Q3 2026 Earnings

PALMER SQUARE CAPITAL BDC INC.®

Palmer Square BDC Inc. (NYSE: PSBD)

November 2026

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: our future operating results; our business prospects and the prospects of our portfolio companies; 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, China, the Middle East, Latin America, and ongoing conflicts in the Middle East and South America and the Russia-Ukraine war; the impact of fluctuations in interest rates and foreign exchange rates on our business and our portfolio companies; rising levels of inflation, and its impact on us, on our portfolio companies and on the industries in which we invest; the ability of the Investment Advisor to locate suitable investments for us and to monitor and administer our investments; the ability of the Investment Advisor and its affiliates to attract and retain highly talented professionals; risk associated with possible disruptions in our operations or the economy generally, including a possible slowdown in the economy and risk of recession; the timing of cash flows, if any, from the operations of the companies in which we invest; the ability of the companies in which we invest to achieve their objectives; our ability to continue to effectively manage our business due to the disruptions caused by global political and economic instability; the dependence of our future success on the general economy and its effect on the industries in which we invest; our ability to maintain our qualification as a BDC and as a RIC under the Code; the use of borrowed money to finance a portion of our investments; the adequacy, availability and pricing of our financing sources and working capital; actual or potential conflicts of interest with the Investment Advisor and its affiliates; our contractual arrangements and relationships with third parties; loss of key personnel; and the illiquid nature of our investments. 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 September 30, 2026, unless indicated otherwise.

Palmer Square BDC 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. Overview

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

$3.8B
Invested Capital Since Inception

$1.1B
Fair Value Investment Portfolio[1]

$483M
Weighted Average LTM EBITDA[2]

11.5%
Net Investment Income Yield[3]

200
Portfolio Companies

45
Portfolio Industries

98%
Floating Rate Debt Investments[4]

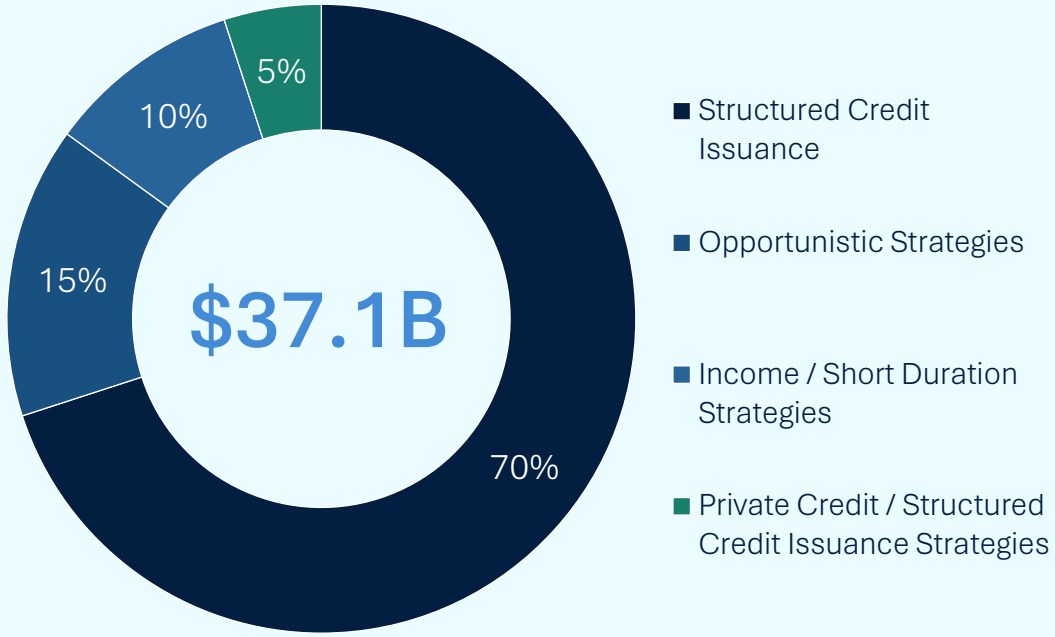
12.0%
W.A. Yield on Investments[5]

Note: Data as of 9/30/26. 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. Q3 2026 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 80 employees and $37.1 billion AUM across strategies, client base and product types

Firm AUM



Profile

Founded	2009
Headquarters	Mission Woods, KS
AUM	$37.1 billion
Employees	80
Investment Professionals	32
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 8/31/26; Employment data as of 9/30/26.

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 pillars

1	2	3
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 with strong structural protections, limited downside, and low long-term beta

Investment Criteria

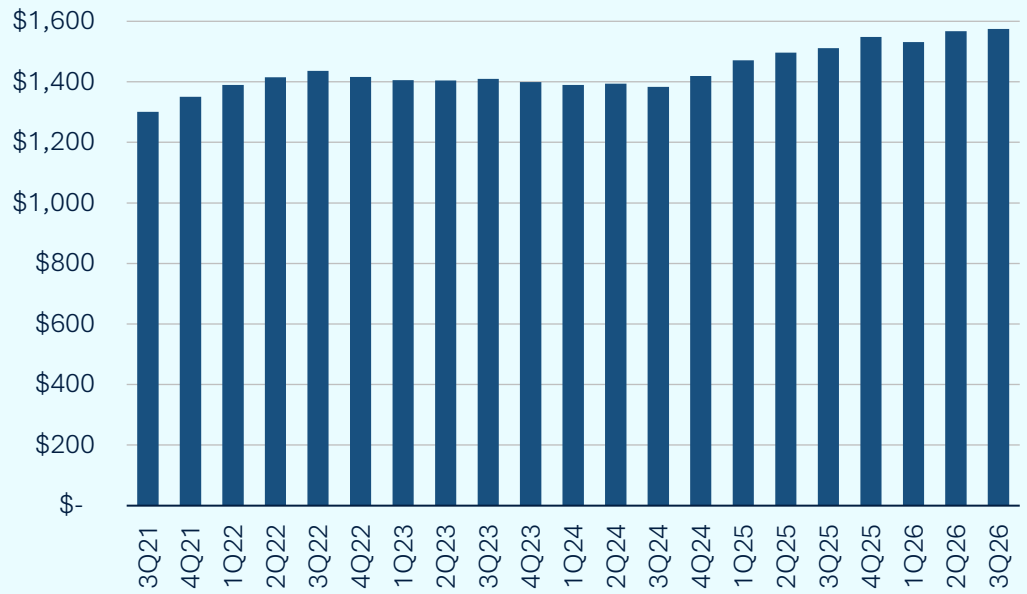
- ✓ Loans with an average overall deal size greater than $1 billion
- ✓ Priority position in the capital structure
- ✓ Small to large private U.S. companies with higher recurring revenue and high customer retention rates

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

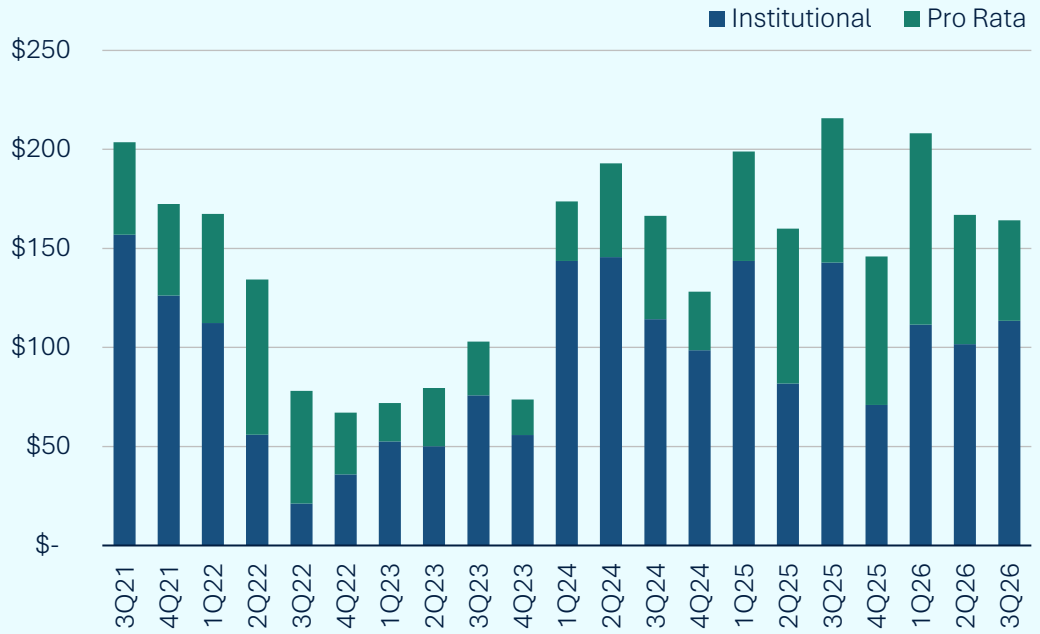
Large Addressable Market Opportunity

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



U.S. Leveraged Loan Volume



Note: Data as of 9/30/26. Source: LCD, LSTA Leveraged Loan Index.

Third Quarter 2026 Highlights

Earnings

$26.6M
Total investment income
$31.7 million for the prior year period

$11.6M $0.38 per share[1]
Net investment income
$13.6 million or $0.43 per share for the prior year period

$13.34 Per Share
Net asset value
$13.21 per share as of June 30, 2026

$0.38 Per Share
Declared cash distributions to stockholders for the third quarter of 2026

Portfolio Activity

$1.0B
Total portfolio of long-term investments at fair value
278 investments in 200 portfolio companies

98%
Investments at floating rates

11.99%
Weighted average total yield to maturity of debt and income producing securities at fair value

8.38%
Weighted average total yield to maturity of debt and income producing securities at amortized cost

$115.0M
New investments funded across 31 new investments
$165.8 million aggregate principal amount in sales and repayments

Balance Sheet

$1.1B
Total assets

$403.4M
Total net assets

1.63x
Debt-to-equity ratio[2]
1.71x at the end of Q2 2026

~$195.0M
Available liquidity, consisting of cash and undrawn capacity on credit facilities
$19.4 million of unfunded investment commitments

Other Highlights

2.18%
PIK income as a percentage of total investment income, below recent industry averages[3]

1
Portfolio company on non-accrual status representing less than 0.01% of total investments at fair value, below recent industry averages

Recent Developments

- On November 4, 2026, PSBD's Board of Directors declared a fourth quarter 2026 regular distribution of $0.36 per share payable on January 13, 2027, to shareholders of record as of December 28, 2026. PSBD expects to announce an additional quarterly supplemental dividend distribution for the fourth quarter of 2026 in December.

1. Calculated using weighted average outstanding shares over the period. 2. Net of deferred financing costs and accrued interest. 3. Represents recurring PIK Interest Income earned during the quarter as a percentage of Total Investment Income.

Financial and Portfolio Highlights

($ in thousands, except per share data)	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Net Investment Income Per Share [1]	$0.43	$0.41	$0.35	$0.39	$0.38
Net Investment Income	$13,641	$13,068	$11,037	$12,041	$11,636
Dividends Per Share Earned [2]	$0.42	$0.43	$0.37	$0.39	$0.38
Net Asset Value Per Share	$15.39	$14.85	$13.30	$13.21	$13.34
Total Portfolio At Fair Value	$1,258,988	$1,203,640	$1,154,637	$1,113,377	$1,087,583
Number Of Portfolio Companies	209	205	214	206	200
Portfolio Yield [3]	10.07%	11.30%	11.73%	11.95%	11.99%
Senior Secured Loan [4]	95%	95%	96%	96%	97%
Investments On Non-Accrual [5]	0.40%	0.09%	0.00%[6]	0.29%	0.00%[6]
Total Return [7]	1.41%	-0.09%	-7.22%	3.11%	5.00%
Net Assets	$490,445	$464,123	$413,783	$406,154	$403,436
Debt Outstanding, Net [8]	$752,350	$716,514	$702,311	$696,492	$656,623
Debt To Equity, Period End [8]	1.53x	1.54x	1.70x	1.71x	1.63x

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. As a percentage of total investments, at fair value. 6. Companies on non-accrual status represented less than 0.01% of the 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.

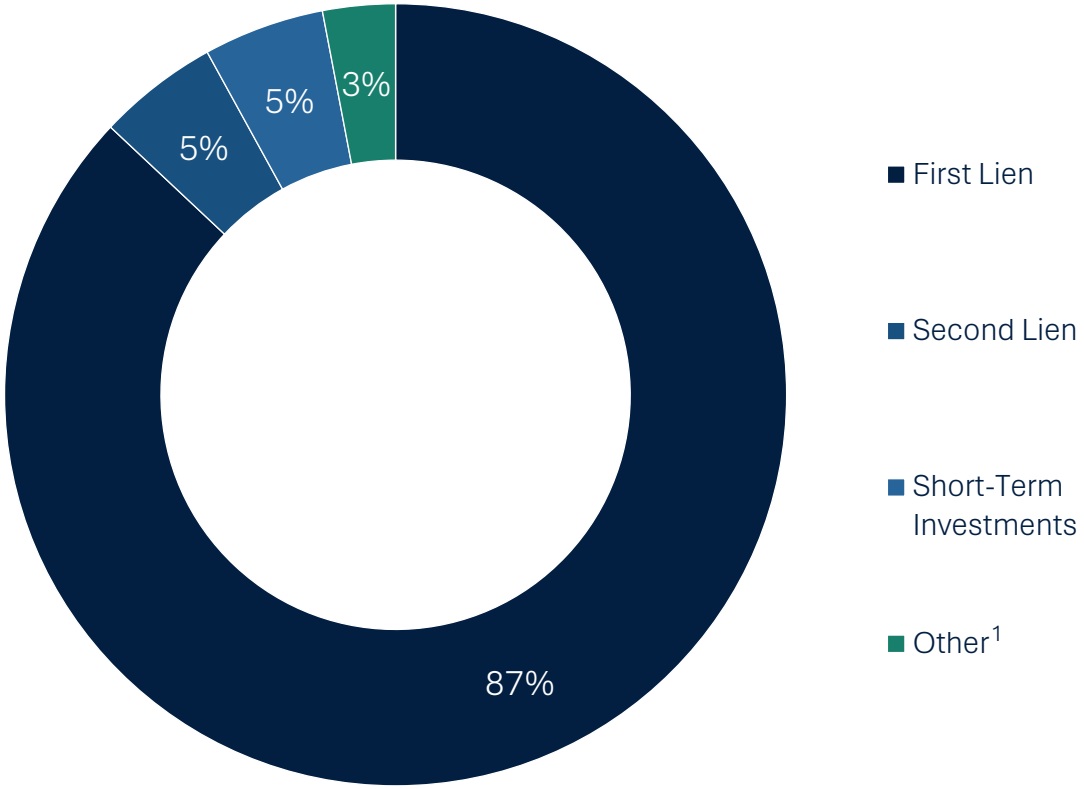
New Portfolio and Investment Activity

($ in thousands, except per share data)	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
New Investments [1]					
Gross Investments	$138,666	$91,367	$109,363	$72,369	$114,953
Less: Sold Investments	$(156,028)	$(148,308)	$(79,940)	$(109,836)	$(165,802)
Total New Investments	**$(17,362)**	**$(56,941)**	**$29,423**	**$(37,467)**	**$(50,849)**
Asset Mix - New Investments [1]					
First-Lien Senior Secured Debt Investments	87.54%	92.13%	94.45%	91.71%	90.88%
Second-Lien Senior Secured Debt Investments	4.31%	4.08%	2.29%	8.29%	4.46%
Corporate Bonds	2.16%	1.63%	0.90%	-	1.65%
Collateralized Securities And Structured Products	5.99%	2.16%	1.29%	-	-
CLO Equity	-	-	-	-	-
Common Stock	-	-	1.07%	-	2.61%
Preferred Stock	-	-	-	-	0.40%
New Investment Activity [2]					
Number Of New Investment Commitments	28	24	42	21	31
Average New Investment Commitment Amount	$4,760.37	$3,414.36	$2,096.07	$3,252.93	$3,502.27
W.A. Maturity For New Investment Commitments	6.75 years	5.68 years	5.65 years	5.31 years	2.89 years
New Debt Commitments At Floating Rates	97.75%	99.15%	100.00%	98.90%	98.13%
New Debt Investment Commitments At Fixed Rates	2.25%	0.85%	-	1.10%	1.87%
W.A. Interest Rate Of New Investment Commitments	8.48%	8.82%	7.38%	8.26%	8.34%

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

Portfolio Overview – Asset Mix

First Lien Focused Portfolio



Borrower Attributes[2]

$483M
Weighted Average LTM EBITDA

5.7x
Weighted Average 1st Lien Leverage

2.4x
Weighted Average Interest Coverage

PSBD Portfolio Attributes

97%
Senior Secured Investments[3]

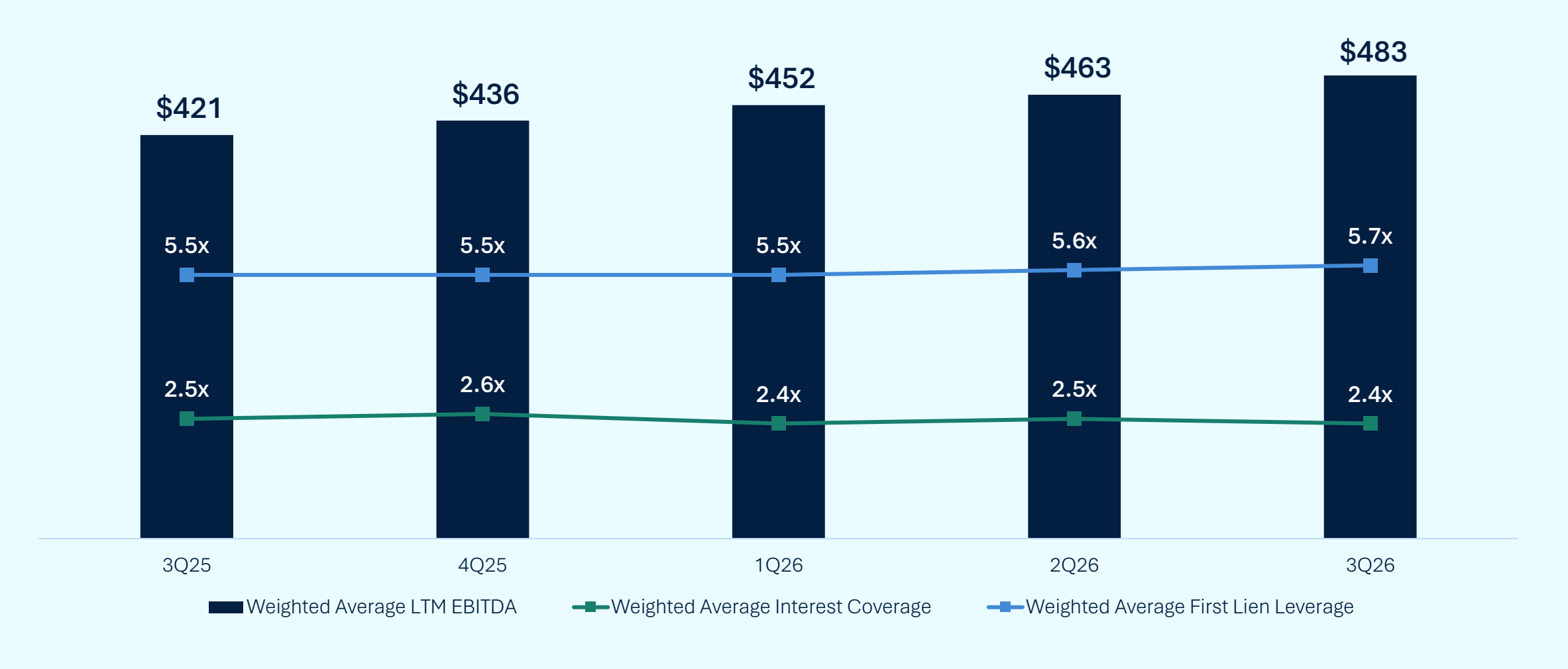
~$4.1M
Average Hold[4]

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 9/30/26. Portfolio mix as a percentage of total income producing securities at fair value. 1. Other includes Corporate Bonds, CLO Mezzanine, CLO Equity and 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

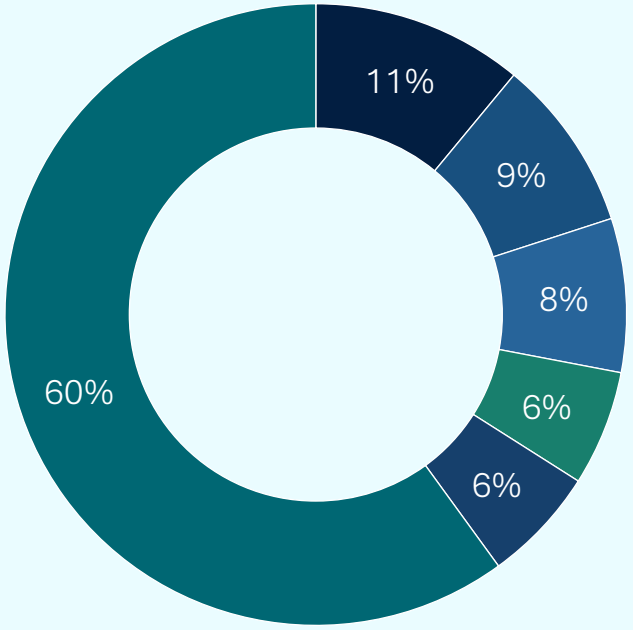


Note: Attributes of First Lien Borrowers.

Strong Value Creation Through Bouts of Uncertainty

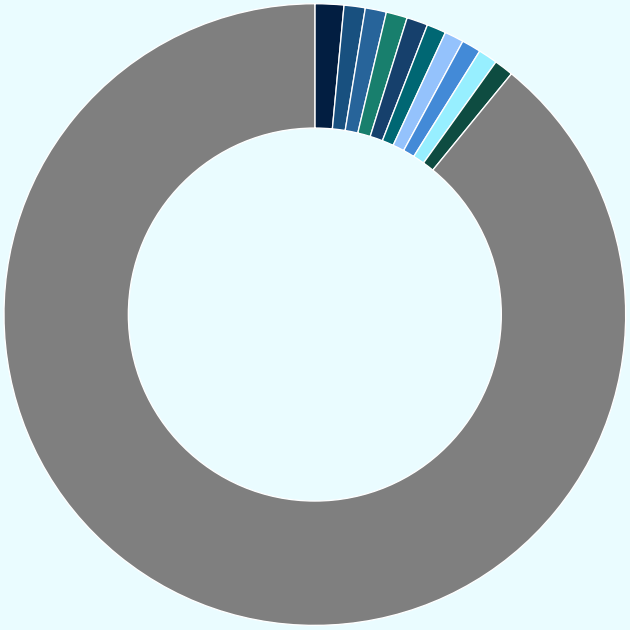
Industry Diversification

Strategically focused on 45 resilient industries



Borrower Concentration

Top 10 positions represent 10.9% of the portfolio



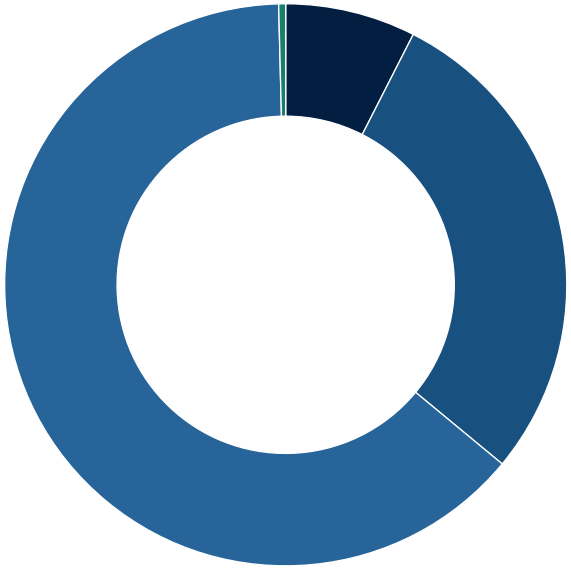
Nexus Buyer LLC	1.5%
Northstar Group Services, Inc.	1.1%
CoreLogic, Inc.	1.1%
National Mentor Holdings, Inc.	1.1%
Advancion Holdings, LLC	1.1%
Flash Charm, Inc.	1.0%
Gainwell Acquisition Corp.	1.0%
Aspire Bakeries Holdings LLC	1.0%
Rohm Holding GmbH	1.0%
Peraton Corp.	1.0%
Other	89.1%

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

Note: Data as of 9/30/26. Portfolio industry diversification and borrower concentration as a percentage of total income producing securities at fair value.

PSBD Internal Rating System

As of September 30, 2026, one portfolio company was on non-accrual status and the weighted average internal rating of the portfolio at fair value was 3.6.



Rating 2	7.5%
Rating 3	28.5%
Rating 4	63.6%
Rating 5	0.4%
Average Rating	3.6

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

Note: Portfolio rating distribution is as a percentage of corporate debt and equity investments.

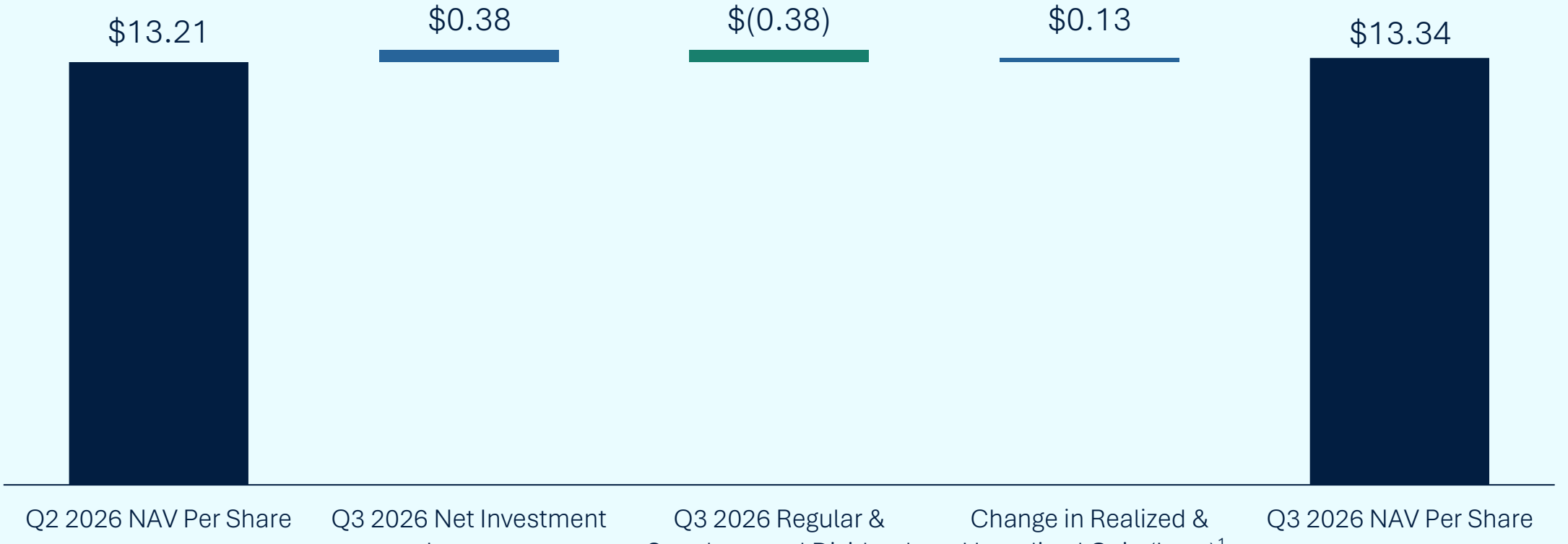
Relative Value Scoring System Criteria

- 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:

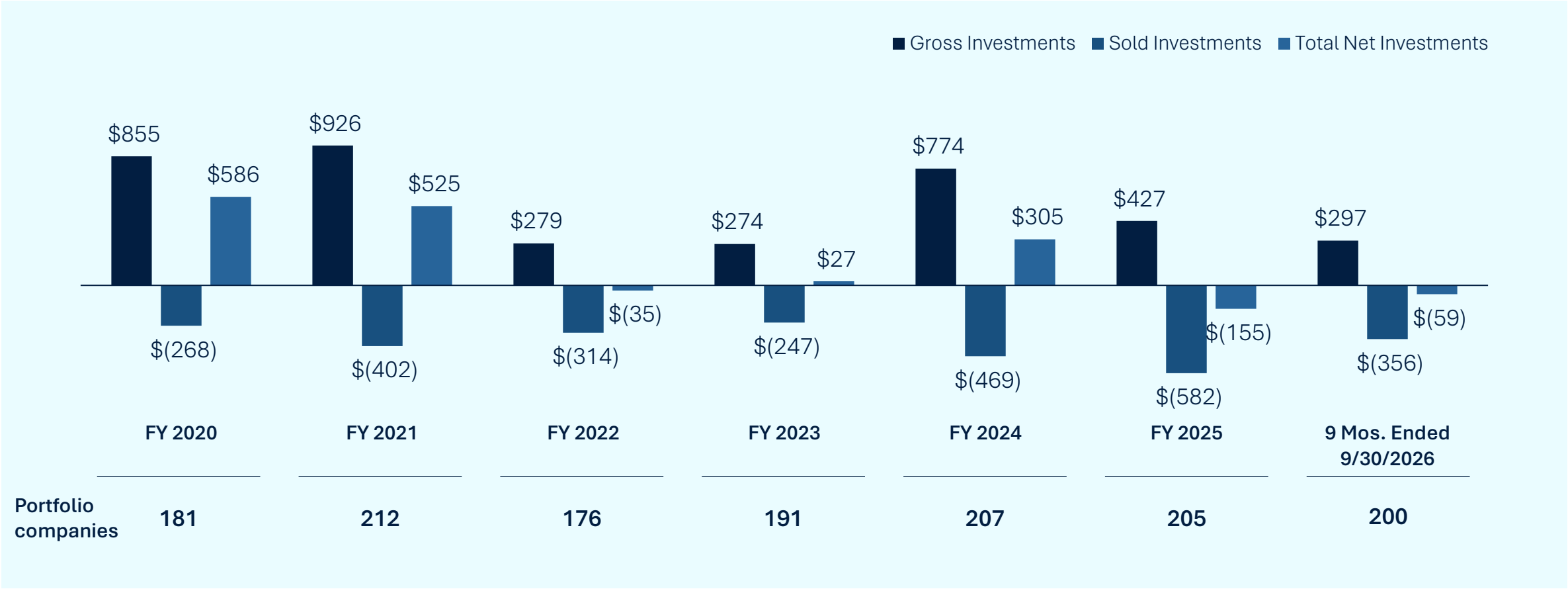
5. Add Now Where Possible/ Outperforming or Compelling Relative Value
4. Performing At or Above Plan/Add on Relative Where Applicable
3. Hold/Fair Value
2. Sell Opportunistically/Don’t Add
1. Sell Now Where Possible/ Potential for Impairment

Net Asset Value Per Share Bridge



1. Realized and unrealized gains and losses per share in this caption are balancing amounts necessary to reconcile the change in net asset value per share for the period, and may not reconcile with the aggregate gains and losses in the Consolidated Statements of Operations due to share transactions during the period.

Investment Fundings Since Inception



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

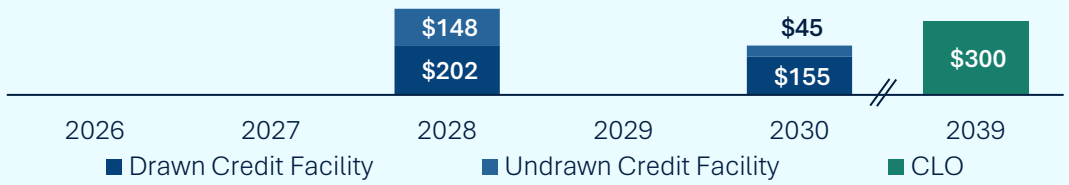
Note: Data as of 9/30/26. Investment activity shown in $ millions, calculated at amortized cost.

Debt Obligations and Maturity Ladder

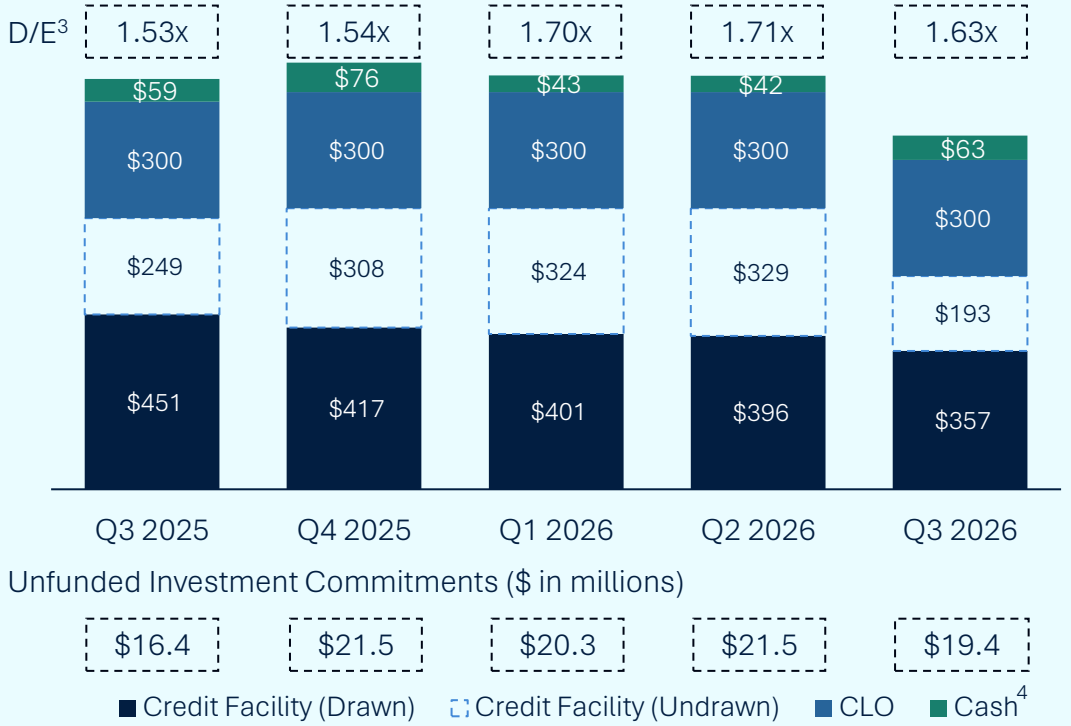
Attractive mark-to-market financing terms with high-quality financing partners and substantial capacity to invest.

Debt Schedule and Maturities

($ in millions)	Committed Amount	Principal Outstanding	Interest Rate	Maturity Date
BofA Credit Facility	$350	$202	S + 140	02/18/28
Wells Fargo Credit Facility	$200	$155	S + 195	11/04/30
Total Credit Facilities	**$550**	**$357**	**S + 164[1]**	
CLO Notes	**$300**	**$300**	**S + 139[2]**	**07/15/39**

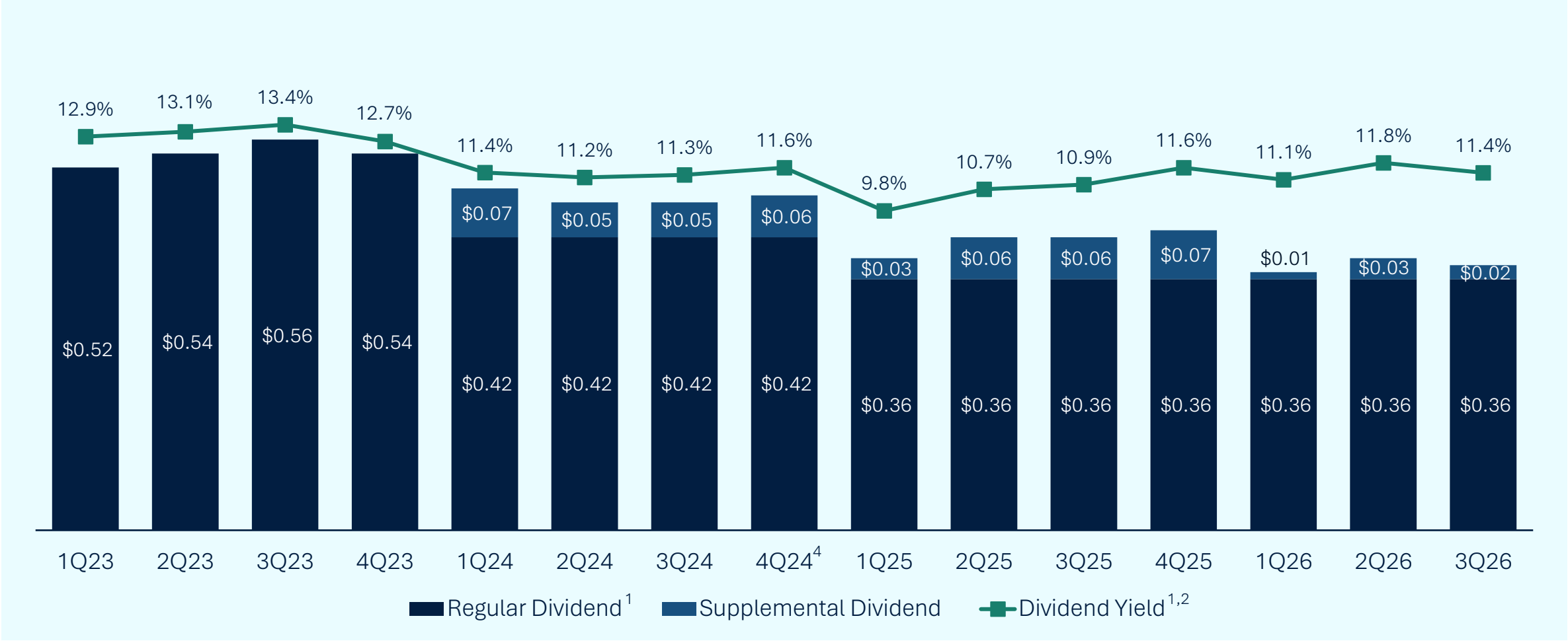


Liquidity and Leverage Profile



Note: As of 9/30/26. 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 9/30/26. 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 $0.03 of spillover income for Q4 2024.

Quarterly Statements of Financial Condition

($ in thousands, except per share data)S	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Assets					
Investments (At Fair Value)	$1,258,988	$1,203,640	$1,154,637	$1,113,377	$1,087,583
Cash And Cash Equivalents	$4,201	$3,217	$1,489	$2,449	$1,881
Receivables And Other	$18,333	$12,519	$9,999	$16,754	$16,721
Total Assets	$1,281,522	$1,219,376	$1,166,125	$1,132,580	$1,106,185
Liabilities					
Credit Facilities, Net	$450,065	$414,439	$400,444	$394,543	$355,895
Notes	$302,285	$302,075	$301,867	$301,949	$300,728
Payables	$37,571	$37,805	$48,590	$28,514	$44,689
Accrued Other G&A Expenses	$1,156	$934	$1,441	$1,420	$1,437
Total Liabilities	$791,077	$755,253	$752,342	$726,426	$702,749
Net Assets					
Total Net Assets	$490,445	$464,123	$413,783	$406,154	$403,436
Total Liabilities And Net Assets	$1,281,522	$1,219,376	$1,166,125	$1,132,580	$1,106,185
Net Asset Value Per Share	$15.39	$14.85	$13.30	$13.21	$13.34
Debt To Equity At Quarter End [1]	1.53x	1.54x	1.70x	1.71x	1.63x

1. Calculated net of deferred financing costs and accrued interest.

Quarterly Operating Results Detail

($ in thousands, except per share data)	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Investment Income					
Interest Income	$30,432	$27,990	$25,099	$25,816	$24,814
Dividend Income	$657	$566	$421	$358	$415
Payment-In-Kind Interest Income	$361	$(24)[1]	$431	$374	$579
Other Income	$235	$1,286	$266	$748	$761
Total Investment Income	$31,685	$29,818	$26,217	$27,296	$26,569
Expense					
Incentive Fees	$1,950	$1,867	$1,576	$1,720	$1,662
Interest Expense	$12,757	$11,754	$10,583	$10,644	$10,340
Management Fees	$2,243	$2,129	$1,933	$1,827	$1,808
Professional Fees	$229	$321	$314	$283	$297
Directors Fees	$38	$38	$37	$37	$38
Other General And Administrative Expenses	$827	$641	$737	$744	$788
Total Expenses	$18,044	$16,750	$15,180	$15,255	$14,933
Net Investment Income	$13,641	$13,068	$11,037	$12,041	$11,636
Total Net Realized Gains/(Losses)	$(1,244)	$(315)	$(10,674)	$(3,329)	$(4,612)
Total Net Change In Unrealized Gains/(Losses)	$(9,044)	$(18,057)	$(37,600)	$(262)	$6,984
Total Realized & Unrealized Gains /(Losses)	$(10,288)	$(18,372)	$(48,274)	$(3,591)	$2,372
Net Increase/(Decrease) In Net Assets	$3,353	$(5,304)	$(37,237)	$8,450	$14,008
Shares Outstanding (MM)	32	32	31	31	31
Net Investment Income Per Share [2]	$0.43	$0.41	$0.35	$0.39	$0.38

1. Payment-in-Kind Income in Q4 2025 is negative due to the re-classing of year-to-date PIK Fees received from the Payment-in-Kind Interest Income financial statement line item to the Other Income financial statement line item. Recurring Payment-in-Kind Interest Income earned on investments in the fourth quarter was $432 thousand. 2. Calculated using weighted average shares outstanding over the period.



Palmer Square BDC
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