

PROSPECT CAPITAL CORPORATION

NASDAQ: PSEC

MIDDLE MARKET FINANCE



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All data in this presentation is as of 3/31/2025 unless noted.

PSEC OVERVIEW

Prospect Capital Corporation (PSEC) is the One of the Longest Running and Largest BDCs

LONG HISTORY LARGE SCALE

- ▶ With \$7.0B in total assets and a team of 125+ professionals, PSEC is one of the longest running and largest publicly traded BDCs
- ▶ Established 21-year track record that predates the Global Financial Crisis
- ▶ Invested over \$21B since inception across over 450 investments, exiting over 325 of these investments
- ▶ BDC industry innovator with a long list of firsts by a BDC – convertible bond, medium term program notes, bond ATM, equity ATM, BDC acquisition, traded perpetual preferred, programmatic perpetual preferred, and others

INVESTMENT PORTFOLIO

- ▶ Strategy focused on risk reduction, capital preservation, and avoidance of “yield chasing” investments
- ▶ Drivers focused on optimizing our business include:
 - Rotation of assets into and increased focus on core business of first lien senior secured middle-market loans (including sometimes with selected equity investments), with our first lien mix increasing 60 basis points from the prior quarter and 650 basis points from the prior year.
 - Continued amortization of our subordinated structured notes portfolio (now down to 4.2% of our total assets)
 - Prudent exits of equity linked assets (including real estate properties and corporate investments, with an additional real estate property exist this past quarter)
 - Enhancement of portfolio company operating performance
 - Greater utilization of our cost efficient revolving floating rate credit facility (which significantly matches with our majority floating rate assets)
- ▶ Intensive screening process (<2% book-to-look ratio) with a majority focus on senior and secured lending
- ▶ 114 portfolio investments in 33 different industries (with a particular focus on less cyclical industries)
- ▶ Portfolio comprised of 80.2% first lien, secured, or underlying secured assets
- ▶ Non-accrual loans remain low at 0.6%
- ▶ Payment-in-kind interest income reduced by ~50% to \$20M in the 3/31/2025 quarter from \$39M in the 6/30/2024 quarter

PSEC OVERVIEW (CONTINUED)

Prospect Capital Corporation (PSEC) is the One of the Longest Running and Largest BDCs

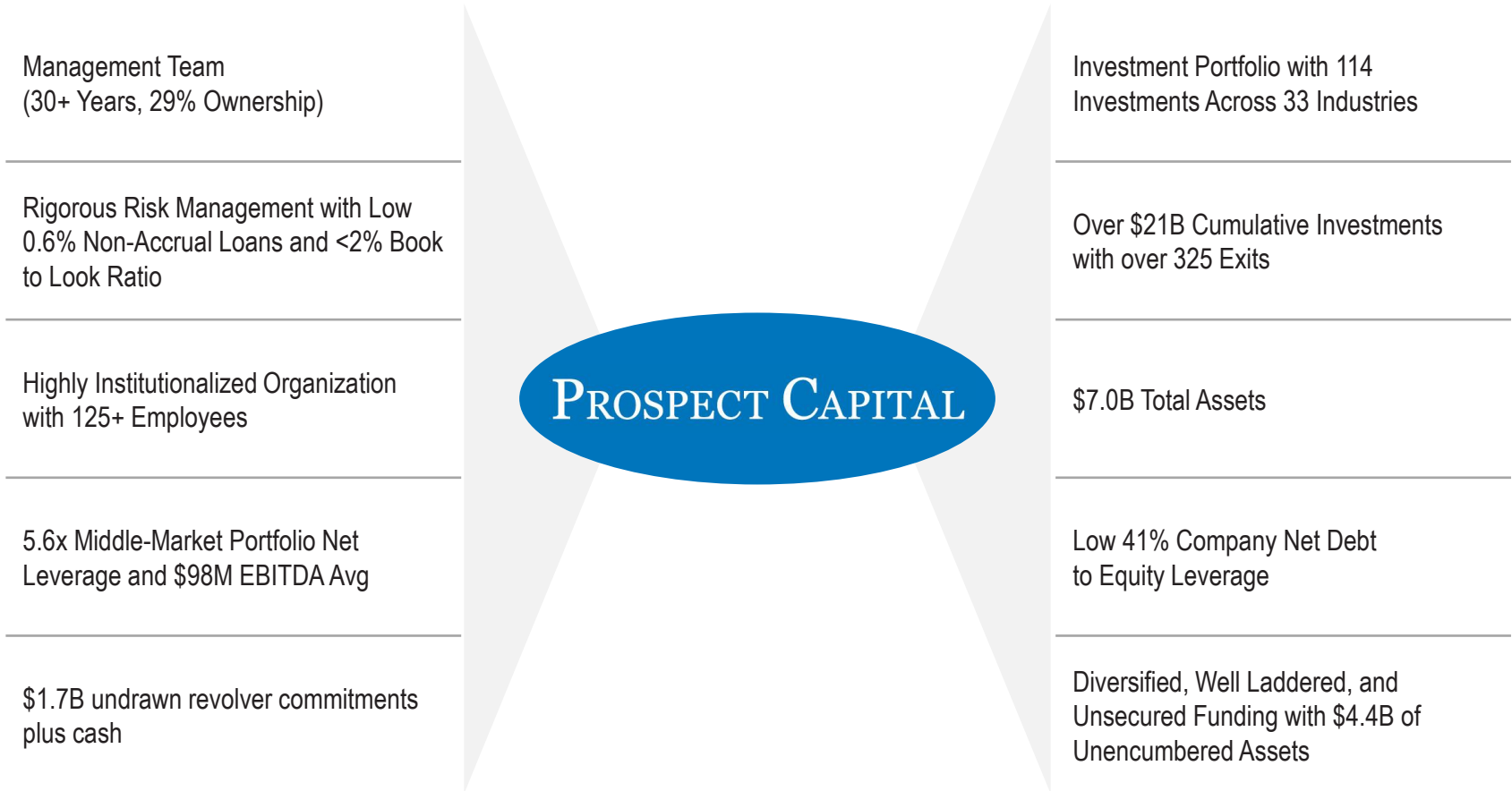
SOLID FINANCIAL FOUNDATION

- ▶ Laddered liability structure with long-term matched-book funding
- ▶ 48 credit facility lenders (recently extended credit facility – 5-year term to 2029)
- ▶ Access to diversified funding sources across multiple investor basis and have successfully issued securities in an array of markets:
 - Emphasis on unsecured term debt, representing 78% of all PSEC's indebtedness
 - Institutional bonds, institutional convertible bonds, retail baby bonds, and retail program notes
 - Traded perpetual preferred and non-traded perpetual preferred
- ▶ Net debt leverage has remained low at 0.41x⁽¹⁾
- ▶ Low unfunded commitments at 0.6% of total assets (0.2% of which are considered at the Company's sole discretion)

ATTRACTIVE RETURNS

- ▶ Net investment income less preferred dividends exceeded cash common distributions by 103% for LTM March 2025
- ▶ 93% of total investment income for Q3 FY 2025 from interest income
- ▶ Monthly dividend of \$0.045/common share; current annualized dividend yield 14.9%⁽²⁾
- ▶ Since PSEC's inception in 2004 through August 2025 declared distribution, PSEC will have distributed \$4.5B and \$21.57 per share to common shareholders – 3.0x March 2025 NAV per share⁽³⁾
- ▶ Strong insider ownership of 29% (approximately \$0.9B of net asset value)

PSEC HIGHLIGHTS



HIGHLIGHTS OF INTERNOTES

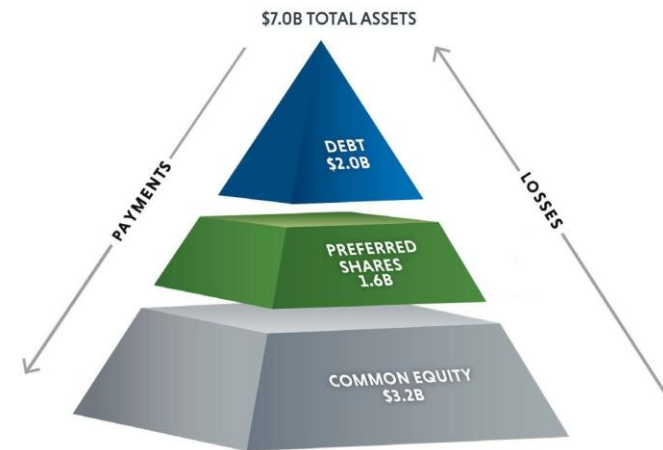
Corporate Credit Ratings⁽¹⁾

Moody's⁽²⁾: Ba1
S&P⁽²⁾: BB+

DBRS: BBB (low)
Egan-Jones: BBB

Current Offering	Up to \$1 billion
Minimum Investment	\$1,000
Tenor	Typically within the range of 3 years to 30 years
Ranking	Senior unsecured debt obligations ahead of preferred / common stock
Redemption	Principal will be repaid at maturity. Notes offer a Survivor's Option for repurchase by the issuer upon death of the beneficial owner. See Prospectus for details.
Availability	Prospect Capital InterNotes® are offered on InspereX's platform. Ask your financial advisor about purchasing InterNotes® for your portfolio.
Diversified / Laddered Maturities	Multiple forms of unsecured financing, as well as \$2.1B revolver from 48 banks.

Prospect Capital InterNotes \$2.4 Billion Sold Since 2012⁽⁴⁾



(1) Corporate credit ratings current as of 5/8/2025. A credit rating is not a recommendation to buy, sell, or hold securities and is subject to revision or withdrawal at any time and without notice by the assigning agency. Each rating should be evaluated independently of any other rating, and investors should conduct thorough due diligence before investing.

(2) Denotes also a credit rating on Prospect Capital InterNotes. Other rating agencies issue a corporate credit rating and do not rate the Prospect Capital InterNotes.

(4) Amount sold as of 3/31/2025.

(5) Based on balance sheet amounts.

Source: Company filings, management. As of 3/31/2025 except as noted.

LOW CORRELATION INVESTMENT STRATEGIES

MIDDLE-MARKET LENDING – 52%

- U.S. companies with EBITDA typically up to \$150M
- Senior and secured loans with third-party first loss equity
- Sole / lead investor focus with repeat business
- Sponsor-owned and non-sponsor-owned companies
- Diverse portfolios by borrower and industry

\$15.3B

INVESTED

19

YEAR TRACK
RECORD

342

INVESTMENTS

SUBORDINATED STRUCTURED NOTES – 4%

- Primary and secondary investments – relative value
- Majority and minority investments – benefits to each
- Diverse underlying portfolios, BDC 30% basket
- Prospect LTM default rate 44% lower than market⁽¹⁾

\$1.7B

INVESTED

14

YEAR TRACK
RECORD

48

INVESTMENTS

MIDDLE-MARKET LENDING / BUYOUT – 23%

- U.S. companies with EBITDA typically up to \$150M
- Senior and secured loans plus control private equity
- High current income plus equity upside (barbell income)

\$1.6B

INVESTED

21

YEAR TRACK
RECORD

16

INVESTMENTS

REAL ESTATE – 20%

- Primarily multifamily properties with value-add potential
- Class B/C properties in secondary/tertiary markets
- Garden-style low-rise and mid-rise properties
- Subordination of third-party cash flows
- High current income plus equity upside (52 exits)

\$1.6B

INVESTED

13

YEAR TRACK
RECORD

110

INVESTMENTS

(1) Management for PSEC and S&P Capital IQ for leveraged loan market.

Totals may not add to 100% given there are other smaller and non-core investment strategies. Real estate investment count by distinct properties.

PORTFOLIO OVERVIEW

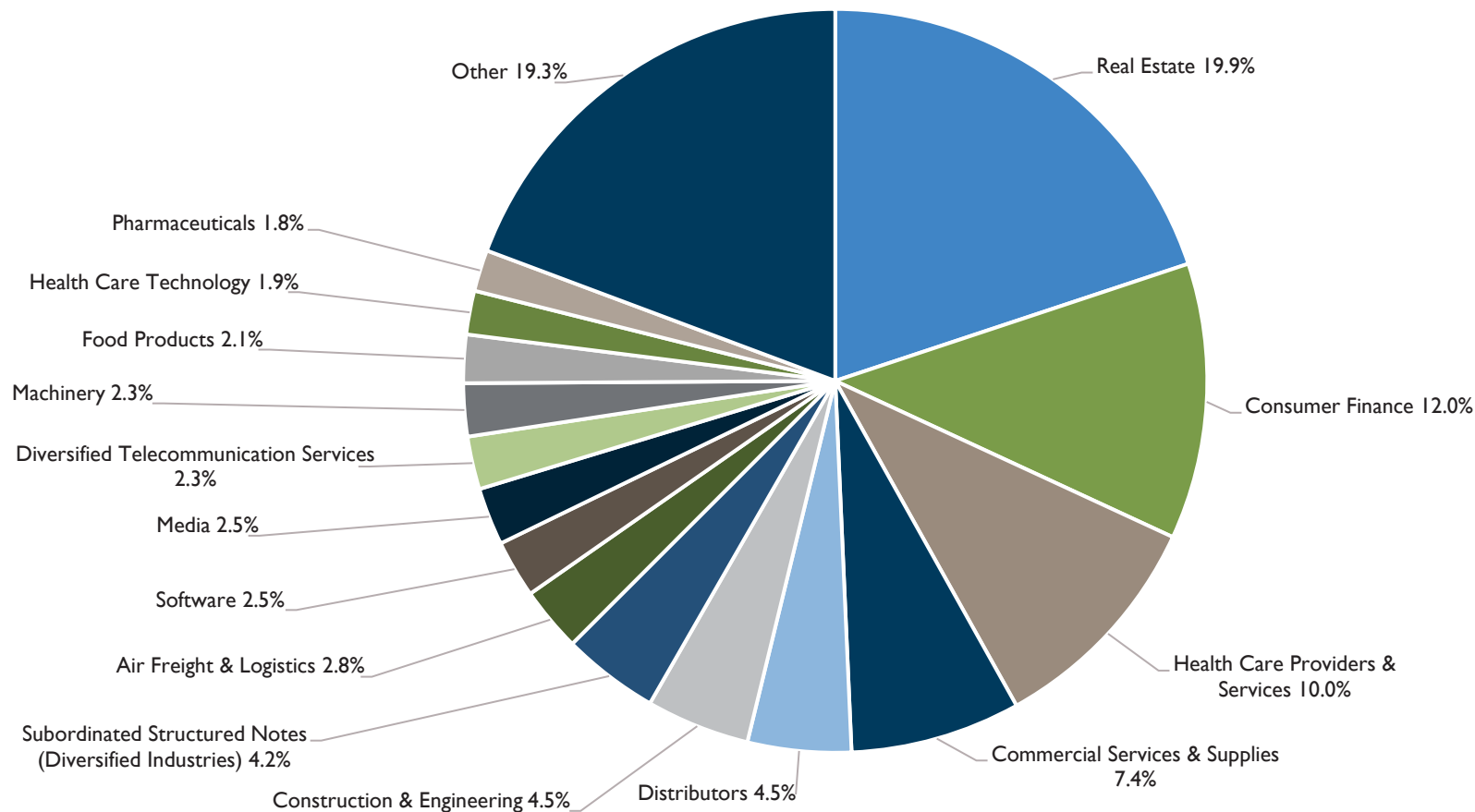
- ▶ \$7.0 billion total assets, including 114 investments
- ▶ Secured investment focus with 76% of portfolio comprised of 1st lien and other secured debt
- ▶ 80.2% underlying secured asset mix
- ▶ 11.5% annualized current yield across performing interest bearing investments
- ▶ 9.2% annualized current yield across all investments
- ▶ 93% interest income as a percentage of total investment income for Q3 FY 2025
- ▶ 5.6x middle-market portfolio net leverage⁽¹⁾
- ▶ \$98 million middle-market portfolio EBITDA⁽¹⁾
- ▶ Portfolio is invested across 33 industries
- ▶ PSEC is the sole or lead investor in 79% of overall portfolio

Source: Company filings, management. All data as of, or for the quarter ended, 3/31/2025

(1) Includes portfolio company debt through PSEC's investment in portfolio company capital structure. See Appendix "Middle-Market Loan Portfolio Company Weighted Average EBITDA and Net Leverage" herein for further information.

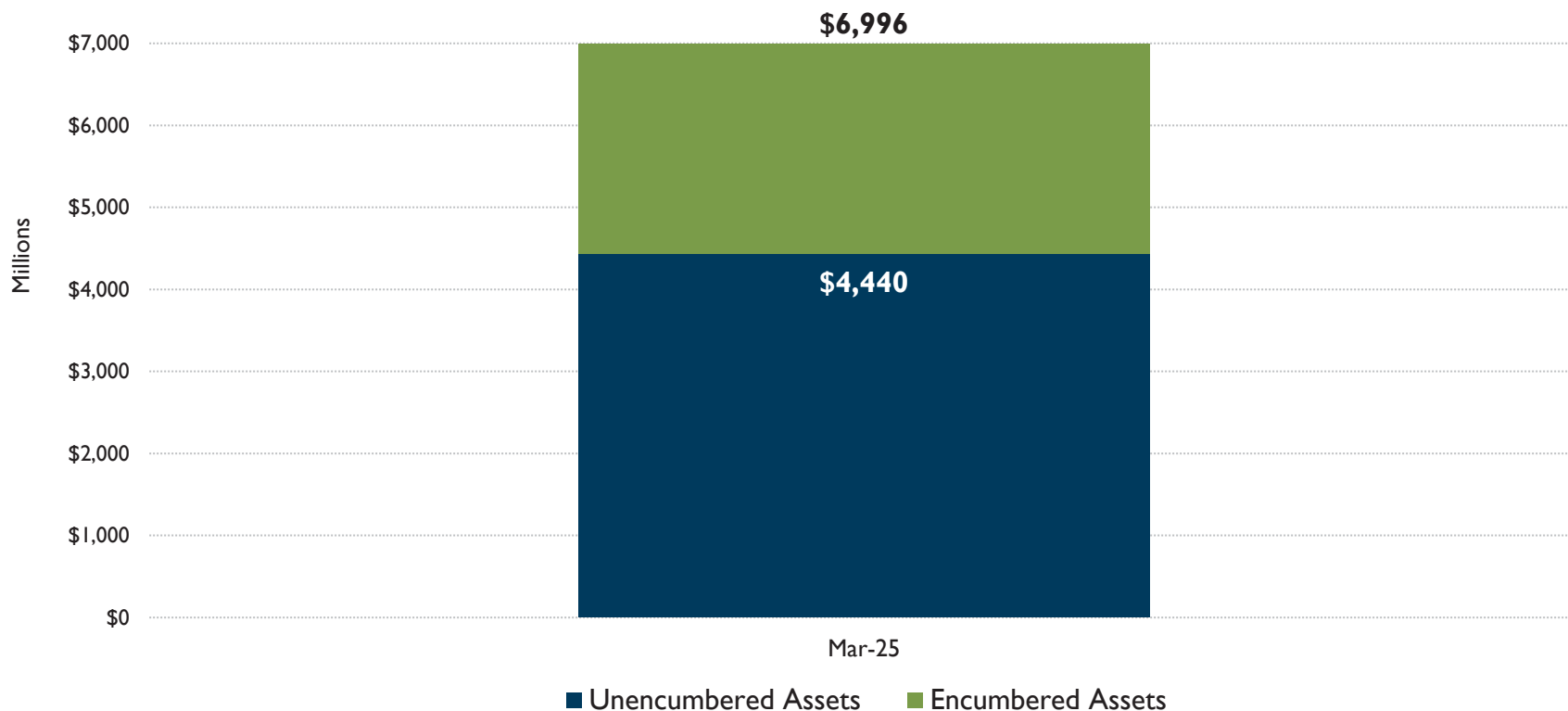
PORTFOLIO INVESTED IN 33 DIFFERENT INDUSTRIES

PSEC's Portfolio at Fair Value (3/31/2025)



UNENCUMBERED ASSETS PROVIDE FINANCIAL FLEXIBILITY

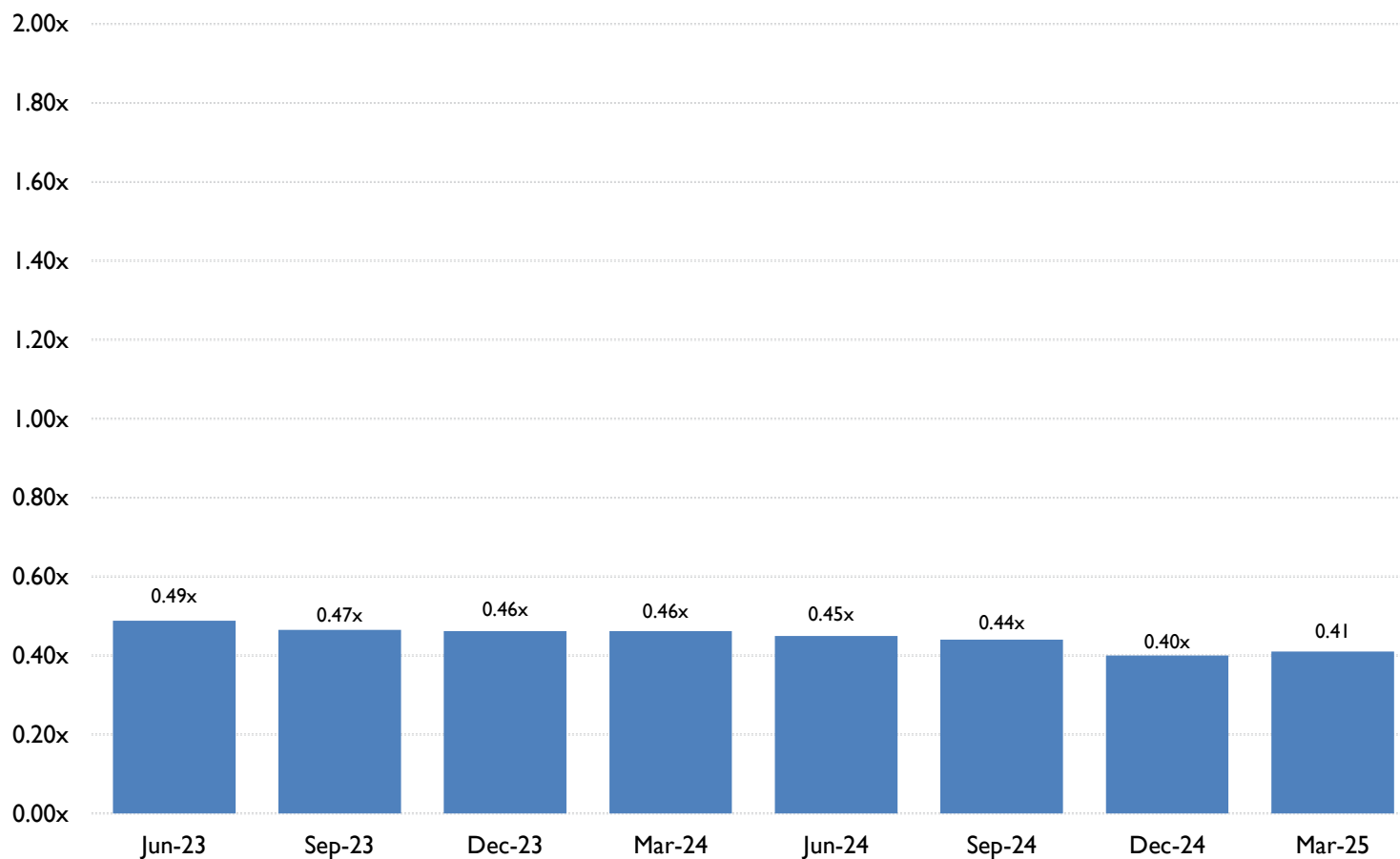
Approximately \$4.4 Billion of Unencumbered Assets, Representing 63% of Total Assets as of 3/31/2025



High level of unencumbered assets reduces risk in the event of a market downturn

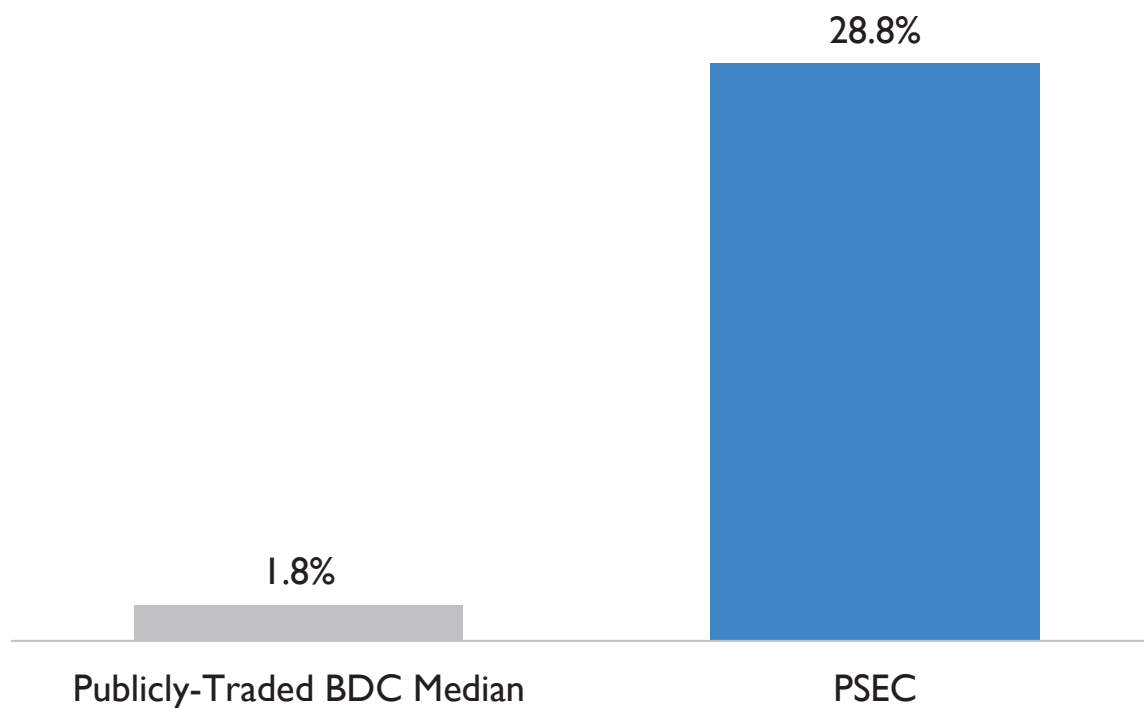
PRUDENT NET DEBT LEVERAGE

PSEC's Net Debt Leverage Has Remained Low at 0.41x as of 3/31/2025



SENIOR MANAGEMENT IS A SIGNIFICANT INVESTOR IN PSEC

Insider Ownership – Percentage



Source: For PSEC as of 3/31/2025 and includes 9.8% share ownership through the John and Daria Barry Foundation. PSEC senior management has not sold any of such investments in PSEC. PSEC analysis of S&P Capital IQ data for 48 listed BDC peers as of 5/6/2025.

MIDDLE-MARKET LOAN PORTFOLIO COMPANY WEIGHTED AVERAGE EBITDA AND NET LEVERAGE

Middle-Market Loan Portfolio Company Weighted Average Net Leverage (“Middle-Market Portfolio Net Leverage”) and Middle-Market Loan Portfolio Company Weighted Average EBITDA (“Middle-Market Portfolio EBITDA”) provide clarity into the underlying capital structure of PSEC’s middle-market loan portfolio investments and the likelihood that such portfolio will make interest payments and repay principal. PSEC’s consumer finance middle-market lending / buyout portfolio company investments are excluded from Middle-Market Portfolio Net Leverage and Middle-Market Portfolio EBITDA because consumer finance companies typically rely on financing to fund their lending activities.

Middle-Market Portfolio Net Leverage reflects the net leverage of each of PSEC’s middle-market loan portfolio company debt investments, weighted based on the current fair market value of such debt investments. The net leverage for each middle-market loan portfolio company is calculated based on PSEC’s investment in the capital structure of such portfolio company, with a maximum limit of 10.0x adjusted EBITDA. This calculation excludes debt subordinate to PSEC’s position within the capital structure because PSEC’s exposure to interest payment and principal repayment risk is limited beyond that point. Additionally, subordinated structured notes, rated secured structured notes, real estate investments, investments for which EBITDA is not available, and equity investments, for which principal repayment is not fixed, are also not included in the calculation. The calculation does not exceed 10.0x adjusted EBITDA for any individual investment because 10.0x captures the highest level of risk to PSEC. Middle-Market Portfolio Net Leverage provides PSEC with some guidance as to PSEC’s exposure to the interest payment and principal repayment risk of PSEC’s middle-market loan portfolio. PSEC monitors its Middle-Market Portfolio Net Leverage on a quarterly basis.

Middle-Market Portfolio EBITDA is used by PSEC to supplement Middle-Market Portfolio Net Leverage and generally indicates a portfolio company’s ability to make interest payments and repay principal. Middle-Market Portfolio EBITDA is calculated using the EBITDA of each of PSEC’s middle-market loan portfolio companies, weighted based on the current fair market value of the related investments. The calculation provides PSEC with insight into profitability and scale of the portfolio companies within PSEC’s middle-market loan portfolio.

These calculations include addbacks that are typically negotiated and documented in the applicable investment documents, including but not limited to transaction costs, share-based compensation, management fees, foreign currency translation adjustments, and other nonrecurring transaction expenses.

Together, Middle-Market Portfolio Net Leverage and Middle-Market Portfolio EBITDA assist PSEC in assessing the likelihood that PSEC will timely receive interest and principal payments. However, these calculations are not meant to substitute for an analysis of PSEC’s underlying portfolio company debt investments, but to supplement such analysis.