cash Equivalents						41,692	41,692
Total Investments and Cash Equivalents — 1,329.0%						\$ 813,756	\$ 792,384
Liabilities in Excess of Other Assets — (1,229.0)%							(737,189)
Members' Equity—100.0%							\$ 55,195

⁽¹⁾ Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable LIBOR or "L" or Prime rate or "P". The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 60-day, 90-day or 180-day LIBOR rate (1M L, 2M L, 3M L, or 6M L, respectively), at the borrower's option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes PIK interest and other fee rates, if any.

⁽²⁾ Valued based on PSSSL's accounting policy.

⁽³⁾ Non-U.S. company or principal place of business outside the United States.

⁽⁴⁾ Non-income producing security.

⁽⁵⁾ Represents the purchase of a security with delayed settlement or a revolving line of credit that is currently an unfunded investment. This security does not earn a basis point spread above an index while it is unfunded.

Below is a listing of PSSSL's individual investments as of September 30, 2022 (\$ in thousands):

Issuer Name	Maturity		Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par	Cost	Fair Value ⁽²⁾
First Lien Secured Debt - 1,330.4%							
Ad.net Acquisition, LLC	5/6/2026	Media	9.67 %	3M L+600	8,888	\$ 8,788	\$ 8,821
Alpine Acquisition Corp II	11/30/2026	Containers and Packaging	8.22 %	SOFR+600	9,975	9,790	9,576
Altamira Technologies, LLC	7/24/2025	Business Services	10.81 %	3M L+800	5,225	5,113	5,042
American Insulated Glass, LLC	12/21/2023	Building Products	7.79 %	3M L+550	4,883	4,851	4,883
Anteriad, LLC (f/k/a MeritDirect, LLC)	5/23/2024	Media: Advertising, Printing & Publishing	9.67 %	3M L+550	5,284	5,208	5,284
Any Hour Services	7/21/2027	Professional Services	8.33 %	3M L+525	3,510	3,441	3,440
Apex Service Partners, LLC	7/31/2025	Diversified Consumer Services	6.72 %	1M L+525	1,010	1,010	1,005
Apex Service Partners, LLC Term Loan B	7/31/2025	Diversified Consumer Services	9.67 %	3M L+625	2,202	2,202	2,191
Apex Service Partners, LLC Term Loan C	7/31/2025	Diversified Consumer Services	7.86 %	3M L+525	11,115	11,050	11,059
Applied Technical Services, LLC	12/29/2026	Commercial Services & Supplies	8.76 %	3M L+575	8,421	8,317	8,211
Arcfield Acquisition Corp.	3/7/2028	Aerospace and Defense	8.99 %	SOFR + 575	4,677	4,588	4,583
Beta Plus Technologies, Inc.	7/1/2029	Business Services	7.76 %	SOFR + 525	5,000	4,903	4,900
Blackhawk Industrial Distribution, Inc.	9/17/2024	Distributors	8.62 %	SOFR + 500	15,293	15,102	14,956
Broder Bros., Co.	12/2/2022	Consumer Products	7.39 %	3M L+600	2,417	2,417	2,417
By Light Professional IT Services, LLC	5/16/2024	High Tech Industries	9.20 %	1M L+662	14,822	14,771	14,674
Cadence Aerospace, LLC	11/14/2023	Aerospace and Defense	11.31 %	3M L+325	12,412	12,385	12,288
			(PIK 11.31%)				
Cartessa Aesthetics, LLC	5/13/2028	Distributors	9.55 %	SOFR + 600	6,484	6,359	6,386
CF512, Inc.	8/20/2026	Media	9.08 %	3M L+600	4,950	4,866	4,876
CHA Holdings, Inc.	4/10/2025	Construction and Engineering	8.17 %	3M L+450	5,557	5,487	5,557
Challenger Performance Optimization, Inc.	8/31/2023	Business Services	9.27 %	1M L+575	9,271	9,247	8,993
			(PIK 1.00%)				
Connatix Buyer, Inc.	7/13/2027	Media	8.42 %	3M L+550	3,907	3,842	3,810
Crane 1 Services, Inc.	8/16/2027	Commercial Services & Supplies	9.39 %	3M L+575	2,110	2,084	2,089
Douglas Products and Packaging Company LLC	10/19/2022	Chemicals, Plastics and Rubber	8.87 %	3M L+575	8,655	8,653	8,655
Douglas Sewer Intermediate, LLC	10/19/2022	Chemicals, Plastics and Rubber	8.87 %	3M L+575	7,248	7,246	7,248
Dr. Squatch, LLC	8/31/2027	Personal Products	9.42 %	3M L+575	14,862	14,610	14,639
DRI Holding Inc.	12/21/2028	Media	8.37 %	1M L+525	1,832	1,680	1,643
DRS Holdings III, Inc.	11/3/2025	Consumer Goods: Durable	8.87 %	1M L+575	15,179	15,103	14,693
Duraco Specialty Tapes LLC	6/30/2024	Containers and Packaging	8.62 %	1M L+550	10,278	10,151	10,031
ECL Entertainment, LLC	5/1/2028	Hotels, Restaurants and Leisure	10.62 %	3M L+750	2,621	2,598	2,581
ECM Industries, LLC	12/23/2025	Electronic Equipment, Instruments, and Components	7.82 %	3M L+475	4,974	4,974	4,738
Exigo Intermediate II, LLC	3/15/2027	Software	8.87 %	1M L+575	12,935	12,759	12,644
Fairbanks Morse Defense	6/17/2028	Aerospace and Defense	8.39 %	3M L+475	10,300	10,238	9,528
Gantech Acquisition Corp.	5/14/2026	IT Services	9.37 %	1M L+625	14,638	14,427	14,199
Global Holdings InterCo LLC	3/16/2026	Diversified Financial Services	8.74 %	3M L+600	3,904	3,888	3,728
Graffiti Buyer, Inc.	8/10/2027	Trading Companies & Distributors	9.17 %	3M L+550	2,369	2,320	2,274
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	8.67 %	1M L+500	2,392	2,347	2,356
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	10.17 %	3M L+600	4,963	4,874	4,863
HW Holdco, LLC	12/10/2024	Media	6.00 %	6M L+575	3,052	3,006	3,014
Icon Partners III, LP	5/11/2028	Automobiles	7.55 %	3M L+450	2,327	1,997	1,701
IDC Infusion Services, Inc.	12/30/2026	Healthcare Equipment and Supplies	10.20 %	SOFR+700	9,950	9,833	9,502
Imagine Acquisitionco, LLC	11/15/2027	Software	8.42 %	1M L+550	5,364	5,261	5,230
Inception Fertility Ventures, LLC	12/7/2023	Healthcare Providers and Services	8.55 %	SOFR+700	16,620	16,309	16,454
Integrative Nutrition, LLC	9/29/2023	Diversified Consumer Services	8.42 %	3M L+475	11,187	11,168	10,963
Integrity Marketing Acquisition, LLC	8/27/2025	Insurance	7.58 %	1M L+550	5,966	5,885	5,906
ITI Holdings, Inc.	3/3/2028	IT Services	8.67 %	SOFR + 550	3,980	3,917	3,900
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	11.12 %	1M L+800	19,250	19,103	19,250
Kinetic Purchaser, LLC	11/10/2027	Personal Products	9.67 %	3M L+600	16,830	16,451	16,494
Lash OpCo, LLC	2/18/2027	Personal Products	11.17 %	3M L+700	14,355	14,074	14,068
LAV Gear Holdings, Inc.	10/31/2024	Capital Equipment	9.70 %	3M L+550	10,578	10,539	10,335
			(PIK 2.00%)				
Lightspeed Buyer Inc.	2/3/2026	Healthcare Providers and Services	9.04 %	3M L+575	10,598	10,428	10,254
Lucky Bucks, LLC	7/20/2027	Hotel, Gaming and Leisure	8.31 %	3M L+550	4,331	4,258	3,183
Magenta Buyer, LLC	7/31/2028	Software	7.87 %	1M L+475	2,695	2,539	2,425
Marketplace Events, LLC - Super Priority First Lien Term Loan	9/30/2025	Media: Diversified and Production	8.19 %	1M L+525	647	647	647
Marketplace Events, LLC - Super Priority First Lien Unfunded Term Loan	9/30/2025	Media: Diversified and Production			589	-	-
Marketplace Events, LLC	9/30/2026	Media: Diversified and Production	8.19 %	1M L+525	4,837	3,527	4,837
Mars Acquisition Holdings Corp.	5/14/2026	Media	8.62 %	1M L+550	9,900	9,782	9,851
MBS Holdings, Inc.	4/16/2027	Internet Software and Services	8.56 %	3M L+575	7,406	7,296	7,332
MDI Buyer, Inc.	7/25/2028	Chemicals, Plastics and Rubber	8.98 %	3M L+500	5,000	4,902	4,900
Meadowlark Acquirer, LLC	12/10/2027	Professional Services	9.17 %	3M L+650	2,396	2,353	2,372
Mission Critical Electronics, Inc.	3/28/2024	Capital Equipment	8.70 %	SOFR+500	5,829	5,817	5,759
Municipal Emergency Services, Inc.	9/28/2027	Distributors	8.67 %	3M L+500	3,465	3,405	3,264
NBH Group LLC	8/19/2026	Healthcare, Education & Childcare	7.80 %	1M L+550	10,820	10,641	10,820
New Milani Group LLC	6/6/2024	Consumer Goods: Non-Durable	7.75 %	3M L+500	14,363	14,319	14,111
OIS Management Services, LLC	7/9/2026	Healthcare Equipment and Supplies	8.40 %	SOFR+475	5,060	4,991	5,060
One Stop Mailing, LLC	5/7/2027	Air Freight and Logistics	9.37 %	1M L+625	14,598	14,353	14,160
Output Services Group, Inc.	3/27/2024	Business Services	9.80 %	3M L+425	7,682	7,676	5,838
Owl Acquisition, LLC	2/4/2028	Professional Services	8.41 %	3M L+575	3,990	3,918	3,890
Ox Two, LLC	5/18/2026	Construction and Building	9.81 %	3M L+600	4,925	4,866	4,827
PH Beauty Holdings III, Inc.	9/29/2025	Wholesale	8.07 %	1M L+500	9,593	9,234	7,674
PL Acquisitionco, LLC	11/9/2027	Textiles, Apparel and Luxury Goods	9.62 %	1M L+650	8,238	8,111	8,032
Plant Health Intermediate, Inc.	10/19/2022	Chemicals, Plastics and Rubber	8.87 %	3M L+575	1,562	1,561	1,562
PlayPower, Inc.	5/8/2026	Consumer Goods: Durable	9.17 %	3M L+550	2,580	2,500	2,309
Pragmatic Institute, LLC	7/6/2028	Education	9.30 %	SOFR+575	11,250	11,056	11,138
Quantic Electronics, LLC	11/19/2026	Aerospace and Defense	8.41 %	1M L+625	4,845	4,755	4,729
Quantic Electronics, LLC - Unfunded Term Loan	11/19/2026	Aerospace and Defense		1M L+625	1,888	-	-
Reception Purchaser, LLC	2/28/2028	Air Freight and Logistics	9.13 %	SOFR+600	4,975	4,904	4,751
Recteq, LLC	1/29/2026	Leisure Products	9.92 %	3M L+600	4,925	4,856	4,753
Research Now Group, LLC and Dynata, LLC	12/20/2024	Diversified Consumer Services	8.84 %	3M L+550	12,564	12,354	11,291

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par / Shares	Cost	Fair Value ⁽²⁾
Sales Benchmark Index LLC	1/3/2025	Professional Services	9.67 %	3M L+600	5,013	\$ 4,960	\$ 4,963
Sargent & Greenleaf Inc.	12/20/2024	Wholesale	8.62 %	3M L+550	5,240	5,202	5,187
Schlesinger Global, Inc.	7/14/2025	Business Services	10.27 %	SOFR+500 (PIK 0.50%)	11,847	11,829	11,551
Sigma Defense Systems, LLC	12/18/2022	Aerospace and Defense	12.17 %	1M L+850	14,716	14,411	14,421
Smile Brands Inc.	10/14/2022	Healthcare and Pharmaceuticals	7.05 %	3M L+450	11,917	11,807	11,470
Solutionreach, Inc.	1/17/2024	Healthcare and Pharmaceuticals	8.87 %	1M L+575	5,647	5,625	5,511
Spendmend Holdings LLC	3/1/2028	Healthcare Technology	8.63 %	SOFR+575	2,956	2,916	2,873
STV Group Incorporated	12/11/2022	Construction and Building	8.37 %	3M L+525	9,075	9,011	8,985
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	8/16/2027	Aerospace and Defense	8.73 %	SOFR+600	14,888	14,623	14,649
Teneo Holdings LLC	7/18/2025	Business Services	8.38 %	3M L+625	2,786	2,757	2,623
The Aegis Technologies Group, LLC	10/31/2022	Aerospace and Defense	9.55 %	3M L+500	5,659	5,600	5,603
The Bluebird Group LLC	7/27/2026	Professional Services	10.67 %	1M L+700	1,707	1,679	1,724
The InfoSoft Group, LLC	9/16/2024	Media: Broadcasting and Subscription	8.47 %	3M L+525	12,957	12,952	12,859
The Vertex Companies, LLC	8/30/2027	Construction and Engineering	8.62 %	1M L+550	5,578	5,479	5,550
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/2022	Consumer Goods: Non-Durable	8.30 %	3M L+475	8,744	8,604	8,482
TVC Enterprises, LLC	3/26/2026	Diversified Consumer Services	8.87 %	3M L+550	14,952	14,871	14,578
TWS Acquisition Corporation	6/16/2025	Diversified Consumer Services	8.76 %	3M L+625	5,468	5,450	5,441
Tyto Athene, LLC (New Issue)	4/1/2028	IT Services	7.76 %	3M L+550	15,550	15,421	14,446
UBEO, LLC	4/3/2024	Capital Equipment	8.17 %	3M L+450	17,390	17,305	17,129
Unique Indoor Comfort, LLC	5/24/2027	Home and Office Furnishings, Housewares	8.95 %	SOFR+525	4,975	4,880	4,866
Walker Edison Furniture Company LLC	3/31/2027	Wholesale	12.42 %	3M L+575 (PIK 3.0%)	12,684	12,438	8,473
Wildcat Buyerco, Inc.	2/27/2026	Electronic Equipment, Instruments, and Components	9.45 %	SOFR+550	8,546	8,506	8,261
Zips Car Wash, LLC	3/1/2024	Automobiles	10.35 %	3M L+725	16,957	16,711	16,533
Total First Lien Secured Debt						767,316	751,627
Second Lien Secured Debt - 5.0%							

Inventus Power, Inc.	9/29/2024	Consumer Goods: Durable	12.17 %	3M L+850	3,000	2,963	2,955
Total Second Lien Secured Debt						2,963	2,955
Equity Securities - 0.4%							
New MPE Holdings, LLC	—	Media: Diversified and Production	—	—	—	—	139
Total Equity Securities							139
Total Investments - 1,335.9%						770,280	754,722
Cash and Cash Equivalents - 59.7%							
BlackRock Federal FD Institutional 30						33,725	33,705
Total Cash and Cash Equivalents						33,725	33,705
Total Investments and Cash Equivalents —1,329.0%						\$ 804,005	\$ 788,427
Liabilities in Excess of Other Assets — (1,229.0)%							(731,931)
Members' Equity—100.0%							\$ 56,496

- (1) Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable LIBOR or "L" or Prime rate or "P". The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 60-day, 90-day or 180-day LIBOR rate (1M L, 2M L, 3M L, or 6M L, respectively), at the borrower's option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes PIK interest and other fee rates, if any.
- (2) Valued based on PSSSL's accounting policy.
- (3) Non-U.S. company or principal place of business outside the United States.
- (4) Non-income producing security.
- (5) Represents the purchase of a security with delayed settlement or a revolving line of credit that is currently an unfunded investment. This security does not earn a basis point spread above an index while it is unfunded.

Below are the consolidated statements of assets and liabilities for PSSSL (\$ in thousands):

	December 31, 2022 (Unaudited)		September 30, 2022	
Assets				
Investments at fair value (cost—\$772,064 and \$770,280, respectively)	\$	750,692	\$	754,722
Cash and cash equivalents (cost—\$41,692 and \$33,725, respectively)		41,692		33,705
Interest receivable		3,637		3,025
Receivable for investment sold		—		3,637
Prepaid expenses and other assets		1,365		1,722
Total assets		797,386		796,811
Liabilities				
Credit facility payable		244,800		259,500
2032 Asset-backed debt, net (par—\$246,000)		243,517		243,365
Notes payable to members		227,850		217,350
Payable for investments purchased		14,973		10,414
Interest payable on notes to members		5,581		4,719
Interest payable on Credit Facility and asset backed debt		4,831		3,817
Accrued expenses		639		1,150
Total liabilities		742,191		740,315
Commitments and contingencies ⁽¹⁾				
Members' equity		55,195		56,496
Total liabilities and members' equity	\$	797,386	\$	796,811

⁽¹⁾ As of December 31, 2022 and September 30, 2022, PSSSL had unfunded commitments to fund investments of \$3.9 million and \$0.6 million, respectively.

Below are the consolidated statements of operations for PSSSL (\$ in thousands):

	Three months ended December 31,	
	2022	2021
Investment income:		
Interest	\$ 19,617	\$ 10,951
Other income	110	871
Total investment income	19,727	11,822
Expenses:		
Interest and expense on credit facility and asset-backed debt	8,641	3,174
Interest expense on notes to members	6,810	3,554
Administrative services expenses	508	300
General and administrative expenses	300	289
Total expenses	16,259	7,317
Net investment income	3,468	4,505
Realized and unrealized gain (loss) on investments and credit facility foreign currency translation:		
Net realized gain (loss) on:		
Investments	(60)	(348)
Credit facility foreign currency translation	(10)	
Net change in unrealized appreciation (depreciation) on:		
Investments	(5,800)	(3,204)
Credit facility foreign currency translation	—	—
Net change in unrealized appreciation (depreciation) on investments and credit facility foreign currency translations	(5,800)	(3,204)
Net realized and unrealized gain (loss) from investments and credit facility foreign currency translations	(5,870)	(3,552)
Net increase (decrease) in members' equity resulting from operations	\$ (2,402)	\$ 953

⁽¹⁾ Currently, no management or incentive fees are payable by PSSSL. If any fees were to be charged, they would be separately disclosed in the Statements of Operations.

Off-Balance Sheet Arrangements

We currently engage in no off-balance sheet arrangements other than our funding requirements for the unfunded investments described above.

Distributions

In order to be treated as a RIC for federal income tax purposes and to not be subject to corporate-level tax on undistributed income or gains, we are required, under Subchapter M of the Code, to annually distribute dividends for U.S. federal income tax purposes to our stockholders out of the assets legally available for distribution of an amount generally at least equal to 90% of our investment company taxable income, determined without regard to any deduction for dividends paid.

Although not required for us to maintain our RIC tax status, in order to preclude the imposition of a 4% nondeductible federal excise tax imposed on RICs, we must distribute dividends for federal income tax purposes to our stockholders in respect of each calendar year an amount at least equal to the Excise Tax Avoidance Requirement. In addition, although we may distribute realized net capital gains (i.e., net long-term capital gains in excess of net short-term capital losses), if any, at least annually, out of the assets legally available for such distributions in the manner described above, we have retained and may continue to retain such net capital gains or investment company taxable income, subject to maintaining our ability to be taxed as a RIC, in order to provide us with additional liquidity.

During the three months ended December 31, 2022 and 2021, we declared distributions of \$0.285 per share for total distributions of \$12.9 million and \$0.285 per share for total distributions of \$11.1 million, respectively. We monitor available net investment income to determine if a return of capital for tax purposes may occur for the fiscal year. To the extent our taxable earnings fall below the total amount of our distributions for any given fiscal year, stockholders will be notified of the portion of those distributions deemed to be a tax return of capital. Tax characteristics of all distributions will be reported to stockholders subject to information reporting on Form 1099-DIV after the end of each calendar year and in our periodic reports filed with the SEC.

We intend to continue to make monthly distributions to our stockholders. Our monthly distributions, if any, are determined by our board of directors quarterly.

We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. In addition, we may be limited in our ability to make distributions due to the asset coverage ratio for borrowings applicable to us as a BDC under the 1940 Act and due to provisions in future credit facilities. If we do not distribute at least a certain percentage of our income annually, we could suffer adverse tax consequences, including possible loss of our ability to be subject to tax as a RIC. We cannot assure stockholders that they will receive any distributions at a particular level.

Recent Accounting Pronouncements

In March 2020, the FASB issued Accounting Standards Update, or ASU, No. 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The guidance provides optional expedients and exceptions for applying GAAP to contract modifications, hedging relationships and other transactions, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued because of the reference rate reform. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. The Company utilized the optional expedients and exceptions provided by ASU 2020-04 during the year ended September 30, 2022, the effect of which was not material to the consolidated financial statements and the notes thereto.

In March 2022, the FASB issued ASU No. 2022-02, "Financial Instruments - Credit Losses (Topic 326)", which is intended to address issues identified during the post-implementation review of ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments". The amendment, among other things, eliminates the accounting guidance for troubled debt restructurings by creditors in Subtopic 310-40, "Receivables - Troubled Debt Restructurings by Creditors", while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. The new guidance is effective for interim and annual periods beginning after December 15, 2022. The Company is currently evaluating the impact the adoption of this new accounting standard will have on its consolidated financial statements, but the impact of the adoption is not expected to be material.

In June 2022, the FASB issued ASU 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, or ASU 2022-03, which changed the fair value measurement disclosure requirements of ASC Topic 820, Fair Value Measurements and Disclosures, or ASC 820. The amendments clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. The new guidance is effective for fiscal years beginning after December 15, 2023, including interim periods therein. Early application is permitted. The Company is currently evaluating the impact the adoption of this new accounting standard will have on its consolidated financial statements, but the impact of the adoption is not expected to be material.

RECENT DEVELOPMENTS

In connection with our January 23, 2023 public offering, we issued approximately 4.3 million shares of common stock resulting in net proceeds exclusive of offering expenses to the Company of approximately \$47.6 million, or \$11.20 per share.

The Adviser, has agreed to pay the underwriters a supplemental payment of \$0.10 per share, which reflects the difference between the public offering price of \$11.10 and the net proceeds of \$11.20 per share received by the Company in this offering. In addition, the Adviser has agreed to bear the sales load payable to the underwriters. The Company is not obligated to repay either the supplemental payment or the sales load paid by the Adviser.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including changes in interest rates. As of December 31, 2022, our debt portfolio consisted of 100.0% variable-rate investments. The variable-rate loans are usually based on a SOFR (or an alternative risk-free floating interest rate index) rate and typically have durations of three months, after which they reset to current market interest rates. Variable-rate investments subject to a floor generally reset by reference to the current market index after one to nine months only if the index exceeds the floor. In regards to variable-rate instruments with a floor, we do not benefit from increases in interest rates until such rates exceed the floor and thereafter benefit from market rates above any such floor. In contrast, our cost of funds, to the extent it is not fixed, will fluctuate with changes in interest rates since it has no floor.

Assuming that the most recent Consolidated Statements of Assets and Liabilities was to remain constant, and no actions were taken to alter the existing interest rate sensitivity, the following table shows the annualized impact of hypothetical base rate changes in interest rates:

Change in Interest Rates	Change in Interest Income, Net of Interest Expense (in thousands)	Change in Interest Income, Net of Interest Expense Per Share
Down 1%	\$ (6,141)	\$ (0.14)
Up 1%	6,457	0.14
Up 2%	12,756	0.28
Up 3%	19,055	0.42
Up 4%	25,354	0.56

Although management believes that this measure is indicative of our sensitivity to interest rate changes, it does not adjust for potential changes in the credit market, credit quality, size and composition of the assets on the Consolidated Statements of Assets and Liabilities and other business developments that could affect net increase in net assets resulting from operations or net investment income. Accordingly, no assurances can be given that actual results would not differ materially from those shown above.

Because we borrow money to make investments, our net investment income is dependent upon the difference between the rate at which we borrow funds and the rate at which we invest these funds, as well as our level of leverage. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income or net assets.

We may hedge against interest rate and foreign currency fluctuations by using standard hedging instruments such as futures, options and forward contracts or our Credit Facility subject to the requirements of the 1940 Act and applicable commodities laws. While hedging activities may insulate us against adverse changes in interest rates and foreign currencies, they may also limit our ability to participate in benefits of lower interest rates or higher exchange rates with respect to our portfolio of investments with fixed interest rates or investments denominated in foreign currencies. During the periods covered by this Report, we did not engage in interest rate hedging activities or foreign currency derivatives hedging activities.

Item 4. Controls and Procedures

As of the period covered by this Report, we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). As disclosed in our Annual Report on Form 10-K for the fiscal year ended September 30, 2022, a material weakness was previously identified in connection with our internal control over financial reporting relating to procedures ensuring the timely transmission of portfolio company financial information to our independent valuation service providers. We have taken steps to remediate this material weakness, which steps have included (i) enhancing existing controls to ensure the timely transmission of all relevant portfolio company financial information to our independent service providers and (ii) enhancing policies and procedures to demonstrate a commitment to improving our overall control environment.

Taking the above efforts into consideration, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures for the quarter ended December 31, 2022 were effective and provided reasonable assurance that information required to be disclosed in our periodic filings with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

Other than disclosed in this Item 4, there have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

None of us, our Investment Adviser or our Administrator, is currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us, or against our Investment Adviser or Administrator. From time to time, we, our Investment Adviser or Administrator, may be a party to certain legal proceedings, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. While the outcome of these and any future legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our financial condition or results of operations.

Item 1A. Risk Factors

In addition to the other information set forth in this Report, you should consider carefully the factors discussed below, as well as in Part I “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended September 30, 2022 filed on November 17, 2022, which could materially affect our business, financial condition and/or operating results. The risks described below, as well as in our Annual Report on Form 10-K are not the only risks facing PennantPark Floating Rate Capital Ltd. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results.

Legislation enacted in 2018 allows us to incur additional leverage.

A BDC has historically been able to issue “senior securities,” including borrowing money from banks or other financial institutions, only in amounts such that its asset coverage, as defined in Section 61(a)(2) of the 1940 Act, equals at least 200% after such incurrence or issuance. In March 2018, the Consolidated Appropriations Act of 2018 (which includes the SBCAA) was enacted which amended the 1940 Act to decrease this percentage from 200% (i.e., \$1 of debt outstanding for each \$1 of equity) to 150% (i.e., \$2 of debt outstanding for each \$1 of equity) for a BDC that has received either stockholder approval or approval of a “required majority” (as defined in Section 57(o) of the 1940 Act) of its board of directors of the application of such lower asset coverage ratio to the BDC. On April 5, 2018, our board of directors approved such reduction. As of April 5, 2019, we are able to incur additional indebtedness so long as we comply with the applicable disclosure requirement, which may increase the risk of investing in us. Under the 200% minimum asset coverage ratio, we were permitted to borrow up to one dollar for investment purposes for every one dollar of investor equity and, under the 150% minimum asset coverage ratio, we are permitted to borrow up to two dollars for investment purposes for every one dollar of investor equity. In other words, Section 61(a)(2) of the 1940 Act permits BDCs to potentially increase their debt-to-equity ratio from a maximum of 1-to-1 to a maximum of 2-to-1. In addition, since our base management fee is determined and payable based upon our average adjusted gross assets, which includes any borrowings for investment purposes, our base management fee expense may increase if we incur additional leverage.

Because we intend to distribute substantially all of our income to our stockholders to maintain our ability to be subject to tax as a RIC, we may need to raise additional capital to finance our growth. If funds are not available to us, we may need to curtail new investments, and our common stock value could decline.

In connection with satisfying the requirements to be subject to tax as a RIC for federal income tax purposes, we intend to distribute to our stockholders substantially all of our investment company taxable income and net capital gains each taxable year. However, we may retain all or a portion of our net capital gains and incur applicable income taxes with respect thereto and elect to treat such retained net capital gains as deemed dividend distributions to our stockholders.

As noted above, on April 5, 2018, our board of directors, including a “required majority” (as such term is defined in Section 57(o) of the 1940 Act), approved a reduction of our asset coverage ratio from 200% to 150%. As a result, as of April 5, 2019, the asset coverage requirement applicable to us for senior securities was reduced from 200% (i.e., \$1 of debt outstanding for each \$1 of equity) to 150% (i.e., \$2 of debt outstanding for each \$1 of equity). If we incur additional indebtedness under this provision, the risk of investing in us will increase. If the value of our assets declines, we may be unable to satisfy this asset coverage test. If that happens, we may be required to sell a portion of our investments or sell additional common stock and, depending on the nature of our leverage, to repay a portion of our indebtedness at a time when such sales and repayments may be disadvantageous. In addition, the issuance of additional securities could dilute the percentage ownership of our current stockholders in us.

We are partially dependent on our subsidiary, Funding I, for cash distributions to enable us to meet the distribution requirements in order to permit us to be subject to tax as a RIC. In this regard, Funding I is limited by its covenants from making certain distributions to us that may be necessary to fulfill our requirements to be subject to tax as a RIC. In such case, we would need to request a waiver of these covenants’ restrictions for Funding I to make certain distributions to enable us to be subject to tax as a RIC. We cannot assure you that Funding I will be granted such a waiver, and if Funding I is unable to obtain a waiver, compliance with the covenants may cause us to incur a corporate-level income tax.

If we incur additional debt, it could increase the risk of investing in our shares.

We have indebtedness outstanding pursuant to our Credit Facility, 2023 Notes, 2026 Notes and the 2031 Asset-Backed Debt and expect in the future to borrow additional amounts under our Credit Facility or other debt securities, subject to market availability, and, may increase the size of our Credit Facility. We cannot assure you that our leverage will remain at current levels. The amount of leverage that we employ will depend upon our assessment of the market and other factors at the time of any proposed borrowing. Lenders have fixed dollar claims on our assets that are superior to the claims of our common stockholders or preferred stockholders, if any, and we have granted a security interest in Funding I’s assets in connection with our Credit Facility borrowings. In the case of a liquidation event, those lenders would receive proceeds before our stockholders. Any future debt issuance will increase our leverage and may be subordinate to our Credit Facility. In addition, borrowings or debt issuances, also known as leverage, magnify the potential for loss or gain on amounts invested and, therefore, increase the risks associated with investing in our securities. Leverage is generally considered a speculative investment technique. If the value of our assets decreases, then the use of leverage would cause the net asset value attributable to our common stock to decline more than it otherwise would have had we not utilized leverage. Similarly, any decrease in our revenue would cause our net income to decline more than it would have had we not borrowed funds and could negatively affect our ability to make distributions on our common or preferred stock. Our ability to service any debt that we incur depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures.

As noted above, on April 5, 2018, our board of directors, including a “required majority” (as such term is defined in Section 57(o) of the 1940 Act), approved a reduction of our asset coverage ratio. As a result, as of April 5, 2019, the asset coverage requirement applicable to us for senior securities was reduced from 200% to 150%. As of such date, we are able to incur additional indebtedness so long as we comply with the applicable disclosure requirements, which may increase the risk of investing in us.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Unless specifically indicated otherwise, the following exhibits are incorporated by reference to exhibits previously filed with the SEC:

- 3.1 [Articles of Amendment and Restatement of the Registrant \(Incorporated by reference to Exhibit 99\(A\) to the Registrant's Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2 \(File No. 333-170243\), filed on March 29, 2011\).](#)
- 3.2 [Second Amended and Restated Bylaws of the Registrant \(Incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q \(File No. 814-00891\), filed on May 11, 2020\).](#)
- 4.1 [Form of Share Certificate \(Incorporated by reference to Exhibit 99\(D\) to the Registrant's Pre-Effective Amendment No. 5 to the Registration Statement on Form N-2 \(File No. 333-170243\), filed on April 5, 2011\).](#)
- 31.1* [Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.](#)
- 31.2* [Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.](#)
- 32.1* [Certification of Chief Executive Officer pursuant to section 906 of The Sarbanes-Oxley Act of 2002.](#)
- 32.2* [Certification of Chief Financial Officer pursuant to section 906 of The Sarbanes-Oxley Act of 2002.](#)
- 99.1 [Privacy Policy of the Registrant \(Incorporated by reference to Exhibit 99.1 to the Registrant's Annual Report on Form 10-K \(File No. 814-00891\), filed on November 17, 2011\).](#)
- 101.INS* Inline XBRL Instance Document
- 101.SCH* Inline XBRL Taxonomy Extension Schema
- 101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB* Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

PENNANTPARK FLOATING RATE CAPITAL LTD.

Date: February 8, 2023

By: _____
/s/ Arthur H. Penn
Arthur H. Penn
Chief Executive Officer and Chairman of the Board of Directors
(Principal Executive Officer)

Date: February 8, 2023

By: _____
/s/ Richard T. Allorto, Jr.
Richard T. Allorto, Jr.
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO SECTION 302
CHIEF EXECUTIVE OFFICER CERTIFICATION**

I, Arthur H. Penn, Chief Executive Officer of PennantPark Floating Rate Capital, Ltd., certify that:

1. I have reviewed this Report on Form 10-Q of PennantPark Floating Rate Capital, Ltd.;

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 8, 2023

/s/ Arthur H. Penn

Name: Arthur H. Penn

Title: Chief Executive Officer

**CERTIFICATION PURSUANT TO SECTION 302
CHIEF FINANCIAL OFFICER CERTIFICATION**

I, Richard T. Allorto, Jr., Chief Financial Officer of PennantPark Floating Rate Capital, Ltd., certify that:

1. I have reviewed this Report on Form 10-Q of PennantPark Floating Rate Capital, Ltd.;

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 8, 2023

/s/ Richard T. Allorto, Jr.

Name: Richard T. Allorto, Jr.

Title: Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)**

In connection with this Report on Form 10-Q for the three months ended December 31, 2022 (the "Report") of PennantPark Floating Rate Capital, Ltd. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Arthur H. Penn, Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Arthur H. Penn

Name: Arthur H. Penn
Title: Chief Executive Officer
Date: February 8, 2023

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)**

In connection with this Report on Form 10-Q for the three months ended December 31, 2022 (the "Report") of PennantPark Floating Rate Capital, Ltd. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Richard T. Allorto, Jr., Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Richard T. Allorto, Jr.

Name: Richard T. Allorto, Jr.
Title: Chief Financial Officer
Date: February 8, 2023
