PennantPark Floating Rate Capital Ltd.

06/30/2021

NEW YORK • CHICAGO • HOUSTON • LOS ANGELES

Forward-looking Statements and Risk Factors

This presentation may include forward-looking statements. These forward-looking statements include comments with respect to our objectives and strategies and results of our operations.

However, by their nature, these forward-looking statements involve numerous assumptions, uncertainties and opportunities, both general and specific. The risk exists that these statements may not be fulfilled. We caution readers of this presentation not to place undue reliance on these forward-looking statements as a number of factors could cause future company results to differ materially from these statements.

Forward-looking statements may be influenced in particular by factors such as fluctuations in interest rates and stock indices, the effects of competition in the areas in which we operate, and changes in economic, political and regulatory conditions. We caution that the foregoing list is not exhaustive.

When relying on forward-looking statements to make decisions, investors should carefully consider the aforementioned factors as well as other uncertainties and events. The performance data quoted represents past performance and does not guarantee future results. The performance stated may have been due to extraordinary market conditions, which may not be duplicated in the future. Current performance may be lower or higher than the performance data quoted.

We do not undertake to update our forward-looking statements unless required by law.

We refer you to the list of risk factors set forth in our most recent Annual Report on Form 10-K, a copy of which may be obtained on our website at www.pennantpark.com or the SEC's website at www.sec.gov. Specifically, an investment in our common stock involves significant risks, including the risk that the secondary market price of our common stock may decline from the offering price and may be less than our net asset value per share, as well as the risk that the price of our common stock in the secondary market may be highly volatile. Please see a discussion of these risks and other related risks in our most recent Annual Report on Form 10-K under Item 1A - "Risks Relating to an Investment in Our Common Stock".

This is not a prospectus and should under no circumstances be understood to be an offer to sell, or a solicitation of an offer to buy, any security of PennantPark Investment Corporation or PennantPark Floating Rate Capital Ltd. These materials and the presentations of which they are a part, and the summaries contained herein, do not purport to be complete and no obligation to update or otherwise revise such information is being assumed. This presentation contains only such information as is set forth in our reports on Form 10-K or 10-Q and we direct you to these reports for further information on our business including investment objectives, risks and expenses.

Established Credit Platform

PennantPark
Investment Advisers, LLC

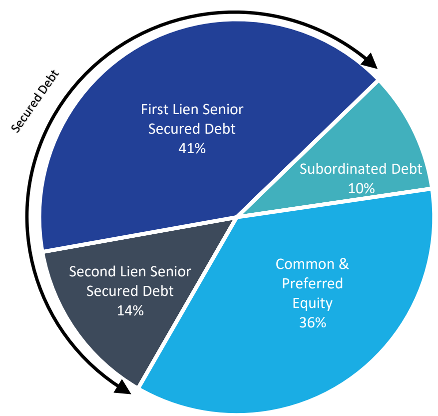
$5.2 billion total Investable Capital Under Management

PennantPark
Investment Corporation

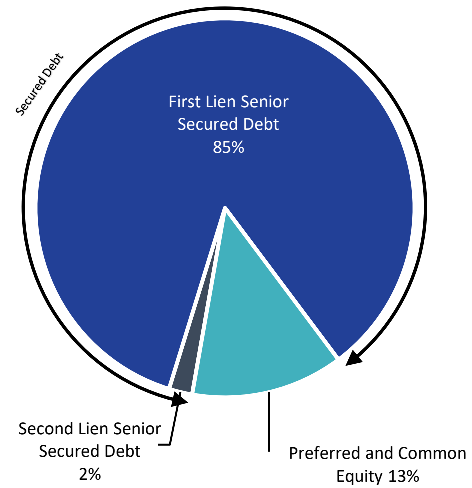
- NASDAQ: "PNNT"
- IPO Date: April 2007
- 55% Secured Debt

PennantPark
Floating Rate Capital Ltd.

- NASDAQ: "PFLT"
- IPO Date: April 2011
- 87% Secured Debt



$1,148 million



$1,036 million

Established Investment Platform

- PennantPark Investment Advisers founded 14 years ago before the Global Financial Crisis ("GFC")
- Leading independent middle market credit platform
- Cohesive, experienced team
- Culture of building long term trust

PFLT

- Primary focus: First Lien Senior Secured Floating Rate Debt
- Steady and stable dividend stream since inception in 2011
- Goal of capital preservation with a lower risk portfolio

Established Credit Platform

PennantPark
Investment Advisers, LLC

Founded in 2007

Funded $13.1B in 566 companies

Disciplined Investor

- Value oriented with goal of capital preservation
- Focused approach to ensure good risk / reward
- Patient and prudently leveraged to capture returns during dislocations
- Investing in less than 5% of deals reviewed

Relationship & Solution Driven

- Team approach
- Build long-term relationships – trusted partner
- Independent firm and unaffiliated platform
- Incumbency advantage

Core Middle Market Focus

- Companies with EBITDA of $10 - $50 million
- Attractive risk adjusted returns
- Solutions that traditional lenders find increasingly difficult

Consistent Performance & Track Record

- Low volatility of underlying portfolio EBITDA through the GFC and Covid
- Equity co-investment program has an IRR of 28% and a MOIC of 2.9x since inception

PFLT

- Only 14 non-accruals out of 401 companies since inception
- Annualized loss ratio only 7 basis points

Conservative Portfolio Construction

- 100 companies in 42 different industries
- Weighted average debt / EBITDA through PFLT security is 4.2x
- Weighted average cash interest coverage is 3.2x
- 87% of portfolio is first lien senior secured
- Avoid sectors such as retail, restaurants, apparel, airlines and energy

Third Quarter 2021 Highlights

Net Asset Value	Stable NAV
PSSL	• Long term, low-cost CLO financing • Additional commitments from PFLT and Kemper • Ability to grow to $730 million of assets from $500 million
Equity Co-investments	Several equity positions are benefiting from the economic recovery
Balance Sheet	Regulatory net debt to equity ratio, after subtracting cash, of 1.1x creates growth opportunity up to target ratio of 1.5x
Credit Performance	Out of 100 companies, only two investments on non-accrual status, representing 2.8% at cost and 2.7% at fair market value of the overall portfolio
Outlook	• Strong portfolio performance • Several significant high growth equity positions • Growing PFLT and PSSL balance sheets • Strengthening NII

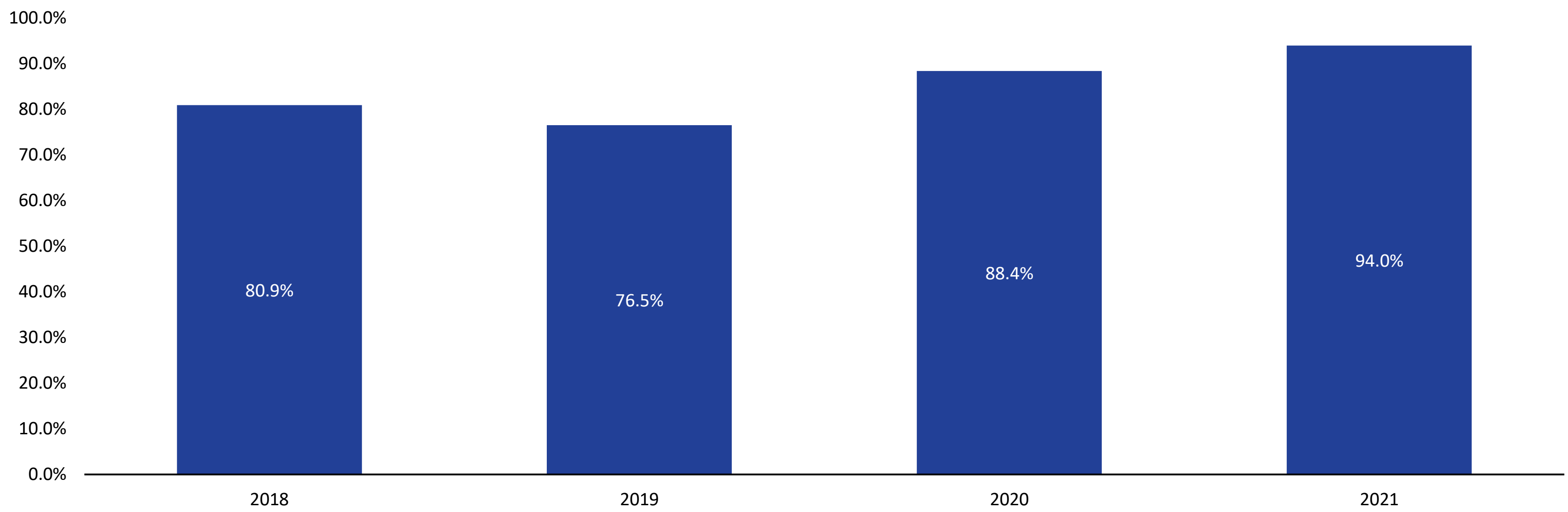
Why is PFLT Well Positioned?

Experienced Team	• Decades of experience in middle market credit • Stable, consistent investment team • Headquarters in New York with offices in Chicago, Houston, and Los Angeles
Expansive Relationship Network	• Independent • Established institutionalized relationships • Focus on building long-term trust • Brand recognition with 195+ sponsors financed
Strong Capital Base	• Permanent equity capital of $497 million • Monthly dividend of 9.5 cents per share • Leader in the BDC space as measured by expense and efficiency ratios • Senior Secured Loan Fund Joint Venture, PSSL, with Kemper Corporation has up to $731 million of investment capacity
Attractive and Diversified Financing	• $400 million of credit facility at L + 200 • $118 million, long-term, 4.30% bond offering in Israel • $100 million, long-term, 4.25% 2026 Notes • $228 million of third-party Asset Backed Debt financing 2.7%, with a final maturity of 12 years

Recurring Business from Existing Portfolio Companies & PE Relationships

- PennantPark is an existing lender to 130+ portfolio companies, which results in incumbency positions that create repeat deal flow and efficient deployment of capital
- Since 2016, over 70% of PennantPark's deals have been with repeat sponsors that had previously completed a transaction with PennantPark
- Actively cover over 400 of 2,000+ middle market private equity sponsors in the U.S.
- Private equity sponsors give PennantPark early and last looks because of our reliability, experience, market leadership, and flexible capital solutions offerings

Origination Volume with Repeat Sponsors[1]



1. *Percentage of total origination volume. Origination volume refers to the dollar value of all financing commitments to middle market companies. Repeat sponsors are private equity firms that had previously completed a financing transaction with PennantPark.*

Extensive Sourcing Network & Deep Industry Expertise

- **Robust origination platform built on one of the most senior, experienced investment teams**[1]
  - Actively cover approximately 400 of over 2,000 middle market private equity sponsors in the U.S.
  - Closed deals with 195+ private equity sponsors; majority repeat transactions
  - Incumbency advantage (existing lender to 130+ portfolio companies across 80+ sponsors) / repeat transactions
  - Strong track record financing spin-off private equity sponsors with prior experience financing the team

- **Deep industry knowledge and expertise in five sectors**
  - Focus on sectors that deliver steady and consistent cash flows

Industry Focus & Selected Examples

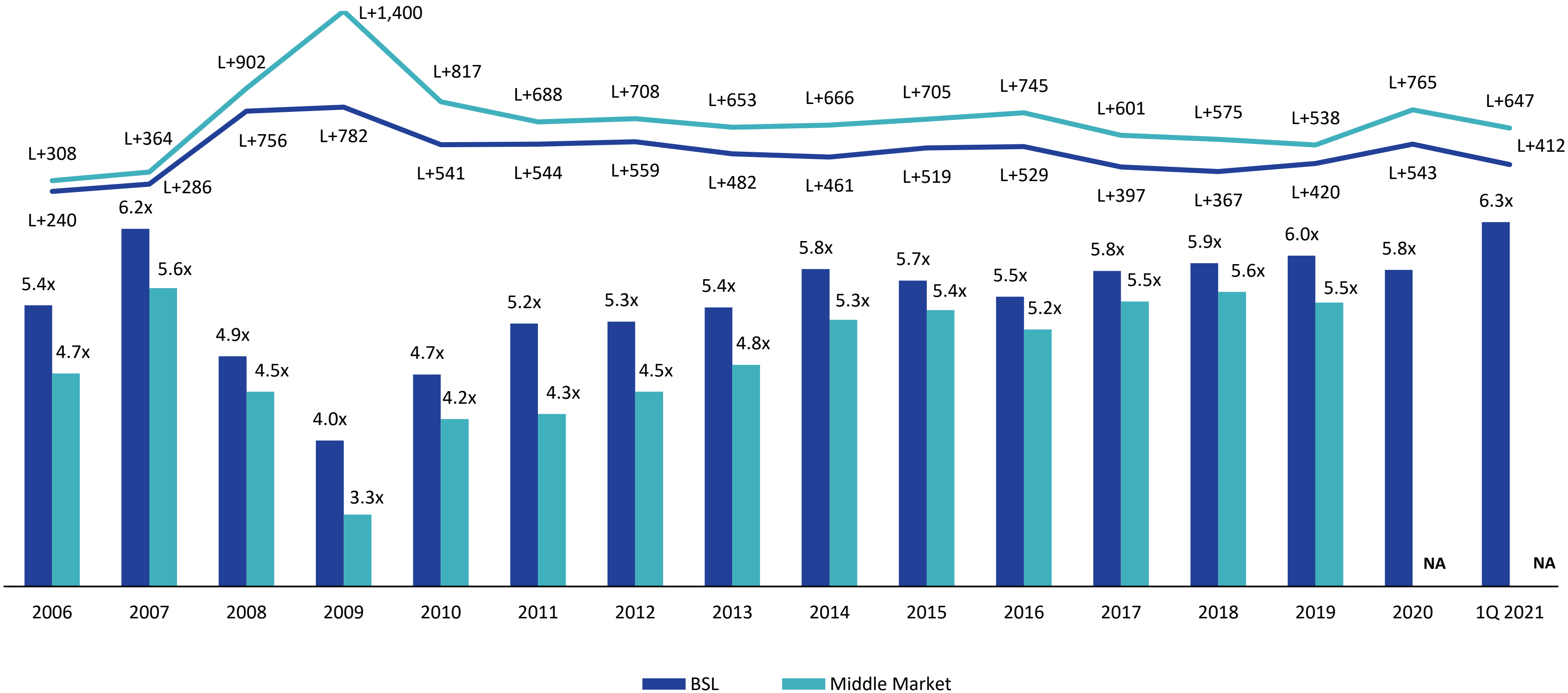
Government Services	Healthcare	Software / Technology	Consumer	Business Services
api technologies corp.	CanoHealth	bazaarvoice	Dr. Scholl's	CHA
BYLIGHT	New Jersey Urology	Centauri Health Solutions	Lilly Lashes	Datalot
gcom software	Pivot Physical Therapy	Comodo	RTIC	FlexPrint
Tyto Athene	SightMD	proVation	Walker Edison	Integrity Marketing Group
WBB	Smile Brands Inc.	SolutionReach	Wheel Pros	Veritext Legal Solutions

- **We have avoided retail, restaurants, airlines, oil and gas, heavy cyclical (chemicals, paper & pulp, packaging, auto OEMs, etc.), and apparel / fashion industries**

1. As of 3/31/21.

Core Middle Market Offers Yield Premium with Lower Risk

Middle Market vs. BSL: Average Debt to EBITDA & Loan Spreads[1,2]



Source: LCD, an offering of S&P Global Market Intelligence. As of March 2021.

1. *Middle Market is defined as Issuers with EBITDA less than or equal to $50M. Broadly Syndicated Loans are defined as Issuers with EBITDA greater than $50M. Broadly Syndicated Loans are denoted as "BSL". Market data averages only include data available from LCD for the time periods referenced. For 2020 and Q1 2021, LCD does not have sufficient observations at this time to provide data for MM.*
2. *Debt to EBITDA statistics reflect New Issue LBO loans only. Spread statistics reflect the S&P / LSTA Leveraged Loan Index ("LLI"), which includes term loans from syndicated credits.*

Core Middle Market Strategy

- **PennantPark has a long-term track record of generating significant value for investors by successfully financing smaller, high-growth companies, while making attractive loans with strong income and capital preservation attributes**

- **Well-established, repeatable process of:**
  - Identifying and underwriting companies with a clear pathway to growth
  - Fueling that growth over time by providing incremental debt and equity as the companies scale
  - Debt investment with strong capital preservation attributes and supported by substantial sponsor equity
  - Riding the upside of the equity coinvestment

- **Key characteristics we target include:**
  - Companies with $10 – 50 million of EBITDA
  - Outstanding, experienced management team with a strategic growth plan and clear line of sight to $50+ million of EBITDA during the life of our loan either through add-on acquisitions or organic growth
  - Successful private equity sponsors with whom we have long-standing relationships, and have strong track records of supporting portfolio companies
  - Typical equity coinvestments range from 5% - 20% of the debt investment amount; similar economic terms as the sponsor
  - Best risk adjusted return in today's market are companies that have $10-20 million of EBITDA to start, prior to growth plan

- **Across the PennantPark platform, equity coinvestments have added approximately 116 bps of incremental return to what the underlying loans generate**

PennantPark Platform	# of Investments	Capital Invested	Gross IRR[1]	MOIC[1]
Equity Coinvestments	88	$237 million	28.0%	2.9x

1. *IRRs and MOICs reflect gross (asset-level) returns on equity coinvestment transactions from inception (January 2007) to 3/31/21 across PennantPark-managed vehicles.*

Core Middle Market Advantage

- **The US middle market includes nearly 200,000 companies, generates $10 trillion of revenue annually[1] (one third of the US economy), and is the world's third largest economy on a standalone basis[2]**
- **The core middle market presents attractive investment opportunities**
  - Lower leverage
  - Strong covenant packages
  - Higher yields
  - Greater recovery rates

	Core Middle Market	Upper Middle Market
EBITDA	$10 - $50 million	$50 million and greater
First Lien New Issue Pricing	L + 525 – 750 bps	L + 450 – 550 bps
Leverage	4.0x – 5.5x	5.0x – 7.5x
Covenants	Usually stronger; total net leverage, interest coverage, etc.	Covenant lite or one covenant set at wide levels
Equity Contribution	45% or more	25% or more
Due Diligence Process	In-depth and comprehensive; typically takes 6 – 8 weeks	More limited information; typically happens in 2 weeks or less
Reporting	Frequent and usually monthly	Usually quarterly

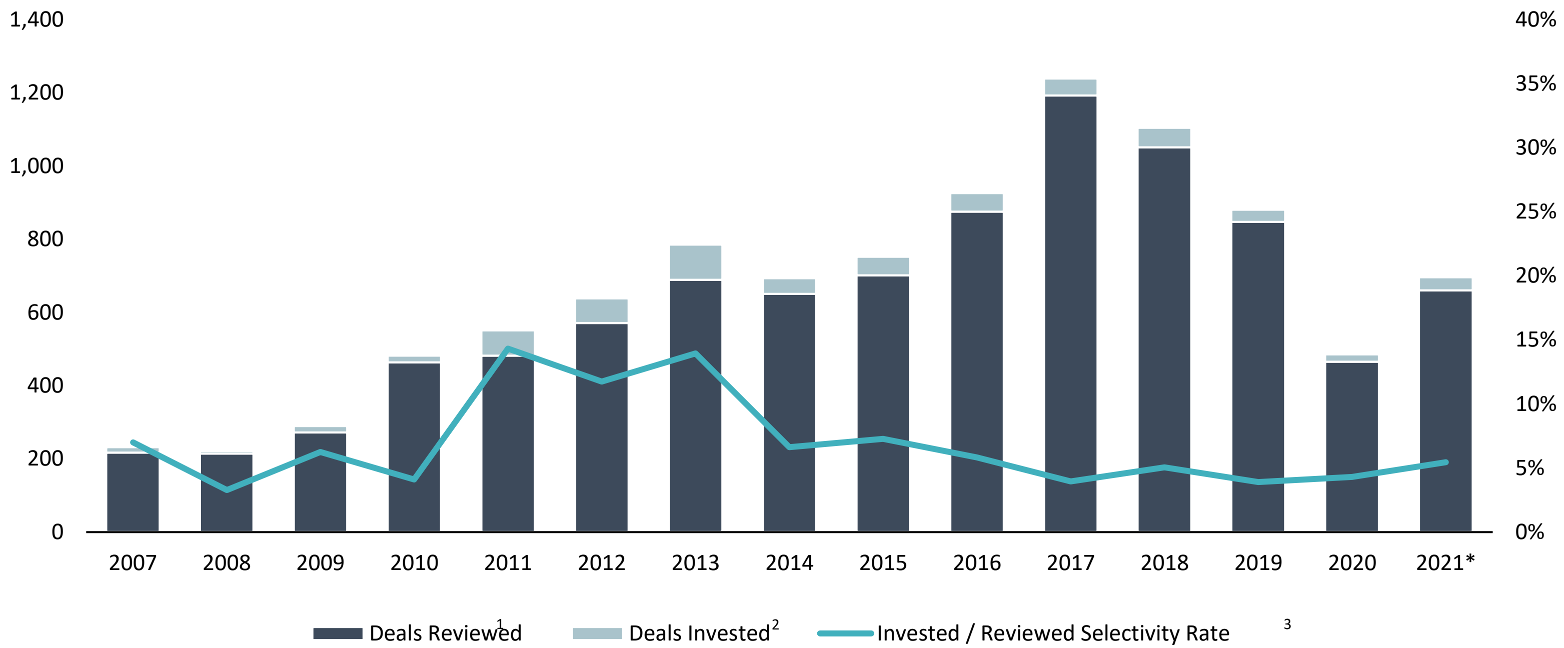
Statements herein concerning financial market trends or other financial market commentary are based on the current market conditions, which will fluctuate. In addition, such statements constitute the Manager's current opinion, which is subject to change in the future without notice. For additional information, please see "IMPORTANT NOTICES" on the last page of this document.

1. *National Center For the Middle Market. As of December 2020.*
2. *National Center For the Middle Market, 4Q 2020 Middle Market Indicator Report.*

Highly Selective Investing

- **Depth and breadth of investment team results in strong deal flow and allows for greater selectivity**
  - Since inception, over 8,800 potential opportunities reviewed; only 597 selected for investment
  - Last 3 year average selectivity rate: 4.6%
  - 2020 selectivity rate: 4.3%

Deals Reviewed / Invested & Selectivity Rate Over Time



**Note: 2021 is annualized based on Q1 2021 data.*
1. *Deals reviewed = those where some level of due diligence was done and transaction was formally logged into the Pipeline Tracker.*
2. *Deals invested = unique portfolio investments across the firm.*
3. *Invested / reviewed selectivity rate: deals invested / deals reviewed.*

Underwriting Process[1]

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

Sourcing & Industry Expertise

- Broad network of industry contacts
- Long-term relationships with mid market private equity sponsors and portfolio companies
- Proprietary sourcing relationships

Due Diligence & Underwriting

- Deep dive, private equity-style, iterative research
- Review historical and prospective data
- On-site company visits, interview competitors and customers
- Diligence alongside private equity sponsor and industry experts

Investment Committee

- Memos focus on downside cases to ensure risks are thoroughly understood
- Evaluate from an owner's perspective

Structuring & Documentation

- Deep experience across multiple credit cycles negotiating structures
- Construct attractive risk / reward profile
- Covenants, terms, and conditions that enforce discipline and preserve capital

Monitoring

- Proactive portfolio review
- Monthly financials supplemented with monitoring key developments
- Board observer rights when possible
- Quarterly independent third-party valuations

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

PFLT Overall Portfolio as of 6/30/21

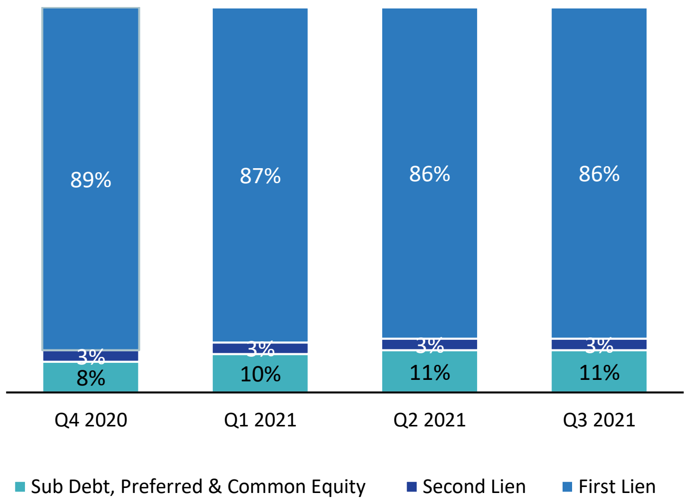
Highly Diversified Industry Mix

Industry[1]	Fair Value ($ millions)	% of Portfolio
Media	$65.8	7.8%
Professional Services	61.6	7.3%
Capital Equipment	49.3	5.8%
Commercial Services & Supplies	44.7	5.3%
Business Services	42.4	5.0%
IT Services	42.2	5.0%
Media: Diversified and Production	40.2	4.8%
Aerospace and Defense	37.5	4.4%
High Tech Industries	37.1	4.4%
Healthcare Technology	31.5	3.7%
Wholesale	29.3	3.5%
Diversified Financial Services	25.2	3.0%
Air Freight and Logistics	23.6	2.8%
Construction and Building	23.4	2.8%
Healthcare and Pharmaceuticals	21.5	2.5%
Personal Products	21.2	2.5%
Consumer Services	18.0	2.1%
Hotels, Restaurants and Leisure	18.1	2.1%
Media: Broadcasting and Subscription	18.0	2.1%
Banking, Finance, Insurance & Real Estate	15.5	1.8%
Chemicals, Plastics and Rubber	15.2	1.8%
Media: Advertising, Printing and Publishing	15.5	1.8%
Electronic Equipment, Instruments, and Components	14.3	1.7%
Insurance	13.9	1.6%
Diversified Consumer Services	13.1	1.5%
Hotel, Gaming and Leisure	13.1	1.5%
Other	93.3	11.0%
Total	$844.5	100.0%

Portfolio Overview

- 100 different companies
- Average investment size: $10.4 million
- Yield at Cost on Debt Portfolio: 7.5%
- 87% Secured Investments

Portfolio Mix



1. Excluding investment in PSSL. Total of 42 industries. "Other" includes Automobiles/Beverages /Building Products//Construction & Engineering/Consumer Goods: Durable/Environmental Industries/Financial Services/Food Products/Healthcare Equipment and Supplies/Internet Software and Services/Leisure Products/Software/Telecommunications/Transportation: Consumer/Wireless Telecommunication Services.

PennantPark Senior Secured Loan Fund ("PSSL")

- Invests in primarily middle market, directly originated first lien loans
- $731 million of total investment capacity
- Total commitments of $278 million in notes and equity from PFLT and Kemper Corporation
- $246 million of third-party debt financing PennantPark CLO II, Ltd., with a final maturity of 11 years
- Up to an additional $225 million of third-party debt financing
- Recent CLO optimizes financing growth of PSSL for higher Return on Equity and Net Investment Income for PFLT
- Expands ability to serve sponsor and borrower clients with larger bite sizes

PSSL Portfolio as of 6/30/21

Highly Diversified Industry Mix

Industry	Fair Value ($ millions)	% of Portfolio
Aerospace and Defense	$ 55.2	10.4%
Business Services	49.3	9.3%
Diversified Consumer Services	40.6	7.7%
Wholesale	38.3	7.2%
Chemicals, Plastics and Rubber	36.7	6.9%
Capital Equipment	32.9	6.2%
IT Services	31.9	6.0%
Healthcare and Pharmaceuticals	29.5	5.6%
Consumer Goods: Durable	22.4	4.2%
Consumer Goods: Non-Durable	22.2	4.2%
Media	18.7	3.5%
Construction and Building	13.9	2.6%
Media: Broadcasting and Subscription	13.5	2.6%
High Tech Industries	13.0	2.5%
Hotels, Restaurants and Leisure	13.1	2.5%
Commercial Services & Supplies	12.4	2.3%
Electronic Equipment, Instruments, and Components	10.6	2.0%
Telecommunications	10.4	2.0%
Internet Software and Services	7.4	1.4%
Other	57.8	11.0%
Total	$529.6	100.0%

Portfolio Overview

- 66 different companies
- Average investment size: $8.0 million
- Yield at Cost on Debt Portfolio: 7.2%
- 97% First Lien Investments

1. *Total of 30 industries. "Other" includes Beverage, Food and Tobacco / Building Products / Construction and Engineering / Diversified Financial Services / Healthcare Providers and Services / Healthcare, Education & Childcare / Insurance / Leisure Products / Media: Advertising, Printing & Publishing / Media: Diversified and Production / Professional Services / Transportation: Consumer.*

Selected Financial Highlights

($mm, except per share data)	September Q4 2020	December Q1 2021	March Q2 2021	June Q3 2021
Investment Portfolio	$1,087	$1,067	$1,069	$1,036
PFLT Investment in PSSL (cost)	$179	$181	$181	$201
PSSL Investment Portfolio	$393	$382	$485	$530
Regulatory Debt	$675	$603	$593	$579
GAAP Net Assets	$477	$492	$493	$497
Adjusted Net Assets[1]	$458	$478	$489	$489
Regulatory Net Debt to Equity[2]	1.35x	1.20x	1.08x	1.08x
GAAP Net Debt to Equity[2,3]	1.25x	1.13x	1.05x	1.04x
PFLT Originations	$15	$67	$160	$248
PSSL Originations	—	$15	$129	$134
Per Share Data:				
GAAP Net Asset Value	$12.31	$12.70	$12.71	$12.81
Adjusted Net Asset Value[1]	$11.81	$12.32	$12.60	$12.62
Core Net Investment Income[4]	$0.27	$0.26	$0.26	$0.27
Dividends Declared	$0.285	$0.285	$0.285	$0.285

1. *Adjusted number is a non-GAAP financial measure which excludes mark-to-market of liabilities.*
2. *Adjusted number is a non-GAAP financial measure which excludes cash*
3. *Adjusted number is a non-GAAP financial measure which includes mark-to-market of liabilities.*
4. *Core Net Investment Income per Share is a non-GAAP financial measure.*

Strategy Targeted to Deliver Returns

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

PFLT Selected Investments

Company	Investment	Sponsor
Applied Technical Services	Revolver First Lien Term Loan	Odyssey Investment Partners
BYLIGHT	Revolver First Lien Secured Debt Equity	Sagewind Capital
DOUGLAS PRODUCTS	Revolver First Lien Secured Debt	Altamont Capital Partners
ECRM	First Lien Secured Debt	Snow Phipps Group
Hancock Claims Consultants	Revolver First Lien Term Loan Equity	Century Equity Partners
INSTITUTE FOR INTEGRATIVE NUTRITION	Revolver First Lien Term Loan Equity	Norwest Equity Partners
LifePort	Revolver First Lien Term Loan Equity	Tower Arch Capital
THEMARSAGENCY	Revolver First Lien Term Loan Equity	Mountaingate Capital
MERITDIRECT HIGHER GROUND	Revolver First Lien Secured Debt Equity	Mountaingate Capital
MISSION CRITICAL ELECTRONICS, LLC	Revolver First Lien Secured Debt	Windjammer Capital
PERFORCE	First Lien Term Loan Revolver	Clearlake Capital
RANCHO FAMILY MEDICAL GROUP	Revolver First Lien Term Loan Equity	LightBay Capital
RIVERPOINT MEDICAL	Revolver First Lien Term Loan	Arlington Capital Partners
SCHLESINGER GLOBAL QUALITATIVE	First Lien Term Loan Equity	Gauge Capital
SIGMA DEFENSE SYSTEMS	Revolver First Lien Term Loan Equity	Sagewind Capital
Smartronix	First Lien Term Loan	OceanSound Partners
SOLUTIONREACH	Revolver First Lien Term Loan	Summit Partners LP
StrataTech EDUCATION GROUP	First Lien Secured Debt Equity	The Halifax Group
TVC PRO-DRIVER	Revolver First Lien Term Loan Equity	Gauge Capital
TYTO ATHENE	Revolver First Lien Term Loan	Arlington Capital Partners