Palmer Square Capital BDC Inc.

Q2 2024 Earnings Presentation

August 2024

Forward-looking Statements

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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 June 30, 2024, unless indicated otherwise.

Investment Highlights

1. Established manager with many years of experience in bank loans, corporate debt and structured credit
2. Differentiated liquid bank loan investment strategy well-positioned to deliver attractive and stable returns
3. Large addressable market opportunity with access to meaningful platform-level deal flow
4. Rigorous investment process focused on downside protection and overall credit quality
5. Highly diversified portfolio with focus on floating rate, senior secured loans
6. Shareholder aligned vehicle appropriately designed for liquid and private credit strategies

PALMER SQUARE CAPITAL BDC INC.

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

$2.9B *Invested Capital Since Inception*	**$1.4B** *Fair Value Investment Portfolio*[1]	**$451M** *Weighted Average LTM EBITDA*[2]	**11.4%** *Net Investment Income Yield*[3]
209 *Portfolio Companies*	**39** *Portfolio Industries*	**~98%** *Floating Rate Debt Investments*[4]	**9.8%** *W.A. Yield on Investments*[5]

Note: Data as of 6/30/2024. 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] *Q2 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

Market Segment	***Liquid, Leveraged Loan Market & Large Cap Direct Lending Market***
Asset Focus	***Senior Secured, Floating Rate***
Borrower Focus	***Companies that have strong structural protections, limited downside, and low long-term beta***

Investment Style

- Loans with an average loan size greater than $1 billion
- Priority position in the capital structure
- Small to large private U.S. companies with higher recurring revenue and high customer retention rates

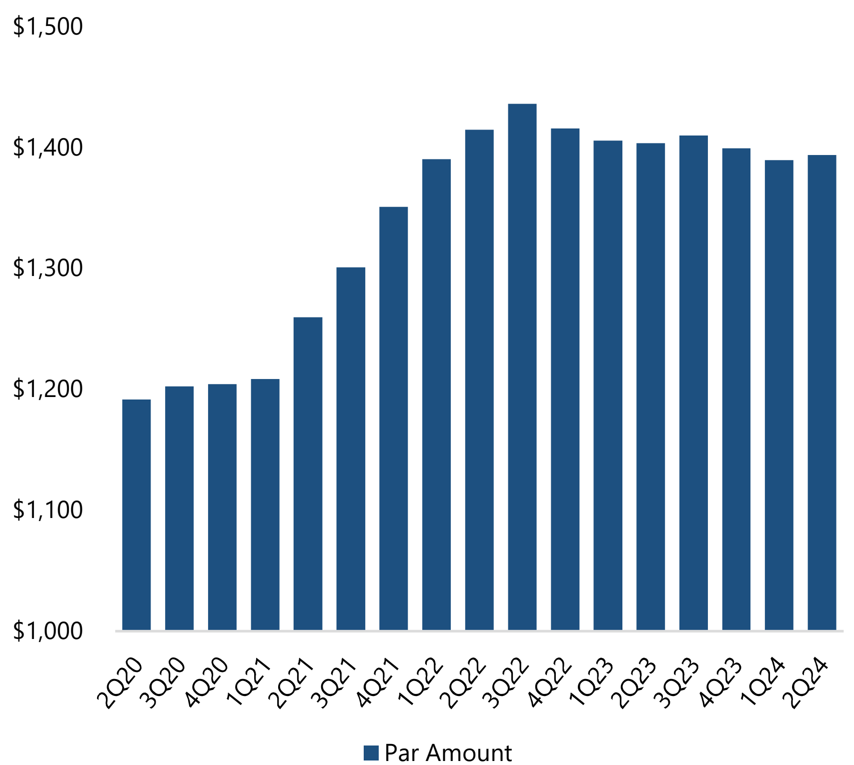
*Consistent investment philosophy throughout multiple credit environments underpinned by core competencies: **locating relative value** and granular, **bottom-up** fundamental credit analysis*

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

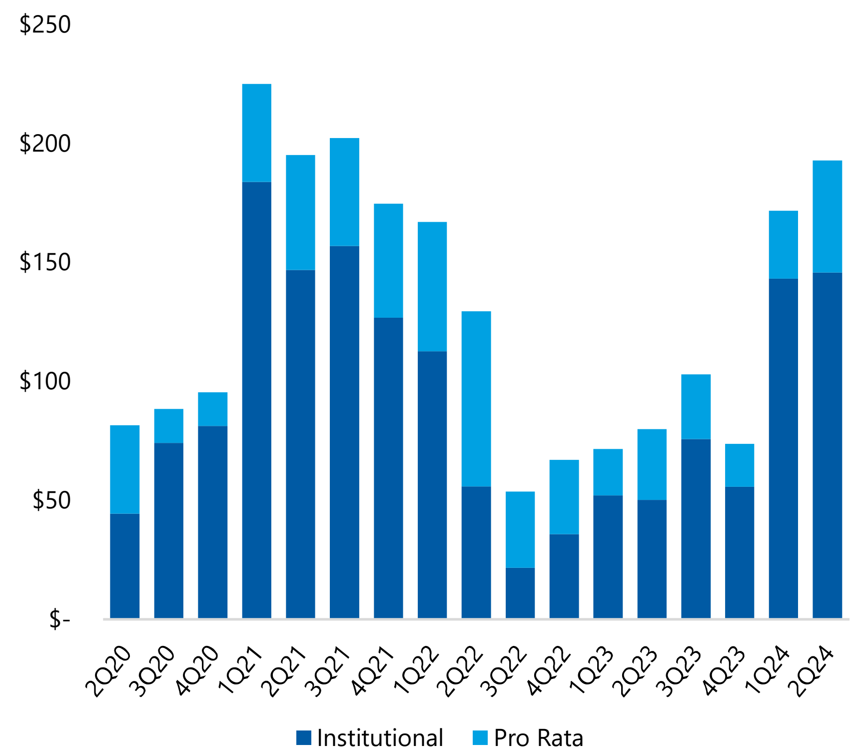
S&P/LSTA Leveraged Loan Index

$ in Billions



U.S. Leveraged Loan Volume

$ in Billions



Note: Data as of 6/30/2024. Source: LCD, LSTA Leveraged Loan Index.

Second Quarter 2024 Highlights

Earnings	• Total investment income of $36.5 million for the second quarter of 2024 compared to $27.4 million for the prior year period. • Net investment income of $15.8 million or $0.48 per share[1] for the second quarter of 2024 as compared to $14.2 million or $0.56 per share for the comparable period last year. • Net asset value of $16.85 per share as of June 30, 2024, compared to $17.16 per share as of March 31, 2024. • Paid cash distributions to stockholders totaling $0.47 per share for the second quarter of 2024.
Portfolio Activity	• As of June 30, 2024, total portfolio of long-term investments was $1.4 billion at fair value, with 256 investments in 209 portfolio companies. • As of June 30, 2024, 98% of the investments were at floating rates and there were no long-term investment loans on non-accrual status. • As of June 30, 2024, weighted average total yield to maturity of debt and income producing securities at fair value and amortized cost was 9.82% and 8.80%, respectively. • New investments funded of $189.3 million across 24 new investments for the second quarter of 2024 with $140.0 million aggregate principal amount in sales and repayments.
Balance Sheet	• As of June 30, 2024, total assets were $1.5 billion, and total net assets were $549 million. • Debt-to-equity ratio[2] as of June 30, 2024, was 1.49x, compared to 1.42x at the end of Q1 2024. • Available liquidity, consisting of cash and undrawn capacity on credit facilities, was approximately $192.0 million as of June 30, 2024, compared to $30.0 million of undrawn investment commitments.
Other Highlights	• On May 23, 2024, PSBD, along with BofA as partner, closed 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 mature in 2037, with flexibility to refinance if spreads tighten in the future. • PSBD's loan to ConvergeOne was moved to non-accrual status in April 2024, and PSBD subsequently worked with the company to restructure the loan before quarter end. PSBD recorded a realized loss in the month of June as part of the restructuring and reversal of unrealized losses. • PIK income as a percentage of total investment income for the second quarter of 2024 remains low at approximately 0.5%, significantly below industry averages.
Recent Developments	• On August 8, 2024, PSBD's Board of Directors declared a third quarter regular distribution of $0.42 per share payable on October 14, 2024, to shareholders of record as of September 27, 2024. PSBD expects to announce an additional quarterly supplemental dividend distribution for the third quarter of 2024 in September.

[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)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Net Investment Income Per Share [1]	$0.56	$0.57	$0.58	$0.52	$0.48
Net Investment Income	$14,200	$14,804	$15,391	$16,318	$15,758
Dividends Per Share Earned [2]	$0.54	$0.56	$0.54	$0.49	$0.47
Net Asset Value Per Share	$16.55	$16.76	$17.04	$17.16	$16.85
Total Portfolio At Fair Value	$1,062,844	$1,104,713	$1,108,811	$1,393,192	$1,431,577
Number Of Portfolio Companies	177	184	191	211	209
Portfolio Yield [3]	11.40%	11.27%	10.51%	10.11%	9.82%
Senior Secured Loan [4]	97%	97%	96%	96%	96%
Investments On Non-Accruals	-	-	-	-	-
Total Return [5]	5.90%	7.97%	4.88%	3.70%	4.73%
Net Assets	$426,529	$446,860	$461,955	$558,537	$548,790
Debt Outstanding, Net [6]	$627,365	$632,549	$641,829	$795,185	$820,390
Debt To Equity, Period End [6]	1.47x	1.42x	1.39x	1.42x	1.49x

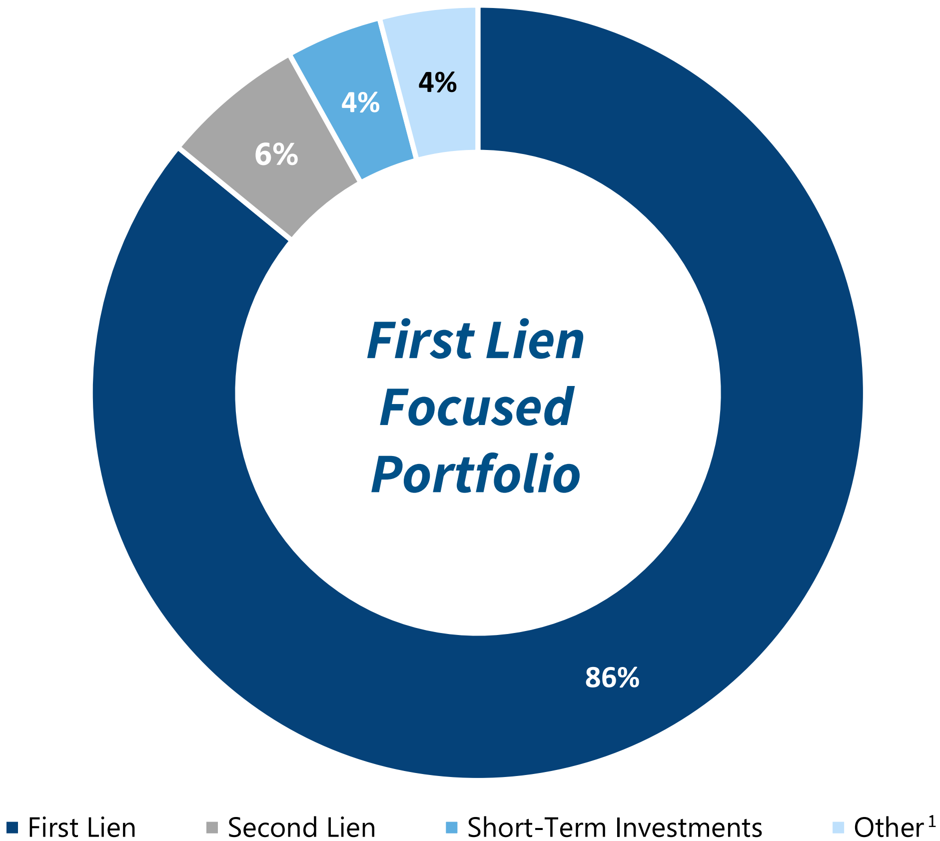
[1] Calculated using weighted average common shares outstanding over the period. [2] Dividend amount reflects dividend earned in period. [3] Weighted average total yield of debt and income producing securities at fair value. [4] As a percentage of long-term investments, at fair value. [5] Calculated 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)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
New Investments [1]					
Gross Investments	$46,673	$78,272	$85,331	$346,483	$189,301
Less: Sold Investments	($33,815)	($58,481)	($52,648)	($69,556)	($140,027)
Total New Investments	**$12,858**	**$19,791**	**$32,683**	**$276,926**	**$49,274**
Asset Mix - New Investments [1]					
First-Lien Senior Secured Debt Investments	100.00%	95.07%	96.95%	90.08%	80.58%
Second-Lien Senior Secured Debt Investments	-	4.93%	-	3.12%	16.60%
Corporate Bonds	-	-	3.05%	-	2.16%
Convertible Bonds	-	-	-	-	-
Collateralized Securities And Structured Products	-	-	-	6.80%	-
CLO Equity	-	-	-	-	-
Common Stock	-	-	-	-	0.66%
New Investment Activity [2]					
Number Of New Investment Commitments	13	20	30	36	24
Average New Investment Commitment Amount	$4,118.54	$2,889.09	$4,172.96	$4,052.06	$5,575.30
W.A. Maturity For New Investment Commitments	5.26 years	5.61 years	5.39 years	6.18 years	6.05 years
New Debt Commitments At Floating Rates	100.00%	100.00%	97.60%	100.00%	97.01%
New Debt Investment Commitments At Fixed Rates	-	-	2.40%	-	2.99%
W.A. Interest Rate Of New Investment Commitments	10.15%	10.00%	10.03%	10.19%	9.96%

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

Portfolio Overview – Asset Mix



Borrower Attributes[2]

$451M Wtd Average LTM EBITDA	**5.3x** Wtd Average 1st Lien Leverage	**2.1x** W.A. Interest Coverage

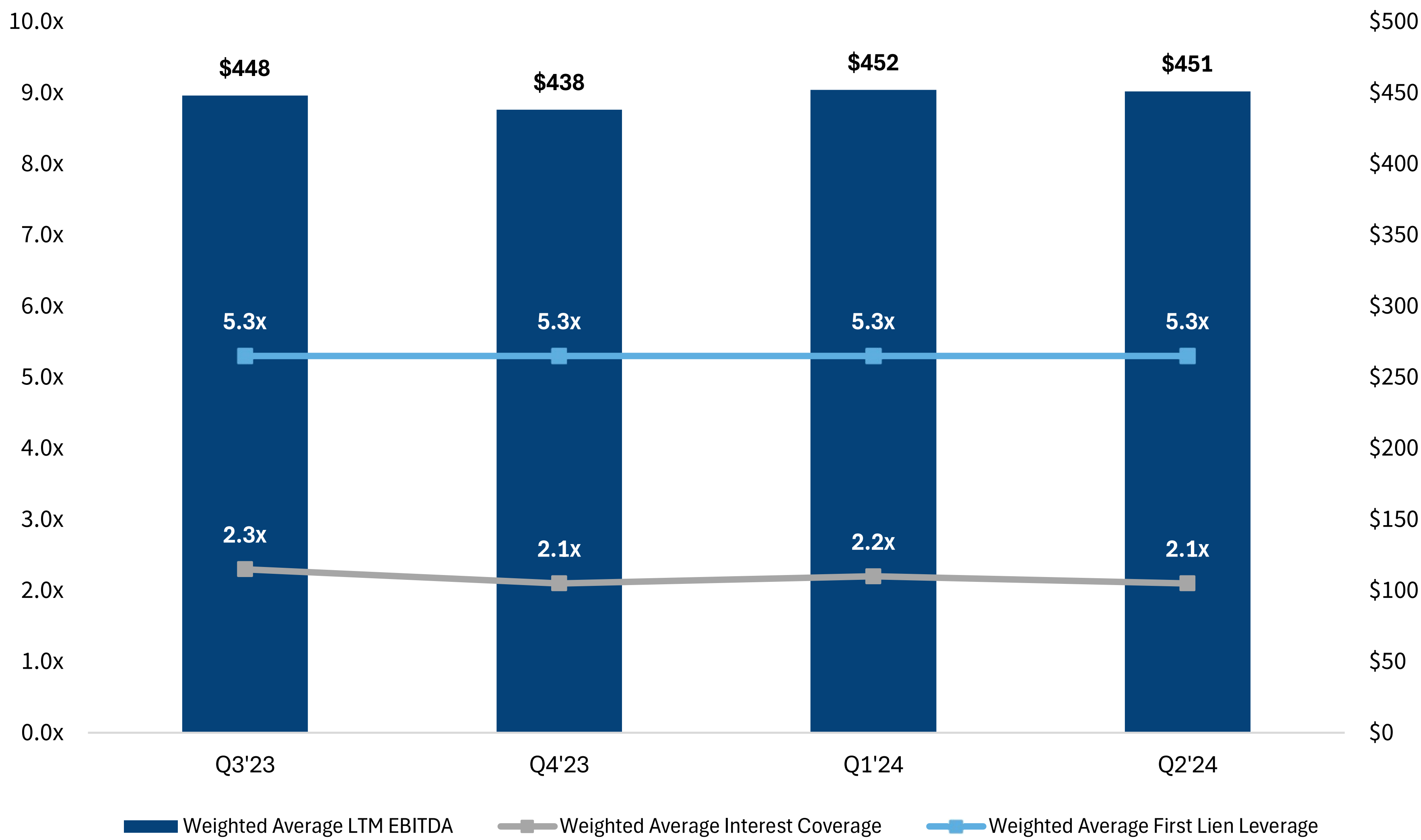
PSBD Portfolio Attributes

96% Senior Secured Investments[3]	**~$6M** Average Hold[4]	**98%** Floating Rate[3]

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 6/30/2024. 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.

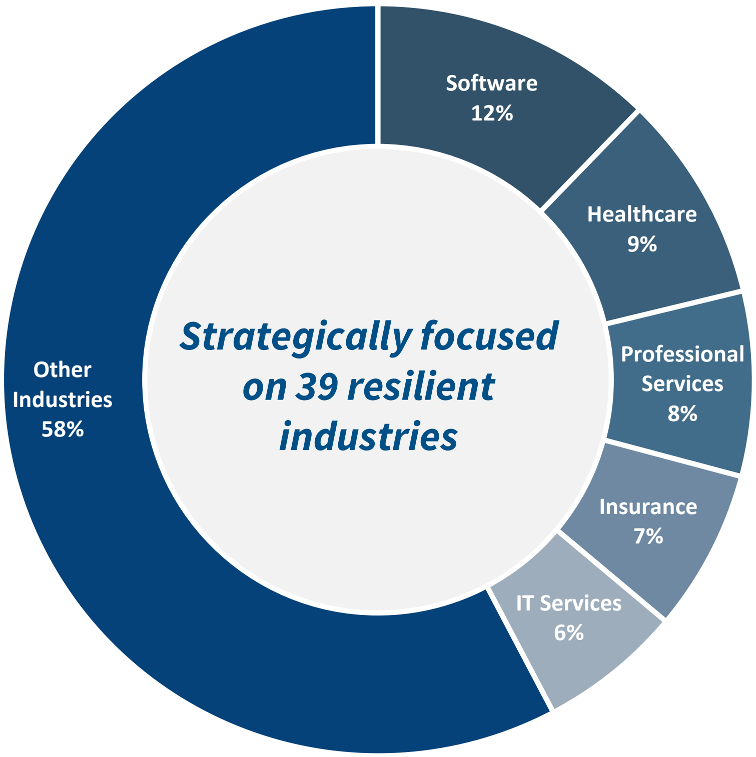
Portfolio Company EBITDA & Credit Statistics



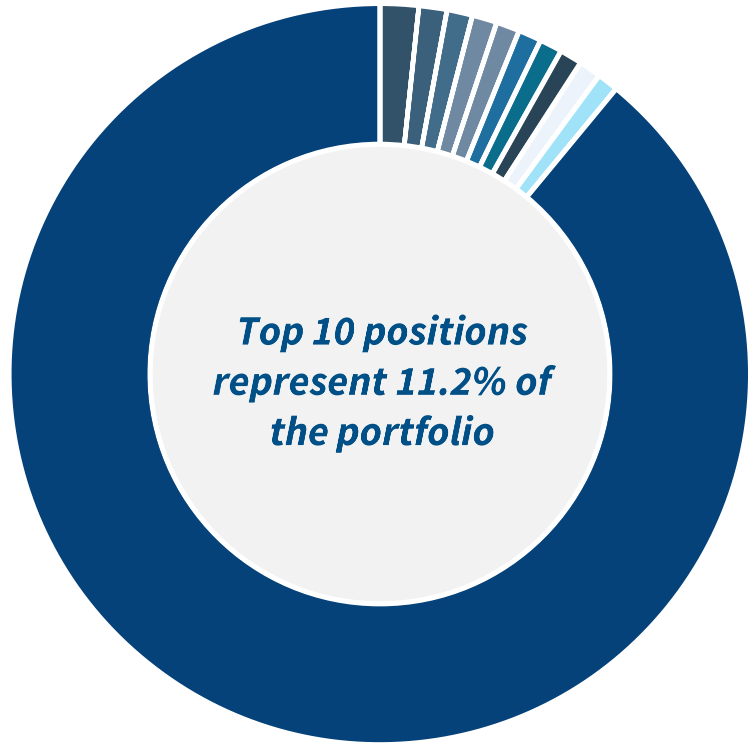
Note: As of 6/30/2024.

Portfolio Highlights – Diversification

Industry Diversification



Borrower Concentration

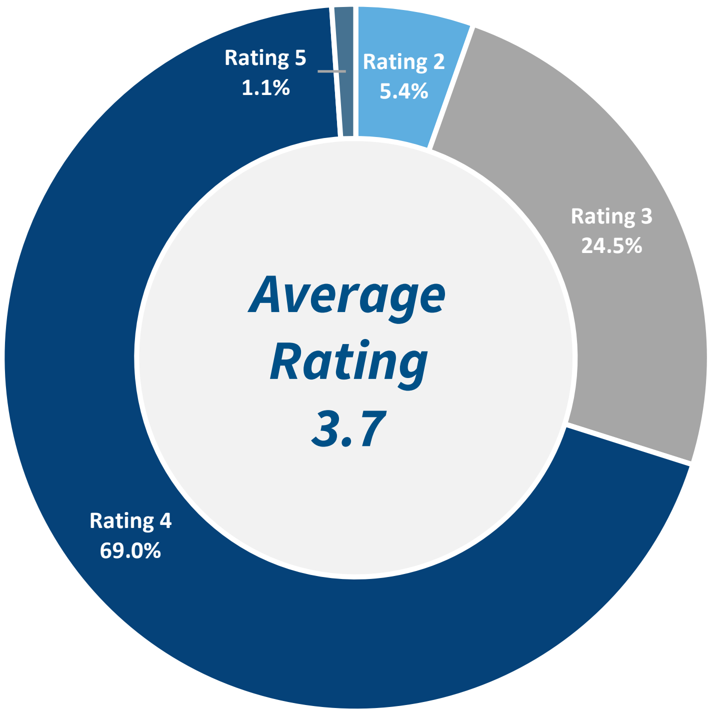


Highly diversified portfolio by industry and borrower, oriented towards first lien senior secured loans

Note: Data as of 6/30/2024. Portfolio industry diversification and borrower concentration as a percentage of total income producing securities at fair value.

PSBD Internal Rating System

- As of June 30, 2024, zero investments were on non-accrual status and the weighted average internal rating of the portfolio at fair value was 3.7.



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

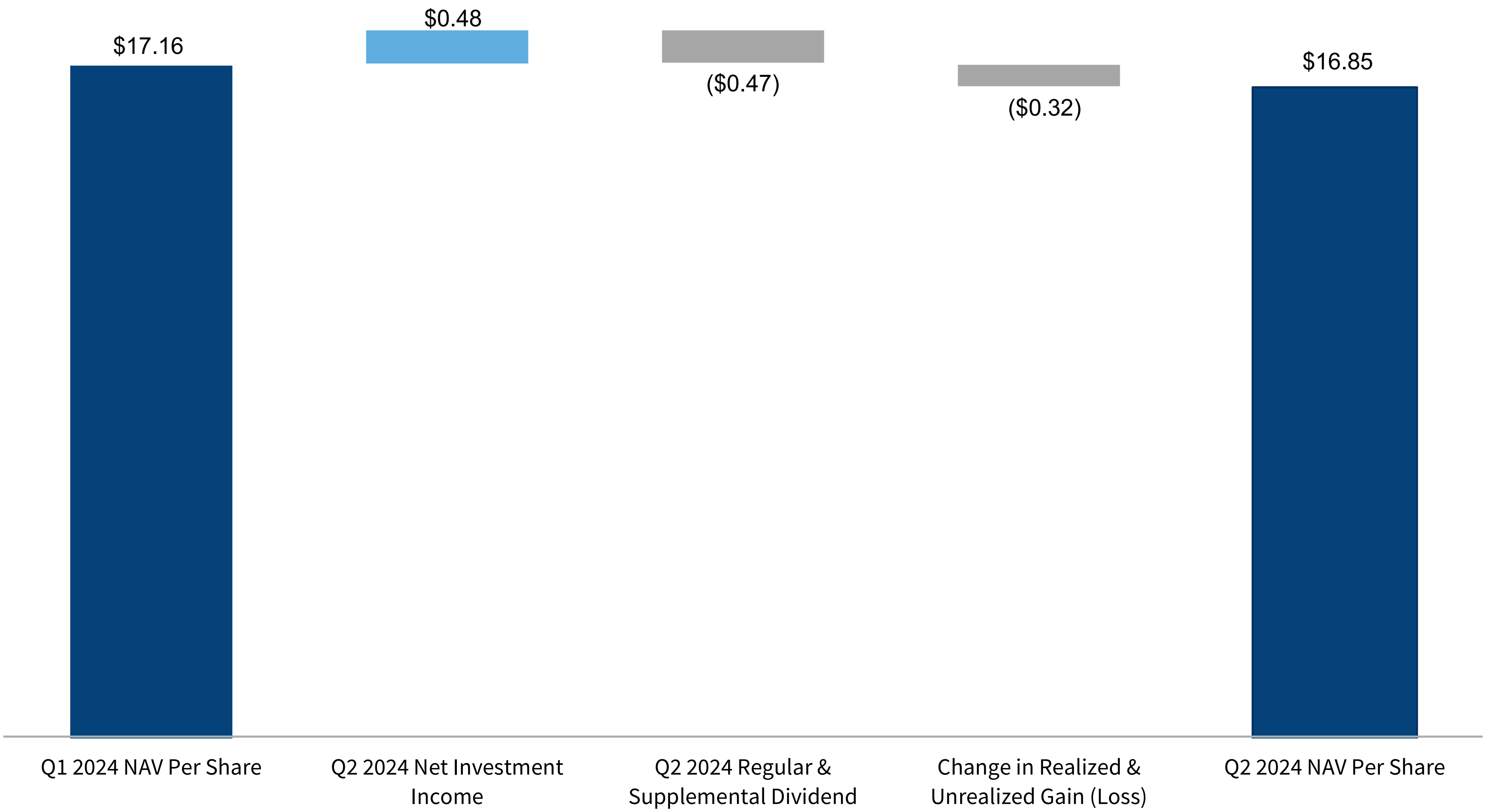
(3) Hold/Fair Value

(2) Sell Opportunistically/Don’t Add

(1) Sell Now Where Possible/Potential for Impairment

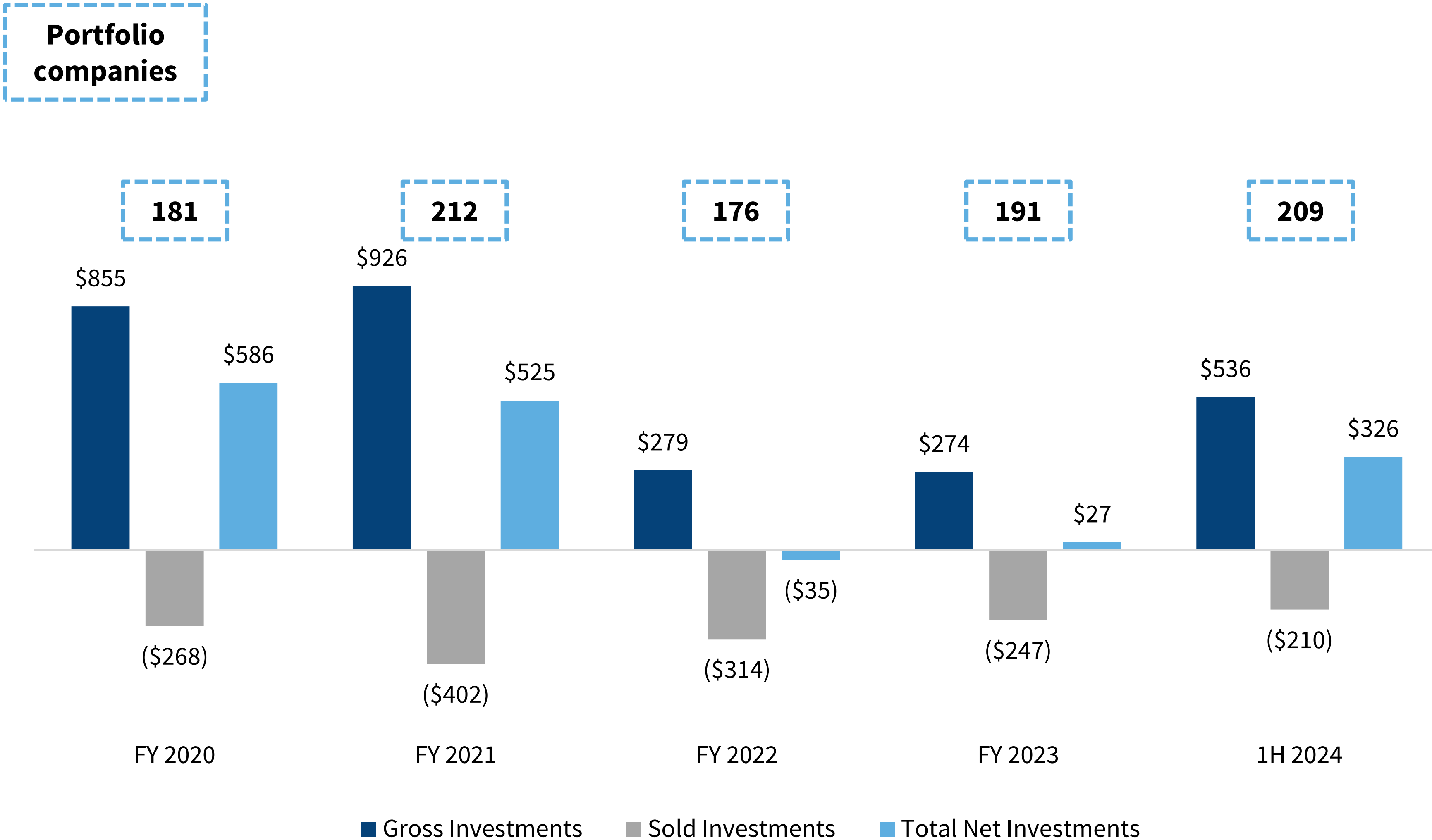
Liquid nature of the portfolio allows for monthly NAV strikes and provides greater transparency into portfolio fair value

Net Asset Value Per Share Bridge



Note: NAV per share utilizes weighted average shares over the quarter.

Investment Fundings Since Inception



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

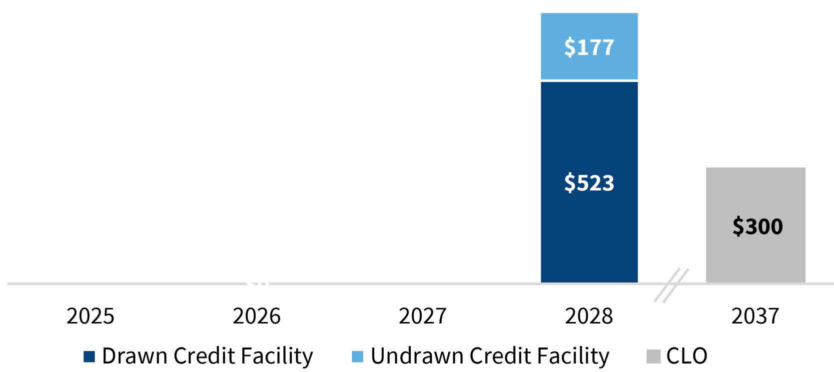
Note: Data as of 6/30/2024. Investment activity shown in $ millions, calculated at amortized cost.

Debt Obligations and Maturity Ladder

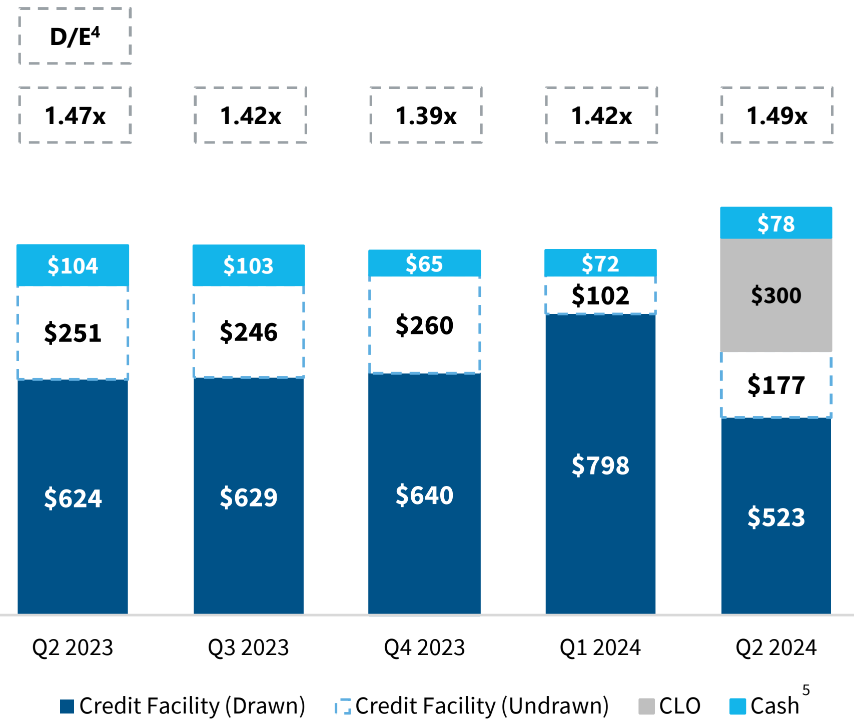
- Attractive non-mark to market financing terms with high-quality financing partners and substantial capacity to invest.

Debt Schedule and Maturities

($ in millions)	Committed Amount	Principal Outstanding	Interest Rate	Maturity Date
BofA Credit Facility[1]	$525	$387	S + 140	2/18/2028
Wells Fargo Credit Facility	$175	$136	S + 250	12/18/2028
Total Credit Facilities	**$700**	**$523**	**S + 169**[2]	
CLO Notes	**$300**	**$300**	**S + 172**[3]	**7/15/2037**



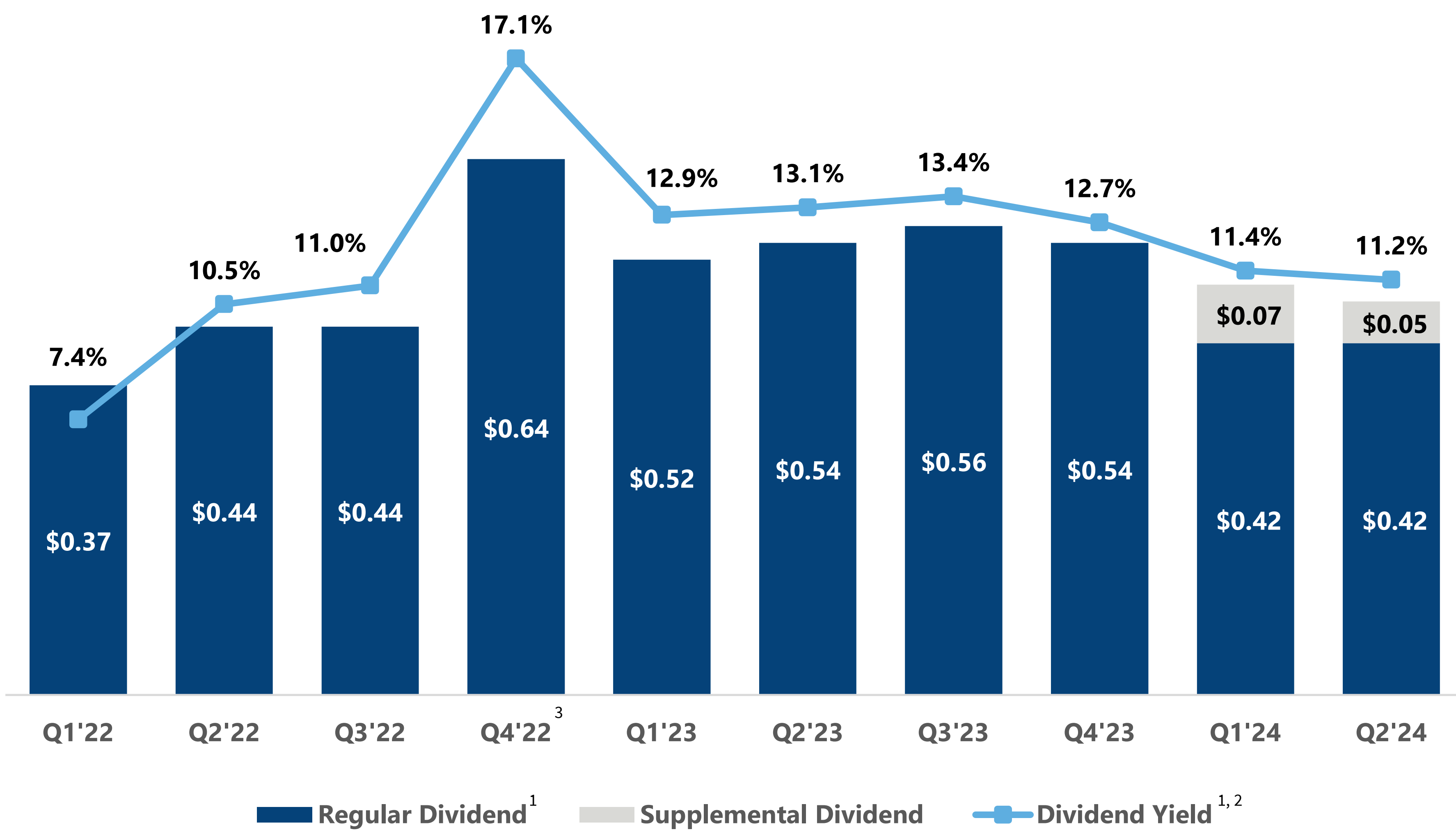
Liquidity and Leverage Profile



Undrawn Investment Commitments *($ in millions)*				
$1.5	$5.6	$20.1	$30.8	$30.0

Note: As of 6/30/2024. [1] Committed amount and maturity date reflect the amended terms as of June 30, 2024. [2] Blended rate across the two facilities. [3] Weighted average spread of all tranches at time of pricing. [4] D/E (debt-to-equity) calculated net of deferred financing costs and accrued interest. [5] Includes cash & cash equivalents and short-term investments.

Historical Quarterly Earned Dividends & Yield



Note: As of 6/30/2024. [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)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Assets					
Investments (At Fair Value)	$1,062,844	$1,104,713	$1,108,811	$1,393,192	$1,431,577
Cash And Cash Equivalents	$6,737	$3,411	$2,117	$8,255	$14,789
Receivables And Other	$12,043	$16,680	$10,887	$11,094	$12,375
Total Assets	$1,081,623	$1,124,803	$1,121,815	$1,412,542	$1,458,741
Liabilities					
Credit Facilities, Net	$627,365	$632,549	$641,829	$795,185	$519,866
Notes	-	-	-	-	$300,524
Payables	$26,809	$44,494	$16,963	$57,876	$88,247
Accrued Other G&A Expenses	$921	$901	$1,068	$944	$1,314
Total Liabilities	$655,095	$677,944	$659,859	$854,005	$909,951
Net Assets					
Total Net Assets	$426,529	$446,860	$461,955	$558,537	$548,790
Total Liabilities And Net Assets	$1,081,623	$1,124,803	$1,121,815	$1,412,542	$1,458,741
Net Asset Value Per Share	$16.55	$16.76	$17.04	$17.16	$16.85
Debt To Equity At Quarter End [1]	1.47x	1.42x	1.39x	1.42x	1.49x

[1] *Calculated net of deferred financing costs and accrued interest.*

Quarterly Operating Results Detail

($ in thousands, except per share data)	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Investment Income					
Interest Income	$26,167	$27,324	$28,696	$33,208	$35,278
Dividend Income	$1,142	$1,297	$951	$1,255	$805
Payment-In-Kind Interest Income	-	-	$100	$52	$182
Other Income	$133	$153	$76	$270	$284
Total Investment Income	$27,442	$28,774	$29,823	$34,785	$36,549
Expense					
Incentive Fees	-	-	-	$1,925	$2,250
Interest Expense	$10,875	$11,501	$11,786	$13,179	$14,997
Management Fees	$2,046	$2,198	$2,252	$2,416	$2,450
Professional Fees	$207	$144	$230	$238	$398
Directors Fees	$19	$19	$19	$37	$37
Other General And Administrative Expenses	$351	$384	$427	$722	$659
Total Expenses	$13,497	$14,244	$14,713	$18,517	$20,791
Less: Management Fee Waiver	($256)	($275)	($282)	($51)	-
Net Investment Income	$14,200	$14,804	$15,391	$16,318	$15,758
Total Net Realized Gains/(Losses)	($3)	($2,104)	($292)	($1,736)	($9,412)
Total Net Change In Unrealized Gains/(Losses)	$9,743	$21,153	$6,855	$8,298	($1,033)
Total Realized & Unrealized Gains /(Losses)	$9,741	$19,049	$6,563	$6,562	($10,445)
Net Increase/(Decrease) In Net Assets	$23,941	$33,853	$21,954	$22,880	$5,313
Shares Outstanding (MM)	26	27	27	32	33
Net Investment Income Per Share [1]	$0.56	$0.57	$0.58	$0.52	$0.48

[1] *Calculated using weighted average shares outstanding over the period.*

PALMER SQUARE
CAPITAL BDC INC.™

Investor Relations

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