

Q1 2026 Earnings



Palmer Square BDC Inc. (NYSE: PSBD)

May 2026

Forward-looking Statements

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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

\$3.6B

Invested Capital
Since Inception

\$1.2B

Fair Value Investment
Portfolio¹

\$452M

Weighted Average LTM
EBITDA²

10.1%

Net Investment
Income Yield³

214

Portfolio
Companies

44

Portfolio
Industries

98%

Floating Rate
Debt Investments⁴

11.7%

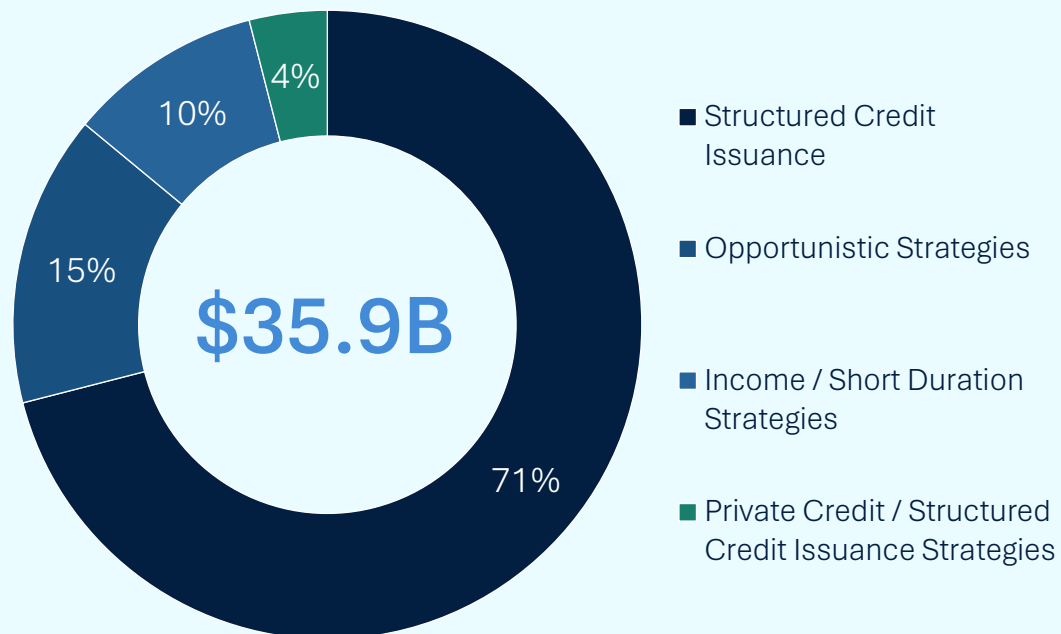
W.A. Yield on
Investments⁵

Note: Data as of 3/31/26. 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. Q1 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 79 employees and \$35.9 billion AUM across strategies, client base and product types

Firm AUM



Profile

Founded	2009
Headquarters	Mission Woods, KS
AUM	\$35.9 billion
Employees	79
Investment Professionals	34
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 2/28/26; Employment data as of 3/31/26.

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

Focus on
Higher
Quality
Assets

2

Minimize
Interest
Rate
Duration

3

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	Investment Criteria <ul style="list-style-type: none">✓ 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
Asset Focus	Senior Secured, Floating Rate	
Borrower Focus	Companies with strong structural protections, limited downside, and low long-term beta	

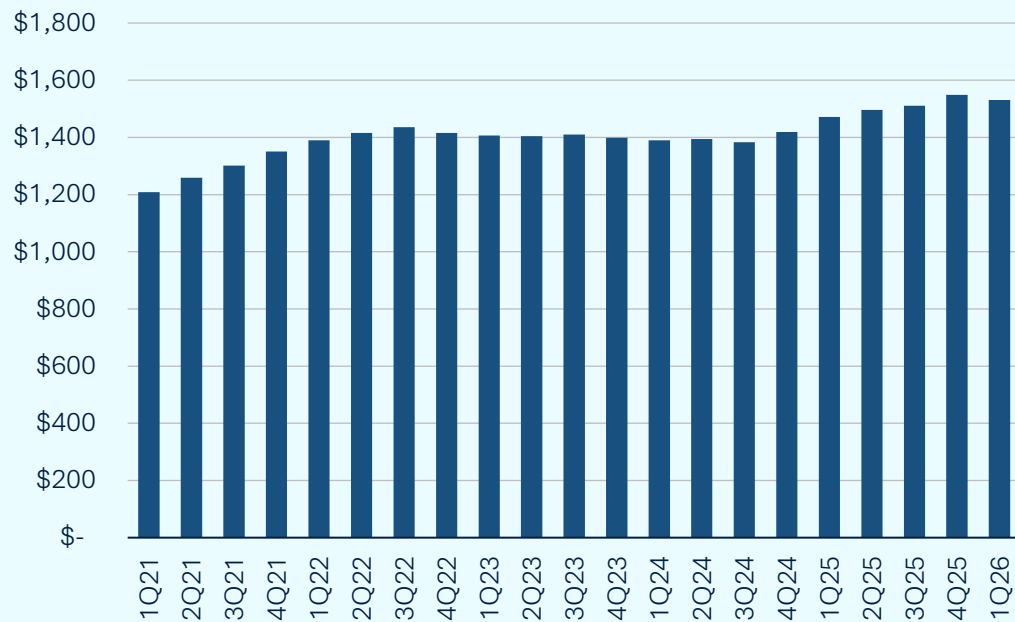


Consistent investment philosophy throughout multiple credit environments underpinned by core competencies: **locating relative value** and granular, **bottom-up** fundamental credit analysis

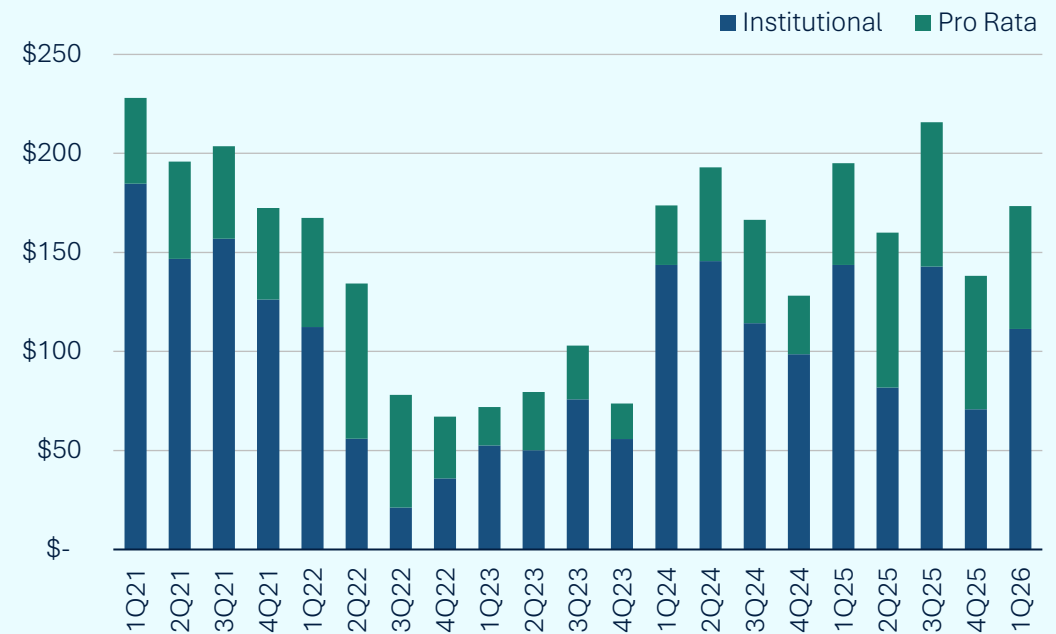
Large Addressable Market Opportunity

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 3/31/26. Source: LCD, LSTA Leveraged Loan Index.

First Quarter 2026 Highlights

Earnings

\$26.2M

Total investment income
\$31.2 million for the prior year period

\$11.0M **\$0.35** per share¹

Net investment income
\$12.9 million or \$0.40 per share for the prior year period

\$13.30 **Per Share**

Net asset value
\$14.85 per share as of December 31, 2025

\$0.37 Per Share

Declared cash distributions to stockholders for the first quarter of 2026

Portfolio Activity

\$1.1B

Total portfolio of long-term investments at fair value
283 investments in 214 portfolio companies

98%

Investments at floating rates

11.73%

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

8.26%

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

\$109.4M

New investments funded across 42 new investments
\$79.9 million aggregate principal amount in sales and repayments

Balance Sheet

\$1.2B

Total assets

\$413.8M

Total net assets

1.70x

Debt-to-equity ratio²
1.54x at the end of Q4 2025

~\$325.3M

Available liquidity, consisting of cash and undrawn capacity on credit facilities
\$20.3 million of unfunded investment commitments

Other Highlights

1.64%

PIK income as a percentage of total investment income, below recent industry averages³

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 May 6, 2026, PSBD's Board of Directors declared a second quarter 2026 regular distribution of \$0.36 per share payable on July 13, 2026, to shareholders of record as of June 26, 2026. PSBD expects to announce an additional quarterly supplemental dividend distribution for the second quarter of 2026 in June.

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)	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Net Investment Income Per Share ¹	\$0.40	\$0.43	\$0.43	\$0.41	\$0.35
Net Investment Income	\$12,913	\$13,842	\$13,641	\$13,068	\$11,037
Dividends Per Share Earned ²	\$0.39	\$0.42	\$0.42	\$0.43	\$0.37
Net Asset Value Per Share	\$15.85	\$15.68	\$15.39	\$14.85	\$13.30
Total Portfolio At Fair Value	\$1,334,314	\$1,279,793	\$1,258,988	\$1,203,640	\$1,154,637
Number Of Portfolio Companies	209	206	209	205	214
Portfolio Yield ³	10.37%	10.10%	10.07%	11.30%	11.73%
Senior Secured Loan ⁴	96%	96%	95%	95%	96%
Investments On Non-Accrual ⁵	0.24%	0.19%	0.40%	0.09%	0.00%
Total Return ⁶	-1.05%	1.85%	1.41%	-0.09%	-7.22%
Net Assets	\$515,807	\$505,213	\$490,445	\$464,123	\$413,783
Debt Outstanding, Net ⁷	\$774,452	\$763,217	\$752,350	\$716,514	\$702,311
Debt To Equity, Period End ⁷	1.50x	1.51x	1.53x	1.54x	1.70x

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. As of March 31, 2026, there was one portfolio company on non-accrual status, which represented less than 0.01% of the total investments at fair value. 6. Calculated as ending NAV per share plus dividends in the period, divided by the prior period NAV. Total return is not annualized. 7. Net of deferred financing costs and accrued interest.

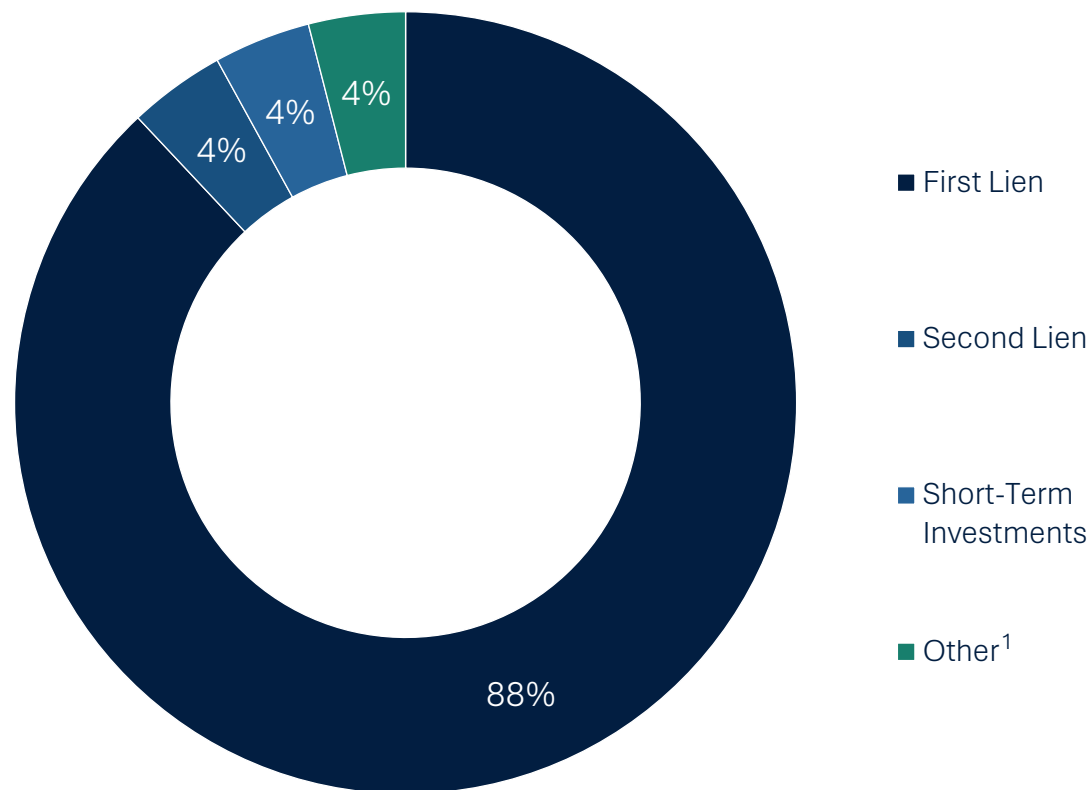
New Portfolio and Investment Activity

(\$ in thousands, except per share data)	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
New Investments ¹					
Gross Investments	\$104,323	\$92,362	\$138,666	\$91,367	\$109,363
Less: Sold Investments	\$(144,369)	\$(133,282)	\$(156,028)	\$(148,308)	\$(79,940)
Total New Investments	\$(40,046)	\$(40,920)	\$(17,362)	\$(56,941)	\$29,423
Asset Mix - New Investments ¹					
First-Lien Senior Secured Debt Investments	93.40%	91.73%	87.54%	92.13%	94.45%
Second-Lien Senior Secured Debt Investments	-	5.40%	4.31%	4.08%	2.29%
Corporate Bonds	-	2.17%	2.16%	1.63%	0.90%
Collateralized Securities And Structured Products	-	-	5.99%	2.16%	1.29%
CLO Equity	-	-	-	-	-
Common Stock	6.60%	0.05%	-	-	1.07%
Preferred Stock	-	0.65%	-	-	-
New Investment Activity ²					
Number Of New Investment Commitments	23	23	28	24	42
Average New Investment Commitment Amount	\$3,855.34	\$3,145.74	\$4,760.37	\$3,414.36	\$2,096.07
W.A. Maturity For New Investment Commitments	5.59 years	5.16 years	6.75 years	5.68 years	5.65 years
New Debt Commitments At Floating Rates	100.00%	100.00%	97.75%	99.15%	100.00%
New Debt Investment Commitments At Fixed Rates	-	-	2.25%	0.85%	-
W.A. Interest Rate Of New Investment Commitments	8.52%	8.93%	8.48%	8.82%	7.38%

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



Note: Data as of 3/31/26. 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.

Borrower Attributes²

\$452M

Weighted Average
LTM EBITDA

5.5x

Weighted Average
1st Lien Leverage

2.4x

Weighted
Average
Interest
Coverage

PSBD Portfolio Attributes

96%

Senior Secured
Investments³

~\$4.4M

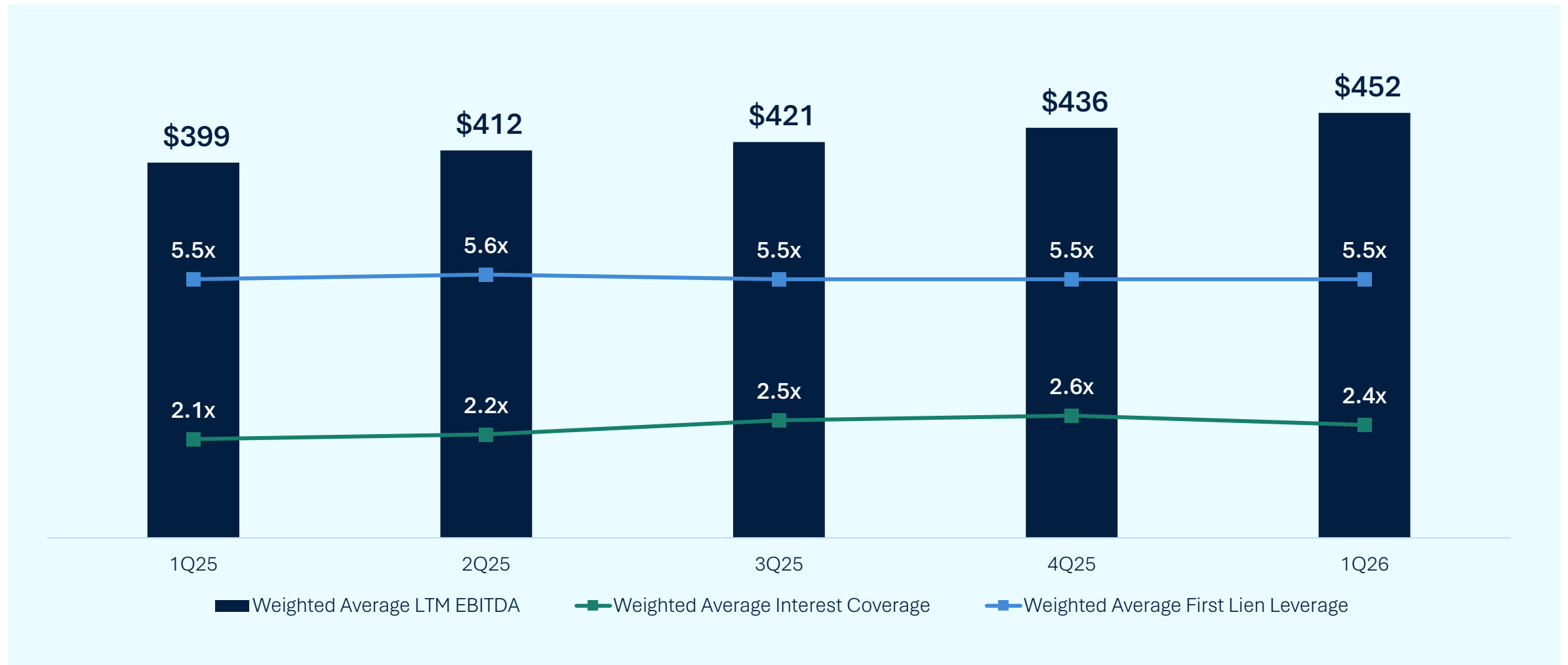
Average Hold⁴

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.

Portfolio Company EBITDA & Credit Statistics

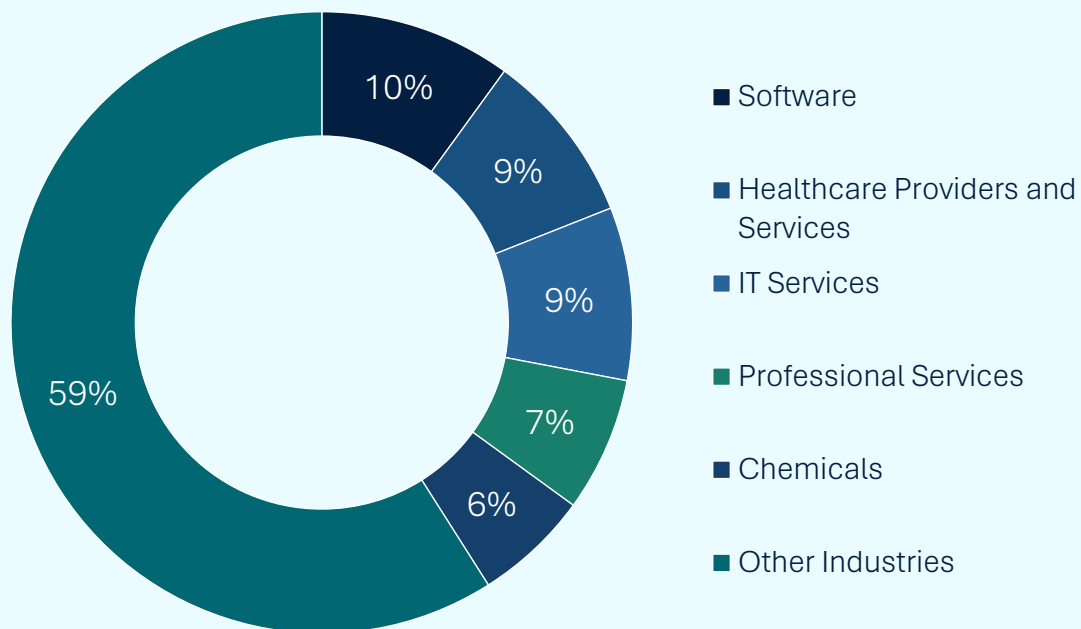


Note: Attributes of First Lien Borrowers.

Strong Value Creation Through Bouts of Uncertainty

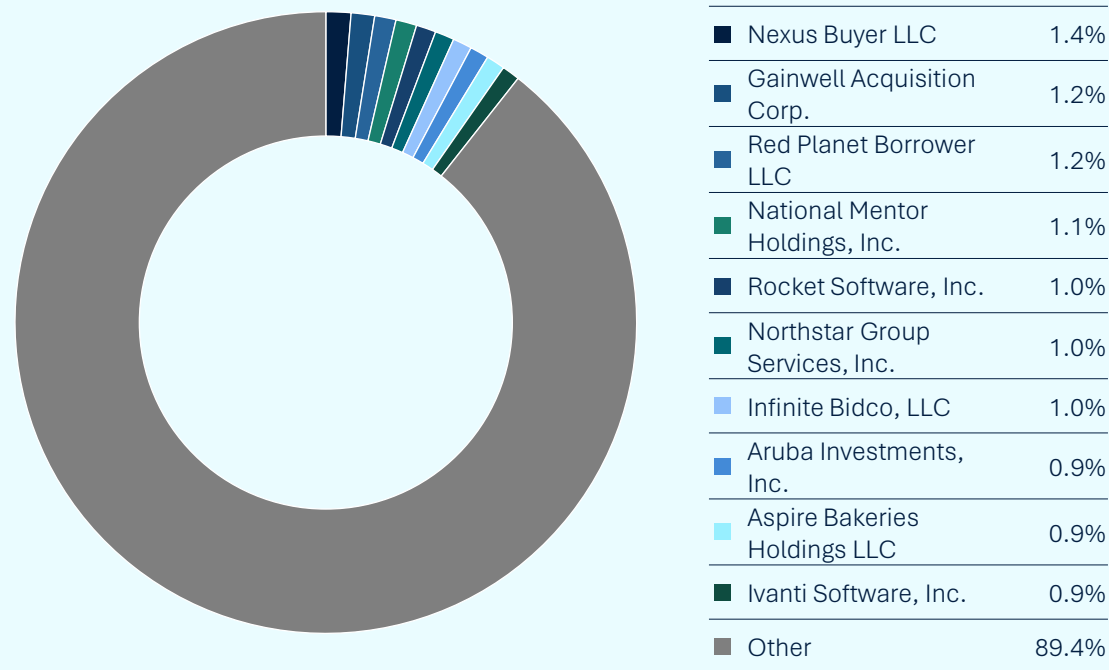
Industry Diversification

Strategically focused on 44 resilient industries



Borrower Concentration

Top 10 positions represent 10.6% of the portfolio

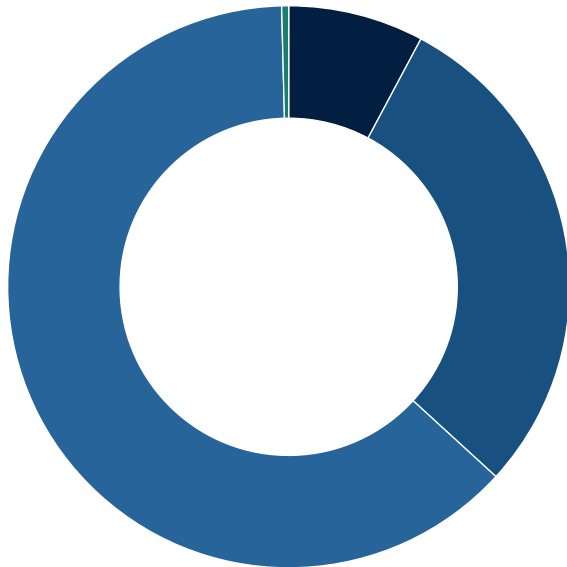


Highly diversified portfolio by industry and borrower, oriented towards first lien senior secured loans

Note: Data as of 3/31/26. 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, 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	7.8%
Rating 3	29.0%
Rating 4	62.8%
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.

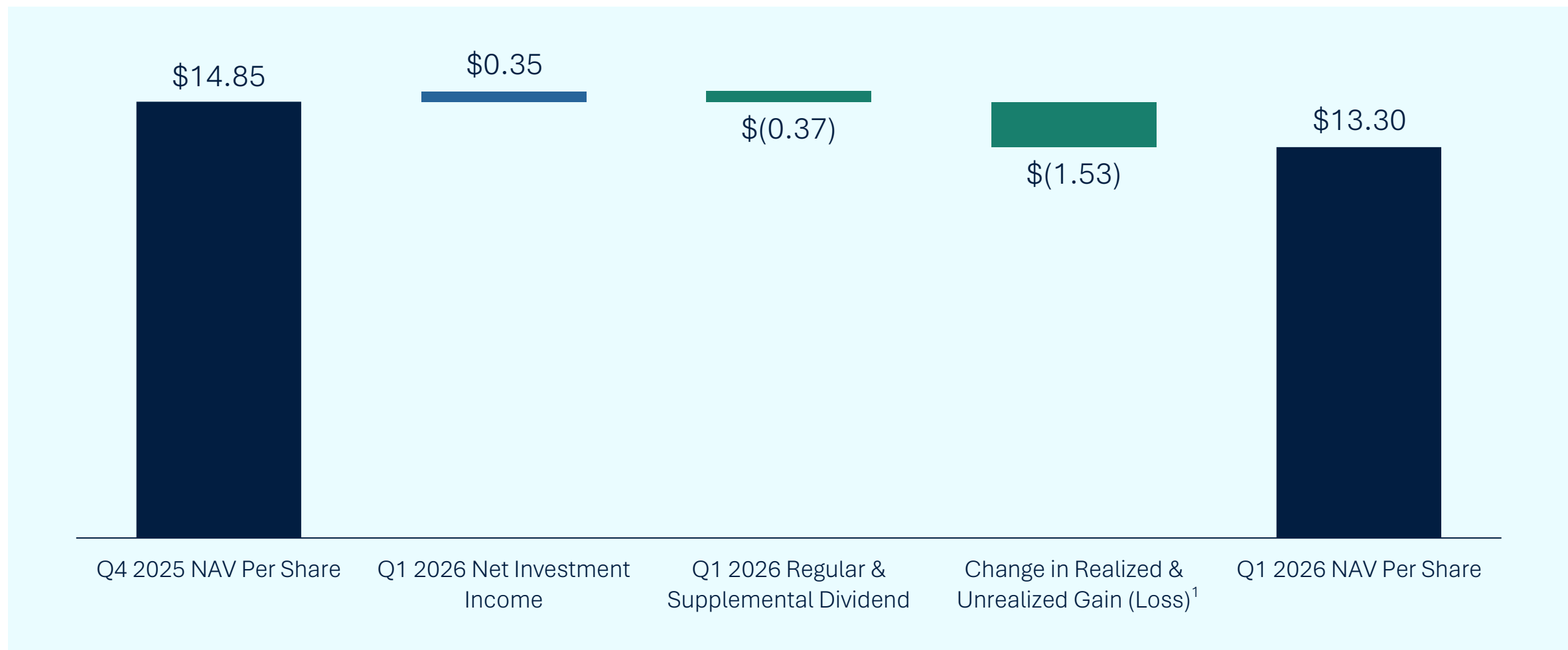
Relative Value Scoring System Criteria

- 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:

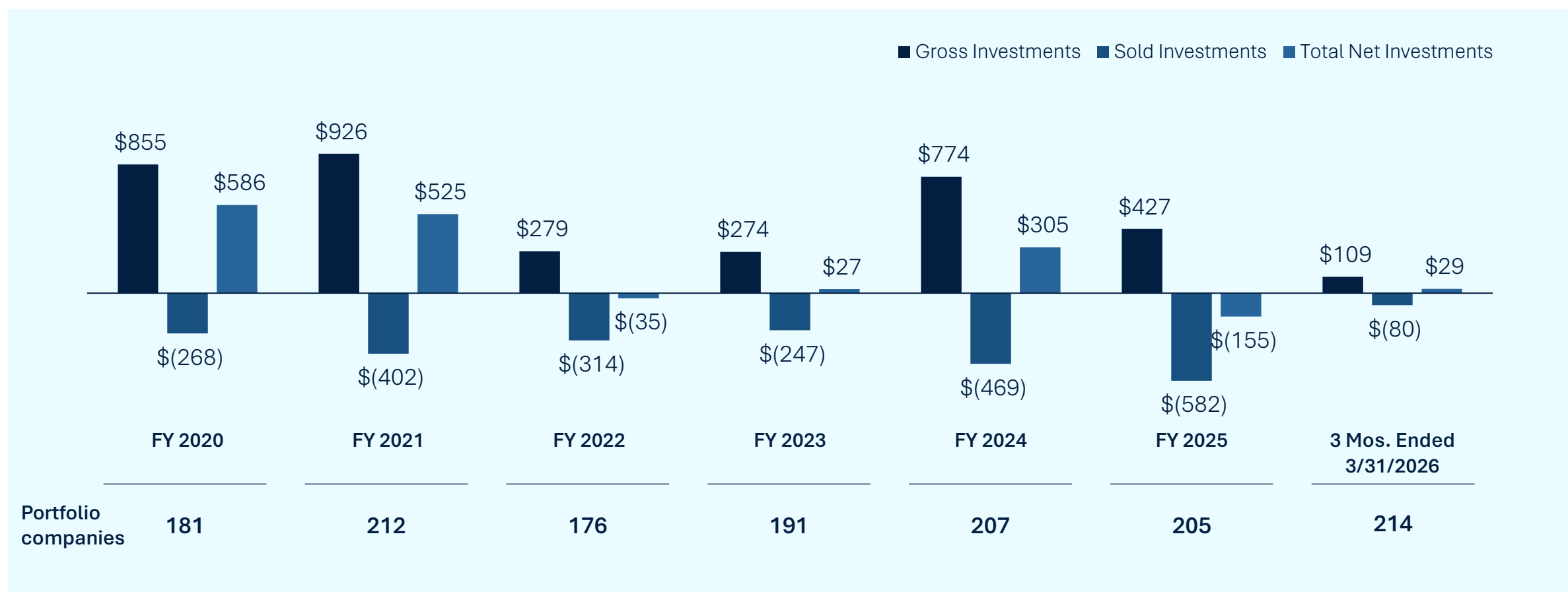
5. Add Now Where Possible/ Outperforming or Compelling Relative Value
4. Performing At or Above Plan/Add on Relative Where Applicable
3. Hold/Fair Value
2. Sell Opportunistically/Don't Add
1. Sell Now Where Possible/ Potential for Impairment

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

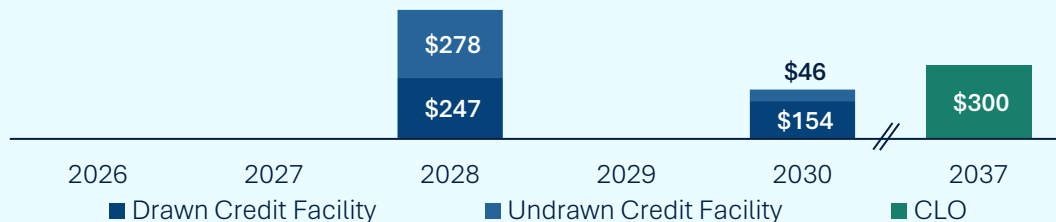
Note: Data as of 3/31/26. Investment activity shown in \$ millions, calculated at amortized cost.

Debt Obligations and Maturity Ladder

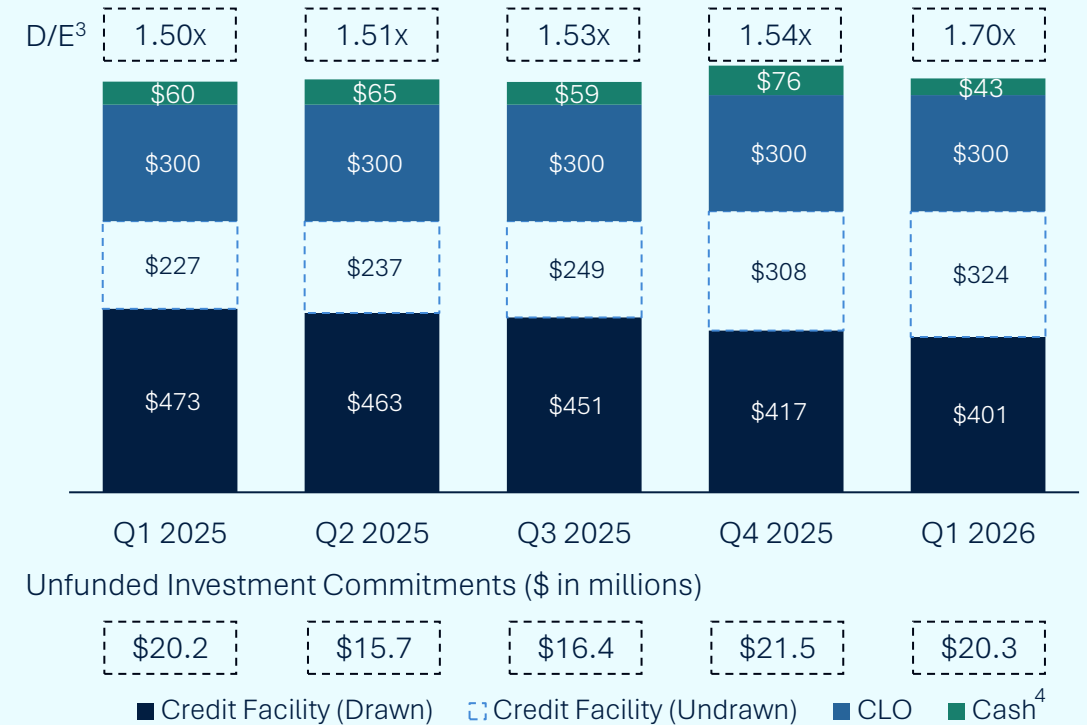
Attractive non-mark-to-market financing terms with high-quality financing partners and substantial capacity to invest.

Debt Schedule and Maturities

(\$ in millions)	Committed Amount	Principal Outstanding	Interest Rate	Maturity Date
BofA Credit Facility	\$525	\$247	S + 140	02/18/28
Wells Fargo Credit Facility	\$200	\$154	S + 195	11/04/30
Total Credit Facilities	\$725	\$401	S + 161¹	
CLO Notes	\$300	\$300	S + 172²	07/15/37

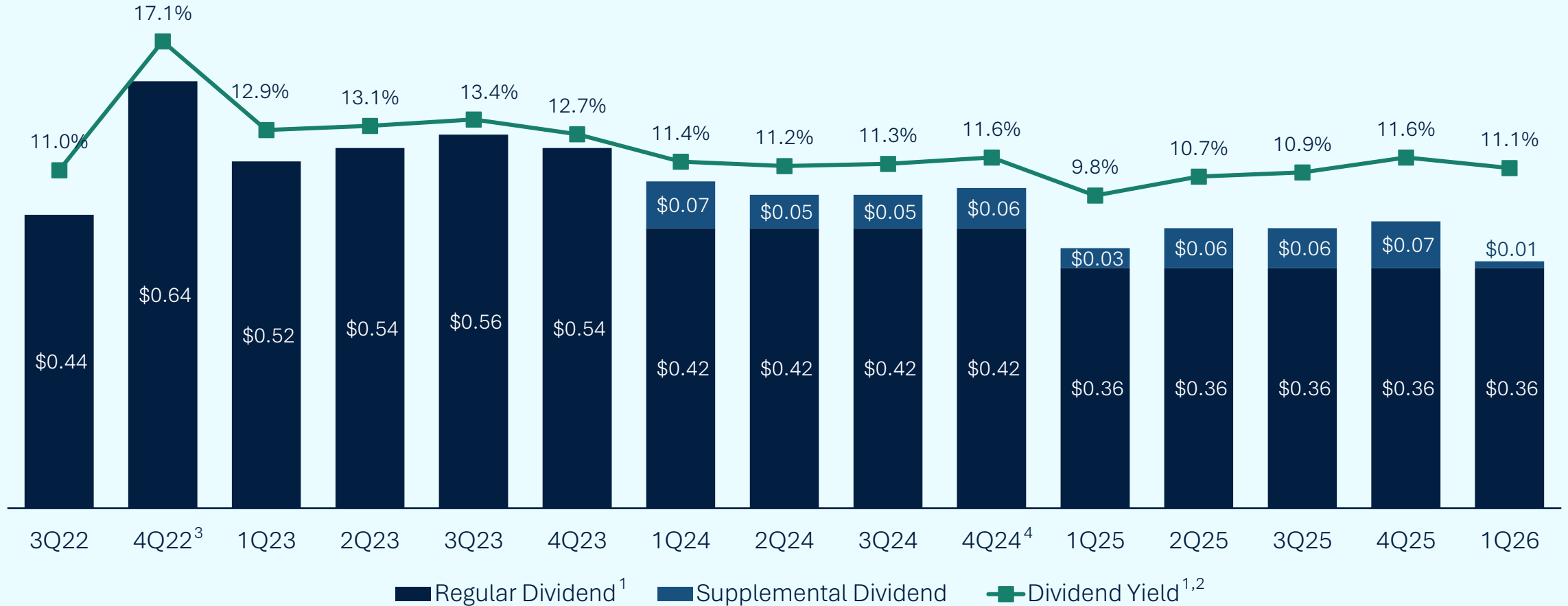


Liquidity and Leverage Profile



Note: As of 3/31/26. 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 3/31/26. 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 \$0.04 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 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Assets					
Investments (At Fair Value)	\$1,334,314	\$1,279,793	\$1,258,988	\$1,203,640	\$1,154,637
Cash And Cash Equivalents	\$2,872	\$16,436	\$4,201	\$3,217	\$1,489
Receivables And Other	\$25,744	\$18,586	\$18,333	\$12,519	\$9,999
Total Assets	\$1,362,930	\$1,314,815	\$1,281,522	\$1,219,376	\$1,166,125
Liabilities					
Credit Facilities, Net	\$472,325	\$461,058	\$450,065	\$414,439	\$400,444
Notes	\$302,127	\$302,159	\$302,285	\$302,075	\$301,867
Payables	\$71,696	\$45,141	\$37,571	\$37,805	\$48,590
Accrued Other G&A Expenses	\$975	\$1,243	\$1,156	\$934	\$1,441
Total Liabilities	\$847,123	\$809,601	\$791,077	\$755,253	\$752,342
Net Assets					
Total Net Assets	\$515,807	\$505,214	\$490,445	\$464,123	\$413,783
Total Liabilities And Net Assets	\$1,362,930	\$1,314,815	\$1,281,522	\$1,219,376	\$1,166,125
Net Asset Value Per Share	\$15.85	\$15.68	\$15.39	\$14.85	\$13.30
Debt To Equity At Quarter End ¹	1.50x	1.51x	1.53x	1.54x	1.70x

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

Quarterly Operating Results Detail

(\$ in thousands, except per share data)	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Investment Income					
Interest Income	\$29,820	\$30,024	\$30,432	\$27,990	\$25,099
Dividend Income	\$574	\$481	\$657	\$566	\$421
Payment-In-Kind Interest Income	\$508	\$802	\$361	\$(24) ¹	\$431
Other Income	\$312	\$370	\$235	\$1,286	\$266
Total Investment Income	\$31,214	\$31,677	\$31,685	\$29,818	\$26,217
Expense					
Incentive Fees	\$1,843	\$1,940	\$1,950	\$1,867	\$1,576
Interest Expense	\$12,970	\$12,576	\$12,757	\$11,754	\$10,583
Management Fees	\$2,333	\$2,233	\$2,243	\$2,129	\$1,933
Professional Fees	\$313	\$251	\$229	\$321	\$314
Directors Fees	\$37	\$38	\$38	\$38	\$37
Other General And Administrative Expenses	\$805	\$797	\$827	\$641	\$737
Total Expenses	\$18,301	\$17,835	\$18,044	\$16,750	\$15,180
Net Investment Income	\$12,913	\$13,842	\$13,641	\$13,068	\$11,037
Total Net Realized Gains/(Losses)	\$(5,894)	\$(5,745)	\$(1,244)	\$(315)	\$(10,674)
Total Net Change In Unrealized Gains/(Losses)	\$(15,408)	\$(927)	\$(9,044)	\$(18,057)	\$(37,600)
Total Realized & Unrealized Gains /(Losses)	\$(21,302)	\$(6,672)	\$(10,288)	\$(18,372)	\$(48,274)
Net Increase/(Decrease) In Net Assets	\$(8,389)	\$7,170	\$3,353	\$(5,304)	\$(37,237)
Shares Outstanding (MM)	33	32	32	32	31
Net Investment Income Per Share ²	\$0.40	\$0.43	\$0.43	\$0.41	\$0.35

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

Investor Relations

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