

**PROSPECT CAPITAL
CONVERTIBLE PREFERRED STOCK
FEBRUARY 2023**

DISCLAIMERS

The information regarding prior performance in this presentation should not be considered as indicative of how the 5.50% Series A1 Preferred Stock (the “Series A1”), 6.50% Series A3 Preferred Stock (the “Series A3” and together with the Series A1, the “Series A”), 5.50% Series M1 Preferred Stock (the “Series M1”), 5.50% Series M2 Preferred Stock (the “Series M2”), and 6.50% Series M3 Preferred Stock (the “Series M3” and together with the Series M1 and M2, the “Series M”, and together with the Series A, the “Preferred Stock”) issued by Prospect Capital Corporation (the “Company”, “PSEC”, or “we”, or “us”) will perform.

This is neither an offer to sell nor a solicitation of an offer to buy the securities described herein. An offering is made only by a prospectus and prospectus supplement (collectively, the “prospectus”). This material must be preceded or accompanied by the prospectus. You should read the prospectus in order to understand fully all of the implications and risks of the offering of securities to which it relates. An investment in the Preferred Stock should be made only after careful review of the prospectus. All information contained in this material is qualified in its entirety by the terms of the prospectus. The achievement of any goals is not guaranteed.

Certain statements made by us in this presentation that are not historical facts or that relate to future plans, events or performances are forward-looking statements within the meaning of the federal securities laws. Forward-looking statements predict or describe our future operations, business plans, business and investment strategies and portfolio management and the performance of our investments and our investment management business. Our actual results or actions may differ materially from those expressed in any forward-looking statements made by us. Forward-looking statements involve a number of risks of uncertainties including, but not limited to, the risks described under headings such as “Risk Factors” in our SEC filings. All forward-looking statements are qualified by those risk factors. All statements made by us in this presentation are further qualified in all respects by the information disclosed in our SEC filings. We disclaim any obligation to update our forward-looking statements unless required by law.

Certain information discussed in this presentation (including information relating to portfolio companies) was derived from third-party sources and has not been independently verified and, accordingly, the Company makes no representation or warranty in respect of this information.

The following slides contain summaries of certain financial and statistical information about the Company. The information contained in this presentation is summary information that is intended to be considered in the context of our SEC filings and other public announcements that we may make, by press release or otherwise, from time to time. We undertake no duty or obligation to publicly update or revise the information contained in this presentation. In addition, information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured. You should not view the past performance of PSEC, or information about the market, as indicative of PSEC’s future results. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities of PSEC.

The Company has filed a registration statement, including the prospectus, with the SEC, for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the Company has filed with the SEC for more complete information about the Company and the offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the Company, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by contacting Preferred Capital Securities, LLC (member FINRA/SIPC), the dealer manager for the Preferred Stock. Preferred Capital Securities’ contact information is: 3284 Northside Parkway NW, Suite 150 | Atlanta, GA 30327 | Sales Desk 855.330.6594 | Investor Services 855.320.1414.

RISK FACTORS

An investment in the Preferred Stock involves certain risks, including the risk of a substantial loss of investment. You should carefully consider the information set forth in the “Risk Factors” section of the prospectus for a discussion of material risk factors relevant to an investment in the Preferred Stock. Risk factors to be considered include but are not limited to the following:

- The Preferred Stock will be subject to a risk of early redemption or conversion at our option and holders may not be able to reinvest their funds.
- The price of our common stock may fluctuate significantly during calculation and settlement of a holder conversion, and this may make it difficult for you to resell the Preferred Stock or common stock issuable upon conversion of the Preferred Stock when you want or at prices you find attractive.
- Holders of the Preferred Stock will bear dividend risk. We may be unable to pay dividends on the Preferred Stock under some circumstances. In addition, the terms of any future indebtedness we may incur could preclude the payment of dividends in respect of equity securities, including the Preferred Stock, under certain conditions.
- We will have a discretionary right to limit the aggregate liquidation preference of Preferred Stock subject to redemption following the death of a holder that may be exercised in any calendar year to an amount equal to the greater of \$10 million or 5% of all Preferred Stock outstanding as of the end of the most recent calendar year. Accordingly, no assurance can be given that exercise of a redemption following the death of a holder for the desired amount will be permitted in any single calendar year.
- Repurchases of common stock by the Company may reduce the asset coverage of the Preferred Stock, which could adversely affect their liquidity or market prices.
- In the event the Company does not generate a total return from dividends and interest received and net realized capital gains in an amount at least equal to its distributions for a given year, the Company may return capital as part of its distribution. This would decrease the asset coverage per share with respect to the Preferred Stock, which could adversely affect their liquidity or market prices.
- The Preferred Stock is currently rated BBB- by Egan-Jones Ratings Company and BB by S&P. The credit ratings that have been issued on the Preferred Stock could be reduced or withdrawn while an investor holds Preferred Stock. A reduction or withdrawal of the credit rating would likely have an adverse effect on the market value of the Preferred Stock following a listing. In addition, a credit rating does not eliminate or mitigate the risks of investing in the Preferred Stock.

RISK FACTORS

Continued from Prior Page

- Senior securities, including debt and preferred stock, expose us to additional risks, including the typical risks associated with leverage and could adversely affect our business, financial condition and results of operations.
- Our obligations to pay dividends or make distributions and, upon liquidation of the Company, liquidation payments in respect of the Preferred Stock is subordinate to our obligations to make any principal and interest payments due and owing with respect to our outstanding debt.
- There is limited liquidity and no public trading market for the Preferred Stock and there is no guarantee that the Preferred Stock will be listed on a national securities exchange.
- The Preferred Stock pays dividends at a fixed rate. The market values of fixed income investments tend to vary inversely with changes in market yields. The market yields on securities comparable to the Preferred Stock may increase, which would likely result in a decline in the market value of the Preferred Stock if it were to be traded on a national securities exchange. Additionally, if interest rates rise, securities comparable to the Preferred Stock may pay higher dividend rates and holders of the Preferred Stock, if it were listed on a national securities exchange, may not be able to sell the Preferred Stock at the Stated Value on a national securities exchange and reinvest the proceeds at market rates. The Company may be subject to a greater risk of rising interest rates due to the current period of rising interest rates and high inflation. The Federal Reserve has aggressively begun to raise interest rates, which is likely to drive down the prices of income or dividend-paying securities. The risk that interest rates may continue to rise is pronounced.
- There is no cap on the number of shares of common stock that can be issued upon the conversion of shares of Preferred Stock. The conversion of the Preferred Stock into shares of common stock could cause the price of common stock to decline significantly.

EXECUTIVE SUMMARY

Opportunity to invest in a liquid, convertible, stable preferred stock (with a 6.5% per annum contractual cash monthly dividend) issued by one of the largest, most diversified, longest running, and investment-grade traded BDCs where management owns 28% of \$4.0 billion of junior common equity and where the preferred is protected by 198% asset coverage.

WHY PROSPECT CAPITAL CORPORATION (“PSEC”)

- Multi-decade track record with \$7.9 billion in assets and 100+ professionals⁽¹⁾
- Significant experience across multiple lending strategies, industries (37) and economic / investing cycles
- Since 2004, \$19.9 billion invested with 275 exits
- Investment grade corporate credit ratings from 5 credit agencies⁽²⁾

PSEC PREFERRED STOCK OFFERING

- Downside protection with \$4.0 billion of common equity subordinate to the preferred
- Liquidity from day one⁽³⁾
- Income potential to earn 6.50% per annum contractual cash dividend paid monthly⁽⁴⁾
- Alignment of interest through management’s 28% ownership in common stock
- 100% of upfront fees and expenses paid by PSEC, not the investor
- \$1.2 billion of preferred stock issued in this offering since launching in Q4 2020⁽⁵⁾

Data in this presentation is as of December 31, 2022 unless otherwise noted. Sources include EDGAR filings, public presentations, and Prospect Capital Management L.P. (“Prospect”) estimates. Numbers may not add to precise totals due to rounding.

(1) Employee count includes employees of National Property REIT Corp., a controlled portfolio company of PSEC.

(2) Ratings current as of 2/8/2023. 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. Moody’s investment-grade credit ratings range from Aaa to Baa, and its high-yield credit ratings range from Ba to C. For S&P, Egan-Jones, Kroll, and DBRS, investment-grade credit ratings range from AAA to BBB, while high-yield credit ratings range from BB to C. High-yield is another name for non-investment-grade or junk bonds.

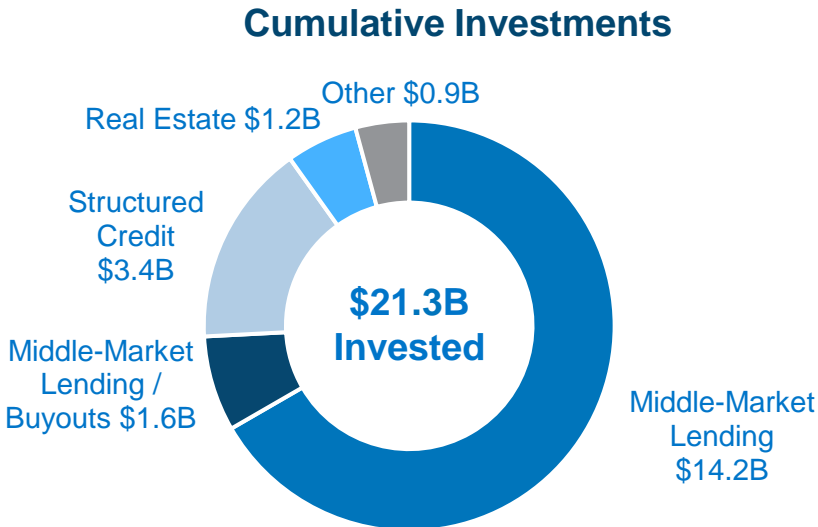
(3) Series A shares are subject to a 5-year declining conversion fee (9%, 8%, 7%, 6%, 5%). Series M shares have a 90-day dividend recapture provision in year 1. The Company may request that an investor purchasing Series M shares enter into an agreement pursuant to which such investor agrees not to convert such purchased Series M shares for an agreed period of time. The Company must complete the conversion request prior to the next conversion date and there are two conversion dates per month.

(4) Dividend intended to be paid monthly as authorized by the Board of Directors. The stated dividend rate on issuances of the Series A1, A2 and M1 is 5.5%.

(5) As of February 3, 2023.

PROSPECT CAPITAL MANAGEMENT

- \$8.8B Private Debt & Equity Manager Founded 1988
- Manager of Prospect Capital Corporation
- \$21.3B Invested in 971 Investments Since 2003
- 517 Realized Investments
- 100+ Professionals
- 23 Years Same Management Team



\$8.8B Prospect AUM				
MIDDLE-MARKET LENDING	STRUCTURED CREDIT	MIDDLE-MARKET LENDING/BUYOUTS	REAL ESTATE	OTHER
\$4.2B	\$1.8B	\$1.2B	\$1.3B	\$0.2B

Data in this presentation is as of December 31, 2022 unless otherwise noted. Sources include EDGAR filings, public presentations, and Prospect Capital Management L.P. ("Prospect") estimates. Numbers may not add up to precise totals due to rounding.

PSEC LOW CORRELATION INVESTMENT STRATEGIES

MIDDLE-MARKET LENDING – 54%

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

\$14.1B	17	328
INVESTED	YEAR TRACK RECORD	INVESTMENTS

MIDDLE-MARKET LENDING / BUYOUT – 16%

- 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)
- Sole investor, differentiated structure, keep winners longer

\$1.5B	19	16
INVESTED	YEAR TRACK RECORD	INVESTMENTS

SUBORDINATED STRUCTURED NOTES – 9%

- One of the largest 2.0 U.S. CLO equity investors⁽¹⁾
- Primary and secondary investments – relative value
- Majority and minority investments – benefits to each
- Diverse underlying portfolios, BDC 30% basket

\$1.7B	12	48
INVESTED	YEAR TRACK RECORD	INVESTMENTS

REAL ESTATE – 18%

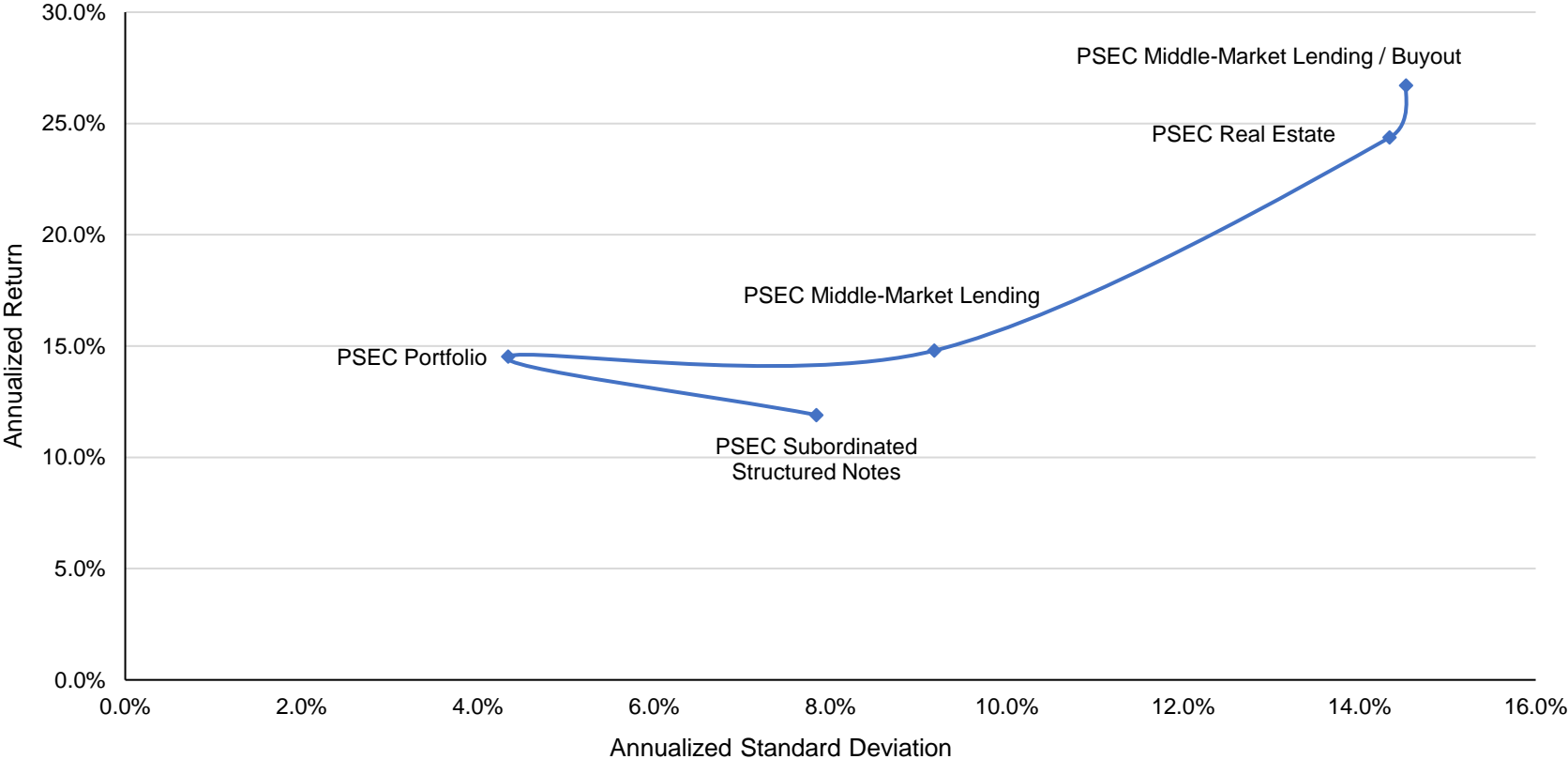
- Primarily multifamily properties with value-add potential
- Class B/C properties in secondary/tertiary markets
- Garden-style low-rise and mid-rise properties
- Subordination of third-party cash flows ("Double Cushion")
- High current income plus equity upside (45 exits)

\$1.2B	11	108
INVESTED	YEAR TRACK RECORD	INVESTMENTS

(1) Creditflux. September 14, 2016.
 Totals may not add to 100% as there are other, smaller and non-core investment strategies. Data as of December 31, 2022. Past investment allocations will not necessarily reflect future investment allocations. See "Disclaimers" slide herein for further information.

PORTFOLIO ALLOCATION DEMONSTRATES EFFICIENT FRONTIER

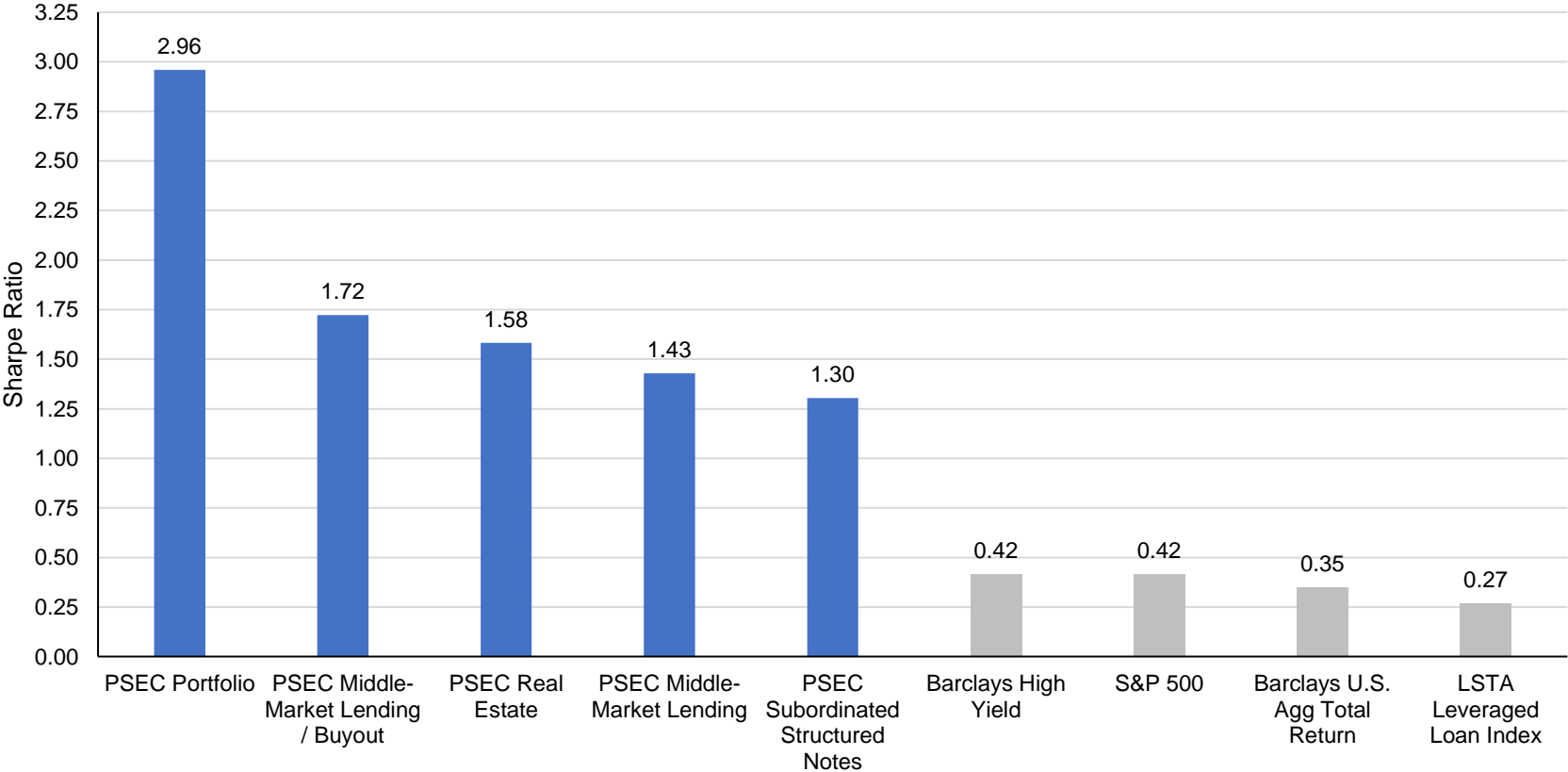
For a Given Level of Expected Return, PSEC Portfolio Delivers the Lowest Risk Profile



Source: Company filings and management. As of December 31, 2022. Returns are calculated on a quarterly basis and compounded to derive annualized figures. To calculate a quarterly return rate, returns, including gross income, realized gains / losses, and mark-to-market changes, are divided by the sum of fair market value applicable from the prior quarter and half of the change in cost basis between the prior quarter and the then-current quarter. Information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured.

ATTRACTIVE RISK-ADJUSTED RETURNS (SHARPE RATIO)

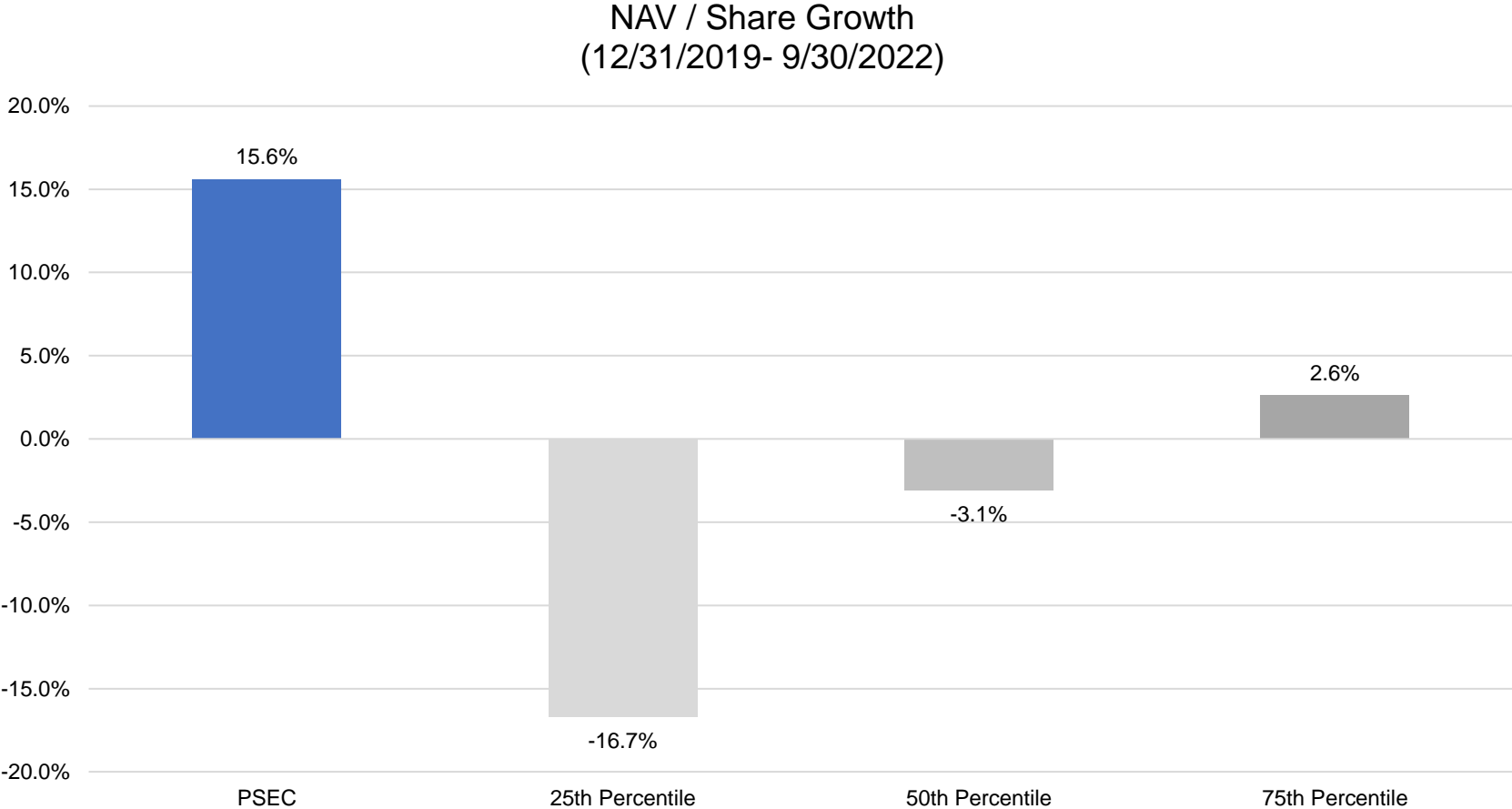
PSEC's Strategies Have Higher Risk-Adjusted Returns Than Major Indices



Source: Company filings, management and Bloomberg. As of December 31, 2022. Sharpe Ratio is calculated as (annualized return – risk free rate) / (annualized standard deviation). Indices, Risk-Free Rate (3M Libor), PSEC Portfolio, and PSEC Middle-Market Lending / Buyouts from 2004. Other PSEC strategies as of the date of such strategy inceptions: Middle-Market Lending (2006), Real Estate (2012), and Subordinated Structured Notes (2011). Information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured.

PSEC'S SUPERIOR NAV PERFORMANCE

PSEC has the #1 Recent NAV per Share Growth Among Peer Publicly-Traded BDC's⁽¹⁾

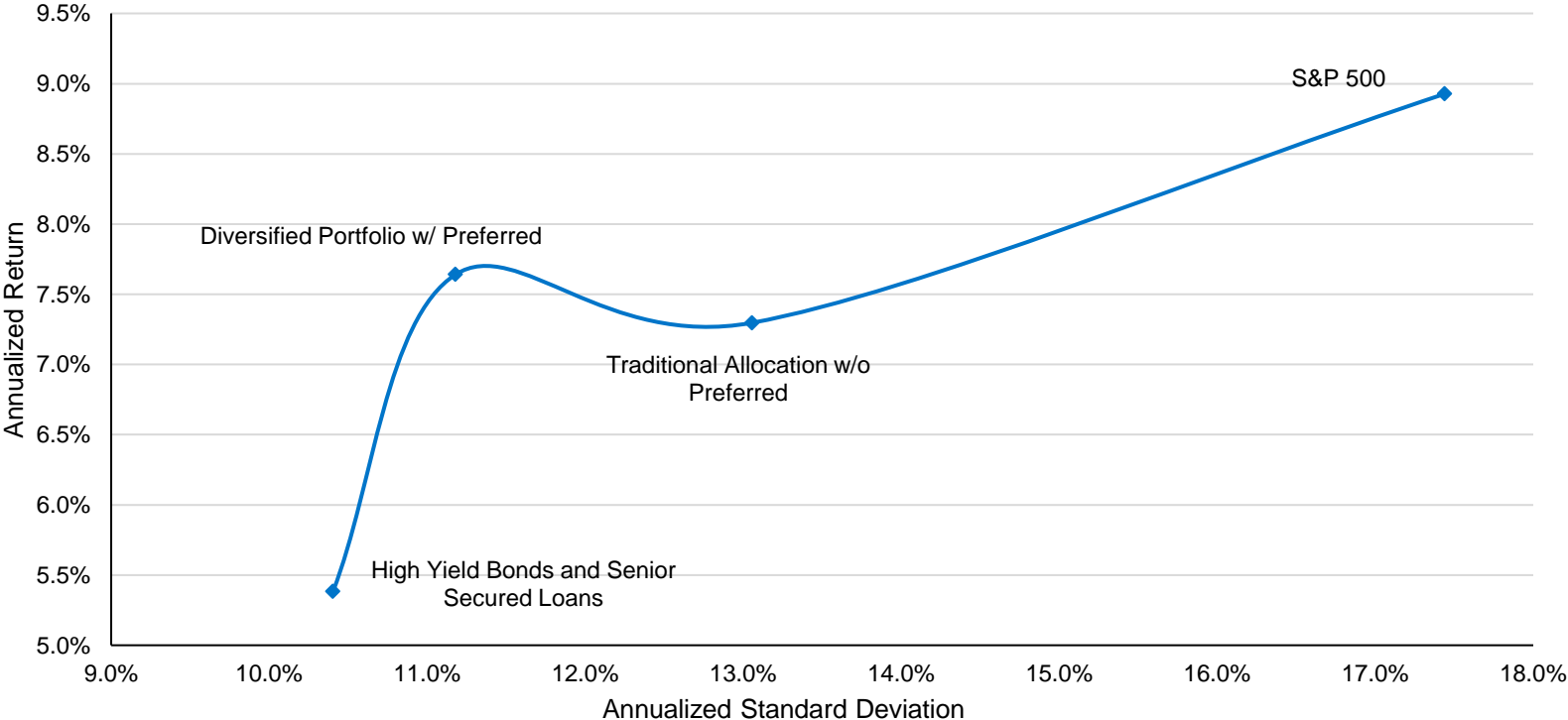


Source: PSEC analysis of S&P Capital IQ data and public filings for 45 listed BDC peers for which there is data for the time period 12/31/2019 – 9/30/2022. PSEC as of 9/30/2022. Information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured. Percentiles represent the percent of peer publicly-traded BDC's that have NAV / Share growth from 12/31/2019 – 9/30/2022 below each percentile's respective value.

(1) The second, third, fourth, and fifth highest NAV / Share growth from 12/31/2019-9/30/2022 are 15.2%, 12.4%, 11.7%, and 9.0%, respectively.

WHY SEEK ALTERNATIVE TO TRADITIONAL FIXED INCOME?

PSEC Preferred Stock May Significantly Decrease Portfolio Volatility While Maintaining the Same Level of Return



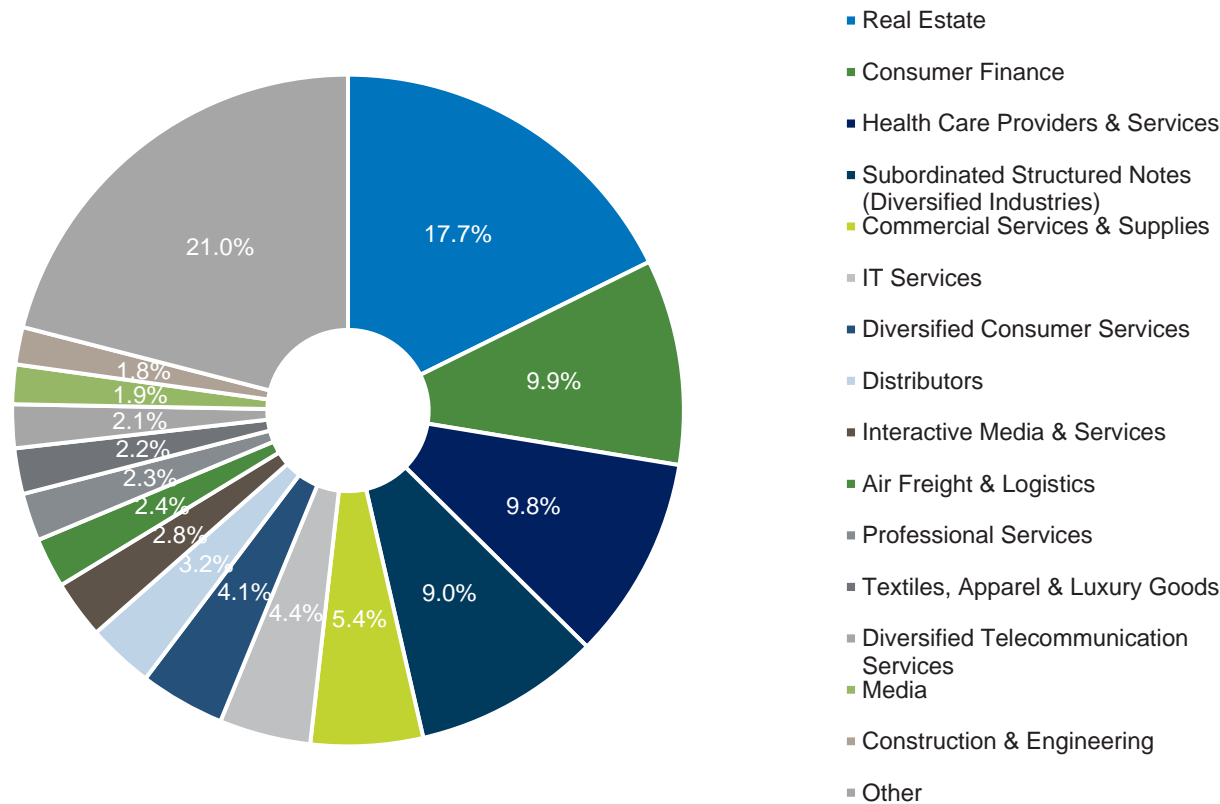
Source: Company filings, management, and Bloomberg. As of December 31, 2022. High Yield Bond and Senior Secured Loan data from Barclays High Yield Bond Index and LSTA Leverage Loan Index, respectively, for the period of June 30, 2004 through December 31, 2022. PSEC Preferred Stock figures are illustrative for the Series A3 and M3. Information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured.

Portfolio allocations:

- Traditional allocation: 50% stocks, 25% high yield bonds and 25% leverage loans.
- Diversified portfolio: 50% stocks, 15% high yield bonds, 15% leveraged loans and 20% PSEC Preferred Stock.

PORTFOLIO DIVERSIFICATION – INDUSTRY

PSEC'S Portfolio at Fair Value⁽¹⁾



37 industries

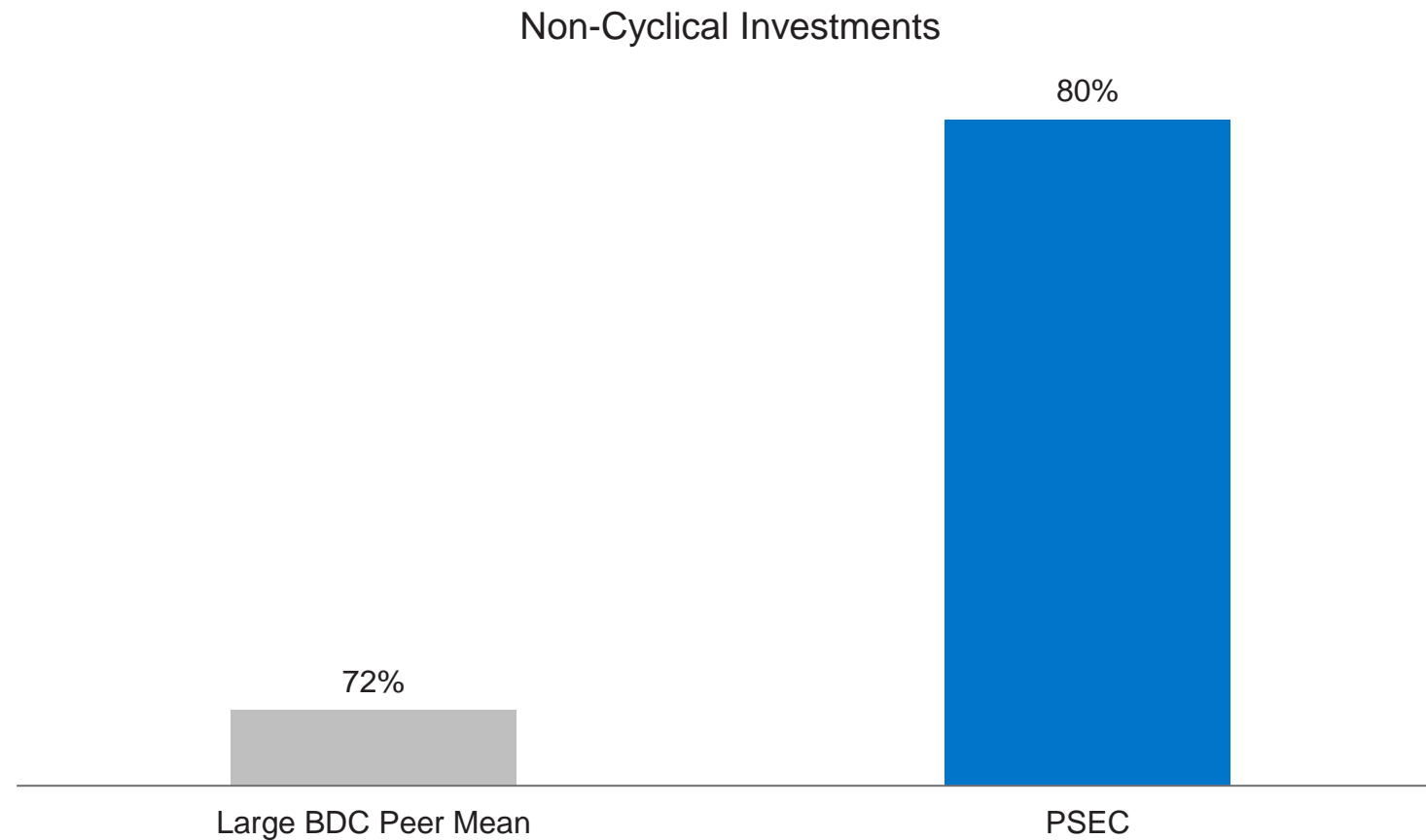
Low concentration of **1.9%** in industries most recession affected - the majority of which is secured loans⁽²⁾

(1) Current and future portfolio weightings by fair value may differ from historical portfolio weightings by fair value and historical weightings are not indicative or predictive of future weightings. See "Disclaimers" slide herein for further information.

(2) Energy, hotel, leisure, and restaurant.

Source: Company filings, management. Data as of December 31, 2022.

HIGHLY NON-CYCLICAL PORTFOLIO COMPOSITION



Source: PSEC analysis of public filings including the 5 largest listed BDC peers by total assets. PSEC as of 12/31/2022. Peer data for the quarter ending 9/30/2022; data may be materially different for the quarter ending 12/31/2022. See Appendix "Non-Cyclical Investments" herein for further information. Non-Cyclical investments calculated as a percentage of total investment portfolio, measured by fair market value.

SUMMARY CAPITALIZATION

PSEC PREFERRED STOCK

SENIOR POSITION RELATIVE TO COMMON EQUITY
 \$4.0B common equity buffer
 Preferred shareholders paid first⁽¹⁾

STABLE STATED VALUE
 \$25.00 per share

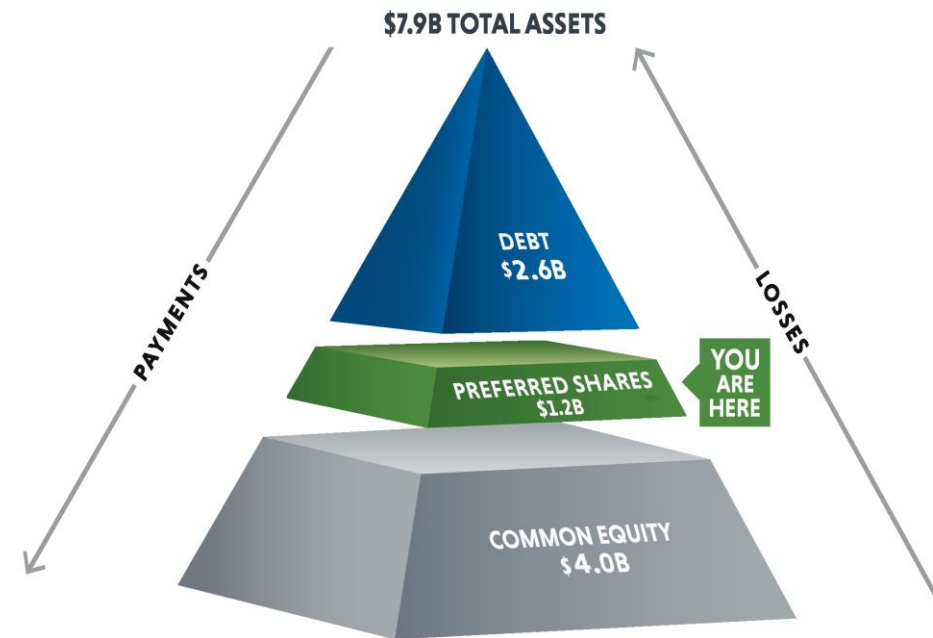
ALIGNED INTERESTS
 28% management ownership
 Highest among BDCs

DEFENSIVE BY DESIGN
 49.9% loan-to-asset value leverage⁽²⁾
 Also regulatory leverage limit

LIQUIDITY
 Redeemable, convertible and potential exchange liquidity

VOTING RIGHTS
 Right to elect 2 directors and vote with common stock as a single class on other matters

FUND EXPENSES
 Upfront fees paid by fund, not investor



All data as of December 31, 2022.

(1) Preferred shareholders are junior, however, to \$2.6 billion in debt, which is paid before preferred shareholders.

(2) As of December 31, 2022. Loan-to-asset value leverage calculated as (Principal Debt Outstanding + Total Preferred Outstanding) / Total Assets.

CONVERTIBLE PREFERRED STOCK COMPONENTS



Note: See following slides for details, limitations, and disclaimers, including with regard to liquidity through the conversion right and the death redemption provision.

DOWNSIDE PROTECTION

Protection and risk mitigation for the PSEC preferred come through:



(1) The Preferred Stock has been rated BBB- by Egan-Jones Ratings Company and BB by Standard & Poor's. Corporate ratings are from Standard & Poor's, Moody's, Kroll, DBRS Morningstar, and Egan-Jones. Ratings current as of 2/8/2023. 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. Moody's investment-grade credit ratings range from Aaa to Baa, and its high-yield credit ratings range from Ba to C. For S&P, Egan-Jones, Kroll, and DBRS, investment-grade credit ratings range from AAA to BBB, while high-yield credit ratings range from BB to C. High-yield is another name for non-investment-grade or junk bonds.

(2) PSEC portfolio count is 287 when bifurcating a controlled portfolio company into 158 distinct investments.

Data as of December 31, 2022, except as noted. See "Disclaimers" slide herein for further information.



LIQUIDITY

Liquidity from day one through conversion right⁽¹⁾

No conversion queues or pro-rated conversions – **100% liquid** through conversion right⁽¹⁾

Conversions twice monthly on or about the 15th and last day of the month

Redemption upon death of Preferred Stockholder at **0% redemption fee**⁽²⁾

The Series A is subject to a 5-year **declining conversion fee** (9%, 8%, 7%, 6%, 5%, 0%)⁽³⁾. The Series M is subject up to a 3-month claw back of dividends during year 1 with **zero fee thereafter**.

(1) Series A shares are subject to a 5-year declining conversion fee (9%, 8%, 7%, 6%, 5%). Series M shares have a 90-day dividend recapture provision in year 1. The Company may request that an investor purchasing Series M shares enter into an agreement pursuant to which such investor agrees not to convert such purchased Series M shares for an agreed period of time. The Company must complete the conversion request prior to the next conversion date and there are two conversion dates per month. Right of holder to convert Preferred Stock terminates upon listing of such Preferred Stock. Liquidity of PSEC common stock on NASDAQ is not guaranteed.

(2) In the event of redemption following the death of a holder, the issuer has a discretionary right to limit the aggregate liquidation preference of Preferred Stock subject to such redemption in any calendar year to the greater of \$10 million or 5% of all Preferred Stock outstanding as of the end of the most recent calendar year. Accordingly, no assurance can be given that exercise of a redemption following the death of a holder for the desired amount will be permitted in any single calendar year. Death redemption terminates upon any listing of such Preferred Stock.

(3) The conversion fee is a percentage of the \$25.00 per share stated value of the Preferred Stock.



INCOME POTENTIAL

Preferred stockholders paid before common stockholders⁽¹⁾

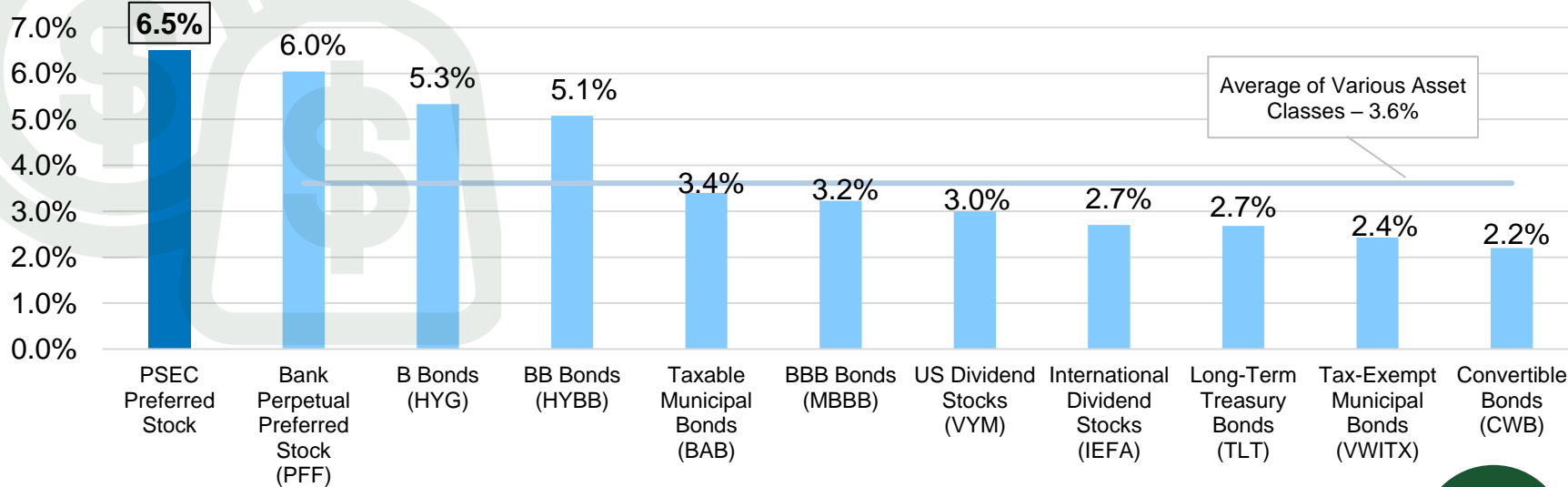
6.5% fixed cumulative annual distribution

Dividend **paid monthly**⁽³⁾

Positioned for well-covered dividend payments

Run Rate Preferred Dividend Coverage
December 2022 Quarter
569% (12/31/2022 Preferred Outstanding)⁽²⁾

PSEC's Preferred Stock Pays a Higher Current Yield than Other Income-Oriented Investments⁽⁴⁾



(1) Preferred stockholders are junior, however, to \$2.6 billion in debt, which is paid before preferred stockholders.
 (2) Dividend coverage ratio is based on \$106.704M of PSEC actual Net Investment Income for the quarter ended December 31, 2022 divided by one quarter of preferred dividends, based on the amount of preferred stock outstanding as of 12/31/2022. Includes coverage of \$150M of Series A shares with a 5.35% distribution rate and \$883M of Series A1, A2, and M1 shares with a 5.50% distribution rate.
 (3) Dividends are intended to be paid monthly as authorized by the Board of Directors. The stated dividend rate on issuances of the Series A1, A2 and M1 is 5.5%.
 (4) Source: Company for PSEC Preferred Stock; Morningstar for the 12-month trailing yield of each respective ticker indicated above as of January 24, 2023.



ALIGNMENT WITH INVESTOR INTERESTS

Aligned interests

Management holds 28% of the common equity as of December 31, 2022

Accountability

'33 Act, '34 Act, and '40 Act SEC regulatory filing and reporting requirements

Voting

Preferred shareholders as a class always have right to elect two directors (majority of directors if preferred dividends are unpaid for 2 years) and to vote with common shareholders on all other matters

Conservative BDC Leverage Limit

Regulatory leverage limit of 2:1 debt:equity ratio ensures prudent and protective debt/equity balance
PSEC net-debt-to-total-equity of 0.49x as of 12/31/2022 and 0.70-0.85x target range

No fee impact on stated value or dividend



STABLE STATEMENT VALUE

Stated Value

\$25 per share perpetual value with par protections⁽¹⁾ and conversion into common stock is based on \$25 per share par value (subject to early conversion fees)

Stability

Investment amount on investor statements is not expected to fluctuate⁽²⁾

Fund Pays the Load

PSEC, and not the Preferred Stockholder, pays 100% of the load

Protection

Offers debt-like protections with common equity holders (not Preferred Stockholders) paying 100% of all business costs (including investment advisory fees)⁽³⁾

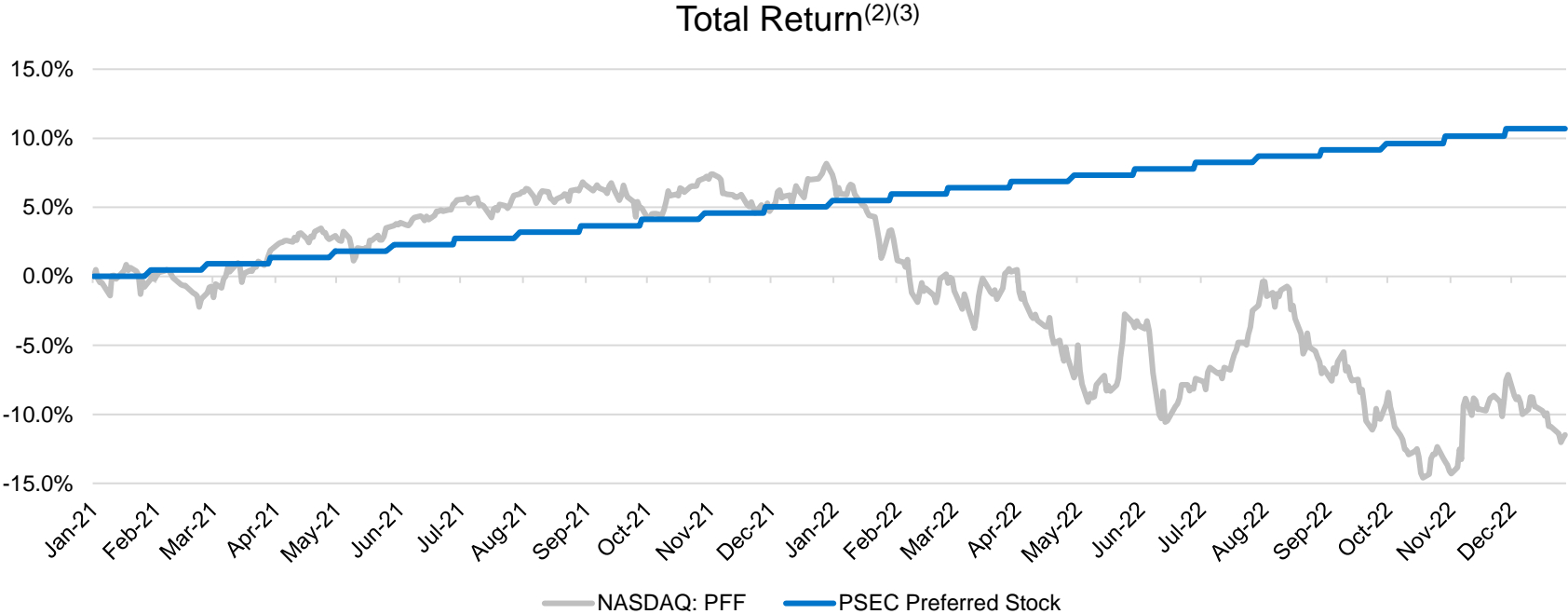
(1) "Par" refers to the \$25.00 per share stated value of the Preferred Stock. Subject to early conversion fee schedule. The Company may also redeem the Preferred Stock following a 5-year non-call period (or earlier if the Company's Board determines earlier redemption is necessary to comply with 1940 Act asset coverage requirements or to maintain RIC tax status). Right of holder to convert Preferred Stock terminates upon listing of such Preferred Stock.

(2) PSEC's Board of Directors may determine to list the Preferred Stock in the future, which could result in statement value fluctuations.

(3) Preferred shareholders are junior, however, to \$2.6 billion in debt, which is paid before preferred shareholders.

STABLE RETURNS IN A VOLATILE MARKET

PSEC Preferred Stock is not Listed, and thus, it does not have a Market Value that Fluctuates, Unlike Listed Preferred and Income Securities⁽¹⁾

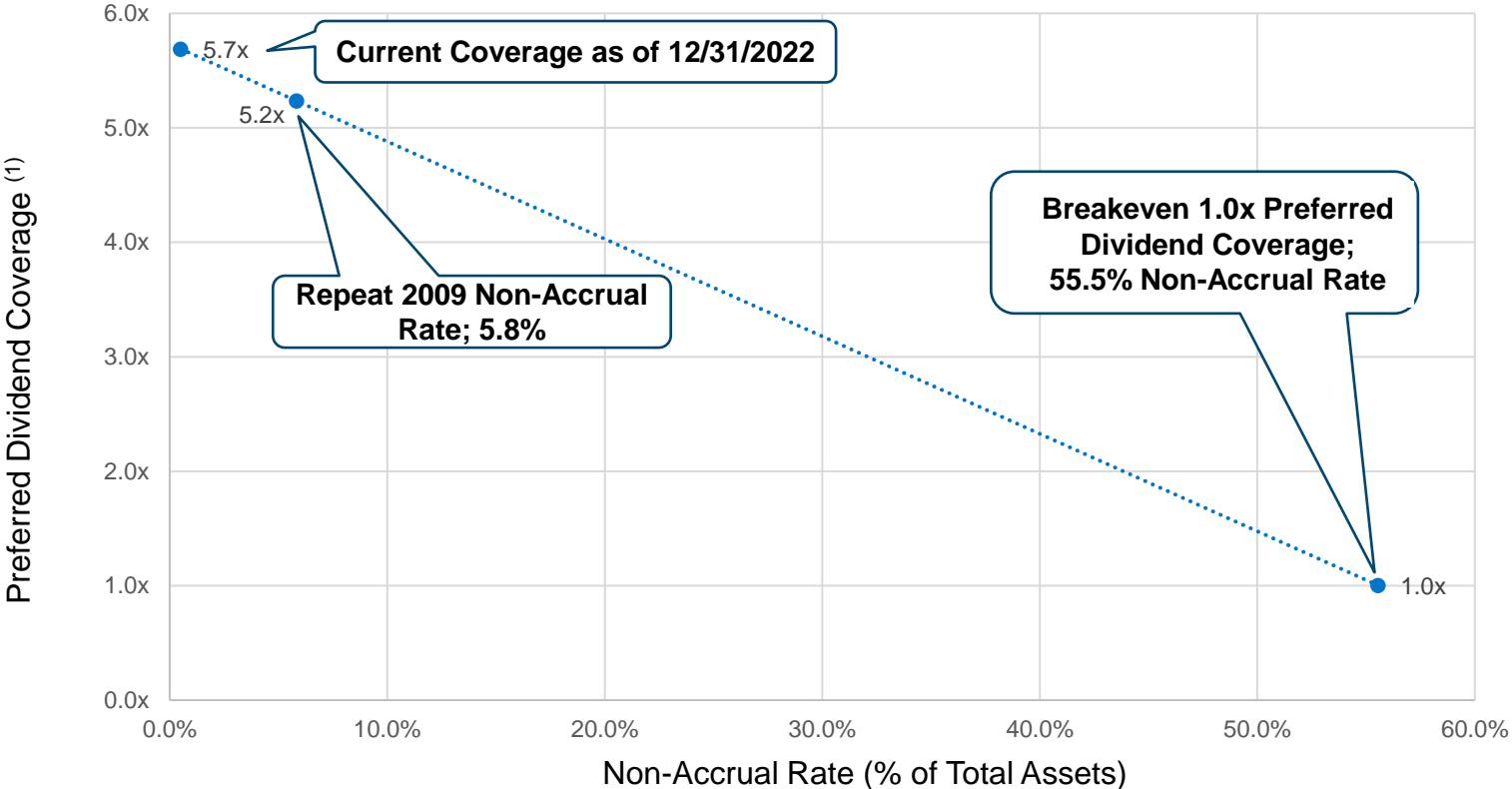


(1) Based on the 5.50% Series A1 and M1 through September 2022 and the 6.50% Series A3 and M3 starting in October 2022.
 (2) PSEC’s Board of Directors may determine to list the preferred stock in the future, which could result in statement value fluctuations based on market movements, and thus potential volatility in total return.
 (3) PSEC Preferred Stock returns are not net of the declining conversion fee applicable to the Series A shares nor the dividend recapture applicable to the Series M shares. Series A shares are subject to a 5-year declining conversion fee (9%, 8%, 7%, 6%, 5%). Series M shares have a 90-day dividend recapture provision in year 1. The Company may request that an investor purchasing Series M shares enter into an agreement pursuant to which such investor agrees not to convert such purchased Series M.
 (4) Returns are for the period of 1/1/2021 – 12/31/2022 and include dividends paid in cash. PFF is a listed exchanged-traded fund (“ETF”) that seeks to track the investment results of an index comprised of U.S. dollar-denominated preferred and hybrid securities. PFF’s total return is comprised not only of regular periodic distributions, but also reflects changes in market value and the expenses incurred by the ETF. PSEC’s preferred stock returns reflect only the payment of periodic distributions since the preferred stock does not have a market value that fluctuates and does not bear PSEC’s expenses. If PSEC’s preferred stock return were compared only to the return generated by PFF’s periodic distributions, such comparison would likely result in less comparative volatility. This comparison is designed solely to demonstrate what we believe to be one benefit of the PSEC preferred stock’s unlisted structure. For these and other reasons, you are cautioned not to place undue reliance on this comparison as an indication of the relative stability of an investment in PSEC preferred and should not rely on this comparison as an indication of what the relative volatility of PSEC preferred stock might be in the event the preferred stock were to be listed (at which time the right of the holders of such preferred stock to convert at the stated value terminates and the preferred stock returns will be subject to market volatility and may trade at a discount).

PREFERRED DIVIDEND COVERAGE

PSEC's Non-Accrual Rate Must Increase from 0.5% today to 55.5% (9.5x higher than Great Recession) to Result in 1.0x Coverage of Preferred Dividends with Net Investment Income

Preferred Dividend Coverage⁽¹⁾ with Increased Non-Accruals



(1) Based on \$106.704M of PSEC Net Investment Income for the quarter ended December 31, 2022. Includes coverage of \$150M of preferred shares with 5.35% distribution rate and \$883M of preferred shares with 5.50% distribution rate.

A photograph of a sailboat on the water during sunset. The sun is low on the horizon, casting a golden glow across the sky and reflecting on the water. The sailboat's mast and rigging are visible in the foreground, and the white sail is partially unfurled. A white rectangular text box is overlaid in the lower right portion of the image.

PREFERRED STOCK OFFERING COMPARISON

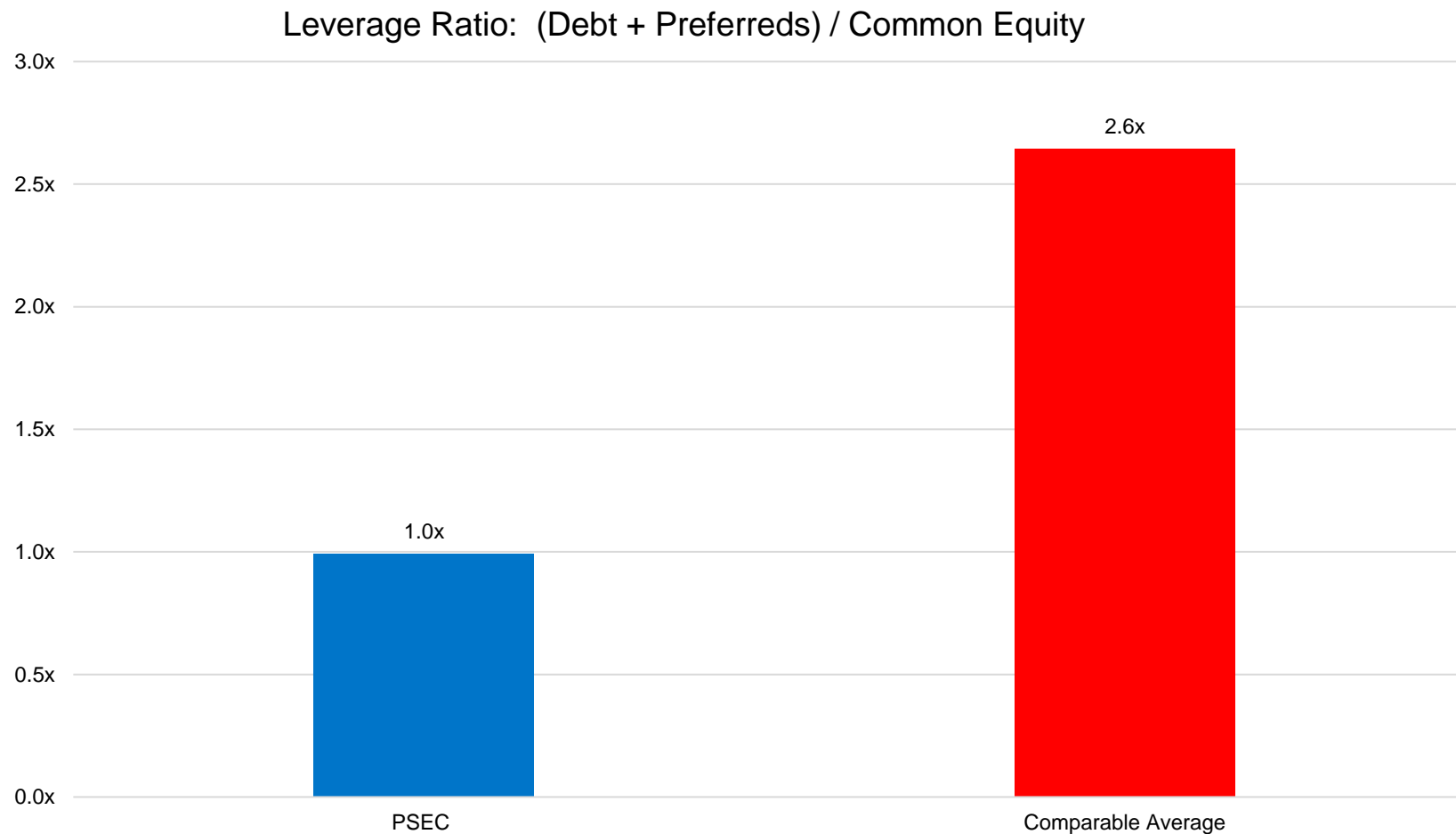
PSEC PREFERRED STOCK OFFERING COMPARISON

PSEC and PSEC’s Preferred Stock Offering Compares Favorably to Other Preferred Issuers and Offerings

	PSEC Preferred Stock	Comparable Average
Corporate Credit Ratings	✓ 5 Investment Grade (Preferred Stock is rated BBB- by Egan-Jones and BB by S&P)	✗ Not Rated
Regulatory Leverage Protections	✓ 1940 Act Leverage limitation of 67% LTV; Preferreds included as leverage	✗ None
Issuer Industry Diversity	✓ 37	✗ 1
Issuer Undrawn Capital	✓ \$1.0 billion	✗ \$179 million
Nearly \$4.0B of Common Equity	✓ \$4.0 billion	✗ \$0.5 billion
Manager Longevity	✓ 1988	✗ 2003 or younger
Issuer Less than 50% Loan-to-Asset Value	✓ 49.9% LTV	✗ 63.9% LTV
Issuer “Double Cushion” Loan Assets	✓ 81%	✗ 0%
Corporate Governance Protection	✓ Preferreds vote on 2 directors and vote with common on all other matters	✗ None
Issuer More than 25% Insider Ownership	✓ 28%	✗ 3%
Financial Leverage and Coverage Metrics	✓ See subsequent slides	✗

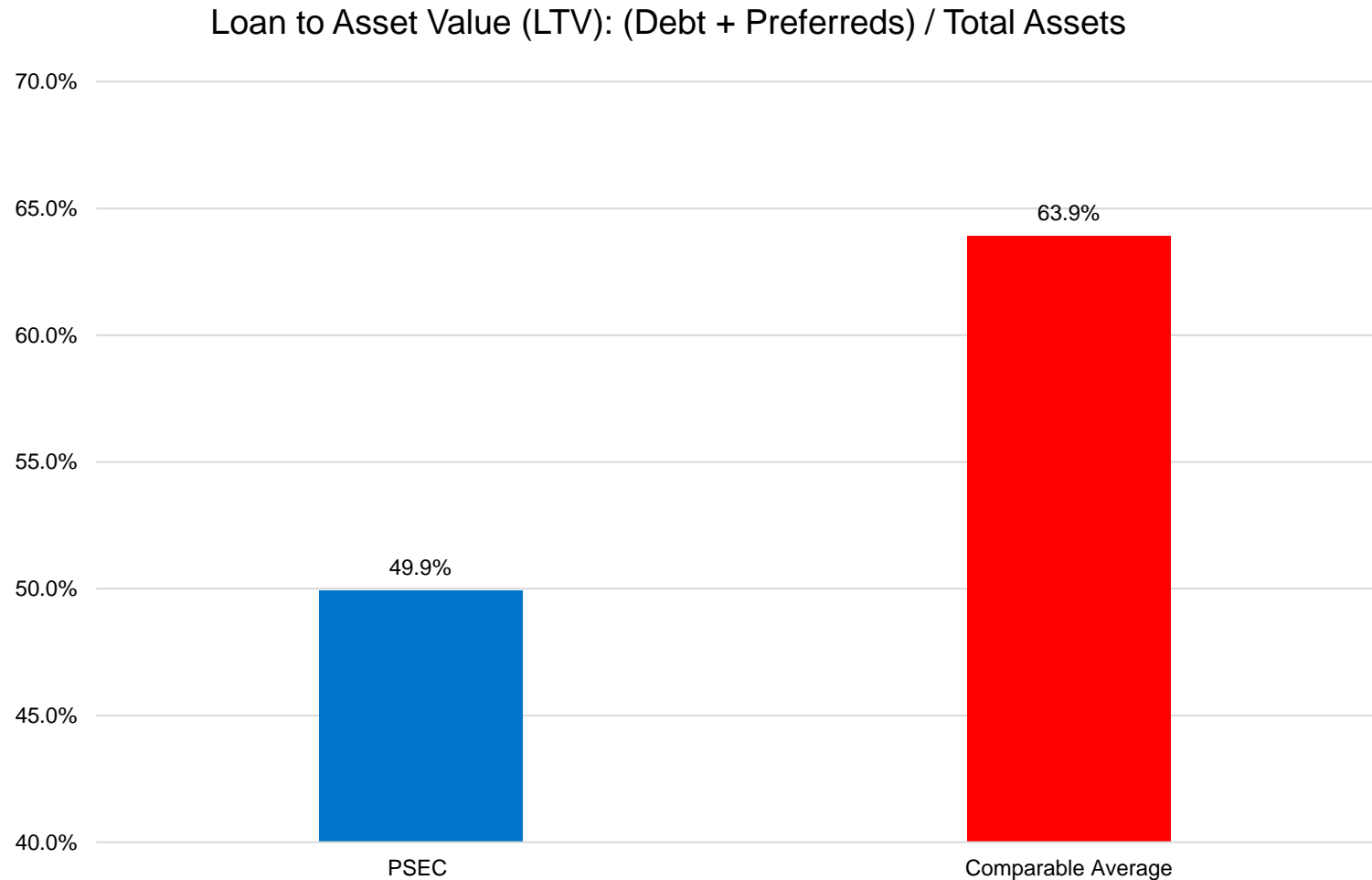
Note: Based on December 31, 2022 financials except as otherwise stated for comparable average on the following slides. Greater of market capitalization or GAAP book value used for Common Equity and Total Assets. See next slide for a description of the comparables.

PSEC HAS A LOWER LEVERAGE RATIO



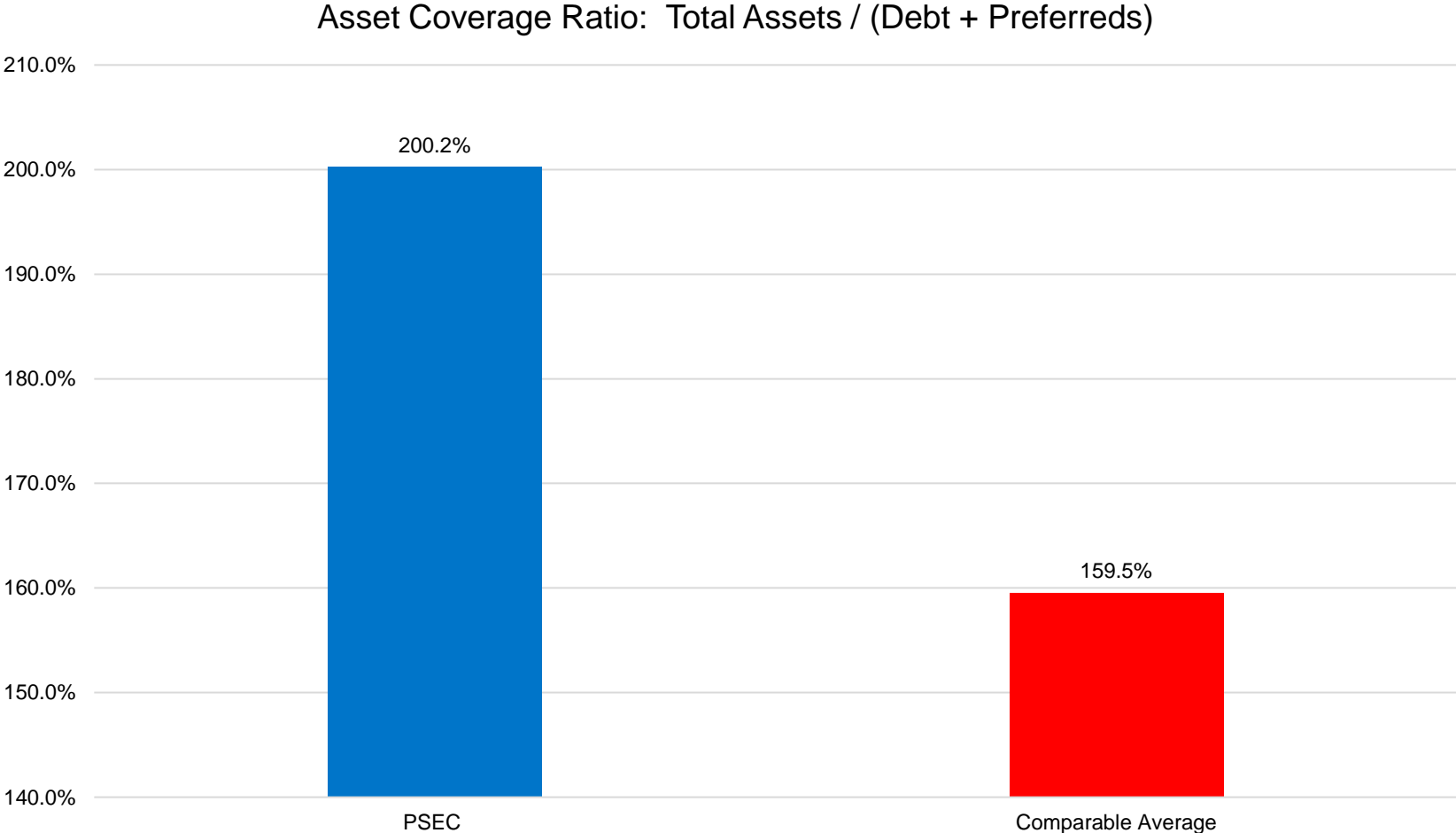
Note: As of December 31, 2022, except as otherwise stated. Comparable funds not assumed to add any leverage or any preferreds. Comparable Average as of September 30, 2022 and includes Gladstone GOOD REIT, Gladstone LAND REIT, CIM Commercial Trust Corporation, and Braemar Hotels & Resorts Inc. Greater of market capitalization or GAAP book value used for Common Equity.

PSEC HAS FAR LOWER LTV AND LEVERAGE



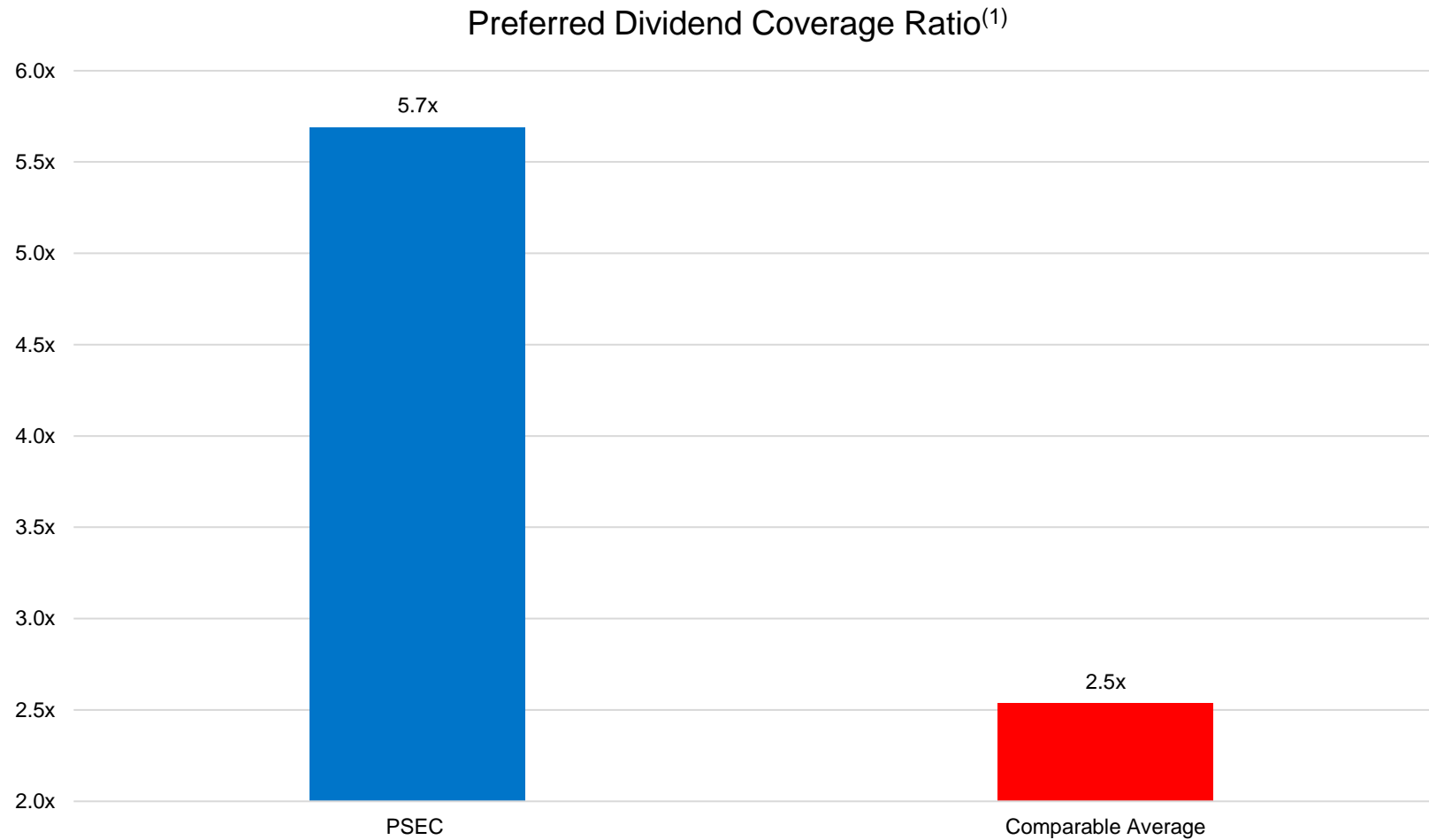
Note: As of December 31, 2022, except as otherwise stated. Comparable funds not assumed to add any leverage or any preferreds. Comparable Average as of September 30, 2022 and includes Gladstone GOOD REIT, Gladstone LAND REIT, CIM Commercial Trust Corporation, and Braemar Hotels & Resorts Inc. Greater of market capitalization or GAAP book value used for Common Equity and Total Assets.

PSEC HAS A HIGHER ASSET COVERAGE RATIO



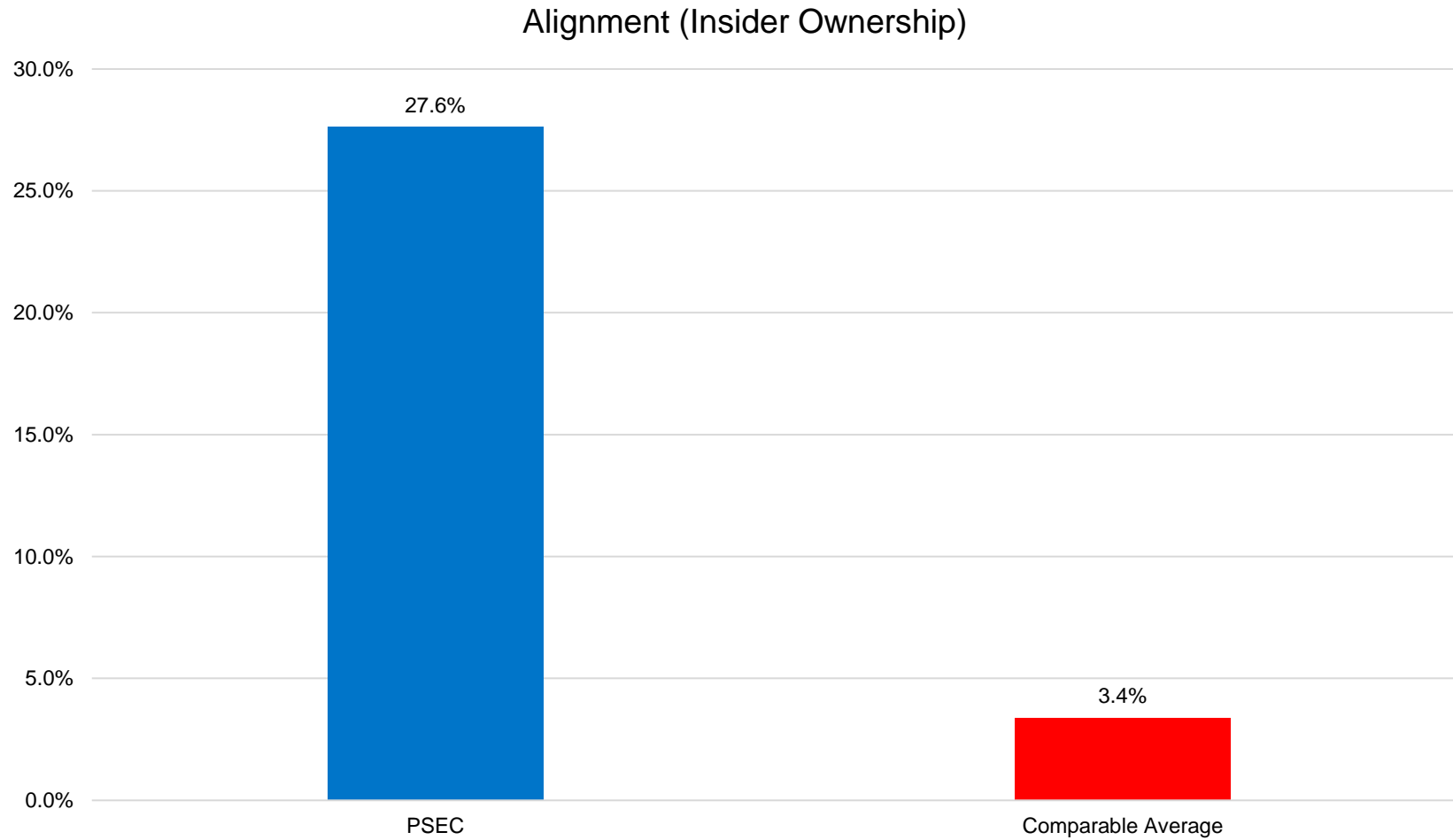
Note: As of December 31, 2022, except as otherwise stated. Comparable funds not assumed to add any leverage or any preferreds. Comparable Average as of September 30, 2022 and includes Gladstone GOOD REIT, Gladstone LAND REIT, CIM Commercial Trust Corporation, and Braemar Hotels & Resorts Inc. Greater of market capitalization or GAAP book value used for Common Equity and Total Assets.

PSEC HAS HIGHER PREFERRED DIVIDEND COVERAGE



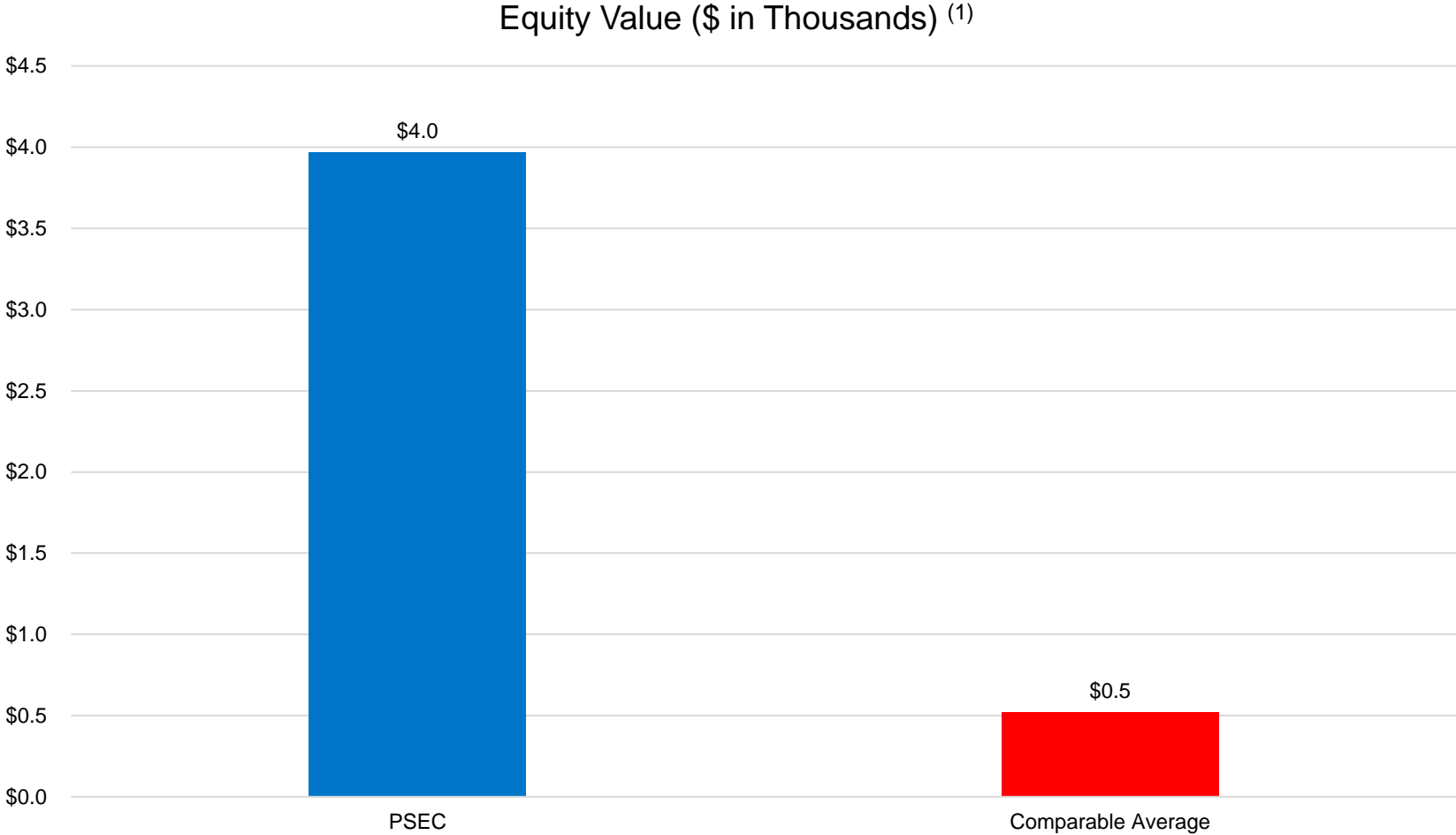
Note: As of December 31, 2022, except as otherwise stated. Comparable Average as of September 30, 2022 and includes Gladstone GOOD REIT, Gladstone LAND REIT, CIM Commercial Trust Corporation, and Braemar Hotels & Resorts Inc.
 (1) Calculated as $\text{NII} / \text{Preferred Dividends}$ for PSEC and $(\text{Preferred Dividends} + \text{AFFO or available equivalent}) / \text{Preferred Dividends}$ for comparables.

PSEC MANAGEMENT IS SIGNIFICANTLY ALIGNED



Note: As of December 31, 2022 for PSEC. PSEC includes 9.0% share ownership through the John and Daria Barry Foundation. Comparable Average from S&P Capital IQ data as of 1/30/2023. Comparable Average includes Gladstone GOOD REIT, Gladstone LAND REIT, CIM Commercial Trust Corporation, and Braemar Hotels & Resorts Inc.

PSEC HAS A HIGHER COMMON EQUITY VALUE



Note: As of December 31, 2022. Comparable Average data as of September 30, 2022 from S&P Capital IQ and includes Gladstone GOOD REIT, Gladstone LAND REIT, CIM Commercial Trust Corporation, and Braemar Hotels & Resorts Inc.

(1) Greater of market capitalization or GAAP book value used for Common Equity.

ALTERNATIVE STRUCTURE COMPARISON

PSEC's Preferred Stock Offers More Investor Protections Than Other Alternative Offering Structures

	PSEC Preferred Stock	Interval Fund Common Stock	Non-Traded BDC Common Stock	Non-Traded REIT Common Stock	Private Placement Common Stock
Senior to First-Loss Capital	✓	✗	✗	✗	✗
Investor Yield	✓ Contractual, cumulative, and not subject to change by Board	✗ Not cumulative and can be changed by Board	✗ Not cumulative can be changed by Board	✗ Not cumulative and can be changed by Board	✗ Not cumulative and can be changed by Board
Commissions, Load, Fund Fees and Expenses	✓ Not paid by investor	✗ Typically paid by investor	✗ Typically paid by investor	✗ Typically paid by investor	✗ Typically paid by investor
Ongoing Liquidity	✓ Bi-monthly conversion into publicly traded common stock, uncapped and no queues	✗ Quarterly tender offer subject to 5% per quarter limit	✗ Quarterly tender, subject to limits imposed by Board	✗ Quarterly tender, subject to limits imposed by Board	✗ None
Par Protection	✓	✗	✗	✗	✗
Lack of Mark-to-Market Volatility	✓	✗	✗	✗	✗
Investment Grade Corporate Credit Ratings	✓	✗	✗	✗	✗

PSEC SERIES A3 PREFERRED – 6.70% ANTICIPATED ANNUAL PERCENTAGE YIELD (APY)

- 6.50% per annum dividend (paid monthly)⁽¹⁾ for PSEC’s Series A3 preferred
 - 6.70% anticipated APY⁽²⁾ (assuming dividend reinvestment) and return is **downside protected**
- More liquid⁽³⁾ and higher yield than Multi-Year Guaranteed Annuities (MYGA)
- \$4 billion of junior common equity provides **downside mitigation** for the PSEC preferred⁽⁴⁾
 - Downside protection, dividend coverage, liquidity feature⁽³⁾, and volatility reduction
- Over \$1.4 billion of aggregate liquidation preference of PSEC preferred issued across all series through February 3, 2023

Anticipated APY ⁽⁵⁾		
Investment	PSEC Series A3 Preferred ⁽⁶⁾	5 Year Fixed-Rate Guaranteed Annuities
Anticipated APY	6.70%	3.00 – 5.65%
PSEC Preferred Relative Premium		+ 1.05 - 3.70%
Ability to Hold After Year 5	Yes (at same dividend rate)	Yes (subject to changes in interest rates)
Liquidity from Day One	Yes ⁽³⁾	No (typically 0-10% liquidity per year)
Surrender Fees	Yes ⁽³⁾	Yes ⁽⁵⁾

(1) Dividend intended to be paid monthly as authorized by the Board of Directors.

(2) APY equals annualized total return from dividends. Assumes a dividend of 6.50% per annum on \$25.00 per share stated value of the Preferred Stock is declared and paid monthly and that the investment in Preferred Stock is held and not converted into common stock and exited until the 5-year anniversary. In accordance with the mathematical principles of a yield calculation, dividends are assumed to be reinvested at the stated yield.

(3) Series A shares are subject to a 5-year declining conversion fee (9%, 8%, 7%, 6%, 5%). The Company must complete the conversion request prior to the next conversion date and there are two conversions dates per month. Right of holder to convert Preferred Stock terminates upon listing of such Preferred Stock. Liquidity of PSEC common stock on NASDAQ is not guaranteed. Investors may end up receiving more or less than their initial investment after selling the PSEC common stock.

(4) Preferred shareholders are junior, however, to \$2.6 billion in debt, which is paid before preferred shareholders.

(5) For 5 Year Guaranteed Annuities, based on data from Immediateannuities.com as of 2/5/2022. 5 Year MYGA are typically subject to a 5-year declining conversion fee (9%, 8%, 7%, 6%, 5%).

(6) The Preferred Stock has been rated BBB- by Egan-Jones Ratings Company and BB by Standard & Poor’s. Corporate ratings are from Standard & Poor’s, Moody’s, Kroll, DBRS Morningstar, and Egan-Jones. Ratings current as of 2/8/2023. 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. Moody’s investment-grade credit ratings range from Aaa to Baa, and its high-yield credit ratings range from Ba to C. For S&P, Egan-Jones, Kroll, and DBRS, investment-grade credit ratings range from AAA to BBB, while high-yield credit ratings range from BB to C. High-yield is another name for non-investment-grade or junk bonds.

PSEC SERIES M3 PREFERRED – 6.70% ANTICIPATED ANNUAL PERCENTAGE YIELD (APY)

- 6.50% per annum dividend (paid monthly)⁽¹⁾ for PSEC’s Series M3 preferred
 - 6.70% anticipated APY⁽²⁾ (assuming dividend reinvestment) and return is **downside protected**
- Higher anticipated APY than one-year CDs, US Treasuries, or Money Market Mutual Funds
- \$4 billion of junior common equity provides **downside mitigation** for the PSEC preferred⁽³⁾
 - Downside protection, dividend coverage, liquidity feature⁽⁴⁾, and volatility reduction
- Over \$1.4 billion of aggregate liquidation preference of PSEC preferred issued across all series through February 3, 2023

Anticipated APY ⁽⁵⁾				
Investment	PSEC Series M3 Preferred ⁽⁶⁾	1-Year CD	Money Market Mutual Fund	1-Year US Treasury
Anticipated APY	6.70%	3.75 – 4.25%	3.25 – 4.00%	4.77%
PSEC Preferred Relative Premium		+ 2.45 – 2.95%	+ 2.70 – 3.45%	+ 1.93%
Mark-to-Market Risk	None	None	None	Yes
Ongoing Fees	None ⁽⁷⁾	None	Yes	None
Typical Early “Withdrawal” Penalty (months of payments)	1 – 3 months (None after 1 year)	3 – 6 months	None	None (but mark-to-market risk)

(1) Dividend intended to be paid monthly as authorized by the Board of Directors.

(2) APY equals annualized total return from dividends. Assumes a dividend of 6.50% per annum on \$25.00 per share stated value of the Preferred Stock is declared and paid monthly and that the investment in Preferred Stock is held and not converted into common stock and exited until the 1-year anniversary. In accordance with the mathematical principles of a yield calculation, dividends are assumed to be reinvested at the stated yield.

(3) Preferred shareholders are junior, however, to \$2.6 billion in debt, which is paid before preferred shareholders

(4) Series M shares have a 90-day dividend recapture provision in year 1. The Company may request that an investor purchasing Series M shares enter into an agreement pursuant to which such investor agrees not to convert such purchased Series M shares for an agreed period of time. The Company must complete the conversion request prior to the next conversion date and there are two conversions dates per month. Right of holder to convert Preferred Stock terminates upon listing of such Preferred Stock. Liquidity of PSEC common stock on NASDAQ is not guaranteed. Investors may end up receiving more or less than their initial investment after selling the PSEC common stock.

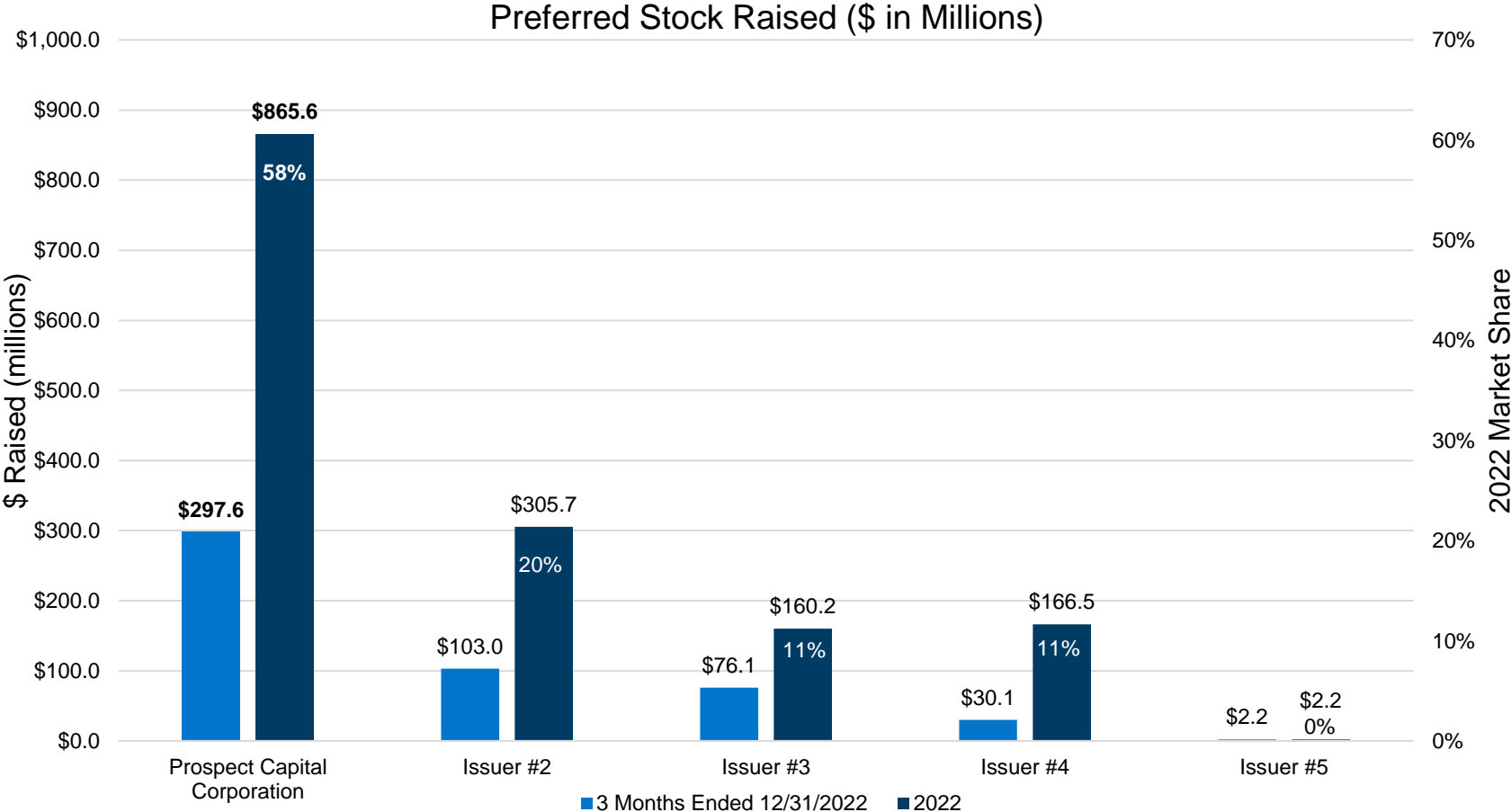
(5) For CD, based on data from Bankrate.com as of 1/31/2023. For Money Market Mutual Fund's, based on data from Bankrate.com as of 1/31/2023. For US Treasury, from Treasury.gov as of 1/30/2023 and converted to an APY using semiannual interest payment.

(6) The Preferred Stock has been rated BBB- by Egan-Jones Ratings Company and BB by Standard & Poor's. Corporate ratings are from Standard & Poor's, Moody's, Kroll, DBRS Morningstar, and Egan-Jones. Ratings current as of 2/8/2023. 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. Moody's investment-grade credit ratings range from Aaa to Baa, and its high-yield credit ratings range from Ba to C. For S&P, Egan-Jones, Kroll, and DBRS, investment-grade credit ratings range from AAA to BBB, while high-yield credit ratings range from BB to C. High-yield is another name for non-investment-grade or junk bonds.

(7) PSEC's base management fee is 2% of gross assets, which is covered by \$4B of junior common equity.

NON-TRADED PREFERRED STOCK OFFERINGS

PSEC is a Leader in Non-Traded Preferred Stock Capital Raising in 2022



Source: The Stanger Market Pulse, December 2022. Issuer #5 began sales in November 2022.

NON-CYCLICAL INVESTMENTS

Non-Cyclical investments provide insight into the composition of an investment portfolio. Non-Cyclical investments are calculated as a percentage of a total investment portfolio across the peers described below measured by fair market value.

Non-cyclicals produce or distribute a good or service with recurring demand, and therefore not correlated with the movements of the business cycle. BDC peers use varying industry classifications to define their respective portfolio's. PSEC management views the following industries as non-cyclical:

- PSEC industry classifications: Capital markets, commercial services & supplies, consumer finance, diversified consumer services, diversified financial services, diversified telecommunication services, equity real estate investment trusts (REITs), food products, health care equipment & supplies, health care providers & services, health care technology, interactive media & services, IT services, media, personal products, pharmaceuticals, professional services, software, and structured finance.
- BDC A industry classifications: Commercial services & supplies, diversified consumer services, diversified financial services, diversified telecommunication services, electric utilities, health care equipment & supplies, health care providers & services, health care technology, insurance, IT services, professional services, and software.
- BDC B industry classifications: Beverages, biotechnology, commercial services and supplies, diversified consumer services, diversified financial services, diversified telecommunications services, food and staples retailing, food products, healthcare equipment and supplies, healthcare providers and services, health care technology, household products, insurance, IT services, life sciences tools & services, media, personal products, pharmaceuticals, professional services, software, and water utilities.
- BDC C industry classifications: Advertising and media, buildings and real estate, business services, consumer products, containers and packaging, education, financial services, food and beverage, healthcare equipment and services, healthcare providers and services, healthcare technology, household products, insurance, internet software and services, investment funds and vehicles, and professional services.
- BDC D industry classifications: Software & services, healthcare services, commercial & professional services, insurance services, diversified financials, investment funds and vehicles, consumer services, media & entertainment, food & beverage, and pharmaceuticals, biotechnology & life sciences.
- BDC E industry classifications: Commercial & professional services, consumer durables & apparel, consumer services, Credit Opportunities Partners JV, diversified financials, food & staples retailing, food, beverage & tobacco, health care equipment & services, household & personal products, insurance, media & entertainment, pharmaceuticals, biotechnology & life sciences, real estate, software & services, and telecommunication services.