



Pennant Park

Investment Corporation

12/31/2022

MIAMI • 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".

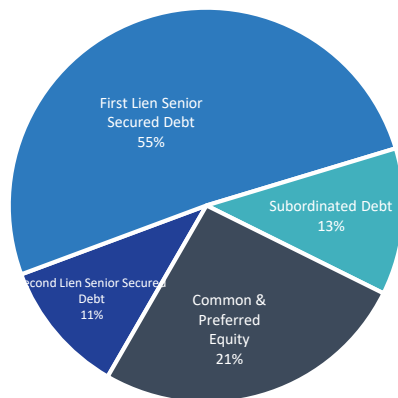
This is not a prospectus and should under no circumstances be understood to be an offer to sell, or a solicitation of an offer to buy, any security of PennantPark Investment Corporation or PennantPark Floating Rate Capital Ltd. These materials and the presentations of which they are a part, and the summaries 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.

PennantPark Investment Advisers, LLC

\$6.1 billion total Investable Capital Under Management

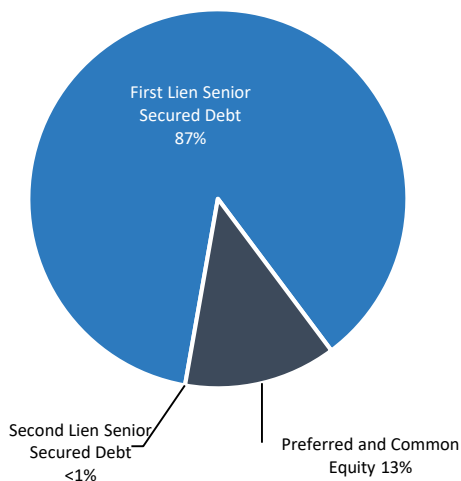
PennantPark Investment Corporation

- NYSE: "PNNT"
- IPO Date: April 2007
- 66% Secured Debt
- \$1,196 million



PennantPark Floating Rate Capital Ltd.

- NYSE: "PFLT"
- IPO Date: April 2011
- 87% Secured Debt
- \$1,151 million



Established Investment Platform

- PennantPark Investment Advisers founded 15 years ago before the Global Financial Crisis ("GFC")
- Leading 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
- Well positioned in this environment as a lender of secured floating rate loans in the U.S.

PNNT

- Primary focus: opportunistic investing across the capital structure
- Goal of capital preservation and attractive returns
- 96% of debt portfolio is floating rate

PennantPark Investment Advisers, LLC

Founded in 2007

Funded \$17.4B in 638 companies

Disciplined Investor

- Value oriented with goal of capital preservation
- Focused approach to ensure balanced risk / reward
- Investing in 5% of deals reviewed over the past 3 years

Relationship & Solution Driven

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

Core Middle Market Focus

- Companies with EBITDA of \$10 - \$50 million
- Attractive risk adjusted return
- Less competition and capital is more important to borrowers

Consistent Performance & Track Record

- Low volatility of underlying portfolio EBITDA through the GFC and COVID-19

PNNT

- Gross asset yield of 11% since inception 15 years ago
- Only 18 non-accruals out of 330 companies since inception
- Annualized loss ratio approximately 21 basis points

Conservative Portfolio Construction - PNNT

- 125 companies in 32 different industries
- Weighted average debt / EBITDA through PNNT security is 4.7x
- Weighted average cash interest coverage is 3.2x
- Focused on high free cash flow industry verticals with deep domain expertise.

First Quarter 2023 Highlights

Highlights

- Increased quarterly dividend to \$0.185 per share
- 96% of debt portfolio is floating rate
- Substantial reduction of equity portion of the portfolio
- Lower risk, steadier portfolio positioned to drive stable and growing Net Investment Income (NII)

PSLF

- Grew assets to \$735 million
- No investments on non-accrual
- Capital commitment of \$75 million from PNNT and Pantheon to grow portfolio to a target of \$1 billion
- Enhances return on equity and NII at PNNT

Strong Credit Performance

- Two investments on non-accrual at quarter end, representing 2.7% and 1.1% of our overall portfolio on a cost and fair value basis, respectively

Outlook

- Grow PNNT and PSLF balance sheets
- Strengthening NII
- Opportunity to exit equity and rotate into debt instruments
- 1% increase in base rates translates into 7 cents per share annually of NII

Why is PNNT Well Positioned?

Strong Capital Base

- Permanent equity capital of \$503 million
- Increased quarterly dividend to \$0.185 per share
- Leader in the BDC space as measured by expense and efficiency ratios
- Senior Secured Loan Fund Joint Venture, PSLE, with Pantheon up to \$893 million of investment capacity

Attractive and Diversified Financing

- \$500 million revolving credit facility due July 2027 at SOFR + 225
- \$150 million long term notes due May 2026 at 4.5%
- \$165 million long term notes due November 2026 at 4.0%

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, and Los Angeles

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 & Deep Industry Expertise

▶ 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 160+ portfolio companies across 90+ sponsors
- Strong track record financing spin-off private equity sponsors with prior experience financing the team
- Additional opportunities from partner lenders and deep relationships with capital markets desks
- Consistent deal flow enhances our ability to be highly selective; invested in less than 6% of deals reviewed over last 5 years

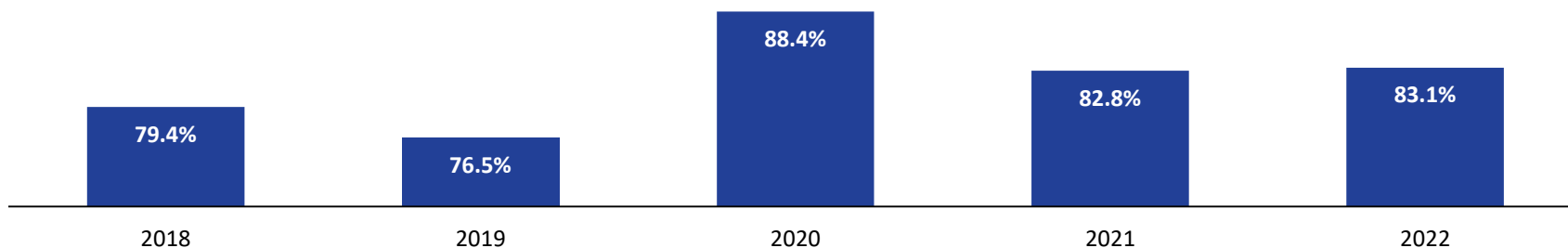
▶ Deep industry knowledge and expertise in five sectors

- Focus on sectors that deliver steady and consistent cash flows, which include but are not limited to, Business Services, Consumer, Government Services, Healthcare, and Software/Technology
- Avoid retail, restaurants, airlines, apparel/fashion, paper & packaging, chemicals, and other highly cyclical industries

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

- 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 Sponsors²



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

1. As of 9/30/2022.

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. 2022 data is through Q3-2022.

Core Middle Market Strategy

- ▶ **Long-term track record of generating value by successfully financing high-growth middle market companies**
- ▶ **Focus on five key sectors: Business Services, Consumer, Government Services, Healthcare, and Software/Technology**
- ▶ **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

Middle Market Advantage

- Favorable supply and demand dynamics as lenders have moved up market
- Process inefficiencies and less competitive processes
- More time to conduct thorough diligence
- Consistent yield premium over broadly-syndicated deals
- Lower average leverage
- Better structural and covenant protections
- Improved control of downside outcomes with greater recovery rates

Target Companies

- Profitable companies with \$10 - \$50 million of EBITDA
- Successful private equity sponsors with strong track records of supporting portfolio companies
- Outstanding, experienced management teams with proper incentives
- Seeking first round of institutional capital; founder / management rolling a significant stake
- Opportunity for PennantPark to become a strategic financing partner that can fuel growth
- Clear line of sight to \$50+ million of EBITDA during life of our loan

Risk Management

- Conservative leverage ratios
- Target two financial covenants on each loan tailored to underlying business
- Covenants and monthly financial statements to enable early intervention
- Additional affirmative and negative covenants
- Excess cash flow sweeps allowing us to de-risk our investment over time
- Attractive exit options

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.

Core Middle Market 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

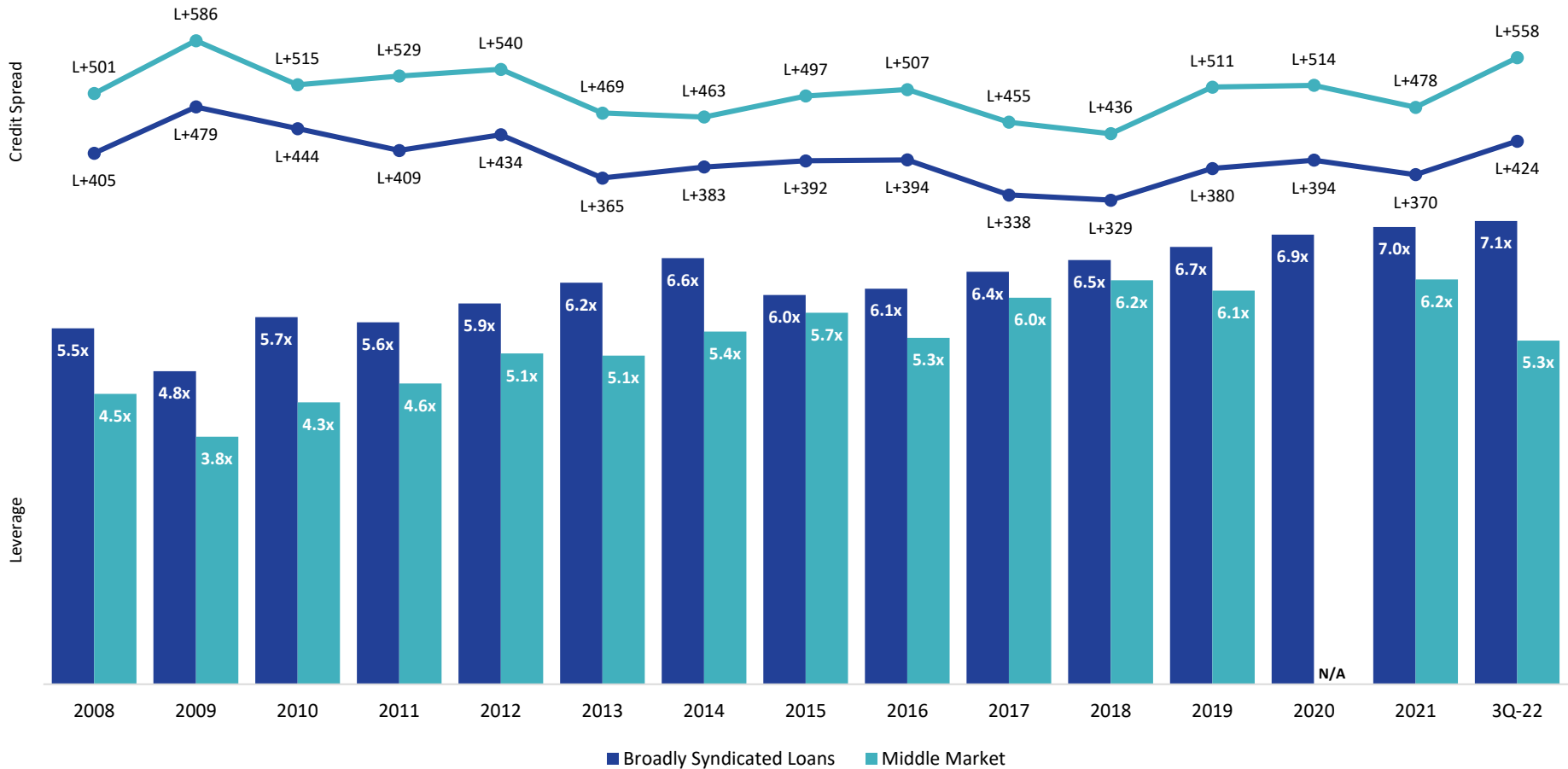
	Core Middle Market	Upper Middle Market
EBITDA	\$10 to \$50 million	\$50 million and greater
New Issue Pricing	First Lien: L + 5.5% to 7.5% Second Lien: L + 8.5% to 10.5%	First Lien: L + 4.0% to 6.5% Second Lien: L + 7.0% to 8.5%
Leverage	First Lien: 4.0x to 5.5x Second Lien: 5.5x to 6.5x	First Lien: 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 5 lenders	6 or more lenders

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.

1. National Center For the Middle Market, 4Q 2021 Middle Market Indicator Report.

The Middle Market Offers a Yield Premium with Lower Risk

Middle Market vs. Broadly Syndicated Loans: Average Debt to EBITDA & Loan Spreads¹



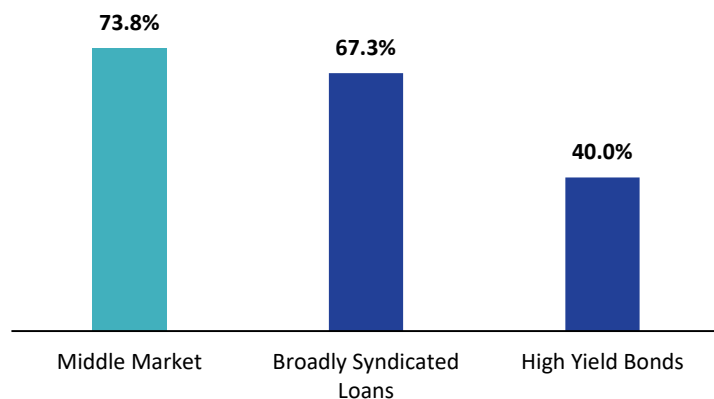
Note: Past performance is not necessarily indicative of future results. Invested capital is at risk.
Source: Refinitiv as of September 2022.

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

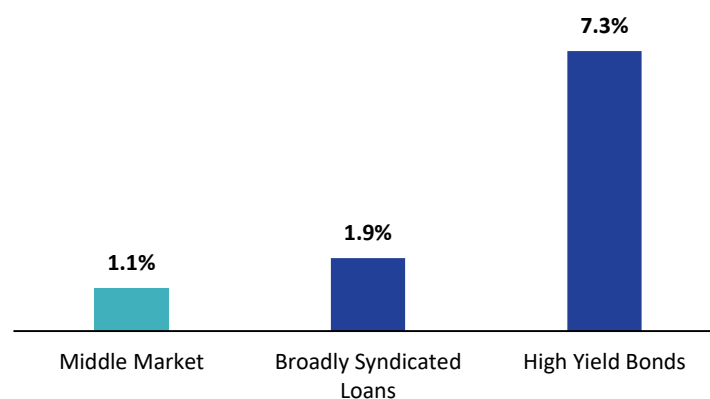
Perception vs. Reality: Lower Loss Rates in the Middle Market

- ▶ Middle market loans consistently experience higher recoveries and lower loss rates than large corporate loans and high yield bonds

Average Annual Recovery Rate by Loan Class



Average Annual Loss Rate by Loan Class



Middle market loans supported by:

- ✓ Lower leverage and valuation multiples
- ✓ Larger sponsor equity contribution
- ✓ Stronger covenant packages
- ✓ Tighter covenant cushions
- ✓ Monthly financial reporting to enable quick intervention
- ✓ Sponsor more willing to inject additional capital
- ✓ Attractive exit options

- ▶ PNNT annualized loss ratio approximately 21 basis points

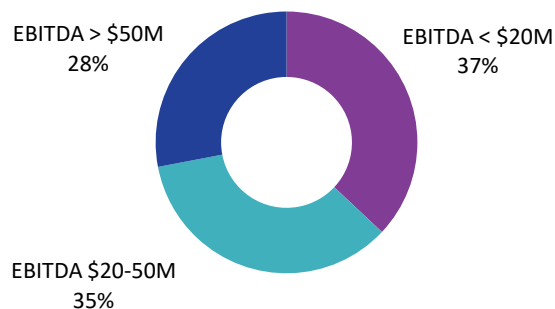
Note: Past performance is not necessarily indicative of future results. Invested capital is at risk. All credit investments involve risk of loss. Statements herein concerning financial market trends or other financial market commentary are based on historical or current market conditions, which will fluctuate. In addition, such statements constitute the Manager's current opinion, which is subject to change in the future without notice.

Source: S&P Global LossStats. Average Annual Recovery Rates and Average Annual Loss Rates based on data from 1995 through 2020. Middle market loans denote total facility size of less than \$500 million. Broadly syndicated loans denote total facility size of greater than or equal to \$500 million.

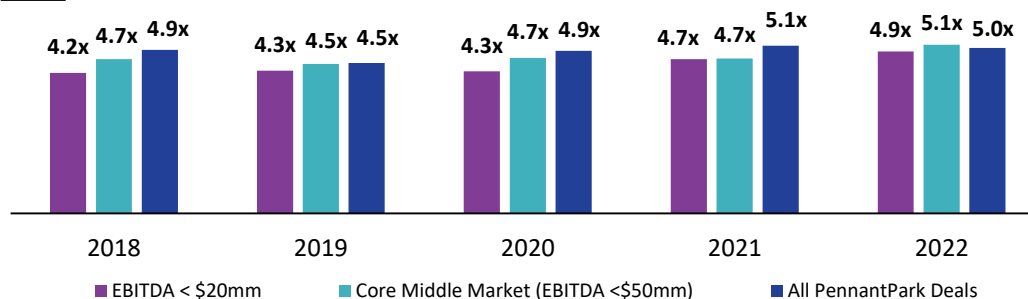
Lower Leverage and Better Returns in the Core Middle Market

- ▶ PennantPark takes a more focused and value-added approach when evaluating core middle market opportunities
- ▶ Since 2015, 72% of invested capital was directed to companies with EBITDA below \$50 million
- ▶ 37% of total invested capital was directed to companies with EBITDA below \$20 million
- ▶ Leverage multiples for smaller borrowers have consistently been lower compared to larger borrowers
- ▶ Despite lower leverage, PennantPark has achieved higher IRRs on deals with borrower EBITDA below \$20 million at entry when compared to all deals

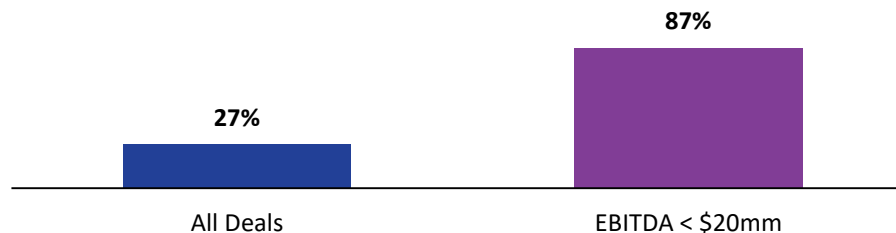
PennantPark Capital Invested as % of Total¹



PennantPark Total Leverage



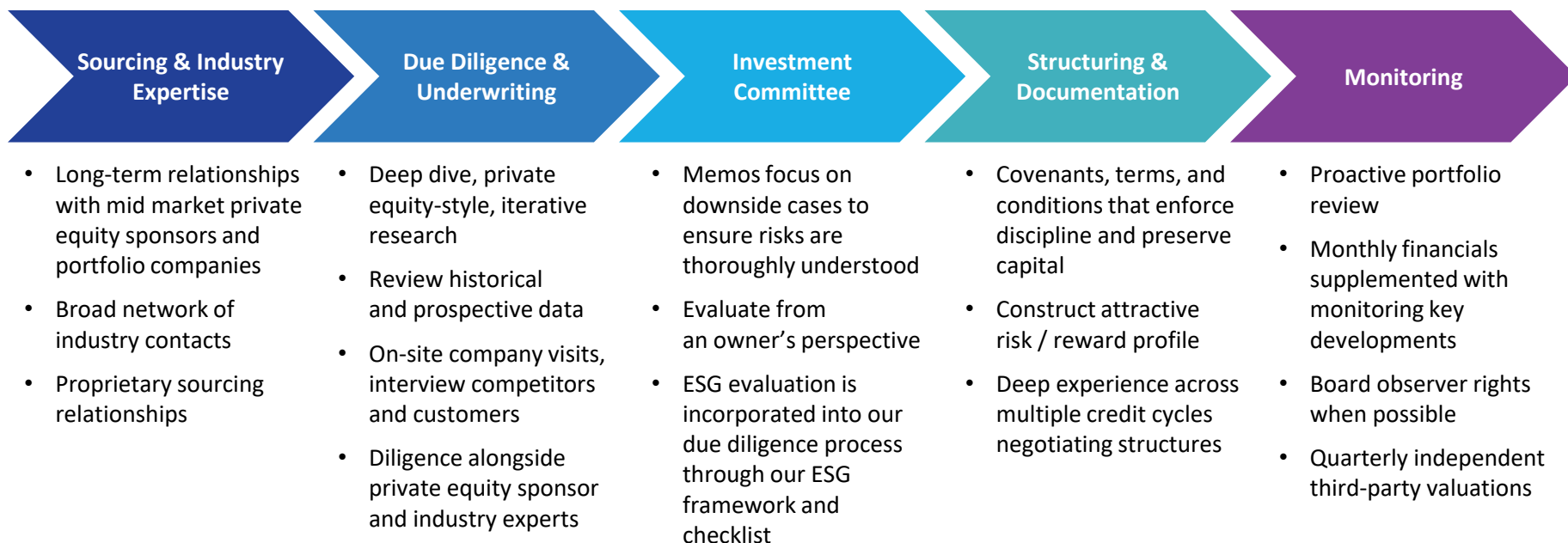
EBITDA Growth During Hold Period¹



Note: Past performance is not necessarily indicative of future results. Invested capital is at risk. As of 9/30/2022. 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.

Strategy Targeted to Deliver Returns

Highly Diversified by Industry

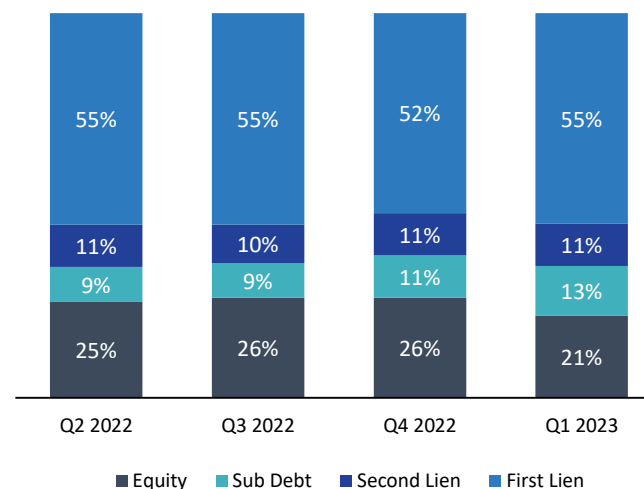
Industry ¹	Fair Value (\$ millions)	% of Portfolio
Business Services	\$202.3	19.3%
Healthcare, Education and Childcare	100.1	9.6%
Consumer Products	90.2	8.6%
Financial Services	56.0	5.3%
Distribution	53.4	5.1%
Home and Office Furnishings	48.4	4.6%
Telecommunications	47.4	4.5%
Media	47.1	4.5%
Chemicals, Plastics and Rubber	45.0	4.3%
Auto Sector	38.3	3.7%
Environmental Services	37.6	3.6%
Aerospace and Defense	36.6	3.5%
Personal, Food and Miscellaneous Services	32.3	3.1%
Energy and Utilities	31.9	3.1%
Electronics	28.2	2.7%
Other Media	23.3	2.2%
Transportation	21.5	2.1%
Building Materials	21.2	2.0%
Hotels, Motels, Inns and Gaming	20.7	2.0%
Education	13.8	1.3%
Personal and Non-Durable Consumer Products	13.4	1.3%
Insurance	10.3	1.0%
Other	27.9	2.6%
Total Portfolio	\$1,046.9	100.0%

1. Excluding investments in PSLF. Total of 32 industries. "Other" includes: Buildings and Real Estate / Cargo Transport / Communications / Food / Leisure, Amusement, Motion Pictures, Entertainment / Manufacturing / Oil and Gas / Printing and Publishing / Real Estate / Retail.

Portfolio Overview

- ▶ 125 different companies
- ▶ \$9.6 million: average investment size
- ▶ 11.9%: yield at cost on debt portfolio
- ▶ 66% secured investments

Portfolio Composition by Investment Type



PennantPark Senior Loan Fund, LLC (“PSLF”)

- ▶ **An unconsolidated joint venture between PNNT and Pantheon Ventures**
- ▶ **Invests in middle market, directly originated first lien loans**
- ▶ **\$893 million of total investment capacity, as of December 31, 2022**
- ▶ **Targeting \$1 billion portfolio over time**
- ▶ **Total commitments of \$311 million in notes and equity from PNNT and Pantheon Ventures**
- ▶ **Diversified liabilities including a senior secured revolving credit facility and a long term CLO financing**
- ▶ **Expands ability to serve sponsor and borrower clients with larger investment hold size**
- ▶ **Enhances return on equity and NII at PNNT**

PSLF Portfolio as of 12/31/22

Highly Diversified by Industry

Industry	Fair Value (\$ millions)	% of Portfolio
Business Services	\$98.6	13.4%
Aerospace and Defense	91.4	12.4%
Media	77.4	10.5%
Healthcare, Education and Childcare	68.1	9.3%
Distribution	45.5	6.2%
Consumer Products	45.4	6.2%
Chemicals, Plastics and Rubber	40.0	5.5%
Transportation	33.6	4.6%
Personal, Food and Miscellaneous Services	27.0	3.7%
Insurance	26.3	3.6%
Electronics	23.0	3.1%
Education	21.6	2.9%
Building Materials	19.8	2.7%
Personal and Non-Durable Consumer Products	16.3	2.2%
Containers, Packaging and Glass	14.4	2.0%
Communications	11.0	1.5%
Home and Office Furnishings, Housewares	9.7	1.3%
Environmental Services	8.6	1.2%
Retail	8.4	1.1%
Manufacturing / Basic Industries	8.0	1.1%
Telecommunications	7.3	1.0%
Banking, Finance, Insurance & Real Estate	7.0	1.0%
Other	26.3	3.5%
Total Portfolio	\$734.7	100.0%

Portfolio Overview

- ▶ **83 different companies**
- ▶ **\$8.9 million: average investment size**
- ▶ **10.6%: yield at cost on debt portfolio**
- ▶ **100% first lien investments**
- ▶ **100% floating rate investments**

PNNT Selected Financial Highlights

(\$mm, except per share data)	December Q1 2023	September Q4 2022	June Q3 2022	March Q2 2022
Investment Portfolio (at fair value)	\$1,196	\$1,226	\$1,315	\$1,214
Joint Venture Investment Portfolio (at fair value)	\$735	\$730	\$608	\$446
Debt (GAAP)	\$696	\$705	\$747	\$550
GAAP Net Assets	\$503	\$586	\$632	\$664
Adjusted Net Assets ¹	\$495	\$586	\$626	\$664
Debt to Equity ²	1.45x	1.23x	1.19x	0.84x
Investment Purchases	\$86	\$134	\$326	\$178
Investment Sales and Repayments	\$31	\$176	\$198	\$405
Per Share Data:				
GAAP Net Asset Value	\$7.71	\$8.98	\$9.65	\$10.05
Adjusted Net Asset Value	\$7.60	\$8.98	\$9.57	\$10.05
Net Investment Income	\$0.16	\$0.14	\$0.16	\$0.18
Core Net Investment Income ³	\$0.16	\$0.18	\$0.16	\$0.18
Dividends to Shareholders	\$0.165	\$0.15	\$0.145	\$0.14

1. Adjusted number is a non-GAAP financial measure which excludes the unrealized gain/loss from the mark-to-market of certain liabilities.


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 per Share is a non-GAAP financial measure and excluded the impact of one-time non-recurring expenses.

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 and attractive returns**
- ▶ **Privately negotiated middle market loans provide attractive risk / return**
- ▶ **Returns driven by interest payments from primarily secured debt**

PNNT Selected Investments



Revolver
First Lien Term Loan
Equity

Cortec Group



Revolver
First Lien Term Loan
Equity

Mountaingate Capital




Revolver
First Lien Term Loan
Equity

Odyssey Investment Part.




Revolver
First Lien Term Loan
Equity

TruArc Partners, LP




First Lien Term Loan
Equity

A&M Capital Opportunities




Revolver
First Lien Term Loan

Yellow Wood Partners



Revolver
First Lien Term Loan
Equity

Veritas




Revolver
First Lien Term Loan
Equity

Comvest Partners




Revolver
First Lien Term Loan
Equity

Century Equity Partners



Revolver
First Lien Term Loan
Equity

Platte River Equity



Revolver
First Lien Term Loan

Chicago Pacific Founders




Revolver
First Lien Term Loan
Equity

Clarion Partners




Revolver
First Lien Term Loan
Equity

LightBay Capital



Revolver
First Lien Term Loan
Equity

Norwest Equity Partners



Revolver
First Lien Term Loan
Equity

Sagewind Capital



Revolver
First Lien Term Loan
Equity

Wind Point Partners