



Palmer Square Capital BDC Inc.

Q1 2024 Earnings Presentation

May 2024

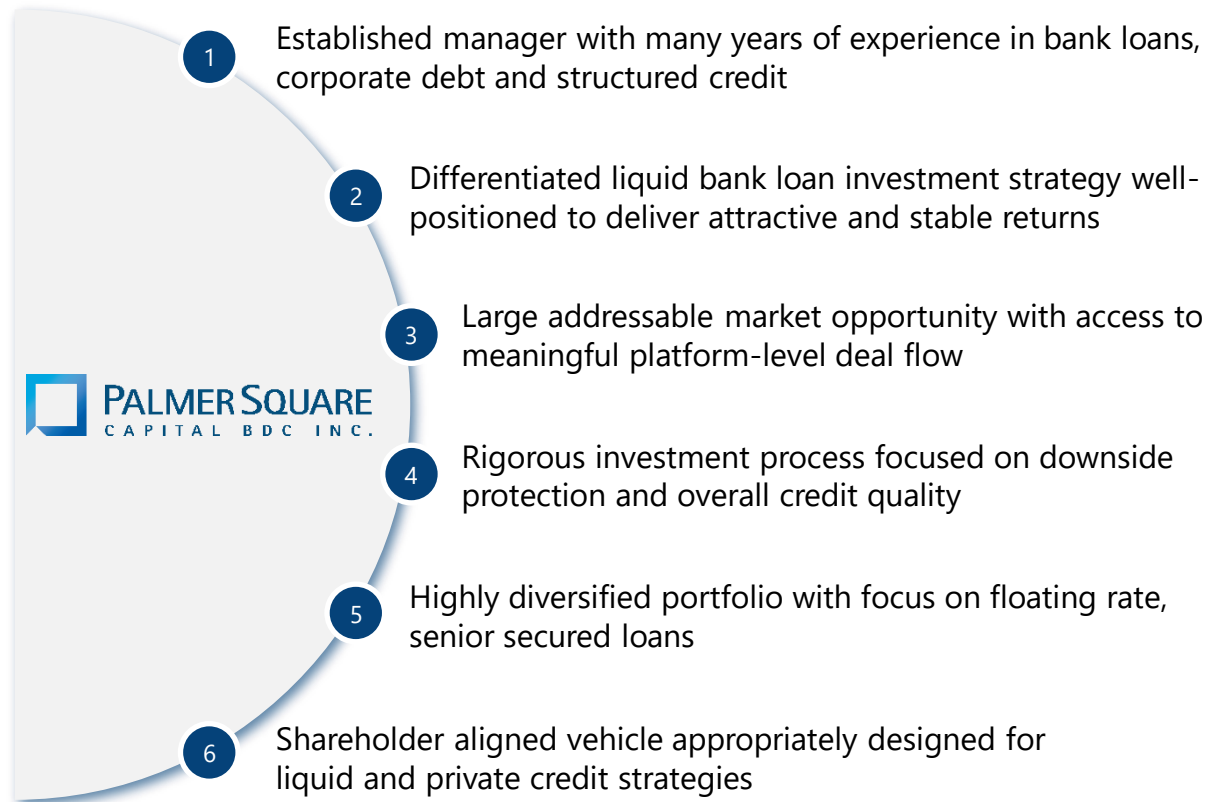
Forward-looking Statements

This presentation and any information communicated during any delivery of the presentation and any question and answer session and any document or material distributed at or in connection with the presentation (collectively, the "Presentation") may contain forward-looking statements relating to the business, operations and financial conditions of Palmer Square Capital BDC Inc. ("we", "us", "our", or the "Company"), including but not limited to current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, and other future conditions. Words such as, but not limited to, "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "objective", "outlook", "plan", "potential", "predict", "project", "should", "will", "would" or the negative of those terms, and similar expressions that convey uncertainty of future events or outcomes, identify forward-looking statements.

These forward-looking statements reflect management's beliefs and views with respect to future events and are based on estimates and assumptions as of the date of this Presentation and are subject to risks and uncertainties. Factors that may cause actual results to differ materially from current expectations include, but are not limited to: the Company's ability to identify attractive investment opportunities; changes in interest rates; regulations governing the Company's operation as a business development company; the operating results and financial condition of the Company's portfolio companies; the adequacy of the Company's protections with respect to its loan portfolio; changes in political, economic or industry conditions, the interest rate environment or conditions affecting the financial and capital markets, including the liquidity of certain banks; uncertainty surrounding the financial and political stability of the United States, the United Kingdom, the European Union and China, the conflict in the Red Sea and the conflicts between Russia and Ukraine, and between Israel and Hamas; the impact of fluctuations in interest rates and foreign exchange rates on the Company's business and its portfolio companies; rising levels of inflation, and its impact on the Company, its portfolio companies and on the industry in which the Company invests; and risks relating to economic recessions or downturns. Moreover, new risks emerge from time to time and it is not possible for management to predict all risks, nor can the Company assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. More information on these risks and other potential factors that could affect the Company's financial results, including important factors that could cause actual results to differ materially from plans, estimates or expectations included herein, is included in the Company's filings with the Securities and Exchange Commission, including the factors set forth as "Risk Factors" in the Company's annual reports on Form 10-K and quarterly reports on Form 10-Q. Given these uncertainties, you should not place undue reliance on these forward-looking statements. The Company qualifies all of the forward-looking statements in this Presentation by these cautionary statements. Except as required by law, the Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

This Presentation contains statistics and other data that has been obtained from or compiled from information made available by third-party service providers. We have not independently verified such statistics or data. This Presentation is neither an offer to sell, or a solicitation of an offer to purchase, an interest in the Company. The information presented in this Presentation is as of March 31, 2024, unless indicated otherwise.

Investment Highlights



Palmer Square Capital BDC Inc. Overview

Focused on seeking the best relative value opportunities across corporate and structured credit with a bias for high quality, short duration, liquid credits and large private credit

Key Portfolio Statistics

\$2.7B

*Invested Capital
Since Inception*

\$1.4B

*Fair Value
Investment Portfolio¹*

\$452M

*Weighted Average LTM
EBITDA²*

12.8%

*Net Investment
Income Yield³*

211

Portfolio Companies

39

Portfolio Industries

~98%

*Floating Rate Debt
Investments⁴*

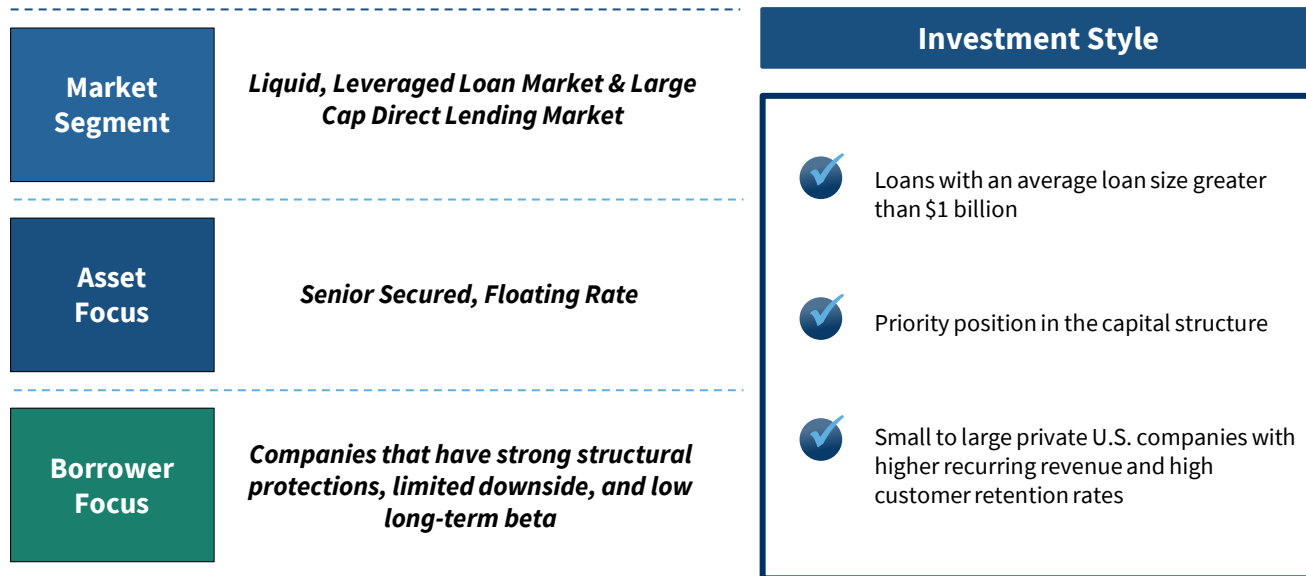
10.1%

*W.A. Yield
on Investments⁵*

Note: Data as of 3/31/2024. Data presented as a percentage of fair value, where applicable. ¹ Includes the fair value of short-term investments. ² Attributes of First Lien Borrowers. ³ Q1 2024 annualized net investment income yield as a percentage of average NAV. ⁴ As a percentage of long-term investments. ⁵ Represents a weighted average yield to maturity at fair value for all debt and income producing securities.

Investment Strategy

Attractive risk adjusted returns through a highly liquid strategy



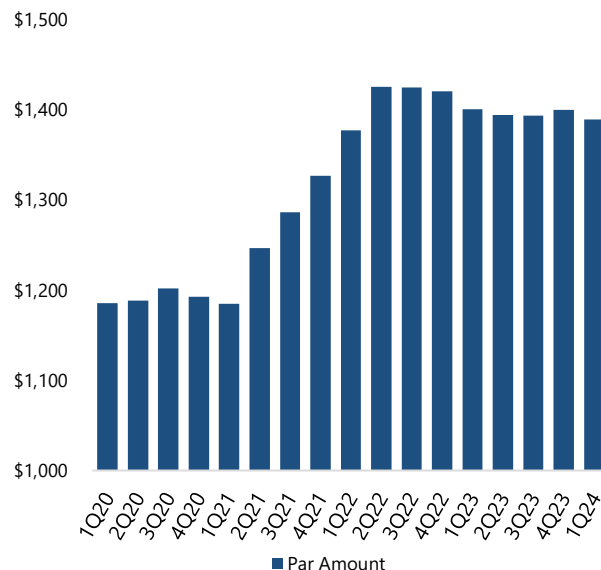
*Consistent investment philosophy throughout multiple credit environments underpinned by core competencies: **locating relative value** and granular, **bottom-up** fundamental credit analysis*

Large Addressable Market Opportunity

Strong near-and medium-term supply as issuers continue to access the market for refinancings and long-term supply as private equity dry powder gets deployed

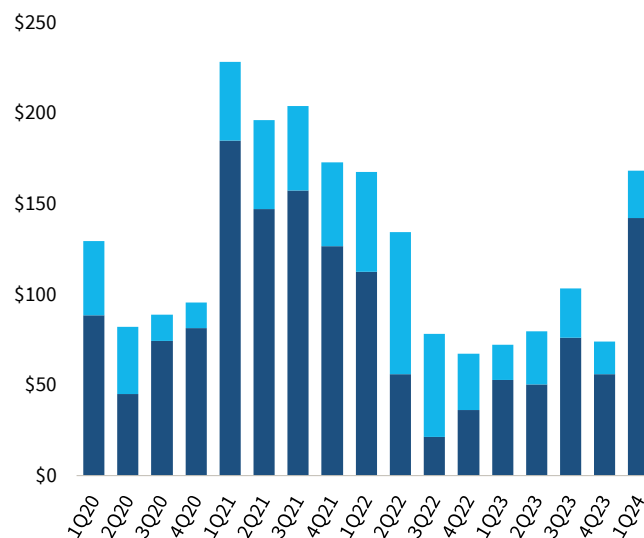
S&P/LSTA Leveraged Loan Index

\$ in Billions



U.S. Leveraged Loan Volume

\$ in Billions



Note: Data as of 3/31/2024. Source: LCD, LSTA Leveraged Loan Index.

First Quarter 2024 Highlights

Earnings

- Total investment income of \$34.8 million for the first quarter of 2024 compared to \$26.2 million for the prior year period.
- Net investment income of \$16.3 million or \$0.52 per share¹ for the first quarter of 2024 as compared to \$13.6 million or \$0.55 per share for the comparable period last year.
- Net asset value of \$17.16 per share as of March 31, 2024, compared to \$17.04 per share as of December 31, 2023.
- Paid cash distributions to stockholders totaling \$0.49 per share for the first quarter of 2024.

Portfolio Activity

- As of March 31, 2024, total portfolio of long-term investments was \$1.3 billion at fair value, with 256 investments in 211 portfolio companies.
- As of March 31, 2024, 98% of the investments were at floating rates and there were no long-term investment loans on non-accrual status.
- As of March 31, 2024, weighted average total yield to maturity of debt and income producing securities at fair value and amortized cost was 10.11% and 9.12%, respectively.
- New investments funded of \$346.5 million across 36 new investments for the first quarter of 2024 with \$69.6 million aggregate principal amount in sales and repayments.

Balance Sheet

- As of March 31, 2024, total assets were \$1.4 billion, and total net assets were \$558.5 million.
- Debt-to-equity ratio² as of March 31, 2024, was 1.42x, compared to 1.39x at the end of Q4 2023.
- Available liquidity, consisting of cash and undrawn capacity on credit facilities, was approximately \$110.0 million as of March 31, 2024, compared to \$30.8 million of undrawn investment commitments.

Recent Developments

- On April 24, 2024, PSBD, along with Bank of America as arranging partner, priced Palmer Square BDC CLO I, a \$400.5 million CLO secured by broadly syndicated loans held by PSBD. The CLO will have a reinvestment period through 2029 and will mature in 2037, with flexibility to refinance if spreads tighten in the future. The offering is scheduled to close on May 23, 2024.
- Approved a base quarterly dividend distribution of \$0.42 per share in conjunction with a quarterly supplemental dividend each quarter of at least 50% of net investment income above the base distribution.
- After quarter end, one loan, representing approximately 15 basis points of our total investments at fair value, has been moved to non-accrual status. In the first quarter, we moved three names off our watchlist as credit performance improved.
- On May 7, 2024, PSBD's Board of Directors declared a second quarter regular distribution of \$0.42 per share payable on July 16, 2024, to shareholders of record as of June 28, 2024.

¹ Calculated using weighted average outstanding shares over the period. ² Net of deferred financing costs and accrued interest.

Financial and Portfolio Highlights

(\$ in thousands, except per share data)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Net Investment Income Per Share ¹	\$0.55	\$0.56	\$0.57	\$0.58	\$0.52
Net Investment Income	\$13,593	\$14,200	\$14,804	\$15,391	\$16,318
Dividends Per Share Earned ²	\$0.52	\$0.54	\$0.56	\$0.54	\$0.49
Net Asset Value Per Share	\$16.12	\$16.55	\$16.76	\$17.04	\$17.16
Total Portfolio At Fair Value	\$1,042,644	\$1,062,844	\$1,104,713	\$1,108,811	\$1,393,192
Number Of Portfolio Companies	169	177	184	191	211
Portfolio Yield ³	11.25%	11.40%	11.27%	10.51%	10.11%
Senior Secured Loan ⁴	96%	97%	97%	96%	96%
Investments On Non-Accruals	-	-	-	-	-
Total Return ⁵	7.75%	5.90%	7.97%	4.88%	3.70%
Net Assets	\$402,636	\$426,529	\$446,860	\$461,955	\$558,537
Debt Outstanding, Net ⁶	\$616,414	\$627,365	\$632,549	\$641,829	\$795,185
Debt To Equity, Period End ⁶	1.53x	1.47x	1.42x	1.39x	1.42x

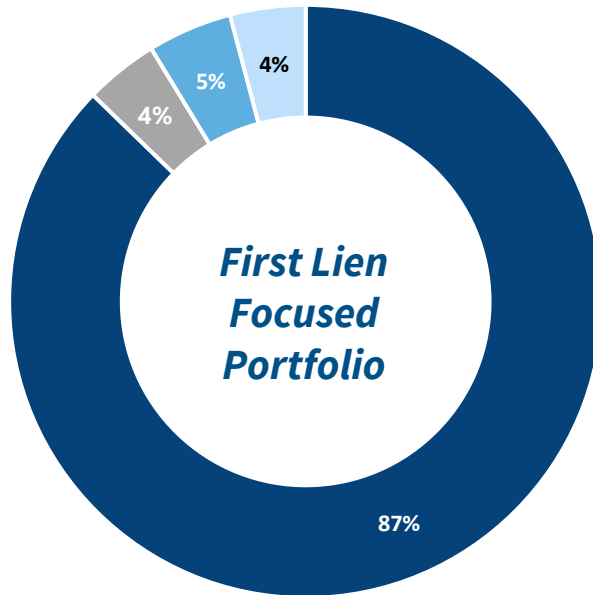
¹ Calculated using weighted average common shares outstanding over the period. ² Dividend amount reflects dividend earned in period. ³ Weighted average total yield of debt and income producing securities at fair value. ⁴ As a percentage of long-term investments, at fair value. ⁵ Calculated as ending NAV per share plus dividends in the period, divided by the prior period NAV. Total return is not annualized. ⁶ Net of deferred financing costs and accrued interest.

New Portfolio and Investment Activity

(\$ in thousands, except per share data)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
New Investments ¹					
Gross Investments	\$63,458	\$46,673	\$78,272	\$85,331	\$346,483
Less: Sold Investments	(\$102,139)	(\$33,815)	(\$58,481)	(\$52,648)	(\$69,556)
Total New Investments	(\$38,681)	\$12,858	\$19,791	\$32,683	\$276,926
Asset Mix - New Investments ¹					
First-Lien Senior Secured Debt Investments	100.00%	100.00%	95.07%	96.95%	90.08%
Second-Lien Senior Secured Debt Investments	-	-	4.93%	-	3.12%
Corporate Bonds	-	-	-	3.05%	-
Convertible Bonds	-	-	-	-	-
Collateralized Securities And Structured Products	-	-	-	-	6.80%
CLO Equity	-	-	-	-	-
Common Stock	-	-	-	-	-
New Investment Activity ²					
Number Of New Investment Commitments	15	13	20	30	36
Average New Investment Commitment Amount	\$3,742.31	\$4,118.54	\$2,889.09	\$4,172.96	\$4,052.06
W.A. Maturity For New Investment Commitments	5.52 years	5.26 years	5.61 years	5.39 years	6.18 years
New Debt Commitments At Floating Rates	100.00%	100.00%	100.00%	97.60%	100.00%
New Debt Investment Commitments At Fixed Rates	-	-	-	2.40%	-
W.A. Interest Rate Of New Investment Commitments	9.71%	10.15%	10.00%	10.03%	10.19%

¹ New investments and asset mix calculated at amortized cost. ² New investment activity calculated at fair value.

Portfolio Overview – Asset Mix



■ First Lien ■ Second Lien ■ Short-Term Investments ■ Other¹

Borrower Attributes²

\$452M

Wtd Average
LTM EBITDA

5.3x

Wtd Average 1st
Lien Leverage

2.2x

W.A. Interest
Coverage

PSBD Portfolio Attributes

96%

Senior Secured
Investments³

~\$5M

Average Hold⁴

98%

Floating Rate³

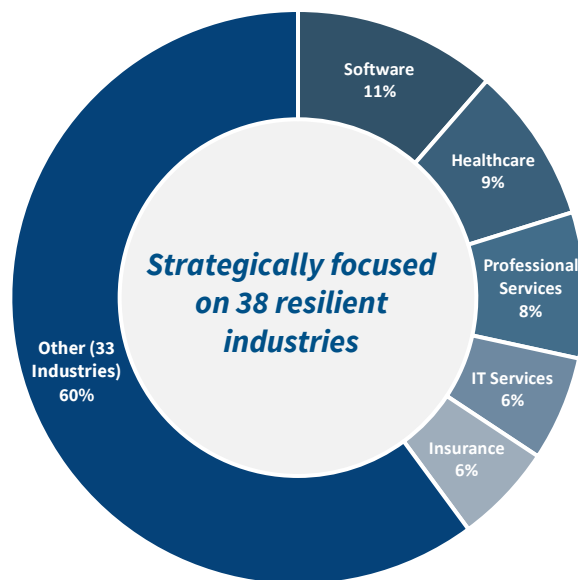
Focus on liquid loans and large private credit to high-quality companies with strong fundamentals in order to drive strong credit outcomes.

Note: Data as of 3/31/2024. Portfolio mix as a percentage of total income producing securities at fair value. ¹ Other includes Corporate Bonds, CLO Mezzanine and CLO Equity.

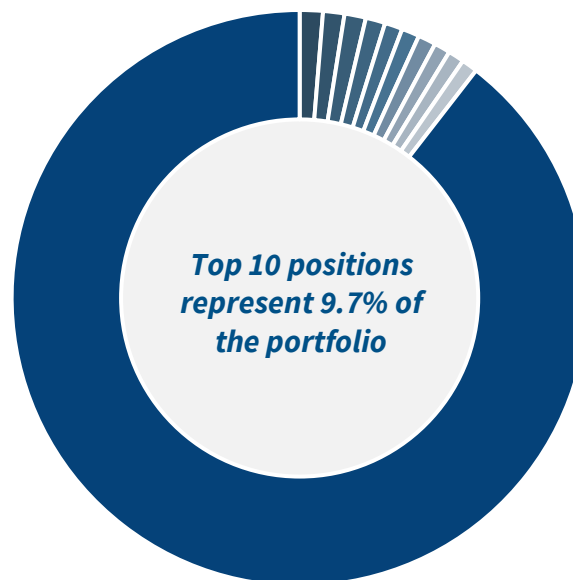
² Attributes of First Lien Borrowers. ³ As a percentage of long-term investments. ⁴ Average hold size of first and second lien investments at fair value.

Portfolio Highlights – Diversification

Industry Diversification



Borrower Concentration

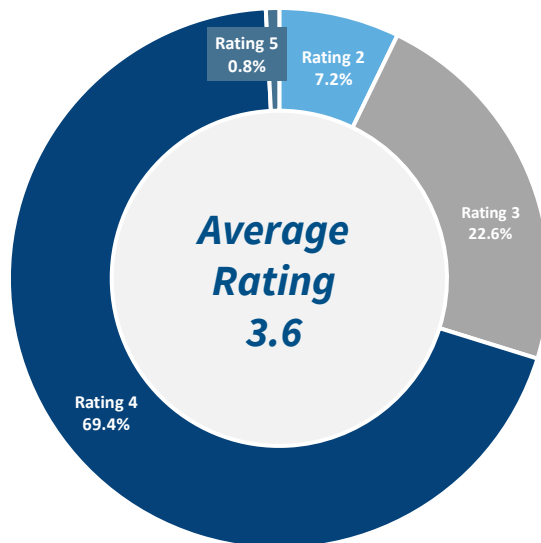


*Highly diversified portfolio by industry and borrower,
oriented towards first lien senior secured loans*

Note: Data as of 3/31/2024. Portfolio industry diversification and borrower concentration as a percentage of total income producing securities at fair value.

PSBD Internal Rating System

- As of March 31, 2024, zero investments were on non-accrual status and the weighted average internal rating of the portfolio at fair value was 3.6.



Relative Value Scoring System Criteria

- Positions assigned a score of 5 to 1, updated on an ongoing basis
- Analysts incorporate both a fundamental and relative value view

The scoring system is as follows:

- (5) Add Now Where Possible/Outperforming or Compelling Relative Value
- (4) Performing At or Above Plan/Add on Relative Where Applicable
- (3) Hold/Fair Value
- (2) Sell Opportunistically/Don't Add
- (1) Sell Now Where Possible/Potential for Impairment

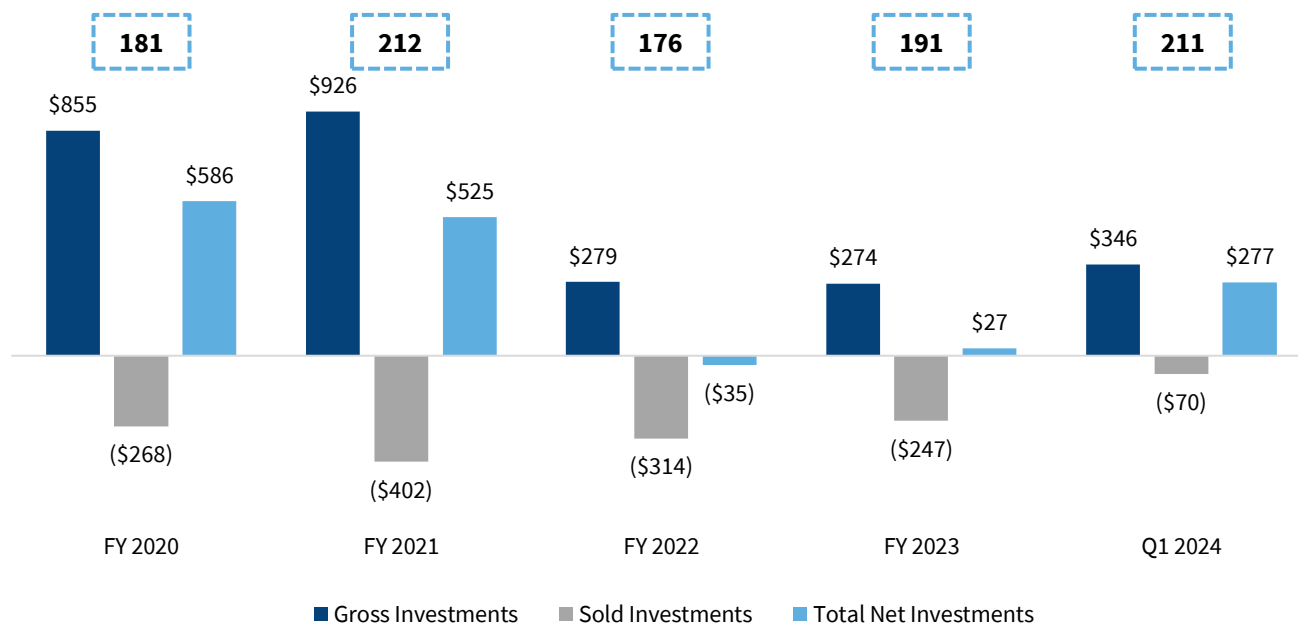
Liquid nature of the portfolio allows for monthly NAV strikes and provides greater transparency into portfolio fair value

Net Asset Value Per Share Bridge



Investment Fundings Since Inception

**Portfolio
companies**



Liquid nature of the portfolio preserves optionality and allows for opportunistic investments

Note: Data as of 3/31/2024. Investment activity shown in \$ millions, calculated at amortized cost.

Palmer Square BDC CLO I – \$400.5 Million

- On April 24, 2024, PSBD along with Bank of America as arranging partner, priced Palmer Square BDC CLO I (“PSBD CLO”), a \$400.5 million CLO secured by broadly syndicated loans held by PSBD.
- Represents the first BDC CLO secured by broadly syndicated loans (BSLs).
- This unique issuance demonstrates PSBD’s value proposition and ability to utilize the broader strength of the Palmer Square platform across the globe to execute innovative and attractive financing transactions to drive enhanced returns for shareholders.

Palmer Square BDC CLO 1 Ltd. (Palmer Square Capital BDC Inc.)				
Class	Size (\$M)	Rating (S&P)	Coupon (bps)	Discount Margin (bps)
A	232.0	AAA	S+160	160
B-1	58.0	AA	S+215	215
B-2 (fixed)	10.0	AA	6.33%	
Equity	100.5			

Source: Market sources

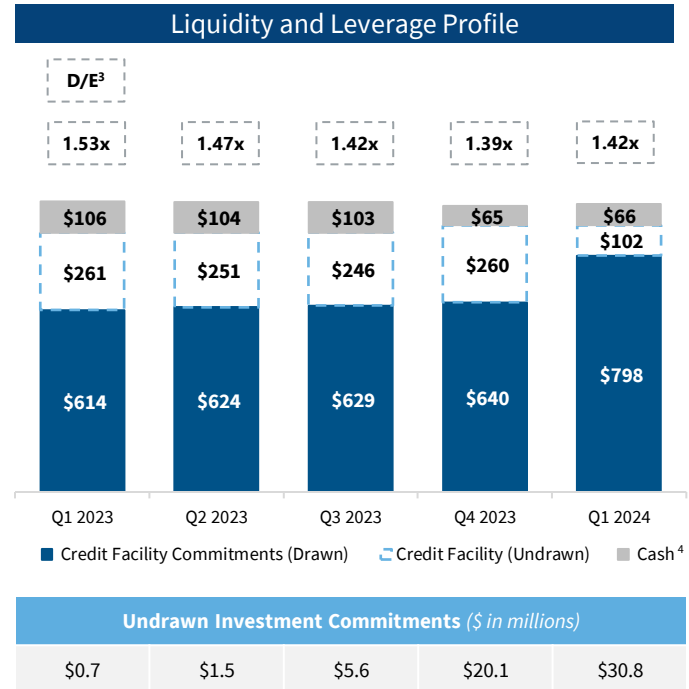
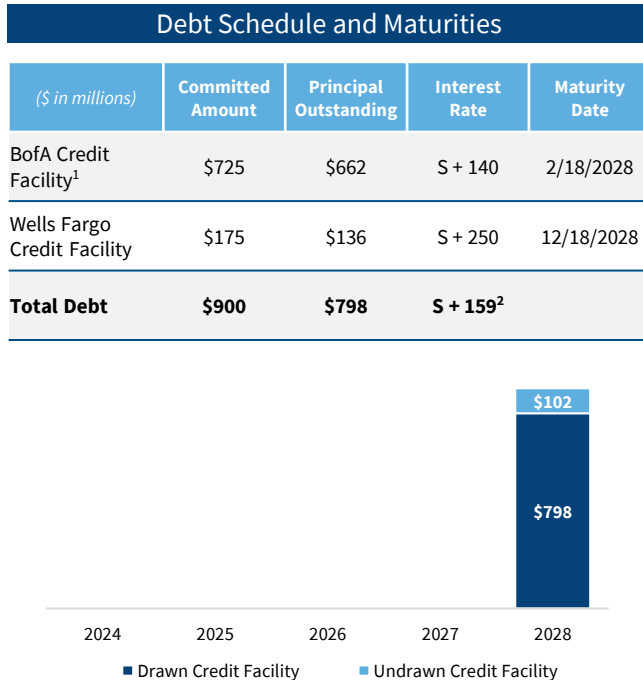
- PSBD will use the PSBD CLO as a source of long-term balance sheet financing of its portfolio investments¹.

Term based CLO financing with a reinvestment period through 2029, ability to refinance if spreads tighten, and final maturity in 2037

¹ In connection with the closing of the offering, PSBD will transfer broadly syndicated loans (the “Collateral Loans”) held by it to PSBD CLO and receive the equity and economic residual interests in PSBD CLO in partial consideration thereof. In turn, PSBD CLO will issue notes secured by the Collateral Loans held by it to one or more institutional investors. The net cash proceeds from the sale of the notes by PSBD CLO are then used by PSBD CLO to pay PSBD for the balance of the purchase price of the Collateral Loans.

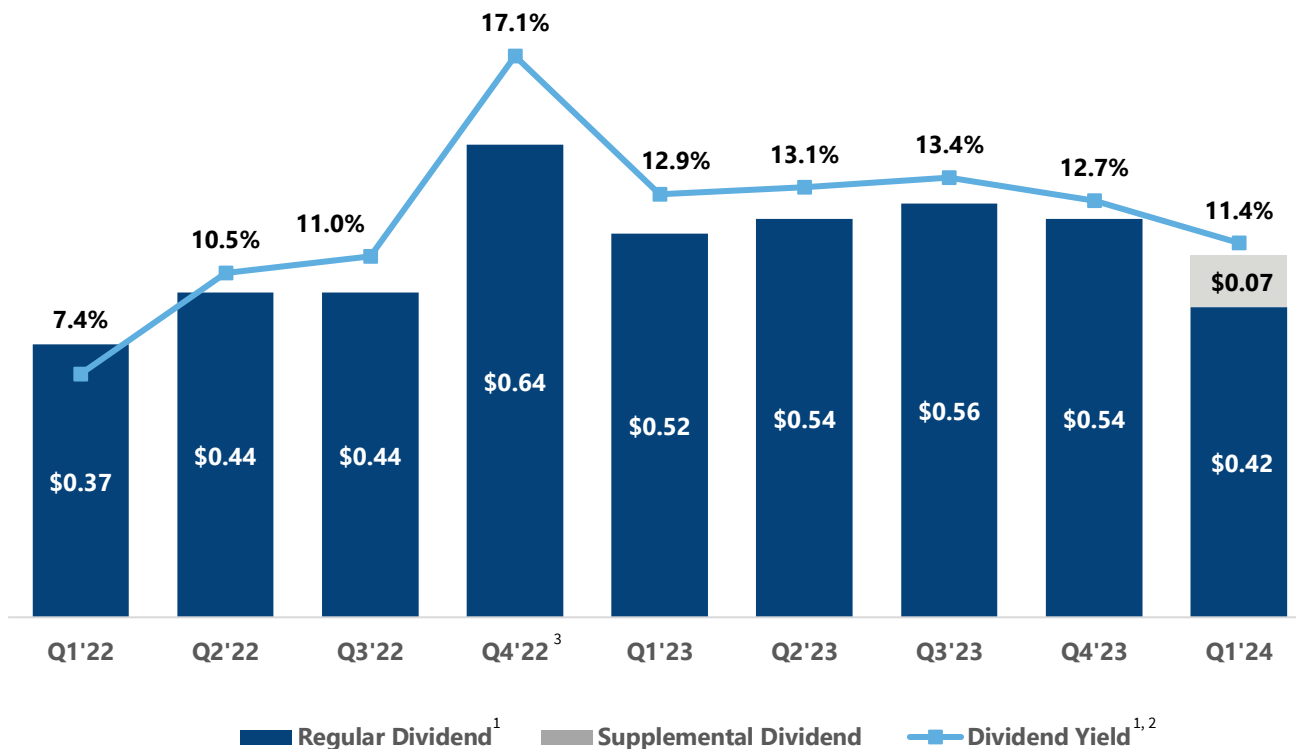
Debt Obligations and Maturity Ladder

- Attractive non-mark to market financing terms with high-quality financing partners and substantial capacity to invest.



Note: As of 3/31/2024. ¹ Committed amount and maturity date reflect the amended terms as of March 29, 2024. ² Blended rate across the two facilities. ³ D/E (debt-to-equity) calculated net of deferred financing costs and accrued interest. ⁴ Includes cash & cash equivalents and short-term investments.

Historical Quarterly Earned Dividends & Yield



Note: As of 3/31/2024. ¹ Dividend amount reflects dividend earned in period. ² Dividend yield calculated by dividing the latest annualized quarterly dividend by the respective NAV per share at quarter end. ³ Dividend includes \$0.04 of capital gains and \$0.07 of spillover income for Q4 2022.

Quarterly Statements of Financial Condition

(\$ in thousands, except per share data)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Assets					
Investments (At Fair Value)	\$1,042,644	\$1,062,844	\$1,104,713	\$1,108,811	\$1,393,192
Cash And Cash Equivalents	\$6,242	\$6,737	\$3,411	\$2,117	\$8,255
Receivables And Other	\$11,365	\$12,043	\$16,680	\$10,887	\$11,094
Total Assets	\$1,060,252	\$1,081,623	\$1,124,803	\$1,121,815	\$1,412,542
Liabilities					
Credit Facilities, Net	\$616,414	\$627,365	\$632,549	\$641,829	\$795,185
Payables	\$40,080	\$26,809	\$44,494	\$16,963	\$57,876
Accrued Other G&A Expenses	\$1,122	\$921	\$901	\$1,068	\$944
Total Liabilities	\$657,616	\$655,095	\$677,944	\$659,859	\$854,005
Net Assets					
Total Net Assets	\$402,636	\$426,529	\$446,860	\$461,955	\$558,537
Total Liabilities And Net Assets	\$1,060,252	\$1,081,623	\$1,124,803	\$1,121,815	\$1,412,542
Net Asset Value Per Share					
Net Asset Value Per Share	\$16.12	\$16.55	\$16.76	\$17.04	\$17.16
Debt To Equity At Quarter End ¹	1.53x	1.47x	1.42x	1.39x	1.42x

¹ Calculated net of deferred financing costs and accrued interest.

Quarterly Operating Results Detail

(\$ in thousands, except per share data)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Investment Income					
Interest Income	\$25,453	\$26,167	\$27,324	\$28,796	\$33,260
Dividend Income	\$677	\$1,142	\$1,297	\$951	\$1,255
Other Income	\$56	\$133	\$153	\$76	\$270
Total Investment Income	\$26,186	\$27,442	\$28,774	\$29,823	\$34,785
Expense					
Incentive Fees	-	-	-	-	\$1,925
Interest Expense	\$10,322	\$10,875	\$11,501	\$11,786	\$13,179
Management Fees	\$1,912	\$2,046	\$2,198	\$2,252	\$2,416
Professional Fees	\$212	\$207	\$144	\$230	\$238
Directors Fees	\$18	\$19	\$19	\$19	\$37
Other General And Administrative Expenses	\$367	\$351	\$384	\$427	\$722
Total Expenses	\$12,832	\$13,497	\$14,244	\$14,713	\$18,517
Less: Management Fee Waiver	(\$239)	(\$256)	(\$275)	(\$282)	(\$51)
Net Investment Income	\$13,593	\$14,200	\$14,804	\$15,391	\$16,318
Total Net Realized Gains/(Losses)					
	(\$317)	(\$3)	(\$2,104)	(\$292)	(\$1,736)
Total Net Change In Unrealized Gains/(Losses)					
	\$14,813	\$9,743	\$21,153	\$6,855	\$8,298
Total Realized & Unrealized Gains/(Losses)					
	\$14,496	\$9,741	\$19,049	\$6,563	\$6,562
Net Increase/(Decrease) In Net Assets					
	\$28,088	\$23,941	\$33,853	\$21,954	\$22,880
Shares Outstanding (MM)					
	25	26	27	27	32
Net Investment Income Per Share ¹					
	\$0.55	\$0.56	\$0.57	\$0.58	\$0.52

¹ Calculated using weighted average shares outstanding over the period.



PALMER SQUARE
CAPITAL BDC INC.™

Investor Relations

Investors@palmersquarebdc.com