



PennantPark

Floating Rate Capital Ltd.

12/31/2023

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Important Notice

This presentation contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, that are subject to risks and uncertainties. Actual outcomes and results could differ materially from those suggested by this presentation due to the impact of many factors beyond the control of PennantPark Floating Rate Capital Ltd. (“PFLT”), including those listed in the “Risk Factors” section of our filings with the Securities and Exchange Commission (“SEC”). Any such forward-looking statements are made pursuant to the safe harbor provisions available under applicable securities laws and PFLT assumes no obligation to update or revise any such forward-looking statements.

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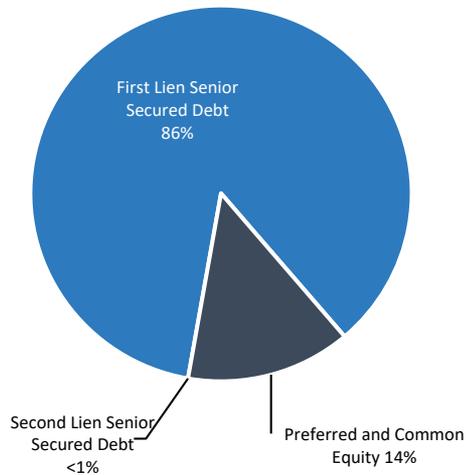
Established Credit Platform



\$7.0 billion total Investable Capital Under Management¹

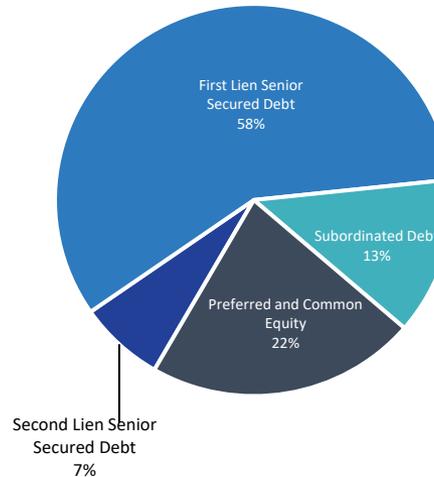
PennantPark Floating Rate Capital Ltd.

- NYSE/TASE: “PFLT”
- IPO Date: April 2011
- 86% Secured Debt
- \$1.3 billion, total investments



PennantPark Investment Corporation

- NYSE: “PNNT”
- IPO Date: April 2007
- 65% Secured Debt
- \$1.2 billion, total investments²



Established Investment Platform

- PennantPark Investment Advisers founded 17 years ago before the Global Financial Crisis (“GFC”)
- Independent middle market credit platform providing strategic capital to growing companies in the core middle market
- Cohesive, experienced team
- Culture of building long-term trust
- Funded \$19.5 billion in 665 companies

PFLT

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

1. As of December 31, 2023
2. This amount is inclusive of \$49.8 million of U.S. government issued treasury bills held in the portfolio which is not reflected in the chart below

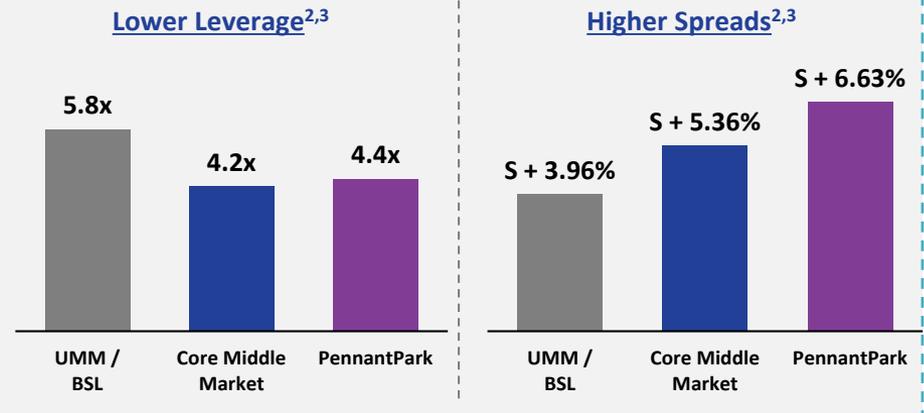
Investment Strategy Overview

Why PennantPark?

Core Middle Market Focus	Secured loans made to U.S. companies with earnings of \$10 to \$50 million
Stable and Growing Borrowers	Target profitable companies with leading market positions, strong management teams, and steady cash flows
Stable and Experienced Leadership Team	12 senior investment professionals average 26+ years of industry experience and 11+ years together at PennantPark
Emphasis on Capital Preservation	Conservative underwriting targeting loans with low leverage multiples, substantial sponsor equity, and protective covenants
Upside Participation	Selectively negotiate equity co-investments to benefit from role as a strategic lending partner
Extensive Sourcing Network	Long-term relationships with hundreds of middle market private equity sponsors; closed deals with over 220 sponsors

Core Middle Market Potential Advantage:

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



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

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

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

3. Represents the arithmetic average of leverage multiples and spreads for PennantPark's newly direct originated loans from Q1'2023 through Q3'2023.

Providing Value-Added Capital to Middle Market Borrowers

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

Target Positive Credit Characteristics:

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

Avoid Negative Credit Characteristics:

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

▶ Five Key Industries of Expertise:



Healthcare

- High quality providers with reasonable prices
- Favorable reimbursement environment
- Solid infrastructure and IT systems
- Sustained organic growth and accretive M&A



Government Services

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



Software & Technology

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



Consumer

- Strong brands with differentiated value proposition
- Benefit from migration to e-commerce
- Relationships with retail winners
- Avoidance of fad risk



Business Services

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

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

First Quarter 2024 Highlights

Highlights

- NAV per share up 0.6%
- Monthly dividend remained consistent at \$0.1025 per share
- Net investment income (NII) of \$0.33 per share
- Approximately 100% of the debt portfolio is first lien senior secured

Strong Credit Performance

- 4.8x debt to EBITDA
- 2.1x interest coverage ratio
- Only 1 company out of 141 on non-accrual
- 0.1% of portfolio at cost, 0% at fair market value

Growing PSSL¹

- Targeting \$1 billion of assets from \$837 million
- Zero investments out of 106 on non-accrual
- Enhances return on equity and NII at PFLT

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

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

Why is PFLT Well Positioned?

Strong Capital Base

- Permanent equity capital of \$658 million
- Diversified funding sources
- Senior loan joint venture, PSSL, has over \$1 billion of investment capacity

Attractive and Diversified Financing

- \$386 million revolving credit facility due August 2026 at SOFR + 236 bps
- \$185 million notes due April 2026 at 4.25%
- \$228 million of securitized asset backed debt financing at a weighted average interest rate of 7.2%, final maturity of October 2031

Experienced Team

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

Expansive Relationship Network

- Known as a provider of strategic capital to growing companies in the core middle market
- Focus on building long-term trust
- Brand recognition with 220+ private equity sponsors
- Independent capital provider with established institutionalized relationships

Extensive Sourcing Network

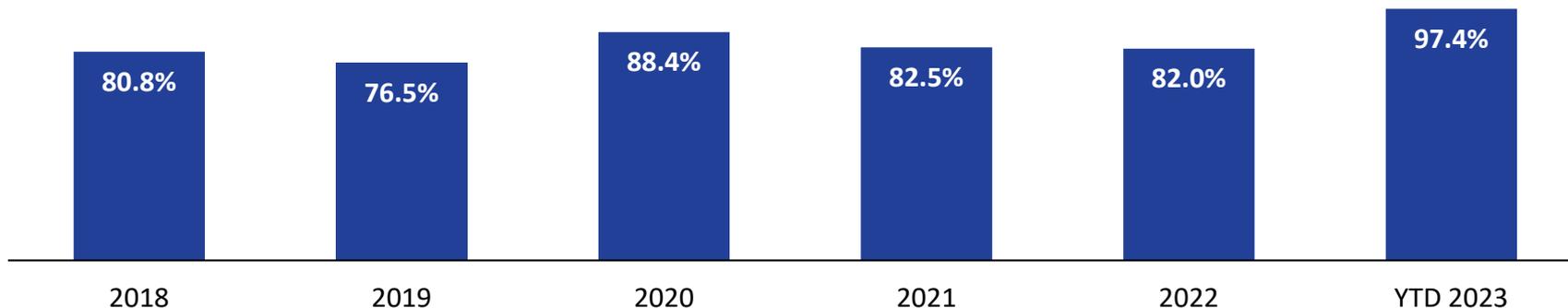
▶ Robust origination platform built on a senior, experienced investment team¹

- Actively cover over 700 of 2,000+ middle market private equity sponsors in the U.S.
- Closed deals with 220+ private equity sponsors; majority repeat transactions
- Incumbency advantage; existing lender to 170+ portfolio companies across 90+ sponsors
- Additional opportunities from partner lenders and deep relationships with capital markets desks

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

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

Origination Volume with Repeat Sponsors²



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

1. As of 9/30/2023.

2. 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.

Core Middle Market Potential Advantage

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

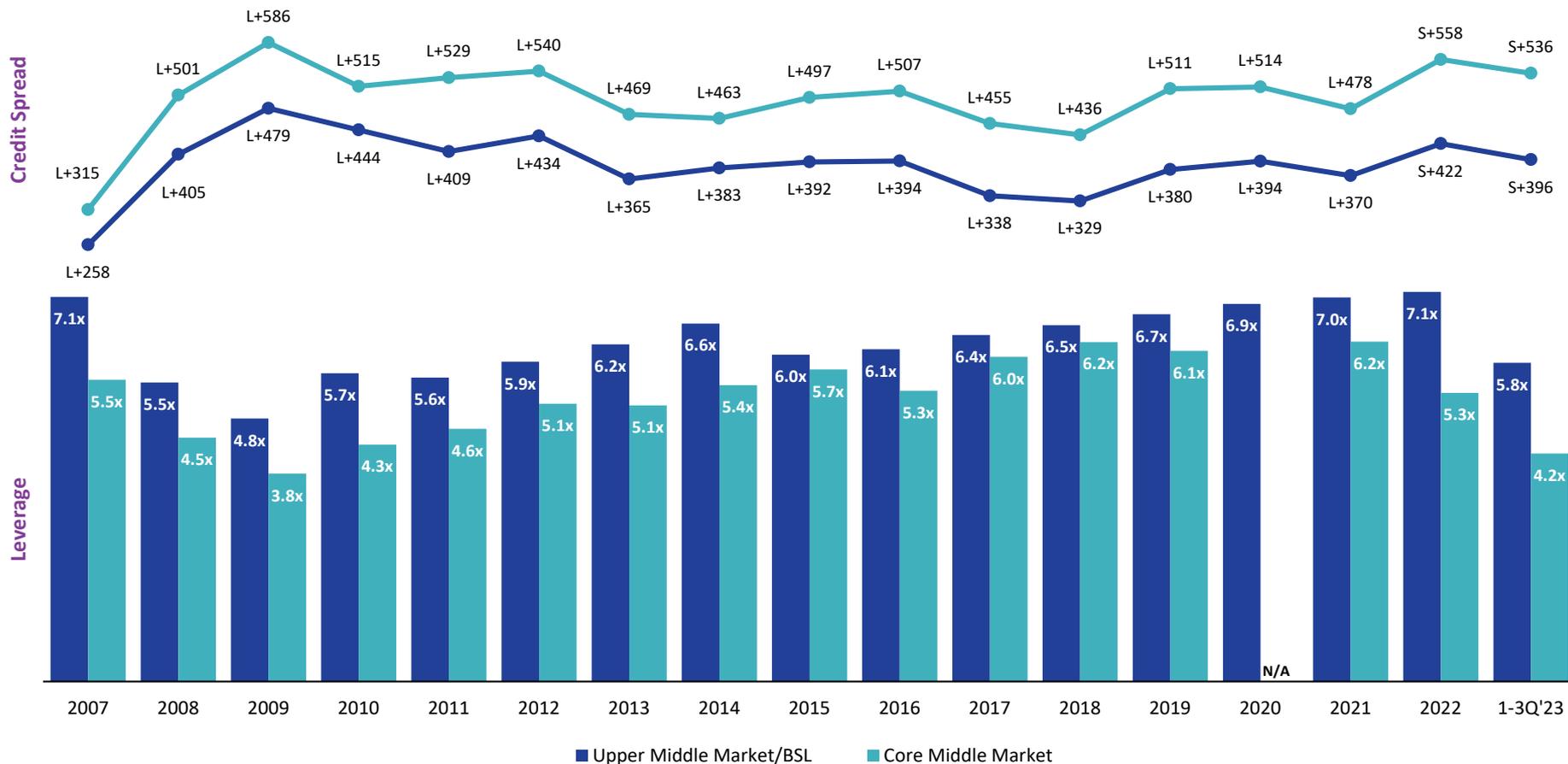
	Core Middle Market	Upper Middle Market
EBITDA	\$10 to \$50 million	\$50 million and greater
New Issue Pricing	First Lien: SOFR + 5.50% to 7.00% Second Lien: SOFR + 8.00% to 10.00%	First Lien: SOFR + 4.00% to 6.00% Second Lien: SOFR + 6.50% to 8.00%
Leverage	First Lien: 4.0x to 5.5x Second Lien: 5.5x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

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

1. National Center For the Middle Market, 4Q 2022 Middle Market Indicator Report.

The Core Middle Market Offers a Yield Premium with Lower Risk

Core Middle Market vs. Upper Middle Market/BSL¹



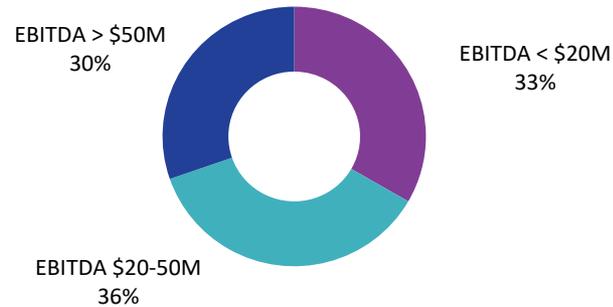
Note: Past performance is not necessarily indicative of future results. Invested capital is at risk. Source: Refinitiv as of September 2023.

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

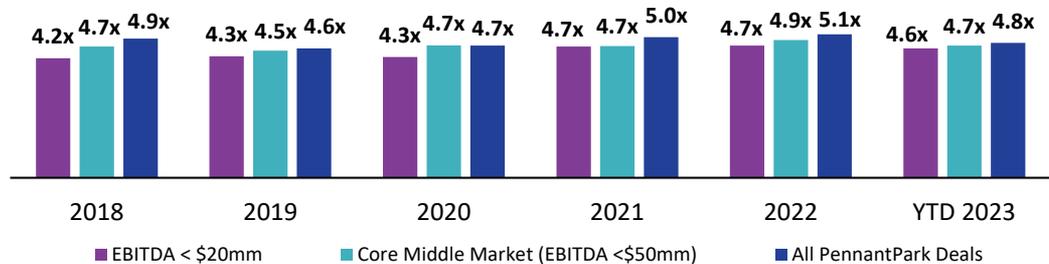
Lower Leverage and Better Returns in the Core Middle Market

- ▶ PennantPark takes a more focused and value-added approach when evaluating core middle market opportunities
- ▶ Since 2015, 69% of invested capital was directed to companies with EBITDA below \$50 million
- ▶ 33% of total invested capital was directed to companies with EBITDA below \$20 million
- ▶ Leverage multiples for smaller borrowers have historically been lower compared to larger borrowers
- ▶ Despite lower leverage, PennantPark has historically achieved higher IRRs on deals with borrower EBITDA below \$20 million at entry when compared to all deals

PennantPark Capital Invested as % of Total¹



PennantPark Total Leverage



EBITDA Growth During Hold Period¹

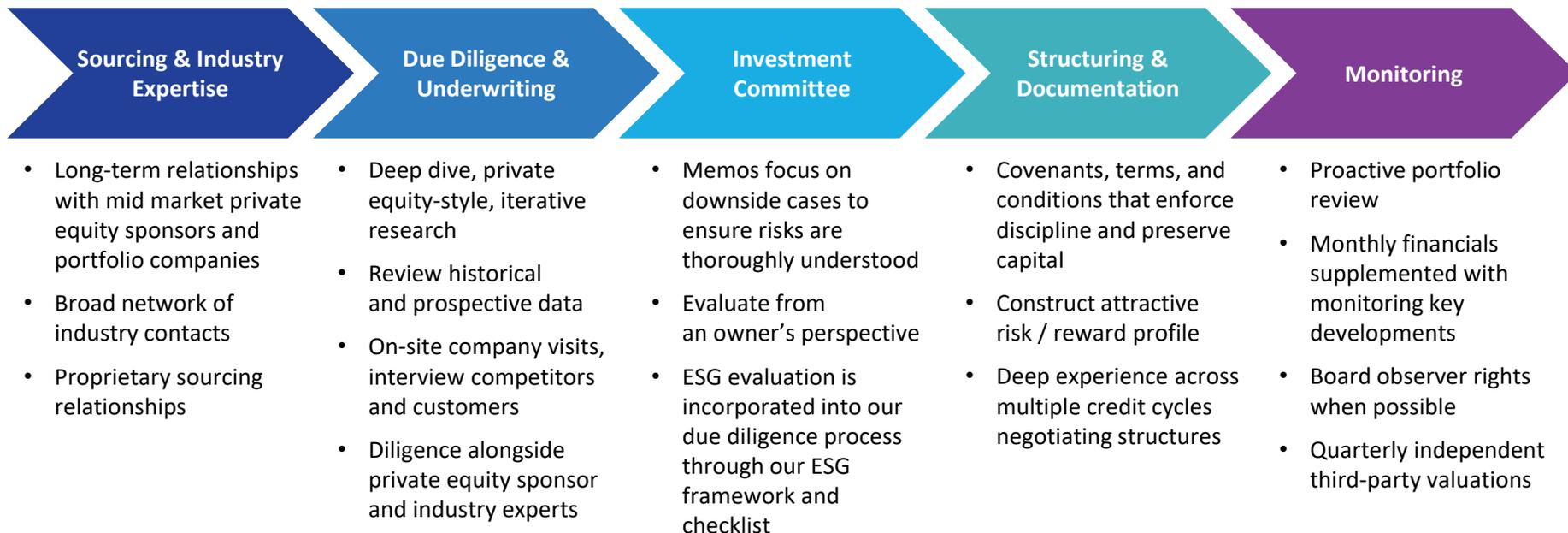


Note: Past performance is not necessarily indicative of future results. Invested capital is at risk. As of 9/30/2023. Statistics presented above are calculated based on PennantPark's portfolio.

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

Underwriting Process

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



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

PFLT Portfolio as of 12/31/23

Highly Diversified by Industry

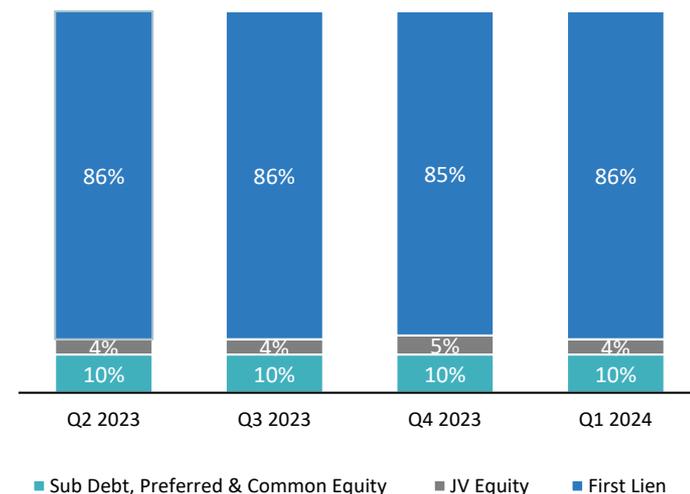
Industry ¹	Fair Value (\$ millions)	% of Portfolio
Aerospace and Defense	\$118.3	11.7%
Healthcare Providers and Services	70.3	7.0%
Media	69.7	6.9%
Personal Products	68.0	6.7%
Professional Services	63.9	6.3%
Electronic Equipment, Instruments, and Components	59.2	5.9%
Distributors	52.6	5.2%
IT Services	50.6	5.0%
Media: Diversified and Production	46.6	4.6%
Auto Components	42.1	4.2%
Healthcare Technology	36.7	3.6%
High Tech Industries	35.5	3.5%
Commercial Services & Supplies	31.3	3.1%
Construction and Building	22.4	2.2%
Insurance	21.1	2.1%
Capital Equipment	18.9	1.9%
Business Services	18.0	1.8%
Chemicals, Plastics and Rubber	17.9	1.8%
Consumer Services	14.5	1.4%
Hotels, Restaurants and Leisure	13.9	1.4%
Automobiles	13.0	1.3%
Healthcare Equipment and Supplies	12.4	1.2%
Diversified Consumer Services	10.7	1.1%
Financial Services	10.6	1.0%
Construction & Engineering	9.7	1.0%
Other	80.8	8.1%
Total Portfolio	\$1,008.7	100.0%

1. Excluding investment in PSSL. Total of 45 industries. "Other" includes Air Freight and Logistics / Banking, Finance, Insurance & Real Estate / Building Products / Commodity Chemicals / Consumer Finance / Consumer Goods: Durable / Containers and Packaging / Diversified Financial Services / Energy Equipment and Services / Environmental Industries / Food Products / Healthcare and Pharmaceuticals / Internet Software and Services / Leisure Products / Media: Advertising, Printing and Publishing / Software / Telecommunications / Textiles, Apparel and Luxury Goods / Trading Companies & Distributors / Wholesale

Portfolio Overview

- ▶ 141 different companies
- ▶ \$9.0 million: average investment size
- ▶ 86% secured investments

Portfolio Composition by Investment Type



PennantPark Senior Secured Loan Fund (“PSSL”)

- ▶ **An unconsolidated joint venture between PFLT and Kemper**
- ▶ **Invests in middle market, directly originated first lien loans**
- ▶ **Over \$1 billion of total investment capacity, as of December 31, 2023**
- ▶ **Total commitments of \$388 million in notes and equity from PFLT and Kemper**
- ▶ **Diversified liabilities including a senior secured revolving credit facility and two long term CLO financings**
- ▶ **Expands ability to serve sponsor and borrower clients with larger investment hold size**
- ▶ **Seeks to enhance return on equity and NII at PFLT**

PSSL Portfolio as of 12/31/23

Highly Diversified by Industry

Industry ¹	Fair Value (\$ millions)	% of Portfolio
Business Services	\$72.4	8.7%
Aerospace and Defense	62.9	7.5%
Healthcare and Pharmaceuticals	58.2	7.0%
Personal Products	52.7	6.3%
Healthcare Providers and Services	50.5	6.0%
Diversified Consumer Services	37.4	4.5%
Media	35.9	4.3%
Professional Services	31.2	3.7%
Distributors	27.9	3.3%
Chemicals, Plastics and Rubber	25.6	3.1%
Electronic Equipment, Instruments, and Components	24.7	3.0%
Consumer Goods: Durable	24.6	2.9%
Software	23.6	2.8%
Containers and Packaging	23.0	2.7%
Consumer Goods: Non-Durable	22.7	2.7%
Commercial Services & Supplies	20.6	2.5%
Air Freight and Logistics	20.6	2.5%
Capital Equipment	20.4	2.4%
Wholesale	19.6	2.3%
IT Services	17.4	2.1%
High Tech Industries	17.0	2.0%
Automobiles	16.4	2.0%
Diversified Financial Services	14.8	1.8%
Construction and Building	13.3	1.6%
Construction and Engineering	13.2	1.6%
Insurance	12.9	1.5%
Education	10.4	1.2%
Healthcare, Education & Childcare	10.0	1.2%
Other	57.0	6.8%
Total	\$836.9	100.0%

Portfolio Overview

- ▶ 106 different companies
- ▶ \$7.9 million: average investment size
- ▶ 99.6%: first lien secured investments

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

PFLT Selected Financial Highlights

(\$mm, except per share data)	December Q1 2024	September Q4 2023	June Q3 2023	March Q2 2023
Investment portfolio, at fair value	\$1,271	\$1,067	\$1,105	\$1,164
Joint venture investment portfolio, at fair value	\$837	\$786	\$805	\$771
Debt (GAAP)	\$671	\$495	\$553	\$634
GAAP Net Assets	\$658	\$654	\$608	\$555
Adjusted Net Assets ¹	\$658	\$654	\$611	\$552
Debt to Equity ²	1.03x	0.76x	0.91x	1.17x
Investment purchases	\$303	\$94	\$80	\$85
Investment sales and repayments	\$104	\$141	\$132	\$63
Per Share Data:				
GAAP Net Asset Value	\$11.20	\$11.13	\$10.96	\$11.15
Adjusted Net Asset Value	\$11.20	\$11.13	\$11.00	\$11.10
Net Investment Income (NII)	\$0.33	\$0.32	\$0.36	\$0.35
Core NII ³	\$0.33	\$0.32	\$0.31	\$0.34
Dividends to shareholders	\$0.31	\$0.31	\$0.30	\$0.29

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

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

3. Core net investment income ("Core NII") is a non-GAAP financial measure. The Company believes that Core NII provides useful information to investors and management because it reflects the Company's financial performance excluding one-time or non-recurring investment income and expenses. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. For the quarter ended December 31, 2023, there were no one-time events resulting in \$0.33 of Core NII.

Strategy Targeted to Deliver Returns

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

PFLT Selected Investments

 <p>Revolver First Lien Term Loan Equity</p> <p>Mountaingate Capital</p>	 <p>Revolver First Lien Term Loan Equity</p> <p>Knox Lane Partners</p>	 <p>Revolver First Lien Term Loan Equity</p> <p>Odyssey Investment Part.</p>	 <p>Revolver First Lien Term Loan Equity</p> <p>Littlejohn & Co</p>	 <p>Revolver First Lien Term Loan</p> <p>H.I.G. Capital</p>
 <p>Revolver First Lien Term Loan Equity</p> <p>Sagewind Capital</p>	 <p>Revolver First Lien Term Loan Equity</p> <p>L Squared Capital Partners</p>	 <p>First Lien Term Loan Equity</p> <p>A&M Capital Opportunities</p>	 <p>Revolver First Lien Term Loan Equity</p> <p>Gauge Capital</p>	 <p>Revolver First Lien Term Loan Equity</p> <p>Court Square / Fruition Capital</p>
 <p>First Lien Term Loan Equity</p> <p>Tower Arch Capital</p>	 <p>Revolver First Lien Term Loan Equity</p> <p>Mountaingate Capital</p>	 <p>Revolver First Lien Term Loan Equity</p> <p>Norwest Equity Partners</p>	 <p>Revolver First Lien Term Loan Delayed Draw Term Loan</p> <p>CCMP Growth Advisors</p>	 <p>Revolver First Lien Term Loan</p> <p>Odyssey Investment Prtnrs</p>
 <p>Revolver First Lien Term Loan Delayed Draw Term Loan Common Equity</p> <p>The Consello Group</p>	 <p>Revolver First Lien Term Loan</p> <p>Arcline Investment Prtnrs</p>	 <p>Revolver First Lien Term Loan Equity</p> <p>LightBay Capital</p>	 <p>Revolver First Lien Term Loan</p> <p>Arlington Capital Partners</p>	 <p>First Lien Term Loan Equity</p> <p>Lee Equity Partners</p>