Palmer Square Capital BDC Inc.

Q1 2025 Earnings Presentation

May 2025

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; disruptions related to tariffs and other trade or sanctions issues; 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, 2025, unless indicated otherwise.

Investment Highlights

PALMER SQUARE
CAPITAL BDC INC.

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. 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

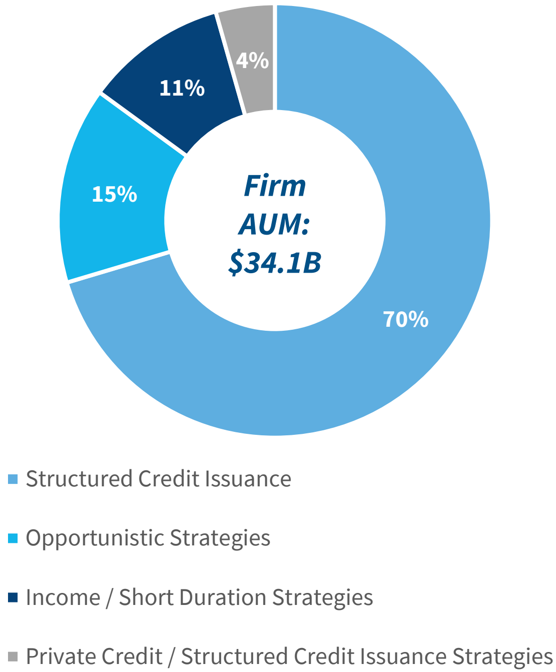
Key Portfolio Statistics

$3.2B *Invested Capital Since Inception*	**$1.3B** *Fair Value Investment Portfolio*[1]	**$399M** *Weighted Average LTM EBITDA*[2]	**9.8%** *Net Investment Income Yield*[3]
209 *Portfolio Companies*	**39** *Portfolio Industries*	**98%** *Floating Rate Debt Investments*[4]	**10.37%** *W.A. Yield on Investments*[5]

Note: Data as of 3/31/2025. 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 2025 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.*

Palmer Square Capital Management LLC Overview

Palmer Square Capital Management LLC ("PSCM") was founded in 2009 by Chris Long and has since grown to 70 employees and over $34 billion AUM across strategies, client base and product types



Profile	
Founded	2009
Headquarters	Mission Woods, KS
AUM	$34.1 billion
Employees	70
Investment Professionals	31
Ownership	100% management-owned
Client Base	Foundations & endowments, public/private pensions, family offices, ultra-high net worth individuals, and financial institutions
Product Types	Private fund, mutual fund, exchange traded fund, CIT, separate account and direct co-investment vehicles

Note: AUM as of 2/28/2025; Employment data as of 3/31/2025.

Research Biases and Philosophy

Palmer Square Capital Management believes active management in fixed income is paramount, and that by combining our depth of experience and strong research capabilities we can seek to not only capture yield, but also total return.

In everything we do, we subscribe to three key research biases

Focus on Higher Quality Assets	Minimize Interest Rate Duration	Maintain Liquidity Where Possible

PSCM's investment philosophy has been consistent throughout multiple credit environments and has always been underpinned by the Firm's core competencies of locating relative value across corporate and structured credit, and granular, bottom-up fundamental credit analysis.

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

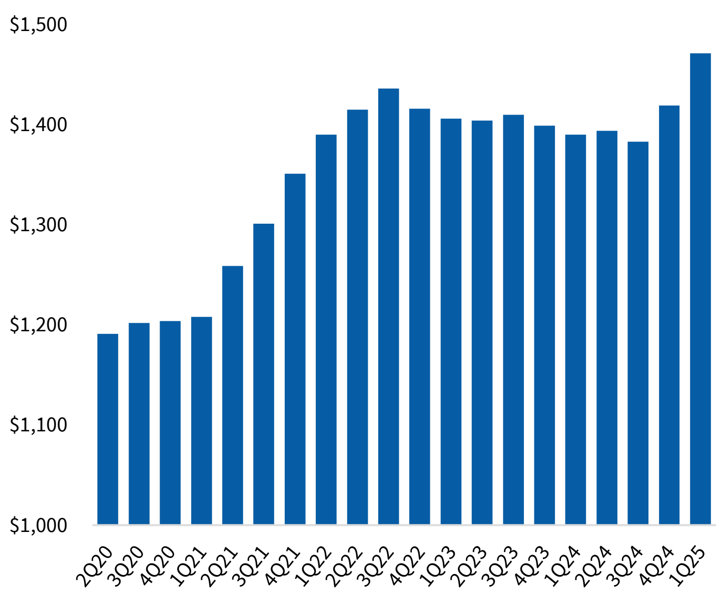
*Consistent investment philosophy throughout multiple credit environments underpinned by core competencies: **locating relative value** and granular, **bottom-up** fundamental credit analysis*

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

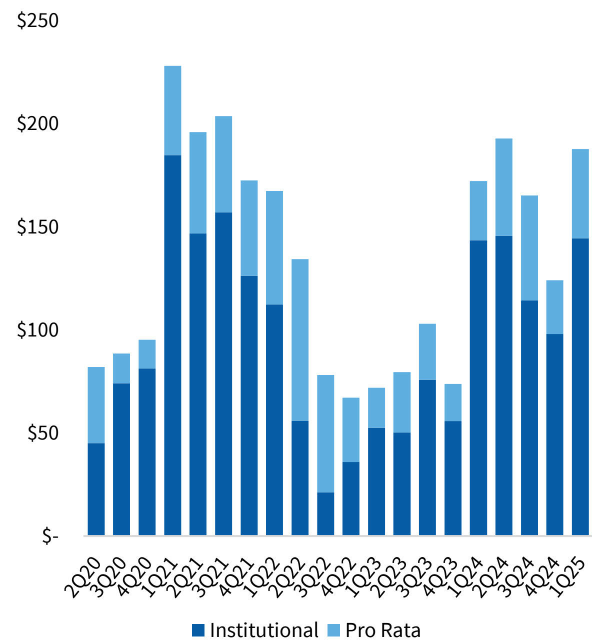
S&P/LSTA Leveraged Loan Index

$ in Billions



U.S. Leveraged Loan Volume

$ in Billions



Note: Data as of 3/31/2025. Source: LCD, LSTA Leveraged Loan Index.

First Quarter 2025 Highlights

Earnings	• Total investment income of $31.2 million for the first quarter of 2025 compared to $34.8 million for the prior year period. • Net investment income of $12.9 million or $0.40 per share[1] for the first quarter of 2025, as compared to $16.3 million or $0.52 per share for the comparable period last year. • Net asset value of $15.85 per share as of March 31, 2025, compared to $16.50 per share as of December 31, 2024. • Declared cash distributions to stockholders totaling $0.39 per share for the first quarter of 2025.
Portfolio Activity	• As of March 31, 2025, total portfolio of long-term investments was $1.3 billion at fair value, with 260 investments in 209 portfolio companies. • As of March 31, 2025, 98% of the investments were at floating rates and there were three long-term investment loans on non-accrual status. • As of March 31, 2025, weighted average total yield to maturity of debt and income producing securities at fair value and amortized cost was 10.37% and 8.48%, respectively. • New investments funded of $104.3 million across 23 new investments for the first quarter of 2025 with $144.4 million aggregate principal amount in sales and repayments.
Balance Sheet	• As of March 31, 2025, total assets were $1.4 billion, and total net assets were $515.8 million. • Debt-to-equity ratio[2] as of March 31, 2025, was 1.50x, unchanged from 1.50x at the end of Q4 2024. • Available liquidity, consisting of cash and undrawn capacity on credit facilities, was approximately $229.5 million as of March 31, 2025, compared to $20.2 million of undrawn investment commitments.
Other Highlights	• PIK income as a percentage of total investment income for the first quarter of 2025 remains low at approximately 1.63%, significantly below industry averages. • At the end of the first quarter, we had three loans on non-accrual status, representing just 0.24% of total investments at fair value, well below industry averages.
Recent Developments	• On May 7, 2025, PSBD's Board of Directors declared a second quarter 2025 regular distribution of $0.36 per share payable on July 14, 2025, to shareholders of record as of June 27, 2025. PSBD expects to announce an additional quarterly supplemental dividend distribution for the second quarter of 2025 in June.

[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 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Net Investment Income Per Share [1]	$0.52	$0.48	$0.48	$0.45	$0.40
Net Investment Income	$16,318	$15,758	$15,729	$14,796	$12,913
Dividends Per Share Earned [2]	$0.49	$0.47	$0.47	$0.48[3]	$0.39
Net Asset Value Per Share	$17.16	$16.85	$16.61	$16.50	$15.85
Total Portfolio At Fair Value	$1,393,192	$1,431,577	$1,389,801	$1,407,131	$1,334,314
Number Of Portfolio Companies	211	209	212	207	209
Portfolio Yield [4]	10.11%	9.82%	10.48%	10.65%	10.37%
Senior Secured Loan [5]	96%	96%	96%	96%	96%
Investments On Non-Accrual [6]	-	-	0.26%	0.08%	0.24%
Total Return [7]	3.70%	1.00%	1.43%	2.36%	-1.05%
Net Assets	$558,537	$548,790	$541,937	$537,845	$515,807
Debt Outstanding, Net [8]	$795,185	$820,390	$824,412	$804,156	$774,452
Debt To Equity, Period End [8]	1.42x	1.49x	1.52x	1.50x	1.50x

[1] Calculated using weighted average common shares outstanding over the period. [2] Dividend amount reflects dividend earned in period. [3] Dividend Includes $0.03 of spillover income for Q4 2024. [4] Weighted average total yield of debt and income producing securities at fair value. [5] As a percentage of long-term investments, at fair value. [6] As a percentage of total investments, at fair value. [7] Calculated as ending NAV per share plus dividends in the period, divided by the prior period NAV. Total return is not annualized. [8] Net of deferred financing costs and accrued interest.

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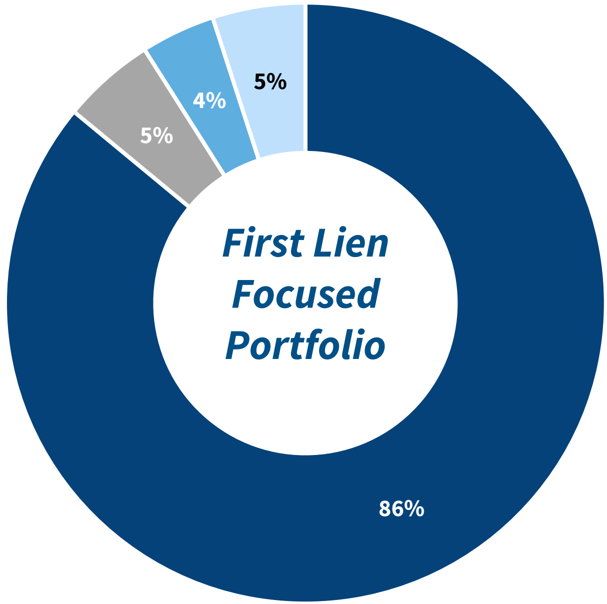
New Portfolio and Investment Activity

($ in thousands, except per share data)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
New Investments [1]					
Gross Investments	$346,483	$189,301	$66,240	$171,785	$104,323
Less: Sold Investments	($69,556)	($140,027)	($82,822)	($176,357)	($144,369)
Total New Investments	**$276,926**	**$49,274**	**($16,582)**	**($4,572)**	**($40,046)**
Asset Mix - New Investments [1]					
First-Lien Senior Secured Debt Investments	90.08%	80.58%	93.86%	93.45%	93.40%
Second-Lien Senior Secured Debt Investments	3.12%	16.60%	6.14%	-	-
Corporate Bonds	-	2.16%	-	-	-
Convertible Bonds	-	-	-	-	-
Collateralized Securities And Structured Products	6.80%	-	-	6.55%	-
CLO Equity	-	-	-	-	-
Common Stock	-	0.66%	-	-	6.60%
New Investment Activity [2]					
Number Of New Investment Commitments	36	24	21	28	23
Average New Investment Commitment Amount	$4,052.06	$5,575.30	$2,717.29	$4,457.47	$3,855.34
W.A. Maturity For New Investment Commitments	6.18 years	6.05 years	5.29 years	6.19 years	5.59 years
New Debt Commitments At Floating Rates	100.00%	97.01%	100.00%	100.00%	100.00%
New Debt Investment Commitments At Fixed Rates	-	2.99%	-	-	-
W.A. Interest Rate Of New Investment Commitments	10.19%	9.96%	9.07%	8.98%	8.52%

[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]

$399M Wtd Average LTM EBITDA	**5.5x** Wtd Average 1st Lien Leverage	**2.1x** W.A. Interest Coverage

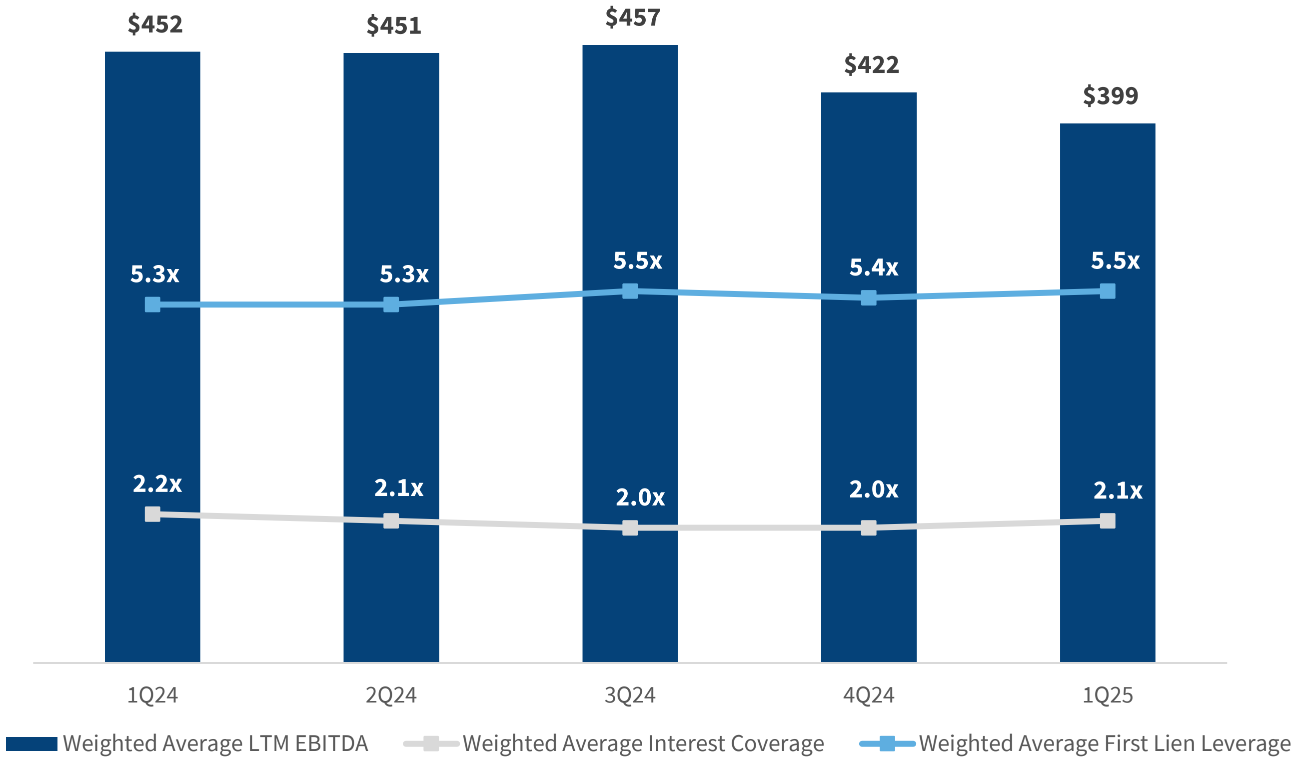
PSBD Portfolio Attributes

96% Senior Secured Investments[3]	**~$5.2M** 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 3/31/2025. 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.

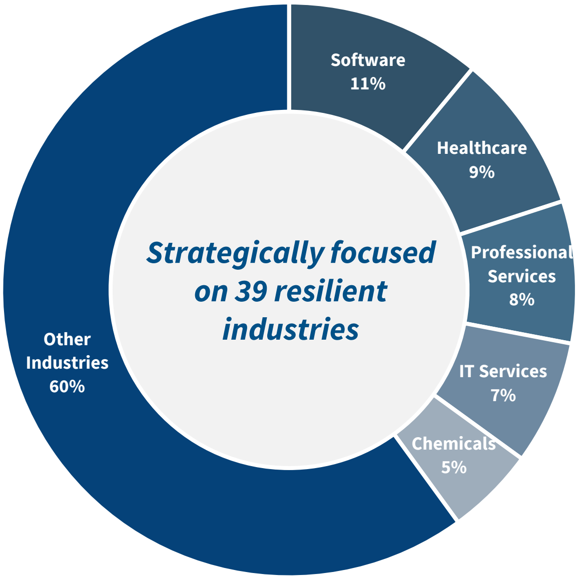
Portfolio Company EBITDA & Credit Statistics



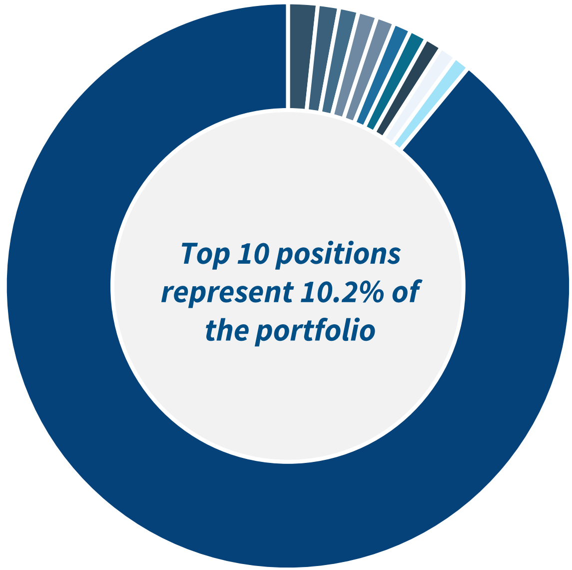
Note: As of 3/31/2025.

Portfolio Highlights – Diversification

Industry Diversification



Borrower Concentration

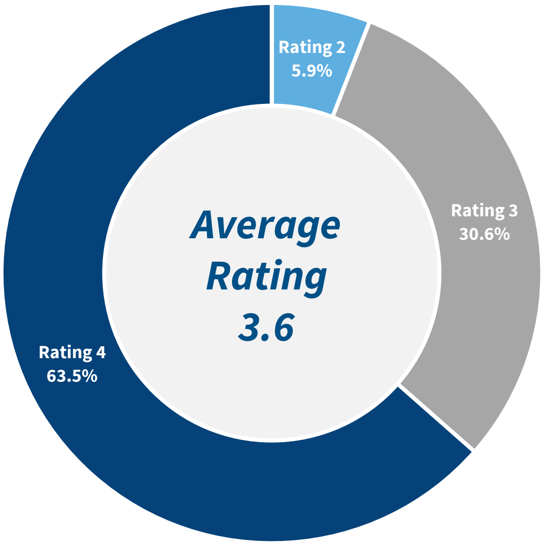


Highly diversified portfolio by industry and borrower, oriented towards first lien senior secured loans

Note: Data as of 3/31/2025. 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, 2025, three 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

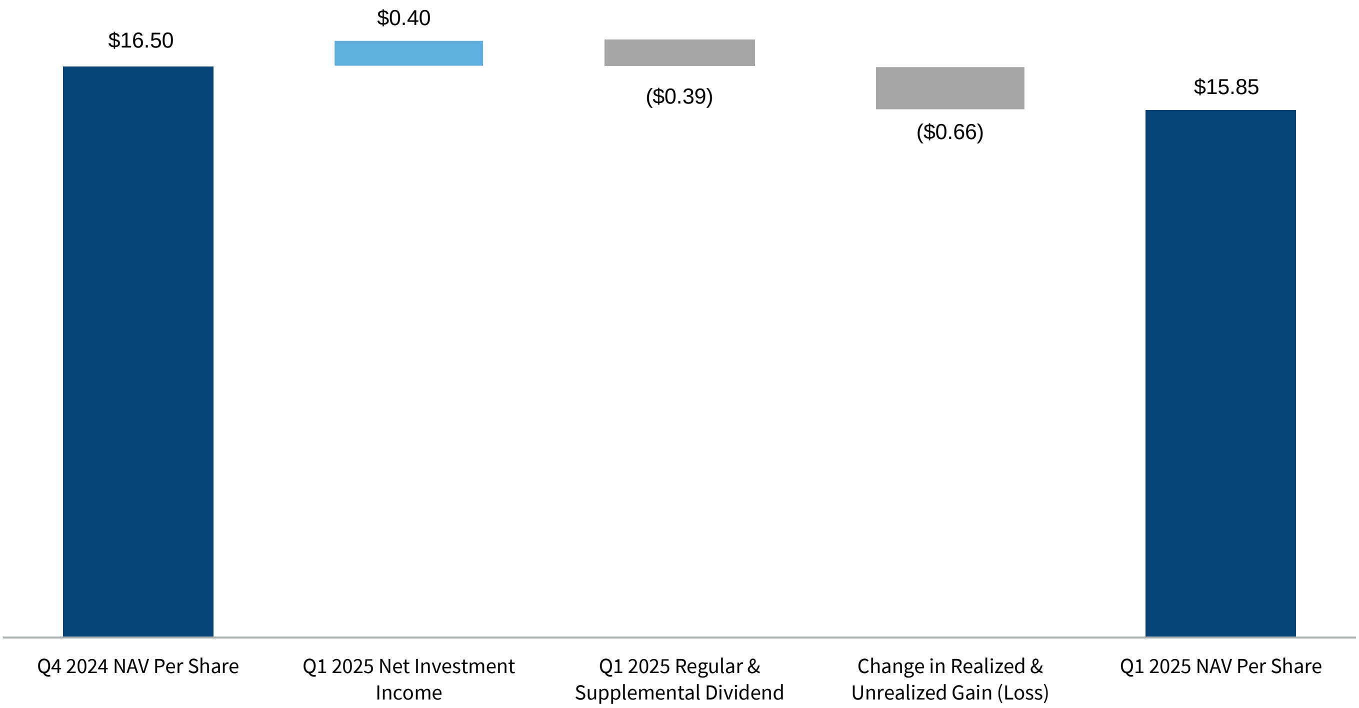
(3) Hold/Fair Value

(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



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

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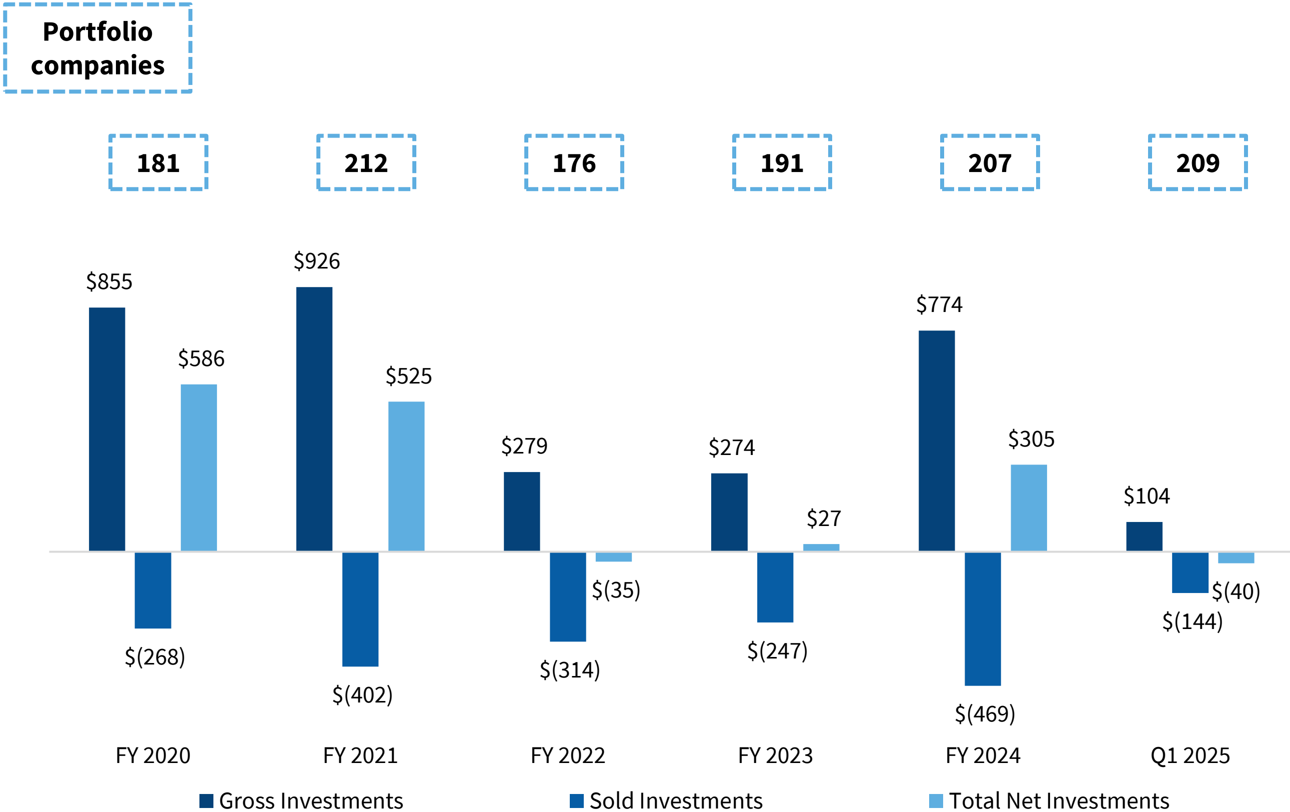
Investment Fundings Since Inception



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

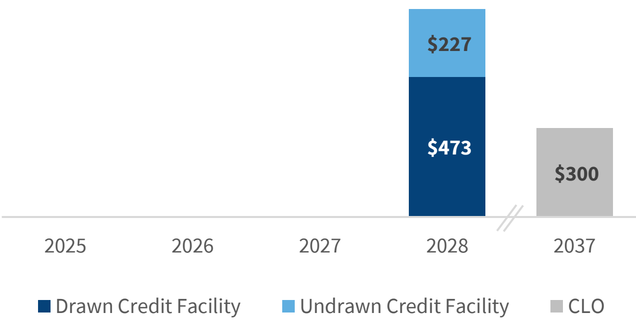
Note: Data as of 3/31/2025. Investment activity shown in $ millions, calculated at amortized cost.

Debt Obligations and Maturity Ladder

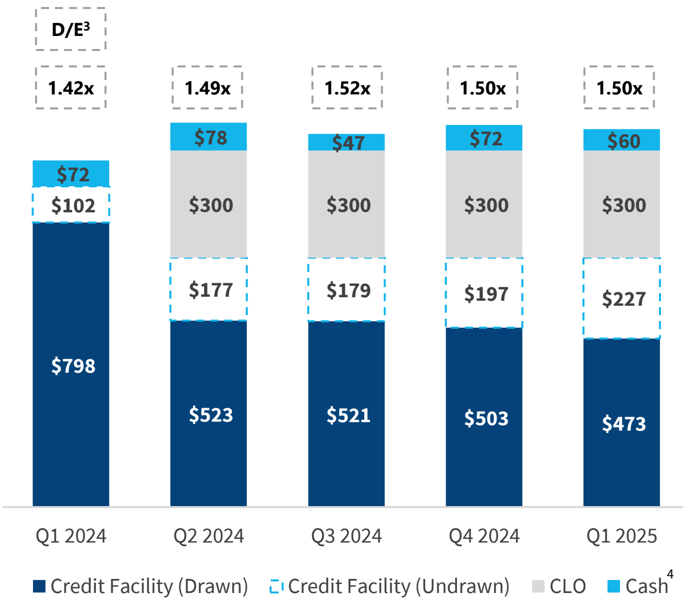
- Attractive non-mark to market financing terms with high-quality financing partners and substantial capacity to invest.

Debt Schedule and Maturities

($ in millions)	Committed Amount	Principal Outstanding	Interest Rate	Maturity Date
BofA Credit Facility	$525	$319	S + 140	2/18/2028
Wells Fargo Credit Facility	$175	$154	S + 250	12/18/2028
Total Credit Facilities	**$700**	**$473**	**S + 176[1]**	
CLO Notes	**$300**	**$300**	**S + 172[2]**	**7/15/2037**



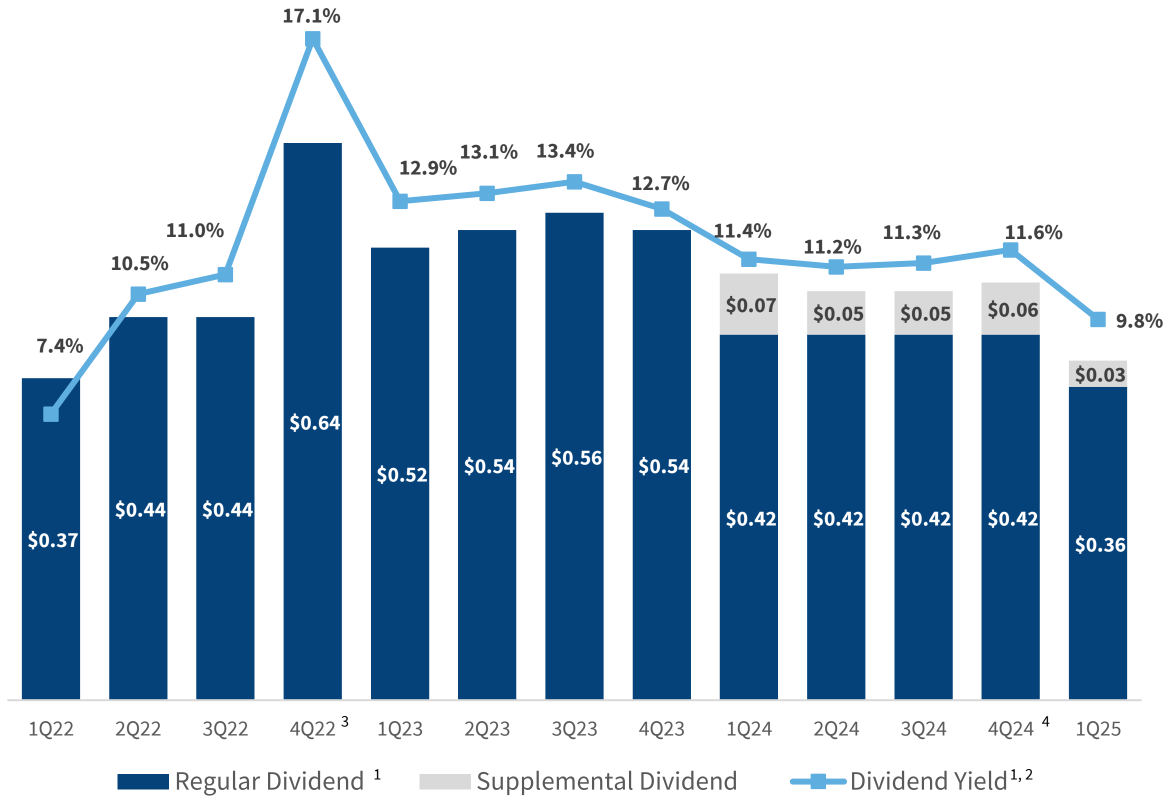
Liquidity and Leverage Profile



Undrawn Investment Commitments *($ in millions)*				
$30.8	$30.0	$19.6	$21.6	$20.2

Note: As of 3/31/2024. [1] Blended rate across the two facilities. [2] Weighted average spread of all tranches at time of pricing. [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 3/31/2025. [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. [4] Dividend Includes $0.03 of spillover income for Q4 2024.

Quarterly Statements of Financial Condition

($ in thousands, except per share data)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Assets					
Investments (At Fair Value)	$1,393,192	$1,431,577	$1,389,801	$1,407,131	$1,334,314
Cash And Cash Equivalents	$8,255	$14,789	$1,786	$2,766	$2,872
Receivables And Other	$11,094	$12,375	$21,965	$21,146	$25,744
Total Assets	$1,412,542	$1,458,741	$1,413,552	$1,431,043	$1,362,930
Liabilities					
Credit Facilities, Net	$795,185	$519,866	$518,483	$501,651	$472,325
Notes	-	$300,524	$305,928	$302,505	$302,127
Payables	$57,876	$88,247	$46,111	$87,673	$71,696
Accrued Other G&A Expenses	$944	$1,314	$1,093	$1,369	$975
Total Liabilities	$854,005	$909,951	$871,615	$893,198	$847,123
Net Assets					
Total Net Assets	$558,537	$548,790	$541,937	$537,845	$515,807
Total Liabilities And Net Assets	$1,412,542	$1,458,741	$1,413,552	$1,431,043	$1,362,930
Net Asset Value Per Share	$17.16	$16.85	$16.61	$16.50	$15.85
Debt To Equity At Quarter End [1]	1.42x	1.49x	1.52x	1.50x	1.50x

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

Quarterly Operating Results Detail

($ in thousands, except per share data)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Investment Income					
Interest Income	$33,208	$35,278	$35,775	$33,248	$29,820
Dividend Income	$1,255	$805	$600	$656	$574
Payment-In-Kind Interest Income	$52	$182	$205	$685	$508
Other Income	$270	$284	$726	$284	$312
Total Investment Income	$34,785	$36,549	$37,306	$34,873	$31,214
Expense					
Incentive Fees	$1,925	$2,250	$2,230	$2,149	$1,843
Interest Expense	$13,179	$14,997	$15,671	$14,159	$12,970
Management Fees	$2,416	$2,450	$2,424	$2,414	$2,333
Professional Fees	$238	$398	$319	$497	$313
Directors Fees	$37	$37	$38	$38	$37
Other General And Administrative Expenses	$722	$659	$896	$820	$805
Total Expenses	$18,517	$20,791	$21,577	$20,077	$18,301
Less: Management Fee Waiver	($51)	-	-	-	-
Net Investment Income	$16,318	$15,758	$15,729	$14,796	$12,913
Total Net Realized Gains/(Losses)	($1,736)	($9,412)	($7,119)	$489	($5,894)
Total Net Change In Unrealized Gains/(Losses)	$8,298	($1,033)	($1,054)	($3,367)	($15,408)
Total Realized & Unrealized Gains /(Losses)	$6,562	($10,445)	($8,174)	($2,878)	($21,302)
Net Increase/(Decrease) In Net Assets	$22,880	$5,313	$7,555	$11,918	($8,389)
Shares Outstanding (MM)	32	33	33	33	33
Net Investment Income Per Share [1]	$0.52	$0.48	$0.48	$0.45	$0.40

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

PALMER SQUARE CAPITAL BDC INC.™

Investor Relations

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